

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

In re:

*

Case No. 16-14029 DER

**OVERTON & OGBURN
ASSOCIATES, INC.,**

*

(Chapter 11)

*

Debtor.

*

* * * * *

DEBTOR'S AMENDED DISCLOSURE STATEMENT

I. Introduction

Overton & Ogburn Associates, Inc. (the "Debtor"), Debtor and Debtor-in-Possession, by undersigned counsel, provides this 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 Debtor's Amended Plan of Reorganization (the "Plan") filed by the Debtor in the above-captioned proceeding on July 19, 2017.

**NO REPRESENTATIONS CONCERNING THE DEBTOR
(PARTICULARLY AS TO THE VALUE OF ITS ASSETS) ARE AUTHORIZED,
OTHER THAN AS SET FORTH IN THIS STATEMENT. ANY REPRESENTATIONS
OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OF THE AMENDED PLAN
WHICH ARE NOT CONTAINED IN THIS AMENDED DISCLOSURE STATEMENT
SHOULD NOT BE RELIED UPON BY ANY CREDITOR, AND SHOULD BE
REPORTED TO THE UNDERSIGNED COUNSEL FOR THE DEBTOR. MUCH OF
THE INFORMATION CONTAINED IN THIS STATEMENT HAS NOT BEEN
SUBJECT TO A CERTIFIED AUDIT. THE RECORDS KEPT BY THE DEBTOR 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 March 29, 2016 (the “Petition Date”), the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, and, pursuant to §§ 1107 and 1108 of the Bankruptcy Code, has continued in the possession of its property and management of its business as a Debtor-in-Possession.

The Debtor is a Maryland Corporation formed in 1976. The Debtor is owned by John A. Overton. The Debtor is licensed to handle construction projects in the Commonwealth of Virginia and also owns a parcel of real estate improved by an office building located in Carroll County, Maryland (the “Property”).

The Debtor’s current sole source of income is the rents it collects from the tenants of the Property. The Property consists of two parcels of land, which together are known as 909 Baltimore Boulevard, Westminster, Maryland 21157.

A combination of factors has forced the Debtor to seek protection under Chapter 11. The Debtor guaranteed two commercial loans made by OAB Bank to related parties of the Debtor. Both loans were subsequently acquired by First National Bank of Pennsylvania, as successors to OBA Bank (“FNB”).¹ FNB declared these loans to be in default and scheduled a foreclosure sale on the Property which precipitated the instant filing.

III. The Chapter 11 Proceedings

A. Administrative Responsibilities

¹ FNB’s interests were sold to JTS Capital 2 LLC (“JTS”) in September 2016 and formal transfers of claims were filed on December 30, 2016 (dkt. 45, 46).

The Debtor is current in the filing of its Debtor-in-Possession Monthly Operating Reports, as well as in payment of quarterly fees owed to the Office of the United States Trustee.

B. Retention of Professionals

Since the Petition Date, the Debtor has retained Tydings & Rosenberg LLP as Counsel, and has assumed a Leasing & Sales Agreement with Lee & Associates, Chesapeake Region, LLC (the “Real Estate Broker”) so that the Real Estate Broker can continue to act under the pre-petition agreement. Under the terms of the agreement, the Real Estate Broker was granted the exclusive right to procure and negotiate new leases for the Property and was also granted the exclusive right to market and sell the Property. In connection with a sale of the Property, the Real Estate Broker is entitled to a 4% commission on the purchase price for a direct contract with a purchaser. To the extent that a cooperating broker is involved, the sales commission will be 6% to be split between the Real Estate Broker and the cooperating broker.

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

Because the source of funding of the Plan is the net sale proceeds received from either the sale or the refinance of the Property, there will be few factors that may bear on the success or failure of the Plan. The ability of the Debtor to continue to secure additional tenants to occupy the Property will be a factor bearing on the success of both the Debtor’s ability to refinance and whether the Debtor can obtain an acceptable sales price, since a fully occupied building is more attractive to potential purchasers. To date, the Property is 60% occupied, and the Real Estate Broker is actively marketing for additional tenants. The Debtor is in serious negotiations with a party that is seeking to rent 15,000 square feet of space which would provide the Debtor with additional income of \$300,000 annually and would make the Property nearly fully leased. Accordingly, if this new lease is consummated, the Property will be much easier to either sell or

refinance. The major factor bearing on the success of the Plan, if the Debtor decides to sell the Property, is the final purchase price of the Property at the time of sale; however, the Debtor anticipates that, under any circumstances, net sale proceeds should be sufficient to pay JTS in full, and, at worst, should allow a substantial dividend for general unsecured creditors. The Debtor is confident that the sales price will be sufficient to fund the plan because of its experience in marketing the Property and the extensive knowledge of the Real Estate Broker as to property values in the area. To the extent that the sales price for the Property is insufficient to pay all creditors in full, then net proceeds, after payment of JTS, will be distributed in accordance with the priorities set forth in the Bankruptcy Code.

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 Debtor believes all classes of creditors will likely be paid in full and are unimpaired, it is possible that unsecured creditors may not be paid in full and thus could be impaired. Accordingly, unsecured creditors will be 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 voting². To the extent that the Class 4 creditor is impaired, the Debtor intends to invoke the cramdown provisions contained in §1129(b), if necessary, to confirm the Plan over the objection of JTS.

VI. The Plan of Reorganization.

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 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.

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.

² If, at the time of plan confirmation, the Debtor has obtained a non-contingent sale contract and there is 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.

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 Debtor’s Estate and operating the business of the Debtor (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; (c) compensation for the Real Estate Broker pursuant to the Order Granting Motion for Authority to Assume Leasing & Sales Agreement [Dkt. 22] to the extent incurred prior to the Effective Date; and (d) all fees and charges assessed against the Debtor’s Estate 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 Debtor 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 “Avoidable Transfer(s)” means a transfer by the Debtor that may be avoided under any provision of the Bankruptcy Code including, but not limited to, §§ 544, 547, 548 or 549.

1.5 “Avoidance Action(s)” means all rights, remedies, claims or causes of action arising under §§ 544, 545, 546, 547, 548, 549, 550, 553, or 558 of the Bankruptcy Code, including, but not limited to, any right, power, or remedy to avoid any statutory lien or any pre-petition or post-petition transfer.

1.6 “Bank” means First National Bank of Pennsylvania and successor to OBA Bank.

1.7 “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.

1.8 “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.

1.9 “Claim(s)” means any claim against the Estate 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.

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

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

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

1.13 “Claims Bar Deadline” means August 2, 2016.

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

1.15 “Debtor” means Overton & Ogburn Associates, LLC.

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

1.17 “Disputed Claim(s)” means any Claim or a portion of any Claim as to which the Debtor, 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.

1.18 “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, or (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.

1.19 “Estate” means the bankruptcy estate created pursuant to section 541 of the Bankruptcy Code upon commencement of the Debtor’s bankruptcy case.

1.20 “Equity Interests” mean any and all stock interests of the Debtor.

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 “Governmental Claims Bar Deadline” means September 26, 2016.

1.23 “Lender” means JTS Capital 2, LLC, assignee of First National Bank of Pennsylvania.

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 Debtor’s counsel and other persons employed by the Debtor, and to any other professionals whose employment is authorized by the Court.

1.25 “Petition Date” means March 29, 2016.

1.26 “Plan” means this Amended Plan of Liquidation, or as hereafter further 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 “Property” means the commercial property owned by the Debtor, consisting of two parcels of land, which together are known as 909 West Baltimore Blvd., Westminster, Maryland 21157.

1.30 “Real Estate Broker” shall mean Lee & Associates, Chesapeake Region, LLC or any company that is subsequently retained to replace Lee & Associates after their engagement expires.

1.31 “Schedules” means the schedules of assets and liabilities and statement of financial affairs filed by the Debtor 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.

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 Debtor 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 the Lender.

2.5 Class 5. Class 5 is comprised of all general unsecured allowed claims, excluding Class 6 claims.

2.6 Class 6. Class 6 is comprised of all equity interests in the Debtor which are owned by John A. Overton, Jr.

TREATMENT OF CLAIMS AND INTERESTS

3.1 Class 1. The Debtor 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 Debtor and the particular claimant, or (d) the date that the Debtor has sufficient funds in the Disbursing Account. Class 1 is not a class of claims impaired under the Plan.

3.2 Class 2. The Debtor 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 Debtor and the particular claimant, or (d) the date that the Debtor has sufficient funds in the Disbursing Account. Class 2 is not a class of claims impaired under the Plan.

3.3 Class 3. The Debtor 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 Debtor and the particular claimant, or (d) the date that the Debtor has sufficient funds in the Disbursing Account. Class 3 is not a class of claims impaired under the Plan.

3.4 Class 4. The holder of an allowed Class 4 claim shall be paid in full from the sale of the Property. The Debtor shall continue to make monthly mortgage payments in the amount of \$13,914.39 continuing until the Property is sold. Payment to the allowed Class 4 claimholder shall be made on the closing of the sale of the Property. 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 sale of the Property. The Debtor anticipates, but cannot be certain as of the date of the filing of this Plan, that Class 5 claims shall 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. Payment of Class 5 claims shall be subject to a reserve to cover anticipated future administrative expenses. Class 5 is a class of claims impaired under the Plan.

3.6 Class 6. The Class 6 claimant shall retain his equity interest post-Confirmation, but shall not be entitled to any distributions until all creditors in Classes 1 through 5 have been paid in full. The Debtor 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.

MEANS FOR EXECUTION OF THE PLAN

4.1 Funding of Plan. The Plan shall be funded from cash on hand plus all net proceeds from either the sale or refinance of the Property. The Debtor anticipates that the net proceeds from the sale of the Property will be sufficient to pay all creditors in full. In the event that the Debtor ultimately refinances the Property, the Debtor anticipates that it will be able to repay the Lender and will then term out payments to both administrative priority creditors and general unsecured creditors.

4.2 The Sale Process. The Debtor has retained a Real Estate Broker³ to attempt to obtain an acceptable contract for the sale of the Property. The Debtor is currently in the final stages of negotiations with a company that owns a neighboring property. While the

³ The Court entered an Order Granting Motion for Authority to Assume Leasing & Sales Agreement [Dkt. 22] approving the Leasing & Sales Agreement between the Debtor and the Real Estate Broker.

Debtor is hopeful that these negotiations will lead to a ratified contract, if the Debtor has not received an acceptable contract to sell the Property within twelve (12) months of the Effective Date of the Plan, then the Debtor will sell the Property by public auction within fifteen (15) months of the Effective Date of the Plan. However, if the Debtor has an executed non-contingent contract for sale within the fourteen (14) months after the Effective Date of the Plan, the Debtor shall have an additional 90 days in which to close the sale. If the sale is not completed within the additional 90 days, then the Property will be sold by public auction after the expiration of that 90 days. The Debtor believes that the Property will be sold for approximately 2.5 million dollars, which is somewhat less than the scheduled value of the property. This belief is based upon the Debtor's experience in having actively marketed the Property since the prior to the Petition Date and upon the advice of the Real Estate Broker who is knowledgeable of similar transaction in the Carroll County area.

4.3 The Refinance Process. Although the Debtor is reasonably confident that it will be able to sell the Property within the time frames described above, the Debtor is also involved in negotiations with a party that wishes to lease 15,000 square feet of space in the Property. If consummated, this lease would provide the Debtor with additional income of \$300,000 annually. Aside from making the Debtor cash flow positive, it would enable the Debtor to refinance the Property, payoff the Lender, and emerge from Chapter 11 by terming out the administrative expenses and unsecured debt. The Debtor believes that a possible refinance of the Lender's debt can occur within the same time frame as the sale process described above. According, if the current sale negotiations do not generate a ratified contract, the Debtor intends to both continue to market the Property for sale and pursue refinancing options.

4.4 Retained Rights and Powers; Continued Existence of Debtor. Upon

confirmation of the Plan, the Debtor shall retain all of its 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 Debtor, the Debtor shall continue in existence as debtor-in-possession for the purpose of taking such actions as it deems necessary or desirable in connection with the Plan and the Estate, including, without limitation, (i) winding up the Debtor's affairs; (ii) liquidating, by conversion to Cash or other methods, including by way of abandonment, any remaining assets of its Estate, as expeditiously as reasonably possible; (iii) enforcing and prosecuting claims, interests, rights and privileges of the Debtor and its Estate, 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 Debtor. The Debtor 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 Debtor and/or the Estate, and otherwise prosecute, settle, compromise or pursue such claim or cause of action; (c) retain and employ professionals as the Debtor deems necessary or appropriate to carry out the terms and purposes of the Plan and on such terms as the Debtor deem reasonable (including counsel for the Debtor); (d) execute and enter into contracts on behalf of the Estate as the Debtor deems necessary or appropriate to carry out the terms and purposes of the Plan and on such terms as the Debtor deems reasonable; (e) liquidate all assets of the Debtor 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 Debtor's Chapter 11 case; 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 of the Bankruptcy Code, the issuance, transfer or exchange of any notes or equity securities under the Plan, sales of the Debtor's 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 sale of the Property, 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 Debtor's assets shall be placed in one or more disbursing accounts. The Debtor 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 Debtor is authorized to make interim distributions to Class 1 claimants, subject to a reserve, determined in the discretion of the Debtor, to cover ongoing administrative expenses.

4.9 Resolution of Disputed Claims. To the extent a Claim is a Disputed Claim, the Debtor 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 Debtor 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 Debtor 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 Debtor is 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.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

5.1 Rejection of Remaining Leases and Contracts. On the Effective Date, except as otherwise provided herein, or in any contract, instrument, release, indenture or other agreement or document entered into in connection with the Plan, Executory Contracts and Unexpired Leases shall be deemed rejected as of the Effective Date, unless such Executory Contract or Unexpired Lease: (i) was assumed, assumed and assigned or rejected previously by the Debtor; (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. 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.

MODIFICATION OF PLAN

6.1 Pre-Confirmation Modification. The Debtor reserves 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 Debtor 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.

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 Debtor, 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 Debtor 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 Debtor in any manner other than as specified in the Plan. Nothing in this Plan is meant to discharge any party other than the Debtor from any claim, debt or liability of any type whatsoever.

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 Debtor's 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 a sale of the Property;

(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 Debtor to object, or to examine any Claim for purposes of voting, shall not be deemed to be a waiver of the Debtor's right to object to or re-examine any Claim in whole or in part.

(c) Except to the extent that the Debtor chooses to invoke the jurisdiction of a state court, the determination of all causes of action, controversies, disputes and conflicts involving, or relating to, the Debtor or its assets, arising prior to or after the Confirmation Date, whether or not subject to an action pending as of the Confirmation Date, between the Debtor and any other party or parties, including but not limited to, any right of the Debtor 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 Debtor's 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 Debtor, 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 Debtor, the Estate, and/or property of the Estate.

(i) The resolution of any disputes 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 Debtor and its 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 Debtor 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.
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 Amended Plan, and to

the extent necessary, the Debtor invokes the entitlement of section 1129(b) of the Bankruptcy Code, such that, as long as the Amended 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 Amended 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 Debtor have

become Allowed Claims or have been disallowed by Final Order, and the Debtor has determined that all causes of action have been fully and finally resolved, and all distributions required pursuant to the Plan have been completed, the Debtor 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 Amended 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 Amended Plan and the Court shall, with the consent of the Debtor, 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 Amended 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 Amended Plan, as it may have been altered or interpreted in accordance 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 AMENDED DISCLOSURE STATEMENT SHOULD BE CONSTRUED AS LEGAL OR TAX ADVICE. THE DEBTOR AND ITS 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 Amended Plan Of Reorganization

In the event that the Amended 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 Property, as well as the Debtor's financial matters. The Chapter 7 trustee would not likely capture the highest value of a sale of the Property. Therefore, it is anticipated that creditors will fare considerably better if this case remains in Chapter 11 and the Amended Plan is confirmed.

Set forth below is a projected liquidation analysis of the Debtor's assets and liabilities as of April 30, 2017:

ASSETS

TYPE OF ASSETS	CHAPTER 11	CHAPTER 7
The Property	\$2,500,000.00	\$1,875,000.00 ⁴
Bank Account Balances (approximate)	\$527.62	\$527.62
Office equipment	Negligible	Negligible
Accounts Receivable	None	None
Avoidance Actions	None	None
Total	\$2,500,527.62	\$1,875,527.62

⁴ Assumes that Property will generate roughly 75% of value in a Chapter 7 case.

LIABILITIES

TYPE OF LIABILITY	CHAPTER 11	CHAPTER 7
Chapter 7 Administrative Expenses	\$0.00	\$25,000
Chapter 7 Trustee Commissions	\$0.00	\$50,000.00
Chapter 11 Administrative Claims (projected legal fees through confirmation)	\$55,000.00	\$55,000.00
Secured Claims	\$2,259,346.07 ⁵	\$2,259,346.07
Priority Claims	\$30,449.45 ⁶	\$30,449.45
Unsecured Claims	\$6,713.54	\$6,713.54
Post-Confirmation Expenses	\$10,000.00	\$0.00
Total	\$2,361,509.06	\$2,436,509.06

⁵ Pursuant to claims Nos. 2 and 3 filed in May 2016.

⁶ Includes scheduled priority claims plus a claim by the Internal Revenue Service.

TOTAL ASSETS AND LIABILITIES (BOTH DEBTORS)

	CHAPTER 11	CHAPTER 7
ASSETS	\$2,500,527.62	\$1,875,527.62
LIABILITIES	\$2,361,509.06	\$2,436,509.06

Because of the increased administrative costs associated with a Chapter 7 proceeding, conversion to Chapter 7 will have a significant negative impact on the sale price for the Property. Therefore, it is anticipated that creditors will fare considerably better if this case remains in Chapter 11. Specifically, the Chapter 11 projection is that after repayment to the Lender and payment of all administrative priority and priority claims, all unsecured creditors will likely be paid in full. By contrast, in the event of conversion to Chapter 7, there is a serious question as to whether the secured claim will be repaid. Even if the Property produces a slightly higher selling price in Chapter 7, after payment of all Chapter 7 and Chapter 11 administrative claims, as well as priority claims, it is likely that there would be no funds available for distribution to unsecured creditors.

Dated: July 19, 2017

/s/ Alan M. Grochal
 Alan M. Grochal, Bar No. 01447
 Marissa K. Lilja, Bar No. 19004
 Tydings & Rosenberg LLP
 100 East Pratt Street, 26th Floor
 Baltimore, Maryland 21202
 Telephone (410) 752-9700
agrochal@tydingslaw.com
mlilja@tydingslaw.com

Counsel for the Debtor

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 19th day of July, 2017, a copy of the Debtor's 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

Overton & Ogburn Ltd. Matrix
4/6/16

US Trustee's Office
Garmatz Federal Courthouse
101 West Lombard St., Suite 2625
Baltimore, MD 21201

First National Bank of Pennsylvania
c/o Craig B. Leavers, Esquire
Hofmeister, Breza & Leavers
Executive Plaza III
11350 McCormick Rd., Suite 1300
Hunt Valley, MD 21031

Bank of America
c/o First Source
205 Bryant Woods South
Buffalo, NY 14228

Carroll County, Maryland
225 North Centre Street
Westminster, MD 21157

Citibank/Exxon Mobil
c/o McCarthy, Burgess and Wolff
26000 Cannon Road
Bedford, OH 44146

JTS Capital Servicing LLC
JTS Capital 2 LLC
c/o David Porter, VP
PO Box 21505
Waco, TX 76702