

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-2(c)

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In re:

**LAFAYETTE YARD COMMUNITY  
DEVELOPMENT CORPORATION,**

Debtor.

Chapter 11

Case No. 13-30752 (MBK)

**PLAN OF LIQUIDATION**

LAFAYETTE YARD COMMUNITY DEVELOPMENT CORPORATION (“**LYCDC**” or the “**Debtor**”) hereby proposes the following Plan of Liquidation pursuant to the provisions of Chapter 11 of the Bankruptcy Code.

**ARTICLE I**  
**DEFINITIONS**

For the purposes of this Plan, and the Disclosure Statement simultaneously filed by the Debtor, the following terms shall have the respective meanings set forth below:

1.1 "*Administrative Claim*" shall mean, except as otherwise set forth in this Plan, all or that portion of a Claim for any cost or expense of administration in connection with the Chapter 11 Case, including, without limitation, any actual, necessary costs and expenses of preserving the Debtor's estate, and all fees and charges assessed against the Debtor's estate pursuant to 28 U.S.C. section 1930. The term Administrative Claim does not include Fee Claims, which are treated separately in this Plan.

1.2 "*Allowed*" shall mean with respect to any Claim or Interest that portion of such Claim or Interest (i) which has been allowed by a Final Order; (ii) which is allowed under the terms of this Plan; or (iii) (a) which has been scheduled by the Debtor as not disputed, not contingent and not unliquidated, or (b) for which a proof of claim was timely filed and otherwise properly filed on or before November 29, 2013 with the Bankruptcy Court and, with respect to Claims described in (iii) as to which no objection to the allowance thereof has been interposed within the period of time fixed by the Bankruptcy Code, the Plan in Article IX hereof, the Bankruptcy Rules or an order of the Bankruptcy Court, or as to which any objection has been determined by a Final Order of the Bankruptcy Court allowing such Claim or any portion thereof. Except as otherwise specifically set forth in this Plan, each Allowed Claim shall be net of any valid setoff exercised with respect to such Claim pursuant to the provision of the Bankruptcy Code and applicable law.

1.3 “*Allowed Administrative Claim*” shall mean all or that portion of any Administrative Claim which has become allowed by a Final Order or was incurred by the Debtor in the ordinary course of business during the Chapter 11 Case and is due and owing under the terms and conditions of any agreement and applicable law.

1.4 “*APA*” shall mean the Amended Asset Purchase Agreement dated December 5, 2013 between the Debtor and Buyer, and any amendments thereto or modifications thereof made in accordance with the provisions of the APA.

1.5 “*Assets*” shall mean all assets and property of the Debtor of any nature whatsoever, including, without limitation, all property of the Estate, Cash, Causes of Action, Avoidance Actions, equipment, inventory, tax refunds, claims of right, interests and property, real and personal, tangible and intangible, and proceeds of any of the foregoing, including without limitation, and proceeds of the sale of any Assets pending disbursement. For the avoidance of doubt, Assets shall not include for purposes of this Plan any cash, cash equivalents, securities, investment property or other property held by the Bond Trustee.

1.6 “*Avoidance Actions*” shall mean any cause of action assertable under sections 510, 542, 543, 544, 545, 547, 548, 549, 550 or 553 of the Bankruptcy Code or non-bankruptcy law.

1.7 “*Ballot*” shall mean each of the voting forms to be distributed with the Plan and the Disclosure Statement to holders of Claims or Interests in Classes that are impaired under the terms of the Plan and are entitled to vote in connection with the solicitation of acceptances of the Plan.

1.8 "*Bankruptcy Code*" shall mean title 11 of the United States Code, 11 U.S.C. §§101, et seq., as in effect on the Petition Date.

1.9 "*Bankruptcy Court*" shall mean the United States Bankruptcy Court for the District of New Jersey, Trenton Division.

1.10 "*Bankruptcy Rules*" shall mean the Federal Rules of Bankruptcy Procedure, as amended from time to time, as applicable to the Chapter 11 Case, including the Local Rules of the Bankruptcy Court.

1.11 "*Bond Documents*" shall mean all documents evidencing or otherwise securing the Hotel Revenue Bonds including, without limitation, that certain Amended and Restated Resolution Authorizing the Issuance of Revenue Bonds of the Lafayette Yard Community Development Corporation, as amended, restated and supplemented from time to time.

1.12 "*Bond Trustee*" shall mean Wells Fargo Bank National Association, not individually but as indenture trustee for the Hotel Revenue Bonds, or any successor then serving as indenture trustee under any Bond Document.

1.13 "*Business Day*" shall mean any day on which commercial banks are open for business in the City of Trenton and County of Mercer, New Jersey, other than, a Saturday, Sunday or legal holiday in the State of New Jersey.

1.14 "*Buyer*" shall mean Edison Holdings NJ, LLC, or any successor thereto.

1.15 "*Cash*" shall mean the legal tender of the United States of America.

1.16 "*Cash Collateral Budget*" shall mean the budgets filed by the Debtor in connection with and pursuant to the terms of the Cash Collateral Order.

1.17 “*Cash Collateral Order*” shall mean collectively that certain “*Final Order Authorizing Use of Cash Collateral*” entered as Docket No. 89 in this proceeding, “*Notice of Amendment to Budget Associated with Cash Collateral Order*” entered as docket no. 202 in this proceeding, “*Notice of Second Amendment to Budget Associations with Cash Collateral Order*” entered as docket no. 206, “*Notice of Third Amendment to Budget Associations with Cash Collateral Order*” entered as docket no. 212, and any other amendments that may be subsequently filed.

1.18 “*Causes of Action*” shall mean any claim, cause of action, controversy, demand, agreement, right (including to legal or equitable remedies), action, lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license, and franchise of any kind or character whatsoever, known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law. Cause of Action also includes: (a) any right of setoff, counterclaim, or recoupment and any claim on contracts or for breaches of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any claim pursuant to section 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any state law fraudulent transfer claim.

1.19 "*Chapter 11 Case*" shall mean the above-captioned case commenced by the filing of a voluntary petition by the Debtor seeking relief under chapter 11 of the Bankruptcy Code with the Bankruptcy Court on the Petition Date.

1.20 "*City of Trenton*" shall mean the city of Trenton, New Jersey.

1.21 "*City of Trenton Claims*" shall mean the reimbursement claims held by the City of Trenton against the Debtor under the Subsidy Agreement, and subrogation rights of the City of Trenton under the Bond Documents based on the City of Trenton's performance thereunder.

1.22 "*Claim*" shall mean a claim as defined in section 101(5) of the Bankruptcy Code, including, without limitation, claims arising under section 502 of the Bankruptcy Code.

1.23 "*Class*" shall mean a class of holders of Claims or Interests described in Article III of this Plan.

1.24 "*Confirmation Date*" shall mean the date upon which the Confirmation Order is entered by the Bankruptcy Court.

1.25 "*Confirmation Order*" shall mean the order of the Bankruptcy Court pursuant to section 1129 of the Bankruptcy Code confirming the Plan.

1.26 "*Creditors' Committee*" shall mean the Official Committee of Unsecured Creditors appointed by the Office of the United States Trustee pursuant to sections 1102 and 1103 of the Bankruptcy Code and represented by the law firm of Lowenstein Sandler LLP.

1.27 "*Debtor*" shall mean Lafayette Yard Community Development Corporation.

1.28 "*DIP Lender*" shall mean Racebrook Capital Advisors LLP.

1.29 “*DIP Loan*” shall mean the senior secured priming and superpriority debtor-in-possession credit facility with a commitment amount equal to \$2,000,000 obtained from the Debtor from the DIP Lender.

1.30 “*Disbursing Agent*” shall mean the party that shall open and maintain a separate attorney trust bank account in which all cash received for purposes of distribution shall be deposited in accordance with section 345 of the Bankruptcy Code and as otherwise may be required by the Local Rules of the Bankruptcy Court, by the Office of the United States Trustee, or this Plan, and shall distribute payment under the Plan, which Disbursing Agent shall be Wong Fleming.

1.31 “*Disclosure Statement*” shall mean the Disclosure Statement filed simultaneously with the Plan by the Debtor in the Chapter 11 Case.

1.32 “*Disputed Claim*” shall mean any Claim (i) which is scheduled by the Debtor as disputed, contingent or unliquidated, or (ii) proof of which has been filed with the Bankruptcy Court and an objection to the allowance has been or is interposed within the period of time set forth in Article IX hereof or by the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure or an order of the Bankruptcy Court extending such time for the filing of such objections, and as to which, such objection has not been determined by a Final Order of the Bankruptcy Court or withdrawn. Such Claim, or a portion thereof, shall not be deemed an Allowed Claim until and unless and to the extent it is resolved as an Allowed Claim by a Bankruptcy Court order.

1.33 "*Effective Date*" shall mean the first Business Day that is one (1) Business Day after last to occur of the Redemption Date and the date upon which the Confirmation Order becomes a Final Order.

1.34 "*Estate*" shall mean the estate of the Debtor created by the Chapter 11 Case pursuant to Bankruptcy Code section 541.

1.35 "*Exculpated Claim*" any claim related to any act or omission in connection with, relating to or arising out of the Debtor's in or out of court restructuring efforts, the Chapter 11 Case, formulation, preparation, dissemination, negotiation or filing of the Disclosure Statement or this Plan or any contract, instrument, release or other agreement or document created or entered into in connection with the Disclosure Statement or this Plan, the filing of the Chapter 11 Case, the pursuit of confirmation of this Plan, the administration and implementation of this Plan, the satisfaction or redemption of the Hotel Revenue Bonds or the distribution of property under the Plan or any other related agreement; ***provided, however***, that Exculpated Claims shall not include any act or omission that is determined in a Final Order to have constituted gross negligence, willful misconduct or fraud to the extent imposed by applicable non-bankruptcy law. For the avoidance of doubt, no cause of action, obligation or liability expressly set forth in or preserved by this Plan constitutes an Exculpated Claim.

1.36 "*Exculpated Party*" means each of: (i) the members of any Committee appointed in these cases, (ii) each holder and insurer of the Hotel Revenue Bonds, and (iii) the Bond Trustee, and their respective current and former officers, directors, members, managers, employees, attorneys and advisors, each in their respective capacities as such. Exculpated Party



also means, with respect to post Petition Date conduct only, the Debtor and its current and former officers, directors, members, managers, employees, attorneys and advisors, each in their respective capacities as such.

1.37 “*Fee Claim*” shall mean a Claim by any Professional for compensation for legal and other services and reimbursement of expenses allowed or awarded under Bankruptcy Code sections 327, 328, 330(a), 331, 503(b) and/or 1103.

1.38 “*Final Order*” shall mean an order or judgment of the Bankruptcy Court entered by the clerk of the Bankruptcy Court on the docket of the Chapter 11 Case which has not been reversed, vacated or stayed and as to which (a) the time to appeal or seek review or rehearing has expired, and a notice of appeal or request for review or rehearing is not pending, or (b) any appeal that has been taken has been finally determined or dismissed on grounds that affirm the order or judgment, it being further provided that if such appeal or request for a rehearing is pending, that if such order is not stayed pending appeal or rehearing pursuant to Fed.R.Civ.P. 62 as incorporated by Bankruptcy Rule 7062, the order shall be deemed to be a Final Order. The possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure or Bankruptcy Rule 9024 may be filed related to such order or judgment shall not cause such order or judgment to not be a Final Order.

1.39 “*Hotel*” shall mean the Trenton New Jersey-based hotel and conference center currently known as “Lafayette Yard Hotel” located at 1 West Lafayette Street, Trenton, New Jersey.

1.40 “*Hotel Assets*” shall mean those Assets of the Debtor that Buyer acquired pursuant to the APA, including substantially all assets of the Debtor used in or connection with or related to the Hotel, all as more specifically described in the APA.

1.41 “*Hotel Revenue Bond Claims*” shall mean the claims held by the Bond Trustee for the benefit of the holders of the Hotel Revenue Bonds evidenced by the Hotel Revenue Bonds Bond Documents, all other claims of the Bond Trustee pursuant to the Bond Documents, and all claims held by the Bond Trustee under the Cash Collateral for diminution in collateral existing for the Hotel Revenue Bonds as of the Petition Date.

1.42 “*Hotel Revenue Bonds*” shall mean those certain Hotel/Conference Center Project Revenue Refunding Bonds, Series 2012 (City of Trenton, New Jersey Guaranteed), Series 2012 issued by the Debtor prior to the Petition Date.

1.43 “*Impaired*” shall mean a Claim or class of Claims that is impaired within the meaning of section 1124 of the Bankruptcy Code.

1.44 “*Interest*” shall mean the interest of any holder of an equity security of or membership interest in the Debtor, within the meaning of Bankruptcy Code sections 101(16), (17), represented by any issued and outstanding shares of common or preferred stock or other instrument evidencing a present ownership or membership interest in the Debtor, whether or not transferable, or any option, warrant, or right, contractual or otherwise, to acquire any such interest, including a partnership, limited liability company or similar interest.

1.45 “*Petition Date*” shall mean September 23, 2013.

1.46 “*Person*” shall mean means an individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, estate, unincorporated organization, governmental unit, government (or agency or political subdivision thereof), or other entity, including, without limitation, the Debtor.

1.47 “*Plan*” shall mean this Plan of Liquidation and any amendments hereto or modifications hereof made in accordance with the provisions of the Bankruptcy Code.

1.48 “*Priority Claim*” shall mean a Claim other than an Administrative Claim that is entitled to priority under section 507 of the Bankruptcy Code.

1.49 “*Priority Tax Claim*” shall mean any Claim of a governmental unit of the kind entitled to priority in payment as specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

1.50 “*Pro Rata*” shall mean (i) regarding Claims, the ratio of the amount of an Allowed Claim in a particular Class to the aggregate amount of Allowed Claims in such Class; and (ii) regarding Interests, the ratio of the amount of the Interest to the aggregate amount of Interests.

1.51 “*Professionals*” shall mean professional persons retained under section 327 or 1103 of the Bankruptcy Code pursuant to a Final Order of the Bankruptcy Court and shall specifically include Wong Fleming, DelBello Donnellan Weingarten Wise & Wiederkehr, LLP, FTI Consulting, Inc., Lowenstein Sandler, LLP and CBIZ.

1.52 “*Redemption Date*” shall mean the date upon which the Hotel Revenue Bonds are fully and indefeasibly redeemed in accordance with the Bond Documents.

1.53 “*Sale*” shall mean the sale of the Hotel Assets to the Buyer pursuant to and subject to the terms of the APA and the Sale Order.

1.54 “*Sale Order*” means the order entered by the Bankruptcy Court approving the sale of the Hotel Assets entered on the Bankruptcy Court docket for the Chapter 11 case on December 6, 2013 [Docket No. 187].

1.55 “*Sale Proceeds*” shall mean the purchase price paid by the Buyer for the Sale of the Hotel, after payment of or reserve for actual and necessary closing adjustments and costs and expenses of the Chapter 11 Case in accordance with the Cash Collateral Order.

1.56 “*Sale Proceeds Distribution*” shall mean the payment to the Bond Trustee of \$3,737,328 on or about January 10, 2013, representing certain proceeds from the Sale of the Hotel Assets.

1.57 “*Secured Claim*” shall mean a Claim held by creditors secured by mortgages or liens on real and/or personal property owned by the Debtor or upon the leasehold interests and assets of the Debtor in accordance with section 506(a) of the Bankruptcy Code.

1.58 “*Schedules*” shall mean the schedules of assets and liabilities and the statement of financial affairs filed by the Debtor as required by section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, and all amendments thereto.

1.59 “*Subsidy Agreement*” shall mean that certain City Subsidy Agreement between the Debtor and the City of Trenton dated as of April 1, 2000, as amended by that certain Reaffirmation and Amendment of City Subsidy Agreement dated as of March 30, 2012.

1.60 “*Unimpaired*” shall mean, with respect to any Class, that such Class is not Impaired.

1.61 “*Unsecured Claim*” shall mean any Claim which is not an Administrative Claim, Bond Claim, City of Trenton Claim, Priority Claim, or Interest that arose prior to the Petition Date and includes, without limitation, Claims based upon pre-petition trade accounts payable or Claims based upon the rejection of an executory contract during the pendency of the Chapter 11 Case.

1.62 “*Veolia*” shall mean Trigen-Trenton Energy Company, L.P., n/k/a Veolia Energy Trenton, L.P.

1.63 “*Veolia ESA*” shall mean the energy service agreement dated November 15, 2001 as amended on March 2, 2012 between Veolia and the Debtor to provide hot water and chilled water to 1 West Lafayette Street, Trenton, New Jersey.

1.64 “*Wind Down Budget*” shall mean the budget to be filed not more than seven Business Days prior to the hearing scheduled for confirmation of this Plan, agreed to by the City of Trenton and the Bond Trustee, for estimated expenses of administering this Plan from and after the Effective Date. From and after the Effective Date, the Debtor may, with the prior written consent of the City of Trenton but without any other approvals, amend the Wind Down Budget.

Unless otherwise specified, all section or exhibit references in this Plan are to the respective section in, or exhibit to, the Plan, as the same may be amended, waived, or modified from time to time. The words “herein,” “hereof,” “hereto,” “hereunder,” and other words of similar import

refer to the Plan as a whole and not to any particular section, subsection, or clause contained therein. A term used herein that is not defined herein shall have the meaning assigned to that term in the Bankruptcy Code. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the Plan. The headings in this Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof. Unless otherwise provided, any reference in this Plan to an existing document, exhibit or schedule means such document, exhibit or schedule as it may have been amended, restated, revised, supplemented or otherwise modified. If a time or date is specified for any payments or other distribution under the Plan, it shall mean on or as soon as reasonably practicable thereafter. Further, where appropriate from a contextual reading of a term, each term includes the singular and plural form of the term regardless of how the term is stated and each stated pronoun is gender neutral.

**ARTICLE II**  
**DESIGNATION AND TREATMENT OF UNCLASSIFIED CLAIMS**

2.1 Administrative Claims. Allowed Administrative Claims shall be paid according to the terms and conditions of the respective contracts and/or stipulations in judicial proceedings with respect to those Claims, or if there are no such contracts and/or stipulations, on the Effective Date or as soon as thereafter as practical, or on such other date as the holder of the Claim and the Debtor may agree. Allowed Administrative Claims under Bankruptcy Code section 503(b)(9) claimants shall be paid in full, in Cash, upon the allowance by the Bankruptcy Court and on or after the Effective Date.

2.2 Fee Claims. Fee Claims shall be paid in Cash, upon the allowance by and in the amounts specified in a Final Order of the Bankruptcy Court pursuant to sections 330 and/or 331 of the Bankruptcy Code.

2.3 Priority Tax Claims. Except to the extent that the Debtor and the holder of an Allowed Priority Tax Claim against the Debtor agree in writing to a different treatment, the Debtor shall pay all Allowed Priority Tax Claims in full, in Cash, on or before the Effective Date.

**ARTICLE III**  
**DESIGNATION OF CLAIMS AND INTERESTS**

3.1 Classification of Claims. All Claims against the Debtor, of whatever nature, whether or not scheduled or liquidated, absolute or contingent, and all Interests arising from the ownership of the Debtor whether resulting in an Allowed Claim or an Allowed Interest or not, shall be bound by the provisions of the Plan, except those described in Article II of this Plan, are classified in Section 3.2 hereof.

A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of the Class and is classified in a different Class or Classes to the extent any remainder of the Claim or Interest qualifies within the description of that different Class or Classes. Unless otherwise provided, to the extent a Claim or Interest qualifies for inclusion in a more specifically defined Class and a more generally defined Class, it shall be included in the more specifically defined Class.

3.2 Classes. For purposes of the Plan, those persons holding Claims against, or Interests in, the Debtor are grouped in accordance with section 1122 of the Bankruptcy Code.

**Class 1: Hotel Revenue Bond Claims:** Class 1 consists of the Hotel Revenue Bond Claims.

**Class 2: City of Trenton Claims:** Class 2 consists of the City of Trenton Claims.

**Class 3: Priority Claims:** Class 3 consists of all Allowed Priority Claims, excluding Allowed Priority Tax Claims, entitled to priority pursuant to any subsections of Bankruptcy Code section 507(a)(3) through (a)(7).

**Class 4: Unsecured Claims:** Class 4 consists of the holders of all Allowed, non-priority Unsecured Claims against the Debtor, including the unsecured deficiency claims of the Bond Trustee, the City of Trenton, New Jersey Economic Development Association, and Capital City Redevelopment Corporation. Pursuant to Section 506(a) of the Bankruptcy Code the Secured Claims of the New Jersey Economic Development Association and Capital City Redevelopment Corporation are deemed Class 4 creditors as their lien claims are subordinate to the lien claims of the Bond Trustee and the City of Trenton, which will not be paid in full under the Plan.

**Class 5: Interests:** Class 5 consists of all Interests.

#### **ARTICLE IV** **TREATMENT OF CLASSES UNDER THE PLAN**

4.1 Treatment of Claims and Interests. The treatment of and consideration to be received by holders of Allowed Claims and Interests pursuant to Article IV of the Plan shall be in full satisfaction, release and discharge of their respective Claims or Interests against the Debtor



and the holders of an Interest in the Debtor, whether or not a holder of a Claim receives a distribution under the Plan.

4.2 Class 1: The Bond Claims were Allowed under the terms of the Cash Collateral Order and are otherwise Allowed under this Plan. On or about January 10, 2014, the Bond Trustee received the Sale Proceeds Distribution in accordance with the Sale Order and Cash Collateral Budget in partial satisfaction of the Bond Claim. As a condition to the occurrence of the Effective Date, the Hotel Revenue Bonds will be redeemed in accordance with the terms of the Bond Documents based on the Sale Proceeds Distribution, monies provided by the City of Trenton under the Subsidy Agreement and other available monies under the Bond Documents. Notwithstanding any other provision of this Plan, all rights, liens and Claims of the Bond Trustee not satisfied from the Sales Proceeds Distribution shall be and are preserved from and after the Effective Date for the benefit of the City of Trenton, as subrogee. Class 1 is Unimpaired under the Plan.

4.3 Class 2: On the Effective Date, the City of Trenton will subrogate to all rights, claims and liens of the Bond Trustee under the Bond Documents. From and after the Effective Date, the City of Trenton shall be deemed to be the holder of all liens, rights and Claims of the Bond Trustee against the Debtor under the terms of the Bond Documents and the Cash Collateral Order, and the City of Trenton shall be entitled to receive all proceeds then held from any sale or other disposition of Assets, all Cash not otherwise necessary to fund the Wind Down Budget and all funds remaining after all costs and expenses set forth in the Wind Down Budget have been provided for or satisfied. From and after the Effective Date, the City of Trenton shall be entitled

to direct the disposition of all other Assets, including Avoidance Actions, that have not then been monetized. Class 2 is Impaired under the Plan.

4.4 Class 3: All Allowed Class 3 Claims shall be paid in full in the ordinary course of the Debtor's operations and from the Sale Proceeds as set forth in the Cash Collateral Budget, or to the extent assumed by the Buyer under the APA, paid by the Buyer. Class 3 Claims are not impaired under this Plan.

4.5 Class 4: Holders of Class 4 Unsecured Claims shall receive no distribution under this Plan on account of Class 4 Unsecured Claims. Class 4 Claims are impaired under the Plan. As they will receive nothing under the Plan on account of their Claims, holders of Class 4 Claims are deemed to reject the Plan.

4.6 Class 5: The Debtor is a not-for-profit corporation and the Debtor does not believe that there are any Interests in the Debtor. To the extent there are any Interests in the Debtor, they shall receive no distribution under this Plan on account of Class 5 Interests. As they will receive nothing under the Plan on account of their Interests, holders of Class 5 Interests are deemed to reject the Plan.

4.7 Savings Clause. The Debtor does not anticipate that there will be any distribution to holders of Class 4 Claims but shall make application to re-open the Chapter 11 Case after the Effective Date to the extent it is determined that distributions to the City of Trenton on account of its Allowed Class 2 Claim have satisfied the City's claims in full.

**ARTICLE V**  
**ACCEPTANCE OF REJECTION OF THE PLAN**

5.1 Impaired Classes Vote. In accordance with section 1126(c) of the Bankruptcy Code and except as provided in section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims shall have accepted this Plan if this Plan is accepted by the holders of at least two-thirds ( $\frac{2}{3}$ ) in dollar amount and more than one-half ( $\frac{1}{2}$ ) in number of the Allowed Claims of such Class that have timely and properly voted to accept or reject this Plan.

5.2 Presumed Acceptance of the Plan. Classes 1 and 3 are Unimpaired under this Plan and are, therefore, conclusively presumed to have accepted this Plan pursuant to section 1126(f) of the Bankruptcy Code.

5.3 Presumed Rejection of the Plan. Classes 4 and 5 are not entitled to receive or retain any property under this Plan and are, therefore, conclusively presumed to have rejected this Plan pursuant to section 1126(g) of the Bankruptcy Code.

5.4 Voting Class. Class 2 is Impaired, and the holders of Claims in those Classes are entitled to vote on the Plan.

5.5 Nonconsensual Confirmation. The Debtor requests entry of a Confirmation Order under Bankruptcy Code section 1129(a). With respect to any Impaired Class, including any Class of Claims or Interests created pursuant to amendments or modifications to this Plan, that does not accept the Plan, the Debtor requests that the Bankruptcy Court confirm this Plan by “cram down” with respect to any such non-accepting Class or Classes, and the filing of this Plan shall constitute a motion for such relief.

**ARTICLE VI**  
**MEANS FOR EXECUTION**

6.1 Distribution of Cash. Except as otherwise provided in the Plan, including without limitation Article IX of this Plan, the Cash required to be distributed to holders of Allowed Claims under the Plan shall be distributed by the Disbursing Agent on the later of the following dates: (i) on the Effective Date to the extent the Claim has been Allowed or (ii) to the extent that a Claim becomes an Allowed Claim after the Effective Date, within ten (10) days after the order allowing such Claim becomes a Final Order.

6.2 Means For Implementation. The Plan shall be funded from Cash held as of the Effective Date and all other remaining Assets of the Debtor. All matters provided under this Plan, including all corporate action to be taken or required to be taken by the Debtor, the execution of all necessary documents, and all action necessary in connection with the redemption of the Hotel Revenue Bonds, shall be deemed to have occurred and be effective as provided herein, and shall be authorized and approved in all respects without any requirement or further action by directors of the Debtor.

6.3 Continuing Existence. From and after the Effective Date, the Debtor shall continue in existence for the purposes of (i) winding up its affairs as expeditiously as reasonably possible, (ii) liquidating, by conversion to Cash, or other methods, all remaining Assets, as expeditiously as reasonably possible, (iii) enforcing and prosecuting claims, interests, rights and privileges of the Debtor, including, without limitation, the prosecution of Causes of Action, (iv) resolving disputed Claims, (v) administering this Plan, and (vi) filing appropriate tax returns.

Following the Effective Date, the Debtor shall not engage in any business activities or take any actions, except those necessary to consummate this Plan and wind up the affairs of the Debtor.

6.4 Vesting of Assets. As of the Effective Date, and except as otherwise provided in this Plan, all Assets shall vest in the Debtor subject to the liens associated with the Bond Claims, for the benefit of the City of Trenton. Except as otherwise set forth in this Plan, all Causes of Action shall survive confirmation and the commencement and/or prosecution of Causes of action shall not be barred or limited by any estoppel, whether judicial, equitable or otherwise.

6.5 Bar Date for Administrative Claims and Fee Claims. Each Person that desires to assert any Fee Claim must file with the Bankruptcy Court an application for allowance thereof within thirty (30) days after the Effective Date. Each Person that desires to assert an Administrative Claim other than an Administrative Claim held by a trade vendor incurred by the Debtor in the ordinary course of business during the Chapter 11 Case must file with the Bankruptcy Court an application for allowance thereof no later than thirty (30) days after the Effective Date. All such Claims not timely filed shall be forever barred. The Debtor or any other party in interest may object to the allowance of any such Claim filed before, on, or after the Effective Date.

6.6 Payment of Estate Professionals for Post-Confirmation Date Services. The reasonable compensation and out-of-pocket expenses incurred post-Effective Date by the Disbursing Agent and professionals retained in the Chapter 11 Case for post-Effective Date services (other than services related to Avoidance Actions, compensation for which is exclusively governed under Article XI of this Plan), shall be subject to the Wind Down Budget

and paid by the Disbursing Agent within ten (10) days after presentation of invoices for such professional services to the Disbursing Agent and City of Trenton; provided, however, that in the event the City of Trenton gives notice that it objects to such payment or any part thereof, and if the Debtor, the City of Trenton and any Professionals cannot agree on the amount of post-Effective Date fees and costs to be paid to such Professionals, such amount shall be determined by the Bankruptcy Court.

**ARTICLE VII**  
**EXECUTORY CONTRACTS**

7.1 Rejection. As of the Effective Date, and except as otherwise set forth in this Plan, any written lease or contract that is executory, in whole or in part, to which any of the Debtor is a party and which has not been assumed on or prior to the Confirmation Date pursuant to Sections 365 and 1123 of the Bankruptcy Code during the pendency of the Chapter 11 Case, or assumed pursuant to this Plan, shall be deemed rejected.

7.2 Veolia Agreement. Pursuant to the *Stipulation and Order Regarding Resolution of Debtor's Motion to Compel Compliance with Energy Services Agreement* entered as docket no. 224, within ninety (90) days of December 17, 2013 (the "90-Day Period"), the Buyer shall send written notice to Veolia and the Debtor directing the Debtor to (i) assume and assign the Veolia ESA to the Buyer in full which assumption shall include a payment to Veolia of \$167,393.95 representing a full cure of the remaining Pre-Petition Claim (after application of the \$75,000 utility deposit already paid by the Debtor), provided however, in the event of such assumption and assignment of the Veolia ESA to the Buyer, the Buyer shall fund the remaining

cure payment to Veolia in the amount of \$167,393.95; or (ii) reject the Veolia ESA, and the Debtor shall file a motion with the Court seeking authority to assume or reject the Veolia ESA effective as of a date no later than the end of the 90-Day Period. In the event that the Buyer fails to provide such notice prior to the expiration of the 90-Day Period, the Veolia ESA shall be deemed rejected, pursuant to 11 U.S.C. § 365, and Veolia may immediately cease providing services to the Hotel, all without further Order of the Court. In the event that either the Debtor rejects the Veolia ESA or the Veolia ESA is deemed rejected by operation of the foregoing sentence, the Buyer shall be obligated to pay Veolia only for services provided by Veolia as of the effective date of such rejection under the terms set forth in the Veolia ESA.

**ARTICLE VIII**  
**GENERAL AND MISCELLANEOUS PROVISIONS**

8.1 Modification of the Plan. The Debtor reserves the right, in accordance with section 1127(a) of the Bankruptcy Code, to amend or modify the Plan prior to the Confirmation Date. After the Confirmation Date, the Debtor may, upon order of the Bankruptcy Court, in accordance with section 1127(b) of the Bankruptcy Code, remedy any defect or omission or reconcile and inconsistencies in the Plan in such manner as may be necessary to carry out the purposes and intent of the Plan.

8.2 Payment Dates. If any payment or act under the Plan is required to be made or falls on a date which shall be a Saturday, Sunday or a legal holiday, then the making of such payment or performance of such act may be completed on the next succeeding Business Day, and shall be deemed to have been completed timely.

8.3 Notices. Any notices to be forwarded under the Plan shall be in writing and sent by certified mail, return receipt requested, postage pre-paid; or by overnight mail or hand delivery, addressed as follows:

**If to the Debtor:**

**LAFAYETTE YARD COMMUNITY DEVELOPMENT CORPORATION  
c/o John D. S. Hatch  
Clarke Caton Hintz  
100 Barrack Street  
Trenton, New Jersey 08608**

with a copy to:

**DelBello Donnellan Weingarten Wise & Wiederkehr, LLP  
One North Lexington Avenue  
White Plains, NY 10601  
Attn: Jonathan S. Pasternak, Esq. [jpasternak@ddw-law.com](mailto:jpasternak@ddw-law.com)  
Julie Cvek Curley, [Esq.jcurley@ddw-law.com](mailto:Esq.jcurley@ddw-law.com)  
Facsimile: (914) 684-0288**

-and-

**Wong Fleming  
821 Alexander Rd, suite 200  
Princeton, NJ 08540  
Attn: Greg Johnson, Esq. [gjohnson@wongfleming.com](mailto:gjohnson@wongfleming.com)  
Facsimile: (609) 951-0270**

**If To The Committee:**

**Lowenstein Sander LLP  
65 Livingston Avenue  
Roseland, New Jersey 07068  
Attn: Mary Seymour, Esq. [mseymour@lowenstein.com](mailto:mseymour@lowenstein.com)  
Facsimile (973) 597-2377**

**If To The City of Trenton**

**Samuel Hutchinson, Business Administrator [trentonba@trentonnj.org](mailto:trentonba@trentonnj.org)**



**City of Trenton, City Hall  
419 East State Street,  
Trenton, New Jersey 08608**

**-and-**

**Douglas A. Kent, Esq. [dakent@beckermeisel.com](mailto:dakent@beckermeisel.com)  
Becker Meisel LLC  
Eisenhower Plaza II  
354 Eisenhower Parkway, Suite 1500  
Livingston, New Jersey 07039**

**If to the Bond Trustee**

**Ian Hammel, Esq. [iahammel@mintz.com](mailto:iahammel@mintz.com)  
Mintz, Levin, Cohn, Ferris, Glovksy and Popeo, P.C.  
One Financial Center  
Boston, MA 02111**

The above notice parties may designate in writing any other address for purposes of this section, which designation shall be effective upon receipt. Any payment required under the Plan shall be deemed to have been paid on the date when such payment is received.

8.4 Enforceability. Should any provision in the Plan be determined to be unenforceable, such determination shall in no way limit or affect the enforceability or operative effect of any and all other provisions of the Plan.

8.5 Applicable Law. Except to the extent that the Bankruptcy Code is applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the law of the State of New Jersey.

8.6 Successors and Assigns. The rights and obligations of any entity named or referred to in the Plan shall be binding upon and inure to the benefit of the successors and assigns of such entity.

8.7 Reservation of Rights. Neither the filing of this Plan, nor any statement or provision contained herein, shall be or be deemed to be an admission against interest. In the event that the Effective Date does not occur, neither this Plan nor any statement contained herein may be used or relied upon in any manner in any suit, action, proceeding or controversy within or outside of the Chapter 11 Case.

8.8 U.S. Trustee Fees and Monthly Operating Reports. After the Confirmation Date, the Debtor will pay or cause the payment of fees, and any applicable interest, incurred pursuant to 28 U.S.C. § 1930(a)(6) and 31 U.S.C. section 3717 and will file or cause the filing with the Bankruptcy Court and serve or cause service on the U.S. Trustee of monthly operating reports while the Chapter 11 Case remains open, unless the Bankruptcy Court orders otherwise.

**ARTICLE IX**  
**RESOLUTION OF DISPUTED CLAIMS & RESERVES**

9.1 Objections. An objection to either the allowance of a Claim or an amendment to the Debtor's Schedules shall be in writing and may either be filed with the Bankruptcy Court or pursued and resolved by other means by the Debtor, at any time on or before the Effective Date, or for a period of 30 days thereafter, or within such other time period as may be fixed by the Bankruptcy Court. Except as otherwise set forth in this Plan, any Claim not filed with the Bankruptcy Court by November 29, 2013, unless specifically scheduled by the Debtor as nondisputed, noncontingent and liquidated is hereby deemed invalid for all purposes. The Debtor

will object to and settle any Claims and shall settle, compromise or prosecute all Claims objections.

9.2 Amendment of Claims. A Claim may be amended prior to the Effective Date only as agreed upon by the Debtor and the holder of such Claim and as approved by the Bankruptcy Court or as otherwise permitted by the Bankruptcy Code and Bankruptcy Rules. After the Effective Date, a Claim may be amended as agreed upon by the holder thereof and the Debtor to decrease, but not increase, the face amount thereof.

9.3 Distributions to Holders of Subsequently Allowed Claims. Unless another date is agreed on by the Debtor and the holder of a particular subsequently Allowed Claim, the Debtor shall, on the first Business Day to occur after the fourteenth (14th) day after the Allowed amount of such theretofore Disputed Claim is determined, distribute to such holder with respect to such subsequently Allowed Claim the amount of distribution required under the Plan at that time, in Cash. The holder of a subsequently Allowed Claim shall not be entitled to any interest on the Allowed amount of its Claim, regardless of when distribution thereon is made to or received by such holder.

9.4 Reserve for Disputed Claims. The Debtor shall reserve for account of each holder of a Disputed Claim that property which would otherwise be distributable to such holder on such date were such Disputed Claim an Allowed Claim on the Effective Date, or such other property as the holder of such Disputed Claim and the Debtor may agree upon. The property so reserved for the holder, to the extent such Disputed Claim is allowed, and only after such Disputed Claim becomes a subsequently Allowed Claim, shall thereafter be distributed to such holder.

**ARTICLE X**  
**APPLICATION OF 11 U.S.C. SECTION 1129(b)**

The Debtor intends to seek confirmation pursuant to Section 1129(b) of the Bankruptcy Code.

**ARTICLE XI**  
**AVOIDANCE ACTIONS**

To the extent provided in the Cash Collateral Order, the Avoidance Actions are subject to the lien of the Bond Trustee. From and after the Effective Date, the City of Trenton shall have sole discretion as to the liquidation, prosecution or other disposition of the Avoidance Actions. The City of Trenton shall report on a quarterly basis to the Debtor, the State of New Jersey, and any other interest parties that request reporting, with respect to the prosecution and liquidation of the Avoidance Actions. The report shall include the demands and any state court action, the amount in controversy, the status of the matter and, if applicable, the amount recovered. All fees and costs for pursuing Avoidance Actions will solely be paid from the proceeds of the Avoidance Actions all net proceeds from any of recoveries on the Avoidance Actions will be paid to the City of Trenton.

**ARTICLE XII**  
**EFFECT OF CONFIRMATION, DISCHARGE,**  
**SURRENDER AND CANCELLATION OF CLAIMS**

12.1 No Discharge Under the Plan. Since the Plan provides for a distribution of the Debtor's liquidated assets, the Confirmation Order shall not operate as a discharge pursuant to section 1141(d)(1) of the Bankruptcy Code.

12.2 Exculpation. Except as otherwise specifically provided in this Plan, no Exculpated Party shall have or incur, and each Exculpated Party is hereby release and exculpated from, any Exculpated Claim, or obligation, cause of action or liability for any Exculpated Claim, and shall be entitled to reasonably rely on the advice of counsel with respect to their duties and responsibilities pursuant to this Plan. Each Exculpated Part and their respective affiliates, agents, directors, members, officers, employees, advisors and attorneys have, and upon the Effective Date shall be deemed to have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code and applicable non-bankruptcy law and shall not be liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of this Plan or distributions made pursuant to this Plan. From and after the Effective Date, a copy of the Confirmation Order and the Plan shall constitute and may be submitted as a complete defense to any claim or liability satisfied, enjoined or subject to exculpation pursuant to Article 11 of the Plan; provided, however, that nothing in the Plan shall, or shall be deemed to, release Debtor, the members of the Debtor's Board of Trustees, the Creditors' Committee, the Bond Trustee, or the City of Trenton from, or exculpate the Debtor, the members of the Debtor's Board of Trustees, the Creditors' Committee, the Bond Trustee, or the City of Trenton with respect to, its obligations or covenants arising pursuant to the Plan from bad faith, willful misconduct, gross negligence, breach of fiduciary duty, malpractice, fraud, criminal conduct, unauthorized use of confidential information that causes damages, and/or ultra vires acts. Upon confirmation of the Plan, Creditors will be unable to pursue any claims that are satisfied, enjoined or subject to exculpation under the Plan, but creditors may pursue claims

against the Debtor that may arise in the future, or pursuant to the Plan. Any such liability against the Debtor's professionals will not be limited to their respective clients contrary to the requirement of DR 6-102 of the Code of Professional Responsibility.

12.3 Release. As of the Effective Date and except as set forth in this Plan, each holder of a Claim or Interest shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged the Exculpated Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative Claims assertable on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that such Person would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtor, the Hotel Revenue Bonds, the Debtor's restructuring, the Chapter 11 Case, the purchase, sale or rescission of the purchase or sale of any security of the Debtor, the subject matter of, or the transactions or events giving rise to, any Claim that is treated in this Plan, the business or contractual arrangements between any Debtor and any Exculpated Party, the restructuring of Claims and Interests before or during the Chapter 11 Case, the negotiation, formulation or preparation of this Plan, the Disclosure Statement, or related agreements, instruments or other documents (collectively, "***Released Claims***"), other than Released Claims against the Debtor an Exculpated Party arising out of or relating to any act or omission of that party constituting willful misconduct or gross negligence. For the avoidance of doubt, no provision of this Plan, including without limitation, any release or exculpation provision, shall modify, release, or otherwise limit the

liability of any Person in their capacity as a co-obligor, guarantor, or surety of the Debtor or an Exculpated Party or that otherwise is liable under theories of vicarious or other derivative liability.

12.4 Confirmation Injunction. Effective on the Confirmation Date, all persons who have held, hold or may hold Claims, with regard to all Classes of Claims are enjoined from taking any of the following actions against or affecting the Debtor or assets of the Debtor with respect to such Claims, except as otherwise set forth in the Plan, and other than actions brought to enforce any rights or obligations under the Plan or appeals, if any, from the Confirmation Order:

- (i) Commencing, conducting or continuing in any manner, directly or indirectly, any suit, action, arbitration, or other proceeding of any kind against the Debtor;
- (ii) Enforcing, levying, attaching, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order against the Debtor;
- (iii) Creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtor or the Purchaser, the assets of the Debtor; and
- (iv) Proceeding in any manner and any place whatsoever that does not conform to or comply with the provisions of the Plan.

12.5 Discharge of Bond Documents. Except as otherwise provided in this Plan or the Confirmation Order, on the Effective Date, the Hotel Revenue Bonds shall be cancelled, and the Hotel Revenue Bonds and related Bond Documents shall continue in effect solely to the extent they relate to and are necessary to (i) allow applicable distributions pursuant to the Plan, (ii)

permit the Bond Trustee to assert its charging lien, enforce its indemnity and other rights and protections with respect to and pursuant to the Bond Documents, (iii) permit the Bond Trustee to set one or more record dates and distributions dates with respect to the distribution of funds to beneficial holders of the Hotel Revenue Bonds, as applicable, (iv) permit the Bond Trustee to appear in the Chapter 11 Case, (v) permit the Bond Trustee to perform any functions that are necessary in connection with the foregoing clauses (i) through (iv), and (vi) permit the City of Trenton to exercise subrogation rights.

**ARTICLE XIII**  
**DUTIES AND RIGHTS OF THE DISBURSING AGENT**

13.1 The Disbursing Agent shall be Wong Fleming.

13.2 The Disbursing Agent shall make and effectuate all distributions required under the Plan and be responsible for the liquidation of the Debtor's remaining assets and administration of the Plan, in each case, subject to the Wind Down Budget and the direction of the City of Trenton. In the event the Disbursing Agent and City of Trenton are unable to reach a unanimous consensus respecting any matters, either party may bring such matter to the Court for resolution and the Disbursing Agent may act in accordance with any ruling of the Court.

13.3 The Disbursing Agent shall open and maintain, in accordance with this Plan, an interest bearing bank account in which all cash received for purposes of distribution shall be deposited in accordance with section 345 of the Bankruptcy Code and as provided herein. The Disbursing Agent shall not be liable for any distributions made in accordance with this Plan. Unless otherwise ordered by a Final Order of the Bankruptcy Court or otherwise provided in this



Plan, the record date for distributions shall be the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Case.

13.4 Upon the Effective Date, the Disbursing Agent shall retain funds as set forth in the Wind Down Budget to pay: (a) all Allowed Professional Claims for fees and costs that have not been previously pay pursuant to the Plan; (b) all post Effective Date fees and costs of Professionals pursuant to section 7.9 of the Plan; (c) all reasonable fees and costs of the Disbursing Agent pursuant to section 12.7 of the Plan; and (d) the full amount of any disputed Claims later Allowed; provided that the City of Trenton can move before the Bankruptcy Court for the entry of an order requiring the Disbursing Agent to pay over to the City of Trenton all the Debtor's funds either of them deem are not necessary to pay the items listed in subparagraphs (a),(b),(c) and/or (d) of this section.

13.5 To the extent that the Disbursing Agent shall retain any of the Debtor's funds after the Effective Date, it will post a bond with respect to such funds. The Disbursing Agent shall further notify the Bankruptcy Court and the Office of the United States Trustee before terminating such bond.

13.6 The Disbursing Agent shall not be liable to the Debtor, the Buyer, any creditor or any other person, firm or corporation, for any error of judgment or for any mistake of law or fact or any act done, caused to be done, or omitted to be done, by the Disbursing Agent or any of its agents. The Disbursing Agent shall be liable only for acts of willful misconduct, gross negligence or breach of fiduciary duty by itself or such agents.

13.7 The Disbursing Agent may resign at any time upon not less than thirty (30) days' written notice to the City of Trenton and may be removed at any time by the City of Trenton upon proper application to, and Final Order of, the Bankruptcy Court. In the event of the resignation, removal, death or incapacity of the Disbursing Agent or any other vacancy in the position of Disbursing Agent, the City of Trenton may nominate a successor Disbursing Agent and the appointment will be determined by the Bankruptcy Court. No successor Disbursing Agent hereunder shall in any event have any liability or responsibility for the acts or omissions of his or her predecessors.

**ARTICLE XIV**  
**DISTRIBUTIONS AND UNCLAIMED PAYMENTS**

14.1 Distributions to holders of Allowed Claims shall be sent to their last known address set forth on a proof of claim filed with the Bankruptcy Court or if no proof of claim is filed, on the Schedules, or to such other address as may be designated by such Creditor in writing to the Debtor. A payment is to be deemed unclaimed if the payment on the distribution is not negotiated by the particular claimholder within 120 days of it being sent by the Debtor.

14.2 If after thirty (30) days additional attempted notice to the claimholder such distribution remains unclaimed or unnegotiated, then and in that event such holder's Claim shall thereupon be deemed canceled and any such holder shall not be entitled to any payments under the Plan, and such unclaimed distributions shall be distributed Pro Rata to Allowed Class 3 Creditors unless and until such unclaimed distributions total less than \$5,000, at such time will be deemed available for post-Effective Date Professional Fees.

**ARTICLE XV**  
**CONDITIONS PRECEDENT TO CONFIRMATION OF PLAN**  
**AND EFFECTIVE DATE**

15.1 Conditions to the Occurrence of Confirmation. The occurrence of the Confirmation Date shall be subject to the entry of the Confirmation Order in form and substance reasonably acceptable to the Debtor and the Committee.

15.2 Conditions to the Occurrence of the Effective Date. The occurrence of the Effective Date is subject to (i) the entry of the Confirmation Order as a Final Order that remains in full force and effect and shall not have been stayed or reversed; and (ii) the occurrence of the Redemption Date.

15.3 Non-Occurrence of the Effective Date; Non-Waiver of Conditions. In the event that the Debtor determines that the conditions to the Effective Date set forth in the immediately foregoing paragraph of this Plan cannot be satisfied, the Debtor may propose a new plan, may modify this Plan as permitted by law, or may request other appropriate relief. The Debtor shall not waive the conditions specified in this Article XV without the prior written consent of the Bond Trustee and the City of Trenton.

**ARTICLE XVI**  
**EVENTS OF DEFAULT**

16.1 Events of Default. The occurrence of any of the following events shall constitute an event of default under the Plan (“Event of Default”):

(b) The failure of the Debtor, after receipt of ten (10) business days written notice, to make any payment required to be made under the Plan, which failure, prior to the

receipt of the ten (10) days written notice, shall have remained uncured for a period of thirty (30) days after the date such payment is required to be made, unless the time for such payment has been extended in accordance with the Plan.

(c) The failure of the Debtor to comply with any of the other covenants contained in the Plan, which failure shall remain uncured for a period of thirty (30) days after the Debtor has received ten (10) days written notice of such failure.

15.2 Effect of Default. In the event that the Debtor defaults under the provisions of the Plan, and such default is not cured, then, at the option of any creditor or the United States Trustee, a motion may be filed with the Bankruptcy Court seeking an Order of the Bankruptcy Court compelling the Debtor to make such payment or act in a manner consistent with the provisions of the Plan or seeking the conversion of the Chapter 11 Case to a Chapter 7 proceeding.

**ARTICLE XVII**  
**CREDITORS' COMMITTEE**

17.1 The Creditors' Committee shall remain in place until the Effective Date, and thereafter the Creditors' Committee shall immediately cease to exist without any further action of any other party.

**ARTICLE XVIII**  
**VOTING INSTRUCTIONS**

18.1 Time To Vote. Pursuant to a Court order, ballots on the Debtor's Plan must be filed within a prescribed period of time. All ballots should be properly completed as to whether the creditor accepts or rejects the Plan and be forwarded, in accordance with the instructions on

the ballot, to DelBello Donnellan Weingarten Wise & Wiederkehr, LLP, One North Lexington Avenue, 11<sup>th</sup> Floor, White Plains, New York 10601, Attn: Julie Cvek Curley, Esq.

17.2 Blank Ballots. Any ballot which is executed by the holder of an Allowed Claim or Interest but which does not indicate an acceptance or rejection of the Plan shall be deemed to be an acceptance of the Plan, in the amount set forth on the Debtor's Schedules as may be amended.

17.3 Deemed Acceptance. Any impaired Class which fails to vote either to accept or reject the Plan shall be deemed to accept the Plan.

### **ARTICLE XIX** **POST-CONFIRMATION REPORTS**

The Debtor shall be responsible for filing post-confirmation reports with the Bankruptcy Court and shall pay all quarterly fees required under 28 U.S.C. section 1930 until the earlier of (a) conversion or dismissal of the Chapter 11 Case or (b) entry of a final decree closing the Chapter 11 Case.

### **ARTICLE XX** **RETENTION OF JURISDICTION**

20.1 The Bankruptcy Court shall retain jurisdiction of the Chapter 11 case:

(a) To determine all controversies relating to or concerning the allowance of Claims upon objection to such Claims by the Debtor;

(b) To determine requests for payment of Claims entitled to priority under section 507(a)(1) of the Bankruptcy Code, including any and all applications for compensation for professional and similar fees;

(c) To determine any and all applications pursuant to section 365 of the Bankruptcy

Code for the rejection, or assumption and/or assignment, as the case may be, of executory contracts and unexpired leases to which the Debtor is a party or with respect to which the Debtor may be liable, and to determine and, if necessary, to liquidate, any and all Claims arising therefrom;

(d) To determine any and all applications, adversary proceedings, and contested or litigated matters over which the Bankruptcy Court has subject matter jurisdiction pursuant to 28 U.S.C. sections 157 and 1334;

(e) To determine all Disputed Claims and amendments to the Debtor's Schedules;

(f) To adjudicate controversies or interpretations pursuant to any order or stipulation entered by the Bankruptcy Court prior to the Confirmation Date;

(g) To modify this Plan pursuant to section 1127 of the Bankruptcy Code or to remedy any defect or omission or reconcile any inconsistencies in this Plan or Confirmation Order to the extent authorized by the Code;

(h) To make such orders as are necessary or appropriate to carry out the provisions of this Plan;

(i) To resolve controversies and disputes regarding the interpretation or enforcement of the terms of this Plan;

(j) To determine any issues concerning the APA and to issue and enforce injunctions or take other actions necessary to implement the APA, this Plan, and the transfers of the Assets to the Buyer free and clear of all liens, claims, encumbrances and other interests; and

(k) To enter a final decree closing the Chapter 11 Case.

Dated: Trenton, New Jersey  
February 6, 2014

LAFAYETTE YARD COMMUNITY  
DEVELOPMENT CORPORATION

By: /s/ John Hatch  
John Hatch, Independent Trustee

**WONG FLEMING**  
*Counsel to the Debtor and Debtor-in-Possession*

By: /s/ Gregory G. Johnson  
Gregory G. Johnson, Esq.

-and-

**DELBELLO DONNELLAN WEINGARTEN  
WISE & WIEDERKEHR, LLP**  
*Co-Counsel to the Debtor and Debtor-in-Possession*

By: /s/ Julie Cvek Curley  
Julie Cvek Curley, Esq.