

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND

IN RE:	*	
TWIN PONDS DUCK CLUB, INC.	*	Case No. 17-14275
		(Chapter 11)
Debtor.	*	
* * * * *		

MOTION TO SELL PROPERTY OF THE ESTATE FREE AND CLEAR OF LIENS, CLAIMS
AND ENCUMBRANCES

Twin Ponds Duck Club, Inc., (the "Debtor"), by undersigned counsel, respectfully moves for an Order approving a sale of the real property of the Debtor on the following grounds:

1. The Debtor filed a voluntary petition (the "Voluntary Petition") for relief under Chapter 11 of the United States Bankruptcy Code on March 28, 2017. The Debtor has continued in possession of its assets as a debtor in possession.

2. The Debtor has been engaged in the business of owning and operating as its primary place of business real property located on 300 Twin Ponds, Centerville, Maryland 21617 (the "Property"). The Debtor utilizes this location to sell kayak and other water sport goods on a drop-ship basis to customers who purchase these goods over the Internet. The Property is also the primary residence of Debtor's 100% stockholder, Abram G. Hopper.

3. Prior to the initiation of the Chapter 11 case, due to overall pressures from the economy, the Debtor fell behind in its payment of debt to secured and unsecured creditors. Accordingly, in order to stay collection efforts Debtor commenced this bankruptcy case.

4. According to Debtor's schedules of assets filed with the Court, the Property is encumbered by consensual liens in favor of Queenstown Bank (\$399,805.26), Terry R. Mallett and Linda F. Mallett (\$133,553.98) and TRM IRA Investments, LLC/LFM (\$129,869.32). Debtor has scheduled total secured claims of \$663,228.56.

5. Queenstown Bank has filed a Motion for Relief from Stay [Dkt. No. 29] in this bankruptcy case seeking permission from the Bankruptcy Court to initiate foreclosure proceedings

against the Property. Debtor initially opposed this Motion [Dkt. No. 35] but ultimately settled by agreeing to pay Queenstown Bank within 180 days of August 25, 2017. Notwithstanding such agreement, this settlement has not been reduced to writing nor presented to the Bankruptcy Court. Nevertheless, Debtor agrees that Queenstown Bank is currently owed an amount at least \$402,000. As part of its Motion, Queenstown Bank submitted an appraisal for the Property as of February 28, 2017 at a value of \$875,000.00. Debtor scheduled the Property at a value of \$1,300,000.00.

6. As stated previously, Debtor's primary business has been the sale of kayak and other water sport goods to the public on a retail basis through online drop-ship transactions. However, Debtor's revenues have been insufficient to make debt service payments to secured creditors during the pendency of this Chapter 11 case. Accordingly, Debtor's management has concluded that the best opportunity to realize substantial proceeds to benefit the creditors of this estate would be to sell the Property.

7. Accordingly, the Debtor has entered into an agreement (the "Purchase Agreement") to sell the Property to Harry L. Scramer and Evelyn E. Schramer (collectively, the "Purchasers") for the sum of \$950,000.00. The purchase price is to be paid in cash at closing. A true and accurate copy of the Purchase Agreement is attached hereto as Exhibit "A" and is incorporated herein by reference.

8. The salient terms of the Purchase Agreement are as follows:

- a. Purchase price. \$950,000.00 to be paid in cash at closing. Closing will occur on or before December 21, 2017 .
- b. Identity of purchaser. The Purchasers are individuals residing in Chestertown, Maryland, neither of whom have any connection with the Debtor, its officers or employees. The transaction is entirely arms' length.
- c. Deposit. Purchasers have deposited the sum of \$7,000.00 with their attorneys, Cookerly & Barroll, LLC of Chestertown, Maryland. These are the only deposits required under the Purchase Agreement.

- d. Study period and contingencies. The sole contingency is approval by this Court of the proposed sale.

The Debtor believes that the terms of the proposed sale are fair and reasonable and offer the Debtor the best opportunity to optimize the value of the estate assets and pay creditors.

9. In the first instance, upon closing the proposed sale will result in the estate's receipt of sufficient cash to pay all creditors in full. It is the Debtor's intent to pay all secured claims at settlement and to soon thereafter seek permission to pay all undisputed unsecured claims on an interim basis. The sale will be free and clear of all liens, claims and encumbrances. Upon the closing of the sale, all liens, interests, claims, encumbrances, charges and monetary encumbrances on or in the Property will be removed and released from the Property and shall attach to the net proceeds of sale (sales price less the closing costs of sale) to the same extent and in the same order of priority as provided under applicable law and as such liens, interests, claims, encumbrances, charges and monetary encumbrances existed as of the date of sale. The proceeds from the sale will be held in an escrow account with the Debtor's attorney, pending final resolution of the objection to any disputed claim(s). Upon the entry of a final order of a Court of competent jurisdiction, the Debtor's attorney will distribute the sale proceeds pursuant to such Order. Furthermore, following consummation of the sale the Debtor will cease its business operations.

10. The Debtor believes that all secured creditors will consent to the sale of the Assets free and clear of their liens. Accordingly the Debtor believe that the sale of the Assets is authorized under 11 U.S.C. § 363(b) and (f).¹

¹11 U.S.C. § 363(b) provides, in relevant part:

The trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.

11 U.S.C. § 363(f) provides, in relevant part:

The trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if —

* * *

(2) such entity consents.

11. Upon closing, following the payment of all administrative claims and closing costs there will be more than enough money available to pay all creditors in full, as follows:

Sale proceeds	\$950,000.00
Administrative Claims	(\$25,000.00)
<u>Net available for creditors</u>	<u>\$925,000.00</u>
Secured claims	(\$670,000)
Scheduled undisputed unsecured claims who have not filed proofs of claim ²	(\$32,869.06)
Unsecured claims filed	(\$24,023.91)
<u>Projected cash surplus</u>	<u>\$198,107.03</u>

12. The Debtor believes that the proposed sale of the Property will result in substantially more value for the estate than would be realized under an auction sale or by a Chapter 7 trustee. Indeed, under this proposal, creditors will be paid in full, in cash, soon after closing. The Debtor does not believe that there are any possible alternatives which would afford more favorable treatment to creditors and this estate.

13. The Debtor will not be filing a separate memorandum in connection with this matter, and will rely solely upon the factual and legal matters set forth herein. The Property is legally described in Exhibit "B" attached hereto.

WHEREFORE, Twin Ponds Duck Club, Inc. respectfully requests this Court to enter an order:

- A. Approving this Motion in its entirety;
- B. Approving the Purchase Agreement in its entirety;

Under 11 U.S.C. § 1107(a), the Debtor, as debtor in possession, has all of the rights and powers as a trustee.

² The following table consists of the creditors who hold such claims:

Air Doctorx Inc.	\$69.00
Chase Member Services	\$1,400.00
Citibank	\$12,000.00
GRP Companies	\$18,888.90
PNC Bank	\$511.16
Total	\$32,869.06

- C. Approving the proposed sale of the Property as set forth in this Motion and the Purchase Agreement; and
- D. Granting such other and further relief as this Court deems just and proper.

Respectfully submitted,

/s/Ronald J. Drescher
RONALD J. DRESCHER
4 Reservoir Circle
Suite 107
Baltimore, MD 21208
(410) 484-9000
Counsel for Debtor

CERTIFICATE OF SERVICE

I hereby certify that on this 28th day of October, 2017, I served a copy of the foregoing motion, notice of motion and proposed order by the Court's electronic case filing system; and by first class U.S. mail, postage prepaid, upon the persons included on the attached service list which includes all parties in interest in this case.

By ecf:

Hugh M. (UST) Bernstein hugh.m.bernstein@usdoj.gov

Ronald J Drescher ecfdrescherlaw@gmail.com,
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E. Sean Poltrack spoltrack@bt-lawyer.com,
kcoursey@bt-lawyer.com

US Trustee - Baltimore USTPRegion04.BA.ECF@USDOJ.GOV

/s/Ronald J. Drescher
Ronald J. Drescher

Label Matrix for local noticing
0416-0
Case 17-14275
District of Maryland
Greenbelt
Sat Oct 28 22:41:38 EDT 2017

Queenstown Bank of Maryland
P.O. Box 120
Queenstown, MD 21658-0120

Twin Ponds Duck Club, Inc.
300 Twin Ponds
Centreville, MD 21617-2776

US Trustee - Baltimore 11
Garmatz Federal Courthouse
101 West Lombard Street
Suite 2625
Baltimore, MD 21201-2668

Abram G. Hopper
300 Twin Ponds
Centreville, MD 21617-2776

Accounting Strategies Group, LLC
c/o J. Michael Connolly, CPA
207 E. Water St.
Suite 101
Centreville, MD 21617-1159

Air Doctorx, Inc.
4639 Halltown Road
Hartly, DE 19953-2614

American Express
PO Box 650448
Dallas, TX 75265-0448

(p)U S SECURITIES AND EXCHANGE COMMISSION
ATLANTA REG OFFICE AND REORG
950 E PACES FERRY RD NE STE 900
ATLANTA GA 30326-1382

Cain & Daniels, Inc.
4902 Eisenhower Blvd.
2nd Floor
Tampa, FL 33634-6323

Chase Member Services
PO Box 15153
Wilmington, DE 19886-5153

Citibank
Box 6500
Sioux Falls, SD 57117-6500

Comptroller of the Treasury
Compliance Division, Room 409
301 W. Preston Street
Baltimore, MD 21201-2305

Delmarva Power
PO Box 13609
Bankruptcy Noticing
Philadelphia, PA 19101-3609

Delmarva Power & Light Company
5 Collins Drive, Suite 2133
Mail Stop 84CP42
Carneys Point, NJ 08069-3600

(p)DIRECTV LLC
ATTN BANKRUPTCIES
PO BOX 6550
GREENWOOD VILLAGE CO 80155-6550

Fox Capital Group, Inc.
140 Broadway
46th Floor
New York, NY 10005-1155

GRP Companies
3301 N University Drive
Suite 300
Pompano Beach, FL 33065-4149

(p)INTERNAL REVENUE SERVICE
CENTRALIZED INSOLVENCY OPERATIONS
PO BOX 7346
PHILADELPHIA PA 19101-7346

John M. Ashley III
216 Ashley Drive
Centreville, MD 21617-2618

Koch Recovery
8613 SVL Box
Victorville, CA 92395-5178

Legal Order
PO Box 1416
Charlotte, NC 28201-1416

(p)M&T BANK
LEGAL DOCUMENT PROCESSING
1100 WHERLE DRIVE
WILLIAMSVILLE NY 14221-7748

Marcella G. Rabinovich
The Rubin Law Firm, PLLC
11 Broadway
Suite 814
New York, NY 10004-1366

PNC Bank
249 Fifth Avenue
18th Floor
Pittsburgh, PA 15222-2707

Patrick E. Thompson
Braden Thompson Poltrack & Mundy, LLP
102 St. Claire Place
Suite 2
Stevensville, MD 21666-2177

Queen Anne's County
107 N Liberty St
PO Box 267
Centreville, MD 21617-0267

Queen Anne's County Finance Office
Attn: Real Estate Tax Department
107 N. Liberty Street
Centreville, MD 21617-1048

Queenstown Bank
7101 Main Street
Queenstown, MD 21658-1223

Richard J. Birlya
Getman & Birlya, LLP
800 Rand Bldg
1400 Lafayette Sq
Buffalo, NY 14203-1995

Secretary of the Treasury
 15 & Pennsylvania Avenue
 Washington, DC 20220-0001

State of Maryland DLLR
 Division of Unemployment Insurance
 1100 N. Eutaw Street, Room 401
 Baltimore, MD 21201-2225

TRM IRA Investments, LLC/LFM
 c/o Security Trust Co.
 223 North Prospect Street
 Suite 202
 Hagerstown, MD 21740-3773

Terry R. Mallett and Linda F. Mallett
 303 John Wesley Rd.
 Greenville, NC 27858-1669

U.S. Attorney-District of MD
 4th floor
 36 S. Charles St.
 Baltimore, MD 21201-3119

Wells Fargo
 310 Dove Run Ctr
 Middletown, DE 19709-7912

Linda F. Mallett
 303 John Wesley Rd.
 Greenville, NC 27858-1669

Ronald J Drescher
 Drescher & Associates
 4 Reservoir Circle
 Suite 107
 Baltimore, MD 21208-6360

Terry R. Mallett
 303 John Wesley Rd.
 Greenville, NC 27858-1669

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

Branch of Reorganization
 Sec. & Exch. Commission
 3475 Lenox Road NE (Suite 1000)
 Atlanta, GA 30327-1232

Direct TV
 P.O. Box 9001069
 Louisville, KY 40290

Internal Revenue Service
 Centralized Insolvency Section
 PO Box 21126 (DP-N-781)
 Philadelphia, PA 19114

M&T Bank
 P.O. Box 1302
 Buffalo, NY 14240-1302

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u)M&T Bank - PO Box 1508 Buffalo, NY 14240

End of Label Matrix	
Mailable recipients	38
Bypassed recipients	1
Total	39

Exhibit A

BE SURE TO ATTACH QA RIGHT TO FARM DISCLOSURE FORM IF NOT IN TOWN LIMITS .
10/17/17-Becky/Real Estate/Contracts/Schrader, Lisa purchase Twin Ponds

CONTRACT OF SALE

THIS CONTRACT OF SALE (this "Contract") is made as of the 24th day of October, 2017, between TWIN PONDS DUCK CLUB, INC. ("Seller"), whose address is 300 Twin Ponds Lane, Centreville, MD 21617, and HARRY L. SCHRADER and EVELYN E. SCHRADER ("Buyers"), whose address is 6215 Church Hill Road, Chestertown, MD 21620.

1. **THE PROPERTY.** Seller sells to the Buyers, and the Buyers purchase from the Seller the fee simple real property located in the Third Election District of Queen Anne's County, Maryland, known as 300 Twin Ponds Lane, Centreville, Maryland 21617 and more fully described in a Deed to Seller dated January 6, 1983 and recorded among the Land Records of Queen Anne's County, Maryland, in Liber M.S.M. No. 192, folio 242, together with all improvements and all the rights and appurtenances thereto (the "Property"). Included in the Property hereby sold are the contents of the building and all permanently attached fixtures, chandeliers, fans, and the following items, if any, now on the Property: central heating, central air conditioning, plumbing, light fixtures, garbage disposal, dishwasher, microwave oven, kitchen stove and oven, refrigerator, clothes washer, clothes dryer, screens, storm/insulated windows and doors, shades, venetian blinds, curtain rods, TV antenna, wall to wall

carpeting, trees, shrubbery and plants.

2. **PURCHASE PRICE AND PAYMENT.** The purchase price for the Property is NINE HUNDRED FIFTY THOUSAND DOLLARS (\$950,000.00) (the "Purchase Price"). The Purchase Price shall be paid by the Buyers to the Seller as follows:

(a) Three Thousand Five Hundred Dollars (\$3,500.00) has been paid by the Buyers at the time of signing of this Contract. Buyers promise to pay Three Thousand Five Hundred Dollars (\$3,500.00) more within ten (10) days of delivery of this Contract. The sum of such payments, totaling Seven Thousand Dollars (\$7,000.00) shall be considered Buyers' deposit and shall be a credit against the Purchase Price. Buyers and Seller hereby authorize and direct the law firm of COOKERLY & BARROLL, LLC, of Chestertown, Maryland to hold the deposit funds without negotiation or deposit in Cookerly & Barroll's escrow account, until Seller shall execute and accept this Contract. Upon said acceptance by Seller, Cookerly & Barroll shall expeditiously cause said deposit funds to be placed in a non-interest bearing escrow account as herein provided. If Seller does not execute this Contract, the deposit shall be immediately returned to the Buyer. The deposit shall be held in an escrow account by Cookerly & Barroll as an escrow agent.

(b) The balance of Nine Hundred Forty-three Thousand Dollars (\$943,000.00) shall be paid by the Buyers to the Seller in cash, certified or Attorney escrow check at Closing.

3. **TIME AND PLACE OF CLOSING.** Closing shall take place at a time and location selected by Buyers on or before December 21, 2017.

4. **FINANCING CONTINGENCY.** The Buyers' obligation to purchase the Property is contingent upon the Buyers obtaining, from a lending institution, a commitment for a first purchase money mortgage loan, secured by the Property, in the principal amount of not less than Nine Hundred Seventy Thousand Dollars (\$970,000.00), at an interest rate not to exceed **FOUR AND ONE QUARTER PERCENT (4.25%)** per annum, repayable in equal monthly installments of principal and interest over a period of not less than **TWENTY YEARS**, and requiring the payment of not more than **ONE POINT** by the Buyers. The Buyers shall apply for such a commitment within **TEN (10) BANKING DAYS** of the date hereof. The Buyers shall have the right to accept a commitment for a first purchase money mortgage loan in a lesser amount, at a higher interest rate, higher points, or requiring repayment over a shorter period of time.

If the Buyers are unable to obtain a commitment within **FIFTEEN (15) DAYS** of the date hereof, Buyers shall have the right to

terminate this Contract, which shall automatically become null and void and of no further force and effect, in which event, provided the Buyers applied for the commitment within the time required above, the Deposit shall be returned to Buyers.

5. **SELLER'S RESPONSIBILITY.** All violation notices or requirements noted or issued by any governmental authority, or actions in any court on account thereof, against or affecting the Property at the date of settlement of this Contract, shall be complied with by Seller and the Property conveyed free thereof. The Property is to be held at the risk of Seller until legal title has passed or possession has been given to Buyers. If, prior to the time legal title has passed or possession has been given to Buyers, whichever shall occur first, all or a substantial part of the Property is destroyed or damaged, without fault of Buyers, then this Contract, at the option of Buyers, upon written notice to Seller, shall be null and void and of no further effect, and the deposits shall be disbursed in accordance with the Deposit paragraph of this Contract. Seller shall keep the Property in a state of good condition and repair through Closing. Upon the written request of the Buyers, the Seller shall immediately have all insurance policies on the Property endorsed to protect all parties hereto, as their interest may appear, and shall continue the insurance in force during the life of this Contract.

6. **BUYERS' RESPONSIBILITY.** If Buyers have misrepresented Buyers' financial ability to consummate the purchase of the Property, or if this Contract is contingent upon Buyers securing a written commitment for financing and Buyers fail to apply for such financing within the time period herein specified, or fails to pursue financing diligently and in good faith, or if Buyers make any misrepresentations in any document relating to financing, or takes (or fails to take) any action which causes Buyers' disqualification for financing, then Buyers shall be in default, and Seller may elect by written notice to Buyers, to terminate this Contract and/or pursue the remedies set forth under the Default paragraph of this Contract.

7. **CONTINGENT UPON APPROVAL OF U. S. BANKRUPTCY COURT.** The Seller has filed a Petition in Bankruptcy with the U. S. Bankruptcy Court which is case No. _____ pending in Baltimore, Maryland. If this Contract is not approved by the Court it shall be null and void.

8. **LEASES.** Seller may neither negotiate new leases nor renew existing leases for the Property which extend beyond settlement or possession date without Buyers' written consent.

9. **CONDITION AND WARRANTY.** In compliance with Section 10-702 of the Real Property Article of the Annotated Code of

Maryland, Buyers are advised of the right to receive a Residential Property Disclosure and Disclaimer statement from the Seller.

10. CRIMINAL ACTIVITY AND SEXUAL OFFENSE

CLAUSE. Buyers acknowledge that they may contact the State, County or municipal police departments in which the Property is located or check the Maryland Sex Offender Registry at the Maryland Department of Public Safety and Correctional Services website and other similar sources of information in order to ascertain criminal activity in the vicinity of the Property or the presence of registered sexual offenders who live or work within the vicinity of the Property. Buyers understand that Buyers are solely responsible to inquire of such matters before signing this Contract. Buyers shall have no right to cancel this Contract based upon criminal activity or the presence of registered sexual offenders in the vicinity of the Property.

11. MILITARY INSTALLATIONS

This Section does not apply in Allegany, Carroll, Frederick, Garret, Howard, Montgomery or Washington Counties. Buyers are advised that the Property may be located near a military installation that conducts flight operations, munitions testing, or military operations that may result in high noise level.

12. TITLE TO THE PROPERTY.

(a) At Closing, upon payment as above provided of the unpaid purchase price, a deed for the Property containing covenants of non-encumbrance, special warranty and further assurance, prepared at Buyers' expense, shall be executed by the Seller, which shall convey the Property to the Buyers. The title conveyed to the Buyers shall be good and merchantable, and free of liens and encumbrances except use, occupancy and similar restrictions of public record which are generally applicable to properties in the immediate neighborhood or subdivision in which the Property is located, easements which may be observed by an inspection of the Property, and such utility and other easements as do not materially adversely affect the fair market value of the Property.

(b) In the event Seller is unable to give good and merchantable title or such as can be insured by a Maryland licensed title company, with Buyers paying not more than the standard rate as filed with the Maryland Insurance Commissioner, Seller, at Seller's expense, shall have the option of curing any defect so as to enable Seller to give good and merchantable title or, with Buyers' permission, if Buyers are willing to accept title without said defect being cured, of paying any special premium on behalf of Buyers to obtain title insurance on the Property to the benefit of Buyers. In the event Seller elects to cure any defects in title, this Contract shall continue to

remain in full force and effect and the date of Closing shall be extended for a period not to exceed THIRTY (30) ADDITIONAL DAYS. In the event Seller is unable to cure such title defects within said THIRTY (30) DAYS, and is unable to obtain a policy of title insurance on the Property to the benefit of Buyers by a Maryland licensed title company, Buyers shall have the option of taking such title as Seller can give, or being reimbursed for all deposit monies paid by Buyers to Seller. In the latter event there shall be no further liability or obligation on either of the parties hereto and this Contract shall become null and void and all deposits hereunder shall be returned immediately to Buyers.

13. POSSESSION AND BUYERS' RIGHT OF PRE-CLOSING INSPECTION.

The Buyers shall be given possession of the Property at Closing, free and clear of all leases (unless otherwise agreed by the parties hereto in writing), at which time the Property shall be vacant, broom clean, and in substantially the same condition as on the date of this Contract. Seller represents and warrants that at Closing, all electrical, well, septic, plumbing, heating, air conditioning, appliances and any other mechanical systems and related equipment shall be in good operating condition. Seller shall be responsible to make any necessary repairs. Buyers shall have the right to inspect the Property

at reasonable times within SEVENTY-TWO (72) HOURS prior to Closing.

14. **CLOSING ADJUSTMENTS.** Water charges and community association charges, if any, shall be adjusted and apportioned as of the date of Closing. All taxes, general or special, and all other public or governmental charges or assessments against the Property which are or may be payable on an annual basis (including benefit charges, assessments, liens, or encumbrances for sewer, water, drainage, or other public improvements completed or commenced on or prior to the date hereof or subsequent thereto), are to be adjusted and apportioned as of the date of Closing and are to be assumed and paid thereafter by the Buyers, whether assessments have been levied or not as of the date of Closing.

15. **CLOSING AND TRANSFER COSTS.**

(a) Title examination, title insurance and costs of Closing shall be paid by Buyers. Each party hereto shall pay any legal or attorney's fees incurred by such party.

(b) SECTION 14-104 OF THE REAL PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND PROVIDES THAT, UNLESS OTHERWISE NEGOTIATED IN THE CONTRACT OR PROVIDED BY STATE OR LOCAL LAW, THE COST OF ANY

RECORDATION TAX OR ANY STATE OR LOCAL TRANSFER TAX SHALL BE SHARED EQUALLY BETWEEN THE BUYERS AND SELLER. THE BUYERS AND THE SELLER AGREE TO SHARE EQUALLY THE COST OF ALL STATE AND LOCAL RECORDATION AND TRANSFER TAXES.

(c) Buyer shall pay the cost for the preparation and recording of a release of any mortgage or other encumbrances on the Property.

(d) Buyers and Seller each agree to cooperate with the party conducting Closing by providing all necessary information for the filing of Form 1099-S, *Proceeds From Real Estate Transactions*, with the Internal Revenue Service as required by Section 6045 of the Internal Revenue Code. To the extent permitted by law, any fees incurred as a result of such filing will be paid by the Buyer.

16. DAMAGE OR DESTRUCTION. In the event that the Property is damaged or destroyed by fire or other casualty between the date hereof and Closing, Seller shall promptly give Buyers written notice thereof, in which event Buyers shall have the option either:

a) to terminate this Contract by giving Seller written notice to terminate, in which case the Deposit shall be returned to Buyers and this Contract shall be null and void thereafter; or

b) to elect to receive an assignment of any and all insurance proceeds payable to Seller on account of such damage or destruction, except proceeds for Seller's personal property not included in the sale, in which event Seller shall execute an assignment thereof in a form acceptable to Buyers and Closing shall be consummated as provided herein.

17. DEFAULT.

(a) The parties hereto agree that upon the failure of the Buyers to make full settlement in accordance with the terms of this Contract or to comply with the terms, covenants and conditions of this Contract, the measure of actual damages would be difficult to determine. Therefore, as liquidated damages for such default and not as penalty or forfeiture, the parties agree that if the Buyers shall fail to make full settlement, the deposit herein provided for, including any accrued interest, shall be paid over to the Seller at the sole option of the Seller, and the Buyers shall be relieved from further liability hereunder. It is agreed that the right to receive said liquidated damages is the Seller's sole remedy, and Buyers' liability for breach is expressly limited to the loss of the deposit as liquidated damages.

(b) If the Seller fails to make full settlement in accordance with the terms of this Contract or is in default due to failure to comply with the terms, covenants and conditions of this Contract, the Buyers

are entitled to pursue such rights and remedies as may be available at law or in equity, including, without limitation, an action for specific performance of this Contract and/or monetary damages.

18. **DISPOSITION OF DEPOSIT MONIES.** If a dispute arises between Buyers and Seller as to the disposition of the Deposit, Cookerly & Barroll shall:

a) hold the Deposit until Cookerly & Barroll has releases signed by all parties to the transaction authorizing disposition of the funds; or

b) hold these funds until such times as one of the parties to the transaction files suit and the court in which the suit is filed orders the disbursement of the Deposit.

In any suit involving disposition of the Deposit, Cookerly & Barroll shall be given a reasonable opportunity to pay such monies into the registry of the court, to obviate the need to join said law firm as a party to the suit.

19. **AGRICULTURAL TRANSFER TAX.** Seller hereby gives notice to Buyers that the transfer of the Property may be subject to the Maryland Agricultural Land Transfer Tax, pursuant to §13-301, et seq., of the Tax-Property Article of the Annotated Code of

Maryland. Buyers shall be liable for the payment of such tax and the Property may be subject to a lien for the payment of such tax.

20. **BROKER'S FEE.** Each party warrants to the other that it has not used the services of a real estate broker or agent in connection with this transaction. Each party agrees to defend, indemnify and hold the other party harmless from any claim for real estate commissions arising by reason of the indemnifying party's breach of this warranty. The provisions of this paragraph shall survive Closing and the delivery of the deed to the Property or the termination of this Contract.

21. **NOTICE CONCERNING CONSERVATION EASEMENTS.** If the Property is encumbered by a Conservation Easement as defined in Section 1-705 of the Real Property Article, Annotated Code of Maryland, the Contract must contain a notice concerning the easement, which is contained in an attached addendum. This Paragraph does not apply to the sale of property in an action to foreclose a mortgage or deed of trust. (If the Property is encumbered by a Conservation Easement see Conservation Easement Addendum).

22. **FOREIGN INVESTMENT TAXES-FIRPTA.** Section 1445 of the United States Internal Revenue Code of 1986 provides that Buyers of residential real property located in the United States must

withhold federal income taxes from the payment of the purchase price if (a) the purchase price exceeds Three Hundred Thousand Dollars (\$300,000.00) and (b) the seller is a foreign person. Unless otherwise stated in an addendum attached hereto, if the purchase price is in excess of Three Hundred Thousand Dollars (\$300,000.00), Seller represents that Seller is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined by the Internal Revenue Code and applicable regulations) and agrees to execute an affidavit to this effect at the time of settlement.

23. **WETLANDS NOTICE.** Buyers are hereby advised that if all or a portion of the Property is tidal wetlands and/or non-tidal wetlands (collectively "wetlands"), the approval of the United States Corps of Engineers (the "Corps"), the Maryland Department of Natural Resources ("DNR") and/or other governmental authorities may be necessary for the use and development of the Property. The applicable definitions of wetlands encompass a large portion of the lands in the Chesapeake Bay region. For information whether the Property contains wetlands, Buyers should contact the Corps, DNR and the local Planning Office. For information as to whether the Property includes wetlands, Buyers may contact the Baltimore District of the U. S. Army Corps of Engineers. In addition, Buyers may elect at Buyers' expense to engage the services of a qualified specialist to inspect and analyze the Property to determine whether wetlands exist thereon prior to execution of this Contract with Seller's

permission or Buyers may include a clause making Buyers' purchase of the Property contingent upon a satisfactory wetlands inspection and analysis as a contingency of this Contract simultaneous with the execution hereof.

24. NOTICE TO BUYERS CONCERNING THE CHESAPEAKE AND ATLANTIC COASTAL BAYS CRITICAL AREA. Buyers are advised that all or a portion of the Property may be located in the "Critical Area" of the Chesapeake and Atlantic Coastal Bays, and that additional zoning, land use, and resource protection regulations apply in this area. The "Critical Area" generally consists of all land and water areas within 1,000 feet beyond the landward boundaries of the state or private wetlands, the Chesapeake Bay, the Atlantic Coastal Bays, and all of their tidal tributaries. The "Critical Area" also includes the waters of and lands under the Chesapeake Bay, the Atlantic Coastal Bays and all of their tidal tributaries to the head of tide. For information as to whether the Property is located within the "Critical Area", Buyers may contact the local department of Planning and Zoning, which maintains maps showing the extent of the "Critical Area" in the jurisdiction.

25. FOREST CONSERVATION AND MANAGEMENT PROGRAM. Buyers are hereby notified that this transfer may be subject to the Forest Conservation and Management Program imposed by Section 8-211 *et seq.*, of the Tax-Property Article,

Annotated Code of Maryland. Forest Conservation/Management program taxes assessed as a result of this transfer shall be paid by the Buyers.

26. FOREST CONSERVATION ACT NOTICE. If the Property is a tract of land 40,000 square feet or more in size, Buyers are notified that, unless exempted by applicable law, as a prerequisite to any subdivision plan or grading or sediment control permit for the Property, Buyers will be required to comply with the provisions of the Maryland Forest Conservation Act imposed by Section 5-1601 *et seq.*, of the Natural Resources Article, Annotated Code of Maryland, including, among other things, the submission and acceptance of a Forest Stand Delineation and a Forest Conservation Plan for the Property in accordance with applicable laws and regulations subject to a Forest Conservation Plan, Management Agreement or any other pending obligation binding the owner of the property under said Act. Further, Seller represents and warrants that no activities have been undertaken on the Property by Seller in violation of the Forest Conservation Act.

27. LEAD-BASED PAINT HAZARDS. Title X, Section 10-108, the Residential Lead-Based Paint Hazard Reduction Act of 1992 (the "Act"), requires the disclosure of certain information regarding lead-based paint and lead-based paint hazards in connection with the sale of residential real property. Unless otherwise exempt, the Act applies

only to housing constructed prior to 1978. A seller of pre-1978 housing is required to disclose to the Buyers, based upon the seller's actual knowledge, all known lead-based paint hazards in the Property and provide the Buyers with any available reports in the seller's possession relating to lead-based paint or lead-based paint hazards applicable to the Property. The seller, however, is not required to conduct or pay for any lead-based paint risk assessment or inspection. At the time that the offer to purchase is entered into by the Buyers, the seller is required to provide the Buyers(s) with the EPA pamphlet entitled "*Protect Your Family From Lead In Your Home*" and a "*Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards*" form.

The Seller is required under the Act to provide the Buyers with a ten (10) day time period (or other mutually agreeable time period) for the Buyers, at Buyers' expense, to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards unless the Buyers waive such assessment or inspection by indicating such waiver on the Lead-Based Paint Disclosure form. Seller and any agent involved in the transaction are required to retain a copy of the completed Lead-Based Paint Disclosure form for a period of three (3) years following the date of settlement. The Act is effective September 6, 1996, for a seller who owns more than four (4) dwelling units, whether single-family or

multifamily, and December 6, 1996, for a seller who owns four (4) or fewer dwelling units.

A SELLER WHO FAILS TO GIVE THE REQUIRED LEAD-BASED PAINT DISCLOSURE FORM AND EPA PAMPHLET MAY BE LIABLE UNDER THE ACT FOR THREE TIMES THE AMOUNT OF DAMAGES AND MAY BE SUBJECT TO BOTH CIVIL AND CRIMINAL PENALTIES.

Seller represents and warrants to Buyers, intending that they rely upon such warranty, that the Property: (Seller to initial applicable line) _____ was constructed prior to 1978; or _____ was not constructed prior to 1978; or _____ the date of construction is uncertain. If the Property was constructed prior to 1978, or if the date of construction is uncertain, as indicated by Seller's initial above, Seller and Buyers mutually agree that the requirements of the Act shall apply to the sale of the Property.

Seller and Buyers agree and represent and warrant, each unto the other, that no binding and enforceable contract shall be deemed to exist or to have been formed unless the requirements of the Act have been complied with prior to the execution of this Contract by Seller and Buyers. Seller and Buyers represent and warrant that each intended, as a material term of the offer and acceptance, that the requirements of the Act be complied with as an express condition of

the formation of a binding and enforceable contract by and between the parties. Buyers and Seller acknowledge by their respective initials below that they have read and understand the provisions of this paragraph.

Buyers' Initials

Seller's Initials

28. **ACCEPTANCE.** In the event that this Contract is not executed by each party on or before November _____, 2017, it shall be null and void thereafter

29. **NOTICE TO THE BUYERS.**

A. **NO REPRESENTATIONS.** Seller, its agents, officers and employees, make no representations with respect to:

i) The extension of public utilities by local municipal authorities, existence of availability of public utilities, and any assessments, fees or costs for public utilities which might be imposed by local municipal authorities, should public utilities be extended or available to the subject Property. (Buyers should consult the Department of Public Works to determine the availability of proposed future extensions of utilities);

ii) Lot size and exact location. If the subject Property is part of a recorded subdivision, Buyers can review the plat upon request at the Record Office. If the subject Property is not part of a recorded subdivision, Buyers may verify exact size and location through a survey by a licensed engineer or land surveyor, at Buyers' expense; or

iii) Existing zoning or permitted uses of the Property. Buyers should contract the Zoning Office and/or a licensed engineer to verify zoning and permitted uses.

iv) PROTECTION OF HOMEOWNERS IN FORECLOSURE ACT NOTICE. BUYERS AND SELLER ACKNOWLEDGE THAT, UNDER SECTION 7-310 OF THE REAL PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND, IF THE MORTGAGE ON THE PROPERTY IS AT LEAST 60 DAYS IN DEFAULT ON THE DATE OF CONTRACT ACCEPTANCE, SELLER HAS THE RIGHT TO RESCIND THE CONTRACT WITHIN FIVE (5) DAYS AFTER THE DATE OF EXECUTION.

30. MISCELLANEOUS PROVISIONS.

(a) If required by the lending institution providing purchase financing to Buyers, the Seller will not unreasonably refuse to execute

an affidavit substantially similar to Fannie Mae Form 1009 stating, among other things, that the Seller has not paid any expenses relating to or in connection with the Buyers' purchase of the Property (such as interest charges, real estate charges, hazard insurance premiums, initial mortgage insurance premiums or funds to be used for the renewal of mortgage insurance premiums), except as specifically stated in the affidavit.

(b) If required by the title insurance company issuing a title insurance policy to Buyers and/or Buyers' lending institution, the Seller will not unreasonably refuse to execute affidavits stating, among other things, that Seller is unaware of any pending claims against Seller's title to the Property, of any threatened foreclosure proceedings, or of any improvements erected since the date of the last survey, *etc.*, except as specifically stated in the affidavit.

(c) As used herein, the masculine gender shall include the feminine and the singular shall include the plural.

(d) The terms of this Contract shall survive Closing and the transfer of the deed to the Property to Buyers.

(e) This Contract shall be interpreted and construed under the laws of the State of Maryland. If any provision of this Contract shall be held to be invalid or unenforceable, the validity and

enforceability of the remaining provisions shall not be affected thereby.

(f) Time is of the essence of this Contract.

(g) This Contract is binding upon and shall inure to the benefit of the parties and their respective heirs, personal representatives, successors, and assigns.

(h) The liability of any party to this Contract shall be both joint and several.

(i) This Contract contains the final and entire agreement between the parties, and neither they nor their agents shall be bound by any terms, conditions or representations not herein written, unless subsequently agreed to in writing and signed by all parties hereto. This Contract may be executed in counterparts each of which shall be deemed and considered an original.

31. NOTICE TO BUYERS AND SELLER.

(a) BUYERS HAVE THE RIGHT TO SELECT BUYERS' OWN TITLE INSURANCE COMPANY, TITLE LAWYER, SETTLEMENT COMPANY, ESCROW COMPANY, MORTGAGE LENDER, OR FINANCIAL INSTITUTION AS DEFINED IN THE FINANCIAL INSTITUTIONS ARTICLE OF THE ANNOTATED

CODE OF MARYLAND. BUYERS ACKNOWLEDGE THAT SELLER MAY NOT BE PROHIBITED FROM OFFERING OWNER FINANCING.

(b) THIS IS A LEGALLY BINDING CONTRACT. IF EITHER PARTY DOES NOT FULLY UNDERSTAND IT, THAT PARTY SHOULD SEEK COMPETENT LEGAL ADVICE.

IN WITNESS WHEREOF, in duplicate originals, the parties hereto have executed this Contract, under seal, as of the day and year first above written; provided, however, that for the purposes of determining "the date hereof" as used in this Contract, such date shall be the last date any of the parties hereto executes this Contract.

WITNESS:

TWIN PONDS DUCK CLUB, INC.



By: *Abram Hopper III*

(SEAL)

Abram Hopper, President
SELLER

10/23/2017

Date of Execution

Harry L. Schrader

(SEAL)

Harry L. Schrader

BUYER

Oct. 24, 2017

Date of Execution

Stewart Zanol
(As to both)

Evelyn E. Schrader

(SEAL)

Evelyn E. Schrader

BUYER

Oct. 24, 2017

Date of Execution

Exhibit B

PARCEL ONE

ALL that lot, parcel or tract of land situate, lying and being in Corsica Neck, the Third Election District of Queen Anne's County, Maryland, being the northeasterly portion of Tract #1 of "Pioneer Point Farm", binding on the water of the Corsica River and Tilghman Cove, and being more fully described by the following metes and bounds, courses and distances, according to a survey of J.B. Metcalfe, dated July, 1956.

BEGINNING for the same at a point on the mean high water line of the aforementioned Corsica River, 552 feet westerly from a point known or to be known as Tilghman Point, and running (1) thence by and with the mean high water line of the aforementioned Corsica River the two following courses and distances: North 88 degrees 21 minutes East, 195.50 feet to a point; South 84 degrees 35 minutes East, 356.60 feet to a point and to the waters of Tilghman Cove; (2) thence by and with the waters of the said Tilghman Cove the three following courses and distances: South 27 degrees 18 minutes East, 196.60 feet to a point; South 14 degrees 50 minutes East, 119.70 feet to a point; South 05 degrees 40 minutes West, 184.60 feet to a point on the newly established division line of the herein described lands; (3) thence, by and with the said division line, passing over a concrete monument set North 86 degrees 10 minutes East, 254.50 feet from the southwesterly corner of the lands herein described; South 86 degrees 10 minutes West, 609.50 feet, more or less, to a concrete monument set at a corner, (4) thence, continuing with said division line and passing over a concrete monument set South 03 degrees 50 minutes East, 38.80 feet from the northerly end of the herein mentioned line, North 03 degrees 50 minutes West, 547.00 feet, more or less, to the point of beginning, containing in all 7.215 acres of land and marsh, more or less.

BEING the same land granted and conveyed unto the Mortgagor herein by deed from Sydney G. Ashley, dated January 6, 1983, and recorded among the Land Records of Queen Anne's County, Maryland, in Liber M.W.M. No. 192, folio 242.

PARCEL TWO

ALL that lot or parcel of land situate, lying and being in the Third Election District of Queen Anne's County, State of Maryland, and more particularly described by metes and bounds, courses and distances, as follows, to wit:

BEGINNING for the same at a point located along the division line between the lands now or formerly of Twin Ponds Duck Club, Inc. (see M.W.M. 192/242) and the lands of Pioneer Point General Partnership (see S.M. 1123/19), said beginning point being further located North 14 degrees 24' 37" West 37.10 feet from a point located at the southwesternmost corner of the aforesaid lands of Twin Ponds Duck Club, Inc.; THENCE leaving said beginning point so fixed and running for four (4) new lines of division, through the aforementioned lands of Pioneer Point General Partnership, the four (4) following courses and distances: (1) South 82 degrees 36' 08" West 648.21 feet to a point; (2) South 62 degrees 15' 57" West 39.96 feet to a point; THENCE with the arc of a curve to the left at a distance of 35.38 feet to a point, said curve having a radius of 70.00 feet, and scribed by a chord of; (3) North 07 degrees 04' 47" East 35.00 feet; (4) North 82 degrees 36' 08" East 674.47 feet to a point located on the aforementioned division line; THENCE binding on the aforesaid division line between the lands of Twin Ponds Duck Club, Inc. and the lands of Pioneer Point General Partnership; (5) South 14 degrees 24' 37" East 20.15 feet to the place of beginning. Containing in all 0.316 acres of land, more or less, as described by McCrone, Inc., Registered Professional Engineers and Surveyors, in January, 2004.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND

IN RE:	*	
TWIN PONDS DUCK CLUB, INC.	*	Case No. 17-14275
		(Chapter 11)
Debtor.	*	
* * * * *		

NOTICE OF MOTION TO SELL PROPERTY OF THE ESTATE FREE AND CLEAR OF
LIENS, CLAIMS AND ENCUMBRANCES

PLEASE TAKE NOTICE that Twin Ponds Duck Club, Inc., the above-captioned Debtor and Debtor in Possession ("Debtor"), has filed a motion to sell real property and improvements located at 300 Twin Ponds, Centerville, Maryland 21617 (the "Property") of the estate free and clear of liens, claims and encumbrances. The grounds for the motion include, without limitation, that: the proposed sale will result in the payment of all claims against this estate in full. The salient terms of the proposed sale are as follows:

- a. Purchase price. \$950,000.00 to be paid in cash at closing. Closing will occur or or before December 21, 2017 .
- b. Identity of purchaser. The Purchasers are individuals residing in Chestertown, Maryland, neither of whom have any connection with the Debtor, its officers or employees. The transaction is entirely arms' length.
- c. Deposit. Purchasers have deposited the sum of \$7,000.00 with their attorneys, Cookerly & Barroll, LLC of Chestertown, Maryland. These are the only deposits required under the Purchase Agreement.
- d. Study period and contingencies. The sole contingency is approval by this Court of the proposed sale.

The Debtor believes that the terms of the proposed sale are fair and reasonable and offer the Debtor the best opportunity to optimize the value of the estate assets and pay creditors.

PLEASE TAKE FURTHER NOTICE THAT objections, if any, to the Motion shall be in writing and filed with the United States Bankruptcy Court for the District of Maryland, located at 6500 Cherrywood Lane, Greenbelt, Maryland 20770, and served upon the undersigned counsel for the Debtor at the address listed below within twenty-one (21) days of the date of this Notice. Any objection shall state with particularity the factual and legal grounds therefor and shall request a hearing, if desired. The Court may conduct a hearing or determine the matter without a hearing in its discretion, regardless of whether any objections are filed. Any party-in-interest with questions may contact the undersigned counsel for the Debtor. If objections are filed or if the Court determines for any other reason that a hearing is required, the hearing will be held on November 27, 2017 at 11:00 a.m. in the courtroom of the Honorable Thomas Catliota, United States Bankruptcy Judge, United States Courthouse, Courtroom 3-E, 6500 Cherrywood Lane, Greenbelt, Maryland 20770.

Dated: October 28, 2017

/s/Ronald J. Drescher
Ronald J. Drescher
4 Reservoir Circle
Suite 107
Baltimore, MD 21208

(410) 484-9000