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By: Jeffrey A. Reich

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
In re

Oxford Associates Group, Inc.

Chapter 11  
Case No.: 17-12487 (MKV)

Debtor.  
-----X

HUDSON VIEW OWNER'S CORPORATION SECOND AMENDED DISCLOSURE  
STATEMENT

Hudson View Owners Corp. (“Hudson View”), a secured creditor of Oxford Associates Group, Inc., the debtor and debtor-in-possession in this Chapter 11 Case, hereby proposes the following and files this first amended disclosure statement (the "Amended Disclosure Statement") with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), pursuant to section 1125 of title 11, United States Code (the "Bankruptcy Code"), in connection with Hudson View’s proposed Second amended Plan of Liquidation (as it may be amended, altered, modified or supplemented as described herein, the "Amended Plan"). A copy of the Amended Plan is annexed to this Second Amended Disclosure Statement as Exhibit "A".

**HUDSON VIEW BELIEVES THAT THE AMENDED PLAN PROVIDES THE BEST POSSIBLE RESULT FOR ALL HOLDERS OF CLAIMS AND INTERESTS AND THEREFORE BELIEVES THAT ACCEPTANCE OF THE AMENDED PLAN IS IN THE BEST INTERESTS OF THE DEBTOR’S CREDITORS AND INTEREST HOLDERS. HUDSON VIEW STRONGLY URGES ALL HOLDERS OF CLAIMS IN IMPAIRED CLASSES RECEIVING BALLOTS THAT ARE ENTITLED TO VOTE ON THE AMENDED PLAN VOTE TO ACCEPT IT.**

**THIS SECOND AMENDED DISCLOSURE STATEMENT IS DESIGNED TO SOLICIT YOUR ACCEPTANCE OF THE ATTACHED AMENDED PLAN AND CONTAINS INFORMATION RELEVANT TO YOUR DECISION. PLEASE READ THIS DISCLOSURE STATEMENT, THE AMENDED PLAN AND THE OTHER MATERIALS COMPLETELY AND CAREFULLY. THE AMENDED PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE AMENDED PLAN, OTHER EXHIBITS ANNEXED HERETO AND OTHER DOCUMENTS REFERENCED AS FILED WITH THE BANKRUPTCY COURT BEFORE OR CONCURRENTLY WITH THE FILING OF THIS DISCLOSURE STATEMENT AND THE AMENDED PLAN.**

**NO PARTY IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS WITH RESPECT TO THE AMENDED PLAN OTHER THAN THOSE CONTAINED IN THIS DISCLOSURE STATEMENT. NO REPRESENTATIONS OR INFORMATION CONCERNING THE DEBTOR, THE LIQUIDATING ESTATE OR THE VALUE OF THE DEBTOR’S PROPERTY HAVE BEEN AUTHORIZED OTHER THAN AS SET FORTH HEREIN.**

**EACH CREDITOR AND INTEREST HOLDER OF THE DEBTOR SHOULD CONSULT WITH THEIR LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS AS TO ANY SUCH MATTERS CONCERNING THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE AMENDED PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.**

## **I. INTRODUCTION**

This Disclosure Statement is being furnished by Hudson View pursuant to section 1125 of the Bankruptcy Code, in connection with the solicitation of Ballots to accept or reject the Amended Plan from Holders of Claims in Classes 2, Class 3, Class 4 and Interests in Class 5. Classes 1 (Allowed Hudson View Secured Claims) is Unimpaired under the Amended Plan, and therefore Holders of Allowed Claims in such

Class are presumptively deemed to have accepted the Amended Plan. All capitalized terms used in this Disclosure Statement have the meanings ascribed to such terms in the Amended Plan, except as otherwise indicated.

On June 20, 2018, Hudson View filed a Plan of Reorganization with the Bankruptcy Court. Concurrently therewith, Hudson View filed a Disclosure Statement with the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code and in connection with the solicitation of Ballots to accept or reject the Plan (the "Solicitation"). On October 5, 2018 Hudson View filed this First Amended Disclosure Statement and the First Amended Plan. On December 7, 2018 Hudson View filed this Second Amended Disclosure Statement.

On August 27, 2018, Oxford Associates, Inc. (the "Debtor") filed a Plan of Reorganization (ECF Docket No. 89) along with a Disclosure Statement (ECF Docket No. 90). The Court has not yet approved the Debtor's Disclosure Statement pursuant to Bankruptcy Code Section 1125. A hearing is currently scheduled for December 4, 2018 for the Court to consider the adequacy of the Debtor's Disclosure Statement as the well the adequacy of Hudson View's Second Amended Disclosure Statement. It is recommended that each creditor should review the Debtor's Plan of Reorganization and Disclosure Statement prior to voting on Hudson View's Plan of Liquidation.

On \_\_\_\_\_, the Bankruptcy Court determined that this Second Amended Disclosure Statement contains "adequate information" in accordance with section 1125 of the Bankruptcy Code. Pursuant to section 1125(a)(1) of the Bankruptcy Code, "adequate information" is defined as "information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the Debtor's books and records, that would enable a hypothetical reasonable investor typical of holders of claims or interests of the relevant class to make an informed judgment about the plan . . . ." 11 U.S.C. § 1125(a)(1).

**The Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan for \_\_\_\_\_ (prevailing Eastern Time), before the Honorable Mary Kay Vysocil, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Southern District of New York (Manhattan Division), One Bowling Green, New York, New York 10004. The hearing may be adjourned from time to time without further notice other than by announcement in the Bankruptcy Court on the scheduled date of such hearing or any adjourned hearings thereof. Any objections to confirmation of the Amended Plan must be in writing and must be filed with the Clerk of the Bankruptcy Court and served on counsel for Hudson View listed below to ensure RECEIPT by them on or before \_\_\_\_\_ (prevailing Eastern Time). Counsel on whom objections must be served are:**

Reich Reich & Reich, PC  
Attorneys for Hudson View Owners Corp.  
235 Main Street, Suite 450  
White Plains, New York 10601

PICK & ZABICKI, LLP  
Counsel for the Debtor  
369 Lexington Avenue, 12<sup>th</sup> Floor  
New York, New York 10017  
Attn: Douglas J. Pick, Esq.

Lynch & Associates  
Attorneys for Flushing Bank  
462 Seventh Avenue, 12<sup>th</sup> Floor  
New York, New York 10018  
Attn: H. Michael Lynch and  
Gary O. Ravert, Esq.

Attached hereto as Exhibits are copies of the following documents:

**Exhibit A:** The Amended Plan;

**Exhibit B:** Order of the Bankruptcy Court, dated (the "Solicitation Procedures Order"), among other things, approving this First Amended Disclosure Statement and establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject the Amended Plan; and

**Exhibit C:** The Liquidation Analysis.

**Exhibit D:** Offering Plan description of the buildings located at 632, 650 & 678 Warburton Ave., Yonkers, New York housing the Debtor's Units.

**Exhibit E:** Proposed Ballot.

## **II. SUMMARY OF CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS IN THE AMENDED PLAN**

The estimated aggregate amount of claims in each class, and the estimated amount and nature of consideration to be distributed to each class, is summarized in the table below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims have not been classified. Hudson View's estimates for recoveries by Holders of Allowed Claims are subject to the results of the Auction (described further below) and are based on, among other things, Hudson View's current view of the likely amount of Allowed Administrative Expense Claims incurred by the Debtor through confirmation of the Amended Plan and the costs of administering and winding down the Debtor's Estate. There can be no guaranty that Hudson View's estimates will prove to be accurate.

The estimated amount of Claims shown in the table below are based upon Hudson View's review of the Debtor's Schedules and proofs of claim filed in the Debtor's case. The amount designated in the table below as "Estimated Percentage Range of Recovery" for each Class is the quotient of the estimated Cash to be distributed to Holders of Allowed Claims in such Class, divided by the estimated aggregate amount of Allowed Claims in such Class. For a discussion of the various factors that could materially affect the amount of Cash to be distributed under the Plan, *see* Section V herein. For purposes of computations of Claim amounts, Administrative Expense Claims and other expenses and for similar computational purposes, the Effective Date is assumed to occur in or about March, 2019.

CLASS	TREATMENT	STATUS/ RIGHT TO VOTE	ESTIMATED RANGE AGGREGATE AMOUNT OF ALLOWED CLAIMS OR INTERESTS	ESTIMATED PERCENTAGE RANGE OF RECOVERY (Low-High)
<p>Class 1</p> <p>(Allowed Hudson View Owners Corp. Secured Claim)</p>	<p>Allowed Hudson View Secured Claim is secured by a Lien on the Units for unpaid maintenance. On the later of (i) the date of the Closing of the Units, or (ii) the date after the Closing on which the Hudson View Secured Claim becomes an Allowed Secured Claim, or as soon thereafter as practicable, Hudson View shall receive Cash in an amount sufficient to render such Allowed Hudson View Secured Claim Unimpaired under section 1124 of the Bankruptcy Code. Further, pending the Closing for the Units, Hudson View shall retain its Lien on the cooperative stock.</p> <p>In the event the Units are sold pursuant to the Credit Bid made in accordance with the</p>	<p><b>Unimpaired</b></p> <p><b>Not Entitled to Vote</b></p>	<p>\$119,767.21</p>	<p>100%</p>

	<p>terms of the Plan and the Auction Sale Procedures, to Flushing or its designee, Flushing or its designee shall pay in Cash the Allowed Hudson View Secured Claim at the Closing on the sale of the Units. In the event the Units are sold to an Entity other than Flushing or its designee, the Allowed Hudson View Secured Claims shall be paid in full from the first proceeds of sale at such Closing.</p>			
<p>Class 2  (Flushing Bank Secured Claim)</p>	<p>In the event the Units are sold to an Entity other than Flushing or its designee, the Allowed Flushing Secured Claim shall be paid from the proceeds of sale at such Closing after payment of the Class 1 Allowed Hudson View Secured Claims subject to Flushing's rights to proceed against the Guarantor for any Flushing Deficiency Claim. Flushing is deemed a Qualified</p>	<p><b>Impaired</b>  <b>Entitled to</b>  <b>Vote</b></p>	<p>\$1,698,126.72, plus interest, advances and legal fees in amount to be determined by court (estimated \$1,750,000)</p>	<p>Up to 100%</p>

	<p>Bidder with an initial bid in the amount of the Opening Credit Bid for the Units and has the right, but not the obligation, in its sole discretion, to Credit Bid up to the full amount of its Allowed Flushing Secured Claim. In the event: (aa) Flushing is determined at the Auction to be the Successful Bidder based on its Credit Bid, or (bb) Flushing is determined at the Auction to be the Back-up Bidder and the Successful Bidder defaults and fails to close on the sale of the Units and Flushing is deemed to be the prevailing bidder based on its highest preceding Credit Bid, or (cc) the Back- up Bidder shall fail to timely close the sale of the Units and shall default in its obligations to do so in accordance with the provisions of Auction Sale Procedures, or (dd) there shall be no Back-up Bidder selected by the Plan</p>			
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	<p>Administrator, Hudson View and Flushing, and the Successful Bidder shall fail to timely close the sale of the Units and shall default in its obligations to do so in accordance with the provisions the Auction Sale Procedures and Flushing is deemed to be the prevailing bidder based on its highest preceding Credit Bid, pursuant to the terms of the Plan and the Confirmation Order, Flushing or its designee shall receive the cooperative stock and respective proprietary leases for the Units at the Closing, free and clear of all other Liens, claims, encumbrances, taxes and interests of any kind or nature whatsoever, after payment of the Class 1 Allowed Hudson View Secured Claims in the form and manner set otherwise forth in this Plan. For the avoidance of doubt, any part of the Allowed Flushing Claim not included in</p>			
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	the Allowed Flushing Secured Claim shall be deemed to be an Allowed Flushing General Unsecured Claim and treated in accordance with Class 4 below concerning the treatment of Allowed General Unsecured Claims (Plan at Section 5.2).			
Class 3  (Priority Claims)	In the event the Units are sold to an Entity other than Flushing, all Allowed Priority Claims shall be paid in full in Cash from the surplus proceeds of sale at such Closing. In the event there is a timely filed objection to a Priority Claim, at the Closing for the sale of the Units, surplus funds, if any, after paying Class 1 and Class 2 Claim in full, sufficient to pay the Maximum Amount of such Disputed Priority Claim shall be delivered to the Plan Administrator. Any	<b>Unimpaired</b>  <b>Not Entitled To Vote</b>	\$356,373.92 <sup>1</sup>	0-100%

<sup>1</sup> The original proof of claim (Claim No. 1-4) filed by the New York State Department of Taxation and Finance, asserted a Priority Claim in the amount of \$8,263.90 under section 507(a)(1) of the Bankruptcy Code and the original proof of claim (Claim 4-1) filed by the NYC Department of Finance Tax, Audit and Enforcement Division, asserted a Priority Claim in the amount of \$356,373.92. There were no other Priority Claims filed prior to the Bar Date or scheduled by the Debtor in the Schedules. The Plan Administrator, Hudson View and Flushing Bank reserve all rights with respect to the validity, priority and amount of such asserted claims.

	such funds delivered to the Plan Administrator shall be maintained by the Plan Administrator in a segregated, interest bearing account and administered as if it were deposited into the Disputed Claims Reserve in accordance with Article X of the Plan. (Plan at Section 5.3).			
Class 4  (General Unsecured Claims)	In the event (i) the Units are sold to an entity other than Flushing, or its designee, on account of Flushing Bank's Credit Bid, and (ii) Flushing Bank is paid the full amount of the Allowed Flushing Bank Claim and there is no Flushing Bank Deficiency Claim, each Holder of an Allowed Claim in Class 4 shall be entitled to receive its Pro Rata share of the surplus Cash from the	<b>Impaired</b>  <b>Entitled to Vote</b>	\$281,340.33 <sup>2</sup> plus the Flushing Bank General Unsecured	0% - 100%

<sup>2</sup> In addition to any Allowed Flushing General Unsecured Claim, there are only three other potential General Unsecured Claims. The three (3) claims are as follows: (1) Hudson View's General Unsecured Claim (Claim No. 6-1) in the amount of \$255,332.00; (2) the claim of Malapero & Prisco, LLP (Claim No. 7-1) in the amount of \$14,651.43 and (3) the claim of Marin Goodman LLP (Claim No. 5-1) in the amount of \$11,356.90. With the exception of the foregoing, there were no other General Unsecured Claims filed prior to the Bar Date or scheduled by the Debtor in the Schedules. The Plan Administrator, Hudson View and Flushing Bank reserve all rights with respect to the validity, priority and amount of such asserted claims.

	<p>proceeds of (i) the sale of the Units, if any, and (ii) recoveries from any Avoidance Actions or Causes of Action, after payment in full to all Holders of Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Claims in Classes 1, 2 and 3, and Allowed Post- Confirmation Date U.S. Trustee Fees, only if there is no Flushing Bank Deficiency Claim. Subject to the terms of the Plan, including the establishment of the reserves provided for herein, the distribution to Holders of Allowed General Unsecured Claims in Class 4 shall be made thirty (30) days after the date of the Closing, or as soon thereafter as practicable. (Plan at Section 5.4)</p>			
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at the Auction. Hudson View believes the value of the Units should be at least \$1,698,000, which is the amount of Flushing's Opening Credit Bid. Upon the filing of its Plan of Liquidation Hudson View was contacted by a party who was interested in bidding at the proposed auction and indicated it would be willing to bid \$2.25 million dollars for the Units. The Amended Plan proposes to let the market establish the actual value of the Units through the marketing and Auction sale. However, as set forth in the Liquidation Analysis, recoveries for creditors under the Amended Plan should exceed the distributions, if any, in a conversion and liquidation under Chapter 7 or a dismissal of the Chapter 11 Case.

### **III. VOTING AND CONFIRMATION OF PLAN**

#### **A. Acceptance of Plan**

As a condition to confirmation, section 1129(a) of the Bankruptcy Code requires that: (a) each impaired class of claims or interests votes to accept the plan; and (b) the plan meets the other requirements of section 1129(a). As explained above, classes that are unimpaired are deemed to have accepted a plan and, therefore, are not entitled to vote and classes that do not receive or retain any property under a plan are deemed to have rejected a plan and are likewise not entitled to vote. Accordingly, acceptances of the Amended Plan are being solicited only from those parties who hold Claims in Impaired Classes that are to receive distributions under the Amended Plan. An Impaired Class of Claims will be deemed to have accepted the Amended Plan if Holders of at least two-thirds in dollar amount and more than one-half in number of Claims in such Class that cast timely ballots vote to accept the Amended Plan.

Holders of Claims or Interests who do not timely vote on the Amended Plan are not counted for purposes of determining acceptance or rejection of the Plan by any Impaired Class of Claims or Interests.

#### **B. Voting Procedures and Requirements**

Pursuant to the Bankruptcy Code, only classes of claims against or equity interests in a debtor that are "impaired" under the terms of a plan of liquidation or reorganization, and who receive distributions under such plan, are entitled to vote to accept or reject the plan. Generally, a class is "impaired" under a plan unless such plan leaves unaltered the legal, equitable or contractual rights to which such claim or interest entitles the holder of such claim or interest. Classes of claims and interests that are not impaired are not entitled to vote on the plan and are conclusively presumed to have accepted the plan.

As set forth in the above chart, Holders of Claims in Classes 2, 3, 4 and 5 are entitled to vote on the Amended Plan. If any such Class votes to reject the Plan, (a) Hudson View will seek to satisfy the requirements for Confirmation of the Amended Plan under the cramdown provisions of section 1129(b) of the Bankruptcy Code and, if required, may amend the proposed Amended Plan to conform to the standards of such section, or (b) the Plan may be modified or withdrawn in its entirety.

Please carefully follow all of the instructions contained on the Ballot or Ballots provided to you with this Disclosure Statement if you are entitled to vote on the Amended Plan. All Ballots must be completed and returned in accordance with the instructions provided.

To be counted, your Ballot or Ballots must be received by the Voting Deadline of \_\_\_\_\_ at 5:00 p.m. (prevailing Eastern Time) by Hudson View's counsel, Reich, Reich & Reich, P.C., having its address at 235 Main Street, Suite 450, White Plains, New York 10601. It is of the utmost importance that you vote promptly to accept or reject the Amended Plan.

If you are entitled to vote and you did not receive a Ballot, received a damaged Ballot or lost your Ballot, please call Hudson View's counsel, Reich, Reich & Reich, P.C., Attn.: Jeffrey A. Reich, at (914) 949-2126.

Votes cannot be transmitted orally, by facsimile, or by email. Accordingly, you are urged to return your signed and completed Ballot, by hand delivery, overnight service or regular U.S. mail, promptly, so that it is received by the Hudson View's counsel on or before the Voting Deadline.

### C. Confirmation Hearing

The Bankruptcy Code requires the Bankruptcy Court, after proper notice to parties in interest, to hold a hearing on whether a plan proponent has fulfilled the confirmation requirements of section 1129 of the Bankruptcy Code. The Confirmation Hearing with respect to the Amended Plan has been scheduled \_\_\_\_\_ at 10:00 a.m. (Eastern time) before the Honorable Mary Kay Vysocil, United States Bankruptcy Judge of the United States Bankruptcy Court for the Southern District of New York, Manhattan Division, One Bowling Green, New York, New York 10008. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice, except for an announcement of the adjourned date made at the Confirmation Hearing. Any objection to confirmation must be made in writing and must specify in detail the name and address of the objecting party, all grounds for the objection and the amount of the Claim or Interest held by the objecting party. Any such objections must be filed and served upon the persons designated in the notice of the Confirmation Hearing and in the manner and by the deadline described therein.

Except to the extent that the Holder of a particular Claim or Interest has agreed to a different treatment of its Claim, the Amended Plan provides: (a) that Allowed Administrative Expense Claims will be paid in full in Cash from the surplus proceeds of the sale of the Units, or in the event the Debtor's Estate is determined Administratively Insolvent then by the Successful Bidder, or (i) in the event such Administrative Expense Claim is not Allowed as of ten (10) Business Days following the Closing, the date on which the Bankruptcy Court enters an order allowing such Administrative Expense Claim, or (ii) such later date as Hudson View and Flushing Bank, or, if it is after the Confirmation Date, the Plan Administrator, Hudson View, Flushing Bank and the Holder of such Allowed Administrative Expense Claim otherwise agree in writing, or as soon thereafter as is practicable; and (b) with respect to Allowed Priority Tax Claims, each Holder of an Allowed Priority Tax Claim shall be paid in full in Cash from the proceeds of the sale of the Units, if any, after full satisfaction of Class 1 and Class 2 claims on the later of (i) ten (10) Business Days following the Closing or in the event the Debtor's Estate is determined Administratively Insolvent then by the Successful Bidder or (ii) in the event such Priority Tax Claim is not Allowed as of ten (10) Business Days following the date of the Closing, the date on which the Bankruptcy Court enters an order allowing such Priority Tax Claim, or as soon thereafter as is practicable. There were two Priority Tax Claims filed, claim (Claim No. 1-4) filed by the New York State Department of Taxation and Finance, asserted a Priority Claim in the amount of \$8,263.90 under

section 507(a)(1) of the Bankruptcy Code and the original proof of claim (Claim 4-1) filed by the NYC Department of Finance Tax, Audit and Enforcement Division, asserted a Priority Claim in the amount of \$356,373.92.

If a Class of Claims is Impaired under the Amended Plan, at least one Class of Claims that is Impaired by the Amended Plan has accepted the Plan, determined without including any acceptance of the Plan by any "insider."

All U.S. Trustee Fees payable under section 1930 of Title 28 as determined by the Bankruptcy Court at the Confirmation Hearing have been paid or the Plan provides for the payment of all such fees on the Effective Date from any surplus cash proceeds or in the event the Debtor's Estate is determined Administratively Insolvent then by the Successful Bidder. The Amended Plan further provides for the payment of all U.S. Trustee Fees accruing from and after the Effective Date.

The Debtor does not have any Retiree Benefits (as defined in section 1114 of the Bankruptcy Code).

Hudson View believes that the Amended Plan otherwise satisfies, to the extent applicable, all of the statutory requirements of Chapter 11 of the Bankruptcy Code. Certain of these requirements are discussed in more detail below.

#### D. Confirmation Requirements

##### 1. Feasibility

In connection with confirmation of the Amended Plan, section 1129(a)(11) requires that the Bankruptcy Court find that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor. This is the so-called "feasibility" test. Here, the Amended Plan contemplates an orderly liquidation of the Debtor's assets and distribution of the proceeds thereof to Creditors holding Allowed Claims pursuant to the Auction and provisions of the Amended Plan. Accordingly, confirmation of the Amended Plan will not be followed by a liquidation or further reorganization. Hudson View, therefore, believes that the Amended Plan complies with the standard of section 1129(a)(11) of the Bankruptcy Code.

##### 2. "Best Interests"; Liquidation Analysis

In order to confirm the Amended Plan, the Bankruptcy Court also must determine that the Plan is in the best interests of each Holder of a Claim or Interest in any such Impaired Class who has not voted to accept the Plan. Accordingly, if an Impaired Class does not accept the Amended Plan as required under the Bankruptcy Code, the "best interests" test requires that the Bankruptcy Court find that it provides to each member of such Impaired Class a recovery on account of the member's Claim or Interest that has a value, as of the Effective Date, at least equal to the value of the distribution that each such member would receive if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code on such date.

To estimate what members of each Impaired Class of Claims or Interests would receive if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code, the Bankruptcy Court must first determine the aggregate dollar amount that would be available if the Chapter 11 Case was converted to a Chapter 7 case under the Bankruptcy Code and the Debtor's assets were liquidated by a Chapter 7 trustee (the "Liquidation Value"). The Liquidation Value of the Debtor would consist of the net proceeds received from the disposition by a Chapter 7 trustee (as opposed to the Debtor) of the Debtor's assets and inventory plus any cash held by the Debtor.

The Liquidation Value available to Holders of Claims or Interests that are not Secured Claims would be reduced by, among other things: (a) the Claims of Secured Creditors to the extent of the value of their collateral; (b) the costs, fees and expenses of the liquidation, as well as other administrative expenses of the Debtor's Chapter 7 Case; (c) unpaid Administrative Expense Claims of the Chapter 11 Case; and (d) Priority Claims and Priority Tax Claims. The Debtor's costs of liquidation in Chapter 7 Case would include the compensation of the trustee, as well as of counsel and of other professionals retained by such trustee, asset disposition expenses, applicable Taxes, litigation costs, Claims arising from the administration of the Debtor during the pendency of the Chapter 7 Case and all unpaid Administrative Claims incurred by the Debtor during the Chapter 11 Case that are allowed in the Chapter 7 Case.

The information contained in Exhibit C hereto provides a summary of the Liquidation Value of the Debtor's interests in property, assuming a Chapter 7 liquidation in which the trustee appointed by the Bankruptcy Court would liquidate the Debtor's properties and interests. In summary Hudson View believes that Chapter 7 liquidation would result in diminution in the value to be realized by Holders of Allowed Claims, as compared to the proposed distributions under the Amended Plan as a result of the additional layer of administrative costs attendant with appointment of a Chapter 7 Trustee and professionals therefor. Hudson View believes that the Amended Plan will provide a greater ultimate return to Holders of Allowed Claims than would a Chapter 7 liquidation of the Debtor.

### 3. Cramdown

In the event that any Impaired Class of Claims or Interests does not accept the Amended Plan, the Bankruptcy Court may nevertheless confirm the Plan if all other requirements under section 1129(a) of the Bankruptcy Code are satisfied, and if, with respect to each Impaired Class which has not accepted the Plan, the Bankruptcy Court determines that the Plan does not "discriminate unfairly" and is "fair and equitable" with respect to such Class. Confirmation under section 1129(b) of the Bankruptcy Code requires that at least one Impaired Class of Claims accepts the Plan, excluding any acceptance of the Plan by an "insider" (as that term is defined in section 101 of the Bankruptcy Code). Hudson View intends to seek confirmation of the Amended Plan notwithstanding the non-acceptance of one or more Impaired Classes.

#### 1. Alternatives to Confirmation and Consummation of the Plan

If the Amended Plan is not confirmed, the Debtor's Chapter 11 Case would most likely be converted to a liquidation case under Chapter 7 or dismissed. Hudson View believes that under either alternative, distributions to unsecured creditors, if any, would necessarily be reduced from those realized under the Amended Plan.



Under the Amended Plan, Allowed Administrative Expense Claims and Allowed Priority Claims are guaranteed to be paid in full from the sales proceeds, recoveries on Avoidance Actions or recoveries on Causes of Action or in the event the Debtor's Estate is determined Administratively Insolvent then by the Successful Bidder. These recoveries are assured under the Amended Plan, even if the value of the Property is less than the amount of the Allowed Flushing Bank Secured Claim.

Further, if the value of the Property exceeds the amount of the Allowed Flushing Bank Secured Claim, then the excess will inure to the benefit of creditors without diminishment due to foreclosure expenses or Chapter 7 expenses, including trustee's commissions and professional fees.

Consequently, Hudson View believes that the Amended Plan will provide a much greater ultimate return to Holders of Allowed Claims than would a Chapter 7 liquidation of the Debtor or a dismissal.

#### **IV. BACKGROUND**

The Debtor owns the right, title and interest in 29, 169 shares of stock in Hudson View as well as a proprietary leases and residential sub-leases for twenty-one (20) units at the real property located at 632 Warburton Ave, Yonkers, New York, thirteen (13) units at 650 Warburton Ave, Yonkers, New York and eighteen (18) units at 678 Warburton Ave, Yonkers, New York (the "Units").

In or about late 1992 Hudson View's sponsor, who was also managing the Units, became financially distressed. In order to alleviate its financial problems Hudson View reached an agreement with the Debtor that the Debtor would purchase the unsold shares in in the cooperative for \$761,000.00 (the "1994 Agreement").

The Debtor did not have sufficient funds to pay the entire purchase price so it reached a separate agreement with Hudson View that provided that the Debtor would make an initial payment of \$50,000.00 and thereafter would pay Hudson View upon the sale of the cooperative stock for each of the remaining apartments at a rate of \$9.0131 per share. The Debtor has not sold any of its apartment Units since August 21, 2014.

On or about September 5, 2017 the Debtor filed a voluntary petition for relief pursuant to Chapter 11 of Title 11 of the United States Code (the "Petition Date"). The Debtor has continued in its business as a debtor in possession pursuant to 11 U.S. C. §§ 1107 and 1108.

Prior to the Debtor's bankruptcy filing, in or about January 2016, the Debtor entered into a financing agreement (the "Flushing Agreement") with Flushing under which the Debtor borrowed \$1,400,000.00 (the "Flushing Note"). As part of the Flushing Agreement the Debtor was required to assign its rights, title and interest in any leases as well as pledge the stock to Flushing Bank for thirty-nine (39) of the cooperative units.

The Debtor did not pay the Maintenance due Hudson View under the respective proprietary leases for the months of October 2016 through March 2017. Upon the Debtor's failing to cure the default Hudson View notified Flushing Bank of the Debtor's default and its intent to foreclose on its cooperative maintenance lien against the stock. Thereafter, Flushing Bank paid Hudson View the outstanding balance Hudson View asserted to be due it, totaling no less than [\$255,798.91] on account of the unpaid

maintenance for the 39 units and defaulted the Debtor under the terms of the Flushing Agreement and Flushing Note.

## **V. THE CHAPTER 11 CASE**

Since the Filing Date, the Debtor has continued to operate as debtor-in-possession subject to the supervision of the Bankruptcy Court. An immediate effect of the commencement of the Chapter 11 Case was the imposition of the automatic stay under the Bankruptcy Code which, with limited exceptions, enjoins the commencement or continuation of all collection efforts by creditors, the enforcement of liens against the Debtor and any litigation against the Debtor. This injunction remains in effect, unless modified or vacated by order of the Bankruptcy Court, until the Plan is confirmed and the Conditions to the Effective Date are satisfied.

### **A. Significant Chapter 11 Events**

1. Schedules and Statements of Financial Affairs. Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007 require a debtor to prepare and file schedules and statements of financial affairs in connection with the commencement of a Chapter 11 Case. On the Petition Date, the Debtor filed its voluntary chapter 11 petition. Thereafter, on September 18, 2017, the Debtor filed its Schedules of Assets and Liabilities and its Statement of Financial Affairs. [Docket Nos. 1, 18]. Much of the financial and claims-related information contained in this Disclosure Statement is derived from the above referenced documents filed by the Debtor, and all parties are encouraged to review these documents.
2. Bar Date. On October 17, 2017, the Debtor filed a motion to set the last day to file proofs of claim in the Debtor's case [Docket No. 9]. By Order dated November 22, 2017, the Bankruptcy Court established January 5, 2018 as the deadline to file proofs of claim in the Debtor's case [Docket No. 13].
3. Retention of Professionals. On October 31, 2017, the Debtor filed an application to employ Pick & Zabicki, LLP, as attorneys for the Debtor effective as of the Filing Date. [Docket No. 10]. By Order dated November 13, 2017, the Bankruptcy Court authorized the retention of Pick & Zabicki, LLP as Debtor's counsel.

## **VI. SUMMARY OF THE PLAN**

The following is an overview of certain material provisions of the Amended Plan. The following summaries of the material provisions of the Amended Plan do not purport to be complete and are qualified in their entirety by reference to all the provisions of the Plan, all exhibits, all documents described therein, and the definitions therein of certain terms used below.

- A. The Effective Date of the Amended Plan is the date that is fifteen (15) days after the Confirmation Date, or, if such date is not a Business Day, the next succeeding Business Day; provided, however, that if all Conditions Precedent to the Effective Date have not been satisfied or waived, if subject to waiver, on or prior to such date,

then the Effective Date shall be the next succeeding date on which all such Conditions Precedent to the Effective Date have been satisfied or waived, if subject to waiver.

B. General Information Concerning Treatment Of Claims And Interests

1. Administrative Expense Claims and Priority Tax Claims

Pursuant to the Amended Plan, Holders of Allowed Administrative Expense Claims and Allowed Priority Tax Claims (set forth in Articles II and III of the Plan) have not been classified and are excluded from classification in accordance with section 1123(a)(1) of the Bankruptcy Code. As more fully discussed in this Section below, the Holders of Allowed Claims in each of these Classes will receive payment from the surplus proceeds of the sale of the Property or, if Flushing Bank is the Successful Bidder based on its Credit Bid, from other assets of the estate, including litigation claims such as the Avoidance Actions and Causes of Action. In the event the Debtor's Bankruptcy Estate is determined Administratively Insolvent then Holder of Allowed Claims in each of these classes will receive payment in full on account of their respective claim by the Successful Bidder.

2. Classes of Claims and Interests

Classes 2, 3, 4 and 5 are Impaired and entitled to vote on the Amended Plan. Hudson View intends to solicit acceptances of the Amended Plan from Holders of such Claims.

Hudson View intends to seek confirmation of the Amended Plan and to take all steps necessary to cause the Effective Date to occur as soon as practicable. There can be no assurance, however, as to when the Effective Date will actually occur. Procedures for the distribution of Cash pursuant to the Amended Plan, including matters that are expected to affect the timing of the receipt of distributions by Holders of Allowed Claims in certain Classes and that could affect the amount of distributions ultimately received by such Holders, are described more fully in Section F below, entitled "PROVISIONS COVERING DISTRIBUTIONS".

C. Classification And Treatment Of Claims And Interests

Section 1123 of the Bankruptcy Code requires that, for purposes of treatment and voting, a Chapter 11 plan divide the different claims against, and interests in a debtor into separate classes based upon their legal nature. In accordance with section 1123 of the Bankruptcy Code, claims of a substantially similar legal nature are usually classified together, as are shareholder interests which give rise to the same legal rights; the "claims" and "interests" themselves, rather than their holders, are classified.

Under a Chapter 11 plan, the separate classes of claims and interests must be designated either as "impaired" or "unimpaired" by the plan. If a class of claims is "impaired," the Bankruptcy Code affords certain rights to the holders of such claims, such as the right to vote on the plan (unless the plan provides for

no distribution to the holders, in which case, the holder is deemed to reject the plan), and the right to receive under the Chapter 11 plan property of a value that is not less than the value the holder would receive if the debtor were liquidated under Chapter 7.

1. Unclassified Claims

The Bankruptcy Code does not require classification of certain priority claims against a debtor. In this Chapter 11 Case, these unclassified claims include Administrative Expense Claims. All distributions referred to below that are scheduled for the Effective Date will be made on the Effective Date or as soon as practicable thereafter, unless otherwise agreed to in writing by the Holders of any unclassified claims.

(a) Administrative Expense Claims. Administrative Expense Claims are the actual and necessary costs and expenses incurred in connection with the Chapter 11 Case that are allowed under section 503(b) of the Bankruptcy Code. These expenses typically may include post-petition amounts owed to vendors providing goods and services to a debtor during the Chapter 11 case, and other obligations incurred after the filing date.

Other Administrative Expense Claims include the actual, reasonable fees and expenses incurred during the Chapter 11 Case of the Debtor's Professionals. Hudson View believes the Administrative Expense Claims of Professionals include only the fees and expenses of (i) Debtor's bankruptcy counsel, Pick & Zabicki, LLP, for services rendered to the Debtor and its Estates during the Chapter 11 Case; and (ii) the fees and expenses of the Estate Real Estate broker or auctioneer. For the avoidance of doubt, although Flushing Bank's and Hudson View's claims for post-petition legal fees and/or or protective advances pursuant to section 506(b) of the Bankruptcy Code or otherwise, such claims are subject to court approval and are treated for the purposes of the Amended Plan as part of such claimholder's prepetition claim and is to be paid in accordance with its respective Class treatment.

Hudson View anticipates that any other Administrative Expense Claims will continue to be paid as they come due during the Chapter 11 Case. Administrative Expense Claims, for the most part, comprise the unpaid Allowed Professional Fees incurred by the Debtor's Professionals in the Chapter 11 Case.

All payments to Professionals for compensation and reimbursement of expenses will be made in accordance with the procedures established by the Bankruptcy Code and the Bankruptcy Rules relating to the payment of interim and final compensation and expenses. The Bankruptcy Court will review and determine all such requests. Requests for such compensation must be approved by the Bankruptcy Court after notice and a hearing wherein the Debtor and other parties-in-interest may participate, and if appropriate, object to the allowance thereof.

Each Allowed Administrative Expense Claim shall be paid in full in Cash from the proceeds of the sale of the Units or, in the event that Flushing Bank or its designee acquires the Units based on its Credit Bid, and there are no excess sales proceeds, then

from the Plan Administrator based on litigation recoveries on the later of (a) ten (10) Business Days following the Closing, or as soon thereafter as practicable, or (b) in the event such Administrative Expense Claim is not Allowed as of ten (10) Business Days following the Closing, the date on which the Bankruptcy Court enters an order allowing such Administrative Expense Claim, or (c) such later date as Hudson View or, if it is after the Confirmation Date, Hudson View, the Plan Administrator, Flushing Bank and the Holder of such Allowed Administrative Expense Claim otherwise agree in writing, or as soon thereafter as is practicable. If the Debtor's bankruptcy estate is determined administratively insolvent the Administrative Expense Claims shall be paid in full by the Successful Bidder. It is estimated that Administrative Expense claims shall be less than \$250,000.00.

At this time, there has been no disclosure of potential Chapter 11 Administrative Expenses of the Debtor's professionals. However, the Amended Plan provides that on or before three (3) Business Days prior to the Confirmation Hearing, each professional retained in the Chapter 11 Case shall submit an estimate of such professional's Administrative Expense Claim through such date to (a) Hudson View's counsel, Reich, Reich & Reich, P.C.; (b) counsel for the Debtor, Pick & Zabicki, LLP, 369 Lexington Avenue, 12<sup>th</sup> Floor, New York, New York 10017, Attn.: Douglas Pick, Esq.; (c) counsel to Flushing Bank, Lynch & Associates, 469 Seventh Avenue, 12<sup>th</sup> Floor, New York, New York 10018 Attn: Gary Ravert, Esq.; and (e) the United States Trustee for the Southern District of New York, U.S. Federal Office Building, 201 Varick Street, Room 1006, New York, New York 10014.

With respect to Claimants seeking allowance of Professional Fees as Administrative Expense Claims, all applications for final compensation of Professionals for services rendered and for reimbursement of expenses incurred for any period prior to the Confirmation Date must be filed no later than thirty (30) days following the Confirmation Date, and shall be Allowed following entry by the Bankruptcy Court of any order or orders allowing same (or to the extent it has been previously allowed).

Each Administrative Expense Claim Claimant who seeks allowance of an Administrative Expense Claim (a) that is not incurred in the ordinary course of the Debtor's business, which Claim should be paid in the ordinary course, (b) that is not allowed by a Final Order, and that fails to timely and duly file a proof of its Administrative Expense Claim, or (c) for Professional Fees that fails to timely and duly institute a request for a hearing thereon, as provided for in the Plan, shall NOT be treated as a creditor with respect to such claim for the purposes of receiving any distribution in connection with such Administrative Expense Claim. Except as otherwise specified in the Plan or a Final Order of the Bankruptcy Court, the Allowed Amount of an Administrative Expense Claim shall not include interest on such Claim from and after the Filing Date.

2. Classified Claims and Interests

- (a) Class 1- Allowed Secured Claims of Hudson View - Class 1 consists of the Allowed Secured Claim of Hudson View for unpaid maintenance in the amount of \$119,767.21.

In the event the Property is sold pursuant to the Credit Bid made in accordance with the terms of the Amended Plan and the Auction Sale Procedures to Flushing Bank, Flushing Bank shall take title to the Property subject to the maintenance liens of Hudson View and shall pay Hudson View the full amount of its Class 1 claim on or before thirty days (30) from the closing on the sale of the Property to Flushing Bank.

In the event the Debtor's claim objection to the Allowed Secured Claim of Hudson View is still pending at the time of the Closing for the sale of the Units, funds sufficient to pay the Maximum Amount of such Disputed Secured Claim of Hudson View attributable to the Units shall be delivered to the Plan Administrator by either (i) Flushing Bank, if Flushing Bank or its designee acquires the Units pursuant to a Credit Bid at such Closing, or (ii) in the event the Units are sold to an Entity other than Flushing Bank or its designee, from the first proceeds of sale at such Closing. Any such funds delivered to the Plan Administrator shall be maintained by the Plan Administrator in a segregated, interest bearing account and administered as if it were deposited into the Disputed Claims Reserve in accordance with Article X of the Amended Plan.

The treatment and consideration to be received by Holders of Allowed Claims in Class 1 shall be, subject to the terms of the Amended Plan, in full settlement and final satisfaction of their respective Claims to the extent of the distributions provided for in the Amended Plan on account of such Claims.

Class 1 is Unimpaired under the Amended Plan.

- (b) Class 2 – Allowed Flushing Bank Secured Claim – Class 2 consists of the Allowed Flushing Bank Secured Claim in the amount of \$1,698,126.72, plus post-petition interest, advances and legal fees (which are treated as part of the prepetition claim) in an amount to be determined by the Court for a estimated total pre-petition claim of \$1,750,000. The Allowed Flushing Bank Claim is an Allowed Secured Claim, subject to the limitations set forth in section 506(a)(1) of the Bankruptcy Code, based on the amount realized from the Auction of the Units. Currently, the Opening Credit Bid by Flushing Bank for the Units is \$1,698,000.00. (i) In the event the Units are sold to an Entity other than Flushing Bank or its designee, the Allowed Flushing Bank Secured Claim shall be paid from the proceeds of sale at such Closing after payment of the Class 1 Allowed Secured Claims of Hudson View subject to Flushing's rights to proceed against the Guarantor for any Flushing Bank Deficiency Claim. (ii) Flushing is deemed a Qualified Bidder with an initial bid in the amount of the Opening Credit Bid for the Units and has the right, *but not the obligation*, in its sole discretion, to Credit Bid up to the full amount of its Allowed Flushing Bank Secured Claim. In the event: (aa) Flushing Bank is determined at the Auction to be the Successful Bidder based on its Credit Bid, or (bb) Flushing Bank is determined at the Auction to be the Back-up Bidder and the

Successful Bidder defaults and fails to close on the sale of the Units and Flushing Bank is deemed to be the prevailing bidder based on its highest preceding Credit Bid, or (cc) the Back-up Bidder shall fail to timely close the sale of the Units and shall default in its obligations to do so in accordance with the provisions of Auction Sale Procedures, or (dd) there shall be no Back-up Bidder selected by the Plan Administrator, Hudson View and Flushing Bank and, and the Successful Bidder shall fail to timely close the sale of the Units and shall default in its obligations to do so in accordance with the provisions the Auction Sale Procedures and Flushing Bank is deemed to be the prevailing bidder based on its highest preceding Credit Bid, pursuant to the terms of the Amended Plan and the Confirmation Order, Flushing Bank or its designee shall receive a transfer of the cooperative stock held by the Debtor and the Debtor's interest in the proprietary leases for each of the 51 Units it owns at the Closing, free and clear of all other Liens, claims, encumbrances, taxes and interests of any kind or nature whatsoever, after payment of the Class 1 Allowed Secured Claim of Hudson View in the form and manner set otherwise forth in the Amended Plan. For the avoidance of doubt, any part of the Allowed Flushing Bank Claim not included in the Allowed Flushing Secured Claim shall be deemed to be an Allowed Flushing Bank General Unsecured Claim and treated in accordance with Class 4 of the Amended Plan concerning the treatment of Allowed General Unsecured Claims.

The Amended Plan provides further that notwithstanding anything contained therein to the contrary, (a) Flushing Bank shall have the right to proceed immediately against the Guarantor based on the Guaranty, the Flushing Bank Loan Documents, under this Plan, at law and in equity, for the full amount of the Flushing Bank Deficiency Claim; and (b) Flushing Bank and the Guarantor each reserves any and all rights, claims and remedies, under the Guaranty and/or the Flushing Bank Loan Documents, at law, in equity or otherwise, that they have or may have against each other in connection with the Flushing Bank Deficiency Claim, all of which are hereby expressly preserved.

The treatment and consideration to be received by Flushing Bank on account of its Allowed Claims in Class 2 shall be, subject to the terms hereof, in full settlement and final satisfaction of such Claims against the Debtor to the extent of the distributions provided for herein on account of such Claims; *provided, however*, Flushing Bank does not waive and specifically reserves and retains any and all rights, claims and remedies, under the Guaranty and/or the Loan Documents, at law, in equity or otherwise, for the Flushing Deficiency Claim against any third-party obligors or guarantors, including, without limitation, the Guarantor.

Class 2 is Impaired under the Amended Plan.

- (c) Class 3 – Priority Claims - Class 3 consists of all Allowed Priority Claims. The original proof of claim (Claim No. 1-4) filed by the New York State Department of Taxation and Finance, asserted a Priority Claim in the amount of \$8,263.90 under section 507(a)(1) of the Bankruptcy Code and the original proof of claim (Claim 4-1) filed by the NYC Department of Finance Tax, Audit and Enforcement Division, asserted a Priority Claim in the amount of \$356,373.92. There were no other Priority Claims filed prior to the Bar Date or scheduled by the Debtor in the Schedules.

In the event (i) the Units are sold to an entity other than Flushing or its designee on account of Flushing's Credit Bid, and (ii) Hudson View and Flushing are paid the full amount of the Allowed Hudson View and Flushing Claims and there is no Flushing Deficiency Claim, each Holder of an Allowed Claim in Class 3 shall be entitled to receive its Pro Rata share of the Cash from the surplus proceeds of (i) the sale of the Units, if any, and (ii) recoveries from any Avoidance Actions and Causes of Action, after payment in full to all Holders of Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Claims in Classes 1 and 2, and Allowed Post-Confirmation Date U.S. Trustee Fees. Subject to the terms hereof, including the establishment of the reserves provided for herein, the distribution to Holders of Allowed General Unsecured Claims in Class 4 shall be made thirty (30) days after the date of the Closing, or as soon thereafter as practicable. If the Debtor's bankruptcy estate is determined Administratively Insolvent the Priority Claims shall be paid in full by the Successful Bidder.

Notwithstanding the foregoing and anything in the Amended Plan to the contrary, from and after the Effective Date, (i) only the Plan Administrator, shall have the authority to file or litigate to judgment objections to any Priority Claims, and (ii) only the Plan Administrator, shall have the right to settle, compromise, and withdraw objections to Priority Claims. Subject to an order of the Bankruptcy Court providing for a later deadline, the Plan Administrator may object to any Priority Claim by filing an objection with the Bankruptcy Court and serving such objection upon the Holder of the Priority Claim not later than the date immediately preceding the date of the Closing for the Units, or such later date fixed by the Bankruptcy Court. If an objection is timely filed the Plan Administrator may litigate the merits of each Disputed Priority Claim until a Final Order is entered with respect to the Priority Claim. Notwithstanding the foregoing, the Plan Administrator may compromise and settle any objection to any Priority Claim without the need for Bankruptcy Court approval. No payments or Distributions shall be made in respect of any Priority Claim that is the subject of a timely filed objection in accordance with the terms hereof until the Priority Claim becomes an Allowed Priority Claim.

In the event there is a timely filed objection to a Priority Claim, at the Closing for the sale of the Units, in the event there are surplus funds available after paying Class 1 Claims, Class 2 Claims and the Allowed Administrative Expense Claims in full, funds sufficient to pay the Maximum Amount of such Disputed Priority Claim shall be delivered to the Plan Administrator from the surplus proceeds of sale at such Closing. Any such funds delivered to the Plan Administrator shall be maintained by the Plan



Administrator in a segregated, interest bearing account and administered as if it were deposited into the Disputed Claims Reserve in accordance with Article X of the Amended Plan.

The treatment and consideration to be received by Holders of Allowed Claims in Class 3 shall be, subject to the terms hereof, in full settlement and final satisfaction of their respective Claims to the extent of the distributions provided for herein on account of such Claims.

Class 3 is Impaired under the Amended Plan

- (d) Class 4 – General Unsecured Claims - Class 4 consists of all Allowed General Unsecured Claims, including any Allowed Flushing General Unsecured Claim. In addition to any Allowed Flushing General Unsecured Claim, there are only three other potential General Unsecured Claims. The three (3) claims are as follows: (1) Hudson View's General Unsecured Claim (Claim No. 6-1) in the amount of \$255,332.00; (2) the claim of Malapero & Prisco, LLP (Claim No. 7-1) in the amount of \$14,651.43 and (3) the claim of Marin Goodman LLP (Claim No. 5-1) in the amount of \$11,356.90. With the exception of the foregoing, there were no other General Unsecured Claims filed prior to the Bar Date or scheduled by the Debtor in the Schedules.

In the event (i) the Units are sold to an entity other than Flushing Bank or its designee on account of Flushing's Credit Bid, and (ii) Hudson View and Flushing Bank are paid the full amount of the Allowed Hudson View Claim and the Allowed Flushing Claim and there is no Flushing Deficiency Claim, each Holder of an Allowed Claim in Class 4 shall be entitled to receive its Pro Rata share of the Cash from the surplus proceeds of (i) the sale of the Units, if any, and (ii) recoveries from any Avoidance Actions and Causes of Action, after payment in full to all Holders of Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Claims in Classes 1, 2 and 3, and Allowed Post-Confirmation Date U.S. Trustee Fees. Subject to the terms hereof, including the establishment of the reserves provided for herein, the distribution to Holders of Allowed General Unsecured Claims in Class 4 shall be made thirty (30) days after the date of the Closing, or as soon thereafter as practicable.

The treatment and consideration to be received by the Holders of Allowed Claims in Class 4 shall be, subject to the terms hereof, in full settlement and final satisfaction of such Claims against the Debtor to the extent of the distributions provided for herein on account of such Claims; *provided, however*, Flushing Bank does not waive and specifically reserves and retains any and all rights, claims and remedies, under the Guaranty and/or the Flushing Loan Documents, at law, in equity or otherwise, for the Flushing Deficiency Claim against any third-party obligors or guarantors, including, without limitation, the Guarantor.

Class 4 is Impaired under the Amended Plan.

- (e) Class 5 – Interests Class 5 consists of Allowed Interests in the Debtor, including, without limitation, any Holders of options, warrants and other rights to acquire equity interests in the Debtor. In the event (i) the Units are sold to an entity other than Flushing Bank or its designee on account of Flushing’s Credit Bid, and (ii) Hudson View and Flushing are paid the full amount of the Allowed Hudson View Claim and the Allowed Flushing Claim and there is no Flushing Deficiency Claim, each Holder of an Allowed Claim in Class 5 shall be entitled to receive its Pro Rata share of the Cash from the surplus proceeds of the sale of the Units, if any, after payment in full to all Holders of Allowed Administrative Expense Claims, Allowed Priority Tax Claims and Allowed Claims in Classes 1, 2, 3 and 4. Holders of Allowed Interests will receive and retain the same ownership interests they held in the Debtor in the Post-Confirmation Debtor.

The treatment and consideration to be received by Holders of Allowed Interests in Class 5 shall be, subject to the terms hereof, in full settlement and final satisfaction of their respective Interests to the extent of the distributions provided for herein on account of such Interests.

Class 5 is an Impaired Class under the Amended Plan.

D. Sources Of Cash To Make Plan Distributions

Except as otherwise provided in the Amended Plan or the Confirmation Order all Cash necessary for Debtor to make distributions and payments required under the Amended Plan to Holders of Allowed Claims will be paid by the Plan Administrator from the proceeds of the Auction and sale of the Property and recoveries from Avoidance Actions and Causes of Action. Notwithstanding the foregoing, if the Debtor’s Bankruptcy Estate is determined Administratively Insolvent the Administrative Expense Claims shall be paid in full by the Successful Bidder.

E. Unexpired Leases And Executory Contracts

1. Generally Under section 365 of the Bankruptcy Code, the Debtor has the right, subject to Bankruptcy Court approval, to assume or reject executory contracts or unexpired leases. If an executory contract or unexpired lease entered into before the Filing Date is rejected by the Debtor prior to entry of the Confirmation Order, it will be treated as if the Debtor breached such contract or lease on the date immediately preceding the Petition Date, and the other party to the agreement may assert a general Unsecured Claim for damages incurred as a result of the rejection.

2. Assumption and Rejection The Amended Plan provides in Article VIII that as of the Effective Date, any executory contract or unexpired lease, except for the Assumed Tenant Leases, that has not been expressly assumed or rejected with approval by order of the Bankruptcy Court shall be deemed to have been rejected unless (a) there is then pending before the Bankruptcy Court a motion to assume such unexpired lease or executory contract, or (b) the Bankruptcy Court has entered an order extending the period during which a motion may be made to assume such unexpired lease or executory contract, and such a motion is filed with the Bankruptcy Court before the expiration of such period. All Assumed Tenant Leases will be deemed to be assumed and assigned to the Successful Bidder, Back-up Bidder or Flushing Bank, as the case

may be, as of the date of the Closing. The Disclosure Statement and the Plan shall constitute due and sufficient notice of the intention to (x) reject all executory contracts and unexpired leases, except for the Assumed Tenant Leases, that are not otherwise assumed, and (y) the assumption and assignment of the Assumed Tenant Leases. The Confirmation Order shall be deemed an order under section 365(a) of the Bankruptcy Code (i) rejecting any such executory contracts and unexpired leases, except for the Assumed Tenant Leases, that are not otherwise assumed, and (ii) the assumption and assignment of the Assumed Tenant Leases. The Confirmation Order will include provisions for the assumption and assignment of the Assumed Tenant Leases.

3. **Bar Date for Rejection Damage Claims.** Unless otherwise provided for by an order of the Bankruptcy Court entered on or prior to the Confirmation Date, any Rejection Damage Claim for an executory contract or unexpired lease rejected by the Plan must be filed with the Bankruptcy Court on or before the Rejection Damages Bar Date, with a copy thereof upon (a) Hudson View's counsel, Reich, Reich & Reich, P.C.; (b) counsel for the Debtor, Pick & Zabicki, LLP, 369 Lexington Avenue, 12<sup>th</sup> Floor, New York, New York 10017, Attn.: Douglas Pick, Esq.; (c) counsel to Flushing Bank, Lynch & Associates, 469 Seventh Avenue, 12<sup>th</sup> Floor, New York, New York 10018 Attn: Gary Ravert, Esq.; and (e) the United States Trustee for the Southern District of New York, U.S. Federal Office Building, 201 Varick Street, Room 1006, New York, New York 10014.

Any Entity that fails to file and serve its Rejection Damage Claim within the period set forth above shall be forever barred from asserting a Claim against the Debtor, the Estate, the Plan Administrator, the Post-Confirmation Estate or any Property or interests in Property of the Debtor, the Plan Administrator, or the Post-Confirmation Estate. All Allowed Rejection Damage Claims shall be classified as General Unsecured Claims (Class 4) under the Plan.

F. Means For Effectuating The Plan

1. Auction Sale of the Units in Accordance With the Auction Sale

(a) The Amended Plan is predicated upon the Bankruptcy Court entering the Confirmation Order, which, among other things, authorizes the Auction of the Units in accordance with the terms of the Amended Plan and the Auction Sale Procedures, which are attached as Exhibit A to the Plan, which shall govern all aspects of the sale.

(b) As of the entry of the Confirmation Order, \_\_\_\_\_ shall be the Plan Administrator. Within three business days of entry of the confirmation order, the Plan Administrator shall retain \_\_\_\_\_ as auctioneer and property manager for the Units so as to maintain, preserve, prepare such Units for marketing and Auction.

(c) The Plan Administrator, in consultation with the auctioneer, Flushing Bank, Hudson View and the Debtor, shall determine the best way to market the Auction sale of the Units to generate the most interest possible from potential bidders.

(d) Hudson View believes the best and most efficient way to sell the Units is to sell all of them together at auction through the Plan.

(e) If the Plan Administrator, Hudson View and Flushing Bank receive by the Qualified Bidder Deadline one or more submissions that the Plan Administrator, Hudson View and Flushing Bank agree to be from a Qualified Bidder other than Flushing, the Plan Administrator, Hudson View and Flushing Bank will schedule the Auction, which shall be conducted at such location to be agreed upon by the Plan Administrator, Hudson View and Flushing Bank, at such date and time as shall be fixed pursuant to the provisions of the Confirmation Order, but in no event later than forty-five (45) days after the Confirmation Date or such later date as may be agreed to in writing by the Plan Administrator, Hudson View and Flushing Bank, or established in accordance with the Auction Sale Procedures. If the Plan Administrator, Hudson View and Flushing Bank agree that there are no submissions by Qualified Bidders other than Flushing Bank by the Qualified Bidder Deadline, then Flushing Bank or its designee will be determined to be the Successful Bidder pursuant to its Opening Credit Bid. Any disputes between the Plan Administrator, Hudson View and Flushing concerning whether another Qualified Bid has been received from a Qualified Bidder other than Flushing, will be resolved by the Bankruptcy Court.

(f) Flushing Bank is deemed a Qualified Bidder with an initial bid in the amount of the Opening Credit Bid and has the right, *but not the obligation*, in its sole discretion, to Credit Bid up to the full amount of the Allowed Flushing Bank Secured Claim. If Flushing shall be the Successful Bidder or otherwise entitled to acquire the Units in accordance with the Auction Sale Procedures, it shall have the right to assign its successful Credit Bid and the right to close thereunder at or prior to the Closing for the Units. Any such assignee shall be entitled to all of the rights of Flushing Bank under the Plan, including but not limited to the right to take title to the Units free and clear of any and all (i) Liens, Claims and encumbrances, (ii) Transfer Taxes, and (iii) any anti-assignment provisions under any assigned contracts or applicable law; *provided, however*, notwithstanding anything in the Plan to the contrary.

(g) Hudson View is deemed a Qualified Bidder who at its sole discretion shall have the right but not the obligation to make a bid in the full amount of the Allowed Flushing Secured Claim plus a credit bid of the Hudson View Secured Claim. If Hudson View is the Successful Bidder or otherwise entitled to acquire the Units in accordance with the Auction Sale Procedures, it shall have the right to assign its successful bid, inclusive of its credit bid, and the right to close thereunder at or prior to the Closing for the Units. Any such assignee shall be entitled to all of the rights of Hudson View under the Plan, including but not limited to, the right to take title to the Property free and clear of any and all (i) Liens, Claims and encumbrances, (ii) Transfer Taxes, and (iii) any anti-assignment provisions under any assigned contracts or applicable law; *provided, however*, notwithstanding anything herein to the contrary.

(h) The Confirmation Order shall contain appropriate provisions, consistent with section 1142(a) of the Bankruptcy Code, authorizing and directing the Plan Administrator (and/or Flushing Bank or Hudson View to the extent not performed by the Plan Administrator) to execute or deliver or to join in the execution or delivery of any and all instruments necessary to effectuate the transfer of the cooperative stock and proprietary

lease for the Units and to perform any act, including the satisfaction of any Lien, that is necessary for the consummation of the Plan, and for Flushing Bank or Hudson View to be authorized and directed to do so in the event Plan Administrator fails or refuses to do so.

(i) Pending the Closing of the sale of the Units, the Plan Administrator shall be authorized and directed (either personally or through its designated property manager and auctioneer to continue to maintain and preserve the Units, in consultation with the Plan Administrator, Hudson View and Flushing Bank, in accordance with the terms hereof.

(k) Notwithstanding anything contained herein or in the Auction Sale Procedures to the contrary, the Entity acquiring the Units shall assume and be fully responsible and liable for evicting or otherwise removing any tenants, subtenants or other persons renting, using or occupying the Units , including any of their personalty, from and after the date of the Closing.

2. Transfer Taxes. The consummation of the Closing for the Units shall be deemed a transfer under, pursuant to, in connection with and in furtherance of the Plan, and such sale, transfer and delivery of any and all instruments of transfer, including without limitation the cooperative stock certificates, in connection therewith shall not be taxed under any Transfer Taxes permitted by § 1146(a) of the Bankruptcy Code as interpreted by the Supreme Court in *Florida Department of Revenue v. Piccadilly Cafeterias, Inc.*, 128 S.Ct. 2326 (2008).
3. Transfer of Assets. At the Closing for the Units, (a) the Successful Bidder or, (b) if for any reason the Successful Bidder shall fail to timely close the sale of the Units and the Plan Administrator, Hudson View and Flushing Bank, after consultation with the Auctioneer, if any, determine to proceed with the Back-up Bid, the Back-up Bidder, or (c) if (i) the Back-up Bidder shall fail to timely close the sale of the Units and shall default in its obligations to do so in accordance with the provisions of Auction Sale Procedures, or (ii) if there shall be no Back-up Bidder selected by the Plan Administrator, Hudson View and Flushing Bank, and the Successful Bidder shall fail to timely close the sale of the Units and shall default in its obligations to do so in accordance with the provisions the Auction Sale Procedures and Flushing Bank is deemed to be the prevailing bidder based on its highest preceding Credit Bid, then in connection therewith, Flushing shall receive (w) the transfer of cooperative stock and the proprietary leases for the Units , executed by the Plan Administrator for and on behalf of the Post-Confirmation Debtor and its Estate to be recorded in the appropriate office of the County Clerk or such other applicable recording offices and location(s) as may be appropriate; (x) together with any and all New York State and other governmental transfer tax returns; and (y) any and all affidavits, certificates and other documents which may be necessary or are usual and customary to facilitate the recording of stock to reflect the Bankruptcy Code section 1146(a) exemption, and to effectuate the transfer of the Property. The Plan Administrator, Hudson View or Flushing Bank do not make any representations or warranties whatsoever. The Units are being sold pursuant to the Plan “AS IS”, “WHERE IS” in its condition on the Closing Date or, Back-up Closing Date, if applicable, without any representations, covenants, guarantees or warranties by the Plan Administrator, Hudson View and/or

Flushing Bank of any kind or nature whatsoever, and free and clear of any Liens, claims or encumbrances of whatever kind or nature accrued through the date of the Auction (including, without limitation, any leases or use and occupancy agreements relating to the Units other than the Assumed Tenant Leases), with such Liens, claims, or encumbrances, if any, to attach to the proceeds of sale, and subject to any Liens, claims or encumbrances of whatever kind or nature thereafter accrued as of the date of the Auction. Any such Liens, claims or encumbrances of whatever kind or nature accruing from and after the Confirmation Date shall be the responsibility of the Entity acquiring the Units at the Closing in accordance with the terms of the Plan and Auction Sale Procedures.

4. Cooperation of the Debtor's Principals. The Debtor's principals and its authorized signatories shall, at all times, reasonably cooperate with the Plan Administrator, Hudson View, and Flushing Bank or such other Successful Bidder or Back-up Bidder, if applicable, and any of their respective successors and assigns. The Debtor's principals shall, at all times, reasonably cooperate with the Plan Administrator, Hudson View, and Flushing Bank or such other Successful Bidder or Back-up Bidder, if applicable, and any of their respective successors and assigns in connection with the Auction, any Closing for the sale of any Units, and the administration of the Post-Confirmation Estate.
5. Funding. The funds needed to pay all U.S. Trustee Fees, Allowed Administrative Expense Claims will be paid from the surplus proceeds of the sale of the Units after paying Class 1 and Class 2 Claims in full and/or from the Avoidance Actions or Causes of Action and other Property of the estate. The Allowed Hudson View Secured Claims (Class 1) attributable to the Units will be paid at the Closing in accordance with the terms of the Plan, including the Auction Sale Procedures. If the Debtor's Bankruptcy Estate is determined Administratively Insolvent the U.S. Trustee fees and Allowed Administrative Expense Claims shall be paid in full by the Successful Bidder.
6. Management of the Debtor. On and after the Effective Date, the Post-Confirmation Estate will be managed and administered by the Plan Administrator and his designee property manager and/or Auctioneer.
7. Execution of Documents. The Plan Administrator, Flushing Bank and/or Hudson View shall execute, release and deliver, for and on behalf of the Post-Confirmation Debtor and its Estate, all documents reasonably necessary to consummate the transactions contemplated by the terms and conditions of the Plan, including without limitation, any documents required in connection with the Closing and the sale of the Units in accordance with the Amended Plan.
8. Filing of Documents. Pursuant to sections 105, 1141(c), 1142(b) and 1146(a) of the Bankruptcy Code, each and every federal, state and local governmental agency or department, shall be directed to accept and record any and all documents and instruments necessary, useful or appropriate to effectuate, implement and consummate the transactions contemplated by the Amended Plan, and any and all notices of

satisfaction, release or discharge or assignment of any Lien, Claim or encumbrance not expressly preserved by the Amended Plan.

9. Transactions on Business Days. If the Effective Date or any other date on which a transaction may occur under the Amended Plan shall occur on a day that is not a Business Day, the transactions contemplated by the Amended Plan to occur on such day shall instead occur on the next succeeding Business Day.
10. Implementation. Pursuant to the Confirmation Order and upon confirmation of the Plan, the Plan Administrator, Flushing Bank and/or Hudson View shall be authorized to take all necessary steps, and perform all necessary acts, to consummate the terms and provisions of the Amended Plan. On or before the Effective Date, the foregoing parties may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate or further evidence the terms and provisions of the Amended Plan and the other agreements referred to herein. Upon the completion of all acts required to be performed by the Plan Administrator under the Plan and/or the filing by the Plan Administrator of a certification to that effect with the Bankruptcy Court (which may be included in the application for entry of the final decree), the Plan Administrator shall be relieved of its duties under the Plan for all purposes without the necessity for any other or further actions to be taken by or on behalf of the Plan Administrator, the Post-Confirmation Estate, or payments to be made in connection therewith. From and after the Effective Date, the Post-Confirmation Estate and the Plan Administrator shall not be required to file any document, or take any action, to withdraw the Post-Confirmation Debtor's business operation from any States where the Debtor previously conducted business operations.
11. Preservation and Vesting of Claims, Rights, Demands and Causes of Action. Pursuant to section 1123 of the Bankruptcy Code, the Plan Administrator, shall be vested with, shall retain, and/or shall have the authority to prosecute and enforce any and all Avoidance Actions, claims, controversies, agreements, promises, accounts, rights to legal remedies, rights to equitable remedies, rights, demands and Causes of Action of any kind or nature whatsoever held by, through, or on behalf of the Debtor, its Estate, the Post-Confirmation Debtor, the Plan Administrator and/or the Post-Confirmation Estate, including, without limitation, all Avoidance Actions. The Plan Administrator will also be authorized to challenge, object to and/or settle disputed Claims, without first having to seek approval from the Bankruptcy Court, in accordance with the terms and provisions hereof. The Plan Administrator will be authorized and empowered to bind the Post-Confirmation Estate thereto. Any settlement by the Plan Administrator for the benefit of the Post-Confirmation Estate, pursuant to and in accordance with the terms hereof shall be conclusively deemed to be in the best interests of the Post-Confirmation Estate.

12. Recoveries. All Cash, proceeds and/or recoveries from the Avoidance Actions and Causes of Action and all other proceeds derived from the Post-confirmation Debtor's liquidation of the Post-confirmation Estate Assets will be included in the Post-confirmation Estate and administered and disbursed in accordance with the provisions of the Plan.
13. Reporting Requirements. The Plan Administrator, shall prepare and maintain distribution schedules with respect to all Classes of Claims. When all objections to all Claims have been resolved by a Final Order or otherwise in accordance with the terms hereof, and all Post-Confirmation Estate Assets have been converted to Cash or abandoned, the Plan Administrator shall compute the final Pro Rata share of all Claimants and distribute the Cash on the Final Distribution Date. Approximately ninety (90) days following the date of the Effective Date, the Plan Administrator shall file with the Bankruptcy Court and serve on the U.S. Trustee and those parties who have requested special notice Post-Confirmation, a status report and a summary financial update explaining what progress has been made toward entry of the Final Decree, including a statement of all disbursements made pursuant to the Amended Plan along with an estimated date when an application for a Final Decree will be filed with the Bankruptcy Court. Until entry of the Final Decree, further status reports shall be filed periodically approximately every ninety (90) days and served on the same entities. Each status report shall generally include a description of Post-Confirmation Estate Assets sold or otherwise realized upon during the relevant period, gross and net proceeds received, distributions and payments made, expenses incurred and paid, and cash on hand. A standard Post-Confirmation Operating Report as required by the U.S. Trustee shall meet the requirements of this status report.
14. Post-Confirmation Debtor. Neither the confirmation of the Amended Plan nor the occurrence of the Effective Date shall terminate the existence of the Debtor. The Debtor may dissolve after the occurrence of the entry of a Final Decree if it so desires. The Debtor's principals shall be responsible for preparing or causing to be prepared all local, state, or federal tax returns, filings, and/or reports that are necessary or appropriate. Neither the Plan Administrator, nor Hudson View, nor Flushing Bank shall have any responsibilities of any type to the Debtor or the Post-Confirmation Debtor.
15. Prosecution of Objections to Claims; Amendment of Schedules. The Plan Administrator, Hudson View and Flushing Bank reserve the right and shall continue to have authority, subsequent to the Confirmation Date but prior to the case being closed, to object to any Claim or request for allowance of an Administrative Expense Claim, whether included on the Debtor's Schedules or reflected in a proof of claim filed with the Bankruptcy Court, and to initiate contested matters and to initiate such proceedings as may be necessary and appropriate in the Bankruptcy Court for a determination of the Allowed Amount of any and all Claims or requests for allowance of Administrative Expense Claims in accordance with the terms hereof.



G. Provisions Covering Distributions

1. Post-Confirmation Estate. Except as otherwise provided in the Amended Plan, on the Effective Date the Units and any other Property shall vest in the Plan Administrator pending the Closing, at which time the cooperative stock and proprietary leases for each of the Units shall be transferred to the acquiring Entity at the Closing. From time to time thereafter, other assets may be transferred to the Plan Administrator on behalf of the Post-Confirmation Estate and, upon conversion thereof to Cash, will be deposited into the Distribution Fund and distributed to Holders of Allowed Claims in accordance with the terms and provisions of the Amended Plan.
2. Timing of Distributions Due Under Plan. (a) All Distributions and payments required under the Plan to Holders of Allowed Claims will be paid from the Post-Confirmation Estate on the dates and in the manner indicated in the Amended Plan. Except as otherwise provided in the Amended Plan, without in any way limiting Sections 11.5 and 11.6 below, and subject to Section 14.2 below, Distributions in respect of (i) the Allowed Hudson View Secured Claims in Class 1 of the Plan shall be made as set forth in Section 5.1; (ii) Allowed Flushing Bank Secured Claim in Class 2 of the Plan shall be made as set forth in Section 5.2; (iii) the Allowed Priority Claims in Class 3 of the Plan shall be made as set forth in Section 5.3; (iv) Allowed General Unsecured Claims in Class 4 of the Plan shall be made as set forth in Section 5.4; and (v) all other Allowed Claims that are required by the Plan to be made under the Plan shall be made from the Plan Administrator on behalf of the Post-Confirmation Estate Assets on, or as soon as practicable following, the dates provided for such Allowed Claims under the Plan.
3. Manner of Distributions. At the option of the Plan Administrator Distributions from the Post-Confirmation Estate may be made by wire transfer, check, or such other method as the Plan Administrator deems appropriate under the circumstances. No Distributions shall be required to be made to any Holder of an Allowed Claim in an amount less than fifty (\$50.00) dollars, unless request is made, in writing, to the Plan Administrator.
4. Cash Payments. Cash payments made pursuant to the Amended Plan will be in U.S. dollars. Cash payments made pursuant to the Plan in the form of checks issued by the Plan Administrator shall be void if not cashed within one hundred twenty (120) days of the date of the issuance. Requests for reissuance of any check shall be made directly to Plan Administrator as set forth in Section 10.8 of the Plan.
5. Disputed Claims Reserve.
  - a) Contemporaneously with the Closing on the Units, or as soon thereafter as the Plan Administrator shall determine with Flushing Bank, the Plan Administrator shall establish the Disputed Claims Reserve. For purposes of establishing the Disputed Claims Reserve, the Plan Administrator shall reserve for each Disputed Claim at the Maximum Amount. On the date of any Distribution, the Plan Administrator shall deposit into the Disputed Claims Reserve Cash equal to the amount that would be distributable to all Holders of Disputed Claims in

respect of all Distributions made on that date, if such Disputed Claims were Allowed in the respective Maximum Amounts. The Plan Administrator shall maintain the Disputed Claims Reserve in a segregated, interest bearing account and shall keep records as to the applicable amounts reserved in respect of each Disputed Claim. The Plan Administrator shall pay any taxes due and owing with respect to the Disputed Claims Reserve, and reserve all Distributions on account of the Disputed Claims, net of such taxes; *provided, however*, that the Debtor may contest in good faith any tax that any taxing authority determines is owed by the Plan Administrator on behalf of the Post-Confirmation Estate.

b) In the event any Disputed Claim becomes an Allowed Claim, the amount of such Allowed Claim shall never exceed the Maximum Amount and the Plan Administrator shall distribute to the Holder of such Allowed Claim from the Disputed Claims Reserve the aggregate amount of Cash that such Holder would have received through the date of such Distribution in respect of such Disputed Claim as if such Claim has been an Allowed Claim as of the Effective Date.

c) From time to time as Disputed Claims are Disallowed or become Allowed Claims in amounts less than its respective Maximum Amounts, the Cash deposited in the Disputed Claims Reserve that otherwise would have been distributed to the holders of such Disputed Claims if such Disputed Claims subsequently had become Allowed Claims in an amount equal to their respective Maximum Amounts (and which as a result is not distributable to such Holders pursuant to this Section 11.3) shall be released from and no longer held in the Disputed Claims Reserve and, subject to the provisions of Sections 10.3, 11.5 and 11.6, shall be distributed in accordance with this Section 10.1 of the Plan.

6. Payment of Statutory Fees. All fees payable pursuant to 28 U.S.C. § 1930 as determined by the Bankruptcy Court as of the Confirmation Date, to the extent not previously paid by the Debtor, shall be paid by the Plan Administrator from the operating income of the Plan Administrator pending the Closing on the Sale of the Units and, upon the Closing, from the proceeds of the Sale and/or other estate assets. If the Debtor's Bankruptcy Estate is determined Administratively Insolvent the statutory fees pursuant to 28 U.S.C. § 1930 shall be paid in full by the Successful Bidder.
7. No Interest. Except with respect to Holders of Unimpaired Claims entitled to interest under applicable non-bankruptcy law or as otherwise expressly provided herein, no Holder of an Allowed Claim, including, without limitation, Holders of Allowed General Unsecured Claims under Class 4 of the Amended Plan shall receive interest on any Distribution to which such Holder is entitled hereunder, regardless of whether such Distribution is made on the Effective Date or thereafter.

8. Withholding of Taxes.

- a) The Plan Administrator may withhold from any Property to be distributed under the Amended Plan any Property which must be withheld for taxes payable by the Entity entitled to such Distribution to the extent required by applicable law. As a condition to making any Distribution under the Plan, the Plan Administrator may request that the Holder of any Allowed Claim provide such Holder's taxpayer identification number and such other certification or documentation as may be deemed necessary to comply with applicable tax reporting and withholding laws.
- b) Notwithstanding any other provision of the Amended Plan, each Entity receiving a Distribution of Cash pursuant to the Plan will have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on it by any governmental unit on account of such Distribution, including income, withholding and other tax obligations.

9. Undeliverable or Unclaimed Distributions.

- a) All Distributions under the Amended Plan to any Holder of an Allowed Claim shall be made at the address of such Holder as set forth on the lists to be provided by the Debtor to the Post-Confirmation Debtor unless the Plan Administrator has been notified in writing after the Effective Date of a change of address. Any Entity that is entitled to receive a Cash Distribution under the Plan but that fails to cash a check within one hundred twenty (120) days of its issuance shall be entitled to receive a reissued check from the Plan Administrator for the amount of the original check, without any interest, if such Entity (i) requests, in writing, the Plan Administrator to reissue such check, and (ii) provides the Plan Administrator with such documentation as the Plan Administrator requests to verify in her/his sole discretion that such Entity is entitled to such check. If an Entity fails to cash any check within one hundred twenty (120) days of its issuance or fails to request re-issuance of such check within one hundred twenty (120) days of its issuance, such Entity shall be deemed to have forfeited the amount of the Distribution provided for in such check. Any such forfeited Distributions shall revert to the Plan Administrator on behalf of the Post-Confirmation Estate and the Claim of any Holder or successor to such Holder with respect to such forfeited Distributions shall be discharged and forever barred, notwithstanding any other provisions in the Amended Plan or any federal or state escheat laws to the contrary.
- b) In the event that any Distribution to any Holder of an Allowed Claim is returned to the Plan Administrator as undeliverable, no further Distributions will be made to such Holder unless and until the Plan Administrator is notified in writing of such Holder's then-current address. All claims for undeliverable Distributions for which no check is issued, must be made within one hundred twenty (120) days of the issuance of the original check. After such date, all unclaimed Distributions shall revert to the Plan Administrator and the claim of any Holder

or successor to such Holder with respect to such Distribution shall be forfeited, discharged and forever barred, notwithstanding any provisions in the Amended Plan or any federal or state escheat laws to the contrary. Upon such forfeiture of Cash or other Post- Confirmation Estate property, such Cash or Post- Confirmation Estate Assets shall be the property of the Post-Confirmation Estate.

10. Post-Effective Date Services by Professionals. The Professionals retained by the Debtor shall continue to be retained subsequent to the Effective Date, subject to the direction of the Plan Administrator, for the purpose of rendering services as necessary to consummate the Plan as the Plan Administrator deems necessary, which services shall include the liquidation of Post-Confirmation Estate Assets, objecting to Disputed Claims and effecting Distributions on Allowed Claims.

The reasonable fees and expenses of the Debtor's Professionals incurred after the Confirmation Date shall constitute Operating Expenses of the Post-Confirmation Estate and shall be payable upon presentment of a monthly statement for services rendered and for reimbursement of expenses to the Post-Confirmation Debtor. The Post-Confirmation Debtor shall have fifteen (15) Business Days from the receipt of any such fee and expense statements to dispute all or part of such statement. Upon the expiration of said fifteen (15) Business Days, provided there are sufficient funds available in the Post-Confirmation Estate, the Post-Confirmation Debtor shall pay the Professionals the undisputed portion of such fees and expenses. Any disputes shall be submitted to the Bankruptcy Court for determination.

#### H. Procedures For Resolving Disputed Claims

1. Objections to Claims. From and after the Effective Date except as otherwise provided in the Amended Plan, (a) only the Plan Administrator and Flushing Bank (including its designee), shall have the authority to file or litigate to judgment objections to any Claims, and (b) only the Plan Administrator and Flushing Bank (including its designee), shall have the right to settle, compromise, and withdraw objections to Priority Claims; *provided, however*, unless and until Flushing Bank is fully paid the Allowed Amount of the Allowed Flushing Bank Claim and there is not any Flushing Bank Deficiency Claim, any settlement, compromise or withdrawal of any objections to any Priority Claims will require the prior written consent of Flushing unless otherwise determined by the Bankruptcy Court. Subject to an order of the Bankruptcy Court providing otherwise, the Plan Administrator and Flushing Bank may object to a Claim by filing an objection with the Bankruptcy Court and serving such objection upon the Holder of such Claim not later one hundred and twenty (120) days after the Effective Date or one hundred and twenty (120) days after the filing of the proof of such Claim, whichever is later, or such other date fixed by the Bankruptcy Court.

2. Procedure. Unless otherwise ordered by the Bankruptcy Court or agreed to by written stipulation of the Post-Confirmation Debtor and Flushing Bank or until an objection thereto by the Post-Confirmation Debtor or Flushing Bank is withdrawn (*provided, however,* unless and until Flushing is fully paid the Allowed Amount of the Allowed Flushing Bank Claim and there is not any Flushing Deficiency Claim, any settlement, compromise or withdrawal of any objections to any Claims will require the prior written consent of Flushing Bank unless otherwise determined by the Bankruptcy Court), the Plan Administrator and Flushing may litigate the merits of each Disputed Claim until a Final Order is entered with respect to such Claim.

3. Payments and Distributions With Respect to Disputed Claims. No payments or Distributions shall be made in respect of any Disputed Claim until such Disputed Claim becomes an Allowed Claim.

4. Claims Reserve - Estimation. For purposes of effectuating the reserve provisions of the Plan, and the allocations and Distributions to Holders of Allowed Claims, the Bankruptcy Court may, on or prior to the Effective Date, or such later date as may be established by the Bankruptcy Court and/or the Debtor, pursuant to section 502 of the Bankruptcy Code, fix or liquidate the amount of any contingent or unliquidated Claim, in which event the amount so fixed will be deemed the Allowed Amount of such Claim for purposes of the Plan or, in lieu thereof, the Bankruptcy Court will determine the maximum contingent or unliquidated amount for such Claim, which amount will be the Maximum Amount in which such Claim ultimately may be Allowed under the Plan, if such Claim is Allowed in whole or in part. The Bankruptcy Court's entry of the Confirmation Order or any such estimation order may limit the Distribution to be made on individual Disputed Claims from the Post-Confirmation Estate, regardless of the amount finally Allowed on account of such Disputed Claims, and no Holder shall have recourse against the Plan Administrator, the Post-Confirmation Estate, the Debtor, Flushing Bank, Hudson View or any of their respective Professionals, professional consultants, attorneys, advisors, officers, directors, employees, members or their successors or assigns, or any of their respective property, as such Holder's sole recovery shall be from the Distributions to be made to Holders of Allowed Claims (subject to any claims that any Holder may have against any guarantors).

5. Distributions After Allowance of Disputed Claims. Distributions to each Holder of a Disputed Claim, to the extent that such Claim ultimately becomes an Allowed Claim, will be made in accordance with the provisions of the Amended Plan.

6. Distributions After Disallowance of Disputed Claims. Holders of Allowed Claims under the Amended Plan that receive Distributions after Allowance of such Holder's Claim, may receive subsequent Distributions if and to the extent that other General Unsecured Claims are disallowed or expunged or as Post-Confirmation Estate Assets are sold and converted to Cash. Such subsequent Distributions will be included with the next Distributions due to be paid to Holders of Allowed Claims pursuant to and in accordance with Article V of the Amended Plan.

7. Setoffs and Recoupments. Except with respect to Avoidance Action and Causes of Action of any nature released or allowed pursuant to the Amended Plan or Confirmation Order, the Plan Administrator or its designee, as the case may be, may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, set off or recoup against any Allowed Claim, the Distributions to be made pursuant to the Amended Plan on account of such Claim, any Avoidance Actions or Causes of Action of any nature that the Plan Administrator, Debtor, the Post-Confirmation Estate, or the Debtor's successors may

hold against the Holder of such Allowed Claim; provided that neither the failure to effect a setoff or recoupment nor the allowance of any Claim hereunder will constitute a waiver or release by the Plan Administrator, the Post-Confirmation Debtor or the Post-Confirmation Estate, or their successors, of any Avoidance Action or Cause of Action that the Plan Administrator, the Plan Administrator on behalf of the Debtor and/or the Post-Confirmation Debtor, the Post-Confirmation Estate, or their successors may possess against such Holder.

I. Effect Of Consummation Of The Plan

The Amended Plan provides for the Auction of the Units owned by the Debtor and distributions of the Liquidating Estate in accordance with the terms and provisions of the Amended Plan. Pursuant to the Amended Plan, the Post-Confirmation Debtor is charged with administering the Liquidating Estate in the most cost-effective manner possible in the shortest reasonable time, with due regard for the risk that undue haste may reduce the liquidation proceeds of any portion of the Liquidating Estate. In selling or otherwise monetizing the Liquidating Estate, the Liquidating Agent shall use commercially reasonable efforts to maximize the amount of the net proceeds derived therefrom.

As set forth in Article V of the Amended Plan, Holders in each Class will receive their Pro Rata share of the cash deposited into the Escrow Accounts and the earnings thereon and proceeds through subordinate to all payments requested to be made to Holder's Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Secured Claims and Allowed Priority Claims. Allowed Administrative Expense Claims and Allowed Priority Tax Claims will be paid in full as provided for under Articles II and III of the Plan.

J. Injunction, Release And Exculpation

1. **Injunction.** Except as otherwise provided in or to enforce the Amended Plan or Confirmation Order, on or after the Effective Date all Entities that have held, currently hold, or may hold, a Claim, Lien, Interest or other liability against or in the Debtor that would be discharged or satisfied upon confirmation of the Plan and the Effective Date but for the provisions of Bankruptcy Code § 1141(d)(3) are permanently enjoined from taking any of the following actions on account of such Claim, Lien, Interest or right: (a) commencing or continuing in any manner any action or other proceeding on account of such Claim, Lien, Interest, or right against the Plan Administrator, the Post-Confirmation Estate, Post-Confirmation Estate Assets, the Units or any other Property that is to be distributed under the Amended Plan or the Cash Collateral Stipulation, including the Cash Collateral, or the Debtor or the Post-Confirmation Debtor; or (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree, or order against the Post-Confirmation Estate, Post-Confirmation Estate Assets, the Units or any other Property to be distributed under the Plan or the Cash Collateral Stipulation, including the Cash Collateral, or the Debtor or the Post-Confirmation Debtor.

On and after the Effective Date, each Holder of an Interest in the Debtor is permanently enjoined from taking or participating in any action that would interfere with or otherwise hinder the Plan Administrator, Flushing Bank and/or Hudson View from implementing the Amended Plan or the Confirmation Order.

Except as otherwise provided in the Amended Plan or the Confirmation Order, on or after the Effective Date all Creditors of, Claimants against, Interest Holders of, and Entities having or claiming an interest of any nature in the Post-Confirmation Estate are hereby permanently enjoined and stayed from pursuing or attempting to pursue any action, commencing or continuing any action, employing any process, or any act against the Plan Administrator, Post-Confirmation Estate, Post-Confirmation Estate Assets, the Units or any other Property that is to be distributed under the Plan, including the Cash Collateral, or the Debtor or the Post-Confirmation Debtor on account of or based upon any right, claim or interest which any such Creditor, Claimant, Interest Holder, or other Entity may have had prior to the entry of the Confirmation Order.

2. **Exculpation.** Neither the Plan Administrator, the Post-Confirmation Debtor, Flushing Bank nor Hudson View nor any of their respective officers, directors, members, employees or other agents, financial advisors, attorneys, and accountants shall have any liability to any Holder of any Claim or Interest for any act or omission in connection with or arising out of the negotiation, preparation and pursuit of confirmation of the Plan, the Consummation of the Amended Plan, the administration of the Plan, the Chapter 11 Case or the property to be distributed under the Plan except for liability based upon willful misconduct or gross negligence as finally determined by a Final Order of the Bankruptcy Court.

K. Conditions Precedent To Confirmation Order And Effective Date Of The Plan

1. Condition Precedent to Entry of the Confirmation Order. The following condition must be satisfied on or before the Confirmation Date: The Confirmation Order must be in form and substance reasonably acceptable to Hudson View and Flushing Bank.
2. Conditions Precedent to the Effective Date. The following conditions must be fully satisfied or waived, if subject to waiver, on or before the Effective Date for the Plan to become effective: The Confirmation Order must be entered by the Bankruptcy Court and become a Final Order.
3. Condition Precedent to Consummation. Upon the Auction having occurred, the Plan shall be deemed substantially consummated.

If the Plan has not been consummated in accordance with the terms hereof within one hundred eighty (180) days of the Confirmation Date, or such longer period as may be agreed upon in writing by the Debtor, Flushing Bank and Hudson View, the Debtor or Hudson View shall file with the Bankruptcy Court and serve a notice indicating an inability to consummate the Plan and the Bankruptcy Court shall thereafter schedule a hearing to consider the just disposition of the Chapter 11 case.

L. Miscellaneous Provisions

1. Bankruptcy Court to Retain Jurisdiction. Notwithstanding entry of the Confirmation Order, or the occurrence of the Effective Date or Consummation of the Plan, the Chapter 11 Case having been closed, or a Final Decree having been entered, the Bankruptcy Court (or the District Court, as the case may be) shall have and retain jurisdiction of matters arising out of, and related to the Chapter 11 Case and the Plan under, and for the purposes of, Bankruptcy Code §§ 105(a), 1127, 1142 and 1144 and for, among other things, the following purposes:

- a. To consider any modification of the Amended Plan under Bankruptcy Code § 1127 and/or modification of the Plan before “substantial consummation” as defined in Bankruptcy Code § 1101(2), and to consider any modification of the Plan to cure any defect or omission, or reconcile any inconsistency in the Plan, the Disclosure Statement or in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order.
- b. To hear and determine pending applications for the assumption or rejection of executory contracts or unexpired leases, if any, and allowance of Claims resulting therefrom.
- c. To (i) hear and determine any Claim or Cause of Action arising in or related to the Chapter 11 Case; and (ii) to adjudicate any Causes of Action or other proceedings currently pending or which may be commenced by the Post-Confirmation Debtor or Flushing Bank after the Effective Date or otherwise referenced herein or elsewhere in the Amended Plan, including, but not limited to, the adjudication of any Causes of Action and any and all “core proceedings” under 28 U.S.C. § 157(b), which are or may be pertinent to the Chapter 11 Case and which the Debtor, the Post-Confirmation Debtor or Flushing Bank may deem appropriate to commence and prosecute in support of implementation of the Plan.
- d. To determine any and all adversary proceedings, applications, and contested matters filed or commenced by the Debtor or, after the Effective Date, the Plan Administrator or Flushing Bank, including, without limitation, any Avoidance Actions or Causes of Action.
- e. To ensure that Distributions are accomplished as provided in the Amended Plan.
- f. To hear and determine any objections to Administrative Expense Claims, to Proofs of Claim, or to Claims and Interests filed and/or asserted both before and after the Confirmation Date, including any objections to the classification of any Claim or Interest, and to allow or disallow any disputed Administrative Expense Claim, Claim or Interest, in whole or in part, and any request for estimation of Claims.
- g. To protect the Plan Administrator and/or the Post-Confirmation Estate from adverse Claims or interference inconsistent with the Amended Plan, including to hear actions to quiet or otherwise clear title to such property of the Post-Confirmation Estate based upon the terms and provisions of the Amended Plan, including, without limitation, with respect to the sale of the Units.
- h. To (i) enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated; (ii) to issue such orders in aid of execution of the Amended Plan as may be necessary and appropriate, to the extent authorized by Bankruptcy Code § 1142; and (iii) to interpret and enforce any Orders previously entered in the Chapter 11 Case to the extent such Orders are not superseded or inconsistent with the Plan.



- i. To hear and determine all applications for compensation and reimbursement of expenses of Professionals under Bankruptcy Code §§ 330, 331, and 503(b) for services rendered and expenses incurred prior or subsequent to the Confirmation Date.
- j. To hear and determine all litigation, Avoidance Actions, Causes of Actions, and all controversies, suits and disputes that may arise in connection with the interpretation, implementation or enforcement of the Plan, including but not limited to, any and all litigation and/or Causes of Action brought by the Amended Plan Administrator or other party in interest, whether such litigation, Avoidance Actions, and/or Causes of Action is/are commenced either prior to or after the Effective Date.
- k. To hear and determine matters concerning state, local, and federal taxes in accordance with Bankruptcy Code §§ 345, 505, and 1146.
- l. To enter a Final Decree closing the Chapter 11 Case.
- m. To consider and act on the compromise and settlement of any litigation, Claim against or Avoidance Actions, Causes of Action asserted in connection with the Chapter 11 Case or the Post- Confirmation Estate.
- n. To hear and determine all matters and disputes relating to the Auction and Closing on the sale of the Units.
- o. Without limiting the generality of the foregoing and notwithstanding the Effective Date and to the fullest extent permitted by law, the Bankruptcy Court shall retain exclusive jurisdiction over the Post-Confirmation Estate after the Effective Date, including, without limitation, jurisdiction to resolve any and all controversies, suits and issues that may arise in connection herewith or therewith, including, without limitation, any Entities' obligations incurred in connection herewith or therewith, including without limitation, any action against the Post-Confirmation Estate or any or all of the Plan Administrator's, the Debtor's and Flushing Bank's professionals or the Post-Confirmation Estate, and any action seeking turn over or recovery of assets included in the Post-Confirmation Estate.

2. Binding Effect of the Plan. Nothing contained in the Amended Plan or the Disclosure Statement will limit the effect of confirmation as set forth in Bankruptcy Code §1141. The provisions of the Amended Plan shall be binding upon and inure to the benefit of the Plan Administrator on behalf of the Post-Confirmation Debtor and the Post-Confirmation Estate, any Holder of a Claim or Interest, or their respective predecessors, successors, assigns, agents, officers, managers, members and directors and any other Entity affected by the Amended Plan.

3. Fractional Cents. Whenever any payment of a fraction of a cent would otherwise be called for, the actual payment shall reflect a rounding down of such fraction to the nearest whole cent.

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

5. Blank Ballots. Any Ballot which is executed by the Holder of an Allowed Claim but which does not indicate an acceptance or rejection of the Plan shall be deemed to be an acceptance of the Amended Plan. Any Ballot not filed in accordance with the filing instructions on the ballot pertaining to the Plan shall not be counted for voting purposes.

6. Authorization of Corporate Action. Upon the entry of the Confirmation Order, all actions contemplated by the Amended Plan will be deemed authorized and approved in all respects (subject to the provisions of the Amended Plan), including, without limitation, the transfer and/or contribution of the Post-Confirmation Estate Assets. On the Confirmation Date, appropriate members or authorized signatories of the Debtor, the Post-Confirmation Debtor and/or Flushing Bank are authorized and directed to execute and to deliver any and all agreements, documents and instruments contemplated by the Amended Plan, the Post-Confirmation Estate and/or necessary for the consummation of the Amended Plan, and all such actions taken or caused to be taken shall be deemed to have been authorized and approved by the Bankruptcy Court without the need for any additional authorizations, approvals or consents.

7. Withdrawal of the Plan. Hudson View reserves the right, at any time prior to the entry of the Confirmation Order, to revoke or withdraw the Amended Plan. If Hudson View revokes or withdraws the Amended Plan, or if the Confirmation Date does not occur, or if the Effective Date does not occur then (a) the Amended Plan will be deemed null and void and (b) the Amended Plan shall be of no effect and shall be deemed vacated, and the Chapter 11 Case shall continue as if the Amended Plan had never been filed and, in such event, the rights of any Holder of a Claim or Interest shall not be affected nor shall such Holder be bound by, for purposes of illustration only, and without limitation, (i) the Amended Plan, (ii) any statement, admission, commitment, valuation or representation contained in the Amended Plan, the Disclosure Statement, or the Related Documents or (iii) the classification and proposed treatment (including any allowance) of any Claim in the Amended Plan.

8. Captions. Article and Section captions used in the Amended Plan are for convenience only and will not affect the construction of the Amended Plan.

9. Method of Notice. Any notice or other communication hereunder shall be in writing (including by facsimile transmission or by e-mail) and shall be deemed to have been sufficiently given, for all purposes, if deposited, postage prepaid, in a post office or letter box addressed to the person for whom such notice is intended (or, in the case of notice by facsimile transmission or e-mail, when received and telephonically or electronically confirmed), addressed as follows (provided, however, that only one notice or other communication hereunder need be sent to Holders sharing the same address):

If to Hudson View to:  
Hudson View Owners Corp.  
c/o Finger & Finger  
158 Grand Street  
White Plains, New York 10601  
Attn.: Carl Finger, Esq.

With a copy to:

Reich Reich & Reich, PC  
235 Main Street, Suite 450  
White Plains, New York 10601

If to the Debtor:

Oxford Associates Group, Inc.  
5 West 37<sup>th</sup> Street, 2<sup>nd</sup> Floor  
New, York, New York 10018

With a copy to:

PICK & ZABICKI, LLP  
Counsel for the Debtor  
369 Lexington Avenue, 12<sup>th</sup> Floor  
New York, New York 10017  
Attn: Douglas J. Pick, Esq.

If to Flushing Bank:

Flushing Bank  
220 RXR Plaza  
Uniondale, New York 11556

With a copy to:

Lynch & Associates  
Attorneys for Flushing Bank  
462 Seventh Avenue, 12<sup>th</sup> Floor  
New York, New York 10018  
Attn: H. Michael Lynch and  
Gary O. Ravert, Esq.

Any of the above may, from time to time, change its address for future notices and other communications hereunder by filing a notice of the change of address with the Bankruptcy Court.

10. Amendments and Modifications to Plan. With the written consent of Flushing Bank, the Amended Plan may be altered, amended or modified by Hudson View, before or after the Confirmation Date, as provided in section 1127 of the Bankruptcy Code provided the Bankruptcy Court authorizes the proposed modification after notice and a hearing.

11. Section 1125(e) of the Bankruptcy Code. Confirmation of the Amended Plan will constitute a finding that Hudson View has proposed and solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code.

12. Entire Agreement. The Amended Plan, as described herein, and the Disclosure Statement and exhibits thereto set forth the entire agreement and understanding of the parties hereto relating to the subject matter hereof and supersede all prior discussions and documents. No party hereto shall be bound by any terms, conditions, definitions, warrants, understandings or representations with respect to the subject matter hereof, other than as is expressly provided for herein or as may hereafter be agreed to by the parties in writing.

13. Post-Confirmation Obligations. Under current applicable law, the Plan Administrator, for and on behalf of the Post-Confirmation Estate, is required to pay fees assessed against Debtor's Estate under U.S.C. § 1930(a)(6) until entry of an order closing the Chapter 11 Case. Subject to a change in applicable law, the Plan Administrator shall pay all fees assessed against the Estate under 28 U.S.C. §1930(a)(6) from the Post-Confirmation Estate and shall file Post-Confirmation reports until entry of an order closing the Chapter 11 Case of Debtor.

## VII. CONCLUSION AND RECOMMENDATION

**BASED ON ALL OF THE FACTS AND CIRCUMSTANCES, HUDSON VIEW CURRENTLY BELIEVES THAT CONFIRMATION OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTOR, ITS CREDITORS, AND ITS ESTATES. HUDSON VIEW BELIEVES THAT THE PLAN PROVIDES THE BEST AVAILABLE ALTERNATIVE FOR MAXIMIZING THE RECOVERIES THAT CREDITORS MAY RECEIVE FROM THE DEBTOR'S ESTATE. THEREFORE, HUDSON VIEW RECOMMENDS THAT ALL CREDITORS AND INTEREST HOLDERS THAT ARE ENTITLED TO VOTE ON THE PLAN VOTE TO ACCEPT THE PLAN.**

Dated: White Plains, New York  
December 6, 2018

Hudson View Owners Corp.

By: /s/ Karl Robb  
Name: Karl Robb, President

Title: Authorized Signatory

Prepared By:

Reich, Reich & Reich, P.C.

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