

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND**

(Baltimore Division)

In re:

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Duck Neck Campground, L.L.C

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Case No.: 15-15973-TJC

(Chapter 11)

Debtor

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In re:

*

WBR Investment Corporation

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Case No.: 15-15982-TJC

(Chapter 11)

Debtor

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DEBTORS' JOINT FOURTH AMENDED DISCLOSURE STATEMENT

I. Introduction

Duck Neck Campground, L.L.C. ("Duck Neck") and WBR Investment Corporation ("WBR," and together with Duck Neck, the "Debtors"), Debtors and Debtors-in-Possession, by undersigned counsel, provide this Joint Fourth Amended Disclosure Statement in order to disclose the information believed to be material for creditors to arrive at a reasonably informed decision, and to exercise the right to vote on acceptance of the Debtors' Joint Fourth Amended Plan of Liquidation (the "Plan") filed by the Debtors in the above-captioned proceeding on August 18, 2016.

NO REPRESENTATIONS CONCERNING THE DEBTORS

**(PARTICULARLY AS TO THE VALUE OF THEIR ASSETS) ARE AUTHORIZED,
OTHER THAN AS SET FORTH IN THIS STATEMENT. ANY REPRESENTATIONS
OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OF THE PLAN WHICH**

ARE NOT CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY ANY CREDITOR, AND SHOULD BE REPORTED TO THE UNDERSIGNED COUNSEL FOR THE DEBTORS. MUCH OF THE INFORMATION CONTAINED IN THIS STATEMENT HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. THE RECORDS KEPT BY THE DEBTORS ARE NOT WARRANTED OR REPRESENTED TO BE WITHOUT ANY INACCURACY, ALTHOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE.

II. History and Background of the Debtor

On April 27, 2015, WBR and Duck Neck each filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code (the “Petition Date”), and, pursuant to §§ 1107 and 1108 of the Bankruptcy Code, have each continued in the possession of their property and management of their businesses as Debtors-in-Possession.

WBR owns approximately 90 acres of campground located at 500 Double Creek Point Road, Chestertown, Maryland (the “Property”), on which Duck Neck operates a campground and trailer park, with approximately 300 trailer sites, water and electrical hookups, and sewer connections for its RV visitors. The Property is located partially on the Chester River and partially on Rabbit Creek, and contains all amenities necessary to provide its customers with a comfortable experience, including: a waterfront dwelling, a tenant dwelling, a camp store, a swimming pool, bath houses, pavilions, piers, a boat ramp and a maintenance shop.

There is no formal lease of the Campground to Duck Neck because both Debtors share 100% common ownership, and solely exist to service and own the Campground. Duck Neck employs several seasonal employees as well as a handful of off-season employees, and generally

manages and maintains the Campground.

Duck Neck's business that is operated on the Property is seasonal, and operates between March and November. Other than tent camping and use of seasonal amenities, the campground is non-operational between October and February. The campground business generates approximately \$1 million in gross annual income, with a substantial portion of the income collected by Duck Neck from visitors paying for use in advance of the season.

WBR and Duck Neck are both solely owned by Wilson B. Reynolds, Jr. ("Reynolds"). Reynolds passed away on January 9, 2016. His wife, Billie Reynolds, was appointed by the Circuit Court for Wicomico County, as Personal Representative of Reynolds' probate estate. As a result, Billie Reynolds, in her capacity as Personal Representative, has been making all business decisions for the Debtors since her appointment as Personal Representative. The instant bankruptcy petitions of the Debtors were precipitated by a complaint for the appointment of a receiver (the "Complaint") filed by the Debtors' primary secured creditor, PNC Bank, N.A. ("PNC") in the United States District Court for the District of Maryland. Pursuant to § 362 of the Bankruptcy Code, the Complaint was stayed by virtue of the Chapter 11 filings by the Debtors.

PNC and the Debtors have previously consented and agreed that (i) PNC is the holder of a secured claim against the Debtors that was previously liquidated to judgment on August 7, 2013, in the amount of approximately \$5,315,140.27; and (ii) PNC's claim is secured by (a) a first priority deed of trust lien on the Campground; and (b) a security interest in all affixed buildings, improvements, fixtures, rights, rents arising from "all leases, licenses, subleases or licenses, subleases or any other use or occupancy agreement now or hereafter entered into

covering all or any part of the [Property]”, royalties and profits.

III. The Chapter 11 Proceedings

I. Joint Administration and Substantive Consolidation

On May 1, 2015, upon motion by the Debtors, the Court entered an order providing for the joint administration of the Debtors’ cases. Contemporaneously with the filing of the Plan, the Debtors have filed a motion seeking the substantive consolidation of the Debtors’ cases. The Plan assumes that the Debtors’ cases will be substantively consolidated. The Motion for Substantive Consolidation is pending.

II. Administrative Responsibilities

The Debtors are current in the filing of their Debtor-in-Possession Monthly Operating Reports, and are current in the payment of quarterly fees owed to the Office of the United States Trustee.

III. Retention of Professionals

Since the Petition Date, the Debtors have retained: (1) Tydings & Rosenberg LLP as Counsel; (2) Faw, Casson & Co. LLP as Accountants; (3) Whitney-Wallace Commercial Real Estate Services, LLC (the “Real Estate Broker”) as real estate broker with respect to the sale of the Campground as a going concern; and (4) Wendy Baker (“Baker”) as a Real Estate Consultant. Baker’s engagement has expired and she is no longer retained as a professional. Whitney Wallace’s initial engagement ran through and including November 5, 2015, but has been extended multiple times, and currently runs through July 1, 2016. Whitney-Wallace is entitled to a commission based upon a sliding scale depending upon the price obtained for the Campground—5% if the sales price is \$6M or less; 6% if the sales price is between \$6M and

\$7M; and 7% if the sales price exceeds \$7M. The Debtors are currently negotiating a contract of sale on the Campground with a party that Whitney-Wallace obtained.

IV. Factors Bearing on the Success or Failure of the Plan

Because the primary source of funding of the Plan are net sale proceeds received from a number of sales that will occur in the future, including the sale of the Campground, there are a number of risk factors that may bear on the success or failure of the Plan. With respect to each future sale, there is uncertainty as to whether the Debtors (or with respect to non-Debtor sales, whether the Sellers) are able to obtain a contract for the projected sales price. An additional risk factor is the length of time that it takes to sell particular assets. Since PNC, which holds a secured claim, is entitled to interest at the Maryland judgment rate, extensive delays in selling assets could result in a larger payoff figure for PNC and consequently less funds remaining for the payment of other claims. Finally, because there are transaction costs associated with each sale, professionals fees being incurred by the Debtors will increase to the extent that particular transactions entail protracted negotiations.

The Debtors and PNC have reached an agreement that PNC's Claim is in the amount of \$6,199,303.78 as of July 31, 2016. Although it is now projected that the sales price for the Campground will be insufficient to pay PNC's claim in full, CDC Investment Corporation ("CDC"), which is also owned by Wilson B. Reynolds, and the Reynolds Bankruptcy Estate, have committed to sell certain real estate and utilize the net proceeds to repay PNC's claim. PNC holds a judgment lien against these real estate assets in any event. Consequently, the Debtors anticipate that net sale proceeds from the sale of the Campground, coupled with the net proceeds from the CDC properties, and the net proceeds from certain unimproved land owned by Wilson B. Reynolds, will likely be sufficient to pay PNC in full and should allow sufficient

funds to also repay all other creditors.. Both Reynolds and CDC are involved in separate Chapter 11 proceedings. Both Reynolds and CDC have retained a broker and are currently marketing their respective properties for sale. These properties are described as follows:

(1) There are three separate parcels having an address of 4874 Airport Road, Salisbury, Maryland. Reynolds own an approximately 38.87 acre tract of unimproved land (Tax ID Number 08-037809), and CDC Investment Corporation owns both a nearly 10,000 square foot residence on an approximately 146 acre tract of land (Tax ID Number 08-013772) and 34.5 acres of farm land (Tax ID Number 08-021996) (the “Salisbury Residence and Farm”).

(2) Either adjoining or nearby are an additional approximately 155 acres of farm land owned by Reynolds individually (the “Salisbury Outparcel”).

Reynolds’ Personal Representative has retained SVN-Miller Commercial Real Estate to market both the Salisbury Residence and Farm and the Salisbury Outparcel for sale. The Salisbury Residence and Farm has been listed for sale at \$2.2 Million and the Salisbury Outparcel has been listed for sale at \$310,000.

(3) Reynolds is the sole owner of various entities that own a campground located in Townsend, Tennessee, a hotel in Townsend, Tennessee, and several tracts of land improved by a number of cabins in Townsend, Tennessee, and a hotel also located in Townsend, Tennessee. It is unknown exactly how much money will be generated from the sale of these properties, after payment of all creditors, but it is projected that the Tennessee Campground will sell within the next 90 days and will net at least \$1 Million which may, in the discretion of Reynolds’ Personal Representative, be utilized to cover any shortfall to the Debtors’ creditors.

V. Voting On The Plan And Confirmation

Voting on acceptance or rejection of the Plan will be governed by the provisions of the Bankruptcy Code. Each voting creditor will be supplied with an official ballot, in a form

prescribed by the Court. Creditors may vote to accept or reject the Plan by filing a completed ballot with the Clerk of the Court. A class of creditors will be considered to have accepted the Plan (a) if it is accepted by creditors holding at least two-thirds (2/3) in amount, and more than one-half (1/2) in number of the allowed claims of each class that has voted, or (b) if the class is unimpaired within the meaning of the Bankruptcy Code.

After the time for voting on the Plan passes, the Court will hold a hearing, and rule on confirmation of the Plan in accordance with the Bankruptcy Code. If all requirements for confirmation of the Plan under the Bankruptcy Code are satisfied, except that the Plan is not accepted by one or more classes of creditors, the Court may confirm the Plan without the acceptance of creditors if the Court finds that the Plan does not discriminate unfairly, and is fair and equitable (within the meaning of the Bankruptcy Code) with respect to any class of creditors that does not accept the Plan.

Notwithstanding the fact that the Debtors believe all classes of creditors will be paid in full, it is possible that unsecured creditors may not be paid in full and thus could be impaired. Accordingly, unsecured creditors are notified that they are impaired, and shall be entitled to vote on the Plan. Class 5 creditors may submit a vote on the proposed Plan within the deadline to be established by this Court for plan voting¹. To the extent that it becomes necessary, the Debtors reserve the right to invoke the cramdown provisions contained in §1129(b), to confirm the Plan.

VI. The Joint Fourth Amended Plan of Liquidation.

CREDITORS ARE URGED TO READ THE ENTIRE PLAN, AND TO CONSULT WITH COUNSEL, OR EACH OTHER IN ORDER TO FULLY UNDERSTAND THE PLAN. A COPY OF THE PLAN HAS BEEN FILED WITH THE CLERK, UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF MARYLAND, 101 WEST LOMBARD STREET, U.S. COURTHOUSE, BALTIMORE, MARYLAND 21201, AND IS

¹ If, at the time of plan confirmation, the Debtors have evidence that the sale proceeds used to fund the plan are sufficient to pay all creditors in full, including Class 5 creditors, then Class 5 creditors shall be unimpaired and their votes shall be disregarded.

AVAILABLE FOR INSPECTION AND REVIEW.

THE PLAN IS COMPLEX, AND REPRESENTS A PROPOSED LEGALLY BINDING AGREEMENT BY THE DEBTORS. AN INFORMED JUDGMENT CONCERNING THE PLAN, THEREFORE, CANNOT BE MADE WITHOUT UNDERSTANDING IT.

ARTICLE I- DEFINITIONS

For purposes of this Plan, the following terms shall have the meanings hereinafter set forth:

1.1 “Administrative Bar Date” means forty-five (45) days after the Effective Date and is the date by which applications for allowance of Administrative Expense Claims incurred through the Confirmation Date must be filed with the Court or be forever barred and discharged. Notice of confirmation of the Plan shall be deemed sufficient and adequate notice of the Administrative Bar Date.

1.2 “Administrative Expense(s)” means a Claim for costs and expenses of administration of the Chapter 11 case allowed under section 503(b) or, if applicable, 1114(e)(2) of the Bankruptcy Code, including: (a) any actual and necessary costs and expenses incurred after the Petition Date of preserving the Debtors’ Estates and operating the businesses of the Debtors (such as wages, salaries, commissions for services and payments for inventories, lease equipment and premises) and Claims of governmental units for taxes (including Claims related to taxes which accrued after the Petition Date, but excluding Claims related to taxes which accrued on or before the Petition Date); (b) compensation for legal, financial, advisory, accounting and other services and reimbursement of expenses allowed by the Bankruptcy Court under sections 330, 331 or 503(b) of the Bankruptcy Code to the extent incurred prior to the Effective Date; and (c) all fees and charges assessed against the Debtors’ Estates under 28 U.S.C. §1930.

1.3 “Allowed Claim(s)” means any Claim:

- (a) in respect of which a proof of claim has been filed with the Bankruptcy Court within the applicable period of limitations fixed by Bankruptcy Rule 3003; or
- (b) which is listed in Schedules D, E or F filed by Debtors with the Court, including any amendments thereto, and is not listed as disputed, contingent, or unliquidated as to amount; or
- (c) for which an application has been filed pursuant to sections 329 and 330 of the Bankruptcy Code;

and further, as to any such claim, (i) either no objection to the allowance thereof has been filed, or if an objection to the allowance thereof has been filed, the objection has been overruled or the amount of such claim fixed by a Final Order; or (ii) such claim has not been paid, settled, waived or withdrawn.

1.4 “Bankruptcy Code” means Title 11 of the United States Code (“U.S.C.”) as enacted by the Bankruptcy Reform Act of 1978, Public Law No. 95-598 and subsequently amended, and such portions of Title 28 of the United States Code as are applicable to bankruptcy cases.

1.5 “Bankruptcy Court” means the United States Bankruptcy Court for the District of Maryland.

1.6 “Bankruptcy Rules” means (a) the Federal Rules of Bankruptcy Procedure, and (b) the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Maryland, both as now in effect or hereafter amended.

1.7 “Campground” means the real property located at 500 Double Creek Point Road, Chestertown, Maryland.

1.8 “Campground Holdback” shall mean the sum of \$250,000 that PNC Bank has agreed may be set aside from the proceeds from the sale of the Campground and, in the

absence of a default in the Forbearance Agreement and subject to approval of fees and expenses for Debtors' Counsel by the Bankruptcy Court, may be utilized by Debtors' Counsel to pay its approved fees and expenses, subject to the timing conditions set forth in the Forbearance Agreement.

1.9 "Causes of Action" means any action, claim, cause of action, controversy, demand, right, action, lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license and franchise of any kind or character whatsoever, known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law, including but not limited to any action to recover any transfer that may be avoided under any provision of the Bankruptcy Code including, but not limited to, sections 544, 547, 548 or 549; or any action, cause of action, claim, power, right and/or remedy arising under sections 544, 545, 546, 547, 548, 549, 550, 553 or 558 of the Bankruptcy Code. Causes of Action also include: (a) any right of setoff, counterclaim or recoupment and any claim for breaches of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any claim pursuant to sections 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress and usury and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any state law fraudulent transfer claim.

1.10 "Claim(s)" means any claim against the Estates or as defined in § 101(5) of the Bankruptcy Code, including, but not limited to, all claims arising from the rejection of unexpired leases and/or executory contracts.

1.11 “Confirmation Date” means the date on which the Court enters the Confirmation Order.

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

1.13 “Court” means the United States Bankruptcy Court for the District of Maryland or any court having jurisdiction to enter the Confirmation Order.

1.14 “Claims Bar Deadline” means September 1, 2015.

1.15 “Claim Objection Deadline” means the date that occurs sixty (60) days following the Effective Date.

1.16 “Debtors” mean Duck Neck and WBR.

1.17 “Disbursing Account” means the bank account(s) maintained by the Debtors that hold monies of the Estates. The Disbursing Account shall be utilized for the purpose of paying Liquidation Expenses and making distributions to creditors pursuant to the Plan.

1.18 “Disputed Claim(s)” means any Claim or a portion of any Claim as to which the Debtors, or any other party in interest has filed an objection in accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection has not been withdrawn or adjudicated pursuant to a Final Order.

1.19 “Effective Date” means the later of (a) the thirtieth (30th) day after the

Confirmation Order becomes final by expiration of the time for appeal therefrom, and (b) if an appeal is taken, the fourteenth (14th) day after an order on appeal in favor of confirmation (and all orders on appeal relating to said order) becomes a final non-appealable order.

1.20 “Estate” means the bankruptcy estates created pursuant to section 541 of the Bankruptcy Code upon commencement of the Debtors’ bankruptcy cases.

1.21 “Final Order” means an order that has not been reversed, stayed, modified or amended and the time to appeal from or to seek review of or rehearing on such order has expired, and which order has become final.

1.22 “Forbearance Agreement” means that Forbearance Agreement dated September 9, 2016 between Billie K. Reynolds, both in her individual capacity and in her capacity as person representative of the probate estate of Wilson B. Reynolds, Jr. and PNC Bank, National Association.

1.23 “Governmental Claims Bar Deadline” means October 26, 2015.

1.24 “Liquidation Expenses” means all reasonable and necessary expenses incurred after the Effective Date in connection with implementation of this Plan, which expenses shall include, without limitation, compensation to the Debtors’ counsel and other persons employed by the Debtors, and to any other professionals whose employment is authorized by the Court.

1.25 “Petition Date” means April 27, 2015.

1.26 “Plan” means this Joint Plan of Liquidation, or as hereafter amended or

modified.

1.27 “Professional Person(s)” means an attorney, accountant, appraiser, consultant or other professional retained or to be compensated pursuant to an order of the Court entered under sections 327, 328, 330, 503(b), or 1103 of the Bankruptcy Code.

1.28 “Proof of Claim” means a proof of claim filed pursuant to section 501 of the Bankruptcy Code and Part III of the Bankruptcy Rules.

1.29 “Real Estate Broker” shall mean Whitney-Wallace Commercial Real Estate Services, LLC or any company that is subsequently retained to replace Whitney-Wallace after their engagement expires.

1.30 “Residence Holdback” shall mean the sum of \$15,000 that PNC Bank has agreed may be set aside from the proceeds of the sale of the Salisbury Farm and Residence and, in the absence of a default in the Forbearance Agreement and subject to approval of fees and expenses for Counsel for CDC Investment Corporation by the Bankruptcy Court, may be utilized by Counsel for CDC Investment Corporation to pay Bankruptcy Court approved fees and expenses, subject to the timing conditions set forth in the Forbearance Agreement.

1.31 “Salisbury Farm and Residence” shall mean: (1) that approximately 34.5 acre tract of unimproved land (Tax ID Number 08-021996) and the approximately 146 acre tract of improved land (Tax ID Number 08-013772) located at 4874 Airport Road, Salisbury, Maryland, owned by CDC Investment Corporation; and (2) that 38.87 acre tract of unimproved land owned by Wilson B. Reynolds, Jr., also located at 4874 Airport Road, Salisbury, Maryland.

1.32 “Salisbury Outparcel” means the tract of unimproved land totaling approximately 155 acres on Johnson Road (Tax ID Number 08-010781) owned by Wilson B. Reynolds, Jr.

1.33 “Schedules” means the schedules of assets and liabilities and statement of financial affairs filed by the Debtors with the Bankruptcy Court in accordance with section 521(1) of the Bankruptcy Code and Rule 1007 of the Bankruptcy Rules, and any amendments thereto.

1.34 “Tennessee Assets” means, collectively, the Tennessee Cabins and Lots, Tennessee Campground, and Tennessee Hotel, together with all stock, membership interests and other equity interests owned by Wilson B. Reynolds in the entities that own the Tennessee Cabins and Lots, Tennessee Campground and Tennessee Hotel.

1.35 “Tennessee Cabins and Lots” mean the 3 parcels totally approximately 3.3 acres located on Tom Henry Road in Townsend, Tennessee owned by Wilson B. Reynolds, Jr.

1.36 “Tennessee Campground” means that property owned by WBR Investment, TN, LLC located in Townsend, Tennessee and operated as a campground.

1.37 “Tennessee Hotel” means that property owned by LNIC-TN, LLC located in Townsend, Tennessee and operated as a hotel.

ARTICLE II – CLASSIFICATION OF CLAIMS

Claims against the Estate shall be classified as follows:

2.1 Class 1. Class 1 consists of (i) Allowed Claims for costs and expenses of administration of the Estate, as defined above as Administrative Expenses, including fees of Professional Persons approved by the Court and other post-petition operating expenses and

Liquidation Expenses, and (ii) fees payable to the United States Trustee by the Debtors under 28 U.S.C. § 1930(a)(6).

2.2 Class 2. Class 2 consists of all Allowed Claims that are entitled to priority under section 507 of the Bankruptcy Code excluding 11 U.S.C. § 507(a)(2) administrative claims and § 507(a)(8) unsecured tax claims.

2.3 Class 3. Class 3 consists of all Allowed Claims for unsecured taxes of government units entitled to priority under section 507(a)(8).

2.4 Class 4. Class 4 consists of the secured claim(s) of PNC Bank, National Association (“PNC”). PNC and the Debtors have previously consented and agreed that (i) PNC is the holder of a secured claim against the Debtors as of July 31, 2016 in the amount of \$6,199,303.78 (comprised of \$5,243,339.67 in the amount of the Judgments entered as of June 7, 2013 against the Debtors and others, plus \$71,800.60 in attorney’s fees, plus \$6,697.82 in prejudgment interest, plus \$1,665,896.02 in interest accrued on the Judgment from June 13, 2013 through July 31, 2016, reduced by \$788,430.32 in payments made on the Judgment); and (ii) PNC’s claim is secured by (a) a first priority deed of trust lien on the Campground; and (b) a security interest in all affixed buildings, improvements, fixtures, rights, rents arising from “all leases, licenses, subleases or licenses, subleases or any other use or occupancy agreement now or hereafter entered into covering all or any part of the [Property]”, royalties and profits. The Class 4 claim shall include all interest accrued at the statutory judgment rate, or as may further be agreed by the Debtors and PNC.

2.5 Class 5. Class 5 is comprised of all general unsecured claims, excluding

Class 6 claims.

2.6 Class 6. Class 6 is comprised of all equity interests in the Debtors.

ARTICLE III – TREATMENT OF CLAIMS AND INTERESTS

3.1 Class 1. The Debtors shall pay each Class 1 allowed claim in full, in cash, from the Disbursing Account, on the latest of (a) the Effective Date, (b) the thirtieth (30th) day after such claim has become an Allowed Claim, (c) a date agreed upon by the Debtors and the particular claimant, or (d) the date that the Debtors have sufficient funds in the Disbursing Account. Class 1 is not a class of claims impaired under the Plan.

3.2 Class 2. The Debtors shall pay each Class 2 allowed claim in full, in cash, from the Disbursing Account but only to the extent each is entitled to priority under section 507, on the latest of (a) the Effective Date, (b) the thirtieth (30th) day after such claim has become an Allowed Claim, (c) a date agreed upon by the Debtors and the particular claimant, or (d) the date that the Debtors have sufficient funds in the Disbursing Account. Class 2 is not a class of claims impaired under the Plan.

3.3 Class 3. The Debtors shall pay each Class 3 allowed claim in full, in cash, from the Disbursing Account but only to the extent each is entitled to priority under section 507, on the latest of (a) the Effective Date, (b) the thirtieth (30th) day after such claim has become an Allowed Claim, (c) a date agreed upon by the Debtors and the particular claimant, or (d) the date that the Debtors have sufficient funds in the Disbursing Account. Class 3 is not a class of claims impaired under the Plan.

3.4 Class 4. . The treatment of the Class 4 claim shall be in accordance with the Forbearance Agreement, a copy of which is attached hereto as **Exhibit A**. The holder of allowed Class 4 claim shall retain its liens and shall be paid in full from, among other things, a combination of the following proceeds from: (a) the sale of the Campground, which will be in conjunction with the sale of the Duck Neck's business as a going concern; (b) the sale of the Salisbury Farm and Residence; and (c) the sale of the Salisbury Outparcel. The Class 4 Creditor's lien shall be transferred to the proceeds of each respective sale of: (1) the Campground; (2) the Salisbury Farm and Residence; and (3) the Salisbury Outparcel. Payments to the allowed Class 4 claimholder shall be made on the closing of the sale of: (a) the Campground, subject to the Campground Holdback; (b) the Salisbury Farm and Residence subject to the Residence Holdback; and (c) the Salisbury Outparcel until the Class 4 creditor is paid in full. The Class 4 Creditor may also be paid, in part, from the sale of the Tennessee Assets in accordance with the Forbearance Agreement. Subject to approval of the Bankruptcy Court in the bankruptcy case of Wilson B. Reynolds, Jr., the owners of the Tennessee Assets have agreed to sell the Tennessee Assets, and distribute and apply the proceeds thereof, in accordance with the Forbearance Agreement.. Class 4 is a class of claims impaired under the Plan.

3.5 Class 5. The holders of allowed Class 5 claims shall be paid from the net proceeds, after payment of Class 1, 2, 3 and 4 Creditors, from the sales of (1) the Campground; (2) the Salisbury Farm and Residence; and (3) the Salisbury Outparcel. As explained in detail in Article IV, to the extent that there are insufficient proceeds from the sales of the Campground, the Salisbury Farm and Residence and the Salisbury Outparcel to pay the Class 5 creditors in full, the Debtors are entitled to and may, in their discretion and subject to approval of the Bankruptcy Court in the bankruptcy case of Wilson B. Reynolds, Jr., elect to utilize net proceeds

from the sale of the Tennessee Campground, the sale of the Tennessee Cabins and Lots, or the sale of the Tennessee Hotel to pay the Class 5 creditors, after obtaining necessary approval from the Bankruptcy Court. The Debtors anticipate, but cannot be certain as of the date of the filing of this Plan, that Class 5 claims will be paid in full. Payment to allowed Class 5 claimholders shall be made upon there being sufficient funds in the Disbursing Account. No Class 5 claim shall be paid until payment is made in full to Classes 1 through 4. Class 5 is a class of claims impaired under the Plan.²

3.6 Class 6. All allowed Class 6 claims shall be extinguished on the Effective Date. The Debtors shall pay each Class 6 allowed Claim from any surplus funds in the Disbursing Account after the satisfaction, pursuant to the Plan of the holders of Classes 1 through 5. Class 6 is a class of claims impaired under the Plan.

ARTICLE IV– MEANS FOR EXECUTION OF THE PLAN

4.1 Funding of Plan. The Plan shall be funded from cash on hand plus the following assets: (a) all net proceeds from the sale of the Campground and Duck Neck's business as a going concern; (b) all net proceeds from the sale of the Salisbury Farm and Residence; (c) all net proceeds from the sale of the Salisbury Outparcel; (d) a portion of the net proceeds from the sale of the Tennessee Campground; (e) a portion of the net proceeds from the sale of the Tennessee Cabins and Lots; (f) a portion of the net proceeds, if any, from the sale of the Tennessee Hotel and (g) the prosecution and resolution of any Causes of Action. Because the net proceeds from the Tennessee Campground, the Tennessee Assets are all property of the

² Notwithstanding, if at the time of plan confirmation it is shown that sale proceeds from sales, described more fully in Section 4.1 of this Plan, are sufficient to pay Class 5 claims in full, then Class 5 is a class of claims that is

Wilson B. Reynolds, Jr. Bankruptcy Estate (the “Reynolds Bankruptcy Estate”), in order to implement the terms of the Plan, subject to the rights of creditors in the Reynolds Bankruptcy proceeding, the Reynolds Bankruptcy Estate will seek approval from this Court in the Reynolds Bankruptcy proceeding to permit the transfer of certain net proceeds from the sales of the Tennessee Assets into the Reynolds Bankruptcy Estate for distribution to the Debtors’ creditors, as needed in accordance with the Forbearance Agreement. Notwithstanding any other Cause of Action the Debtors may have, the Debtors have reviewed all relevant transactions and have determined there are no potential avoidance actions from which they can recover additional funds. Because the owners of the Salisbury Farm and Residence and the Salisbury Outparcel are in separate pending Chapter 11 cases, those debtors shall either obtain approval from the Court to sell and commit the net proceeds from the sale of the Salisbury Farm and Residence and the Salisbury Outparcel to the payment of creditors as set forth in the Forbearance Agreement..

4.2 The Sale Process. The Debtors have previously retained the Real Estate Broker to attempt to obtain an acceptable contract for the sale of the Campground. CDC Investment Corporation has retained SVN-Miller Commercial Real Estate to sell the Salisbury Farm and Residence and the Reynolds Bankruptcy Estate has also retained SVN-Miller Commercial Real Estate to sell the Salisbury Outparcel. If the Debtors have not received an acceptable contract to sell the Campground within six (6) months of the Effective Date of the Plan, then the Debtors will sell the Campground by public auction within nine (9) months of the Effective Date of the Plan.

unimpaired under the Plan and its class members’ votes shall be disregarded.

4.3 Substantive Consolidation. On August 25, 2015, the Debtors filed a Motion for Substantive Consolidation, which is pending. Assuming that the Motion for Substantive Consolidation is granted, the Debtors intend to place all proceeds from the sale of the Campground, the sale of the Salisbury Property and the sale of the Ocean City Property into one pot. PNC, as secured creditor, has a first priority lien against all of the sale proceeds since PNC holds judgment liens against WBR, CDC Investment Corporation and Reynolds, and holds a perfected secured claim against the assets of Duck Neck. After PNC has been paid in full, the remaining net proceeds shall be used to pay administrative priority claims, priority claims, and lastly general unsecured claims. To the extent that funds remain after payment of all creditors of WBR, CDC Investment Corporation, Duck Neck Campground, LNIC and Wilson B. Reynolds, Jr., any surplus shall be paid to the Reynolds Probate Estate.

4.4 Retained Rights and Powers; Continued Existence of Debtors. Upon confirmation of the Plan, the Debtors shall retain all of their rights and powers under the Bankruptcy Code, including, but not limited to, the right to prosecute all Causes of Action and all other causes of actions and all other rights and powers under §§ 505, 506, 541, 542, 543, 544, 547, 548, 549, 550, and 553 of the Bankruptcy Code. Furthermore, from and after the Effective Date through the date of dissolution of the Debtors, the Debtors shall continue in existence as debtors-in-possession for the purpose of taking such actions as they deem necessary or desirable in connection with the Plan and the Estates, including, without limitation, (i) winding up the Debtors' affairs; (ii) liquidating, by conversion to Cash or other methods, including by way of abandonment, any remaining assets of their Estates, as expeditiously as reasonably possible; (iii) enforcing and prosecuting claims, interests, rights and privileges of the Debtors and their Estates, including, without limitation, Causes of Action; (iv) resolving Disputed Claims; (v) confirming

and administering the Plan and taking such actions as are necessary to effectuate the Plan; and (vi) filing appropriate tax returns.

4.5 Duties and Powers of The Debtors. The Debtors shall have the sole right, power and authority, but not the obligation, among other things, to: (a) object to any Claim; (b) file suit or commence an action or proceeding with respect to any claim or cause of action of the Debtors and/or the Estates, and otherwise prosecute, settle, compromise or pursue such claim or cause of action; except as prohibited by the terms of the Sale Order; (c) retain and employ professionals as the Debtors deem necessary or appropriate to carry out the terms and purposes of the Plan and on such terms as the Debtors deem reasonable (including counsel for the Debtors); (d) execute and enter into contracts on behalf of the Estate as the Debtors deem necessary or appropriate to carry out the terms and purposes of the Plan and on such terms as the Debtors deem reasonable; (e) liquidate all assets of the Debtors and the Estate and to pay the related Liquidation Expenses; (f) distribute funds to holders of allowed Claims consistent with the terms of the Plan; (g) file a final report and move to close the Debtors' Chapter 11 cases; and (h) to take such other and further actions as may be necessary or appropriate to carry out the terms and purposes of the Plan.

4.6 Special Tax Provision. Pursuant to § 1146(c) of the Bankruptcy Code, the issuance, transfer or exchange of any notes or equity securities under the Plan, sales of the Debtors' assets, the creation of any mortgage, deed of trust or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including, without limitation, the sales of the Campground, the Salisbury Residence and Farm and the Salisbury Outparcel, any

merger agreements or agreements of consolidation, deeds, bills of sale or assignments executed in connection with any of the transactions contemplated under the Plan, shall not be subject to any stamp, real estate transfer, recapture, mortgage recording or other similar tax.

4.7 Disbursing Accounts. All proceeds from the sale and/or liquidation of the Debtors' assets shall be placed in one or more disbursing accounts. The Debtors shall be empowered to invest these funds in any institution or in an investment backed by security, which has the highest rating that is federally insured.

4.8 Interim Distributions. The Debtors are authorized to make interim distributions to Class 1 claimants, subject to a reserve, determined in the discretion of the Debtors, to cover ongoing administrative expenses.

4.9 Resolution of Disputed Claims. To the extent a Claim is a Disputed Claim, the Debtors shall not be required to make the applicable disputed portion of a payment to the holder of the Disputed Claim that would otherwise be payable with respect to the Disputed Claim. In the event that the Disputed Claim is allowed, the Debtors shall thereafter pay the appropriate amount to the holder of such Claim in accordance with the terms of the Plan and in the same manner as any other creditor of the same Class.

4.10 Distributions. The Debtors may stop payment on any distribution check that has not cleared the issuing bank within ninety (90) days of the date of distribution of such check. All unclaimed funds or property may be used to satisfy any additional expenses or fees, or if none exist and all classes have been paid in full, shall be paid to Class 6 equity interest holders. Distributions to holders of Allowed Claims shall be made at the address of each such

holder as determined in accordance with the proof of claim filed by the respective claimholder, or if no proof of claim is filed, in accordance with the Schedules. If any holder's distribution is returned as undeliverable, no further distributions to such holder shall be made unless and until the Debtors are notified of such holder's then current address, at which time all missed distributions shall be made to such holder, without interest, from the date of the first attempted distribution. All unclaimed distributions shall be used to satisfy the costs of administering and fully consummating this Plan and the holder of any such claim or interest shall not be entitled to any other further distribution under this Plan on account of such claim or interest.

ARTICLE V - EXECUTORY CONTRACTS AND UNEXPIRED LEASES

5.1 Rejection of Remaining Leases and Contracts. Unless otherwise assumed or rejected by separate Court order, on the later of the Effective Date or the date of entry of an Order approving a Sale of the Campground, except as otherwise provided herein, or in any contract, instrument, release, indenture or other agreement or document entered into in connection with the Plan, Executory Contracts and Unexpired Leases shall be deemed rejected with the effective date of rejection being the later of the Effective Date or the date of the closing of the sale of the Campground,,, unless such Executory Contract or Unexpired Lease: (i) was assumed, assumed and assigned or rejected previously by the Debtors; (ii) previously expired or terminated pursuant to its own terms; or (iii) is the subject of a motion to assume or assume and assign filed on or before the Effective Date. The entry of the Confirmation Order shall constitute a Bankruptcy Court order approving the assumptions or rejections of such executory contracts or unexpired leases as set forth in the Plan, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Any motions to assume or assume and assign executory contracts or unexpired leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after

the Effective Date by a final order.

5.2 Rejection Claims. Pursuant to Bankruptcy Rule 3002 (c)(4), and except as otherwise ordered by the Court, Claims arising from the rejection of an executory Contract or unexpired lease shall be filed, by way of motion, with the Court no later than thirty (30) days after the later of the entry of a Final Order approving such rejection and the Confirmation of the Plan, or such Claim shall be forever barred. Any Claim arising from the rejection of an executory Contract or unexpired lease shall be deemed a Class 5 Claim for distribution purposes as of the date of the entry of an order of the Court approving said Claim.

ARTICLE VI- MODIFICATION OF PLAN

6.1 Pre-Confirmation Modification. The Debtors reserve the right, in accordance with the Bankruptcy Code, to amend or modify the Plan or the treatment of any Claim prior to the Confirmation Date.

6.2 Post-Confirmation Modification. After the Confirmation Date, the Debtors may amend or modify the Plan, or any portion thereof, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission, or reconcile any inconsistency in the Plan, in such a manner as may be necessary to carry out the purpose and intent of the Plan.

ARTICLE VII - EFFECT OF CONFIRMATION

7.1 Binding Effect. On or after the Confirmation Date, the provisions of this Plan shall bind any holder of a Claim against, or an interest in, the Debtors, whether or not such Claim or interest of such holder is impaired under this Plan and whether such holder has

accepted this Plan.

7.2 Discharge. Except as otherwise provided in the Plan or in the Confirmation Order, confirmation of the Plan shall act as a discharge and dismissal, effective as of the Effective Date, of all Claims against the Debtors that arose at any time before the Confirmation Date.

7.3 Claims Injunction. Except as otherwise provided in the Plan or in the Confirmation Order, confirmation of the Plan shall also constitute an injunction against any action by or on behalf of the holder of any Claim so discharged under the previous paragraph, seeking to collect a Claim from or against the Debtors in any manner other than as specified in the Plan. Nothing in this Plan is meant to discharge any party other than the Debtors from any claim, debt or liability of any type whatsoever.

7.4 Exculpation. Notwithstanding any other provision of the Plan, no holder of a Claim or Interest shall have any right of action against the Debtors, the Estates, or any of their respective managers, officers, directors, agents, attorneys, investment bankers, financial advisors, other professionals, or any of their respective property and assets for any act or omission in connection with, relating to or arising out of the Chapter 11 Case, the pursuit of confirmation of the Plan, the consummation of the Plan, or the property to be distributed under the Plan, except for acts or omissions which constitute willful misconduct or gross negligence.

ARTICLE VIII - GENERAL PROVISIONS

8.1 Retention of Jurisdiction. Notwithstanding the Confirmation of the Plan, the Court will retain jurisdiction until consummation of the Plan to ensure that the purposes and

intent of the Plan are carried out. The Court's jurisdiction shall be over any and all disputes and litigation pending at the time of the Confirmation of the Plan, any controversies that may arise thereafter, and any controversies that may affect the Debtors' ability to effectuate the consummation of the Plan. By way of illustration of the jurisdiction retained by the Court, but not by way of limitation of the same, the Court shall retain jurisdiction in this case, among other things, for the following purposes:

- (a) The resolution of any dispute arising out of the sale of the Campground and/or the sale of the Duck Neck business as a going concern;
- (b) The classification of the claim of any creditor and the re-examination of claims which have been allowed for purposes of voting, and the determination of such objections as may be filed to the Claims of creditors. The failure by the Debtors to object, or to examine any Claim for purposes of voting, shall not be deemed to be a waiver of the Debtors' right to object to or re-examine any Claim in whole or in part.
- (c) Except to the extent that the Debtors choose to invoke the jurisdiction of a state court, the determination of all causes of action, controversies, disputes and conflicts involving, or relating to, the Debtors or their assets, arising prior to or after the Confirmation Date, whether or not subject to an action pending as of the Confirmation Date, between either or both of the Debtors, and any other party or parties, including but not limited to, any right of the Debtors to recover assets pursuant to applicable provisions of the Bankruptcy Code.
- (d) The modification of this Plan after confirmation to correct any defect, to cure any omission, or to reconcile any inconsistency in this Plan or in the Order of Confirmation, as may be necessary or otherwise appropriate to carry out and/or clarify the intended purposes of the Plan or the Order of Confirmation.
- (e) The allowance of compensation for professional services rendered to the Estate by the Debtors' professionals through the Confirmation Date pursuant to § 330(a) of the Bankruptcy Code, upon application for such compensation.
- (f) The enforcement and interpretation of the terms and conditions of this Plan, including any agreement for satisfaction of an Allowed Claim.

- (g) The determination of the existence of any liens, encumbrances, or interests of other parties in property of the Estate or the Debtors, and the extent and priority thereof.
- (h) The enforcement of, and the continuation of, the automatic stay and any similar equitable relief with respect to post-confirmation actions against the Debtors, the Estate, and/or property of the Estate.
- (i) The resolution of any disputes between the Debtors and the Committee regarding implementation of the Plan.
- (j) Entry of an order concluding and terminating the case.
- (k) This Chapter 11 Plan shall be deemed fully administered upon the payment of any Allowed Claim, in full or in part, including but not limited to, any payment of post-petition professional fees.

8.2 Payment as Release. The tender of full payment to the holder of an Allowed Claim in any class as provided for under this Plan shall be deemed to effect a settlement, release, and discharge of the Debtors and their property by such holder on behalf of itself, successors and assigns.

8.3 Extension of Dates. If any date or deadline under this Plan falls on a Saturday, Sunday, or legal holiday, the date or deadline shall be deemed to occur on the next business day thereafter, unless otherwise provided herein.

8.4 Rules of Construction. Except as otherwise provided herein, this Plan shall be construed in conformance with the rules of construction in § 102 of the Bankruptcy Code. Except to the extent the Bankruptcy Code, Bankruptcy Rules or other federal law is applicable, or to the extent an exhibit to the Plan provides otherwise, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Maryland, without giving effect to the principles of conflicts of law of such jurisdiction.

8.5 Addresses for Notices. In the event a party is required to give notice to the Debtors under this Plan, such notice shall be in writing, shall reference the above-referenced case number, and shall be sent by commercially reasonable means under the circumstances to the following:

Alan M. Grochal, Esq.
Catherine K. Hopkin, Esq.
Tydings & Rosenberg LLP
100 East Pratt Street, 26th Floor
Baltimore, MD 21202
Fax: 410-727-5460
Email: agrochal@tydingslaw.com

8.6 Section 1129(b) Election. In order to confirm the Plan, and to the extent necessary, the Debtors invoke the entitlement of section 1129(b) of the Bankruptcy Code, such that, as long as the Plan does not discriminate unfairly, and is fair and equitable, with respect to any Class of Claims that is impaired under and has not accepted the Plan, the Plan may be confirmed by the Court.

8.7 Statutory Fees. All fees payable pursuant to Chapter 123 of Title 28, United States Code, as determined by the Court on the Confirmation Date, shall be payable on the Effective Date. Any statutory fees accruing after the Effective Date shall constitute Administrative Expenses.

8.8 Deadline for Filing Administrative Expense Claims. Notwithstanding section 503(a) of the Bankruptcy Code, any person or entity seeking the allowance or payment of an Administrative Expense Claim under section 503 of the Bankruptcy Code and/or any

Professional Person or firm retained with approval by order of the Court seeking compensation in this Chapter 11 case pursuant to sections 330 or 503(b) of the Bankruptcy Code, shall be required to file on or before the Administrative Bar Date an application for the allowance and/or payment of an Administrative Expense Claim including, without limitation, an application for the final compensation of a Professional Person and reimbursement of expenses. Any such Administrative Expense Claim not filed by the Administrative Bar Date shall be forever barred and discharged. Objections to any such application shall be filed on or before a date to be set by the Court. The provisions of this paragraph are not intended to limit or expand the ability of the Court to allow the payment of compensation to Professional Persons for services performed after the Confirmation Date; all such compensation remaining subject to approval by the Court.

8.9 Closing of Case. When all Disputed Claims filed against the Debtors have become Allowed Claims or have been disallowed by Final Order, and the Debtors have determined that all causes of action have been fully and finally resolved, and all distributions required pursuant to the Plan have been completed, the Debtors may seek authority from the Bankruptcy Court to close this case in accordance with the Bankruptcy Code and the Bankruptcy Rules.

8.10 Invalidity of Plan Provisions. Should any provision of this Plan be determined to be invalid, void or unenforceable, such determination shall not in any way limit or affect the enforceability and operative effect of any or all other provisions of the Plan and the Court shall, with the consent of the Debtors, 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 shall remain in full force and effect and in no way shall 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 according with the foregoing, is valid and enforceable pursuant to its terms.

VII. Federal Income Tax Implications

THE FEDERAL, STATE, LOCAL AND OTHER GENERAL TAX CONSEQUENCES AS A RESULT OF THE PLAN TO THE HOLDERS OF CLAIMS AND INTERESTS MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER. THEREFORE, EACH CREDITOR SHOULD CONSULT THEIR OWN TAX ADVISOR TO DETERMINE THE TREATMENT AFFORDED THEIR RESPECTIVE CLAIMS BY THE PLAN UNDER FEDERAL TAX LAW, THE TAX LAW OF THE VARIOUS STATES AND LOCAL JURISDICTIONS OF THE UNITED STATES AND THE LAWS OF FOREIGN JURISDICTIONS.

NO STATEMENT IN THIS DISCLOSURE STATEMENT SHOULD BE CONSTRUED AS LEGAL OR TAX ADVICE. THE DEBTORS AND THEIR COUNSEL DO NOT ASSUME ANY RESPONSIBILITY OR LIABILITY FOR THE TAX CONSEQUENCES A CREDITOR MAY INCUR AS A RESULT OF THE TREATMENT AFFORDED THEIR CLAIM UNDER THE PLAN.

VIII. Alternatives To The Plan Of Reorganization

In the event that the Plan is not confirmed and this case is converted to Chapter 7, there would be additional administrative expenses consisting of Chapter 7 trustee commissions and the fees and expenses incurred by the trustee's professionals. Furthermore, the trustee would incur

time and expenses associated with the learning curve regarding the details of the sale of the Debtors' assets, as well as the Debtors' financial matters. The Chapter 7 trustee would not likely capture the highest value of a sale of the Campground and Duck Neck business as a going concern. Moreover, the ability to utilize the net proceeds from both the Salisbury Property and the Ocean City Property to help fund payments to creditors is not available to a Chapter 7 Trustee. Therefore, it is anticipated that creditors will fare considerably better if this case remains in Chapter 11 and the Joint Plan is confirmed.

Set forth below is a projected liquidation analysis of the Debtors' assets and liabilities as of June 30, 2016:

ASSETS

1. WBR's Assets

TYPE OF ASSETS	CHAPTER 11	CHAPTER 7
Duck Neck Campground (Real Property)	\$5,460,000.00	\$4,000,000.00 ³
Bank Account Balances (approximate)	\$230,000	\$230,000
Automobiles, trucks, trailers and vehicles	\$27,950.00	\$19,000.00 ⁴
Office equipment	Negligible	Negligible
Machinery, fixtures, etc...	\$56,000	\$39,200 ⁵
Accounts Receivable	\$18,100.00 ⁶	\$14,900.00 ⁷
Avoidance Actions	None	None
Total	\$5,792,050	\$4,303,100

2. Duck Neck Assets

TYPE OF ASSETS	CHAPTER 11	CHAPTER 7
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³ Assumes that Campground will generate roughly 73% of value in a Chapter 7 case.

⁴ Assumes that existing assets have a liquidation value of 70% of fair market value if sold separately.

⁵ Assumes that existing assets have a liquidation value of 70% of fair market value if sold separately.

⁶ Assumes that existing accounts receivable are 85% collectible.

⁷ Assumes that without the benefit of a channeling injunction that a Chapter 11 Plan would offer, the existing accounts receivable are 70% collectible.

Bank Account Balances (approximate)	\$1,970.00	\$1,970.00
Automobiles and vehicles	\$21,000.00	\$14,700.00 ⁸
Office Equipment	Negligible	Negligible
Store Inventory	Negligible	Negligible
Goodwill of Business as Going Concern	\$100,000.00	\$0.
Avoidance Actions	None	None
Total	\$122,970	\$16,670

3. Other assets

TYPE OF ASSETS	CHAPTER 11	CHAPTER 7
Salisbury Farm and Residence	\$2,200,000	\$0.00
Salisbury Outparcels	\$310,000	\$0.00
Tennessee Campground	\$1,000,000 ⁹	\$0.00
Tennessee Hotel	Unknown ¹⁰	\$0.00
Tennessee Cabin and Lots	\$300,000	\$0.00
Total	\$3,810,000	\$0.00¹¹

LIABILITIES

1. WBR Liabilities

TYPE OF LIABILITY	CHAPTER 11	CHAPTER 7
Chapter 7 Administrative Expenses	\$0.00	\$100,000
Chapter 7 Trustee Commissions	\$0.00	\$275,000.00
Chapter 11 Administrative Claims (including post-confirmation fees net of retainer)	\$220,000.00	\$220,000.00
Secured Claims	\$6324436.00 ¹²	\$6,324,436.00

⁸ Assumes that existing assets have a liquidation value of 70% of fair market value if sold separately.

⁹ Represents net proceeds of satisfaction of mortgages by WBR Investment, TN, LLC. Because WBR Investment TN, LLC is not in Chapter 11, its ability to sell the Tennessee Campground will not be impacted by the theoretical conversion of WBR/Duck Neck to Chapter 7.

¹⁰ Because LNIC, TN, LLC is not in Chapter 11, its ability to sell the Tennessee Hotel will not be impacted by the theoretical conversion of WBR/Duck Neck to Chapter 7.

¹¹ Because all of the proceeds from "Other Assets" come from sales by sellers other than the Debtors, these proceeds would not be available in a Chapter 7 proceeding.

Priority Claims	\$5031.15	\$5,031.15
Unsecured Claims	\$18,000.00	\$18,000.00
Post-Confirmation Expenses	\$30,000.00	\$0.00
Total	\$6,597,467.15	\$6,942,467.15

2. Duck Neck Liabilities

TYPE OF LIABILITY	CHAPTER 11	CHAPTER 7
Chapter 7 Administrative Expenses	\$0	\$50,000.00
Chapter 7 Trustee Commissions	\$0	\$50,000.00
Chapter 11 Administrative Claims (including post-confirmation fees net of retainer)	\$70,000.00	\$70,000.00
Secured Claims	\$0.00	\$0.00
Priority Claims	\$22,608.94	\$22,608.94
Unsecured Claims	\$366,800.00	\$366,800.00
Post-Confirmation Expenses	\$20,000.00	\$0.00
Total	\$479,408.94	\$559,408.94

TOTAL ASSETS AND LIABILITIES (BOTH DEBTORS AND OTHER ASSETS)

	CHAPTER 11	CHAPTER 7
ASSETS	\$9,725,020.00	\$4,319,770.00
LIABILITIES	\$7,076,876.09	\$7,501,876.09

Because the current plan is funded to a significant extent by sales by parties other than the Debtors, substantial revenues that are expected to be realized in Chapter 11 would not be available in Chapter 7. Additionally, there would be increased administrative costs associated with a Chapter 7 proceeding because a Trustee would need to familiarize himself or herself with considerable background information. As a result, creditors will fare considerably better if this

¹² To avoid double counting, the PNC secured claim will only be factored in the WBR case, although PNC holds the

case remains in Chapter 11. Specifically, the Chapter 11 projection is that after repayment to PNC and payment of all administrative priority and priority claims, all unsecured creditors will be paid in full. By contrast, in the event of conversion to Chapter 7, it is projected that after liquidation of all of the Debtors' assets, there would be insufficient funds to repay the secured claim of PNC, much less allow a distribution to administrative priority, priority or general unsecured creditors.

Dated: September 12, 2016

/s/ Alan M. Grochal

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mlilja@tydingslaw.com

Counsel for the Debtors

identical claim in both cases.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 12th day of September, 2016, a copy of the Debtors' Joint Fourth Amended Disclosure Statement was served via first class mail, postage pre-paid or electronically via the Court's CM/ECF electronic notification system on all the parties listed on the attached matrix.

/s/ Alan M. Grochal
Alan M. Grochal

Duck Neck Campground LLC
Matrix

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Salisbury, MD 21801

Allied Waste
907 Willow Grove Rd.
Felton, DE 19943

Central Collections Unit
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4th Floor
Baltimore, MD 21201

Chesapeake Employers Insurance
8722 Loch Raven Blvd.
Towson, MD 21286

Choptank Electric
Po Box 430
Denton, MD 21629

Home Paramount
PO Box 850
Forest Hill, MD 21050

Philadelphia Insurance
PO Box 70251
Philadelphia, PA 19176

PNC Bank N.A.
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Pittsburgh, PA 15222

Queen Anne's County Health Department
206 N. Commerce St
Centreville, MD 21617

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