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UNITED STATES BANKRUPTCY COURT FOR THE  
EASTERN DISTRICT OF PENNSYLVANIA

IN RE:	:
	: CHAPTER 11
SPECTRUM ALLIANCE, LP,	:
	: BANKRUPTCY NO. 17-14250(JKF)
	:
Debtor.	:
	:

FIRST AMENDED DISCLOSURE STATEMENT  
PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE  
DESCRIBING THE LIQUIDATING PLAN PROPOSED  
BY DEBTOR AND DEBTOR-IN-POSSESSION SPECTRUM ALLIANCE, LP AND BY  
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

PLEASE READ THIS DISCLOSURE STATEMENT CAREFULLY. THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN PROPONENTS' LIQUIDATING PLAN. THE PLAN PROPONENTS BELIEVE THAT THE PLAN IS IN THE BEST INTEREST OF THE CREDITORS AND INTEREST HOLDERS AND IS THEREFORE FAIR AND EQUITABLE. THE PLAN PROPONENTS STRONGLY RECOMMEND THAT ANY VOTER ACCEPT THIS PLAN.

Dated: 10/19/18

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***Attorneys for the Official Committee  
of Unsecured Creditors***

**I. INTRODUCTION**

The Debtor, Spectrum Alliance, L.P. and its Official Committee of Unsecured Creditors (the “Plan Proponents”) provide this first amended disclosure statement (the “Disclosure Statement”) to all of the known Creditors and “Interest Holders” of the Debtor that are entitled to same pursuant to section 1125 of the United States Code, as amended (the “Bankruptcy Code”) in connection with the First Amended Liquidating Plan (the “Plan”) filed by the Plan Proponents. A copy of the Plan accompanies the Disclosure Statement. The purpose of the Disclosure Statement is to provide Creditors and Interest Holders of the Debtor with such information as may be deemed material, important and necessary in order to make a reasonably informed decision in exercising the right to vote on the Plan. The capitalized items used in this Disclosure Statement, if not defined herein, shall have the same meaning as indicated in the Plan.

**NO REPRESENTATIONS CONCERNING THE DEBTOR-IN-POSSESSION (INCLUDING THOSE RELATING TO FUTURE OPERATIONS, THE VALUE OF ASSETS, ANY PROPERTY, OR CREDITORS, INTEREST HOLDERS AND OTHER CLAIMS) INCONSISTENT WITH ANYTHING CONTAINED HEREIN HAVE BEEN AUTHORIZED.**

On June 20, 2017 (the “Filing Date”), the Debtor commenced a bankruptcy case by filing a voluntary petition under chapter 11 of title 11 of the United States Code, as amended (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Eastern District of Pennsylvania under Case No.17-14250. Since the Filing Date, the Debtor has continued in the operation of its business as a Debtor-in-possession pursuant to §§1107(a) and 1108 of the Bankruptcy Code.

**A. Purpose of this Document**

This Disclosure Statement summarizes what is in the Plan and tells you certain information relating to the Plan by describing the process that the Court follows in determining whether or not to confirm the Plan.

**READ THIS DISCLOSURE STATEMENT CAREFULLY IF YOU WANT TO KNOW ABOUT:**

- (1) WHO CAN VOTE OR OBJECT;**
- (2) THE PROPOSED TREATMENT OF YOUR CLAIM (*i.e.*, what your claim will receive if the Plan is confirmed), AND HOW THIS TREATMENT COMPARES TO WHAT YOU WOULD RECEIVE IN LIQUIDATION;**
- (3) THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS DURING THE BANKRUPTCY;**
- (4) WHAT THE COURT WILL CONSIDER WHEN DECIDING WHETHER TO CONFIRM THE PLAN;**
- (5) THE EFFECT OF CONFIRMATION; AND**
- (6) THE FEASIBILITY OF THE PLAN.**

This Disclosure Statement cannot tell you everything about your rights. You should consider consulting your own attorney to obtain more specific advice on how this Plan will affect you and what is the best course of action for you.

Be sure to read the Plan as well as the Disclosure Statement. Capitalized terms not otherwise defined in this Disclosure Statement shall have the meaning ascribed to them in the Plan. The Plan is the legally operative document regarding the treatment of Claims and Interests and the terms and conditions of the Debtor's liquidation. Accordingly, to the extent that there are any

inconsistencies between the Plan and Disclosure Statement, the Plan provisions govern.

Bankruptcy Code Section 1125 requires a disclosure statement to contain “adequate information” concerning the Plan. The term “adequate information” is defined in Bankruptcy Code section 1125(a) as “information of a kind, and in sufficient detail, about a debtor and its operations that would enable a hypothetical reasonable investor typical of holders of claims or interests” of the debtor to make an informed judgment about accepting or rejecting the Plan. The Bankruptcy Court has determined that the information contained in this Disclosure Statement is adequate, and it has approved this document in accordance with Bankruptcy Code section 1124.

This Disclosure Statement is provided to each Creditor whose Claim has been scheduled by the Debtor or who has filed a proof of claim against the Debtor and to each interest holder of record as of the date of approval of this Disclosure Statement. Under the Bankruptcy Code, your acceptance of the Plan may not be solicited unless you receive a copy of this Disclosure Statement prior to or concurrently with such solicitation.

**B. Brief Explanation of Chapter 11**

Chapter 11 is the principal business reorganization section of the Bankruptcy Code. Pursuant to Chapter 11, a Debtor is permitted to reorganize its business affairs for its own benefit and that of its creditors and other interest holders.

The objective of a Chapter 11 case is the formulation of a plan of reorganization of the Debtor and its affairs. Creditors and Interest Holders are given an opportunity to vote on any proposed plan, and the plan must be confirmed by the Bankruptcy Court to be valid and binding on all parties. Once the plan is confirmed, all Claims against the Debtor which arose before the Filing Date are extinguished, unless specifically preserved in the Plan.

**C. Disclaimers**

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN, AND NOTHING CONTAINED IN IT SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE PLAN OR OTHER LEGAL EFFECTS OF THE REORGANIZATION ON THE DEBTOR, OR HOLDERS OF CLAIMS OR INTERESTS. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF AND THE STATEMENTS AND REPRESENTATIONS CONTAINED HEREIN ARE MADE SOLELY BY OR AT THE INSTANCE OF PLAN PROPONENT.

NO REPRESENTATIONS CONCERNING THE PLAN ARE AUTHORIZED BY THE PLAN PROPONENTS OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. THE PLAN PROPONENTS DO NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY.

CERTAIN OF THE INFORMATION PROVIDED, BY ITS NATURE, IS FORWARD LOOKING, CONTAINS ESTIMATES AND ASSUMPTIONS WHICH MAY PROVE TO BE FALSE OR INACCURATE AND CONTAINS PROJECTIONS WHICH MAY BE MATERIALLY DIFFERENT FROM ACTUAL FUTURE EXPERIENCES. SUCH ESTIMATES, ASSUMPTIONS, AND PROJECTIONS ARE MADE FOR INFORMATIONAL PURPOSES ONLY. PLEASE NOTE THAT THE APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE A RULING ON THE MERITS, FEASIBILITY OR DESIRABILITY OF THE PLAN.

## **II. VOTING PROCEDURE**

The Bankruptcy Court reviewed this Disclosure Statement and entered an Order determining that these documents contained “adequate information” such that creditors and interest holders can meaningfully evaluate the Plan. A copy of the Order approving the Disclosure Statement is attached. Only after creditors have had an opportunity to vote on the Plan will the Court consider the Plan and determine whether it should be approved or confirmed.

All creditors and interest holders are entitled to vote on the Plan may cast its vote for or against the Plan by completing, dating, signing and causing the Ballot Form accompanying this Disclosure Statement to be returned to the following address in the enclosed envelope:

ALBERT A. CIARDI, III, ESQUIRE  
JENNIFER C. MCENTEE, ESQUIRE  
Ciardi Ciardi & Astin  
One Commerce Square  
2005 Market Street, Suite 3500  
Philadelphia, PA 19103

BALLOTS MUST BE RECEIVED ON OR BEFORE **5:00 P.M. ON \_\_\_\_\_, 2018** TO BE COUNTED IN THE VOTING. BALLOTS RECEIVED AFTER THIS TIME WILL NOT BE COUNTED IN THE VOTING UNLESS THE COURT SO ORDERS. THE PLAN PROPONENTS RECOMMEND A VOTE “FOR ACCEPTANCE” OF THE PLAN.

**A. Persons Entitled to Vote on Plan**

Only the votes of classes of Claimants and Interest Holders which are impaired by the Plan are counted in connection with confirmation of the Plan. Generally, and subject to the specific provisions of Section 1124 of the Bankruptcy Code, this includes creditors who, under the Plan, will receive less than payment in full of its Claims.

In determining the acceptance of the Plan, a vote will only be counted if submitted by a creditor whose claim is duly scheduled by either of the Debtor as undisputed, non-contingent and unliquidated, or by a creditor who has timely filed with the Court a proof of claim which has not been objected to or disallowed prior to computation of the votes on the Plan. The Ballot Form does not constitute a proof of claim. If you are in any way uncertain if your Claim has been correctly scheduled, you may check the Debtor's Schedules which are on file in the Bankruptcy Court, but it is suggested that you file a proof of claim. The Clerk of the Bankruptcy Court will not provide this information by telephone.

**B. Hearing on Confirmation**

The Bankruptcy Court will set a hearing to determine whether the Plan has been accepted by the requisite number of creditors and whether the other requirements for confirmation of the Plan have been satisfied. Each creditor will receive, either with this Disclosure Statement or separately, the Bankruptcy Court's Notice of Hearing on Confirmation of the Plan.

**C. Acceptances Necessary to Confirm Plan**

At the scheduled confirmation hearing, the Bankruptcy Court must determine, among other things, whether the Plan has been accepted by each impaired class. Under Section 1126 of the Bankruptcy Code, an impaired class is deemed to have accepted the Plan if at least 2/3 in amount



and more than 1/2 in number of the Allowed Claims of class members who have voted to accept or reject the Plan have voted for acceptance of the Plan. Further, unless there is acceptance of the Plan by all members of an impaired class, the Bankruptcy Court must also determine that under the Plan class members will receive property of a value, as of the Effective Date of the Plan, that is not less than the amount that such class members would receive or retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date of the Plan.

**D. Confirmation of the Plan without the Necessary Acceptances**

The Plan may be confirmed even if it is not accepted by all of the impaired classes if the Bankruptcy Court finds (1) the Plan does not discriminate unfairly against such class or classes, (2) such class or classes will receive or retain under the Plan not less than the amount the Claimant would receive if the Debtor were liquidated under Chapter 7; and (3) the Plan is fair and equitable as to such class or classes as set forth in section 1129(b) of the Bankruptcy Code. Section 1129(b) of the Bankruptcy Code requires that, among other things, the Claimants must either receive the full value of their Claims or, if they receive less, no class with junior priority may receive anything. If the class of Unsecured Claims does not accept the Plan and the Plan does not propose to pay the class its Allowed Claims in full, no junior class may retain its equity interest, unless the shareholders contribute new money related to its participation in equity. In short, this provision provides that creditors are entitled to priority over stock or other holders against the property of an insolvent entity, to the extent of its debts. The equity holder's interest in the property is subordinate to the rights of the creditors; first of secured and then of unsecured creditors.

The Plan Proponents may, at their option, choose to rely upon this provision to seek confirmation of the Plan if it is not accepted by an impaired class or classes of Creditors.

### **III. BACKGROUND OF THE DEBTOR**

#### **A. History of the Debtor and Cause of Bankruptcy**

Formed in 2001, Spectrum is a private, open-ended investment fund comprising both stabilized and developmental real estate assets located in New Jersey, Pennsylvania, and Delaware. Spectrum focuses on two property types: Class A suburban office and suburban retail. Spectrum is a Pennsylvania limited partnership, with each of its properties separately owned by a limited liability company or limited partnership in accordance with institutional financing requirements. Ownership interests in Spectrum are structured as limited partnership interests, denominated in “Units”. The Debtor has no employees of its own but is managed through its general partner, Spectrum Alliance Services, GP, LLC (“Spectrum GP”) which is in turn managed by Trefoil Properties, LP (“Trefoil”), its Manager. The general partner of Trefoil is Trefoil Properties GP, LLC (“TPGP”). Robert T. Wrigley is the Manager of Trefoil and James R. Wrigley is the sole member of Trefoil. Trefoil is also a Class B limited partner of the Debtor. There are approximately 68 Class A limited partners of the Debtor. Robert T. Wrigley has been a principal involved with large-scale commercial real estate development for nearly 50 years. Throughout his career, Mr. Wrigley has developed more than 10 million square feet of office, retail, residential, senior life-care and mixed-use assets. James R. Wrigley has worked with Trefoil for 20 years, spending the last ten as Trefoil’s Executive Vice President and then President, his current position. James R. Wrigley oversees all company operations, and has been intimately involved in the full development cycle of projects, and relationship building and negotiations with lenders, tenants and other constituents.

On the Petition Date, the Debtor owned all or a portion of various subsidiary entities that

hold real estate. The income-producing entities owned by Debtor are set forth below:

(a) **Cedar Hill Shopping Center:** VSC-EE, LLC owns Units 2A, 2B, 3 and 4 and VSC-5, LLC owns Unit 5 in the Cedar Hill Shopping Center Condominium in Voorhees Township, Camden County, New Jersey. The property is a retail power center comprised of nearly 400,000 rentable square feet (approximately 360,000 constructed, with additional development pending). Shem Creek Cedar Hill, LLC has a first lien on Units 2A, 2B, 3 and 4. Mid-Atlantic Real Estate Investment Fund ("MAREIF") has a first lien on Unit 5.

(b) **Hillcrest Shopping Center:** HC Spectrum Partners, LP owns a 78.38% tenant-in-common interest in this approximately 133,797 square foot community shopping center located in the Borough of Lansdale, Montgomery County, Pennsylvania. Malvern Federal Savings Bank has a first lien on the property.

(c) **Towamencin Corporate Center:** CB Spectrum Partners, LP ("CB") owns this approximately 77,000 square foot, three-story office building and a 550 car parking garage located at 1690 Sumneytown Pike, Kulpsville, Montgomery County, Pennsylvania, also known as Unit 4 in the Kulpsville Business Campus, a Condominium. The Debtor owns a 51.1% limited partnership interest in CB and 1690 Partners, LLC owns a 48.9% limited partnership interest in CB.

(d) **Mount Laurel Corporate Center:** ML Spectrum Partners DE, LLC owns a 33.39% tenant-in-common interest in an approximately 87,011 square foot office building located at the intersection of Route 73 and Howard Boulevard in Mount Laurel, Burlington County, New Jersey. Wells Fargo Commercial Mortgage Servicing services the first lien CMBS loan on this property.

(e) **Gwynedd Corporate Center:** GCC Building Associates, LP owns a 75.03% tenant-in-common interest in Buildings 1 and 2, and 100% of Building 3, in this three-building, approximately 122,803 square foot office complex located on PA Route 63 (Welsh Road) in North Wales, Montgomery County, Pennsylvania. The property is formed as a condominium known as the Gwynedd Corporate Center, a Condominium. Shem Creek GCC, LLC has a first lien on each of the condominium units comprising the property.

The Debtor subsequently sold all of its assets to Black Diamond Capital Management, LLC as set forth in Article 2.1 of that Asset Purchase Agreement by and among Spectrum Alliance, LP, Trefoil Properties, LP and Black Diamond Capital Management, LLC.

The Debtor also owns all or a portion of four (4) entities that own title to undeveloped land assets as follows:

(a) **Lehighton.** Spectrum 209 Partners, LP owns approximately 9.3 acres of undeveloped land in Carbon County, Pennsylvania. Harleysville National Bank has a first mortgage on this property. The Debtor has caused Spectrum 209 Partners, LP to transfer this property, via a Deed in Lieu of Foreclosure, to Harleysville National Bank in exchange for a full release of claims.

(b) **Hawthorne Court.** Hawthorne Court Associates, LP owns two condominium units on this approximately 13-acre parcel of undeveloped land in North Wales, Montgomery County, Pennsylvania. Wohlsen Construction holds a first lien on the condominium units and appurtenances owned by the Debtor. The Debtor will cause Hawthorne Court Associates, LP to transfer this property, via a Deed in Lieu of Foreclosure, to Wohlsen Construction in exchange for a full release of claims.

(c) **Cedar Lake**. MVI Spectrum Partners, LLC owns approximately 10 acres of undeveloped land in Voorhees, Camden County, New Jersey. MAREIF holds a first mortgage on this land. Luciano DiVentura has a preferred equity interest in MVI Spectrum Partners, LLC.

(d) **Pond Building**. PB Spectrum Partners, LP owns an approximately 2.23 acre tract (also known as Unit 6 of the Kulpsville Business Campus, a Condominium) in Kulpsville, Montgomery County, Pennsylvania. The International Union of Operating Engineers of Eastern Pennsylvania and Delaware Pension Fund holds a \$10,000,000 preferred equity position in PB Spectrum Partners, LP and, in June 2017, executed on a pledge of and now owns, the Debtor's former Limited Partnership interest in PB Spectrum Partners, LP.

**C. Significant Events during the Bankruptcy**

**a. Bankruptcy Proceedings**

- i. The Debtor's Voluntary Chapter 11 Petition was filed on June 20, 2017.
- ii. The Debtor filed its Schedules of Assets and Liabilities and its Statement of Financial Affairs on July 17, 2017.<sup>1</sup>
- iii. The Debtor's Section 341 Meeting of Creditors was held and concluded on July 18, 2017.
- iv. The Debtor filed a Motion for the Authority to Continue to Perform under a Real Estate Services Agreement and Amended and Restated Limited Partnership Agreement with Trefoil Properties, LP and Trefoil

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<sup>1</sup> At the request of the Office of the United States Trustee, the Debtor Amended Schedule F to include greater detail with regard to the nature and time period each debt was incurred.

Management, LLC on June 27, 2017 (the “Trefoil Motion”).<sup>2</sup> The Trefoil Motion describes the relationship between the Debtor, Trefoil Properties, LP, and Trefoil Management, LLC. A hearing on the Trefoil Motion was held on August 2, 2017.

- v. On August 2, 2017, the Debtor filed a Motion for an order (I) pursuant to 11 U.S.C. § 364(c), authorizing the Debtor to obtain secured post-petition financing consisting of a \$1,150,000 loan from QuickLiquidity XXIV, LLC (the “Lender”) to the Debtor under and pursuant to the DIP Agreement, (II) an Expedited Hearing, Reduced Notice Period and Limited Notice Pursuant to Federal Rule of Bankruptcy Procedure 9006(c)(1) and E.D. Pa. L.B.R. 5070(f), and for (III) related Relief (the “DIP Motion”). The Bankruptcy Court approved the QuickLiquidity XXIV, LLC debtor-in-possession financing via Final Order dated September 19, 2017. See Docket Item 132.
- vi. The Debtor filed a Motion for authority to sell the Stabilized SPEs to the Buyer on Friday, November 3, 2017. The Sale was approved by the

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<sup>2</sup> The Debtor has no employees of its own but is managed through its general partner, Spectrum Alliance Services, GP, LLC (“Spectrum GP”), which is in turn managed by Trefoil Properties, LP (“Trefoil”), its Manager. Trefoil, through its general partner, TPGP, and Trefoil Management, LLC (“TMLLC”), a Pennsylvania limited liability company, are parties to a Real Estate Services Agreement dated March 6, 2007 (“RE Services Agreement”), pursuant to which TMLLC provides to Trefoil all of the services which Trefoil is required to provide to the Debtor. TMLLC also employs all of the employees providing services to Trefoil and, in turn, by Trefoil to the Debtor. TMLLC is reimbursed for its overhead, payroll and expenses pursuant to the terms of the RE Services Agreement. Trefoil is also entitled to certain fees under the terms of Schedule 2.9(b) to the Amended and Restated Limited Partnership Agreement of Spectrum Alliance, LP and First Amendment thereto dated January 1, 2006 and January 1, 2008, respectively (“Partnership Agreement” and together with the RE Services Agreement, the “Agreements”). The Agreements are attached to the Trefoil Motion as Exhibits.

Bankruptcy Court on February 9, 2018. See Docket Item 268. The Sale subsequently closed on March 15, 2018.

- vii. Finally, on June 19, 2018, the Debtor filed a Motion for entry of an order (1) authorizing the sale of the Debtor's interests in certain assets consisting of Unit 5 of the Cedar Hill Shopping Center and Cedar Lake, to Black Diamond Capital Management, LLC ("Black Diamond"), as memorialized in a certain asset purchase agreement between the Debtor and Trefoil Properties, L.P. ("Trefoil")<sup>3</sup> and Black Diamond, free and clear of all liens, claims, interests, and encumbrances, including any potential interests that Luciano DiVentura may have in Cedar Lake, pursuant to 11 U.S.C. §§ 105(a) and 363; (2) determining that *ipso facto* clauses in the LLC agreement for MVI Spectrum Partners, LLC ("MVI Spectrum"), a subsidiary of the Debtor, are null and void; (3) providing for expedited consideration and a shortened notice period; and (4) for such further relief as the Court deems just and proper. This sale was approved by the Bankruptcy Court on June 26, 2018. See Docket Item 351.

**D. Post Bankruptcy Operations**

Since the Filing Date, the Debtor has filed all operating reports and provided all other information requested by the Office of the United States Trustee and has paid all required fees to

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<sup>3</sup> Trefoil is a non-debtor entity that also sold certain of its assets to Black Diamond under the asset purchase agreement.

the United States Trustee. The Debtor will continue to file all reports and pay all fees as they become due.

#### **IV. SUMMARY OF PLAN**

##### **A. What Creditors and Interest Holders Will Receive Under the Proposed Plan.**

The Plan classifies Claims and Interests in various classes. The Plan states whether each class of Claims or Interests is impaired or unimpaired. The Plan provides the treatment each class will receive. The following is a brief summary of the Plan and is qualified in its entirety by the full text of the Plan itself. The Plan, if confirmed, will be binding upon the Debtor, its creditors, interest holders and partners. All creditors, partners, and interest holders are urged to carefully read the Plan in its entirety.

##### **B. Unclassified Claims.**

Certain types of Claims are not placed into voting classes. They are not considered Impaired and they do not vote on the Plan because they are automatically entitled to specific treatment provided for them in the Bankruptcy Code. As such, the Proponent has not placed the following Claims in a class:

##### **1. Administrative Expenses and Fees**

Administrative expenses are Claims for fees, costs or expenses of administering the Debtor's chapter 11 case which are allowed under the Bankruptcy Code section 507(a)(1), including all professional compensation requests pursuant to section 330 and 331 of the Bankruptcy Code.

##### **i. Time for Filing Administrative Claims**

The Holder of an Administrative Claim, other than a Fee Claim, must file with the



Bankruptcy Court and serve on the Debtor and its counsel, notice of such Administrative Claim within (30) days after the Confirmation Date. Such notice must include at minimum (i) the name of the Holder of the Claim, (ii) the amount of the Claim and (iii) the basis of the Claim. Failure to file this notice timely and properly shall result in the Administrative Claim being forever barred and discharged. Subcontractors and suppliers providing work on Debtor property are deemed to hold Administrative Claims incurred in the ordinary course of business.

**ii. Time for Filing Fee Claims**

Each professional person who holds or asserts an Administrative Claim that is a Fee Claim incurred before the Effective Date shall be required to file with the Bankruptcy Court a fee application within sixty (60) days after the Effective Date. Failure to timely and properly file the fee application shall result in the Fee Claim being forever barred and discharged.

**iii. Allowance of Administrative Claims**

An Administrative Claim with respect to which notice has been properly and timely filed pursuant to Section 5.1 (a) the Plan shall become an Allowed Administrative Claim if no objection is filed after thirty (30) days lapses from the filing and service of notice of such Administrative Claim. If an objection is filed within such (30) day period, the Administrative Claim shall become an Allowed Administrative Claim only to the extent allowed by Final Order.

**iv. Payment of Allowed Administrative Claim**

Administrative claims, other than professional fees, are estimated at \$0.00 for the Debtor. Each Holder of an Allowed Administrative Claim shall receive (i) the amount of such Holder's Allowed Administrative Claim upon the Effective Date, (ii) such other treatment as may be agreed upon in writing by the Debtor and such Holder as long as no payment is made thereon prior to the

Effective Date so long as such modification of treatment made by the Debtor and any Holder of an Allowed Administrative Claim does not impair any other class, or (iii) as may be otherwise ordered by the Court, provided that an Allowed Administrative Claim representing a liability incurred in the ordinary course of business by the Debtor may be paid in the ordinary course of business.

**v. Professionals Fees Incurred After the Effective Date**

Any professional fees incurred by the Plan Administrator after the Effective Date must be approved by the Plan Administrator and, thereafter, paid. Neither Bankruptcy Court approval, nor consent of creditors whose claims may be impaired by the payment of post-confirmation Professional Fees, is required. Any dispute which may arise with regard to professional fees after the Effective Date shall be submitted to the Bankruptcy Court, which shall retain jurisdiction to settle these types of disputes.

**2. Priority Tax Claims.** Priority Tax Claims are claims for certain unsecured income, employment and other taxes described by Bankruptcy Code Section 507(a)(8). The Bankruptcy Code requires that each Holder of such a Section 507(a)(8) Priority Tax Claim receive the present value of such Claim in one lump sum if the claim is ultimately allowed after any objection by the Debtor is litigated to conclusion or settled. Therefore, the Plan Administrator will pay to the Holders of such claims the full amount due and owing, in equal monthly installments, for five years, with interest accruing at the statutory rate as of the Petition Date. As of the time of the filing of this Disclosure Statement, Priority Tax Claims are believed to be approximately \$0.00.

**C. Treatment of Classes of Claim**

The Plan divides Claims and Interests into two separate classes. Under the Plan, there is one class of unsecured creditors broken down into two sub-classes and one class of equity holders. All classes are impaired under the Plan.

**Class 1. Unsecured Claims.** Class 1 creditors shall consist of all Unsecured Claims against the Debtor. Allowed Class 1 Claims shall be paid on a *pro rata* basis after Payment in Full of the Allowed Administrative, Priority and Priority Tax Claims and only to the extent there is sufficient Cash to warrant a Distribution to Holders of Allowed Class 1 Claims as determined by and at the sole discretion of the Plan Administrator.

**Class 2. Interest Holders.** Class 2 is Impaired. Class 2 consists of the Limited Partnership Interests in the Debtor. All Interests shall be deemed extinguished on the Effective Date of the Plan, and the Holders of Interests are deemed to have rejected the Plan and are not entitled to vote on the Plan.

**D. Provisions for Execution of the Plan**

**(i) Assets to Remain Estate; No revesting of Assets.**

Notwithstanding Section 1141(b) of the Bankruptcy Code, Assets shall not revest in the Debtor, but shall remain subject to the jurisdiction of the Bankruptcy Court, under the exclusive control of the Plan Administrator, until distributed to Holders of Allowed Claims and Interests, as applicable, in accordance with the provisions of this Plan and the Confirmation Order. Notwithstanding anything contained herein to the contrary, from and after the Effective Date, the Debtor: (i) shall be deemed to have withdrawn its business operations from any state in which the Debtor was previously conducting, or was registered or licensed to conduct, its business operations and, in

connection thereto, the Debtor shall not be required to file any document, pay any sum, or take any other action in order to effectuate such withdrawal; and (ii) shall not be liable in any manner to any taxing authority for any franchise, business, license or similar taxes accruing on or after the Effective Date.

(ii) Plan Implementation.

**(a) Debtor's Interest(s) in Undeveloped Land Assets and Stabilized Portfolio.**

The Debtor currently owns limited partnership or membership interests, as applicable, in the SPEs that own the following undeveloped parcels of land: (1) an approximately 10 acre parcel owned by MVI Spectrum Partners, LP in Voorhees, Camden County, New Jersey ("Cedar Lake"); (2) an approximately 2.23 acre parcel (also known as Unit 6 of the Kulpsville Business Campus, a Condominium) in Kulpsville, Montgomery County, Pennsylvania ("Pond Building"), owned by PB Spectrum Partners, LP; (3) two condominium units (out of a total of 3 condominium units) on a parcel consisting of approximately 13 acres total in North Wales, Montgomery County, Pennsylvania ("Hawthorne Court"), owned by Hawthorne Court Associates, LP as a 74.97% tenant-in-common. The Debtor will cause Hawthorne Court Associates, LP to transfer this property, via a Deed in Lieu of Foreclosure, to Wohlsen Construction in exchange for a full release of claims; and (4) an approximately 9.3 acre parcel in Lehigh, Carbon County, Pennsylvania ("Poconos"), owned by Spectrum 209 Partners, LP. The Debtor has caused Spectrum 209 Partners, LP to transfer this property, via a Deed in Lieu of Foreclosure, to Harleysville National Bank in exchange for a full release of claims.

The Debtor, prior to the Petition Date, assigned its Limited Partnership Interest in PB Spectrum Partners, LP, to the International Union of Operating Engineers of Eastern Pennsylvania

and Delaware Pension Fund (“IUOE 542”), which held a pledge of that interest on account of a \$10,000,000 preferred equity investment by IUOE 542 in PB Spectrum Partners, LP. IUOE 542 retains a pledge of the general partner interest (SAS-PB, LLC) in PB Spectrum Partners, LP, but has not yet exercised its rights with respect thereto.

The Debtor has sold its interest in its stabilized assets, identified as follows, to Black Diamond Capital Management, L.L.C.:

- (i) **Cedar Hill Shopping Center:** VSC-EE, LLC owned Units 2A, 2B, 3 and 4 and VSC-5, LLC owns Unit 5 in the Cedar Hill Shopping Center Condominium in Voorhees Township, Camden County, New Jersey. The property is a retail power center comprised of nearly 400,000 rentable square feet (approximately 360,000 constructed, with additional development pending). The Debtor sold its interest in VSC-5, LLC (Unit 5) subject to the MAREIF lien.
- (ii) **Hillcrest Shopping Center:** HC Spectrum Partners, LP owned a 78.38% tenant-in-common interest in this approximately 133,797 square foot community shopping center located in the Borough of Lansdale, Montgomery County, Pennsylvania. Malvern Federal Savings Bank has a first lien on the property.
- (iii) **Towamencin Corporate Center:** CB Spectrum Partners, LP (“CB”) owned this approximately 77,000 square foot, three-story office building and a 550 car parking garage located at 1690 Sumneytown Pike, Kulpsville, Montgomery County, Pennsylvania, also known as Unit 4 in the

Kulpsville Business Campus, a Condominium. The Debtor owned a 51.1% limited partnership interest in CB and 1690 Partners, LLC owns a 48.9% limited partnership interest in CB.

(iv) **Mount Laurel Corporate Center:** ML Spectrum Partners, LLC owned a 22.10% tenant-in-common interest in an approximately 87,011 square foot office building located at the intersection of Route 73 and Howard Boulevard in Mount Laurel, Burlington County, New Jersey. Wells Fargo Commercial Mortgage Servicing services the first lien CMBS loan on this property. The Debtor is the 100% owner of ML Spectrum Partners DE, LLC which is the 100% owner of ML Spectrum Partners, LLC which owned a 22.10%tenant-in-common interest in the Mount Laurel Corporate Center.

(v) **Gwynedd Corporate Center:** GCC Building Associates, LP owned a 75.03% tenant-in-common interest in Buildings 1 and 2 and 100% of Building 3 in this three-building, approximately 122,803 square foot office complex located on PA Route 63 (Welsh Road) in North Wales, Montgomery County, Pennsylvania. The property is formed as a condominium known as the Gwynedd Corporate Center, a Condominium. Shem Creek GCC, LLC has a first lien on each of the condominium units comprising the property.

**(b) Eventual Dissolution of the Debtor**

The Debtor shall continue in existence after the Effective Date as necessary, for purposes of: (i) the Plan Administrator's wind down of the Estate as expeditiously and as reasonably possible; (ii)

the Plan Administrator's liquidation of any Assets of the Estate; (iii) the Plan Administrator's resolution of any Disputed Claims, including, without limitation, the resolution of any Disputed Administrative, Priority or Priority Tax Claim; (iv) the making of Distributions to Holders of Allowed Administrative, Priority, Priority Tax Claims and, if possible, Holders of Allowed Class 1 Claims; (v) the filing of appropriate post-Effective Date tax returns by the Plan Administrator; (vi) the Plan Administrator pursuing the Causes of Action and (vii) the Plan Administrator administering the Plan in an effective and efficacious manner. However, as soon as practicable after the Plan Administrator liquidates or otherwise disposes of the Assets and makes the Final Distribution, the Plan Administrator may, at the expense of the Estate, (i) provide for the retention of books and records delivered to or created by the Plan Administrator until the time that such books and records are no longer required to be retained under applicable law, and file a certificate with the Bankruptcy Court stating the location at which such books and records are being stored, (ii) file a certificate with the Bankruptcy Court stating that the Plan Administrator has liquidated or otherwise disposed of the Assets and has made a Final Distribution under this Plan, and (iii) file a certificate of cancellation or any necessary paperwork to effect the dissolution of the Debtor in accordance with applicable law.

(c) **The Plan Administrator**

(1) Appointment of the Plan Administrator. The Plan Administrator shall be Miller Coffey Tate LLP. Such appointment shall become effective upon the Effective Date.

(2) Rights, Powers, and Duties of the Plan Administrator. The Plan Administrator shall succeed to all of the rights and powers of the Debtor necessary or appropriate

to effectuate the terms of this Plan. The rights and obligations of the Plan Administrator shall be set forth in the Plan Administrator Agreement, attached hereto as Exhibit A.

(3) Compensation of the Plan Administrator. The Plan Administrator will be compensated in accordance with the Plan Administrator Agreement. The compensation payable to the Plan Administrator shall be based on the hourly rates of the Plan Administrator and those persons employed by the Plan Administrator to effectuate the terms of this Plan, as well as the other expenses incurred to effectuate this Plan. The Plan Administrator may pay itself compensation without prior order of the Bankruptcy Court. Unless otherwise ordered by the Bankruptcy Court, the Plan Administrator shall file a notice with the Bankruptcy Court on a quarterly basis summarizing all compensation paid to the Plan Administrator from and after the Effective Date.

(4) Limitations on Liability. The Plan Administrator shall not incur liability to any Person by reason of the discharge of its duties as set forth in this Plan, except in the event of gross negligence or willful misconduct.

(5) Retention of Professionals. The Plan Administrator may retain attorneys, accountants, or other professionals to represent the interests of the Plan Administrator or the Estate, including attorneys, accountants, and other professionals previously employed by the Debtor. The Plan Administrator may compensate such Professionals without prior order of the Bankruptcy Court.

(iii) Preservation and Retention of Defenses of the Debtor and Right to Object to Claims and Interests.



Confirmation of this Plan will have no impact upon, and will not render *res judicata* any defenses the Debtor or the Plan Administrator, as applicable, may have (including rights of setoff) in any action brought by or against them.

(iv) Authority to Effectuate this Plan.

Except as expressly set forth in this Plan, on the Effective Date, all matters provided for under this Plan will be authorized and approved without further approval or order of the Bankruptcy Court and the Plan Administrator will be authorized to implement the Plan and shall have the full power and authority to take any action necessary to wind down and dissolve the Estate.

(v) No Waiver of Legal Privileges and Turn Over of Business Records.

Confirmation of this Plan will not waive the attorney-client, work product or other legal privileges of the Debtor, and such privileges will be specifically preserved for the benefit of and transferred to the Plan Administrator. Any and all business records or other documents necessary for the wind down and liquidation of the Debtor shall be delivered by the Debtor or by any third party in possession of these business records or other documents to the Plan Administrator within thirty days of the Confirmation Date.

(vi) Resignation of Officers and Directors. As of the Effective Date, any of the Debtor's remaining officers and members of their boards of directors shall be deemed to have resigned, if they have not already done so, without the necessity of any further action or writing, and they shall be released from any responsibilities, duties, and obligations that arise after the Effective Date to the Debtor, the Estate or their creditors under the Plan or applicable law.

(vii) Execution of Documents. Prior to the Effective Date, the Debtor is authorized and directed to execute and deliver all documents and to take and to cause to be taken all action necessary or appropriate to execute and implement the provisions of this Plan.

(viii) Alterations, Amendments or Modifications. This Plan may be altered, amended, or modified by the Plan Proponents before or after the Confirmation Date, as provided in §1127 of the Bankruptcy Code.

(ix) Disbursing Agent. The Plan Administrator shall be the Disbursing Agent.

(x) Final Decree. After final distributions are made, the Plan Administrator shall file a motion to close the case and request that a final decree be issued. The Plan Administrator shall file all interim and final plan implementation reports and pay any fees to the Office of the United States Trustee.

(xi) Retention and Enforcement of Claims. Pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, the Plan Administrator shall retain and may enforce any and all claims of the Debtor on behalf of, and as a representative of, the Debtor or its estate, including, without limitation, the Causes of Action.

(xii) Treatment of Executory Contracts and Unexpired Leases.

**A. Assumption of Executory Contracts and Unexpired Leases.** On the Effective Date, except as otherwise provided herein or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, all of the Debtor's executory contracts and unexpired leases shall be deemed rejected as of the Effective Date pursuant to Sections 365 and 1113 of the Bankruptcy Code, regardless of whether such executory contract or unexpired lease is identified specifically herein, unless such executory

contract or unexpired lease (1) was assumed by, or is the subject of a pending motion to assume, the Debtor prior to the Confirmation date; (2) was previously rejected by the Debtor; (3) previously expired or terminated pursuant to its own terms; or (4) is the subject of a motion to reject filed on or before the Effective Date. Any motions to assume or reject executory contracts or unexpired leases pending on the Effective Date shall be subject to approval of the Bankruptcy Court on or after the Effective Date by a Final Order.

Entry of the Confirmation Order shall constitute a Bankruptcy Court order approving the assumption, assumption and assignment or rejection, as applicable, of such executory contracts or unexpired leases as set forth in the Plan pursuant to Sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, assumptions or rejections of executory contracts and unexpired leases, pursuant to the Plan, are effective as of the Effective Date.

**B. Rejection of Claims from Rejected Executory Contracts and Unexpired Leases.**

Unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of executory contracts or unexpired leases, pursuant to the Plan or the Confirmation Order, if any, must be filed and served on the Plan Administrator no later than thirty (30) days after the effective date of such rejection.

**Any Claims arising from the rejection of an executory contract or unexpired lease not filed with the Bankruptcy Court within such time will be automatically Disallowed, forever barred from assertion, and shall not be enforceable against the Debtor, the Estate, the Plan Administrator, or any of their property, without the need for any objection by the Debtor or Plan Administrator, or further notice to, action, order, or approval of the**

**Bankruptcy Court or any other entity, and any Claim arising out of the rejection of the executory contract or unexpired lease shall be deemed fully satisfied, released, and discharged, and be subject to the permanent injunction set forth in Article XVI of the Plan, notwithstanding anything in the Schedules or a Proof of Claim to the contrary.**

All Claims arising from the rejection by the Debtor or of any executory contract or unexpired lease pursuant to Section 365 of the Bankruptcy Code shall be treated as an Unsecured Claim pursuant to Article IV of the Plan and may be objected to in accordance with the provisions of Article IV of the Plan and the applicable provisions of the Bankruptcy Code and Bankruptcy Rules.

**C. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases.** Any monetary defaults under each executory contract or unexpired lease to be assumed pursuant to the Plan shall be satisfied, pursuant to Section 365(b)(1) of the Bankruptcy Code, by payment of the default amount on the Effective Date, subject to the limitation described below, or on such other terms as the parties to such executory contracts or unexpired leases may otherwise agree. In the event of a dispute regarding: (1) the amount of any payments to cure such a default; (2) the ability of the Debtor or any assignee to provide “adequate assurance of future performance” (within the meaning of Section 365 of the Bankruptcy Code) under the executory contract or unexpired lease to be assumed; or (3) any other matter pertaining to assumption, the cure amount required by Section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption; provided, further, that, notwithstanding anything to the contrary herein, prior to the entry of a Final Order resolving any dispute and approving the assumption and assignment of such executory contract or unexpired

lease, the Debtor or the Plan Administrator, as the case may be, reserves the right to reject any executory contract or unexpired lease which is subject to dispute.

At least fourteen (14) days prior to the deadline for filing objections to the Confirmation of the Debtor's Plan, the Debtor shall provide notices of proposed assumption and proposed cure amounts to be sent to applicable third parties and for procedures for objecting thereto and resolution of disputes by the Bankruptcy Court; provided that the Debtor and/or Plan Administrator reserve all rights with respect to any such proposed assumption and proposed cure amount in the event of an objection or dispute. Any objection by a counterparty to an executory contract or unexpired lease to a proposed assumption or related cure amount must be filed, served, and actually received by the Debtor or Plan Administrator no later than thirty (30) days after service of the notice providing for such assumption and related cure amount. Any counterparty to an executory contract or unexpired lease that fails to timely object to the proposed assumption or cure amount will be deemed to have irrevocably assented to such assumption or cure amount.

Assumption of any executory contract or unexpired lease pursuant to the Plan or otherwise shall constitute and be deemed to constitute the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed executory contract or unexpired lease at any time prior to the effective date of assumption. **Any Proofs of Claim filed with respect to an executory contract or unexpired lease that has been assumed shall be deemed disallowed and expunged, without further notice to, action, order, or approval of the Bankruptcy Court.**

**D. Modifications, Amendments, Supplements, Restatements, or Other Agreements.** Unless otherwise provided in the Plan, each assumed or assumed and assigned executory contract or unexpired lease shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such executory contract or unexpired lease, and all executory contracts or unexpired leases related thereto, if any, including all easements, licenses, rights-of-way, permits, rights, privileges, immunities, options, rights of first refusal, rights of first offer and any other interests, unless any of the foregoing agreements has been previously rejected or is rejected under the Plan.

Modifications, amendments, supplements, and restatements to prepetition executory contracts or unexpired leases that have been executed by the Debtor during the Case shall not be deemed to alter the prepetition nature of the executory contract or unexpired lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

(xiii) Plan Funding. The Debtor's Plan shall be funded by Cash as of the Effective Date, which includes the proceeds of the Sale, if any; the proceeds of the Plan Administrator's sale or other disposition of the Estate's remaining Assets, if any, and from the proceeds, if any, of the Plan Administrator's pursuit and prosecution of the Causes of Action.

**V. PROVISIONS FOR THE RESOLUTION OF CLAIMS AGAINST AND INTERESTS IN THE DEBTOR AND DISPOSITION OF ASSETS.**

(A) Objections To and Resolution of Claims Against and Interests in the Debtor.

(i) **Authority to Object to and Resolve Objections to Claims and Interests.** Prior to the Effective Date, the Debtor and/or the Committee may prosecute, settle, or decline to pursue objections to any Claims or Interests in accordance with the terms of this Plan.

After the occurrence of the Effective Date, the Plan Administrator may prosecute, settle, or decline to pursue objections to any Claims against or Interests in accordance with the terms of this Plan.

(ii) **Limitations on Filing Objections to Claims and Interests.** From and after the Effective Date, no party other than the Plan Administrator may object to Claims or Interests. The Plan Administrator may object to the allowance of any Claim not previously allowed by Final Order whether or not a Proof of Claim has been filed and whether or not the Claim has been filed and whether or not the Claim has been scheduled as non-disputed, non-contingent and liquidated.

(iii) **Deadline for Objection to Claims and Interests.** The deadline to file any objections to Claims and Interests, including Administrative Expense Claims, that are not subject to a pending objection on the Effective Date shall be one hundred and eighty (180) days after the Effective Date (the **“Claim and Interest Objection Bar Date”**). The Plan Administrator may seek one or more extensions of the Claim and Interest Objection Bar Date from the Bankruptcy Court. The filing of a motion by the Plan Administrator to extend the time to file an objection to a timely filed Claim or Interest will automatically extend the date to which the Plan Administrator must file objections to a timely filed Claim or Interest until a Final Order is entered on the motion.

(iv) **Bankruptcy Court Approval.** Resolution by the Plan Administrator of any Disputed Claim or Interest in which the Face Amount of such Disputed Claim or Interest is greater than \$500,000.00 shall be subject to approval by the Bankruptcy Court. The Plan Administrator may resolve any Disputed Claim or Interest where the Face Amount of such

Disputed Claim or Interest is equal to or less than \$500,000.00 without the approval of the Bankruptcy Court.

(v) **Estimation of Claims.** The Plan Administrator or the Debtor, as applicable, may at any time request that the Bankruptcy Court estimate any Claim pursuant to Section 502(c) of the Bankruptcy Code. The Bankruptcy Court may estimate Claims to: (i) establish the Allowed amount of Claim for purposes of voting and distribution; or (ii) to establish the maximum amount of any such Claim, without prejudice to the Plan Administrator later objecting to the Claim.

(vi) **No Distributions Pending Allowance.** No payments or distributions will be made with respect to any Contested Claim except to the extent that the Contested Claim becomes an Allowed Claim. If only a portion of a Claim is disputed (and in the absence of a basis for set off or counterclaim), the distribution will be made on a pro rata basis on the uncontested portion of the Claim, pending resolution of the portion which is disputed.

(vii) **Distributions after Allowance.** Payments and distribution to each Holder of a Contested Claim, to the extent that the Contested Claim becomes an Allowed Claim, will be made in accordance with the provisions of the Plan governing the Class of Claims to which the respective Holder belongs as soon as practicable after the date that the order or judgment of the Court allowing the Claim becomes a Final Order.

(viii) **Liquidation of Assets.** The Plan Administrator may sell or dispose of the Assets. From and after the Effective Date, the Plan Administrator may use, sell, assign, transfer, abandon or otherwise dispose of the Assets at a public or private sale without Bankruptcy Court approval.



**VI. PROVISIONS GOVERNING DISTRIBUTIONS, DISCHARGE AND GENERAL PROVISIONS**

**A. Distributions**

(1) Distributions pursuant to this Plan shall be made by the Plan Administrator as provided herein and shall be made, unless otherwise provided herein, pursuant to the relevant Plan provisions, or as soon as practicable thereafter or as may be otherwise ordered by the Court.

a. Delivery of Distributions. Distributions and deliveries to Holders of Allowed Claims will be made at the addresses set forth on the Proofs of Claim filed by the Holders (or at the last known address) of such Allowed Claims. If any Holder's distribution is returned as undeliverable, no further distributions to the Holder will be made unless and until the Plan Administrator is notified of the Holder's then current address, at which time all missed distribution will be made to the Holder without interest. All Claims for undeliverable distributions must be made to the Plan Administrator on or before the later of (i) the first anniversary of the Effective Date, or (ii) ninety (90) days after the respective distribution was made. After that date, all unclaimed property will become property of the Estate to be further administered by the Plan Administrator, and the Claim of any Holder with respect to such property will be discharged and forever barred.

b. Means of Cash Payment. Cash payments made pursuant to the Plan will be in United States funds, by check drawn on a domestic bank or by wire transfer from a domestic bank. All cash distributions will be made by the Plan Administrator.

c. Time Bar to Cash Payments. Checks issued by the Plan Administrator in respect of Allowed Claims will be null and void if not cashed within ninety (90)

days of the date of their issuance. Requests for re-issuance of any check shall be made to the Plan Administrator by the Holder of the Allowed Claim with respect to which the check originally was issued. Any Claim relating to a voided check must be made on or before the later of the (i) first anniversary of the Effective Date, or (ii) ninety (90) days after the date the check was voided. After the date, all Claims will be discharged and forever barred and the cash, including interest earned, shall be revested in the Estate to be further administered by the Plan Administrator.

d. Setoffs. The Plan Administrator may, but will not be required to, set off against any Claim and the payments to be made pursuant to the Plan in respect of the Claim, any Claims of any nature whatsoever that the Debtor or its Estate may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder will constitute a waiver or release by, or impairment to, the Plan Administrator of any such Claim the Debtor or its Estate may have against such Claimant.

e. De Minimis Distributions. No cash payment of less than one hundred dollars (\$100.00) will be made by the Plan Administrator to any Creditor.

f. Fractional Amounts. The Plan Administrator may elect not to make Distributions of Cash in fractions of dollars. Wherever any payment of a fraction of a dollar under this Plan would otherwise be called for, the Plan Administrator may round the amount of such Distribution to the nearest dollar (up or down).

g. No Distributions on Account of Disputed or Disallowed Claims. Except as otherwise be ordered by the Bankruptcy Court or authorized under the terms of this Plan, the Plan Administrator will make no Distribution to the Holder of a Disputed Claim until the

Disputed Claim becomes an Allowed Claim. The Plan Administrator will not make Distributions to Holders of Disallowed Claims.

h. The Disputed Claims Reserve. Subsequent to the Effective Date, the Plan Administrator will establish and maintain a reserve (the “Disputed Claims Reserve”) to reserve for and fund the payment of Disputed Claims. The amount of the Disputed Claims Reserve will be equal to the sum of the following: (i) the face amount of all unpaid Disputed Priority Claims, Disputed Priority Tax Claims, Disputed Administrative Claims and Class 1 Disputed Claims; and (iii) the estimated amount of money that would otherwise have been distributed to all Class 1 Disputed Claims if such Disputed Claims had been Allowed Claims. There shall be no requirement to hold any amounts in reserve for Class 2 Claims. The Plan Administrator will from time to time, recalculate the amount of the Disputed Claims Reserve and may use cash withdrawn from the Disputed Claims to pay any subsequently Allowed Claim.

i. Finality of Distributions. All distributions made under this Plan are final, and no party may seek disgorgement of any Distributions made under this Plan by the Plan Administrator.

j. Compliance with Tax Requirements/Allowances. The Plan Administrator will comply with tax withholding and reporting requirements imposed by any governmental unit in making Distribution under this Plan, and will be subject to withholding and reporting requirements. The Plan Administrator may withhold Distributions due to any Holder of an Allowed Claim until the Holder provides the Plan Administrator with the necessary information to comply with any withholding requirements of any governmental unit. The Plan Administrator will pay any withheld Distribution to the appropriate taxing authority or governmental unit. If the

Holder of any Allowed Claim fails to provide the Plan Administrator with the information necessary to comply with withholding requirements of any governmental unit within ninety (90) days after the date of first notification by the Plan Administrator to the Holder of the need for such information, then the Holder's Distributions will be treated as deliverable.

k. Saturday, Sunday or Legal Holiday. If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but will be deemed to have been completed as of the required date.

## **VII. EFFECTS OF CONFIRMATION**

### **A. Discharge of Claims; Injunction**

(i) Except as otherwise expressly provided in the Plan, the entry of the Confirmation Order shall act to, among other things, permanently enjoin all Persons who have held, hold or may hold Claims of or Interests in the Debtor as of the Confirmation Date (a) from commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or Interest in the Debtor, (b) from the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree, or order against the Debtor or the Property of the Debtor with respect to any such Claim or Interest, (c) from creating, perfecting or enforcing any Lien of any kind against the Debtor thereof, or against the property of the Debtor with respect to any such Claim or Interest, and (d) from asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due from the Debtor, or against the property of the Debtor, with respect to any such Claim or Interest. To the extent, however, that the Plan Administrator defaults under the terms of the Plan and such default is not cured within thirty (30) days after the Plan Administrator and its counsel receive notice of the default, as provided for under Section 10.2 of the Plan, the injunction shall be void solely to allow plan enforcement.

(ii) Term of Injunctions or Stays. Unless otherwise provided, all injunctions or stays provided for in Chapter 11 cases pursuant to Section 362(a) of the Bankruptcy Code or otherwise, shall remain in full force and effect until the Effective Date, at which time the injunction under Section 16.4 shall be in force.

(iii) No Liability or Solicitation or Participation. Pursuant to Section 1125 of the Bankruptcy Code, Persons that solicit acceptance or rejection of this Plan, in

good faith and in compliance with the applicable provisions of the Bankruptcy Code, shall not be liable, on account of such solicitation or participation, for violation of any applicable rule, or regulation governing the solicitation of acceptance or rejection of this Plan.

(iv) No Interference with Plan. No entity may commence or continue any action or proceeding, or perform any act to interfere with the implementation and consummation of the Plan and the payments to be made hereunder.

(v) Exculpation. Following the Effective Date, the Debtor, the Creditors' Committee, the Plan Administrator as well as any of their officers, directors, members, partners, employees or agents, and any professional persons employed by any of the foregoing parties (the "Exculpated Persons"), shall not have nor shall they incur any liability or obligation to any entity for any action taken at any time or omitted to be taken at any time in connection with or related to the formation, preparation, dissemination, implementation, confirmation or consummation of the Plan, the Disclosure Statement or any agreement or document created or entered into, or any action taken or omitted to be taken in connection with the Plan or any aspect of this Chapter 11 Case, nor shall the Exculpated Persons have any liability to any Person for actions taken in good faith under or related to this Plan, including, without limitation, failure to obtain confirmation of this Plan or to satisfy any condition or conditions, or refusal to waive any condition or conditions precedent to confirmation as to the occurrence of this Effective Date. Further, the Exculpated Persons shall not have or incur any liability to any Person for any act or omission in connection with or arising out of their administration of this Plan or the property to be Distributed under this Plan or the operations or activities of any Exculpated Person; provided, however, that the provisions of this article shall have no effect on the liability of any entity that would otherwise result from action or omission to the extent that such action or omission is determined in a Final Order to have constituted gross negligence or willful misconduct. Notwithstanding anything contained herein to the contrary, this provision shall not release, waive or otherwise discharge any and all Claims the Estate may have against the Exculpated Persons.

## **VII. CRAMDOWN PROVISIONS AND CONFIRMATION REQUEST**

(A) Cram-Down. In the event that sufficient votes to confirm said Plan are not received, the Debtor and the Official Committee of Unsecured Creditors requests confirmation of the Plan pursuant to Section 1129(b) of the Bankruptcy Code.

(B) Binding Effect of Confirmation. Confirmation will bind the Debtor, all Holders of Claims, Administrative Expense Claims, Interests and other parties in interest to the provisions of the Plan whether or not the Claim, Administrative Expense Claim, or Interest of such

Holder is impaired under the Plan and whether or not the Holder of such Claim, Administrative Expense Claim, or Interest has accepted the Plan.

(C) Good Faith. Confirmation of the Plan shall constitute a finding that: (i) the Plan has been proposed in good faith and in compliance with applicable provisions of the Bankruptcy Code; and (ii) all solicitation of acceptance or rejections of the Plan have been in good faith and in compliance with applicable provisions of the Bankruptcy Code.

#### **VIII. MODIFICATION OF THE PLAN**

A. Modification and Amendments, Generally. Except as otherwise specifically provided in the Plan, the Debtor reserves the right to modify the Plan, whether such modification is material or immaterial, and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, unless otherwise ordered by the Bankruptcy Court, not resolicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, the Debtor expressly reserves the right to alter, amend, or modify the Plan with respect to the Debtor, one or more times, after Confirmation, and, to the extent necessary may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan. Any such modification or supplement shall be considered a modification of the Plan and shall be made in accordance with this Article XI of the Plan.

B. Pre-Confirmation Modification At any time before the Confirmation Date, the Plan may be modified by the Plan Proponents, provided that the Plan, as modified, does

not fail to meet the requirements of sections 1122 and 1123 of the Bankruptcy Code. In the event that there is a modification of the Plan, then the Plan as modified shall become the Plan.

C. **Post-Consummation Modification.** At any time after the Confirmation Date of the Plan, but before substantial consummation of the Plan, the Plan may be modified by the Plan Proponents, provided that the Plan, as modified, does not fail to meet the requirements of sections 1122 and 1123 of the Bankruptcy Code. The Plan, as modified under this section, becomes a Plan only if the Court, after notice and hearing, confirms such Plan, as modified, under section 1129 of the Bankruptcy Code.

D. **Non-Material Modifications.** At any time, the Plan Proponents may, without the approval of the Court, so long as it does not materially or adversely affect the interest of Creditors, remedy any defect or omission, or reconcile any such inconsistencies in the Plan or in the Confirmation Order, as such matters may be necessary to carry out the purposes, intent and effect of this Plan.

E. **Effect of Confirmation on Modifications.** Entry of a Confirmation Order shall mean that all modifications or amendments to the Plan occurring after the solicitation thereof are approved pursuant to Section 1127(a) of the Bankruptcy Code and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

F. **Revocation or Withdrawal of the Plan.** The Plan Proponents reserve the right to revoke or withdraw the Plan prior to the Confirmation Date and to file subsequent plans of reorganization. If the Plan Proponents revoke or withdraw the Plan, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Class of Claims), assumption or

rejection of executory contracts or unexpired leases effected under the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (3) nothing contained in the Plan or Disclosure Statement shall: (a) constitute a waiver or release of any claims held by the Debtor, Claims, Interests, or Causes of Action; (b) prejudice in any manner the rights of the Debtor or any other entity; or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtor or any other Person.

**IX. RETENTION OF JURISDICTION**

The Court shall retain jurisdiction of the Case after the Confirmation Date for the following purposes:

- (a) to determine any and all objections in the allowance of Claims and amendments to schedules;
- (b) to estimate any Claim at any time, including, without limitation, during litigation concerning any objection to such Claim;
- (c) to determine and adjudicate any action concerning the determination of taxes, tax refunds, tax attributes, and tax benefits as well as similar or related matters with respect to the Debtor and/or the Estate, including, without limitation, matters concerning federal, state and local taxes in accordance with Sections 345, 505 and 1146 of the Bankruptcy Code;
- (d) to classify the Claim of any Creditor or Limited Partner and to re-examine Claims which have been allowed for purposes of voting, to determine such objections as may be filed to Claims;
- (e) to determine any and all disputes arising under or in connection with the Plan, the sale of any of the Debtor's Assets and collection or recovery of any Assets;



(f) to determine any and all applications for allowance of compensation and reimbursement of expenses herein;

(g) to determine any and all pending applications for rejections of executory contracts and unexpired leases and the allowance of any Claims resulting from the rejection thereof or from the rejection of executory contracts or unexpired leases pursuant to the Plan;

(h) to determine and adjudicate any and all applications, adversary proceedings and contested and litigated matters pending in the Case as of, or after, the Confirmation Date;

(i) to determine any and all proceedings for recovery of payments pursuant to any Cause of Action;

(j) to modify any provision of the Plan to the full extent permitted by the Bankruptcy Code;

(k) to ensure that Distributions to Holder(s) of Allowed Claims are accomplished as provided in this Plan;

(l) to correct any defect, cure any omission or reconcile any inconsistency in the Plan or the Confirmation Order as may be necessary to carry out the purposes, intent and effect of the Plan;

(m) to determine such other matters which may be provided for in the Confirmation Order as may be authorized under the provisions of the Bankruptcy Code;

(n) to enforce all provisions under the Plan;

(o) to enter any order, including injunctions, necessary to enforce the terms of the Plan, the powers of the Debtor and/or the Plan Administrator under the Bankruptcy Code, this Plan and as the Court may deem necessary; and

(p) to enter a final decree.

**X. CAUSES OF ACTION**

**A. Litigation.** Except as otherwise provided in Section 13.2 of this Plan, the Plan Administrator reserves the right to initiate or continue any litigation or adversary proceeding permitted under the Bankruptcy Code and applicable Federal Rules of Bankruptcy Procedure with respect to any Cause of Action.

**B. Powers.** The Debtor and, following the occurrence of the Effective Date, the Plan Administrator, shall have the right to settle, compromise, sell, assign, terminate, release, discontinue or abandon any Cause of Action from time to time in their discretion.

**XI. OBJECTIONS TO CLAIMS**

**A. Objection to Claims**

Notwithstanding the occurrence of the Confirmation Date or the Effective Date, the Plan Administrator may object to the allowance of any Claim not previously allowed by Final Order whether or not a Proof of Claim has been filed and whether or not the Claim has been filed and whether or not the Claim has been scheduled as non-disputed, non-contingent and liquidated. All such objections shall be filed within sixty (60) days of the Effective Date.

**B. Contested Claims**

Notwithstanding any other provision of this Plan, a Contested Claim will be paid only after allowance by the Court or upon stipulation of the Plan Administrator and the Claimant involved, as approved by the Court. If allowed, the Contested Claim will become an Allowed Claim and shall be paid on the same terms as if there had been no dispute. The need for resolution of Contested Claims will not delay other payments under the Plan. No distribution shall be made to a Contested Claim until it is Allowed.

**XII. CHOICE OF LAW**

Except to the extent superseded by the Bankruptcy Code or other federal law, the rights, duties and obligations arising under the Plan shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the choice of law rules thereof.

**XIV. MISCELLANEOUS**

A. Choice of Law. Except to the extent superseded by the Bankruptcy Code or other federal law, the rights, duties and obligations arising under the Plan shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the choice of law rules thereof.

B. Payment of Statutory Fees. All fees payable pursuant to Section 1930 of Title 28 of the United States Code, as determined by the Court at the hearing pursuant to Section 1128 of the Bankruptcy Code, will be paid on or before the Effective Date. Moreover, all post-confirmation quarterly fees arising after the Effective Date shall be paid by the Plan Administrator as and when they become due until the Bankruptcy Case is closed.

C. Discharge of Debtor. Except as otherwise provided in this Plan, the rights afforded in the Plan and the treatment of all Claims of and Interests in the Plan shall be in exchange for and in complete satisfaction, discharge, and release of Claims and Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtor, any of its Assets, or the Estate. Except as otherwise provided in this Plan (i) on the Effective Date, all Claims against the Debtor will be satisfied, discharged and released in full and (ii) all Persons shall be precluded from asserting against Debtor, its successors, or its Assets or properties any other or further Claims or Interests based upon any act or omission, transaction, or other activity of any kind or nature that occurred before the Confirmation Date.

**Notwithstanding the foregoing, the discharge granted by 11 U.S.C. § 1141(d) is modified as to the secured or priority tax debt provided for in this Plan, and the discharge of any secured or priority tax debt under this Plan shall not be effective until all secured or priority taxes, if any, provided for in the Plan have been paid in full.**

D. Discharge of Claims; Injunction. **Except as otherwise provided in this Plan, the rights afforded in this Plan and the payments and distributions to be made under the Plan shall be in complete exchange for, and in full and final satisfaction, discharge and release of, all existing debts and Claims and Interests of any kind, nature or description whatsoever against the Debtor, the Estate or any of its Assets, and upon the Effective Date, all existing Claims and Interests against the Debtor, the Estate and all of its Assets will be, and be deemed to be, exchanged, satisfied, discharged and released in full; and all Holders of Claims and Interests shall be precluded and enjoined from asserting against the Debtor, the Estate, and the Plan Administrator or any of their successors or respective Assets any**

**other or further Claim based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date, whether or not the Holder filed a Proof of Claim. It is acknowledged, however, that if there is a default under the terms of the Plan, and such default is not cured within ten (10) days after notice of the default is provided to the Plan Proponents and their counsel in accordance with the notice provision under Section 10.2 of the Plan, the injunction will be void.**

E. Severability. Should any provision in this Plan be determined to be unenforceable, that determination shall in no way limit or affect the enforceability and operative effect of any provision of the Plan.

F. Successors and Assigns. The rights and obligations of any person named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of that Person.

G. Binding Effect. The Plan will be binding upon and inure to the benefit of the Debtor, its Creditors, the Limited Partners, the Holders of Interests, and their respective successors and assigns.

H. Withholding and Reporting Requirements. In connection with the Plan and all instruments issued and distributions made pursuant to the Plan, the Debtor will comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority and all distributions made pursuant to the Plan will be subject to any such withholding and reporting requirements.

**SPECTRUM ALLIANCE, LP**

**By: Spectrum Alliance Services GP, LLC**

**By: Trefoil Properties, LP**

**By: Trefoil Properties GP, LLC**

/s/ James R. Wrigley

James R. Wrigley, President

Dated: 10/19/18

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/s/ Albert A. Ciardi, III

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