

United States Bankruptcy Court
Middle District of Pennsylvania

In re: Grove Estates, LP
Debtor

Case No. 14-04368

Business Case under Chapter 11

**GROVE ESTATES, LP'S AMENDED PLAN OF REORGANIZATION, DATED
OCTOBER 31, 2014**

April 15, 2015

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**ARTICLE I
SUMMARY**

This Amended Plan of Reorganization (the "Plan") under chapter 11 of the Bankruptcy Code (the "Code") proposes to pay creditors of Grove Estates, LP (the "Debtor") from exchange of property for debt, sale of assets, and cash flow from future income.

This Plan provides for one class of secured claims; no classes of unsecured claims; administrative and priority claim; unsecured claims and one class of equity security holders. Currently there are no unsecured creditors holding claims. If any unsecured creditors make a claim, the proponent of this Plan has valued any future claims at approximately 100 cents on the dollar. This Plan also provides for the payment of administrative and priority claims in full on the effective date of this Plan with respect to any such claim to the extent permitted by the Code in cash at acceptance of the plan in accordance with 1129(a)(9)(C) of the Code.

All creditors and equity security holders should refer to Articles III through VI of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. If you do not have an attorney, you may wish to consult one.

**ARTICLE II
CLASSIFICATION OF CLAIMS AND INTERESTS**

- 2.01 Class 1. All allowed claims entitled to priority under § 507 of the Code (except administrative expense claims under § 507(a) (2)), and priority tax claims under § 507(a) (8).
- 2.02 Class 2. The claims of Susquehanna Bank, to the extent allowed as a secured claim under § 506 of the Code.

The claim of M & T Bank, to the extent allowed as a secured claim under § 506 of the Code.

2.03 Class 3. All unsecured claims allowed under § 502 of the Code.

2.04 Class 4. Equity interests of the Debtor.

**ARTICLE III
TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,
U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS**

3.01 Unclassified Claims. Under section §1123(a) (1), administrative expense claims, and priority tax claims are not in classes.

3.02 Administrative Expense Claims. Each holder of an administrative expense claim allowed under § 503 of the Code will be paid in full on the effective date of this Plan (as defined in Article VII), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor.

3.03 Priority Tax Claims. Each holder of a priority tax claim will be paid ~~in full on~~ the within 60 months of the effective date of this Plan (as defined in Article VII), in cash, or upon other terms as may be agreed upon by the holder of the claim ~~of and~~ the Debtor, consistent with § 1129(a)(9)(C) of the Code.

3.04 United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a) (6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

**ARTICLE IV
TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN**

4.01 Claims and interests shall be treated as follows under this Plan:

Class	Impairment	Treatment
Class 1 - Priority Claims	Unimpaired	Class 1 is unimpaired by this Plan. Each holder of a Class 1 Priority Claim will be paid in full, in cash, upon the later of the effective date of this Plan, as defined in Article VII, or the date on which such class is allowed to be a final non-appealable order or upon such other terms as may be agreed upon by the holder of the claim and the Debtor.

Class 2A - Secured Claim of Susquehanna Bank	Susquehanna Bank's claim is unimpaired.	Susquehanna Bank <u>will be receiving a transfer of the Town House Area of the Grove Estates Subdivision consisting of parcel 54-000-HI-0186.00-00000 with a registered address of 2324 South Queen Street, York, PA 17402 consisting of 13.11 acres and registered address of 253 Cherry Street, York, PA 17402 consisting of 22.74 acres for a total of 35.85 acres of land as valued by an appraisal by Aytan Dove Appraisal Company dated 9/19/14 in the amount of \$16,500,000. Susquehanna bank will pay outstanding real estate taxes on the parcels being transferred in the amount of \$8,671.45 at the date of approval of the Plan. All debt totaling \$12,110,914 will be extinguished in the exchange, which represents the indubitable equivalent plus equity has entered into a Settlement Agreement with Debtor which resolves all issues pertaining to debts associated with all parcels associated with the 91 + acre Grove Estates Tract in York Township, York County, Pennsylvania. A copy of the Settlement Agreement is attached as Exhibit "A".</u>
Class 2B-M&T Bank	M&T Bank's claim is impaired.	M&T Bank will be paid by sale of their collateral consisting of the 10 Residential Building Lots, of which <u>the Debtor has applied to the Court for the sale of two lots the Court has approved and the Debtor has sold two lots.</u> M&T will receive proceeds to pay all secured debts as listed in the schedules after payment of all outstanding real estate taxes and closing costs.
Class 3 - General Unsecured Creditors	Unimpaired	Currently there are no unsecured creditors holding claims. If any unsecured creditors make a claim, the proponent of this Plan has valued any future claims at approximately 100 cents on the dollar, if filed before the claims bar date subject to the right to object.
Class 4 - Equity Security Holders of the Debtor	Impaired	Equity Security Holders in this Class consist of the General Partner and Limited Partners of the Partnership. They are unimpaired and will receive distributions in accordance with normal policies of the Partnership. No distribution is anticipated upon acceptance of the Plan.

ARTICLE V
ALLOWANCE AND DISALLOWANCE OF CLAIMS

5.01 Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed by a final non-appealable order, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.

5.02 Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.

5.03 Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure

ARTICLE VI
PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.01 Assumed Executory Contracts and Unexpired Leases.

(a) The Debtor assumes the following executory contracts and/or unexpired leases effective upon the effective date of this Plan as provided in Article VII, or the date of the entry of the order confirming this Plan:

Anthony & Catherine L. Ajello, 2394 Arlington ~~Street~~Road, Dallastown, PA, which will be ~~retained by the Partnership for rental and eventual sale~~transferred to Susquehanna Bank upon the effective date of the Plan.

Michael & Debra Weiler, 2324 South Queen Street, York, PA 17402, which will be ~~transferred to Susquehanna Bank upon the effective date of the Plan~~retained by the Debtor for rental and eventual sale.

(b) The Debtor will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed under section 6.01(a) above, or before the date of the order confirming this Plan, upon the date of the entry of the order confirming this Plan. A proof of a claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than three days after the date of the order confirming this Plan.

ARTICLE VII
MEANS FOR IMPLEMENTATION OF THE PLAN

The Plan will be implemented by ~~transfer of the two parcels to Susquehanna Bank~~the Settlement Agreement with Susquehanna Bank (see Exhibit "A"), sale of the M&T Bank properties and ~~rental and eventual sale~~transfer of the Arlington Road Property by the Debtor to Susquehanna Bank. The management of the Debtor will remain in the hands of the Managing Officer. There is no intended change in ownership or management.

ARTICLE VIII
GENERAL PROVISIONS

8.01 Definitions and Rules of Construction. The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan.

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8.02 Effective Date of Plan. The effective date of this Plan is the first business day following the date that is fourteen days after the entry of the order of confirmation. If, however, a stay of the confirmation order is in effect on that date, the effective date will be the first business day after the date on which the stay of the confirmation order expires or is otherwise terminated.

8.03 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

8.04 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

8.05 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

8.06 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the Commonwealth of Pennsylvania govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

ARTICLE IX
DISCHARGE

9.01 Discharge. On the confirmation date of this Plan, the debtor will be discharged from any debt that arose before confirmation of this Plan, subject to the occurrence of the effective date, to the extent specified in § 1141(d) (1) (A) of the Code. The Debtor will not be discharged from any debt imposed by this Plan.

Respectfully submitted,

By: /s Timothy F. Pasch
Timothy F. Pasch, The Plan Proponent

By: /s Robert L. Knupp
Robert L. Knupp, Esquire
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