

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:

PRINCETON OFFICE PARK, L.P.,

Debtor.

Case 08-27149(MBK)

No.:

Judge: Hon. Michael B. Kaplan

Chapter: 11

SECOND AMENDED PLAN OF REORGANIZATION

Princeton Office Park, L.P. hereby submits in the form annexed hereto and made a part hereof, its Second Amended Plan of Reorganization.

Princeton Office Park, L.P.

By: Princeton Office Park GP, L.L.C.,
its general partner,

By: United States Land Resources, L.P.,
its general partner,

By: United States Realty Resources, Inc.,
its general partner,

By: /s/ Lawrence S. Berger

LAWRENCE S. BERGER, President

DATED: September 8, 2009

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ARTICLE I

DEFINITIONS

1.1 All terms employed herein shall have the meanings set forth in the United States Bankruptcy Code, (11 U.S.C. § 101 et seq.) unless specifically defined to the contrary herein.

1.2 When used herein, the words set forth below shall have the following meanings, except to the extent the context otherwise unambiguously requires:

1.2.1 “Administrative Expense Claim” shall mean a claim pursuant to 11 U.S.C. §§ 503 and 507(a)(2), accruing from and after the date on which this Chapter 11 case commenced, including fees and expenses of professional persons retained or to be compensated pursuant to the Code, and fees due the United States Trustee imposed by 28 U.S.C. §1930.

1.2.2 “Allowed Claim” shall mean a claim which has been scheduled pursuant to 11 U.S.C. §521(1), other than a claim scheduled as disputed, contingent or unliquidated or which has been timely filed pursuant to 11 U.S.C. §501(a), and, in either instance, with respect to which no objection to the allowance thereof has been made within the period of limitation set forth in this Plan, or which has been approved and fixed in amount and nature by Order of the Court pursuant to 11 U.S.C. §§502, 503 and/or 507.

1.2.3 “Chapter 11 Case” means the case under Chapter 11 of the Bankruptcy Code in which Princeton Office Park, L.P. is the Debtor.

1.2.4 “Bankruptcy Code” and “Code” shall mean 11 U.S.C. §101, et seq.

1.2.5 “Bankruptcy Court” and “Court” means the United States Bankruptcy Court for the District of New Jersey having jurisdiction over the Chapter 11 Case and, to the extent any reference made pursuant to 28 U.S.C. § 157, the unit of such District Court constituted pursuant to 28 U.S.C. § 151.

1.2.6 “Bankruptcy Rules” or “Rules” or “Rule” shall mean the Federal Rules of Bankruptcy Procedure originally promulgated pursuant to 28 U.S.C. § 2075.

1.2.7 “Claim” shall mean any secured claim, any unsecured claim, any administrative expense claim and/or any priority claim in this proceeding filed by the holder of such claim or, if not so filed as scheduled by the Debtor herein.

1.2.8 “Claimant” shall mean the holder of any Claim.

1.2.9 “Confirmation Date” shall mean both the event and the date of entry by this Court of an Order confirming this Plan or any modification in accordance with §1129 of the Code.

1.2.10 “Debtor” shall mean Princeton Office Park, L.P., a New Jersey limited partnership by all names which it has been known or under which it has been operated and all its other lawful successors or assigns.

1.2.11 “Disputed Claim” shall mean any Claim as to which an objection to the allowance thereof has been interposed and not determined by a final Order.

1.2.12 “Dividend” shall mean any distribution by the Debtor of a payment upon any claim. “First Dividend” shall mean the first of such payments and “Final Dividend” shall mean the last of such payments.

1.2.13 “Effective Date” shall be the first business day which is more than eleven (11) days following entry of an Order of Confirmation.

1.2.14 “Equity Interest Holders” shall mean the Allowed Interests of all persons who constitute “Equity Security Holders” within the meaning of Code §101(17) arising from the equity securities of the Debtor as defined in §101(16) which have been scheduled by the Debtor or have timely filed a proof of interest herein.

1.2.15 "Filing Date" or "Petition Date" shall mean September 9, 2008, the date upon which the Debtor's petition was filed with the Court herein.

1.2.16 "Final Consummation" shall occur when the Debtor has made or tendered all performance due under this Plan.

1.2.17 "Interest Rate" shall mean 6% fixed or such other rate as determined by the Court.

1.2.18 "Mortgages" shall mean the mortgages encumbering the Property granted by the Debtor to Plymouth Park and Petillo to secure their respective Notes.

1.2.19 "Notes" shall mean the promissory notes made by the Debtor in favor of Plymouth Park and Petillo.

1.2.20 "Order" shall mean an order or judgment which has not been reversed or stayed and as to which the time to appeal has expired and as to which no appeal or petition for review or rehearing is pending and which is not the subject to an application for certiorari.

1.2.21 "Petillo" shall mean Petillo Enterprises, LLC, by all names which it has been known or under which it has been operated and all its other lawful successors or assigns.

1.2.22 "Plan" shall mean this Plan of Reorganization, as the same may be further modified, amended or supplemented.

1.2.23 "Plan Proponent" shall mean the Debtor.

1.2.24 "Plymouth Park" shall mean Plymouth Park Tax Services, by all names which it has been known or under which it has been operated and all its other lawful successors or assigns.

1.2.25 "Preference" shall mean any payment, conveyance or other transfer of the Debtor that may be avoided as provided for and defined in §547 of the Code or under §544 and applicable state law.

1.2.26 "Princeton GP" shall mean Princeton Office Park GP, L.L.C., a New Jersey limited liability company, the Debtor's general partner.

1.2.27 "Priority Claim" shall mean the portion of an Allowed Claim entitled to priority under 11 U.S.C. §507(a)(2) through and including §507(a)(9).

1.2.28 "Pro Rata" shall mean the same proportion that an Allowed Claim in a particular Class bears to the aggregate amount of all claims in that Class.

1.2.29 "Property" shall mean the Debtor's real property improved with an approximately 170,000 square feet of building situated on 37 acres located at 4100 Quakerbridge Road, Township of Lawrence, Mercer County, New Jersey, and which property has been re-zoned for multi-family residential use at 10 units per acre or 370 units.

1.2.30 "Rents" shall mean all rents, income and profits arising from any lease agreement related to the use and occupancy of the Property.

1.2.31 "Secured Claimant" shall mean the holder of a Secured Claim.

1.2.32 "Secured Claim" shall mean any Allowed Claim, which is secured by a valid, perfected and enforceable lien on property of the Debtor, except to the extent limited by the value of the property that is subject to said lien as determined by the Court pursuant to 11 U.S.C. 506.

1.2.33 "Substantial Consummation" shall occur on the date upon which the distribution of a First Dividend is made hereunder.

1.2.34 "Transfer" shall mean any payment, conveyance or other transfer by the Debtor that may be set aside as provided for and defined in sections of the Code other than 11 U.S.C. §547 or under the laws of the State of New Jersey and §544 of the Code.

1.2.35 "Unsecured Claim" shall mean an Allowed Claim which is not entitled to priority under 11 U.S.C. §507(a), or where the Claimant does not hold a valid, perfected and enforceable lien or

security interest, as defined in 11 U.S.C. §101(37) and (51), provided, however, that interest and other charges accruing, arising or imposed after the Filing Date, if any, shall not be part of an Unsecured Claim.

1.2.36 “Unsecured Claimant” shall mean the holder of an Unsecured Claim.

1.2.37 “USLR” shall mean United States Land Resources, L.P., a New Jersey Limited Partnership, the general partner of Princeton GP.

1.2.38 “USRR” shall mean United States Realty Resources, Inc., the general partner of USLR.

ARTICLE II

ADMINISTRATIVE EXPENSES

2.1 Any holder of an Administrative Expense which represents compensation or reimbursement which must be established by the Court under §§503(b)(2), 503(b)(3) or 503(b)(4) of the Bankruptcy Code shall be paid in full in such amounts as are allowed by the Court thirty (30) days after the later of: (i) Confirmation of the Plan; (ii) the entry of an order allowing such Administrative Expense; or (iii) upon such other terms as may be mutually agreed upon between the Debtor and the holder of such Administrative Expense.

2.2 All trade and service obligations of the Debtor, if any, incurred by the Debtor in the ordinary course of its business during the pendency of the Debtor's Chapter 11 proceeding shall be satisfied when they become due in the ordinary course of Debtor's business.

2.3 All “Allowed Priority Tax Claims” of the kind specified under §507(a)(8) of the Code, if any, will receive from the Debtor cash on the Effective Date or as soon thereafter as is practicable; provided, however at the Debtor's option, it may elect to pay any Allowed Priority Tax Claim in accordance with §1129(a)(9)(C). If any objection to a Priority Tax Claim is pending, such payments upon said claim shall commence thereon when provided by Order of the Court specifically dealing with such claim.

ARTICLE III

DESIGNATION OF CLASSES AND INTERESTS

3.1 All Claims are hereby classified as follows:

CLASS ONE

3.1.1 The Class One Claim consists of the Secured Claim of the Township of Lawrence.

CLASS TWO

3.1.2 The Class Two Claim consists of the Secured Claim of Plymouth Park.

CLASS THREE

3.1.3 The Class Two Claim consists of the Secured Claim of Petillo.

CLASS FOUR

3.1.4 The Class Four Claim(s), if any, consist of all holders of Allowed Priority Claims, if any, which are entitled to priority pursuant to §507(a) of the Code, excepting the kind specified under §507(a)(1) and (a)(8) of the Code.

CLASS FIVE

3.1.5 The Class Five Claims consist of all holders of Allowed General Unsecured Claims exclusive of all such claims classified elsewhere herein.

CLASS SIX

3.1.6 The Class Six Claims consist of all Equity Interest Holders of the Debtor as such term is defined herein.

ARTICLE IV

TREATMENT OF CLAIMS AND INTERESTS/IMPAIRMENT

4.1 The Class One Claim consists of the Secured Claim of Township of Lawrence. The Class One Claim shall be paid its Allowed Claim in four equal quarterly installments with interest

at the statutory rate with the first payment commencing on the first day of the third month succeeding the the Effective Date. This Class is impaired.

4.2 The Class Two Claim consists of the Secured Claim of Plymouth Park. The Class Two Creditor will have a first lien upon and security interest in the Property to the extent of this Class' Allowed Claim. The Debtor will execute a standard Note and Mortgage in favor of Plymouth Park, which provides for (i) interest at the Interest Rate from and after the Effective Date; (ii) quarterly principal and interest payments starting on the first day of the third month succeeding the Effective Date with a balloon on the last (20th) payment, and (iii) amoritization over 25 years. USLR will execute a guarantee relating to this Note. This Class is impaired.

4.3 The Class Three Claim consists of the Secured Claim of Petillo. The Class Three Creditor will have a second lien upon and security interest in the Property to the extent of this Class' Allowed Claim. The Debtor will execute a standard Note and Mortgage in favor of Petillo, which provides for (i) interest at the Interest Rate from and after the Effective Date; (ii) quarterly principal and interest payments starting on the first day of the third month succeeding the Effective Date with a balloon on the last (20th) payment, and (iii) amoritization over 25 years. USLR will execute a guarantee relating to this Note. This Class is impaired.

4.4 The Class Four Claims consist of Allowed Priority Claims which are entitled to priority pursuant to §507(a) of the Code, excepting the kind specified under §507(a)(1) and (a)(8) of the Code. Class Four Claims, if any, shall be paid in full without interest by the Debtor in cash on the Effective Date. This Class is impaired.

4.5 The Class Five Claims consist of all Allowed General Unsecured Claims. The Class Five Claims will be paid (i) interest at the Interest Rate from and after the Effective Date; (ii) quarterly principal and interest payments starting on the first day of the third month succeeding

the Effective Date with a balloon on the last (20th) payment, and (iii) amortization over 25 years.

This Class is impaired.

4.6 The Class Six Claims consist of the Debtor's Equity Interest Holders. All existing Equity Interests will be retained by the Equity Interest Holders. This Class is not impaired.

ARTICLE V

IMPLEMENTATION OF THE PLAN

5.1 The monies necessary for funding this Plan will be derived from a loan from USLR to the Debtor that is secured as a third lien upon and security interest in the Property under similar terms as the Notes and Mortgages provided by the Debtor to Plymouth Park and Petillo until such time that the Property either provides sufficient cash flow to satisfy the payments contemplated herein or the Property is sold, in the sole discretion of the Debtor, in an amount that will satisfy in full all Allowed Claims.

5.2 All fees payable pursuant to 28 U.S.C. §1930 shall be paid on or before the Effective Date.

5.3 The Debtor shall serve as the Disbursing Agent for the purpose of payment of funds to all Creditors whose Claims are allowed herein.

5.4 The Disbursing Agent will file all statements required pursuant to Local Bankruptcy Rules with the Clerk, United States Bankruptcy Court.

5.5 Pursuant to §1123(b)(3)(B) of the Code, the Debtor shall retain each and every claim, demand or cause of action whatsoever which the Debtor had or had power to assert immediately prior to confirmation of the Plan, including without limitation actions for the avoidance and recovery pursuant to §550 of the Code of transfers avoidable by reason of §§544, 545, 547, 548, 549, or 553(b) of the Code.

5.6 Pursuant to §1141(d), upon Confirmation, all Claims against the Debtor, Princeton GP, Lawrence Berger, USLR, USRR and/or their property and all Equity Interests, including but not limited to any guarantees provided by or for the benefit of the Debtor, shall be discharged, satisfied and canceled, except as otherwise provided herein, in exchange for the distributions provided for herein.

5.7 The provisions of this Plan shall be binding upon the Debtor, all Creditors and all Equity Interest Holders, regardless of whether such Claims or Equity Interest Holders are impaired or whether such parties accept this Plan, upon Confirmation thereof.

5.8 Upon Confirmation of this Plan, all of the Debtor's property, except for property transferred pursuant to the terms hereof, shall vest in and be retained by the Debtor. All such property vesting in and retained by the Debtor shall be free and clear of all Claims and Equity Interests, except as otherwise provided herein.

5.9 No distributions under this Plan will be tendered until the Order confirming the Debtor's Plan has become a final Order.

5.10 Any creditor who fails to collect any distribution within one (1) year from the date monies or properties is distributable thereto shall forfeit all rights thereto and such monies or properties shall thereafter become the absolute property of the Debtor.

5.11 All executory contracts to which the Debtor is a party are expressly assumed, approved and shall survive Confirmation.

5.12 Realty Management Associates shall continue managing the Property on behalf of the Debtor, and shall be paid management fees by the Debtor in accordance with the terms of its retention which provides a fee in the amount of 3% of Rents; with payment thereon deferred until the Debtor has adequate cash flow.

5.13 The rights, duties and obligations of any person or entity named or referred to in this Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of such person or entity.

ARTICLE VI

RETENTION OF JURISDICTION

6.1 The Court shall retain jurisdiction of this case pursuant to the provisions of Chapter 11 of the Code, pending the final allowance or disallowance of all Claims affected by the Plan, and with respect to the following matters:

- (a) To enable the Debtor to consummate the Plan and to resolve any disputes arising with respect thereto.
- (b) To enable the Debtor to consummate any and all proceedings which it may bring prior to the closing of the case to set aside liens or encumbrances, and to recover any preferences, transfers, assets or damages to which it may be entitled under applicable provisions of the Bankruptcy Code or other Federal, State or Local Law.
- (c) To adjudicate all controversies concerning the classification or allowance of any Claim or Equity Interest.
- (d) To hear and determine all claims arising from the rejection of any executory contracts, including leases, and consummate the rejection and termination thereof or with respect to any executory contracts to which an application for rejection or termination is filed prior to the entry of the Order of Confirmation.
- (e) To liquidate damages in connection with any disputed, contingent, or unliquidated claims.
- (f) To adjudicate all claims to a security or ownership interest in any property of the Debtor or in any proceeds thereof.
- (g) To adjudicate all claims or controversies arising out of any purchases, sales, or contracts made or undertaken by the Debtor during the pendency of the within chapter 11 case.
- (h) To recover all assets and properties of the Debtor wherever located.
- (i) To adjudicate and determine any cause of action provided for under the Plan, provided that any such action for the purposes of adjudication of the Bankruptcy Code shall be commenced prior to the closing of the case.

(j) To make such Orders as are necessary or appropriate to implement the provisions of this Plan.

6.2 The Debtor reserves the right to propose amendments or modifications to this Plan at any time prior to Confirmation hereof pursuant to the Code and Bankruptcy Rules.

6.3 Upon payment of distributions as provided in this Plan, the case shall be deemed closed. Notwithstanding the closure of this case, nothing herein shall prevent the Debtor from completing or instituting such proceedings as may be necessary for the enforcement of any claim of the Debtor which may have existed against any third party prior to closing the case and which may not have been enforced or prosecuted prior to closing the case.

ARTICLE VII

NOTICES

7.1 Any notices or demand which under the terms of this Plan must or may be given shall be in writing and shall be given or made by certified or registered mail:

If to the Debtor, addressed to:

Morris S. Bauer, Esq.
Norris McLaughlin & Marcus, P.A.
P.O. Box 5933
Bridgewater, New Jersey 08807-5933

- and-

Lawrence S. Berger, Esq.
Berger & Bornstein
237 South Street
P.O. Box 2049
Morristown, New Jersey 07962-2049

Such notice or demand shall be deemed to have been given or made when received. The above addresses may be changed at any time by giving thirty (30) days prior written notice as above provided.

ARTICLE VIII

MISCELLANEOUS PROVISIONS REGARDING INTERPRETATION

8.1 The Article, Section, paragraph and subparagraph headings contained in this Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of this Plan.

8.2 To the extent that such may be necessary to effectuate the intent of this Plan, the singular and plural include each other, and the masculine, feminine and neuter genders include each other.

8.3 The words “herein”, “hereunder”, “hereof”, “the Plan” and “this Plan” shall refer to the totality of this Plan and not to any particular Section or Article of the Plan.

8.4 In the event that any term or condition of this Plan shall be found to be unenforceable, same shall be deemed ineffective solely to the extent of such unenforceability and shall not invalidate or render unenforceable any other portion hereof, which shall continue in full force and effect as if the unenforceable term or condition had not been contained herein.

ARTICLE IX

REQUEST FOR CONFIRMATION

9.1 The Debtor, as proponent of the Plan, requests confirmation of the Plan in accordance with Section 1129(b) of the Code in the event any Class fails to accept same.