

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
Greenbelt Division**

In re:

THE CONDOMINIUM ASSOCIATION OF
THE LYNNHILL CONDOMINIUM,

Debtor.¹

Case No. 18-10334

Chapter 11

STATUS OF SUBMISSION OF CONFIRMATION ORDER

The Condominium Association of the Lynnhill Condominium (the “Debtor”) submits this short report on the status of submission of the Confirmation Order.

The Debtor circulated a revised Confirmation Order to counsel for parties at the confirmation hearing on February 27, 2018, consistent with its understanding of the resolutions reported on the record yesterday and the Court’s rulings. A copy of this revised Confirmation Order, marked against the most recent Confirmation Order presented to the Court, is attached as Exhibit A.

Counsel for Dragone Realty LLC, Nagle & Zaller, and Washington Sewer and Sanitation Commission have confirmed that the Debtor’s revised Confirmation Order is acceptable.

Prince George’s County (the “County”) has sent comments to the Confirmation Order which are being reviewed. The County’s comments are reflected in the attached Exhibit B. The Debtor does not agree with many of these comments.

The United States Trustee is still reviewing the Confirmation Order and has raised a new issue, unrelated to its objection, which was resolved, in part, and overruled, at yesterday’s hearing.

¹ The Debtor’s federal identification number is 52-0993760.



The Debtor intends to try to resolve remaining issues before Court begins at 10:00 a.m. Eastern Standard Time today. If, however, the Debtor cannot reach an agreement with the County or the United States Trustee, it reserves the right to request entry of its form of order, or, in the case of the County, to return to the escrow solution that had been incorporated in the prior proposed form of the Confirmation Order.

Dated: February 28, 2018

Respectfully submitted,

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Exhibit A

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
Greenbelt Division

In re:

THE CONDOMINIUM ASSOCIATION
OF THE LYNNHILL CONDOMINIUM,

Debtor.¹

Case No. 18-10334

Chapter 11

**ORDER (I) FINALLY APPROVING DISCLOSURE STATEMENT,
(II) CONFIRMING DEBTOR'S SECOND AMENDED JOINT CHAPTER 11 PLAN AND
(III) AUTHORIZING THE SALE OF "THE LYNNHILL CONDOMINIUM"
FREE AND CLEAR OF ALL LIENS, CLAIMS AND INTERESTS**

Upon further consideration of the Condominium Association of the Lynnhill Condominium's (the "Debtor") Disclosure Statement and upon consideration of (i) the Debtor's *Second Amended Joint Chapter 11 Plan*; [\[Doc. 227\]](#), attached hereto as **Exhibit 1** (the "Plan"),² (ii) the *Debtor's Memorandum of Law in Support of the First Amended Joint Chapter 11 Plan* [Doc. 208], (iii) the *Declaration of Stanley Briscoe in Support of the First Amended Joint Chapter 11 Plan* [Doc. 209], (iv) the *Declaration of Robin Williams in Support of the First Amended Joint Chapter 11 Plan* [Doc. 207], ~~and~~ (v) the *Declaration of Vito Dragone III* [Doc. 215]; [\(vi\) Certification of Jeffrey Miller with Respect to the Tabulation of Votes on the First Amended Joint Chapter 11 Plan](#) [Doc. 206] (the "Tabulation of Votes");³ and the Court having held a hearing (the "Confirmation Hearing") on February 27, 2018 at 10:00 a.m., to consider final approval of the Disclosure Statement and confirmation of the Plan; and upon the record of the Confirmation Hearing and of this entire chapter 11 case, and the evidence proffered and the

¹ The Debtor's federal identification number is 52-0993760.

² Capitalized terms used but not defined in this Order have the meanings given such terms in the Plan.

³ [Items \(iii\) through \(vi\) were admitted into evidence at the Confirmation Hearing.](#)

arguments of counsel at the Confirmation Hearing, and after due deliberation and consideration; the Court makes the following findings and conclusions, and orders as follows:

1. Pursuant to 28 U.S.C. §§ 157 and 1334, the Court has jurisdiction to hear and rule on the Debtor's request to grant final approval of the Disclosure Statement and to confirm the Plan, grant the relief requested in and in connection with the Plan, and enter this Order confirming the Plan (collectively, the "Confirmation Request"). Venue is proper in this District under 28 U.S.C. § 1408. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). The statutory predicates for the relief sought include sections 105, 363, 365, 1129, and 1146(a) of the U.S. Bankruptcy Code ("Bankruptcy Code") and Rules 2002, 3016–3020, 6004, 9006, 9014, and 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

2. Proper, timely and adequate notice of the Confirmation Request, the Confirmation Hearing, and the request for entry of this Order has been provided in accordance with section 102(1) of the Bankruptcy Code ~~and~~, Rules 2002, 6004, and 9006 of the Bankruptcy Rules, and [the applicable orders of this Court, and](#) no other or further notice is required.

3. On January 10, 2018, the Debtor filed a voluntary petition under chapter 11 of the Bankruptcy Code. The Debtor continues to manage and preserve its property as debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or committee has been appointed in this chapter 11 case.

4. On January 18, 2018, the Court entered an order (the "DS Order") conditionally approving the Disclosure Statement and setting the hearing for final approval of the Disclosure Statement for February 27, 2018 at 10:00 a.m. (the "Final DS Hearing"). Subsequently, Holders of Claims were sent and cast ballots on the Plan.

5. Pursuant to the DS Order, the Court also set February 27, 2018 at 10:00 a.m. as the date and time for the Confirmation Hearing on the Plan.

6. The certificate of service filed with the Court on January 26, 2018 [Doc. 121] reflects that the Plan and Disclosure Statement, together with notice of the Confirmation Hearing, Final DS Hearing and the deadlines for filing objections were served on all parties in interest, including all known creditors, Former Residents, Unit Lienholders and persons having filed a notice of appearance and request for documents.

7. Additionally, the certificate and affidavits of publication of notice filed with the Court on January 29, 2018 [Docs. 128, 129, 131] reflect that the Debtor published notice of the Confirmation Hearing, Final DS Hearing and the Sale (as defined below) in the form approved by the Court in the *Washington Post*, *The Prince George's Post*, and *The Prince George's Sentinel*. See Doc. 72. The Court finds that the Debtor provided adequate notice and that no other or further notice is required to grant and enter this Order.

8. The Disclosure Statement meets the standards for final approval under the Bankruptcy Code, and the Plan meets the standards for confirmation under section 1129(a) of the Bankruptcy Code.

9. The Disclosure Statement and the Plan comply with the applicable provisions of the Bankruptcy Code, as mandated by, among other sections, section 1129(a)(1) of the Bankruptcy Code.

10. The Debtor has complied with the applicable provisions of the Bankruptcy Code, as mandated by, among other sections, section 1129(a)(2) of the Bankruptcy Code.

11. The Disclosure Statement and the Plan have been proposed in good faith and not by any means forbidden by law as required by section 1129(a)(3) of the Bankruptcy Code.

12. Any payment made or to be made by the Debtor or any person issuing securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with this chapter 11 case, or in connection with the Plan and incident to this chapter 11 case, has been approved by, or is subject to the approval of, the Court as reasonable, as required by section 1129(a)(4) of the Bankruptcy Code.

13. The Debtor has made the applicable disclosures required by section 1129(a)(5)(A) and (B) of the Bankruptcy Code and the subjects of such disclosures are consistent with the interest of the Debtor's creditors and public policy, as required by section 1129(a)(5)(A)(ii) of the Bankruptcy Code.

14. Section 1129(a)(6) of the Bankruptcy Code is inapplicable to this chapter 11 case.

15. On February 23, 2018, the Debtor filed the Tally of Ballots and the *Certification of Jeffrey Miller with Respect to the* Tabulation of Votes *on the First Amended Joint Chapter 11 Plan [Doc. 206]*, certifying the methodology for the tabulation of votes and the results of voting for each of the voting classes entitled to vote on the Plan.

16. Under the Plan, all classes of Claims are impaired, except for ~~Classes~~Class 1.

17. Considering only timely cast votes, and in accordance with the resolutions set forth below, Classes 2 through 6 voted unanimously in favor of the Plan. No votes were cast for Class 1, which is conclusively presumed to have voted in favor of the Plan pursuant to section 1126(f) of the Bankruptcy Code.

18. With respect to each impaired Class of Claims, each Holder of a Claim of such Class (i) has accepted the Plan, or (ii) will receive payments in amounts that exceed those that such Holders would receive if the Debtor and its estate were liquidated under chapter 7, thereby satisfying section 1129(a)(7)(A) of the Bankruptcy Code.

19. Except to the extent the Holder of a particular Claim has agreed to a different treatment, the Plan provides that the Holders of Claims of the kinds specified in sections 507(a)(2) and 507(a)(8) of the Bankruptcy Code will receive the treatment mandated by section 1129(a)(9) of the Bankruptcy Code.

20. At least one impaired class of Claims has accepted the Plan, determined without including acceptance of the Plan by any insider, as required by section 1129(a)(10) of the Bankruptcy Code.

21. Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor, and therefore section 1129(a)(11) of the Bankruptcy Code is satisfied.

22. All fees due and payable under section 1930 of title 28 of the United States Code have been paid or will be paid pursuant to the Plan, as required by section 1129(a)(12) of the Bankruptcy Code.

23. Section 1129(a)(13) of the Bankruptcy Code (addressing retiree benefits) is inapplicable to this chapter 11 case.

24. Section 1129(a)(14) of the Bankruptcy Code (addressing domestic support obligations) is inapplicable to this chapter 11 case.

25. Section 1129(a)(15) of the Bankruptcy Code (applicable where the debtor is an individual) is inapplicable to this chapter 11 case.

26. Section 1129(a)(16) of the Bankruptcy Code (addressing transfers of property by nonprofit corporations or trusts) is inapplicable to this chapter 11 case.

27. The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933. Accordingly, the Plan satisfies the requirements of section 1129(d) of the Bankruptcy Code.

28. The Debtor's decisions regarding assumption and rejection of executory contracts and unexpired leases are based on and within the Debtor's sound business judgment, and are in the best interests of the Debtor and its estate.

29. Pursuant to the applicable provisions of the Bankruptcy Code and other applicable law, including sections 105 and 1123 of the Bankruptcy Code and Rule 9019(a) of the Bankruptcy Rules, the settlements, releases, compromises, setoffs, waivers, discharges and injunctions set forth in the Plan (including without limitation in Article 9) are approved as integral parts of the Plan, and are hereby approved as fair, equitable, reasonable, and in the best interests of the Debtor, its estate and creditors.

30. The Court finds that the provisions and terms contained in the Plan are fair and reasonable, were negotiated as part of an arm's-length transaction, and are in the best interests of the Debtor, its estate and creditors.

31. All transfers, assignments, conveyances, and sales of real or personal property provided for in the Plan or this Order or undertaken to carry out the Plan, are essential to the confirmation and implementation of the Plan.

32. The modifications to the Plan [since originally filed](#) do not require re-solicitation and are permissible under section 1127(a) and (c) of the Bankruptcy Code. Moreover, the modifications to the Plan [since originally filed](#) comply with section 10.1 of the Plan.

33. The modifications to the Plan [since originally filed](#) do not adversely change the treatment of any Holder of a Claim such that such change would likely cause any Holder of a Claim to reconsider its acceptance of the Plan.

34. Notwithstanding the modifications to the Plan [since originally filed](#), the Disclosure Statement contains adequate information concerning the Plan ~~which~~[that](#) would allow a reasonable, hypothetical creditor to make an informed judgment regarding the Plan.

35. Solicitation of the Plan is sufficient and no re-solicitation of the Plan is required under section 1127 of the Bankruptcy Code or Rule 3019(a) of the Bankruptcy Rules. The Plan, as further amended, shall be deemed accepted by all Holders of Claims who previously accepted the Plan.

36. On February 20, 2018, Nagle & Zaller objected to the Plan and Disclosure Statement [Docs. 189, 190] (“Nagle & Zaller’s Objection”). The resolution to Nagle & Zaller’s Objection was set forth on the record at the Hearing as follows: Nagle & Zaller’s Claim will be reduced from \$145,907.78 (the face amount of Nagle & Zaller’s Claim) to \$124,500.00 and will be paid at Closing. Nagle & Zaller agreed to withdraw Nagle & Zaller’s Objection and change its vote against the Plan to a vote in favor of the Plan without opting out of the releases in section 9.5 of the Plan. The Court finds that the resolution of Nagle & Zaller’s Claim and Nagle & Zaller’s Objection is proper and avoids unnecessary litigation with uncertain results regarding the relative priority of Nagle & Zaller’s Claim (*e.g.*, whether secured or unsecured), issues regarding Nagle & Zaller’s right to interest and disputes over the amount of Nagle & Zaller’s Claim and claims, if any, against Nagle & Zaller. The Debtor’s estate will also save expenses by eliminating the need for an escrow for Nagle & Zaller’s Claim. Moreover, the resolution

provides for distributions consistent with the Circuit Court Order (as defined below) and the Bankruptcy Code.

37. On February 20, 2018, Washington Suburban Sanitary Commission (“WSSC”) objected to the Plan and Disclosure Statement [Docs. 187, 188] (“WSSC’s Objection”). The resolution to WSSC’s Objection was set forth on the record at the Hearing as follows: WSSC’s Claim will be reduced from \$246,785.00 (the face amount of WSSC’s Claim) to \$230,000.00 and will be paid at Closing. WSSC agreed to withdraw WSSC’s Objection and change its vote against the Plan to a vote in favor of the Plan without opting out of the releases in section 9.5 of the Plan. The Court finds that the resolution of WSSC’s Claim and WSSC’s Objection is proper and avoids unnecessary litigation with uncertain results regarding the priority of WSSC’s Claim and issues regarding WSSC’s right to interest. Moreover, the resolution provides for distributions consistent with the Circuit Court Order and the Bankruptcy Code.

38. All parties who did not object to the Plan and the relief requested in the Plan, or who withdrew their objections (“Plan Non-Objectors”), are deemed to have consented to the Plan. All objections by other parties to the Plan (“Plan Objectors”) are overruled and dismissed and shall not constitute a basis for interfering with or preventing the implementation or substantial consummation of the Plan. All Plan Non-Objectors, Plan Objectors and other persons and entities are enjoined from taking any actions to interfere with or delay the implementation of the Plan pursuant to this Order; and any such enjoined actions shall be (and shall be deemed to be) void and of no effect.

**FURTHERMORE, IN CONNECTION WITH THE SALE OF THE PROPERTY,
AS CONTEMPLATED BY THE PLAN:**

39. Before the Court is the Debtor's request (the "Sale Request"), to sell the real property and improvements thereon located at 3103 and 3107 Good Hope Avenue, Temple Hills, Maryland 20748 (the "Property") free and clear of all ~~liens, encumbrances, rights and other interests (the "Sale Request")~~Encumbrances⁴ pursuant to the Plan, sections 105(a), 363, 1123, and 1129 of the Bankruptcy Code and Rules 2002, 6004, 9014, and 9019 of the Federal Rules of Bankruptcy Procedure.

40. The Court finds that, on November 2, 2017, the Circuit Court for Prince George's County (the "Circuit Court") entered an Amended Judgment and Order (the "Circuit Court Order") in which it held, among other things, that it could vest the Debtor with authority to sell the Property in fee simple absolute where, among other factors, "there has been a threat of condemnation; and . . . where the condominium regime is terminated and the [Debtor] becomes the effective owner of the Property for such purposes." Circuit Court Order, ¶ 12. The Circuit Court found that "by necessity under the circumstances, and as a practical matter . . . the condominium is for all intents and purposes terminated." *Id.* The Circuit Court based its finding on the following factors: "[T]he Property has been fully vacated, is uninsured, lacking in financial resources, and possess [sic] a threat to the public and a burden to the County." *Id.* The Circuit Court also noted that: "The County has represented on the record to the Court [that] it may condemn the Property in the near future." *Id.* at ¶ 5. Consequently, the Circuit Court entered an "AMENDED JUDGMENT" in which it ordered, *inter alia*, that: "The [Debtor] is

⁴ As used in this Order, "Encumbrance" means any and all liens, encumbrances, rights and other interests (including but not limited to mortgages, security interests, pledges, interests, judgments, demands, encumbrances, restrictions or charges of any kind or nature, fixed or contingent, rights of first refusal, and any and all Claims) and any and all rights and claims under any bulk transfer statutes and related laws, whether arising by agreement, statute, or otherwise and whether arising before or after the commencement of this chapter 11 case, whether known or unknown, including liens, encumbrances and other interests of any of the creditors, vendors, employers, suppliers, or any other third party, if any.

immediately authorized to take any and all actions necessary (including but not limited to execution of all necessary documents, including but not limited to purchase agreements, deeds, and other conveyance documents), to prosecute and consummate the Proposed Sale Process (including obtaining debt financing secured by first-priority liens against the Property), and convey all right title of interest (regardless of holder) in the Property . . . The condominium/condominium regime of the Lynnhill Condominium is hereby terminated.”

Circuit Court Order, pp. 5–6. The Circuit Court Order, *Consumer Prot. Div. Office of the Md. Attorney Gen. v. Lynnhill Condo. Dev., Inc.*, Case No. CAE16-40059 (Cir. Ct. Prince George’s Cty. Nov. 2, 2017), is attached hereto as **Exhibit 2**.

41. Consistent with the Circuit Court Order and with Maryland Real Property Code §§ 11-112 and 11-123, the Court finds that (i) [there was a threatened condemnation proceeding](#); (ii) the condominium and condominium regime of the Lynnhill Condominium is terminated; (iii) the Debtor is the fee simple absolute owner of the Property for the purpose of prosecuting and consummating a sale process for the Property; (iv) the Debtor is authorized to conduct a sale process and convey fee simple absolute title, including all right, title and interest (regardless of holder) to the Property, through the chapter 11 bankruptcy process, without the need to obtain any additional approvals from Former Residents or the execution of a condominium termination agreement; and (v) that the Debtor is authorized to engage professionals, including real estate brokers and advisors, to assist the Debtor in consummating a sale of the Property.

42. The Court finds that due and proper notice of the Sale Request was provided to, [among others](#), (i) the U.S. Trustee, (ii) counsel to Purchaser (defined below) and the DIP Lender, (iii) all parties listed on the Debtor’s Schedules as holding secured claims (*i.e.*, Schedule D), (iv) all parties who expressed in writing to the Broker an interest in acquiring the Property, and who

the Debtor and their representatives reasonably and in good faith determined potentially have the desire and financial wherewithal to effectuate the sale of the Property (the “Sale”), (v) all parties requesting notice pursuant to Rule 2002 and the Local Rules, and (vi) the parties listed on the Debtor’s list of creditors holding the 20 largest unsecured claims.

43. The Court finds that the Debtor provided proper, timely and adequate notice of the Sale in accordance with section 102(1) of the Bankruptcy Code and Rules 2002, 6004, and 9006 of the Bankruptcy Rules, and no other or further notice is required.

44. The Court hereby determines that the relief sought in the Sale Request is in the best interests of the Debtor, its estate and creditors, and all parties in interest and that the legal and factual bases set forth in the Sale Request and at the Confirmation Hearing establish just cause for the relief granted herein.

45. The Court has jurisdiction to consider the Sale Request pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

46. On February 5, 2018, the Court entered the *Order Granting Debtor’s Motion for an Order (I) Approving AHH16 Development, LLC as “Stalking Horse” by Approving the Break-Up Fee and Expense Reimbursement (II) Approving Auction and Bidding Procedures and (III) Granting Other Related Relief* [Doc. 143] (the “Bidding Procedures Order”). The Broker marketed the Property fairly, reasonably, and in good faith. Pursuant to the Bidding Procedures Order and the *Consent Order Resolving the Limited Objection of Dragone Realty, LLC to Motion for Approval of Auction and Bidding Procedures* [Doc. 161], the bid of Dragone Realty, LLC (“Purchaser”) in the amount of \$14,500,000 set forth in the Purchase and Sale Agreement (the “Dragone PSA”) attached as Exhibit A to the *Notice of Further Revised Bid of Dragone*

Realty, LLC [Doc. 132], was the Auction Baseline Bid (as defined in the Bidding Procedures Order).

47. On February 20, 2018, the Debtor conducted the Auction (as defined in the Bidding Procedures Order) in accordance with the Bidding Procedures Order. Purchaser and the stalking horse bidder, AHH16 Development, LLC, participated. Following several rounds of bidding, the Debtor selected Purchaser's subsequent overbid of \$17,050,000 (the "Purchase Price") as the Successful Bid (as defined in the Bidding Procedures Order).

48. Time is of the essence in consummating the Sale and it is in the best interests of the Debtor and its estate to sell the Property in exchange for the Purchase Price pursuant to the Plan and the Dragone PSA (as finally executed, the "Purchase Agreement").

49. Upon Closing of the Sale, the Property will be acquired by Purchaser after adequate marketing, as the result of arm's-length negotiations and in good faith.

50. Except as may be expressly set forth in the Purchase Agreement, the Property is being sold to Purchaser on an "as is, where is" basis, without representations or warranties of any kind, nature or description.

51. Reasonable notice of the Sale and a reasonable opportunity to object or be heard with respect to the Sale has been afforded to all creditors and interested parties.

52. This Order and consummation of the Sale are supported by good business reasons and will serve the best interests of the Debtor, its estate, and creditors by maximizing the value received for the Property.

53. The Purchase Agreement was negotiated, proposed, and entered into by Purchaser without collusion, in good faith, and from an arm's-length bargaining position. There is no insider relationship between Purchaser or its affiliates and the Debtor. The Debtor and

Purchaser have not engaged in any conduct that would cause or permit the Purchase Agreement to be avoided under section 363(n) of the Bankruptcy Code.

54. Purchaser is a good faith purchaser under section 363(m) of the Bankruptcy Code and as such is entitled to all of the protections afforded thereby, and otherwise has acted in good faith in all respects in connection with this chapter 11 case, in that: (i) Purchaser recognizes that the Debtor was free to deal with other parties interested in acquiring the Property; (ii) Purchaser agrees and understands that the Debtor was free to accept a higher and better offer for the Property; (iii) all payments to be made by Purchaser and all agreements entered into between Purchaser and the Debtor in connection with the Sale have been disclosed; (iv) the negotiation and execution of the Purchase Agreement was in good faith and represents an arm's-length transaction; (v) the Debtor conducted an auction process in accordance with the Bidding Procedures Order; and (vi) the disclosure requirements required by any Local Rule or otherwise have been satisfied.

55. The Purchase Price to be paid by Purchaser to the Debtor for the Property (i) is fair and reasonable; (ii) is the highest and best offer for the Property; and (iii) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and the Uniform Fraudulent Conveyance Act and the Uniform Fraudulent Transfer Act or any similar laws of any state or jurisdiction whose law applies to the Sale.

56. The consummation of the Sale will be a legal, valid, and effective sale of the Property to Purchaser and will vest Purchaser with all right, title and interest (fee simple absolute) to the Property, including but not limited to all of the Debtor's and Former Residents' right, title, and interest in and to the Property, free and clear of all ~~liens, encumbrances, rights~~

~~and other interests~~ Encumbrances in accordance with the applicable provisions of the Bankruptcy Code.

57. All parties who did not object to the Sale Request and the relief requested in the Plan with respect to the Sale, or who withdrew their objections (“Sale Non-Objectors”), are deemed to have consented to the Sale Request. All objections by other parties to the Sale (“Sale Objectors”) are overruled and dismissed and shall not constitute a basis for: (i) interfering with or preventing the prompt Closing of the Sale of the Property, or (ii) affecting title to the Property. All Sale Non-Objectors, Sale Objectors and other persons and entities are enjoined from (x) taking any actions to interfere with or delay the Sale pursuant to this Order and (y) taking any actions against Purchaser, its assigns, its affiliates, or any agent of the foregoing or against the Property to recover any claim which such person or entity may have against the Property or the Debtor; and any such enjoined actions shall be (and shall be deemed to be) void and of no effect.

58. Failure to sell the Property free and clear of ~~liens, encumbrances and other interests~~ Encumbrances would be substantially less beneficial to the Debtor, its estate and creditors.

NOW, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED, as of the date of this Order, that:

INITIAL HOLDINGS

A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this District under 28 U.S.C. § 1408. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

B. The findings of the Court above and the conclusions of law stated herein shall constitute findings of fact and conclusions of law pursuant to Rule 7052 of the Bankruptcy Rules, made applicable herein pursuant to Rule 9014 of the Bankruptcy Rules. To the extent any findings of fact shall be determined to be conclusions of law, it shall be so deemed, and vice versa.

C. The Debtor has complied with section 1125 of the Bankruptcy Code with respect to the Plan.

D. The Plan satisfies the requirements of sections 1122, 1123 and 1129 of the Bankruptcy Code.

E. The modifications to the Plan were made in a manner consistent with section 10.1 of the Plan and constitute changes that do not materially adversely modify the treatment of any Claims. The Debtor has complied with the requisite consent provisions of the Plan in connection with such modifications. Accordingly, pursuant to Rule 3019 of the Bankruptcy Rules, these modifications do not require additional disclosure under section 1125 of the Bankruptcy Code or re-solicitation of votes under section 1126 of the Bankruptcy Code, nor do they require that Holders of Claims be afforded an opportunity to change previously cast acceptances or rejections of the Plan.

DISCLOSURE STATEMENT APPROVED AND PLAN CONFIRMED

F. All objections to the Disclosure Statement or Plan not otherwise resolved are hereby overruled.

G. The Disclosure Statement is hereby approved on a final basis and the Plan is hereby confirmed.

HOLDINGS REGARDING THE SALE REQUEST

H. The Sale Request is granted in all respects.

I. Upon confirmation, (i) the Property shall no longer maintain the status of a condominium (the condominium regime is extinguished to the extent not already so); (ii) the Property shall no longer be operated as a condominium; (iii) the Property is hereby released from any condominium regime; (iv) any and all condominium plans relating to the Property are hereby permanently abandoned; and (v) title to the Property (including but not limited to all of the Residential Units) shall, to the extent not already accomplished, unify and vest in the Debtor in a unified fashion (*i.e.*, one title and one deed) for purposes of selling and conveying fee simple absolute ownership of the Property to Purchaser at Closing in accordance with the Plan and the Purchase Agreement. For the avoidance of doubt, title to the Property will henceforth be reflected in a single deed instrument, and the Debtor shall convey title to the entire Property to Purchaser pursuant to a single deed.

J. The Debtor's sale, conveyance, and transfer of the Property is approved. The Debtor is authorized to enter into and consummate the Purchase Agreement and all agreements contemplated thereunder, and execute any and all documents and take all actions necessary and appropriate to effectuate and consummate the Sale in consideration for the Purchase Price (minus a \$1 million credit for certain life, health, and safety requirements of Prince George's County in connection with rehabbing the Property), including selling, assigning and transferring to Purchaser all right, title, and interest in and to the Property. Execution and consummation of the Purchase Agreement by the Debtor is hereby approved by the Court. Closing of the Sale shall occur within fifteen (15) calendar days after entry of this Order, absent the Court issuing a separate order that stays this Order and bars the Debtor and Purchaser from Closing on the Sale.

K. The transfer of the Property by the Debtor to Purchaser is a legal, valid, and effective transfer and shall vest Purchaser with all right, title, and interest in the Property, free and clear of ~~any and all liens, encumbrances, rights and other interests (including but not limited to mortgages, security interests, pledges, interests, judgments, demands, encumbrances, restrictions or charges of any kind or nature, fixed or contingent, rights of first refusal, and any and all Claims) and any and all rights and claims under any bulk transfer statutes and related laws, whether arising by agreement, statute, or otherwise and whether arising before or after the commencement of this chapter 11 case, whether known or unknown, including liens, encumbrances and other interests of any of the creditors, vendors, employers, suppliers, or any other third party, if any.~~Encumbrances.

L. Any and all existing ~~liens~~Encumbrances on the Property or the Residential Units shall attach to the Debtor's Sale Proceeds or the Fractional Sale Proceeds, as applicable, with the same priority, validity, force and effect as they now have against the Property or the Residential Units, respectively; *provided, however*, that the Debtor and other parties in interest retain the right to challenge any such ~~liens~~Encumbrances.

M. Without limiting the forgoing paragraph, Prince George's County is hereby ordered to accept and record a deed to the Property from the Debtor to Purchaser free and clear of any ~~real estate tax liens~~and all Encumbrances, provided that, ~~contemporaneously with Closing, the Debtor shall have established an interest bearing escrow account with the Escrow Agent in the amount of \$400,000, or such lesser amount as the Debtor and Prince George's County shall agree or shall be ordered by the Court (the "PG Escrow"). PG County's liens for real estate taxes, if any, shall attach to the PG Escrow. The PG Escrow will be disbursed to the Debtor or Prince George's County in such amounts as their respective interests may appear, after~~

~~the amount~~ the liens encumbering Residential Units that arise from taxes and assessments claimed by Prince George's County shall, after (i) payment of all Administrative Expenses and post-confirmation expenses, including Post-Confirmation Professional Claims, (ii) payment of all costs and expenses of the Sale, including, without limitation, any break-up fee, expense reimbursement and Broker Compensation (as defined below), (iii) payment to Debtor's Counsel as set forth in section 5.10 of the Plan, (iv) funding of each escrow or reserve contemplated by the Plan, including, without limitation, the PEPCO Escrow, the Professional Fee Reserve (as defined below), and the UST Reserve (as defined below), (v) payment of the allowed claim of Nagle & Zaller as set forth in paragraph EE below, and (vi) payment of the allowed claim of WSSC as set forth in paragraph FF below, attach to the Sale Proceeds generated by the sale of those Residential Units in accordance with the extent, validity and priority of Prince George's County's ~~secured real estate tax claim in the Debtor's Sale Proceeds or the Fractional Sale Proceeds is determined by agreement or further order of this Court~~ liens in those Residential Units under applicable law.

N. At Closing, the Broker shall be entitled to allowance of compensation (the "Broker Compensation") for services rendered as set forth in the Exclusive Sales Listing Agreement and in the order approving the Broker's retention, without having to file a fee application, and the Broker Compensation shall be paid at Closing.

O. At Closing, a reserve shall be established in an amount sufficient to pay in full all of the accrued, but unpaid, fees and expenses of all Professionals retained as of Closing, including Pillsbury Winthrop Shaw Pittman LLP and Mr. William Johnson (the "Professional Fee Reserve"). The Professional Fee Reserve shall be held in escrow by the Title Company. Upon entry of an order of this Court approving a Professional's fees and expenses, the Title

Company shall disburse funds to that Professional in accordance with the Court's order. The Professional Fee Reserve will be exclusively for the benefit of Professionals retained as of the Confirmation Date or for which a retention application has been filed by the Effective Date.

P. At Closing, the Debtor shall also establish a reserve in an amount sufficient to pay in full any and all estimated fees that may be due to the Office of the U.S. Trustee within one year after the Effective Date (the "UST Reserve"). Any fees due to the Office of the U.S. Trustee after the Confirmation Date shall be payable from the funds available in the UST Reserve, and after the UST Reserve has been exhausted, from any Net Sale Proceeds then remaining. The Escrow Agent will hold the UST Reserve funds.

Q. All funds remaining after (i) payment of the costs associated with the Sale, including the Broker's Compensation, (ii) payment of Administrative Expenses and post-confirmation expenses, including Post-Confirmation Professional Claims, and (iii) funding the Professional Fee Reserve, the UST Reserve, ~~the PG Escrow,~~ and the PEPCO Escrow shall be held in escrow by the Title Company to pay Allowed Claims pursuant to the terms of the Plan and this Order.

R. The Debtor shall have full power and authority to take all actions necessary to consummate the Sale. The Sale has been duly and validly authorized by all necessary action of the Debtor and no other corporate action is required of the Debtor for the Debtor to consummate the Sale. Neither the execution of the Purchase Agreement nor the consummation of the Sale, pursuant to the terms of the Purchase Agreement, the Plan and this Order, shall constitute a violation of any provision of the organizational documents of the Debtor or any other instrument, law, regulation, or ordinance by which the Debtor is bound.

S. The Sale pursuant to this Order shall be binding on Purchaser, the Debtor, the Former Residents, Unit Lienholders, all creditors of the Debtor, and all persons having or asserting ~~a lien, encumbrance or other interest~~ an Encumbrance against the Debtor or the Property.

T. The Sale has been undertaken by Purchaser and the Debtor at arm's-length, without collusion, and Purchaser shall acquire the Property in good faith under section 363(m) of the Bankruptcy Code and is and shall be entitled to all of the protections in accordance therewith. The offer made by Purchaser for the Property is fair and reasonable, and the Sale may not be avoided under section 363(n) of the Bankruptcy Code.

U. This Order and all provisions of the Purchase Agreement shall be binding on any successors and assigns of the Debtor, including, without limitation, any trustee appointed for the Debtor in this chapter 11 case or in any superseding proceeding under chapter 7 of the Bankruptcy Code.

V. This Order is entered in accordance with and pursuant to the Plan. Nothing contained in any order of the Court entered after the date hereof, shall conflict with or derogate the provisions of this Order or the Plan.

W. Pursuant to section 1146(a) of the Bankruptcy Code, the making or delivery of an instrument of transfer in connection with the Sale shall not be subject to any stamp, real estate transfer, mortgage recording or other similar tax.

X. The Purchase Agreement may be modified, amended, or supplemented by the parties thereto, in a writing signed by the Debtor and Purchaser and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment, or supplement does not have a material adverse effect on the Debtor or its estate.

Y. To the extent any inconsistency exists between the provisions of the Purchase Agreement and this Order, the provisions contained herein shall govern. The failure specifically to include any provisions of the Purchase Agreement in this Order does not diminish or impair the effectiveness of such provisions, it being the intent of the Court to authorize and approve the Purchase Agreement in its entirety.

Z. Without limiting in any manner the effect of the other provisions of this Order, any person or entity that has filed financing statements or other documents evidencing or otherwise asserting ~~a lien, encumbrance or other interest~~ an Encumbrance in, on, to, or against the Property shall be, and hereby is, directed to deliver to the Debtor prior to Closing of the Sale, in proper form for filing at such Closing, and executed by the appropriate parties, termination statements or similar instruments as appropriate to cause the release of any such ~~lien, encumbrance or other interest~~ Encumbrance, and if any such person or entity fails to comply with the direction set forth in this paragraph, then, Purchaser is hereby authorized, without the requirement of any further action (including order of the Court) to (i) execute and file or record such statements, instruments, releases, and other documents on behalf of such person or entity releasing such asserted ~~lien, encumbrance or other interest~~ Encumbrance in, on, to, or against the Property, (ii) file, register, or otherwise record a certified copy of this Order, which shall constitute conclusive evidence of the termination or release of any such ~~lien, encumbrance or other interest~~ Encumbrance in, on, to, or against the Property, and (iii) take such actions as may be necessary to obtain a release of any and all ~~liens, encumbrances or other interests~~ Encumbrances in, on, to, or against the Property and to the extent contemplated hereby and by the Purchase Agreement.

AA. This Order (i) shall be effective as a determination that, on the Closing, all ~~liens, encumbrances, rights or other interests~~Encumbrances in, on, to, or against the Property of any kind or nature whatsoever existing prior to the Closing have been unconditionally released, discharged and terminated, and that the conveyances described herein have been effected, and (ii) shall be binding upon and shall govern the acts of all entities including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to the Property. Each and every federal, state, and local government agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the Sale. All ~~interests of record~~Encumbrances as of the Closing shall be forthwith deemed removed and stricken as against the Property. All entities described in this paragraph are authorized and specifically directed to strike all such recorded ~~liens, claims, rights, interests and encumbrances~~Encumbrances in, on, to, or against the Property from their records, official and otherwise.

BB. Without limiting the generality of the other provisions of this Order, and to the extent provided by federal law, Purchaser shall not be deemed to be a successor of the Debtor under any circumstances (and Purchaser expressly has disclaimed any such liability), and Purchaser shall have no successor or vicarious liabilities of any kind with respect to the Property.

CC. Until this Bankruptcy Case is closed or dismissed, the Court shall retain exclusive jurisdiction to interpret, construe, and enforce the provisions of the Purchase Agreement and this

Order in all respects, and further, to hear and determine any and all disputes relating to the Purchase Agreement or this Order.

DD. This Order shall take effect immediately and neither this Order nor actions authorized or directed to be taken pursuant to this Order shall be stayed pursuant to Rules 6004(h) or 7062, or otherwise.

MISCELLANEOUS HOLDINGS

EE. Nagle & Zaller's Claim is allowed in the amount of \$124,500.00 and will be paid at Closing in full and final satisfaction of Nagle & Zaller's claims against the Debtor. Nagle & Zaller's Objection is overruled and Nagle & Zaller's vote against the Plan is hereby changed to a vote in favor of the Plan without opting out of the release in section 9.5 of the Plan.

FF. WSSC's Claim is allowed in the amount of \$120,000.00 and will be paid at Closing in full and final satisfaction of WSSC's claims against the Debtor. WSSC's Objection is overruled and WSSC's vote against the Plan is hereby changed to a vote in favor of the Plan without opting out of the release in section 9.5 of the Plan.

GG. The provisions of the Plan and this Order are binding on the Debtor, its successors, Former Residents, Unit Lienholders, all entities acquiring property under the Plan, all Creditors, and all other parties in interest, whether or not such parties' Claims are impaired under the Plan, and whether or not such parties voted to accept the Plan.

HH. To the extent any inconsistency exists between the provisions of the Plan and this Order, the provisions contained herein shall govern. The failure to reference or discuss any particular provision of the Plan in this Order shall have no effect on the validity, binding effect, and enforceability of such provision and such provision shall have the same validity, binding effect and enforceability as every other provision of the Plan.

II. The Debtor is authorized, empowered and directed to issue, execute, deliver, file and record any documents, instruments, agreements, court papers or pleadings, and to take any and all actions that are necessary or desirable to implement, effectuate, and consummate the Sale and the Plan, all without further application to, or order of, the Court.

JJ. All executory contracts and leases of the Debtor, other than its insurance policy for the Property, shall be deemed rejected by the Debtor on the Effective Date unless (i) assumed by order of the Court prior to the Effective Date, (ii) otherwise provided by the Plan, (iii) an application to assume has been filed with the Court prior to the Effective Date, or (iv) assumption or rejection is otherwise ordered by the Court, notwithstanding anything to the contrary herein or in the Plan.

KK. Any Claim arising from the rejection of an unexpired lease or executory contract shall be filed with the Court no later than thirty (30) days after the entry of the order approving such rejection. If not timely filed, then such Claim shall be waived and forever barred. Any Allowed Claim arising from the rejection of an executory contract or an unexpired lease shall be deemed a Class 3 Claim.

LL. All requests for payment of unpaid Administrative Claims, including applications of Professionals for compensation and expense reimbursement for services rendered or expenses incurred through the Confirmation Date, shall be filed with the Court no later than thirty (60) calendar days after the Confirmation Date. If not timely filed, then such Administrative Claims will be waived and forever barred.

MM. The Debtor may (i) retain Professionals (subject to the Court's approval) to implement the terms of the Plan, including to assist with the reconciliation of Claims and the making of Distributions, and (ii) pay the Post-Confirmation Professional Claims of such retained

Professionals from the Net Sale Proceeds without the need to obtain further Court approval. At Closing, the Debtor shall provide Debtor's Counsel with a \$300,000.00 retainer as security for post-confirmation services to be provided in connection with the implementation of the Plan.

NN. The Debtor retains the right to file objections to Claims and to litigate any such objections to a final determination by the Court or to compromise, settle, or otherwise resolve any such objection subject to the Court's approval; *provided, however*, that the Debtor may settle any Claims without prior court approval if the allowed amount of the Claim does not exceed \$25,000.00 and if the U.S. Trustee and the 20 largest unsecured creditors fail to object after ten (10) business days' notice of such settlement.

OO. Purchaser and any third parties, including the Title Company and all present and future title insurers may rely on the findings and conclusions contained in this Order.

PP. The deadlines in the Commitment for confirmation of the Plan and entry of this Order are hereby deemed satisfied such that confirmation of the Plan and entry of this Order constitutes timely compliance with the deadlines in the Commitment.

QQ. The Debtor will continue to exist until the Plan has been substantially consummated and the Bankruptcy Case is closed.

RR. All fees payable pursuant to section 1930 of title 28 of the United States Code shall be paid on the Effective Date. All fees payable pursuant to section 1930 of title 28 of the United States Code after the Effective Date shall be paid on a quarterly basis until the chapter 11 case is closed, converted, or dismissed. The Debtor shall be liable for the payment of all quarterly fees due pursuant to section 1930 of title 28 after the Effective Date. After the Effective Date, the Debtor shall provide the U.S. Trustee with post-confirmation quarterly reports that shall include all of its respective disbursements for that quarter.

SS. Until the Bankruptcy Case is closed by entry of a final order to such effect, and subject to sections 157 and 1334 of title 28 of the United States Code, the Court shall retain exclusive jurisdiction over all matters arising under, arising in or relating to this Bankruptcy Case and the Plan in accordance with the terms of the Plan.

TT. Notwithstanding anything to the contrary in section 9.5 of the Plan, the release provided in that section shall not operate as a release of claims against the Debtor's attorneys based on professional negligence.

UU. ~~TT.~~ The Debtor shall mail notice of the entry of this Order to each party (i) listed in the Debtor's mailing matrix, (ii) filing a proof of claim in this Bankruptcy Case, and (iii) to any unexpired lease or executory contract not assumed by the Debtor.

cc: Patrick J. Potter
Pillsbury Winthrop Shaw Pittman LLP
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Jeanne M. Crouse
Office of the United States Trustee

6305 Ivy Lane, Suite 600
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All Parties Requesting Notice

END OF ORDER

Summary report:	
Litéra® Change-Pro TDC 10.1.0.400 Document comparison done on 2/27/2018 8:35:15 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: Lynnhill - Revised Confirmation Order.docx	
Modified filename: Lynnhill - Revised Confirmation Order(1).docx	
Changes:	
Add	46
Delete	33
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	79

Exhibit B

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
Greenbelt Division**

In re:

THE CONDOMINIUM ASSOCIATION
OF THE LYNNHILL CONDOMINIUM,

Debtor.¹

Case No. 18-10334

Chapter 11

**ORDER (I) FINALLY APPROVING DISCLOSURE STATEMENT,
(II) CONFIRMING DEBTOR'S SECOND AMENDED JOINT CHAPTER 11 PLAN AND
(III) AUTHORIZING THE SALE OF "THE LYNNHILL CONDOMINIUM"
FREE AND CLEAR OF ALL LIENS, CLAIMS AND INTERESTS**

Upon further consideration of the Condominium Association of the Lynnhill Condominium's (the "Debtor") Disclosure Statement and upon consideration of (i) the Debtor's *Second Amended Joint Chapter 11 Plan* [Doc. 227], attached hereto as **Exhibit 1** (the "Plan"),² (ii) the *Debtor's Memorandum of Law in Support of the First Amended Joint Chapter 11 Plan* [Doc. 208], (iii) the *Declaration of Stanley Briscoe in Support of the First Amended Joint Chapter 11 Plan* [Doc. 209], (iv) the *Declaration of Robin Williams in Support of the First Amended Joint Chapter 11 Plan* [Doc. 207], (v) the *Declaration of Vito Dragone III* [Doc. 215], (vi) *Certification of Jeffrey Miller with Respect to the Tabulation of Votes on the First Amended Joint Chapter 11 Plan* [Doc. 206] (the "Tabulation of Votes");³ and the Court having held a hearing (the "Confirmation Hearing") on February 27, 2018 at 10:00 a.m., to consider final approval of the Disclosure Statement and confirmation of the Plan; and upon the record of the Confirmation Hearing and of this entire chapter 11 case, and the evidence proffered and the

¹ The Debtor's federal identification number is 52-0993760.

² Capitalized terms used but not defined in this Order have the meanings given such terms in the Plan.

³ Items (iii) through (vi) were admitted into evidence at the Confirmation Hearing.

arguments of counsel at the Confirmation Hearing, and after due deliberation and consideration; the Court makes the following findings and conclusions, and orders as follows:

1. Pursuant to 28 U.S.C. §§ 157 and 1334, the Court has jurisdiction to hear and rule on the Debtor's request to grant final approval of the Disclosure Statement and to confirm the Plan, grant the relief requested in and in connection with the Plan, and enter this Order confirming the Plan (collectively, the "Confirmation Request"). Venue is proper in this District under 28 U.S.C. § 1408. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). The statutory predicates for the relief sought include sections 105, 363, 365, 1129, and 1146(a) of the U.S. Bankruptcy Code ("Bankruptcy Code") and Rules 2002, 3016–3020, 6004, 9006, 9014, and 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

2. Proper, timely and adequate notice of the Confirmation Request, the Confirmation Hearing, and the request for entry of this Order has been provided in accordance with section 102(1) of the Bankruptcy Code, Rules 2002, 6004, and 9006 of the Bankruptcy Rules, and the applicable orders of this Court, and no other or further notice is required.

3. On January 10, 2018, the Debtor filed a voluntary petition under chapter 11 of the Bankruptcy Code. The Debtor continues to manage and preserve its property as debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or committee has been appointed in this chapter 11 case.

4. On January 18, 2018, the Court entered an order (the "DS Order") conditionally approving the Disclosure Statement and setting the hearing for final approval of the Disclosure Statement for February 27, 2018 at 10:00 a.m. (the "Final DS Hearing"). Subsequently, Holders of Claims were sent and cast ballots on the Plan.

5. Pursuant to the DS Order, the Court also set February 27, 2018 at 10:00 a.m. as the date and time for the Confirmation Hearing on the Plan.

6. The certificate of service filed with the Court on January 26, 2018 [Doc. 121] reflects that the Plan and Disclosure Statement, together with notice of the Confirmation Hearing, Final DS Hearing and the deadlines for filing objections were served on all parties in interest, including all known creditors, Former Residents, Unit Lienholders and persons having filed a notice of appearance and request for documents.

7. Additionally, the certificate and affidavits of publication of notice filed with the Court on January 29, 2018 [Docs. 128, 129, 131] reflect that the Debtor published notice of the Confirmation Hearing, Final DS Hearing and the Sale (as defined below) in the form approved by the Court in the *Washington Post*, *The Prince George's Post*, and *The Prince George's Sentinel*. See Doc. 72. The Court finds that the Debtor provided adequate notice and that no other or further notice is required to grant and enter this Order.

8. The Disclosure Statement meets the standards for final approval under the Bankruptcy Code, and the Plan meets the standards for confirmation under section 1129(a) of the Bankruptcy Code.

9. The Disclosure Statement and the Plan comply with the applicable provisions of the Bankruptcy Code, as mandated by, among other sections, section 1129(a)(1) of the Bankruptcy Code.

10. The Debtor has complied with the applicable provisions of the Bankruptcy Code, as mandated by, among other sections, section 1129(a)(2) of the Bankruptcy Code.

11. The Disclosure Statement and the Plan have been proposed in good faith and not by any means forbidden by law as required by section 1129(a)(3) of the Bankruptcy Code.

12. Any payment made or to be made by the Debtor or any person issuing securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with this chapter 11 case, or in connection with the Plan and incident to this chapter 11 case, has been approved by, or is subject to the approval of, the Court as reasonable, as required by section 1129(a)(4) of the Bankruptcy Code.

13. The Debtor has made the applicable disclosures required by section 1129(a)(5)(A) and (B) of the Bankruptcy Code and the subjects of such disclosures are consistent with the interest of the Debtor's creditors and public policy, as required by section 1129(a)(5)(A)(ii) of the Bankruptcy Code.

14. Section 1129(a)(6) of the Bankruptcy Code is inapplicable to this chapter 11 case.

15. On February 23, 2018, the Debtor filed the Tally of Ballots and the Tabulation of Votes, certifying the methodology for the tabulation of votes and the results of voting for each of the voting classes entitled to vote on the Plan.

16. Under the Plan, all classes of Claims are impaired, except for Class 1.

17. Considering only timely cast votes, and in accordance with the resolutions set forth below, Classes 2 through 6 voted unanimously in favor of the Plan. No votes were cast for Class 1, which is conclusively presumed to have voted in favor of the Plan pursuant to section 1126(f) of the Bankruptcy Code.

18. With respect to each impaired Class of Claims, each Holder of a Claim of such Class (i) has accepted the Plan, or (ii) will receive payments in amounts that exceed those that such Holders would receive if the Debtor and its estate were liquidated under chapter 7, thereby satisfying section 1129(a)(7)(A) of the Bankruptcy Code.

19. Except to the extent the Holder of a particular Claim has agreed to a different treatment, the Plan provides that the Holders of Claims of the kinds specified in sections 507(a)(2) and 507(a)(8) of the Bankruptcy Code will receive the treatment mandated by section 1129(a)(9) of the Bankruptcy Code.

20. At least one impaired class of Claims has accepted the Plan, determined without including acceptance of the Plan by any insider, as required by section 1129(a)(10) of the Bankruptcy Code.

21. Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor, and therefore section 1129(a)(11) of the Bankruptcy Code is satisfied.

22. All fees due and payable under section 1930 of title 28 of the United States Code have been paid or will be paid pursuant to the Plan, as required by section 1129(a)(12) of the Bankruptcy Code.

23. Section 1129(a)(13) of the Bankruptcy Code (addressing retiree benefits) is inapplicable to this chapter 11 case.

24. Section 1129(a)(14) of the Bankruptcy Code (addressing domestic support obligations) is inapplicable to this chapter 11 case.

25. Section 1129(a)(15) of the Bankruptcy Code (applicable where the debtor is an individual) is inapplicable to this chapter 11 case.

26. Section 1129(a)(16) of the Bankruptcy Code (addressing transfers of property by nonprofit corporations or trusts) is inapplicable to this chapter 11 case.

27. The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933. Accordingly, the Plan satisfies the requirements of section 1129(d) of the Bankruptcy Code.

28. The Debtor's decisions regarding assumption and rejection of executory contracts and unexpired leases are based on and within the Debtor's sound business judgment, and are in the best interests of the Debtor and its estate.

29. Pursuant to the applicable provisions of the Bankruptcy Code and other applicable law, including sections 105 and 1123 of the Bankruptcy Code and Rule 9019(a) of the Bankruptcy Rules, the settlements, releases, compromises, setoffs, waivers, discharges and injunctions set forth in the Plan (including without limitation in Article 9) are approved as integral parts of the Plan, and are hereby approved as fair, equitable, reasonable, and in the best interests of the Debtor, its estate and creditors.

30. The Court finds that the provisions and terms contained in the Plan are fair and reasonable, were negotiated as part of an arm's-length transaction, and are in the best interests of the Debtor, its estate and creditors.

31. All transfers, assignments, conveyances, and sales of real or personal property provided for in the Plan or this Order or undertaken to carry out the Plan, are essential to the confirmation and implementation of the Plan.

32. The modifications to the Plan since originally filed do not require re-solicitation and are permissible under section 1127(a) and (c) of the Bankruptcy Code. Moreover, the modifications to the Plan since originally filed comply with section 10.1 of the Plan.

33. The modifications to the Plan since originally filed do not adversely change the treatment of any Holder of a Claim such that such change would likely cause any Holder of a Claim to reconsider its acceptance of the Plan.

34. Notwithstanding the modifications to the Plan since originally filed, the Disclosure Statement contains adequate information concerning the Plan that would allow a reasonable, hypothetical creditor to make an informed judgment regarding the Plan.

35. Solicitation of the Plan is sufficient and no re-solicitation of the Plan is required under section 1127 of the Bankruptcy Code or Rule 3019(a) of the Bankruptcy Rules. The Plan, as further amended, shall be deemed accepted by all Holders of Claims who previously accepted the Plan.

36. On February 20, 2018, Nagle & Zaller objected to the Plan and Disclosure Statement [Docs. 189, 190] (“Nagle & Zaller’s Objection”). The resolution to Nagle & Zaller’s Objection was set forth on the record at the Hearing as follows: Nagle & Zaller’s Claim will be reduced from \$145,907.78 (the face amount of Nagle & Zaller’s Claim) to \$124,500.00 and will be paid at Closing. Nagle & Zaller agreed to withdraw Nagle & Zaller’s Objection and change its vote against the Plan to a vote in favor of the Plan without opting out of the releases in section 9.5 of the Plan. The Court finds that the resolution of Nagle & Zaller’s Claim and Nagle & Zaller’s Objection is proper and avoids unnecessary litigation with uncertain results regarding the relative priority of Nagle & Zaller’s Claim (*e.g.*, whether secured or unsecured), issues regarding Nagle & Zaller’s right to interest and disputes over the amount of Nagle & Zaller’s Claim and claims, if any, against Nagle & Zaller. The Debtor’s estate will also save expenses by eliminating the need for an escrow for Nagle & Zaller’s Claim. Moreover, the resolution

provides for distributions consistent with the Circuit Court Order (as defined below) and the Bankruptcy Code.

37. On February 20, 2018, Washington Suburban Sanitary Commission (“WSSC”) objected to the Plan and Disclosure Statement [Docs. 187, 188] (“WSSC’s Objection”). The resolution to WSSC’s Objection was set forth on the record at the Hearing as follows: WSSC’s Claim will be reduced from \$246,785.00 (the face amount of WSSC’s Claim) to \$230,000.00 and will be paid at Closing. WSSC agreed to withdraw WSSC’s Objection and change its vote against the Plan to a vote in favor of the Plan without opting out of the releases in section 9.5 of the Plan. The Court finds that the resolution of WSSC’s Claim and WSSC’s Objection is proper and avoids unnecessary litigation with uncertain results regarding the priority of WSSC’s Claim and issues regarding WSSC’s right to interest. Moreover, the resolution provides for distributions consistent with the Circuit Court Order and the Bankruptcy Code.

38. All parties who did not object to the Plan and the relief requested in the Plan, or who withdrew their objections (“Plan Non-Objectors”), are deemed to have consented to the Plan. All objections by other parties to the Plan (“Plan Objectors”) are overruled and dismissed and shall not constitute a basis for interfering with or preventing the implementation or substantial consummation of the Plan. All Plan Non-Objectors, Plan Objectors and other persons and entities are enjoined from taking any actions to interfere with or delay the implementation of the Plan pursuant to this Order; and any such enjoined actions shall be (and shall be deemed to be) void and of no effect.

**FURTHERMORE, IN CONNECTION WITH THE SALE OF THE PROPERTY,
AS CONTEMPLATED BY THE PLAN:**

39. Before the Court is the Debtor’s request (the “Sale Request”), to sell the real property and improvements thereon located at 3103 and 3107 Good Hope Avenue, Temple Hills,

Maryland 20748 (the “Property”) free and clear of all Encumbrances⁴ pursuant to the Plan, sections 105(a), 363, 1123, and 1129 of the Bankruptcy Code and Rules 2002, 6004, 9014, and 9019 of the Federal Rules of Bankruptcy Procedure.

40. The Court finds that, on November 2, 2017, the Circuit Court for Prince George’s County (the “Circuit Court”) entered an Amended Judgment and Order (the “Circuit Court Order”) in which it held, among other things, that it could vest the Debtor with authority to sell the Property in fee simple absolute where, among other factors, “there has been a threat of condemnation; and . . . where the condominium regime is terminated and the [Debtor] becomes the effective owner of the Property for such purposes.” Circuit Court Order, ¶ 12. The Circuit Court found that “by necessity under the circumstances, and as a practical matter . . . the condominium is for all intents and purposes terminated.” *Id.* The Circuit Court based its finding on the following factors: “[T]he Property has been fully vacated, is uninsured, lacking in financial resources, and possess [sic] a threat to the public and a burden to the County.” *Id.* The Circuit Court also noted that: “The County has represented on the record to the Court [that] it may condemn the Property in the near future.” *Id.* at ¶ 5. Consequently, the Circuit Court entered an “AMENDED JUDGMENT” in which it ordered, *inter alia*, that: “The [Debtor] is immediately authorized to take any and all actions necessary (including but not limited to execution of all necessary documents, including but not limited to purchase agreements, deeds, and other conveyance documents), to prosecute and consummate the Proposed Sale Process (including obtaining debt financing secured by first-priority liens against the Property), and

⁴ As used in this Order, “Encumbrance” means any and all liens, encumbrances, rights and other interests (including but not limited to mortgages, security interests, pledges, interests, judgments, demands, encumbrances, restrictions or charges of any kind or nature, fixed or contingent, rights of first refusal, and any and all Claims) and any and all rights and claims under any bulk transfer statutes and related laws, whether arising by agreement, statute, or otherwise and whether arising before or after the commencement of this chapter 11 case, whether known or unknown, including liens, encumbrances and other interests of any of the creditors, vendors, employers, suppliers, or any other third party, if any.

convey all right title of interest (regardless of holder) in the Property . . . The condominium/condominium regime of the Lynnhill Condominium is hereby terminated.” Circuit Court Order, pp. 5–6. The Circuit Court Order, *Consumer Prot. Div. Office of the Md. Attorney Gen. v. Lynnhill Condo. Dev., Inc.*, Case No. CAE16-40059 (Cir. Ct. Prince George’s Cty. Nov. 2, 2017), is attached hereto as **Exhibit 2**.

41. Consistent with the Circuit Court Order and with Maryland Real Property Code §§ 11-112 and 11-123, the Court finds that (i) there was a threatened condemnation proceeding; (ii) the condominium and condominium regime of the Lynnhill Condominium is terminated; (iii) the Debtor is the fee simple absolute owner of the Property for the purpose of prosecuting and consummating a sale process for the Property; (iv) the Debtor is authorized to conduct a sale process and convey fee simple absolute title, including all right, title and interest (regardless of holder) to the Property, through the chapter 11 bankruptcy process, without the need to obtain any additional approvals from Former Residents or the execution of a condominium termination agreement; and (v) that the Debtor is authorized to engage professionals, including real estate brokers and advisors, to assist the Debtor in consummating a sale of the Property.

42. The Court finds that due and proper notice of the Sale Request was provided to, among others, (i) the U.S. Trustee, (ii) counsel to Purchaser (defined below) and the DIP Lender, (iii) all parties listed on the Debtor’s Schedules as holding secured claims (*i.e.*, Schedule D), (iv) all parties who expressed in writing to the Broker an interest in acquiring the Property, and who the Debtor and their representatives reasonably and in good faith determined potentially have the desire and financial wherewithal to effectuate the sale of the Property (the “Sale”), (v) all parties requesting notice pursuant to Rule 2002 and the Local Rules, and (vi) the parties listed on the Debtor’s list of creditors holding the 20 largest unsecured claims.

43. The Court finds that the Debtor provided proper, timely and adequate notice of the Sale in accordance with section 102(1) of the Bankruptcy Code and Rules 2002, 6004, and 9006 of the Bankruptcy Rules, and no other or further notice is required.

44. The Court hereby determines that the relief sought in the Sale Request is in the best interests of the Debtor, its estate and creditors, and all parties in interest and that the legal and factual bases set forth in the Sale Request and at the Confirmation Hearing establish just cause for the relief granted herein.

45. The Court has jurisdiction to consider the Sale Request pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

46. On February 5, 2018, the Court entered the *Order Granting Debtor's Motion for an Order (I) Approving AHH16 Development, LLC as "Stalking Horse" by Approving the Break-Up Fee and Expense Reimbursement (II) Approving Auction and Bidding Procedures and (III) Granting Other Related Relief* [Doc. 143] (the "Bidding Procedures Order"). The Broker marketed the Property fairly, reasonably, and in good faith. Pursuant to the Bidding Procedures Order and the *Consent Order Resolving the Limited Objection of Dragone Realty, LLC to Motion for Approval of Auction and Bidding Procedures* [Doc. 161], the bid of Dragone Realty, LLC ("Purchaser") in the amount of \$14,500,000 set forth in the Purchase and Sale Agreement (the "Dragone PSA") attached as Exhibit A to the *Notice of Further Revised Bid of Dragone Realty, LLC* [Doc. 132], was the Auction Baseline Bid (as defined in the Bidding Procedures Order).

47. On February 20, 2018, the Debtor conducted the Auction (as defined in the Bidding Procedures Order) in accordance with the Bidding Procedures Order. Purchaser and the stalking horse bidder, AHH16 Development, LLC, participated. Following several rounds of

bidding, the Debtor selected Purchaser's subsequent overbid of \$17,050,000 (the "Purchase Price") as the Successful Bid (as defined in the Bidding Procedures Order).

48. Time is of the essence in consummating the Sale and it is in the best interests of the Debtor and its estate to sell the Property in exchange for the Purchase Price pursuant to the Plan and the Dragone PSA (as finally executed, the "Purchase Agreement").

49. Upon Closing of the Sale, the Property will be acquired by Purchaser after adequate marketing, as the result of arm's-length negotiations and in good faith.

50. Except as may be expressly set forth in the Purchase Agreement, the Property is being sold to Purchaser on an "as is, where is" basis, without representations or warranties of any kind, nature or description.

51. Reasonable notice of the Sale and a reasonable opportunity to object or be heard with respect to the Sale has been afforded to all creditors and interested parties.

52. This Order and consummation of the Sale are supported by good business reasons and will serve the best interests of the Debtor, its estate, and creditors by maximizing the value received for the Property.

53. The Purchase Agreement was negotiated, proposed, and entered into by Purchaser without collusion, in good faith, and from an arm's-length bargaining position. There is no insider relationship between Purchaser or its affiliates and the Debtor. The Debtor and Purchaser have not engaged in any conduct that would cause or permit the Purchase Agreement to be avoided under section 363(n) of the Bankruptcy Code.

54. Purchaser is a good faith purchaser under section 363(m) of the Bankruptcy Code and as such is entitled to all of the protections afforded thereby, and otherwise has acted in good faith in all respects in connection with this chapter 11 case, in that: (i) Purchaser recognizes that

the Debtor was free to deal with other parties interested in acquiring the Property; (ii) Purchaser agrees and understands that the Debtor was free to accept a higher and better offer for the Property; (iii) all payments to be made by Purchaser and all agreements entered into between Purchaser and the Debtor in connection with the Sale have been disclosed; (iv) the negotiation and execution of the Purchase Agreement was in good faith and represents an arm's-length transaction; (v) the Debtor conducted an auction process in accordance with the Bidding Procedures Order; and (vi) the disclosure requirements required by any Local Rule or otherwise have been satisfied.

55. The Purchase Price to be paid by Purchaser to the Debtor for the Property (i) is fair and reasonable; (ii) is the highest and best offer for the Property; and (iii) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and the Uniform Fraudulent Conveyance Act and the Uniform Fraudulent Transfer Act or any similar laws of any state or jurisdiction whose law applies to the Sale.

56. The consummation of the Sale will be a legal, valid, and effective sale of the Property to Purchaser and will vest Purchaser with all right, title and interest (fee simple absolute) to the Property, including but not limited to all of the Debtor's and Former Residents' right, title, and interest in and to the Property, free and clear of all Encumbrances in accordance with the applicable provisions of the Bankruptcy Code.

57. All parties who did not object to the Sale Request and the relief requested in the Plan with respect to the Sale, or who withdrew their objections ("Sale Non-Objectors"), are deemed to have consented to the Sale Request. All objections by other parties to the Sale ("Sale Objectors") are overruled and dismissed and shall not constitute a basis for: (i) interfering with or preventing the prompt Closing of the Sale of the Property, or (ii) affecting title to the Property.

All Sale Non-Objectors, Sale Objectors and other persons and entities are enjoined from (x) taking any actions to interfere with or delay the Sale pursuant to this Order and (y) taking any actions against Purchaser, its assigns, its affiliates, or any agent of the foregoing or against the Property to recover any claim which such person or entity may have against the Property or the Debtor; and any such enjoined actions shall be (and shall be deemed to be) void and of no effect.

58. Failure to sell the Property free and clear of Encumbrances would be substantially less beneficial to the Debtor, its estate and creditors.

NOW, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED, as of the date of this Order, that:

INITIAL HOLDINGS

A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this District under 28 U.S.C. § 1408. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

B. The findings of the Court above and the conclusions of law stated herein shall constitute findings of fact and conclusions of law pursuant to Rule 7052 of the Bankruptcy Rules, made applicable herein pursuant to Rule 9014 of the Bankruptcy Rules. To the extent any findings of fact shall be determined to be conclusions of law, it shall be so deemed, and vice versa.

C. The Debtor has complied with section 1125 of the Bankruptcy Code with respect to the Plan.

D. The Plan satisfies the requirements of sections 1122, 1123 and 1129 of the Bankruptcy Code.

E. The modifications to the Plan were made in a manner consistent with section 10.1 of the Plan and constitute changes that do not materially adversely modify the treatment of any Claims. The Debtor has complied with the requisite consent provisions of the Plan in connection with such modifications. Accordingly, pursuant to Rule 3019 of the Bankruptcy Rules, these modifications do not require additional disclosure under section 1125 of the Bankruptcy Code or re-solicitation of votes under section 1126 of the Bankruptcy Code, nor do they require that Holders of Claims be afforded an opportunity to change previously cast acceptances or rejections of the Plan.

DISCLOSURE STATEMENT APPROVED AND PLAN CONFIRMED

F. All objections to the Disclosure Statement or Plan not otherwise resolved are hereby overruled.

G. The Disclosure Statement is hereby approved on a final basis and the Plan is hereby confirmed.

HOLDINGS REGARDING THE SALE REQUEST

H. The Sale Request is granted in all respects.

I. Upon confirmation, (i) the Property shall no longer maintain the status of a condominium (the condominium regime is extinguished to the extent not already so); (ii) the Property shall no longer be operated as a condominium; (iii) the Property is hereby released from any condominium regime; (iv) any and all condominium plans relating to the Property are hereby permanently abandoned; and (v) title to the Property (including but not limited to all of the Residential Units) shall, to the extent not already accomplished, unify and vest in the Debtor in a unified fashion (*i.e.*, one title and one deed) for purposes of selling and conveying fee simple absolute ownership of the Property to Purchaser at Closing in accordance with the Plan and the

Purchase Agreement. For the avoidance of doubt, title to the Property will henceforth be reflected in a single deed instrument, and the Debtor shall convey title to the entire Property to Purchaser pursuant to a single deed.

J. The Debtor's sale, conveyance, and transfer of the Property is approved. The Debtor is authorized to enter into and consummate the Purchase Agreement and all agreements contemplated thereunder, and execute any and all documents and take all actions necessary and appropriate to effectuate and consummate the Sale in consideration for the Purchase Price (minus a \$1 million credit for certain life, health, and safety requirements of Prince George's County in connection with rehabbing the Property), including selling, assigning and transferring to Purchaser all right, title, and interest in and to the Property. Execution and consummation of the Purchase Agreement by the Debtor is hereby approved by the Court. Closing of the Sale shall occur within fifteen (15) calendar days after entry of this Order, absent the Court issuing a separate order that stays this Order and bars the Debtor and Purchaser from Closing on the Sale.

K. The transfer of the Property by the Debtor to Purchaser is a legal, valid, and effective transfer and shall vest Purchaser with all right, title, and interest in the Property, free and clear of Encumbrances.

L. Any and all existing Encumbrances on the Property or the Residential Units shall attach to the Debtor's Sale Proceeds or the Fractional Sale Proceeds, as applicable, with the same priority, validity, force and effect as they now have against the Property or the Residential Units, respectively; *provided, however*, that the Debtor and other parties in interest retain the right to challenge any such Encumbrances.

M. Without limiting the forgoing paragraph, Prince George's County is hereby ordered to accept and record a deed to the Property from the Debtor to Purchaser free and clear

of any and all Encumbrances, provided that the liens encumbering the Property or the Residential Units that arise from taxes and assessments claimed by Prince George's County shall, after (i) payment of all Administrative Expenses ~~and post confirmation expenses, including Post Confirmation Professional Claims~~, (ii) payment of all costs and expenses of the Sale, including, without limitation, any break-up fee, expense reimbursement and Broker Compensation (as defined below), ~~(iii) payment to Debtor's Counsel as set forth in section 5.10 of the Plan, (iviii)~~ funding of each escrow or reserve contemplated by the Plan, including, without limitation, the PEPCO Escrow, the Professional Fee Reserve (as defined below), and the UST Reserve (as defined below), ~~(iv)~~ payment of the allowed claim of Nagle & Zaller as set forth in paragraph EE below, and ~~(vi)~~ payment of the allowed claim of WSSC as set forth in paragraph FF below, attach to the Sale Proceeds generated by the sale of ~~those the Property or the~~ Residential Units in accordance with the extent, validity and priority of Prince George's County's liens ~~in in, on and against the those the Property or~~ Residential Units under applicable law.

N. At Closing, the Broker shall be entitled to allowance of compensation (the "Broker Compensation") for services rendered as set forth in the Exclusive Sales Listing Agreement and in the order approving the Broker's retention, without having to file a fee application, and the Broker Compensation shall be paid at Closing.

O. At Closing, a reserve shall be established in an amount sufficient to pay in full all of the accrued, but unpaid, fees and expenses of all Professionals retained as of Closing, including Pillsbury Winthrop Shaw Pittman LLP and Mr. William Johnson (the "Professional Fee Reserve"). The Professional Fee Reserve shall be held in escrow by the Title Company. Upon entry of an order of this Court approving a Professional's fees and expenses, the Title Company shall disburse funds to that Professional in accordance with the Court's order. The

Professional Fee Reserve will be exclusively for the benefit of Professionals retained as of the Confirmation Date or for which a retention application has been filed by the Effective Date.

P. At Closing, the Debtor shall also establish a reserve in an amount sufficient to pay in full any and all estimated fees that may be due to the Office of the U.S. Trustee within one year after the Effective Date (the “UST Reserve”). Any fees due to the Office of the U.S. Trustee after the Confirmation Date shall be payable from the funds available in the UST Reserve, and after the UST Reserve has been exhausted, from any Net Sale Proceeds then remaining. The Escrow Agent will hold the UST Reserve funds.

Q. All funds remaining after (i) payment of the costs associated with the Sale, including the Broker’s Compensation, (ii) payment of Administrative Expenses ~~and post-confirmation expenses, including Post Confirmation Professional Claims,~~ and (iii) funding the Professional Fee Reserve, the UST Reserve, and the PEPCO Escrow shall be held in escrow by the Title Company to pay Allowed Claims pursuant to the terms of the Plan and this Order, provided, however, that no payments shall be made to Holders of Claims or Post-Confirmation Professional Claims until the Allowed Claim of Prince George’s County is determined by agreement of the parties or further Order of the Court.

R. The Debtor shall have full power and authority to take all actions necessary to consummate the Sale. The Sale has been duly and validly authorized by all necessary action of the Debtor and no other corporate action is required of the Debtor for the Debtor to consummate the Sale. Neither the execution of the Purchase Agreement nor the consummation of the Sale, pursuant to the terms of the Purchase Agreement, the Plan and this Order, shall constitute a violation of any provision of the organizational documents of the Debtor or any other instrument, law, regulation, or ordinance by which the Debtor is bound.

S. The Sale pursuant to this Order shall be binding on Purchaser, the Debtor, the Former Residents, Unit Lienholders, all creditors of the Debtor, and all persons having or asserting an Encumbrance against the Debtor or the Property.

T. The Sale has been undertaken by Purchaser and the Debtor at arm's-length, without collusion, and Purchaser shall acquire the Property in good faith under section 363(m) of the Bankruptcy Code and is and shall be entitled to all of the protections in accordance therewith. The offer made by Purchaser for the Property is fair and reasonable, and the Sale may not be avoided under section 363(n) of the Bankruptcy Code.

U. This Order and all provisions of the Purchase Agreement shall be binding on any successors and assigns of the Debtor, including, without limitation, any trustee appointed for the Debtor in this chapter 11 case or in any superseding proceeding under chapter 7 of the Bankruptcy Code.

V. This Order is entered in accordance with and pursuant to the Plan. Nothing contained in any order of the Court entered after the date hereof, shall conflict with or derogate the provisions of this Order or the Plan.

W. ~~Pursuant to section~~To the extent allowed by section 1146(a) of the Bankruptcy Code, the making or delivery of an instrument of transfer in connection with the Sale shall not be subject to any stamp, real estate transfer, mortgage recording or other similar tax.

X. The Purchase Agreement may be modified, amended, or supplemented by the parties thereto, in a writing signed by the Debtor and Purchaser and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment, or supplement does not have a material adverse effect on the Debtor or its estate.

Y. To the extent any inconsistency exists between the provisions of the Purchase Agreement and this Order, the provisions contained herein shall govern. The failure specifically to include any provisions of the Purchase Agreement in this Order does not diminish or impair the effectiveness of such provisions, it being the intent of the Court to authorize and approve the Purchase Agreement in its entirety.

Z. Without limiting in any manner the effect of the other provisions of this Order, any person or entity that has filed financing statements or other documents evidencing or otherwise asserting an Encumbrance in, on, to, or against the Property shall be, and hereby is, directed to deliver to the Debtor prior to Closing of the Sale, in proper form for filing at such Closing, and executed by the appropriate parties, termination statements or similar instruments as appropriate to cause the release of any such Encumbrance, and if any such person or entity fails to comply with the direction set forth in this paragraph, then Purchaser is hereby authorized, without the requirement of any further action (including order of the Court) to (i) execute and file or record such statements, instruments, releases, and other documents on behalf of such person or entity releasing such asserted Encumbrance in, on, to, or against the Property, (ii) file, register, or otherwise record a certified copy of this Order, which shall constitute conclusive evidence of the termination or release of any such Encumbrance in, on, to, or against the Property, and (iii) take such actions as may be necessary to obtain a release of any and all Encumbrances in, on, to, or against the Property and to the extent contemplated hereby and by the Purchase Agreement.

AA. This Order (i) shall be effective as a determination that, on the Closing, all Encumbrances in, on, to, or against the Property of any kind or nature whatsoever existing prior to the Closing have been unconditionally released, discharged and terminated, and that the

conveyances described herein have been effected, and (ii) shall be binding upon and shall govern the acts of all entities including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to the Property. Each and every federal, state, and local government agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the Sale. All Encumbrances as of the Closing shall be forthwith deemed removed and stricken as against the Property. All entities described in this paragraph are authorized and specifically directed to strike all such recorded Encumbrances in, on, to, or against the Property from their records, official and otherwise.

BB. Without limiting the generality of the other provisions of this Order, and to the extent provided by federal law, Purchaser shall not be deemed to be a successor of the Debtor under any circumstances (and Purchaser expressly has disclaimed any such liability), and Purchaser shall have no successor or vicarious liabilities of any kind with respect to the Property.

CC. Until this Bankruptcy Case is closed or dismissed, the Court shall retain exclusive jurisdiction to interpret, construe, and enforce the provisions of the Purchase Agreement and this Order in all respects, and further, to hear and determine any and all disputes relating to the Purchase Agreement or this Order.

DD. This Order shall take effect immediately and neither this Order nor actions authorized or directed to be taken pursuant to this Order shall be stayed pursuant to Rules 6004(h) or 7062, or otherwise.

MISCELLANEOUS HOLDINGS

EE. Nagle & Zaller's Claim is allowed in the amount of \$124,500.00 and will be paid at Closing in full and final satisfaction of Nagle & Zaller's claims against the Debtor. Nagle & Zaller's Objection is overruled and Nagle & Zaller's vote against the Plan is hereby changed to a vote in favor of the Plan without opting out of the release in section 9.5 of the Plan.

FF. WSSC's Claim is allowed in the amount of \$120,000.00 and will be paid at Closing in full and final satisfaction of WSSC's claims against the Debtor. WSSC's Objection is overruled and WSSC's vote against the Plan is hereby changed to a vote in favor of the Plan without opting out of the release in section 9.5 of the Plan.

GG. The provisions of the Plan and this Order are binding on the Debtor, its successors, Former Residents, Unit Lienholders, all entities acquiring property under the Plan, all Creditors, and all other parties in interest, whether or not such parties' Claims are impaired under the Plan, and whether or not such parties voted to accept the Plan.

HH. To the extent any inconsistency exists between the provisions of the Plan and this Order, the provisions contained herein shall govern. The failure to reference or discuss any particular provision of the Plan in this Order shall have no effect on the validity, binding effect, and enforceability of such provision and such provision shall have the same validity, binding effect and enforceability as every other provision of the Plan.

II. The Debtor is authorized, empowered and directed to issue, execute, deliver, file and record any documents, instruments, agreements, court papers or pleadings, and to take any

and all actions that are necessary or desirable to implement, effectuate, and consummate the Sale and the Plan, all without further application to, or order of, the Court.

JJ. All executory contracts and leases of the Debtor, other than its insurance policy for the Property, shall be deemed rejected by the Debtor on the Effective Date unless (i) assumed by order of the Court prior to the Effective Date, (ii) otherwise provided by the Plan, (iii) an application to assume has been filed with the Court prior to the Effective Date, or (iv) assumption or rejection is otherwise ordered by the Court, notwithstanding anything to the contrary herein or in the Plan.

KK. Any Claim arising from the rejection of an unexpired lease or executory contract shall be filed with the Court no later than thirty (30) days after the entry of the order approving such rejection. If not timely filed, then such Claim shall be waived and forever barred. Any Allowed Claim arising from the rejection of an executory contract or an unexpired lease shall be deemed a Class 3 Claim.

LL. All requests for payment of unpaid Administrative Claims, including applications of Professionals for compensation and expense reimbursement for services rendered or expenses incurred through the Confirmation Date, shall be filed with the Court no later than thirty (60) calendar days after the Confirmation Date. If not timely filed, then such Administrative Claims will be waived and forever barred.

MM. The Debtor may (i) retain Professionals (subject to the Court's approval) to implement the terms of the Plan, including to assist with the reconciliation of Claims and the making of Distributions, and (ii) pay the Post-Confirmation Professional Claims of such retained Professionals from the Net Sale Proceeds without the need to obtain further Court approval, provided, however, that no payments shall be made to Holders of Claims or Post-Confirmation

Professional Claims until the Allowed Claim of Prince George's County is determined by agreement of the parties or further Order of the Court. At Closing, the Debtor shall provide Debtor's Counsel with a \$300,000.00 retainer as security for post-confirmation services to be provided in connection with the implementation of the Plan.

NN. The Debtor retains the right to file objections to Claims and to litigate any such objections to a final determination by the Court or to compromise, settle, or otherwise resolve any such objection subject to the Court's approval; *provided, however*, that the Debtor may settle any Claims without prior court approval if the allowed amount of the Claim does not exceed \$25,000.00 and if the U.S. Trustee and the 20 largest unsecured creditors fail to object after ten (10) business days' notice of such settlement.

OO. Purchaser and any third parties, including the Title Company and all present and future title insurers may rely on the findings and conclusions contained in this Order.

PP. The deadlines in the Commitment for confirmation of the Plan and entry of this Order are hereby deemed satisfied such that confirmation of the Plan and entry of this Order constitutes timely compliance with the deadlines in the Commitment.

QQ. The Debtor will continue to exist until the Plan has been substantially consummated and the Bankruptcy Case is closed.

RR. All fees payable pursuant to section 1930 of title 28 of the United States Code shall be paid on the Effective Date. All fees payable pursuant to section 1930 of title 28 of the United States Code after the Effective Date shall be paid on a quarterly basis until the chapter 11 case is closed, converted, or dismissed. The Debtor shall be liable for the payment of all quarterly fees due pursuant to section 1930 of title 28 after the Effective Date. After the

Effective Date, the Debtor shall provide the U.S. Trustee with post-confirmation quarterly reports that shall include all of its respective disbursements for that quarter.

SS. Until the Bankruptcy Case is closed by entry of a final order to such effect, and subject to sections 157 and 1334 of title 28 of the United States Code, the Court shall retain exclusive jurisdiction over all matters arising under, arising in or relating to this Bankruptcy Case and the Plan in accordance with the terms of the Plan.

TT. Notwithstanding anything to the contrary in section 9.5 of the Plan, the release provided in that section shall not operate as a release of claims against the Debtor's attorneys based on professional negligence.

UU. The Debtor shall mail notice of the entry of this Order to each party (i) listed in the Debtor's mailing matrix, (ii) filing a proof of claim in this Bankruptcy Case, and (iii) to any unexpired lease or executory contract not assumed by the Debtor.

cc: Patrick J. Potter
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All Parties Requesting Notice

END OF ORDER