

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Baltimore Division)

In re: *
WHISKEY ONE EIGHT, LLC * Case No: 15-19885-DER
Debtor * (Chapter 11)
* * * * *

DEBTOR’S PLAN OF REORGANIZATION PURSUANT
TO CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE

Whiskey One Eight, LLC, the debtor and debtor in possession herein (the “Debtor”) proposes the following Plan of Reorganization Pursuant to Chapter 11 of the United States Bankruptcy Code.

ARTICLE 1
INTRODUCTION

On July 15, 2015, the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtor continues to manage and operate its business as a debtor in possession pursuant to 11 U.S.C. §§ 1107(a) and 1108. The Debtor is a real estate developer that owns a 50 ± acre parcel of real property having an address of 520 Brock Bridge Road, Laurel, Maryland 20724 known as Riverwood.

Chapter 11 authorizes the Debtor to propose a plan of reorganization. The Plan¹ provides for the reorganization of the Debtor and distributions equal to payment in full of Allowed Claims to creditors as each Holder of a Claim will receive or retain on account of such Claim property of a value, as of the Effective Date, equal to the Allowed Amount of such Claim. The Plan will be funded by any combination of the DIP Loan, sales of all or any part of the Property and Specified Litigation Proceeds, each as described more fully below.

Reference is made to the Disclosure Statement filed in support of the Plan for a discussion of (a) the Debtor’s history, business and financial projections for the business, (b) a summary and analysis of the Plan, and (c) certain matters related to the Confirmation and consummation of the Plan. The Disclosure Statement has been approved by the Bankruptcy

¹ All capitalized terms shall have the meanings ascribed to them in Article 2 of this Plan of Reorganization or as otherwise provided herein.

Court. Parties in interest, including, creditors and parties to executory contracts and unexpired leases are encouraged to read the Plan, the Disclosure Statement, and all exhibits thereto in their entirety. The Debtor is the proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, and any restrictions on modifications set forth herein, the Debtor expressly reserves the right to alter, amend, modify, revoke or withdraw the Plan, one or more times, prior to the Effective Date.

ARTICLE 2
DEFINITIONS AND RULES OF CONSTRUCTION

2.1. Definitions. The following terms (which appear in the Plan as capitalized terms) shall have the respective meanings set forth below.

“Administrative Claim” means a Claim for costs and expenses of the administration of the Bankruptcy Cases which is entitled to administrative priority status pursuant to sections 503(b) and 507(a)(2) of the Bankruptcy Code, including, without limitation, (a) any actual and necessary expenses of preserving the Estates; (b) any actual and necessary expenses of operating the Debtor’s business; (c) any actual indebtedness or obligations incurred or assumed by the Debtor during the pendency of the Bankruptcy Case in connection with the conduct of the business; (d) any actual expenses necessary or appropriate to facilitate or effectuate the Plan; (e) any amount required to be paid under Bankruptcy Code section 365(b)(1) in connection with the assumption of executory contracts or unexpired leases; (f) all allowances of compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under Bankruptcy Code sections 328, 330(a), 331 or 503(b)(2), (3), (4) or (5); (g) Claims arising under Bankruptcy Code section 503(b)(9); and (h) all fees and charges payable pursuant to section 1930 of title 28 of the United States Code.

“Affiliate” means any Person that is an “affiliate” within the meaning of section 101(2) of the Bankruptcy Code.

“Allowed” with respect to any Claim or Interest, or any portion thereof, in any Class or category specified, against or of the Debtor, means (a) a Claim or Interest that has been listed in the Schedules, as such Schedules may be amended by the Debtor from time to time

in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent and for which no contrary Proof of Claim, objection, or request for estimation has been filed on or before any applicable objection deadline, if any, set by the Plan or applicable law; (b) any Claim that is not Disputed; (c) any Claim or Interest as to which any objection has been compromised, settled, waived, or otherwise resolved pursuant to the authority granted to the Debtor or the Reorganized Debtor, as the case may be, pursuant to a Final Order of the Bankruptcy Court; or (d) any Claim or Interest that is expressly allowed hereunder or pursuant to a Final Order; provided, however, that Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy court shall not be considered “Allowed Claims” hereunder. Unless otherwise specified herein or by order of the Bankruptcy Court, “Allowed” in reference to a Claim shall not include (a) any interest on the amount of such Claim accruing from and after the Petition Date; (b) any punitive or exemplary damages; or (c) any fine, penalty or forfeiture. Any Claim listed in the Schedules as contingent, unliquidated or disputed, and for which no Proof of Claim has been timely filed, is not considered Allowed and shall be expunged without further action and without any further notice to or action, order or approval of the Bankruptcy Court.

“Allowed Amount” means the amount in which a Claim is Allowed expressed in dollars.

“Avoidance Actions” means any and all actual or potential claims and causes of action to avoid a transfer of property or an obligation incurred by the Debtor pursuant to any applicable Bankruptcy Code section, including Bankruptcy Code sections 502, 510, 542, 544, 545, 547 through 553, and 724(a) or under similar or related state or federal statutes and common law, including fraudulent transfer laws.

“Bankruptcy Case” means the chapter 11 case filed for the Debtor under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court.

“Bankruptcy Code” means title 11 of the United States Code, 11 U.S.C. sections 101 et seq., as in effect on the Petition Date, together with all amendments and modifications thereto.

“Bankruptcy Court” means the United States Bankruptcy Court for the District of Maryland (Baltimore Division) or, as the context requires, any other court of competent jurisdiction exercising jurisdiction over the Bankruptcy Case.

“Bankruptcy Rules” means (a) the Federal Rules of Bankruptcy Procedure as promulgated under section 2075 of title 28 of the United States Code, (b) the Federal Rules of Civil Procedure as promulgated under section 2072 of title 28 of the United States Code, (c) the general and local rules of the Bankruptcy Court, and (d) any standing orders governing practice and procedure issued by the Bankruptcy Court, each as in effect on the Petition Date, together with all amendments and modifications thereto.

“Bar Date” means the last date for Holders of Claims or Interests that are not scheduled or are scheduled as disputed, contingent, or unliquidated in the Schedules to file a Proof of Claim. The applicable Bar Dates were (i) November 17, 2015, for Persons other than Governmental Units, and (ii) January 11, 2016, for Governmental Units.

“Business Day” means any day other than a Saturday, a Sunday, or a “legal holiday” as such term is defined in Bankruptcy Rule 9006(a).

“Carve-Out” shall have the meaning ascribed thereto in the DIP Order with respect to (i) unpaid fees of the Clerk of the Court and the U.S. Trustee pursuant to 28 U.S.C. § 1930; (ii) Allowed Professional Claims, and (iii) amounts on deposit in the YVSM Professional Expense Escrow Account, as defined in Section 3.3(b) of the Plan.

“Cash” means cash, cash equivalents and other readily marketable direct obligations of the United States, as determined in accordance with generally accepted accounting principles, including bank deposits, certificates of deposit, checks and similar items. When used with respect to a Distribution, the term “Cash” means lawful currency of the United States, a certified check, a cashier’s check, a wire transfer of immediately available funds from any source, or a check drawn on a domestic bank.

“Causes of Action” means all actions, causes of action (including Avoidance Actions), liabilities, obligations, rights, suits, debts, damages, judgments, remedies, demands, setoffs, defenses, recoupments, cross-claims, counterclaims, third-party claims, indemnity claims, contribution claims or any other claims whatsoever held by the Debtor,

whether disputed or undisputed, suspected or unsuspected, foreseen or unforeseen, direct or indirect, choate or inchoate, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Bankruptcy Cases, including through the Effective Date.

“Claim” has the meaning ascribed to such term in section 101(5) of the Bankruptcy Code, as supplemented by Bankruptcy Code section 102(2), against the Debtor.

“Class” means each category of Claims or Interests classified by the Plan pursuant to sections 1122 and 1123 of the Bankruptcy Code.

“Confirmation” means the entry, within the meaning of Bankruptcy Rules 5003 and 9021, of the Confirmation Order by the Bankruptcy Court.

“Confirmation Date” means the date on which the Confirmation occurs.

“Confirmation Order” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

“Creditor” means the Holder of a Claim, within the meaning of Section 101(10) of the Bankruptcy Code, including, without limitation, Creditors holding Administrative Claims, Priority Tax Claims, and Priority Claims.

“DIP Lender” means the bank(s) and other financial institution(s) or Persons or entit(y/ies) from time to time which is/are a party to the DIP Loan Documents as lender, and their successors or assigns.

“DIP Loan” means the debtor-in-possession secured credit facility provided to the Debtor by the DIP Lender pursuant to the DIP Loan Documents as authorized by the Bankruptcy Court pursuant to the DIP Order, as the same may be amended or modified from time to time.

“DIP Loan Claim” means any debt arising under, derived from, based upon, or as a result of the DIP Loan.

“DIP Loan Documents” means, collectively, those certain loan agreements and all other documents now and/or hereafter issued, executed and/or delivered in connection with making the DIP Loan, together with all amendments, modifications, renewals or extensions thereof.

“DIP Order” means (a) the Interim Order (I) Authorizing the Debtor to Obtain Postpetition Financing and Use Loan Proceeds, (II) Granting Priming Lien and Superpriority Claims, and (III) Granting Related Relief entered by the Bankruptcy Court on December 24, 2015 (Docket No. 223) and any supplement thereto, (b) the final order that has or will be entered by the Bankruptcy Court authorizing and approving the DIP Loan and the DIP Loan Documents, and (c) any and all other orders entered by the Bankruptcy Court authorizing and approving amendments or modifications to the DIP Loan Documents or either of the orders described in the foregoing clauses (a) and (b).

“Disclosure Statement” means the disclosure statement relating to the Plan, including, without limitation, all exhibits and schedules thereto, as approved by the Bankruptcy Court in accordance with section 1125 of the Bankruptcy Code.

“Disputed” means, with respect to any Claim or Interest, or any portion thereof, in any Class or category specified, against or of a Debtor, any (a) Claim that is listed on the Schedules as unliquidated, disputed or contingent; (b) Claim or Interest as to which the Debtor or any other party in interest has interposed a timely objection, claim or counterclaim in an court of competent jurisdiction or request for estimation in accordance with the Bankruptcy Code, the Bankruptcy Rules and any orders of the Bankruptcy Court, or other court, or which is otherwise disputed by the Debtor in accordance with applicable law, which objection, claim, counterclaim, request for estimation or dispute has not been withdrawn or determined by a Final Order; (c) any Claim evidenced by a Proof of Claim which amends a Claim scheduled by the Debtor as contingent, unliquidated, or disputed, with respect to which the Debtor or any other party in interest has interposed a timely objection, claim or counterclaim or request for estimation in accordance with the Bankruptcy Code, the Bankruptcy Rules and any orders of the Bankruptcy Court or which is otherwise disputed by the Debtor in accordance with applicable law, which objection, request for estimation or dispute has not been withdrawn or determined by a Final Order; or (d) any Claim or Interest that is not an Allowed Claim or Allowed Interest. A Claim that is Disputed as to its amount only shall be deemed Allowed in the amount agreed upon by the Debtor or Reorganized Debtor, as the case may be, and Disputed as to the excess.

“Disputed Claims Reserve” means Cash to be set aside and maintained by the Debtor in a separate, interest-bearing account, in an amount sufficient to pay all Disputed Claims in accordance with the provisions of the Plan.

“Distribute” means to make a Distribution.

“Distribution” means a payment of Cash (i) with respect to any Allowed Claim or Allowed Interest, to the Holder of such Allowed Claim or Allowed Interest, and (ii) with respect to any Disputed Claim or Disputed Interest, to the Disputed Claims Reserve.

“Distribution Date” means the Initial Distribution Date and the same day of each calendar month thereafter; provided, however, in the event such day is not a Business Day, the Distribution Date shall be the next succeeding Business Day.

“Effective Date” means the date on which the Plan shall take effect, which date shall be the fifteenth (15th) day of the first full calendar month following the Confirmation Date; provided, however, in the event such day is not a Business Day, the Effective Date shall be the next succeeding Business Day.

“Estate” means the bankruptcy estate in the Bankruptcy Case created pursuant to section 541 of the Bankruptcy Code.

“Exculpated Parties” means, individually and collectively, the Debtor and Reorganized Debtor, their respective managers, agents and Professionals.

“Exhibit” means an exhibit to the Plan or to the Disclosure Statement.

“Final Order” means an order or judgment of the Bankruptcy Court or any other court or adjudicative body of competent jurisdiction as to which (a) the time to appeal, petition for certiorari, or move for a stay, new trial, reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for stay, new trial, reargument or rehearing shall then be pending, or (b) in the event that an appeal, writ of certiorari, stay, new trial, reargument, or rehearing thereof has been taken or sought, (i) such order or judgment shall have been affirmed by the highest court to which such order or judgment was appealed, certiorari shall have been denied, or a stay, new trial, reargument or rehearing shall have been denied or resulted in no modification of such order, and (ii) the time to take any further appeal, petition for certiorari or move for a stay, new trial, reargument or rehearing shall have expired; provided,

however, that no order shall fail to be a Final Order because of the possibility that a motion pursuant to Bankruptcy Code section 502(j), Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or Bankruptcy Rule 9024 or any analogous rules under applicable state court rules of civil procedure may be, but has not been, filed with respect to such order.

“General Unsecured Claim” means any Claim which is not an Administrative Claim, Priority Tax Claim, Priority Claim, or a Secured Claim, including without limitation, (a) any Claim arising from the rejection of an executory contract or unexpired lease under section 365 of the Bankruptcy Code, (b) except as otherwise provided in the Plan, any portion of a Claim to the extent the value of the Creditor’s interest in the Estate’s interest in the collateral securing such Claim is less than the amount of the Allowed Claim, or to the extent that the amount of the Claim subject to setoff is less than the amount of the Allowed Claim, as determined pursuant to section 506(a) of the Bankruptcy Code, (c) any Claim arising from the provision of goods or services to a Debtor prior to the Petition Date, and (d) any Claim designated as an Unsecured Claim in the Plan.

“Governmental Unit” has the meaning ascribed to such term in Section 101(27) of the Bankruptcy Code.

“Holder” means a holder of a Claim against or Interest in the Debtor.

“Impaired” means impaired within the meaning of section 1124 of the Bankruptcy Code.

“Indemnification Rights” means any obligation of the Debtor to indemnify, reimburse, advance, or contribute to the losses, liabilities or expenses of an Indemnitee pursuant to the Debtor’s articles of organization, operating agreement, applicable law, or a specific agreement in respect of any claims, demands, suits, causes of action or proceedings against an Indemnitee based upon any act or omission related to an Indemnitee’s service with, for, or on behalf of the Debtor.

“Indemnitee” means the Manager, members, agents, representatives and Professionals of the Debtor, who are entitled to assert Indemnification Rights; provided, however, no Specified Litigation Party or any director, officer, employee, agent, advisor,

Professional, representative and/or affiliate of any Specified Litigation Party shall be an Indemnitee.

“Initial Distribution Date” means the fifteenth (15th) day following the Effective Date.

“Insider” shall have the meaning ascribed thereto in section 101(31) of the Bankruptcy Code.

“Interest” means any equity interest in the Debtor represented by any issued outstanding common interests, preferred interests, or other instrument evidencing an ownership interest prior to the Effective Date, whether or not transferable, and any option, warrant, or right, contractual or otherwise, to acquire, sell or subscribe for any such interest and, in each case, whether certificated or not certificated.

“Lien” has the meaning ascribed to such term in Bankruptcy Code section 101(37).

“Manager” means Andrew Zois and any successor thereto designated as such in accordance with the Debtor’s operating agreement.

“Net Sale Proceeds” means the Cash generated from one or more sales of all or any portion of the Property, less the expenses, closing costs, taxes, Post-Confirmation Expenses, and Administrative Claims incurred in furtherance of such sales.

“Person” means any person, individual, corporation, association, partnership, limited liability company, joint venture, trust, organization, business, government, governmental agency or political subdivision thereof, or any entity or other institution of any type whatsoever, including any “person” as such term is defined in Section 101(41) of the Bankruptcy Code.

“Petition Date” means July 15, 2015.

“Plan” means this Debtor’s Plan of Reorganization Pursuant to Chapter 11 of the United States Bankruptcy Code, either in its present form or as it may be altered, amended, modified or supplemented from time to time in accordance herewith, the Bankruptcy Code, and the Bankruptcy Rules.

“Post-Confirmation Expenses” means the fees and expenses incurred by the Debtor or its Professionals following the Confirmation Date (including the fees and costs of Professionals) for the purpose of (i) objecting to and resolving Disputed Claims and Disputed Liens; (ii) selling assets; (iii) effectuating Distributions; or (iv) otherwise administering, consummating the Plan and closing the Bankruptcy Case.

“Prepetition” means arising or accruing prior to the Petition Date.

“Priming Lien” has the same meaning ascribed thereto in Section 3.2(a) of this Plan.

“Priority Claim” means a Claim, other than an Administrative Claim or Priority Tax Claim, entitled to priority in payment pursuant to section 507 of the Bankruptcy Code.

“Priority Tax Claim” means a Claim of a Governmental Unit that is entitled to a priority in payment pursuant to sections 501(i) and 507(a)(8) of the Bankruptcy Code.

“Pro Rata” means the proportion that a Claim bears to the sum of all Claims (including Disputed Claims) within such Class or group of Classes for which an allocation is being determined.

“Professional” means any Person employed in the Bankruptcy Cases pursuant to a Final Order of the Bankruptcy Court in accordance with sections 327 or 1103 of the Bankruptcy Code.

“Proof of Claim” means a proof of claim filed by a Holder of a Claim against the Debtor in accordance with Bankruptcy Rule(s) 3001, 3002 or 3003 (as may be amended and supplemented from time to time pursuant to the Bankruptcy Code or Bankruptcy Rules) on or before the applicable Claims bar date, or such other time as may be permitted by the Bankruptcy Court or agreed to by the Debtor.

“Property” means that certain fifty-acre parcel, more or less, of real estate in the Laurel section of Anne Arundel County, Maryland that is owned by the Debtor and having an address of 520 Brock Bridge Road, Laurel, Maryland 20724.

“Property of the Estate” means any property or asset of any kind, whether real, personal or mixed, tangible or intangible, whether now existing or hereafter acquired or arising, and wherever located, and any interest of any kind therein, which is owned by the Debtor.

“Real Estate Tax Certificate Secured Claim” means any Claim arising under, derived from, based upon, or as a result of the Allowed Claim of Woods Cove IV, LLC or its successor or assigns, the only known Holder of a Class 2 Claim.

“Reorganized Debtor” means the Debtor as reorganized as of the Effective Date in accordance with the Plan.

“Schedules” means the schedules of assets and liabilities, the lists of holders of Interests, the schedules of executory contracts, and the statement of financial affairs filed by the Debtor pursuant to Bankruptcy Code section 521 and the Bankruptcy Rules, as such schedules and statements may have been or may be amended or supplemented on or prior to the Confirmation Date.

“Secured” means when referring to a Claim: (a) secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to Bankruptcy Code section 553, to the extent of the value of the creditor’s interest in the Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to Bankruptcy Code section 506(a), or (b) Allowed as such pursuant to the Plan.

“Specified Litigation Claims” means all Causes of Action made, or which could be made, on behalf of the Debtor and/or Reorganized Debtor against the Specified Litigation Parties for acts occurring prior to the Effective Date.

“Specified Litigation Party or Parties” means any and all Persons and entities against whom the Debtor or Reorganized Debtor has brought or later brings Specified Litigation Claims and/or such parties against whom the Debtor raises objections to Claims.

“Specified Litigation Proceeds” means proceeds recovered in connection with the Specified Litigation Claims.

“Tax” means any federal, state, county or local tax, charge, fee, levy, or other assessment or withholding tax or charge imposed by any Governmental Unit, and includes any interest and penalties (civil or criminal) on or additions to any such taxes and any expenses incurred in connection with the determination, settlement or litigation of any tax liability.

“Tax Claims” means any Claim, pre-petition or post-petition, relating to a Tax.

“Unimpaired” means, Claim, Interest, or Class of Claims or Class of Interests, not “impaired” within the meaning of Bankruptcy Code sections 1123(a)(4) and 1124.

“Unsecured” means, when referring to a Claim, a Claim that is not a Secured Claim or entitled to priority under the Bankruptcy Code.

“U.S. Trustee” means the United States Trustee for the District of Maryland.

2.2. Rules of Construction. For purposes of the Plan: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter gender; (b) any reference herein to a contract, lease, instrument, release, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (c) any reference herein to an existing document or exhibit having been filed or to be filed shall mean that document or exhibit, as it may thereafter be amended, modified or supplemented; (d) all article, section, schedule, or exhibit references herein are to the respective article of, section in, schedule to, or exhibit to the Plan, as the same may be altered, amended, modified, or supplemented from time to time in accordance with the terms and provisions hereof; (e) unless otherwise stated, the words “herein,” “hereof” and “hereto” and other words of similar import refer to the Plan as a whole rather than to any particular section, subsection, or clause contained in the Plan; (f) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (g) the rules of construction set forth in Bankruptcy Code section 102 shall apply to the construction of the Plan; and (h) unless the context otherwise requires, any term used in

capitalized form herein that is not otherwise defined, but that is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

ARTICLE 3
TREATMENT OF UNCLASSIFIED CLAIMS

As required by the Bankruptcy Code, the Plan places Claims into various Classes according to their right to priority. However, in accordance with the provisions of section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, certain Priority Claims, and Priority Tax Claims are deemed “unclassified.” These Claims are not considered impaired pursuant to sections 1129(a)(9)(A) or (C) of the Bankruptcy Code, and Holders of these Claims do not vote on the Plan because they are automatically entitled to the respective treatment specified in the Bankruptcy Code. As such, the Debtor has not placed these Claims in a Class. The treatment of these unclassified Claims is as provided below.

3.1 Allowed Administrative Claims. Except to the extent that a Holder of an Allowed Administrative Claim and the Debtor or the Reorganized Debtor, as applicable, agree in writing to a less favorable treatment, a Holder of an Allowed Administrative Claim (other than a DIP Loan Claim which shall be subject to Section 3.2 of this Plan) or Professional Claim (which shall be subject to Section 3.3 of this Plan) shall receive, in full and final satisfaction, settlement, release and discharge of, and in exchange for, such Allowed Administrative Claim, Cash in an amount equal to the unpaid portion of such Allowed Administrative Claim on the later of (a) the Effective Date, (b) the first Business Day after the date that is thirty (30) calendar days after the date such Administrative Claim becomes an Allowed Administrative Claim, (c) the date on which such Allowed Administrative Claim becomes due according to its terms, or (d) as otherwise ordered by a Final Order of the Bankruptcy Court; provided, however, that Allowed Administrative Claims representing liabilities incurred in the ordinary course of business by the Debtor or liabilities arising under loans or advances to or other obligations incurred by the Debtor, whether or not incurred in the ordinary course of business, shall be paid by the Debtor in the ordinary course of business, in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing or other documents relating to such transactions

without any further action by the Holders of such Allowed Administrative Claims for which Bankruptcy Court approval is required pursuant to the Bankruptcy Code. Except as otherwise provided by the Plan, any request for the payment of an Administrative Claim that is not filed and served within thirty (30) days after the Effective Date shall be Disallowed automatically without the need for any objection from the Debtor or Reorganized Debtor, as the case may be, and the Holder of such Administrative Claim shall be enjoined from commencing or continuing any action, process or act to collect, offset or recover on such Claim against the Debtor or Reorganized Debtor, as applicable.

3.2 DIP Loan Claim; Carve-Out.

(a) DIP Loan Claim. Pursuant to the DIP Order, the DIP Loan Claim is Allowed with a priority over all administrative expenses of the kind specified in Bankruptcy Code §§ 503(b) or 507(b). The security interests and liens in the collateral securing the DIP Loan Claim constitute a lien on and in the collateral ranking prior to all other claims and liens of the Debtor, except for the Carve-Out as defined below (the “Priming Lien”). Except to the extent that the Holder of the DIP Loan Claim agrees to a less favorable treatment, the DIP Loan Claim shall survive the Effective Date and shall not be discharged, cancelled or released pursuant to this Plan or the Confirmation Order. The Holder of the DIP Loan Claim shall be paid in accordance with the terms and subject to the conditions of the DIP Order and the DIP Loan Documents without any further action by the Holder of such DIP Loan Claim.

(b) Carve-Out. Pursuant to the DIP Order, the Priming Lien is subject and subordinate only to the Carve-Out.

3.3 Professional Claims.

(a) Final Fee Applications. All final requests for payment of Professional Claims must be filed no later than thirty (30) days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior orders of the Bankruptcy Court, the Allowed Amounts of such Professional Claims and expenses shall be determined by the Bankruptcy Court.

(b) Professional Expense Escrow Account. In accordance with the terms and subject to the conditions of the DIP Order, the Debtor or Reorganized Debtor, as the

case may be, has funded or shall fund the Professional Expense Escrow Account to be held by Yumkas, Vidmar, Sweeney & Mulrenin, LLC, counsel to the Debtor. The Professional Expense Escrow Account will be held in trust for the Administrative Claims that are subject to the Carve Out. When such Allowed Administrative Claims have been paid in full, amounts remaining in the Professional Expense Escrow Account, if any, shall be paid to the Reorganized Debtor.

(c) Post-Confirmation Date Retention. Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtor shall employ and pay Professionals in the ordinary course of business (including the reasonable fees and expenses incurred by Professionals in preparing, reviewing, prosecuting, defending, or addressing any issues with respect to final fee applications).

3.4 Priority Tax Claims. Except to the extent that a Holder of an Allowed Priority Tax Claim and the Debtor or the Reorganized Debtor, as applicable, agree in writing to a less favorable treatment, a Holder of an Allowed Priority Tax Claim due and payable on or before the Effective Date shall receive, in full and final satisfaction, settlement, release and discharge of, and in exchange for, such Priority Tax Claim shall receive, at the option of the Debtor or Reorganized Debtor, as the case may be, one of the following treatments on account of such Claim: (a) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, plus interest at the rate determined under applicable nonbankruptcy law and to the extent provided for by Bankruptcy Code section 511, payable on or as soon as practicable following the Effective Date; (b) Cash in an aggregate amount of such Allowed Priority Tax Claim payable in installment payments over a period of time not to exceed five years after the Petition Date, pursuant to Bankruptcy Code section 1129(a)(9)(C), plus interest at the rate determined under applicable nonbankruptcy law and to the extent provided for by Bankruptcy Code section 511; or (c) such other treatment as may be agreed upon by such Holder and the Debtor or Reorganized Debtor, as the case may be, or otherwise determined by an order of the Bankruptcy Court.

ARTICLE 4
CLASSIFICATION OF CLAIMS AND INTERESTS

4.1 Classification. As required by sections 1122 and 1123 of the Bankruptcy Code, the Plan places Claims and Interests into various Classes according to their right to priority and other relative rights. A Claim or Interest is in a particular Class for purposes of voting on, and of receiving distributions pursuant to, the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and such Claim or Interest has not been paid, released or otherwise settled prior to the Effective Date. A Claim or Interest shall be deemed classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class, and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class. The table in Section 4.2 below identifies each Class of Claims and Interests under the Plan and whether such Class is Impaired or Unimpaired.

4.2 Summary of Classification.

CLASS	DESIGNATION	IMPAIRMENT	ENTITLED TO VOTE
1	FAIRMD Secured Claim	Impaired	Not currently
2	Real Estate Tax Certificate Secured Claim	Unimpaired	No, deemed to accept
3	Non-Insider General Unsecured Claims	Impaired	Yes
4	Law Office of William F. Jones Unsecured Claim	Impaired	Yes
5	Allowed Insider General Unsecured Claims	Impaired	Yes
6	Interests	Unimpaired	No, deemed to accept

ARTICLE 5
TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS

Each holder of an Allowed Claim in an Impaired Class that is entitled to vote on the Plan pursuant to this Article 5, and each Holder of a Claim that has been temporarily Allowed under Bankruptcy Rule 3018(a) for voting purposes only, shall be entitled to vote separately to accept or reject the Plan. Except to the extent the Holder of a classified Claim or Interest agrees to a less favorable treatment with the Debtor or Reorganized Debtor, as the case may be, Claims and Interests shall be treated under the Plan in the manner set forth in this

Article 5. The treatment of and the consideration to be received by Holders of Claims shall be in full and final satisfaction, settlement, release, extinguishment and discharge of their respective Claims (of any nature whatsoever), including any Liens securing such Allowed Claims. All Distributions made pursuant to this Article 5 shall be in Cash. Notwithstanding anything to the contrary contained herein, in no event shall the aggregate amount of Distributions with respect to any Claim exceed the Allowed Amount of such Claim.

5.1. Class 1: FAIRMD Secured Claim

(a) Classification. Class 1 consists of the FAIRMD Secured Claim.

(b) Treatment. The Class 1 Claim shall be secured by continuing liens and security interests in the same property of the Reorganized Debtor as of the Petition Date subject to imposition of the Priming Liens of the DIP Lender and the Carve Out. The Class 1 Claim shall be paid by means of one or more Distributions on one or more Distribution Dates from and to the extent of (i) Net Sale Proceeds, (ii) proceeds of a refinancing of the Class 1 Claim, and/or (iii) Specified Litigation Proceeds; provided, however, the Class 1 Claim shall be paid in full no more than ten (10) years from the Effective Date. No prepayment penalty shall apply to any prepayment, in full or in part. The FAIRMD Secured Claim shall accrue simple interest from the Effective Date forward until paid in full at an annual rate of 5%, or at such other interest rate that the Bankruptcy Court determines at a hearing on Confirmation.

(c) Impairment and Voting. The Class 1 Claim is Impaired but disputed, and as such, is not entitled to vote to accept or reject the Plan at this time.

5.2. Class 2: Real Estate Tax Certificate Secured Claim

(a) Classification. Class 2 consists of the Real Estate Tax Certificate Secured Claim.

(b) Treatment. The Class 2 Claim shall be paid in full by means of a Distribution from the proceeds of the DIP Loan on the Initial Distribution Date.

(c) Impairment and Voting. The Class 2 Claim is unimpaired and the Holder thereof is deemed to accept the Plan.

5.3. Class 3: Non-Insider General Unsecured Claims

(a) Classification. Class 3 consists of Allowed Unsecured Claims of Non-Insiders other than the Holder of the Class 4 Claim.

(b) Treatment. The Class 3 Claims shall be paid by means of a Distribution in an amount equal to the face amount of each such Claim, plus post-Petition Date interest from Net Sale Proceeds unless the Reorganized Debtor, in its sole discretion, determines that it has available Cash from the DIP Loan to pay the non-interest portion of such Claim or any portion thereof on an earlier date that is no earlier than sixty (60) days after the Initial Distribution Date. The Class 3 Claims shall accrue simple interest from the Petition Date at a rate of two percent (2%) per annum, or at such other interest rate that the Bankruptcy Court determines at a hearing on Confirmation.

(c) Impairment and Voting. The Allowed Class 3 Claims are Impaired and the Holders thereof are entitled to vote to accept or reject the Plan.

5.4. Class 4: Law Office of William F. Jones Unsecured Claim

(a) Classification. Class 4 consists of the Allowed Unsecured Claim of the Law Office of William F. Jones.

(b) Treatment. The Class 4 Claim shall be paid in full by means of a Distribution from Net Sale Proceeds or Specified Litigation Proceeds as soon as reasonably practicable after the Class 1 through Class 3 Claims have been paid in full. The Class 4 Claim shall accrue simple interest from the Petition Date at a rate of two percent (2%) per annum, or at such other interest rate that the Bankruptcy Court determines at a hearing on Confirmation.

(d) Impairment and Voting. The Class 4 Claim is Impaired and the Holder thereof is entitled to vote to accept or reject the Plan.

5.5. Class 5: Insider General Unsecured Claims

(a) Classification. Class 5 consists of Allowed Unsecured Claims of Insiders.

(b) Treatment. The Class 5 Claims shall be paid in full by means of a Distribution from Net Sale Proceeds or Specified Litigation Proceeds as soon as reasonably practicable after the Class 1, Class 2 and 3 and Class 4 Claims have been paid in full. The

Class 5 Claims shall accrue simple interest from the Petition Date at a rate of two percent (2%) per annum, or at such other interest rate that the Bankruptcy Court determines at a hearing on Confirmation.

(d) Impairment and Voting. The Class 5 Claims are Impaired, and the Holders thereof are entitled to vote to accept or reject the Plan.

5.6. Class 6: Interests

(a) Classification. Class 6 consists of any and all Interests in the Debtor.

(b) Treatment. Holders of Interests in the Debtor shall maintain their Interests.

(c) Impairment and Voting. Class 6 Interests are Unimpaired and the Holders thereof are deemed to accept the Plan.

ARTICLE 6
MEANS OF IMPLEMENTATION OF THE PLAN

6.1 Funding. Distributions under this Plan, and the Reorganized Debtor's operations post-Effective Date will be funded from proceeds of the DIP Loan, any refinancing thereof or of the Class 1 Claim, Net Sale Proceeds, and Specified Litigation Proceeds, if any, received in Cash by the Reorganized Debtor.

6.2 Failure to Achieve Effective Date. In the event that the Effective Date does not occur for any reason, the Debtor shall have the right to modify the Plan pursuant to section 1127 of the Bankruptcy Code; provided, however, all creditors, shall have the right to support or oppose such Plan modification.

6.3 Vesting of Property of the Estate in the Reorganized Debtor. Except as otherwise provided in the Plan, on and after the Effective Date, all Property of the Estate, including all claims, privileges, rights and Causes of Action, real property and any other property acquired by the Debtor or the Reorganized Debtor under or in connection with the Plan, shall vest in the Reorganized Debtor free and clear of all Claims, Liens, charges, other encumbrances and interests. On and after the Effective Date, the Reorganized Debtor may operate its business and may use, acquire and dispose of property and compromise or settle any Claims without

supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than restrictions expressly imposed by the Plan or the Confirmation Order.

6.4 Continued Company Existence. The Reorganized Debtor shall exist after the Effective Date as a limited liability company with all the powers of a limited liability company pursuant to the laws of the State of Maryland and pursuant to the articles of organization and operating agreement in effect prior to the Effective Date.

6.5 Company Action; Further Acts. On the Effective Date, all actions contemplated by the Plan shall be deemed authorized and approved in all respects by virtue of the entry of the Confirmation Order, in accordance with the Bankruptcy Code and applicable law. On the Effective Date, all matters provided for under the Plan involving the organizational structure of the Debtor or the Reorganized Debtor, as the case may be, as well as any action contemplated or required by the Plan, shall be deemed to have occurred and shall be in effect pursuant to the Bankruptcy Code, without any requirement for further action by the Manager or members of the Debtor or the Reorganized Debtor. On the Effective Date, the Manager and members of the Reorganized Debtor are authorized and directed pursuant to section 1142(b) of the Bankruptcy Code to implement the provisions of the Plan and any other agreements, documents and instruments contemplated by or necessary for the consummation of the Plan in the name of and on behalf of the Reorganized Debtor in accordance with applicable law.

6.6 Management. On the Effective Date, the current Manager of the Debtor shall continue to serve in such capacity with respect to the Reorganized Debtor.

ARTICLE 7 ACCEPTANCE OR REJECTION OF THE PLAN

7.1 Each Impaired Class Entitled to Vote Separately. Except as otherwise provided in Section 7.4 and pursuant to applicable law, the Holders of Claims in each Impaired Class of Claims shall be entitled to vote separately to accept or reject the Plan.

7.2 Acceptance by an Impaired Class. Consistent with section 1126(c) of the Bankruptcy Code and except as provided for in section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims shall have accepted the Plan if it is accepted by at least two-thirds in

dollar amount and more than one-half in number of the Holders of Allowed Claims of such Class that timely and properly votes on the Plan.

7.3 Presumed Acceptance of Plan by Unimpaired Classes. Classes 2 and 6 are Unimpaired by the Plan. Pursuant to section 1126(f) of the Bankruptcy Code, each such Class and Holders of Claims in such Classes are conclusively presumed to have accepted the Plan and, thus, are not entitled to vote on it. Accordingly, the Debtor is not soliciting votes of Holders of Class 2 and 6 Claims. Except as otherwise expressly provided in the Plan, nothing contained herein or otherwise shall affect the rights and legal and equitable claims or defenses of the Debtor or Reorganized Debtor in respect of any Unimpaired Class, including all rights in respect of legal and equitable defenses to setoffs or recoupments against Unimpaired Classes.

7.4 Impairment Controversies. If a controversy arises as to whether any Claim or any Class of Claims is Impaired under the Plan, such Claim or Class of Claims shall be treated as specified in the Plan unless the Bankruptcy Court shall determine otherwise upon motion of the party challenging the characterization of a particular Claim or a particular Class of Claims under the Plan.

7.5 Cram Down. The Debtor may utilize the provisions of section 1129(b) of the Bankruptcy Code to satisfy the requirements for confirmation of the Plan over the rejection, if any, of any Class entitled to vote to accept or reject the Plan.

ARTICLE 8 TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

8.1 Assumption and Rejection of Executory Contracts. Effective as of, and conditioned on, the occurrence of the Effective Date, the Debtor hereby assumes all executory contracts and unexpired leases of the Debtor that have not otherwise been assumed or rejected.

8.2 Approval of Assumption of Executory Contracts and Unexpired Leases. Entry of the Confirmation Order shall constitute the approval of the Bankruptcy Court pursuant to section 365 of the Bankruptcy Code, of the assumption of each executory contract and unexpired lease assumed pursuant to Section 8.1 of the Plan.

8.3 Insurance Policies. The Debtor's insurance policies and any agreements, documents, or instruments relating thereto are treated as executory contracts under the Plan.

8.4 Indemnification Rights. All Allowed Claims for Indemnification Rights against the Debtor by an Indemnitee for defense and indemnification shall be reinstated against the Reorganized Debtor and rendered Unimpaired to the extent that such Indemnitee is entitled to defense or indemnification under applicable law, agreement or policy of the Debtor.

ARTICLE 9
PROVISIONS GOVERNING DISTRIBUTIONS

9.1 Allocation of Distributions. Except as otherwise provided herein, Distributions to any Holder of an Allowed Claim shall be allocated first to the principal portion of such Allowed Claim, and, only after the principal portion of such Allowed Claim is paid in full, to any portion of such Allowed Claim comprising interest or other charges (but solely to the extent that such interest or other charges are an allowable portion of such Allowed Claim). All Distributions shall be made in accordance with the priorities established by the Bankruptcy Code.

9.2 Delivery of Distributions and Undeliverable Distributions. Distributions to Holders of Allowed Claims shall be made at the address of each such Holder as set forth on the Schedules filed with the Bankruptcy Court unless superseded by the address as set forth on the Proof of Claim filed by any such Holder or other writing notifying the Reorganized Debtor of a change of address. If any Holder's Distribution is returned as undeliverable, no further Distributions to such Holder shall be made unless and until the Reorganized Debtor is notified of such Holder's then-current address, at which time all missed Distributions, without interest, shall be made to such Holder. All Claims for undeliverable Distributions shall be made on or before sixty (60) days after the date such undeliverable Distribution was initially made. After such date, all unclaimed property shall, in the discretion of the Reorganized Debtor, be used to satisfy the costs of administering and fully consummating the Plan, to the extent such costs would otherwise be paid from available Cash, or become available Cash for distribution in accordance with the Plan, and the Holder of any such Claim shall not be entitled to any other or further Distribution under the Plan on account of such Claim.

9.3 Time Bar for Check Payments. Any check issued by the Reorganized Debtor in respect of an Allowed Claim shall be null and void if not negotiated within sixty

(60) days after the date of issuance thereof. The Holder of the Allowed Claim to whom a check originally was issued shall make a request for reissuance of any check so voided to the Reorganized Debtor on or before the thirtieth (30th) day after the expiration of the sixty (60) day period after the date of issuance of such check. On and after such date, all funds held on account of such voided check shall, in the discretion of the Reorganized Debtor, be used to satisfy the costs of administering and fully consummating the Plan, to the extent such costs would otherwise be paid from available Cash, or become available Cash for Distribution in accordance with the Plan, and the Holder of any such Claim shall not be entitled to any other or further distribution under the Plan on account of such Claim.

9.4 Setoffs. The Reorganized Debtor may, in accordance with section 553 of the Bankruptcy Code and applicable non-bankruptcy law, setoff against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of such Claim, the claims, rights and Causes of Action of any nature that the Reorganized Debtor may hold against the Holder of such Allowed Claim; provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Reorganized Debtor of any such claims, rights and Causes of Action that it may possess against such Holder. The Reorganized Debtor shall have the exclusive right and authority to settle claims and recognize setoff rights.

ARTICLE 10
PROCEDURES FOR RESOLVING AND TREATING
DISPUTED CLAIMS; DISPUTED CLAIMS RESERVE

10.1 Distribution Pending Allowance. Notwithstanding any other provision of the Plan to the contrary, no Holder of a Claim shall receive a Distribution on account of such Claim unless and until such Claim becomes an Allowed Claim. If on any Distribution Date a Distribution would otherwise be due and payable on account of a Disputed Claim but for the fact that such Claim is Disputed, such Distribution shall be paid into the Disputed Claims Reserve rather than distributed to the Holder of such Claim. On the first Distribution Date after such Claim becomes an Allowed Claim, Cash in an amount equal to the Distributions previously deposited into the Disputed Claims Reserve on account of such Claim up to the amount of the Allowed Claim shall be Distributed to the Holder thereof.

10.2 Resolution of Disputed Claims. Notwithstanding any other provision of the Plan to the contrary, after the Confirmation Date, unless otherwise ordered by the Bankruptcy Court after notice and a hearing, the Reorganized Debtor shall have the exclusive right (except as to applications for allowances of compensation and reimbursement of expenses under sections 330 and 503 of the Bankruptcy Code, and except as to any objections which have been filed prior to the Confirmation Date by any party) to file Causes of Action and/or to make and file objections to Claims and shall serve a copy of each objection upon the Holder of the Claim to which the objection is made as soon as practicable, but in no event later than forty-five (45) days after the Confirmation Date. From and after the Confirmation Date, all objections shall be litigated to a Final Order except to the extent the Reorganized Debtor elects to withdraw any such objection or the Reorganized Debtor and the Holder elect to compromise, settle or otherwise resolve any such objection, in which event they may settle, compromise or otherwise resolve any Disputed Claim for an amount of One Hundred Thousand Dollars (\$100,000.00) or more subject to approval of the Bankruptcy Court and for amounts of Ninety-Nine Thousand Nine Hundred Ninety-Nine and 99/100 Dollars (\$99,999.99) or less without approval of the Bankruptcy Court.

10.3 Estimation. The Reorganized Debtor may, at any time, request that the Bankruptcy Court estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Reorganized Debtor has previously objected to such Claim, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time, including during litigation concerning any objection to such Claim. In the event that the Bankruptcy Court estimates any Disputed Claim, the estimated amount may constitute either the Allowed Amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate payment of such Claim. All of the aforementioned Claim objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another. On and after the Confirmation Date, Claims which have been estimated subsequently may be compromised, settled, withdrawn or otherwise resolved subject to approval by the Bankruptcy Court as provided in the Plan.

10.4 Reserve Accounts for Disputed Claims. When and not until required by the Plan to do so, the Reorganized Debtor shall deposit into the Disputed Claims Reserve, funds up to an aggregate amount sufficient to pay to each Holder of a Disputed Claim the amount that such Holder would have been entitled to receive under the Plan if such Claim had been an Allowed Claim on the Effective Date in accordance with the procedures described in the Plan. Funds withheld and reserved for payments to Holders of Disputed Claims shall be held and deposited by the Reorganized Debtor in one or more segregated interest-bearing reserve accounts, as determined by the Reorganized Debtor, to be used as Distributions to satisfy such Claims if and when any such Disputed Claim becomes an Allowed Claim.

10.5 Investment of Disputed Claims Reserve. The Reorganized Debtor shall be permitted, from time to time, in its sole discretion, to invest all or a portion of the funds in the Disputed Claims Reserve in interest-bearing savings accounts, United States Treasury Bills, interest-bearing certificates of deposit, tax exempt securities or investments permitted by section 345 of the Bankruptcy Code or otherwise authorized by the Bankruptcy Court, using prudent efforts to enhance the rates of interest earned on such funds without inordinate credit risk or interest rate risk. All interest earned on such funds shall be held in the Disputed Claims Reserve and, after satisfaction of any expenses incurred in connection with the maintenance of the Disputed Claims Reserve, including taxes payable on such interest income, if any, shall be transferred out of the Disputed Claims Reserve and, in the discretion of the Reorganized Debtor, be used to satisfy the costs of administering and fully consummating the Plan or become available Cash for distribution in accordance with the Plan.

10.6 Release of Funds from Disputed Claims Reserve. If at any time or from time to time after the Effective Date, there shall be funds in the Disputed Claims Reserve in an amount in excess of the Reorganized Debtor's maximum remaining potential payment obligations to the Holders of then-existing Disputed Claims under the Plan, such excess funds shall become available to the Reorganized Debtor generally and shall, in the discretion of the Reorganized Debtor be used to satisfy the costs of administering and fully consummating the Plan or become available Cash for Distribution in accordance with the Plan.

10.7 Rights of Persons Holding Instruments. Except as otherwise provided in the Plan, as of the Effective Date, and whether or not surrendered by the Holder thereof, all instruments evidencing or relating to any Claim shall be deemed automatically cancelled and deemed void and of no further force or effect, without any further action on the part of any Person, and any Claims evidenced by or relating to such instruments shall be deemed discharged.

ARTICLE 11
EFFECT OF THE PLAN ON CLAIMS AND INTERESTS

11.1 Discharge of Claims.

(a) As of the Effective Date, except as otherwise provided in the Plan or the Confirmation Order, the rights afforded under the Plan and the treatment of Claims and Interests under the Plan shall be in exchange for and in complete satisfaction, discharge and release of all Claims and satisfaction of all Interests. Except as otherwise provided in the Plan or the Confirmation Order, Confirmation shall, as of the Effective Date, discharge the Debtor from all Claims or other debts that arose before the Effective Date, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, and all debts of the kind specified in Bankruptcy Code sections 502(g), 502(h) or 502(i), in each case whether or not (a) a Proof of Claim is filed or deemed filed pursuant to Bankruptcy Code section 501, (b) a Claim based on such debt is Allowed pursuant to Bankruptcy Code section 502, (c) the Holder of a Claim based on such debt has accepted the Plan or (d) such Claim is listed in the Schedules.

(b) As of the Effective Date, except as otherwise provided in the Plan or the Confirmation Order, all Persons shall be precluded from asserting against the Debtor, the Reorganized Debtor, or their respective successors or property, any other or further Claims, demands, debts, rights, Causes of Action, liabilities or equity interests based upon any act, omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date. In accordance with the foregoing, except as provided in the Plan or the Confirmation Order, the Confirmation Order will be a judicial determination, as of the Effective Date, of a discharge of all such Claims and other debts and liabilities against the Debtor pursuant to Bankruptcy Code sections 524 and 1141, and such discharge will void any judgment obtained

against the Debtor or the Reorganized Debtor at any time, to the extent that such judgment relates to a discharged Claim.

11.2 Exculpation from Liability. The Exculpated Parties shall neither have nor incur any liability whatsoever to any Person for any act taken or omitted to be taken in good faith in connection with or related to the formulation, preparation, dissemination, implementation, confirmation, or consummation of the Plan, the Disclosure Statement, any Plan Document, or any contract, instrument, release, or other agreement or document created or entered into, or any other act taken or omitted to be taken, in connection with the Plan or the Bankruptcy Cases; provided, however, that the foregoing exculpation shall not affect the liability of any Exculpated Party that otherwise would result from any act or omission to the extent that such act or omission is determined by a Final Order to have constituted actual fraud, willful misconduct, or gross negligence. The rights granted under this Section 11.2 are cumulative with (and not restrictive of) any and all rights, remedies, and benefits that the Exculpated Parties have or obtain pursuant to any provision of the Bankruptcy Code or other applicable law. This exculpation from liability provision is an integral part of the Plan and is essential to its implementation.

11.3 General Injunction. Except as otherwise provided in the Plan or the Confirmation Order, as of the Effective Date, all Persons that have held, currently hold or may hold a Claim or other debt or liability that is discharged pursuant to the terms of the Plan are permanently enjoined from taking any of the following actions on account of any such discharged Claims, debts or liabilities or rights: (i) commencing or continuing in any manner any action or other proceeding against the Debtor, the Reorganized Debtor or their respective property; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtor, the Reorganized Debtor, or their respective property; (iii) creating, perfecting or enforcing any Lien or encumbrance against the Debtor, the Reorganized Debtor, or their respective property; (iv) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtor, the Reorganized Debtor, or their respective property; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of

the Plan. This general injunction provision is an integral part of the Plan and is essential to its implementation.

11.4 Injunction against Interference with Development of the Property. For so long as the Reorganized Debtor or its successor(s) in title continue to own the Property, this Plan shall enjoin, from and after the Effective Date, any Interest Holder, Affiliate of an Interest Holder or successor-in-interest to either, or FAIRMD, LLC, FAIRMD, LLC's Affiliate or any successor-in-interest to either, from commencing or continuing in any manner or in any place, any action, employment of process, or other proceeding that could hinder, delay or otherwise interfere with the development of the Property by the Reorganized Debtor unless such Person first obtains a Final Order from the Bankruptcy Court providing relief from this injunction upon a showing of just cause in the exercise of the Bankruptcy Court's sound discretion.

11.5 Other Injunction and Term of Certain Injunctions.

11.5.1 All injunctions for the benefit of the Debtor pursuant to sections 105, 362 or other applicable provisions of the Bankruptcy Code, or otherwise provided for in the Plan or in the Bankruptcy Case, and in existence on the Confirmation Date, shall remain in full force and effect following the Confirmation Date for the benefit of the Reorganized Debtor, unless otherwise ordered by the Bankruptcy Court.

11.5.2 With respect to lawsuits, if any, pending in courts in any jurisdiction (other than the Bankruptcy Court) that seek to establish a Debtor's liability on Prepetition Claims asserted therein and that are stayed pursuant to section 362 of the Bankruptcy Code, such lawsuits shall be deemed dismissed as of the Effective Date, unless the respective Reorganized Debtor affirmatively elects to have such liability established by such other courts, and any pending motions seeking relief from the automatic stay for purposes of continuing any such lawsuits in such other courts shall be deemed denied as of the Effective Date, and the injunction provided in Section 11.3 of the Plan shall enjoin such lawsuits unless the Reorganized Debtor affirmatively elects to have the injunction lifted and to have such liability established by such other courts; and the Prepetition Claims at issue in such lawsuits, if any, shall be determined and either allowed or disallowed in whole or part by the Bankruptcy Court pursuant to the

applicable provisions of the Plan, unless otherwise elected by the Reorganized Debtor as provided herein.

11.5.3 Lawsuits, if any, pending in courts in any jurisdiction (other than the Bankruptcy Court) that seek to establish liability of a Debtor on Prepetition Claims asserted therein shall be deemed dismissed without prejudice as of the Effective Date.

11.6 Liability for Tax Claims. Unless a taxing Governmental Unit has asserted a Claim against a Debtor before the applicable Bar Date, no Claim of such Governmental Unit shall be Allowed against the Debtor, the Reorganized Debtor or their respective members, managers or other officers, employees or agents for taxes, penalties, interest, additions to tax or other charges arising out of (i) the failure, if any, of the Debtor, or any other Person or entity to have paid tax or to have filed any tax return (including any income tax return or franchise tax return) in or for any prior year or period, or (ii) an audit of any return for a period before the Petition Date.

11.7 Regulatory or Enforcement Actions. Nothing in the Plan shall restrict any federal government regulatory agency from pursuing any regulatory or police enforcement action against the Debtor, the Reorganized Debtor, or their respective successors or assigns, but only to the extent not prohibited by the automatic stay of section 362 of the Bankruptcy Code or discharged or enjoined pursuant to sections 524 or 1141(d) of the Bankruptcy Code.

11.8 Retention and Enforcement and Release of Causes of Action. Except as otherwise provided in the Plan, or in any document, instrument, release or other agreement entered into in connection with the Plan, in accordance with Bankruptcy Code section 1123(b), the Debtor and its Estate shall retain the Causes of Action. The Reorganized Debtor, as the successor in interest to the Debtor and its Estate, may enforce, sue on, settle or compromise (or decline to do any of the foregoing) any or all Causes of Action. The Debtor and the Reorganized Debtor, as the case may be, expressly reserve all rights to prosecute any and all Causes of Action against any Person, except as otherwise expressly provided in the Plan, and no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim

preclusion, estoppel (judicial, equitable or otherwise), or laches, shall apply to such Cause of Action upon, after, or as a consequence of Confirmation or the occurrence of the Effective Date.

ARTICLE 12
RETENTION OF JURISDICTION

12.1 Jurisdiction of the Bankruptcy Court. Unless otherwise provided by a prior order in the Bankruptcy Case, the Bankruptcy Court shall retain jurisdiction of all matters arising under, arising out of, or related to, the Bankruptcy Cases and the Plan pursuant to, and for the purposes of sections 105(a) and 1142 of the Bankruptcy Code and for, among other things the following purposes until such time as the Debtor's and Reorganized Debtor's obligations, respectively, under the Plan are fully discharged:

- (a) To hear and determine any motions for the assumption or rejection of any executory contracts or unexpired leases, and the allowance of any Claims resulting therefrom;
- (b) To determine any and all pending adversary proceedings, applications and contested matters;
- (c) To hear and determine any objection to any Claims;
- (d) To liquidate or estimate damages or determine the manner and time for such liquidation or estimation in connection with any contingent or unliquidated Claim;
- (e) To adjudicate all Claims to any Lien on any assets of the Debtor or any proceeds thereof;
- (f) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated, and/or if the Effective Date never occurs;
- (g) To issue such orders in aid of execution of the Plan to the extent authorized by section 1142 of the Bankruptcy Code;
- (h) To consider any modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;
- (i) To hear and determine all applications for compensation and reimbursement of expenses of professionals under sections 330, 331 and 503(b) of the Bankruptcy Code;
- (j) To enforce and interpret the Plan and to hear and determine any dispute or any other matter arising out of or related to the Plan;

- (k) To recover all assets of the Debtor and Property of the Estate, wherever located;
- (l) To hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;
- (m) To enforce and interpret the discharge of Claims effected by the Plan and to enter and implement such orders as may be appropriate with regard thereto;
- (n) To hear any other matter consistent with the provisions of the Bankruptcy Code, including without limitation matters relating to enforcement of injunction provisions contained in this Plan;
- (o) To enter a final decree closing the Bankruptcy Case; and
- (p) To hear and determine such other issues as the Bankruptcy Court deems necessary or reasonable to carry out the intent and purposes of the Plan.

ARTICLE 13
MISCELLANEOUS PROVISIONS

13.1 Professional Fees and Expenses. As of the Effective Date, the Reorganized Debtor shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses of the Professionals employed by the Debtor in connection with the implementation and consummation of the Plan, the claims reconciliation process and any other matters as to which such Professionals may be engaged following the Confirmation Date.

13.2 Waiver of Certain Fees. Unless otherwise provided in the Plan, all Holders of Allowed Unsecured or Allowed Priority Claims are deemed to have waived all penalties, default interest and/or late fees that may have accrued on their Claims.

13.3 Payment of U.S. Trustee Quarterly Fees. All fees due and payable pursuant to section 1930 of title 28 of the United States Code prior to the Effective Date shall be paid by the Debtor. On and after the Effective Date, the Reorganized Debtor shall pay any and all such fees when due and payable, and shall file with the Bankruptcy Court a quarterly report in a form reasonably acceptable to the U.S. Trustee until the earliest to occur of the Bankruptcy Case being closed, dismissed, or converted to a case under Chapter 7 of the Bankruptcy Code.

14.4 Payment of Statutory Fees. All fees payable pursuant to Chapter 123 of Title 28, United States Code, as determined by the Bankruptcy Court on the Confirmation Date, shall be paid by the Reorganized Debtor.

14.5 Modification of the Plan. The Debtor may amend or modify the Plan and any schedule or supplement hereto, at any time prior to the Effective Date in accordance with the Bankruptcy Code, Bankruptcy Rules and any applicable court order. Subject to certain restrictions and requirements set forth in Bankruptcy Code section 1127 and Bankruptcy Rule 3019, the Debtor expressly reserves the right to alter, amend or modify the Plan 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 Holder of a Claim or Interest that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, modified or supplemented, if the proposed alteration, amendment, modification or supplement does not materially and adversely change the treatment of the Claim or Interest of such Holder.

14.6 Withdrawal, Revocation or Non-Consummation. The Debtor reserves the right to withdraw or revoke the Plan at any time prior to the Effective Date. If the Debtor withdraws or revokes the Plan prior to the Effective Date or if the Confirmation Date or the Effective Date does not occur for any reason, then the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims), the assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; provided, however, that all orders of the Bankruptcy Court and all documents executed pursuant thereto, except the Confirmation Order, shall remain in full force and effect. In such event, nothing contained herein, and no acts taken in preparation for consummation of the Plan, shall be deemed to constitute a waiver or release of any Claim by or against the Debtor or any other Person, to prejudice in any manner the rights of the Debtor or any

other Person in any further proceedings, or to constitute an admission of any sort by the any of the Debtor or any other Person.

14.7 Courts of Competent Jurisdiction. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of the Plan or in the Bankruptcy Cases, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

14.8 Notice to the Debtor. All notices, requests and demands to or upon the Debtor or Reorganized Debtor, as the case may be, to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

To the Debtor: Andrew Zois
3 Church Circle
Annapolis, Maryland 21401

with a copy to: Lawrence J. Yumkas, Esquire
Yumkas, Vidmar, Sweeney & Mulrenin, LLC
10211 Wincopin Circle, Suite 500
Columbia, Maryland 21044

14.9 Severability. If, before Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified without the Debtor's consent; and (c) non-severable and mutually dependent.

14.10 Governing Law. Except to the extent the Bankruptcy Code or Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the United States of America and, when applicable, the State of Maryland, without giving effect to the principles of conflicts of law thereof.

14.11 Headings. Headings are used in the Plan for convenience and reference only, and shall not constitute a part of the Plan for any other purpose.

14.12 Reservation of Rights. The filing of the Plan, the Disclosure Statement, any statement or provision contained in the Plan, or the taking of any action by the Debtor or Reorganized Debtor with respect to the Plan, shall not be deemed to be an admission or waiver of any rights of the Debtor or Reorganized Debtor with respect to any Holders of Claims or third parties against or Interests in the Debtor. Except as otherwise explicitly provided in the Plan, nothing shall affect the Debtor's or the Reorganized Debtor's rights and defenses, both legal and equitable, with respect to any Claims, including, but not limited to, all rights with respect to legal and equitable defenses to setoffs or recoupments asserted against Claims.

14.13 No Waiver. Neither the failure of the Debtor to list a Claim or Interest in the Schedules, the failure of the Debtor to object to any Claim, Administrative Claim or Interest for purposes of voting, the failure of the Debtor to object to a Claim, Administrative Claim or Interest prior to the Confirmation Date or the Effective Date, nor the failure of the Debtor to assert a Cause of Action prior to the Confirmation Date or the Effective Date shall, in the absence of a legally-effective express waiver or release executed by the Debtor with the approval of the Bankruptcy Court, if required, and with any other consents or approvals required under the Plan, be deemed a waiver or release of the right of the Debtor, the Reorganized Debtor or their respective successors, either before or after solicitation of votes on the Plan, the Confirmation Date or the Effective Date, to (a) object to or examine such Claim, Administrative Claim or Interest, in whole or in part, or (b) retain or either assign or exclusively assert, pursue, prosecute, utilize, or otherwise act or enforce any Cause of Action against the Holder of such Claim, Administrative Claim or Interest.

WHISKEY ONE EIGHT, LLC

By: /s/ Andrew Zois
Andrew Zois, Managing Member

Date: February 10, 2016

Counsel:

/s/ Lawrence J. Yumkas
Lawrence J. Yumkas, 06357
Corinne E. Donohue, 18768
Yumkas, Vidmar, Sweeney & Mulrenin, LLC
10211 Wincopin Circle, Suite 500
Columbia, Maryland 21044
(443) 569-0758
lyumkas@yvslaw.com

CERTIFICATE OF SERVICE

I hereby certify that on the 10th day of February 2016, notice of filing of the Debtor's Plan of Reorganization Pursuant to Chapter 11 of the United States Bankruptcy Code was sent electronically to those parties listed on the docket as being entitled to such electronic notices.

/s/ Lawrence J. Yumkas
Lawrence J. Yumkas

The following parties received electronic notice of the filing:

Michael C. Bolesta, Esquire
Keith M. Lusby, Esquire
Counsel for FAIRMD LLC
Gebhardt & Smith LLP
One South Street, Suite 2200
Baltimore, Maryland 21202

William L. Hallam, Esquire
Counsel for Severn Savings Bank
Rosenberg Martin Greenberg, LLP
25 South Charles Street, Suite 2115
Baltimore, Maryland 21201

Michael Marinello, Esquire
Meagan O. Cooper, Esquire
Counsel for Andrew Zois
Kagan Law Group, LLC
112 West Street, First Floor
Annapolis, Maryland 21401

Lisa Bittle Tancredi, Esquire
Counsel for FAIRMD LLC
Gebhardt & Smith LLP
One South Street, Suite 2200
Baltimore, Maryland 21202

Lawrence D. Coppel, Esquire
Counsel for Fairlake Street Capital,
LLC and Steven J. Rosenberg
Gordon Feinblatt LLC
233 East Redwood Street
Baltimore, Maryland 21202

Lawrence A. Katz, Esquire
Kristen E. Burgers, Esquire
Counsel for Theresa E. Polm
Leach Travell Britt PC
8270 Greensboro Drive, Suite 700
Tysons Corner, Virginia 22102

Robert B. Scarlett, Esquire
Counsel for Richard E. Polm and
Polm Development Limited
Partnership
Scarlett, Croll & Myers, P.A.
201 North Charles Street, Suite 600
Baltimore, Maryland 21201-4110

Jonathan M. Wall, Esquire
Counsel for Severn Savings Bank
and Alan J. Hyatt
Hyatt & Weber, P.A.
200 Westgate Circle, Suite 500
Annapolis, Maryland 21401

Andrew M. Croll, Esquire
Counsel for Richard E. Polm and
Polm Development Limited
Partnership
Scarlett, Croll & Myers, P.A.
201 North Charles Street, Suite 600
Baltimore, Maryland 21201-4110

Katherine A. Levin, Esquire
Office of the U.S. Trustee
101 West Lombard Street, Suite 2625
Baltimore, Maryland 21201

Kevin M. Schaeffer, Esquire
Counsel for Theresa Polm
Council Baradel Kosmerl & Nolan, P.A.
125 West Street, Fourth Floor
Annapolis, Maryland 21401

Lawrence J. Yumkas, Esquire
Corinne E. Donohue, Esquire
Counsel for Debtor
Yumkas, Vidmar, Sweeney & Mulrenin
10211 Wincopin Circle, Suite 500
Columbia, Maryland 21044