UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF TENNESSEE

In re:	)	
	)	Case No. 13-06154
HOLT DEVELOPMENT CO., LLC,	)	Chapter 11
	)	Judge Mashburn
Debtor.	)	

DISCLOSURE STATEMENT TO ACCOMPANY CHAPTER 11 PLAN OF REORGANIZATION, DATED NOVEMBER 1, 2013 FILED BY DEBTOR

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ARTICLE I
INTRODUCTION

On November 1, 2013, Holt Development Co., LLC (the "Debtor") filed its Chapter 11 Plan of Reorganization dated November 1, 2013 (the "Plan") in the United States Bankruptcy Court for the Middle District of Tennessee (the "Court" or the "Bankruptcy Court").

Capitalized terms used in this Disclosure Statement, and not expressly defined in it, are defined in the Plan. A reference in this Disclosure Statement to an "Article" or a "Section" refers to an article or a section of this Disclosure Statement unless specifically indicated otherwise.

This Disclosure Statement describes certain background matters and the material terms of the Plan, but is intended as a summary document only and is qualified in its entirety by reference to the Plan. You should read the Plan to obtain a full understanding of the Plan's provisions.

This Disclosure Statement does not constitute financial or legal advice. You should consult your own advisors and/or attorneys if you have questions about the Plan or this Disclosure Statement.

CHAPTER 11 OF TITLE 11 OF THE UNITED STATES CODE, UNDER WHICH THIS CASE WAS FILED, REQUIRES THAT THERE BE SUBMITTED TO THE HOLDERS OF PREPETITION CLAIMS AND INTERESTS A COPY OF THE DEBTOR'S PLAN OF REORGANIZATION, OR A SUMMARY OF IT, AS WELL AS A WRITTEN DISCLOSURE STATEMENT APPROVED BY THE COURT (AFTER NOTICE AND HEARING) AS CONTAINING INFORMATION ADEQUATE TO ENABLE HOLDERS OF CLAIMS AND INTERESTS TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN.

BY ORDER ENTERED _____, 2013, THE COURT APPROVED THIS DISCLOSURE STATEMENT AS CONTAINING SUCH ADEQUATE INFORMATION. THE

COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A RECOMMENDATION BY THE COURT EITHER FOR OR AGAINST CONFIRMATION OF THE PLAN, NOR A GUARANTY OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.

This Disclosure Statement and the Plan are an integral package. They must be considered together for the reader to be adequately informed.

The information contained in this Disclosure Statement, including the information concerning the Debtor's financial condition and the other information contained herein, is based upon information provided by the Debtor's representatives, or in pleadings or schedules filed in this Chapter 11 bankruptcy case (the "Case" or "Bankruptcy Case"), and has not been subject to an audit or independent review. This Disclosure Statement contains only a summary of the Plan. Each Creditor and Interest Holder is urged to review the Plan prior to voting on it.

The statements contained in this Disclosure Statement are made as of the date of the Disclosure Statement, unless another time is specified. The delivery of this Disclosure Statement shall not under any circumstances create an implication that there has not been any change in the facts set forth since the date of this Disclosure Statement.

Schedules describing the Debtor's assets and liabilities as of the date of the commencement of this Bankruptcy Case are on file with the Clerk of the Bankruptcy Court. They may be viewed electronically at https://ecf.tnmb.uscourts.gov/cgi-bin/login.pl. In addition, counsel for the Debtor have assembled a depository of documents (the "Document Depository") for review, including the schedules of assets, liabilities and executory contracts; statements of financial affairs; and monthly operating reports filed by the Debtor. Some of the items referenced above will be kept in the Document Depository in electronic form. Any creditor or party desiring to view these documents at

the offices of Debtor's counsel should contact Ms. Megan Pyle, a paralegal in the office of Debtor's counsel, at: (615) 244-4994, or mpyle@gsrm.com.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER APPLICABLE NONBANKRUPTCY LAW. ENTITIES HOLDING OR TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS AGAINST THE DEBTOR, AND/OR INTERESTS IN OR SECURITIES OF THE DEBTOR, SHOULD EVALUATE THIS DISCLOSURE STATEMENT ONLY IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT, LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS.

THIS DISCLOSURE STATEMENT SHALL NOT BE CONSTRUED TO BE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE DEBTOR. YOU SHOULD CONSULT YOUR OWN COUNSEL OR TAX ADVISOR ON ANY QUESTIONS OR CONCERNS RESPECTING TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN UPON HOLDERS OF CLAIMS OR EQUITY INTERESTS.

NO REPRESENTATIONS CONCERNING THE DEBTOR'S PLAN, REORGANIZATION, OR THE VALUE OF THE DEBTOR'S ASSETS ARE MADE OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. YOU SHOULD NOT RELY ON ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OF THE PLAN, THAT ARE OTHER THAN AS CONTAINED IN THIS DISCLOSURE

STATEMENT, IN ARRIVING AT YOUR DECISION AS TO WHETHER TO ACCEPT THE PLAN. ANY SUCH ADDITIONAL REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED IMMEDIATELY TO THE BANKRUPTCY COURT, THE UNITED STATES TRUSTEE OR TO THE UNDERSIGNED COUNSEL FOR THE DEBTOR.

ARTICLE II
HISTORY OF THE DEBTOR AND EVENTS LEADING TO CHAPTER 11 FILING

Holt Development Co., LLC ("HDC" or the "Debtor") is a land development company located in Tennessee that was created to develop property primarily in Cheatham County, Tennessee. HDC's property – a traditional neighborhood development known as "Pleasant View Village" – is located in Pleasant View, Tennessee, at the approximate mid-way point between Nashville and Clarksville, Tennessee, near Exit 24 on Interstate Highway 24. Pleasant View Village is a mixed-use development, including approximately 400 single- and multi-family residential lots, five commercial lots which house retail, professional, restaurant and other commercial and residential tenants, and approximately 37 acres of undeveloped land. The City of Pleasant View, Tennessee owns all streets, alleys, sidewalks and streetlights. There exists an active homeowners' association. The majority of the Pleasant View Village project sits on the south side of Highway 41A, a major thoroughfare between Nashville and Clarksville, Tennessee. Approximately eight (8) acres sits on the north side of Highway 41A, and this property is targeted for commercial development.

In 2002, HDC acquired the 56 acres necessary to develop the project. The concept was for the development to be a walkable, mixed-use community, complete with a neighborhood center/gathering space, with multiple points of access into and away from the central space. Streets were to be interconnected, with differing widths and lighting depending on the specific use of each street. Buildings – both residential and commercial – were to be close to the streets,

with parking located in the rear of buildings to reduce vehicle visibility. The original design called for a central core of property located adjacent to Highway 41A, composed of five (5) lots for commercial use, with single and multi-family residences and residential lots surrounding the commercial core on three (3) sides. The design called for the development of the residences in seven (7) phases; as of the date of this disclosure statement, the development of Phases 1 thru 3 is essentially complete. As for the commercial buildings (described as "C-1", "C-2", "C-3," "C-4," and "C-5"), Building C-1 and C-5 are essentially complete, but no improvements have been made on Tracts C-2, C-3 and C-4.

HDC is a family-owned Tennessee limited liability company. HDC's principals include: Dannie R. Holt, 60% owner and the Chief Manager of the Project; Melba Holt, 10% owner of the project and wife of Dannie R. Holt; Leticia Holt Manning, 10% owner of the project and daughter of Dannie R. and Melba Holt; and Dannie G. Holt, 20% owner of the project and son of Dannie R. and Melba Holt. These ownership interests have not changed during the pendency of the Chapter 11 case. Recent appraisals of the Pleasant View Village project indicate that the improved properties (both residential and commercial) have a current value of approximately $8,795,000, while unimproved land has a value of approximately $3,710,000. HDC is a party to approximately 14 commercial leases, approximately 20 residential leases, and approximately 10 other maintenance, service, utility or insurance contracts.

Much of the infrastructure for Pleasant View Village was completed by 2008, when the downturn in the economy affected virtually all real estate developments. All phases of the project (residential, commercial and development) were affected. Gradually, over time, the project has found tenants for the commercial space and buyers and tenants for the residential space. However, the gradual uptick in the project's success has not been sufficient to allow HDC

to pay all debt service and operating expenses on all phases of the project. HDC has two primary lenders: Heritage Bank of Hopkinsville, Kentucky, and Ms. Doris Napiwoski of Clarksville, Tennessee. As described more fully in Article V below, Heritage Bank has four (4) outstanding loans to HDC, totaling approximately $8,745,425 as of the petition date. Ms. Napiwoski has three (3) outstanding loans to HDC, totaling approximately $700,000 as of the petition date. Up to March, 2013, HDC was able to keep its loan obligations to Heritage Bank and Ms. Napiwoski current. However, when two (2) of the Heritage Bank loans came due, Heritage Bank was not willing to renew those loans on terms acceptable to HDC. The four (4) loans contain cross-default provisions, and when HDC was unable to refinance the matured Heritage Bank loans, the entire indebtedness was deemed by Heritage to be in default. Heritage Bank threatened to send direct-pay notices to HDC's tenants at Pleasant View Village. These actions prompted the filing of the Chapter 11 petition on July 16, 2013 (the "Petition Date").

HDC's primary assets as of the Petition Date were its real estate holdings, which represent significant value in improved and unimproved land in Cheatham County, Tennessee. The Debtor scheduled the estimated current value of its real estate holdings as $12,499,000.00. The other assets of the Debtor are various accounts receivable, vehicles, prepaid deposits and a small amount of cash with a total value of approximately $78,000.00. As noted above, the holders of Debtor's secured debt are Heritage Bank and Doris Napiwoski. The total amount of secured claims against the Debtor is approximately $9,445,425.00. The Cheatham County, Tennessee Trustee is owed real estate property taxes of approximately $70,000. Franchise and excise taxes of approximately $36,654.00 are owed to the Tennessee Department of Revenue. General unsecured claims, including claims owed to insiders of the Debtor, total approximately $790,689.00.

ARTICLE III
PROGRESS OF THE CHAPTER 11 CASE TO DATE

HDC filed its Chapter 11 petition on July 16, 2013. Shortly thereafter, HDC filed its application to employ the Nashville law firm of Gullett, Sanford, Robinson & Martin, PLLC ("GSR&M"), to represent its interests as a debtor-in-possession. A limited objection to the application to employ was filed by Heritage Bank on July 23, 2013. An amended application to employ was filed on July 29, 2013, and an order approving GSR&M's employment was entered August 27, 2013 (Docket No. 36).

By notice submitted on July 17, 2013 (Docket No. 9), counsel for the United States Trustee scheduled the Debtor's initial debtor's conference for July 29, 2013. The United States Trustee instructed the Debtor to prepare and produce numerous documents concerning the operations of the Debtor, bank accounts of the Debtor, insurance needs of the Debtor, and anticipated post-petition operations. HDC has complied with all directives of the United States Trustee, and the initial debtor's conference was conducted as scheduled on July 29, 2013 at the Trustee's office located in Nashville, Tennessee.

In compliance with the guidelines of the Office of the United States Trustee, the Debtor filed on August 15, 2013 (Docket No. 33), September 13, 2013 (Docket No. 48) and October 15, 2013 (Docket No. 56) monthly operating reports detailing results of operations of the Debtor during the post-petition period. The monthly operating reports are available for viewing on the Court's CM/ECF website or in the Document Depository referenced above.

In accordance with 11 U.S.C. § 521 and Bankruptcy Rule 1007, HDC filed on August 15, 2013 its Schedules of Assets, Liabilities and Executory Contracts and its Statements of Financial Affairs (Docket No. 32). These detailed Schedules and Statements describe the Debtor's

ownership interests; the Debtor's debts owed to secured claim holders, priority claim holders and unsecured claim holders; the equity interests held in the Debtor; and descriptions of the Debtor's ongoing business affairs. The Schedules and Statements were amended on September 4, 2013 (Docket No. 38). These Schedules and Statements are also available for inspection on the Court's CM/ECF website or in the Document Depository. Further information concerning the Debtor's Schedules and Statements may be found in Articles IV and V below.

On August 22, 2013, counsel for the Office of the United States Trustee conducted the Chapter 11 meeting of creditors for the Debtor. Dannie R. Holt, chief manager of the Debtor, appeared to testify at the meeting of creditors. Such meeting was commenced and concluded on August 22, 2013 (Docket No. 34).

No creditors' committee has been appointed in the case. On August 22, 2013, the Court issued a notice to this effect.

On September 5, 2013, HDC filed a Motion to Set Bar Date for Filing Proofs of Claims (Docket No. 39) along with a Proposed Order Granting Motion to Set Bar Date (Docket No. 40). On September 9, 2013 the Court entered its Order granting the motion and setting bar dates for filing claims in the case (Docket No. 41). All general claims were to be filed by October 25, 2013, and governmental units are to file claims by January 13, 2014.

HDC and its primary lender, Heritage Bank, have operated since the early days of the case under a consensual arrangement for the ongoing use of Heritage Bank's cash collateral. Specifically, within the first few days of the case, HDC and Heritage Bank agreed on a budget for anticipated operations during the pendency of the case, and agreed to certain reporting and operating requirements. HDC and Heritage Bank filed on August 8, 2013 a joint motion for the use of Heritage's cash collateral and for adequate protection of Heritage's secured liens in the

case (Docket No. 27). The Court approved the parties' agreement by entry of an Agreed Order on September 12, 2013 (Docket No. 46). Pursuant to this Order, HDC provides regular and detailed reports of revenues and expenses every two weeks, and HDC prepares a budget of anticipated revenues and expenses on a monthly basis. A second Agreed Order regarding the use of Heritage Bank's cash collateral was submitted to the Court for entry on September 17, 2013, and the Court entered that second Order on September 19, 2013 (Docket No. 51).

Early in the case, on July 24, 2013, Heritage Bank filed a motion with the Court seeking a determination that HDC's property is a "single asset real estate" property pursuant to 11 U.S.C. §101(51B) (Docket No. 15). HDC, as the debtor-in-possession, agreed to this designation. HDC and Heritage Bank submitted to the Court an agreed order determining HDC's property to be single asset real estate property, and that agreed order was entered by the Court on August 9, 2013 (Docket No. 29). Pursuant to that Order, HDC is subject to 11 U.S.C. §362(d)(3); HDC must file a plan of reorganization with the Court not later than November 1, 2013, or commence interest-only payments to Heritage Bank at the non-default contract rate of interest.

HDC has made no sales of property since the Petition Date; however, HDC has entered into a lease of commercial space, and is negotiating additional leases of commercial space and/or leases or sales of residential space. HDC has no employees. It contracts with Southeastern Realty, LLC to provide property management services, and pays approximately $3,600 monthly for those services. HDC contracts with Pleasant View Village Square, Inc. to provide services in the common commercial areas of the project, such as electric costs, elevator costs, water and other utilities and some maintenance costs; the cost of these services is approximately $4,500 monthly. Maintenance costs for residential areas are provided by Holt Construction, Inc.; the cost of these services is approximately $400 monthly. Southeastern Realty, LLC, Pleasant View

Village Square, Inc. and Holt Construction, Inc. are owned by members of the Holt family, and are thus deemed "insiders" for purposes of the Bankruptcy Code. HDC continues to pay insurance premiums on its properties and utility costs for its office and is current on all post-petition obligations. HDC is current on payments of its quarterly fees to the United States Trustee.

ARTICLE IV
ASSETS OF THE DEBTOR

HDC's assets are described below. HDC's schedules (filed with the Court on August 15, 2013 (Docket No. 32) and amended September 4, 2013 (Docket No. 38), provide detailed descriptions of the various items of real and personal property owned by HDC as of July 16, 2013 (the Petition Date), which can be more generally categorized as follows:

Asset	Book Value
Checking Account:	$ 3,673.83
Accounts Receivable:	8,805.92
Vehicles:	16,250.00
Machinery/Equipment	22,255.88
Prepaid deposits and rents (held in escrow):	27,063.46
C-1 Building (Commercial Real Estate):	5,500,000.00
C-5 Building (Commercial Real Estate):	3,145,000.00
C-2, C-3 and C-4 Tracts (Commercial Real Estate):	810,000.00
Unfinished Residence:	150,000.00
Residential Lots & Centre Street:	160,000.00
Undeveloped Real Estate:	2,734,000.00
Total:	$12,577,049.09

HDC included in its Statements of Financial Affairs listings of all payments made by HDC within ninety (90) days before the Petition Date. Since HDC's Chapter 11 plan contemplates that creditors will be paid in full, pursuit of "preferences" or "avoidance actions" under 11 U.S.C. §§ 544-550 is not necessary or cost-effective, and would offer no value to the Debtor's estate. Consequently, the Debtor has attributed no value to potential avoidance actions. The values of assets listed above are as of July 16, 2013. Since the Petition Date, there has been no appreciable change in the value of HDC's assets.

ARTICLE V
LIABILITIES OF THE DEBTOR

In its Schedule of Liabilities, HDC lists or describes several categories of debts, including secured claims, priority unsecured claims, and general unsecured claims. Detailed descriptions of such claims can be found in the Debtor's Schedule of Liabilities, filed on August 15, 2013 (Docket No. 32) and amended September 4, 2013 (Docket No. 38). HDC will summarize by category of liability the debts scheduled by HDC.

A. Secured Claims. Secured claims are held by entities who claim liens against the property of a Debtor as of the Petition Date. The secured claims have been scheduled as follows:

Creditor	Amount of Claim
Heritage Bank	$ 8,745,425.01
Doris Napiwoski .	700,000.00
Total:	$9,445,425.01

As described above and in the Debtor's Schedules, Heritage Bank asserts security interests in the Debtor's commercial properties and development properties. Doris Napiwoski

asserts security interests in some of the Debtor's commercial properties and certain residential lots.

B. Priority Claims. The Bankruptcy Code affords holders of certain unsecured claims priority over holders of other unsecured claims. For example, certain taxes and other debts owed to governmental units are entitled to some degree of priority over other unsecured claims, pursuant to 11 U.S.C. § 507. In this matter, the priority claims listed by HDC in its Schedules are generally for property taxes owed to Cheatham County, Tennessee and franchise/excise taxes owed to the State of Tennessee. These claims are presented in detail in the Schedules, but are aggregated here:

Priority Claims.	Total Claim Amount
Taxes owed to Cheatham County Trustee	$ 59,800.00
Cheatham County Chancery Court (for delinquent property taxes)	10,373.42
Franchise and Excise Taxes	36,645.75
Total:	$ 106,818.17

The appropriate amount of franchise and excise taxes is under review by HDC. In addition, HDC has listed the Internal Revenue Service in its Schedules for notice purposes only.

C. Administrative Expenses. A debtor-in-possession under Chapter 11 of the Bankruptcy Code is authorized to operate its business in the ordinary course of business. Vendors, suppliers, and others that provide goods or services to a debtor post-petition in the regular course of business are entitled to be paid in the regular course of business, and any such claims arising therefrom are entitled to administrative expense priority pursuant to 11 U.S.C. § 503. HDC has incurred customary and ordinary operating expenses during this Chapter 11 case.

As noted above, HDC is current on all post-petition expenses. HDC is current on all quarterly fees payable to the Office of the United States Trustee. The Debtor contemplates staying current on all post-petition expenses going forward.

As noted above, HDC has employed Gullett, Sanford, Robinson & Martin, PLLC ("GSR&M") of Nashville, Tennessee as its attorneys during the Chapter 11 case. GSR&M has accrued certain legal fees and expenses during its representation of HDC. Such fees and expenses, if allowed by the Court, are entitled to administrative expense priority. From the Petition Date up to October 15, 2013 GSR&M has incurred legal fees in the amount of approximately $86,819.00 and expenses in the amount of approximately $986.00. Additional fees and expenses incurred by GSRM and allowed by the Court will likewise be entitled to administrative expense priority. The Debtor is not permitted to pay such fees and expenses until GSR&M has filed an appropriate application for compensation and reimbursement of expenses, and such application is approved by the Court after notice and an opportunity for hearing. Within the year prior to the Petition Date herein, the Debtor remitted to GSR&M a total of $85,754.24 in four (4) payments, a portion of which ($42,450.74) was used to pay for services rendered by GSR&M up to the Petition Date. Thus, as of the Petition Date, GSR&M holds the balance ($43,303.50) as a retainer in this case.

D. General Unsecured Claims. HDC has divided its scheduled unsecured nonpriority claims into two classes: claims held by "insiders," as that term is defined in the Bankruptcy Code, and claims held by creditors who are not "insiders." Under the Debtor's Plan, all non-insider unsecured nonpriority claims will be paid before any insider claims. HDC's scheduled unsecured nonpriority claims are:

Non-Insider Unsecured Claims: $15,661.82

Insider Unsecured Claims: $775,027.00

Insider unsecured claims against HDC include loans extended to HDC by insiders, including Holt Construction, Inc. ($159,910.26), Pleasant View Village Square, Inc. ($19,539.74), and Dannie R. & Melba Holt ($595,577.00). The total amount of all unsecured nonpriority claims is therefore $790,688.82.

ARTICLE VI
PREPETITION JUDICIAL PROCEEDINGS

As of the Petition Date, July 16, 2013, HDC was not named in any judicial proceedings. However, Heritage Bank had threatened immediate direct-pay notices to HDC's tenants at Pleasant View Village, which prompted the Chapter 11 filing herein.

ARTICLE VII
EQUITY INTERESTS

HDC has four (4) members, and each is a partial owner of the limited liability company:

Member	Percentage of Ownership
Dannie R. Holt, Chief Manager	60%
Melba Holt	10%
Leticia H. Manning	10%
Dannie G. Holt	20%

ARTICLE VIII
IMPLEMENTATION OF THE CHAPTER 11 PLAN OF REORGANIZATION

HDC's Chapter 11 plan (the "Plan") is a plan of reorganization which contemplates the continuation of HDC's business. In general, the Debtor, as reorganized, will retain all property of the Estate, excepting property which is to be sold or otherwise disposed of as provided in the Plan, executory contracts which are rejected pursuant to the Plan or otherwise in the Case, and

property transferred to creditors of the Debtor pursuant to the Plan. The retained property will be used and employed by the Debtor in the continuation of the business. Payments to creditors with allowed claims will be made as described in Article V of the Plan and in Article IX below.

ARTICLE IX
SUMMARY OF THE PLAN

Under HDC's proposed Chapter 11 Plan, there are 8 separate classes of claims and interests. In accordance with 11 U.S.C. § 1123(a)(1), there is no separate class for administrative claims. For a more specific description of the nature of the claims and interests treated under the Plan, please see Articles IV and V above, or the Schedules of Assets and Liabilities and the Statement of Financial Affairs on file with the Court and included in the Document Depository maintained at the offices of HDCs' counsel.

The various classes of claims and interests, and the proposed treatment under the Plan of each such class, are described below. The Plan defines the "Effective Date of the Plan" as the second business day following the 35th calendar day after entry by the Court of an order confirming the Plan. The specific provisions of the Plan control over the provisions of this Disclosure Statement, and the Plan should be consulted for a complete understanding of the treatment of claims and interests. Parties-in-interest should consider consulting legal counsel before voting on whether to accept or reject the Plan.

A. Non-Classified Claims. Certain administrative expenses of the estate are not classified under the Plan, for purposes of voting on the Plan. These administrative expenses are as follows:

(a) General Administrative Claims. Administrative expenses under 11 U.S.C. § 503 have been incurred as actual and necessary costs and expenses of preserving the estate;

however, such claims are nominal. With respect to any such claims, such claims shall be paid in full on the Effective Date of the Plan.

(b) United States Trustee Fees. Fees payable to the Office of the United States Trustee have been incurred during the Case. Such fees will continue to be paid when due, and any such fees not paid shall be paid in full on the Effective Date of the Plan. Any such fees incurred post-confirmation but prior to the closing of the Case shall be paid when such fees become due.

(c) Fees of Professionals of the Estate. Any professionals whose employment has been approved by the Court shall be required to file with the Court final fee application within thirty (30) days after the Effective Date of the Plan. Payments of Court-approved compensation shall be made after an order(s) approving such compensation has/have been entered and has/have become a final order(s).

(d) Administrative Tax Claims. Any governmental or administrative entity that asserts an administrative claim for taxes incurred during the pendency of the Case, which are not paid by the Debtor during the Case, shall be required to file with the Court an application for payment of such asserted administrative tax claim within sixty (60) days of the Effective Date of the Plan. Each holder of an administrative claim for taxes for which the Debtor is responsible shall be paid the allowed amount of such claim in cash, in full on the date such claim is allowed by an order of the Court or on the date such payment is due under applicable law.

B. Class 1 Claims: Class 1 shall consist of the allowed priority claims entitled to priority under 11 U.S.C. § 507(a)(4) or (5). Generally, this class would include claimants holding wage, commission, severance or other employment claims, or claims arising from an

employee benefit plan. The claims of any Class 1 Claimants shall be paid in full in cash on the Effective Date of the Plan. HDC believes there are no Class 1 claims.

C. Class 2 Claims: Except for property taxes assessed against the Napiwoski Collateral (described below), Class 2 shall consist of the allowed priority claims arising under 11 U.S.C. § 507(a)(8) held by either the Cheatham County, Tennessee Trustee for property taxes, by the Tennessee Department of Revenue for franchise/excise taxes, or by any other entity holding an allowed priority claim under 11 U.S.C. § 507(a)(8). All claims allowed in Class 2 shall bear interest from the Effective Date of the Plan as provided in 28 U.S.C. §§ 6621 and 6622, or other applicable statute, and shall be paid in equal monthly installments of principal and interest, the first of which installments shall be due on the thirtieth (30^{th}) day after the Effective Date of the Plan and the last of which shall be due no later than July 16, 2018 (unless the allowed claims and all interest thereon shall have been fully amortized on an earlier date.)

The reorganized Debtor shall timely file each tax return coming due after the Effective Date of the Plan, and shall pay any balance shown to be due thereon at the time the return is filed.

If the reorganized Debtor fails to make any payment required hereunder, any deposit of any currently accruing employment tax liability, or any payment of any tax to the Internal Revenue Service within 10 days of the due date of such deposit or payment, or fails to file any required federal tax return by the due date of such return (as the same may be extended) and pay any outstanding tax liability shown on the return at the time the return is filed, then the United States or other affected Class 2 Claimant may declare that the Debtor is in default of the Plan. Failure to declare a default does not constitute a waiver by the United States or other Class 2 Claimant of the right to declare that the Debtor is in default. If the United States or other

affected Class 2 Claimant declares the Debtor to be in default of its obligations under the Plan, then the entire liability, together with any unpaid current liabilities, shall become due and payable immediately upon written demand to the Debtor. If full payment is not made within 10 days of such demand, then, notwithstanding the discharge injunction of 11 U.S.C. § 1141(d), any Class 2 Claimant may collect any unpaid liabilities by any means provided by applicable nonbankruptcy law.

D. Class 3 Claims: Class 3 shall consist of the allowed claims of Heritage Bank, to the extent such claims are secured by valid, perfected and unavoidable liens on or security interests in property in which the Estate has an interest, and to the extent of the value, determined in accordance with 11 U.S.C. § 506(a), of Heritage Bank's interests in the Estate's interests in such property. In full settlement, satisfaction and discharge of the claims of the Class 3 Claimant, on the Effective Date of the Plan, or as soon as practicable thereafter, the following actions, terms and conditions shall be performed and implemented:

The reorganized Debtor shall execute and deliver to Heritage Bank a promissory note (sometimes referred to herein as the "Consolidated Note"), dated as of the Effective Date of the Plan and having a principal amount equal to the Loan Balance EDOP, as defined hereinafter. Said note shall bear interest from its date at an annual rate (the "Plan Interest Rate"), equal to the yield rate (rounded to the nearest one-quarter of a percentage point) on the U.S. Treasury obligation (coupon bearing) the maturity of which is nearest the sixth (6^{th}) anniversary of the Effective Date of the Plan, as published in The Wall Street Journal immediately before the commencement of the hearing on Confirmation, increased by 200 basis points, and shall be paid in equal monthly installments of principal and interest based upon an amortization period of thirty (30) years, the first monthly installment of which shall become due on the thirtieth (30^{th})

day after the date of the note; provided, however, until the earlier of, (i) the five hundred forty-eighth (548th) day after the Effective Date of the Plan, and (ii) the completion of the sale or refinance of the Unbuilt Properties, as provided hereinafter, the amount of each monthly installment shall be limited to the sum of Thirty-Six Thousand Dollars ($36,000.00); when this period ends, all accrued and unpaid interest from the Effective Date of the Plan shall be capitalized, and the amount of each monthly installment shall be adjusted accordingly. The Consolidated Note shall mature and come due with a balloon-type installment on the sixth (6th) anniversary of the Effective Date of the Plan. The note shall contain such other terms as shall be necessary or appropriate to give full legal effect to the terms, conditions and purposes of the Plan, and be not inconsistent therewith.

For purposes of the Plan the term "Loan Balance EDOP" shall be computed by adding to the allowed claim (computed in accordance with the Code as of the Petition Date), interest at the non-default rate specified in the notes evidencing such claim, and all other reasonable and allowable fees, costs or charges provided for therein and specifically allocable thereto for the period commencing July 16, 2013, and ending on the Effective Date of the Plan, and subtracting therefrom all cash payments made by Debtor to Heritage Bank during said period, including, without limitation, cash payments made pursuant to an order relating to the use of cash or adequate protection or otherwise, or to comply with 11 U.S.C. §362(d)(3)(B).

The Consolidated Note shall be secured by the same properties which were valued in determining the allowed secured claim of Heritage Bank, except to the extent that any of such property is remitted to or retained by Heritage Bank under the terms of the Plan, or is to be sold or refinanced as provided hereinafter. The Class 3 Claimant shall retain the liens of the deeds of trust encumbering such properties, provided, however, that any covenant in any such deed of

trust that may require the escrow of funds to pay property taxes and insurance shall not be enforceable after the Effective Date of the Plan, and, provided, further, that all unrecorded loan agreements and other documents, including any and all covenants contained therein, shall not be enforceable after the Effective Date of the Plan.

The reorganized Debtor shall join with the Class 3 Claimant in the execution, acknowledgment, delivery and recordation of any documents necessary to amend the deeds of trust, assignments of rents and leases, and any other recorded document securing the allowed claims of the Class 3 Claimant, to conform and to give full legal effect to the terms, conditions, and purposes of the Plan. In the event any provision of the Plan is found to conflict with any provision of any such document, the provisions of the Plan shall prevail.

Upon compliance of the Debtor with the foregoing, on the Effective Date of the Plan all then existing defaults in or under the pre-petition notes, deeds of trust, assignments of rents and leases, loan agreements, and the other loan documents shall be deemed cured, every purported acceleration of a maturity or due date or exercise of any option based upon any alleged default or event of default shall be deemed annulled and decelerated, and, except as expressly modified hereby, every maturity or due date, or similar date or deadline, shall be reinstated as such existed prior to any purported acceleration thereof.

As soon as practicable after the Effective Date of the Plan, the reorganized Debtor shall sell or refinance the Unbuilt Properties in one or more transactions. The details of each transaction shall be disclosed to the Class 3 Claimant as soon as they can be determined with reasonable certainty. At the closing of each sale or refinancing transaction, the Class 3 Claimant shall execute, acknowledge and deliver a partial release in form and content suitable for recording, of its deed-of-trust lien against the tract or tracts being sold or refinanced, upon

receipt of all proceeds of the sale or refinancing, net of all usual, customary and reasonable costs and expenses of the closing of same, provided, said net proceeds shall not be less than sixty-five percent (65%) of the fair market value of the tract or tracts being sold or refinanced, as determined by the most recent appraisal thereof obtained by the Class 3 Claimant. Said net proceeds shall be applied, first, to any interest accrued and unpaid after the Effective Date of the Plan, and, thereafter, to reduce the principal of the Consolidated Note.

E. Class 4 Claims: Class 4 shall consist of the allowed claim(s) of Doris E. Napiwoski, to the extent such claims are secured by valid, perfected and unavoidable liens or security interests in property with respect to which the Estate has an interest, and to the extent of the value, determined in accordance with 11 U.S.C. § 506(a), of Napiwoski's interests in the Estate's interests in such property. In full settlement, satisfaction and discharge of the claims of the Class 4 Claimant, on the Effective Date of the Plan, or as soon as practicable thereafter, the following actions, terms and conditions shall be performed and implemented:

By warranty deed the Debtor shall sell, transfer and convey to M&D Investments, LLC, a Tennessee limited liability company ("M&D"), all the Debtor's right, title and interest in, under and to all real properties, or interests therein (collectively, the "Napiwoski Collateral"), which remain subject to the liens provided in the three (3) deeds of trust recorded pre-petition for the benefit of the Class 4 Claimant, as the same may have heretofore been modified (collectively, the "Napiwoski Deeds of Trust"). Said sales, transfers and conveyances shall be free and clear of all liens, encumbrances or interests whatsoever, excepting only the liens of the Napiwoski Deeds of Trust and the liens of a governmental unit for ad valorem taxes assessed against the Napiwoski Collateral.

M&D shall take title to the Napiwoski Collateral subject to the liens of the Napiwoski Deeds of Trust, and shall agree to assume and pay all indebtedness of the Debtor to the Class 4 Claimant,

computed as of the effective date of the sales, transfers and conveyances (the "Assumed Debt"), to the extent the same is secured by the Napiwoski Deeds of Trust. M&D shall thereafter indemnify and hold harmless the reorganized Debtor, its successors and assigns with respect to the Assumed Debt, as to which the Debtor shall be discharged.

The purchase price of the Napiwoski Collateral shall be One Million One Hundred Thousand Dollars ($1,100,000.00). To the extent that the purchase price exceeds the Assumed Debt, M&D shall pay the excess to the Debtor in two (2) equal installments, without interest, the first of which shall be due on the ninetieth (90^{th}) day after the Effective Date of the Plan, and the second of which shall be due on the one hundred eightieth (180^{th}) day after the Effective Date of the Plan. At closing, the Debtor shall deliver a duly executed and acknowledged warranty deed conveying the Napiwoski Collateral, but the Debtor shall not bear or incur any other cost or expense associated with the closing of the transaction. Without limiting the generality of the foregoing, M&D shall assume and agree to pay all ad valorem taxes assessed against the Napiwoski Collateral for all years prior to January 1, 2014, and shall indemnify and hold the reorganized Debtor, its successors and assigns, harmless with respect thereto.

F. Class 5 Claims: Class 5 shall consist of all allowed prepetition, unsecured claims of Holt Construction, Inc. and/or Dannie R. Holt and Melba Holt. The legal, equitable and contractual rights to which the claims of the Class 5 Claimants entitle the holders thereof are not altered by the Plan, except as follows: all such claims are subordinated to the rights of all other holders of Allowed Claims in the Case. Accordingly, the reorganized Debtor shall make no transfer of property to or for the benefit of any Class 5 Claimant for or on account of any Class 5 Claim, unless and until the Plan shall have been fully performed with respect to all other holders of Allowed Claims provided for by the Plan.

G. Class 6 Claims: Class 6 shall consist of all allowed claims of Pleasant View Village Square, Inc. The legal, equitable and contractual rights to which the claims of the Class 6 Claimant entitle the holder thereof are not altered by the Plan.

H. Class 7 Claims: Class 7 shall consist of the allowed unsecured claims not entitled to priority and not expressly included in the definition of any other class (including without limitation each such allowed claim arising out of the rejection of any executory contract or unexpired lease). In full settlement, satisfaction and discharge of the allowed claims of the Class 7 Claimants, , the reorganized Debtor shall remit to each Class 7 Claimant on the Effective Date of the Plan cash equal to one-half of the allowed amount of its claim. On the ninetieth (90^{th}) day after the Effective Date of the Plan the reorganized Debtor shall remit to each Class 7 Claimant, without interest, cash equal to one-half of the allowed amount of its claim.

I. Class 8 Interests: Class 8 shall consist of the membership interests of the equity holders of the Debtor. The legal, equitable and contractual rights, to which the interests of the Class 8 Interests entitle the holders thereof, are not altered by the Plan.

ARTICLE X
LIQUIDATION ANALYSIS

To obtain confirmation of the Plan, the Debtor (as proponent of the Plan) must show that each holder of an impaired class of claims or interests has accepted the Plan, or that each holder will receive or retain under the Plan on account of the holder's claim or interest property of a value, as of the Effective Date of the Plan, that is not less than the amount such holder would so receive or retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code on said date. Set forth below is the Debtor's best estimate of the results with respect to the secured claims, the priority claims and the general unsecured claims, if the Debtor were liquidated under

Chapter 7 of the Bankruptcy Code, on or about the Effective Date of the Plan. For this analysis, HDC is assuming an Effective Date of the Plan to be March 1, 2014.

In a liquidation under Chapter 7, property as to which any secured creditor has a valid, perfected and unavoidable lien or security interest would be abandoned or otherwise made available to the secured creditor for the enforcement of its default remedies, unless the Chapter 7 trustee could convince the Court that there was a substantial equity in the Debtor's assets that could benefit unsecured creditors, and, therefore, the Chapter 7 trustee should be permitted to sell the assets. As noted herein, the Debtor's business was the marketing and sale of real estate, and its assets are primarily the real estate that it holds for sale or lease. There may be equity in this real estate that a Chapter 7 trustee could realize by sale.

Heritage Bank and Doris Napiwoski are secured creditors, and in a Chapter 7 they would be entitled to be paid from the liquidation of the assets securing their security interests or to receive the properties themselves. The difference between the amount the Debtor owes these secured creditors and the amount the liquidation of the collateral real estate yields may be a deficiency that the secured creditors may then assert as an unsecured non-priority claim. The Bankruptcy Code places restrictions on a Chapter 7 trustee with respect to continuing operations of a business in Chapter 7. The market for the properties that the Debtor owns is not particularly favorable at present, especially with respect to residential and undeveloped properties. Without a significant span of time in which to advertise and sell the collateral for a more favorable price, the Chapter 7 trustee would be forced to sell these properties at a low "fire sale" price, perhaps leaving deficiencies. Abandoning the properties to the secured lenders in the context of a Chapter 7 liquidation would also likely lead to deficiencies since the secured lenders would face the same difficult market for the real estate that the trustee would face.

The Plan provides that all the claims of secured creditors will be satisfied by the execution of and payment on a new consolidated promissory note (for Heritage Bank) and the transfer of collateral to and assumption of indebtedness by the transferee, M&D (for Doris Napiwoski). In a liquidation under Chapter 7, it is unlikely that a sale of collateral by the trustee or surrender of the collateral to the secured lenders would fully satisfy the claims of the secured lenders, and the deficiency claims that would result from a liquidation of HDC's assets in Chapter 7 bankruptcy could reduce the amount of money available to pay other unsecured non-priority claims.

After payment of the secured indebtedness, a Chapter 7 trustee would utilize the remaining assets to pay, first, the administrative expenses of the Chapter 7 case (estimated to be at least $25,000.00), and next the administrative expenses of the superseded Chapter 11 case (estimated to be at least $100,000). Holders of other priority claims would then be entitled to be paid. A summary of those estimated claims is as follows:

Chapter 7 Administrative Expenses:	$	25,000.00
Chapter 11 Administrative Expenses:	$	100,000.00
Priority Tax Claims:	$	70,173.00
Total Priority Claims:	$	195,173.00

If funds remain after the secured and priority claims, next to be paid in liquidation under Chapter 7 would be general unsecured creditors. HDC's non-real-estate assets are estimated to have a liquidation value of approximately $25,000, plus whatever cash may have accumulated during the pendency of the case. The administrative claimants and priority claimants could have claims of approximately $195,000.00, so there may be no funds to share among general unsecured creditors in a Chapter 7 liquidation.

Even if the Debtor had funds sufficient to fully pay administrative and priority claims in a Chapter 7 liquidation, the scheduled non-insider unsecured creditors would likely receive little or nothing, compared to the likelihood of a payment under the Debtor's Plan. Under the Plan, insider unsecured creditors are a separate class that will only recover after non-insider unsecured creditors are paid. Also under the Plan, the secured creditors' claims against the estate will be satisfied in full. Under the Plan, only the scheduled non-insider unsecured creditors, who hold total claims of $16,662.00, would share any funds remaining after the administrative and priority claims are paid. Under a Chapter 7 liquidation, however, the scheduled non-insider unsecured creditors, scheduled insider unsecured creditors, and secured creditor deficiency claims would all fall into the general unsecured pool. Insider unsecured claims total $775,027.00. It is impossible to estimate the amount of deficiency claims, but a figure of $1 million is a likely minimum figure for the deficiency created by a "fire sale" of the collateral real estate. Under a Chapter 7 liquidation, then, approximately $1.8 million in claims would be forced to share any funds remaining after administrative and priority claims are paid.

In sum, in a liquidation under Chapter 7 of the Bankruptcy Code, the claims of the secured creditors may not be paid in full, and could result in deficiencies and new general unsecured claims. Administrative and priority claims would possibly be paid in full. Prepetition nonpriority, unsecured creditors would likely receive substantially less than the full amounts owed. Consequently, it is clear that the Debtor's Chapter 11 Plan offers secured creditors and nonpriority non-insider unsecured creditors more than they would receive in a Chapter 7 liquidation.

ARTICLE XI
ALLOWANCE OF CLAIMS AND TREATMENT OF INTERESTS

Distribution under the Plan will be made only to creditors holding Allowed Claims. No payments will be paid to the holders of disputed claims until the disputed claims become Allowed Claims; however, a distribution may be made on any portion of a disputed claim that is not disputed. When a disputed claim is resolved, to the extent said claim becomes an Allowed Claim, distribution on the allowed portion of the Allowed Claim will be made to the holder of the claim pursuant to the distribution schedule in the Plan.

ARTICLE XII
CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following is a summary of certain federal income tax matters related to the Plan and is provided for informational purposes only. The discussion is based on the Internal Revenue Code of 1986, as amended, applicable proposed, final and temporary Treasury Regulations, judicial authority and current administrative rulings and practice, all of which are subject to change, possibly retroactively.

THIS DISCUSSION IS NOT INTENDED TO BE, AND IS NOT, A COMPLETE DESCRIPTION OF ALL POTENTIAL TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION WHETHER TO APPROVE THE PLAN. FOR EXAMPLE, THE DISCUSSION DOES NOT ADDRESS THE FEDERAL INCOME TAX RULES APPLICABLE TO HOLDERS OF INTERESTS OR TO PARTICULAR TYPES OF TAXPAYERS, SUCH AS ESOP'S, FINANCIAL INSTITUTIONS, LIFE INSURANCE COMPANIES, FOREIGN TAXPAYERS, INSIDERS, PARENTS, SUBSIDIARIES OR AFFILIATES OF DEBTORS, NOR DOES IT ADDRESS ANY STATE, LOCAL, OR FOREIGN TAX MATTERS. HOLDERS OF CLAIMS AND INTERESTS ARE ADVISED TO

CONSULT WITH THEIR OWN TAX ADVISORS REGARDING TAX CONSIDERATIONS RELEVANT TO THE PLAN.

NO RULING FROM THE INTERNAL REVENUE SERVICE HAS BEEN SOUGHT OR OBTAINED IN CONNECTION WITH THE PLAN. IN ADDITION, NO TAX OPINION OF COUNSEL HAS BEEN SOUGHT WITH RESPECT TO ANY OF THE CONSIDERATIONS ADDRESSED HEREIN, AND NO TAX OPINION OF COUNSEL IS GIVEN BY THIS DISCLOSURE STATEMENT.

A. Certain Federal Income Tax Consequences to Debtors Due to the Impairment of Claims, Etc. A portion of the Debtor's aggregate outstanding indebtedness may be reduced under the Plan. Generally, cancellation or other discharge of indebtedness triggers income to a debtor equal to the amount (as determined for federal income tax purposes) of the indebtedness forgiven. If debt is discharged in a Chapter 11 bankruptcy case, however, no income to a debtor generally results. Instead, tax attributes otherwise available to a debtor are generally reduced, in most cases by an amount equal to the principal amount of the indebtedness forgiven. Tax attribute reduction applies for purposes of both the regular and alternative minimum tax. Tax attribute reduction is calculated only after the tax for the year of discharge has been determined. Tax attribute reduction is not required with respect to the discharge of a particular debt to the extent that payment of such debt would have given rise to a tax deduction. Additionally, it is possible that there may be certain tax consequences to the debtor arising out of the sale of its assets, if such sale occurred.

B. Certain Federal Income Tax Consequences to Holders of Claims. In general, those holders who receive Cash in exchange for their Claims will recognize a gain or loss on the receipt of the Cash. The amount of this gain or loss will be the difference between the amount of

cash received and the holder's tax basis in the Claim exchanged therefor. A holder's basis in its Claim will depend on that particular holder's accounting methods and practices, as well as upon the circumstances in which the holder acquired the Claim. If a holder acquired a Claim in exchange for the provision of goods and services, and the holder has already included the amount of the Claim in income for tax purposes, then the holder will generally have a tax basis in the obligation equal to its principal amount. If this is the case, the holder might recognize a loss for tax purposes on such exchange, because the total amount received may be less than the face amount of, and thus the holder's basis in, the claim. If for any reason, a holder has not included the amount of a Claim in income for tax purposes, or if a holder has previously claimed a loss deduction with respect to a Claim, then the holder is likely to recognize a gain on the exchange. The character (capital versus ordinary) of any gain or loss that is recognized by a holder on the exchange will depend on the circumstances under which the holder acquired the Claim exchanged therefore.

To the extent that consideration received by a holder is attributable to accrued interest on the holder's Claim, the consideration so attributable will be deemed made in payment of such interest. The tax laws are unclear on how much consideration shall be attributable to accrued interest when partial payments are made on a debt instrument on which both principal and interest are owed. To the extent that the holder has not yet included the accrued interest in gross income, the cash deemed received in payment of such interest will generally be included in the holder's gross income. To the extent the holder has previously included accrued interest in gross income, the cash deemed received in payment of such interest generally will not be included in gross income. Moreover, the holder may be able to claim a deductible loss if the cash deemed received is less than the amount the holder has previously accrued in income.

C. Importance of Obtaining Professional Tax Assistance**.** The foregoing is intended to be only a summary of certain of the federal income tax consequences of the Plan, and is not a substitute for careful tax planning with a tax professional. The federal income tax consequences of the Plan which are discussed herein, and the state, local and foreign tax consequences of the Plan which are not addressed herein, are complex and, in some cases, uncertain. Such consequences may also vary based on the individual circumstances of each holder of a Claim or an Interest. ACCORDINGLY, EACH HOLDER OF A CLAIM OR AN INTEREST IS STRONGLY URGED TO CONSULT WITH SUCH HOLDER'S OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PLAN. In addition to the issues discussed above, issues that a holder may wish to consider include, but are not limited to:

1. The extent to which the creditor may be entitled to a bad debt deduction or worthless securities loss; and

2. The extent to which a holder may be entitled to installment sale treatment or other deferral with respect to any distributions it receives subsequent to the Effective Date of the Plan.

ARTICLE XIII
ACCEPTANCE AND CONFIRMATION OF THE PLAN

The following is a brief summary of the provisions of the Bankruptcy Code respecting acceptance and confirmation of a plan of liquidation. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code and/or consult their own attorneys.

A. Acceptance of the Plan. This Disclosure Statement is provided in connection with the solicitation of acceptances of the Plan. The Bankruptcy Code defines acceptance of a plan of

liquidation by a class of Claims as acceptance by holders of at least two-thirds in dollar amount, and more than one-half in number, of the Allowed Claims of that class that have actually voted or are deemed to have voted to accept or reject a plan.

If one or more impaired Classes rejects the Plan, Debtor may, at its discretion, nevertheless seek confirmation of the Plan if the Debtor believes it will be able to meet the requirements of Section 1129(b) of the Bankruptcy Code for confirmation of the Plan (which requirements are discussed more fully below) despite lack of acceptance by all impaired Classes. Also, in the event the Bankruptcy Court should determine that the Plan as presently constituted is not confirmable, the Debtor reserves the right to amend the Plan to the extent necessary to obtain entry of the Confirmation Order.

B. Confirmation.

1. Confirmation Hearing. Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of a plan. Notice of the Confirmation Hearing on the Plan has been provided to all known holders of Claims and Interests or their representatives. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any subsequent adjourned Confirmation Hearing.

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan. Any objection to confirmation of the Plan must be filed and served as required pursuant to the order approving the Disclosure Statement.

2. Statutory Requirements for Confirmation of the Plan. At the Confirmation Hearing, the Debtor will request that the Bankruptcy Court determine that the Plan satisfies the requirements of Section 1129 of the Bankruptcy Code. If the Court so determines, the

Bankruptcy Court shall enter an order confirming the Plan. The applicable requirements of Section 1129 of the Bankruptcy Code are as follows:

a. The Plan must comply with the applicable provisions of the Bankruptcy Code.

b. The Debtor must have complied with the applicable provisions of the Bankruptcy Code.

c. The Plan must have been proposed in good faith and not by any means forbidden by law.

d. Any payment made or promised by the Debtor under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 case, or in connection with the Plan and incident to the Chapter 11 case, has been disclosed to the Bankruptcy Court and has been approved by or is subject to approval of the Bankruptcy Court as reasonable.

e. The Debtor must have disclosed the identity and any affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer or voting trustee of the Debtor or the successor of the Debtor under the Plan. Moreover, the appointment to, or continuance in, such office of such individual, is consistent with the interests of holders of Claims and Equity Interests and the public policy, and the Debtor must have disclosed the identity of any insider of the Debtor or the successor of the Debtor under the Plan will employ or retain and the nature of any compensation for such insider.

f. Best Interests of Creditors Test. Notwithstanding acceptance of the Plan by creditors, the Bankruptcy Court must find, whether or not anyone objects to

confirmation, that the Plan is in the "best interests" of creditors. Courts have defined "best interests" as the Bankruptcy Code's requirement that under any plan of liquidation each member of an impaired Class must receive property with a present value at least equal to the present value of the distribution that each creditor would have received if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code.

The starting point in determining whether the Plan meets the "best interests" test is a determination of the Chapter 7 liquidation value of the Debtor. The liquidation value of the Debtor has been illustrated in Article X above.

g. Each Class of Claims has either accepted the Plan or is not impaired under the Plan.

h. Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Expense Claims and Priority Claims will be paid in full on the Effective Date and that holders of Priority Tax Claims will be paid, in deferred payments over a period not to exceed six years since the assessment of their Claim, the full value as of the Effective Date of their allowed Claims.

i. At least one impaired class of Claims must have accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim of such Class.

j. Feasibility. Confirmation of the Plan must not be likely to be followed by the liquidation, or the need for further reorganization of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is contemplated under the Plan. As this is a liquidating plan, feasibility is not impaired by liquidation.

3. Confirmation Without Acceptance by All Impaired Classes. Section 1129(b) of the Bankruptcy Code allows the Bankruptcy Court to confirm a plan, even if such plan has not been accepted by all impaired classes entitled to vote on such plan, provided that such plan has been accepted by at least one impaired class. If any impaired classes reject or are deemed to have rejected the Plan, the Debtor reserves its right to seek the application of the statutory requirements set forth in Section 1129(b) of the Bankruptcy Code for confirmation of the Plan despite the lack of acceptance by all impaired classes.

Section 1129(b) of the Bankruptcy Code provides that notwithstanding the failure of an impaired class to accept a plan of liquidation, the Plan shall be confirmed, on request of the proponent of the Plan, in a procedure commonly known as "cram-down," so long as the Plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or interests that is impaired under and has not accepted the Plan.

4. Absolute Priority Rule. The condition that a plan be "fair and equitable" with respect to a non-accepting class of unsecured claims includes the requirement (the "absolute priority rule") that either (a) such class receive or retain under the plan property of a value as of the Effective Date of the Plan equal to the allowed amount of such claim or (b) if the class does not receive such amount, no class junior to the non-accepting class will receive a distribution under the Plan.

ARTICLE XIV
EFFECT OF CONFIRMATION

A. Injunction. Except as otherwise provided in the Confirmation Order, confirmation of the Plan and entry of the Confirmation Order shall constitute an injunction against all person or entities from taking any actions (other than actions brought to enforce any

right or obligation under the Plan) to commence or continue any action or proceeding that arose before the Confirmation Date against or affecting the Estate, any property of the Estate, the Debtor, or any other direct or indirect transferee of any property of Debtor's Estate.

B. Retention and Enforcement of Claims. Pursuant to Section 1123(b)(3)(B) of the code, the Debtor shall retain each and every claim, demand or cause of action whatsoever which the Debtor or Debtor-in-Possession had or had power to assert immediately prior to Confirmation of the Plan, including without limitation actions for the avoidance and recovery pursuant to Section 550 of the Code of transfers avoidable by reason of Section 544, 545, 547, 548, 549 or 553(b) of the Code, and may commence or continue in any appropriate court or tribunal any suit or other proceeding for the enforcement of same. Since the Plan contemplates payment in full to creditors, pursuit of avoidance and recovery actions is not anticipated.

C. Retention of Jurisdiction. The Bankruptcy Court will retain jurisdiction over all disputes involving the Plan or Claims or Interests in the Chapter 11 Case. The Bankruptcy Court will also retain jurisdiction over any applications for fees and expenses of professionals and any other matter relating to implementation of the Plan.

ARTICLE XV
RISK FACTORS

A. Risk of Non-Payment to Holders of Claims and Interests. The primary source of funding for distributions under the Plan to nonpriority unsecured non-insider creditors is the ongoing revenue stream from the operations of the Pleasant View Project. This revenue stream may yield less than anticipated, which may reduce or eliminate any payment to nonpriority

unsecured non-insider creditors. No absolute assurances can be given as to the payment of distributions called for under the Plan.

B. Certain Bankruptcy-Related Considerations. Although the Debtor believes that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion. There can also be no assurance that modifications of the Plan will not be required for confirmation of the Plan, that such modifications would not adversely affect the holders of Claims or Interests, or that such modifications would not necessitate the resolicitation of votes.

ARTICLE XVI
VOTING PROCEDURES

Accompanying this Disclosure Statement are copies of the following documents: (1) the Plan, which is annexed hereto as Exhibit A; (2) the Bankruptcy Court order (a) approving this Disclosure Statement as containing adequate information pursuant to Section 1125 of the Bankruptcy Code, (b) approving the form of Ballot, and (c) approving the notice of and fixing time for (i) submitting acceptances or rejections to the Plan, (ii) the hearing to consider confirmation of the Plan; and (3) the form of ballot to be executed by holders of impaired Claims and Interests for voting to accept or reject the Plan.

A. Who May Vote. Under the Bankruptcy Code, impaired classes of claims and equity interests are entitled to vote to accept or reject a Chapter 11 plan of reorganization. A class which is not "impaired" is deemed to have accepted a plan of liquidation and does not vote. A class is "impaired" under the Code unless the legal, equitable, and contractual rights of the holders of claims or equity interests in such class are not modified or altered.

If an objection is pending to a Claim or Interest, the holder thereof shall not be eligible to vote on the Plan unless the objection is resolved or, after notice and a hearing pursuant to Bankruptcy Rule 3018(a), the Bankruptcy Court allows the Claim or Interest temporarily for the purpose of voting to accept or reject the Plan. Any Claimant or Interest holder that wants its Claim or Interest to be allowed temporarily for the purpose of voting must take the steps necessary to arrange an appropriate hearing with the Bankruptcy Court under Bankruptcy Rule 3018(a).

B. Voting Instructions. All votes to accept or reject the Plan must be cast by using the form of Ballot enclosed with this Disclosure Statement. No votes other than ones using such Ballots will be counted, except to the extent the Bankruptcy Court orders otherwise. After carefully reviewing the Plan and this Disclosure Statement, including the annexed exhibits, please indicate your acceptance or rejection of the Plan on the Ballot and return such Ballot in the enclosed envelope to:

Megan W. Pyle, Paralegal
Gullett, Sanford, Robinson & Martin, PLLC
150 3rd Ave. South
Suite 1700
Nashville, TN 37201

If your ballot is damaged or lost, or if you have any questions concerning voting procedures, you may contact Thomas H. Forrester, an attorney for the Debtor, at the address above, or by telephone at (615) 244-4994 or facsimile transmission at (615) 256-6339. The ballot may NOT be submitted by facsimile, e-mail or other means except by delivery of a completed and signed original.

C. Deadline for Voting. BALLOTS MUST BE RECEIVED NO LATER THAN 5:00 P.M. (CENTRAL TIME) ON _____, 2014 (THE "VOTING DEADLINE"). ANY

BALLOT THAT IS NOT EXECUTED BY A DULY AUTHORIZED PERSON SHALL NOT BE COUNTED. ANY BALLOT THAT IS EXECUTED BY THE HOLDER OF AN ALLOWED CLAIM OR INTEREST BUT DOES NOT INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN SHALL BE DEEMED AN ACCEPTANCE. ANY BALLOT THAT IS FAXED WILL NOT BE COUNTED IN THE VOTING TO ACCEPT OR REJECT THE PLAN.

ARTICLE XVII
CONCLUSION

The Debtor, with the assistance of its professionals, has analyzed different scenarios and believes that acceptance of the Plan is in the best interests of all parties in interest and that the Plan will provide for a greater distribution than would otherwise result if an alternative plan were proposed or the assets of the Debtor were liquidated under Chapter 7 of the Bankruptcy Code. In addition, any alternative other than confirmation of the Plan could result in delays and increased administrative expenses resulting in potentially smaller distributions to holders of Claims and Interests. Accordingly, the Debtor urges all holders of impaired Claims and Interests to vote to accept the Plan and to evidence such acceptance by completing and returning their ballots so they will be received no later than the voting deadline.

Your vote is important. Please vote promptly.

Executed this 1st day of November, 2013.

GULLETT, SANFORD, ROBINSON & MARTIN, PLLC

By: /s/ Thomas H. Forrester

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CERTIFICATE OF SERVICE

I hereby certify that on November 1, 2013, a true and correct copy of the foregoing document was filed electronically. Notice of this filing will be sent by operation of the Court's electronic filing system to all parties indicated on the electronic filing receipt. Parties may access this filing through the Court's electronic filing system.

/s/ Thomas H. Forrester
Thomas H. Forrester