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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division

In re:	)	Case No.: **13-15588-BFK**
LOUDOUN HEIGHTS, LLC	)	Chapter 11
Debtor	)	
	)	

DEBTOR'S AMENDED DISCLOSURE STATEMENT ACCOMPANYING PROPOSED PLAN OF REORGANIZATION

April 3, 2014

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THIS AMENDED DISCLOSURE STATEMENT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT. THE FILING AND DISSEMINATION OF THIS AMENDED DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED AS A SOLICITATION OF ACCEPTANCES OF THE PLAN, NOR SHOULD THE INFORMATION CONTAINED HEREIN BE RELIED UPON FOR ANY OTHER PURPOSE UNTIL THIS AMENDED DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE.

Loudoun Heights, LLC, the Debtor and debtor-in-possession in this Chapter 11 case, by counsel, pursuant to Federal Rules of Bankruptcy Procedure 3016(b) and 3017 and Section 1125 of the U.S. Bankruptcy Code, files the following Amended Disclosure Statement.

I. INTRODUCTION

The following pages contain the Amended Disclosure Statement for the Chapter 11 bankruptcy case of Loudoun Heights, LLC (hereinafter the "Debtor"). This document, filed with the U.S. Bankruptcy Court (hereinafter the "Court") on February 17, 2014, presents information about the Debtor and describes the Debtor's proposed Plan of Reorganization (hereinafter the "Plan"), which is attached hereto as ***Exhibit E***.

YOUR RIGHTS MAY BE AFFECTED.
You should read this Amended Disclosure Statement and the attached Plan carefully and discuss them with your attorney if you have one.
If you do not have an attorney, you may wish to consult one.

The proposed Classes of Claims, the treatment of each Class, and the distributions under the Plan are discussed in Section III of this Amended Disclosure Statement.

Purpose of This Document

The purpose of this Amended Disclosure Statement is to provide each holder of a Claim against the Debtor with adequate information about the Debtor and the Plan, so that each holder of a Claim may make an informed decision about whether to accept or reject the Plan.

11 U.S.C. § 1125(b) provides that an acceptance or rejection of a plan "may not be solicited after the commencement of the case under this title from a holder of a claim or interest with respect to such claim or interest, unless, at the time of or before such solicitation, there is transmitted to such holder the plan or a summary of the plan, and a written disclosure statement approved, after notice and a hearing, by the court as containing adequate information."

"Adequate information" is defined in 11 U.S.C. § 1125(a) as: "… information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan … ."

In determining whether an Amended Disclosure Statement provides adequate information, 11 U.S.C. § 1125(a) provides that the Court "shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information."

This Amended Disclosure Statement describes:

- The Debtor's history of operations, income and expenses, and significant events during the bankruptcy case;
- How the Plan proposes to treat claims or equity interests of the type you hold (*i.e.*, what you will receive on your Claim or equity interest if the Plan is confirmed);
- Who can vote on or object to the Plan;
- What factors the Court will consider when deciding whether or not to confirm the Plan;

- Why the Debtor believes that the Plan is feasible;
- How the treatment of your Claim or equity interest under the Plan compares to the treatment your Claim or equity interest would receive in a Chapter 7 liquidation; and,
- The effects of confirmation of the Plan.

For ease of reference, all capitalized words or defined terms used in the Plan are restated and incorporated herein by reference. Be sure to read the Plan as well as this Amended Disclosure Statement in full. This Amended Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

Definition and Description of Property of the Estate and Valuation.

For Creditors to make an informed judgment on whether to accept or reject the Plan, this Amended Disclosure Statement sets forth a definition and description of what constitutes property of the Estate and provides information about the value of the property of the Estate.

As defined in 11 U.S.C. § 541, property of the Estate consists of all legal and equitable interests of the Debtor in property as of the commencement of this case on December 16, 2013 (hereinafter referred to as the "Petition Date"). A specific description of the property of the Estate, the Debtor's interests therein, the value of the Debtor's interests as of the Petition Date, and the amounts of all Secured Claims are set forth in Debtor's Schedule D, filed electronically in this case on December 16, 2013 as *Doc 1*.[1]

Section 321(a) of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 ("BAPCPA") added 11 U.S.C. § 1115 to the Bankruptcy Code, which provides that the Estate for a Chapter 11 debtor, such as the Debtor in this case, includes all property described in

[1] This Disclosure Statement identifies schedules, documents, pleadings and papers filed by the Debtor, Creditors and other persons in Case No. 13-15588-BFK by CM/ECF Docket Number, e.g., "*Doc 1*", etc.

11 U.S.C. § 541 acquired after the commencement of the case and post-petition earnings up until the closing, dismissal or conversion of the case.

11 U.S.C. § 1115(a) states: "In a case in which the Debtor is an individual, property of the estate includes, in addition to the property specified in 11 U.S.C. § 541—

(1) all property of the kind specified in Section 541 that the debtor acquires after the commencement of the case but before the case is closed, dismissed, or converted to a case under Chapter 7, 12, or 13, whichever occurs first; and

(2) earnings from services performed by the debtor after the commencement of the case but before the case is closed, dismissed or converted to a case under Chapter 7, 12, or 13, whichever occurs first."

Since the Petition Date, Debtor has been operating the Bankruptcy Estate as debtor-in-possession. Debtor has filed a Monthly Operating Report on Forms 3-A and 3-B with the Office of the United States Trustee and with the Court for the period ending January 31, 2014.

Debtor's Monthly Operating Report contains cash flow and reconciliation statements, deposit and reconciliation detail, cash disbursements detail, check detail, and profit and loss statements. These Reports account for all cash acquired after commencement of this case, all post-petition earnings from Debtor-owned properties, and all disbursements from the Debtor-in-Possession ("DIP") account.

This Amended Disclosure Statement also provides a Liquidation Analysis, which is attached as ***Exhibit A***. The Debtor's Liquidation Analysis compares the treatment of Claims or equity interests under the Plan with what Creditors would receive on their Claims or equity interests if this case were converted to a Chapter 7 liquidation. ***Exhibit A*** demonstrates that General Unsecured Creditors would receive no payment or distribution from the Debtor in a Chapter 7 liquidation of the Debtor's assets.

Deadlines for Objecting and Voting; Plan Confirmation Hearing.

The Court has not yet confirmed the Plan described in this Amended Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

Time and Place of the Hearing on This Amended Disclosure Statement.

The hearing at which the Court will determine whether to approve this Amended Disclosure Statement will take place on **May 16, 2014** at **9:30 a.m.** before **Judge Brian F. Kenney**, in Courtroom III of the U.S. Bankruptcy Court for the Eastern District of Virginia, Alexandria Division, located at 200 South Washington Street, 3rd Floor, Alexandria, Virginia 22314.

If this Amended Disclosure Statement is approved, another hearing will be scheduled to consider approval of the Plan. You will receive Notice of the date, time and location of any Plan confirmation hearing.

Objections to the Amended Disclosure Statement.

Objections to this Amended Disclosure Statement must be filed with the Court no later than **May 9, 2014**, seven (7) days before the scheduled hearing, and a copy must be served upon the Debtor's counsel at the following address of record:

Frank Bredimus
16960 Ivandale Road
Hamilton, VA 20158
Tel: 571-344-2278
Fax: 540-751-1008
Email: fbredimus@aol.com

Objections to Confirmation of the Plan.

Objections to Confirmation of the Plan must be filed with the Court no later than seven (7) days before the scheduled Confirmation hearing, and a copy of the Objection must be served upon the Debtors' Counsel at the above-listed address.

Deadline for Voting to Accept or Reject the Plan.

Section XI below contains a discussion of the voting eligibility requirements. If you are entitled to vote to accept or reject the Plan, you are required to vote on the ballot that will be enclosed with the package you will receive following Court approval of this Amended Disclosure Statement. Ballots may be returned by United States mail, commercial overnight delivery, by email, or by facsimile, and should be delivered to:

Frank Bredimus
16960 Ivandale Road
Hamilton, VA 20158
Tel: 571-344-2278
Fax: 540-751-1008
Email: fbredimus@aol.com

TO BE COUNTED, YOUR BALLOT MUST BE ACTUALLY RECEIVED NO LATER THAN 5:00 P.M. LOCAL STANDARD TIME SEVEN DAYS PRIOR TO THE SCHEDULED PLAN CONFIRMATION HEARING.

Identity of Person to Contact for More Information.

If you want additional information about the Plan, you should contact the Debtor's counsel by email, at the email address shown both above and at the end of this Amended Disclosure Statement. All available information will be provided upon request.

Creditors Committee.

No official committee of Unsecured Creditors was formed or appointed by the United States Trustee pursuant to 11 U.S.C. § 1102(a)(1) in this case.

II. BACKGROUND AND HISTORY

Debtor and Its Property.

Debtor commenced this case on December 16, 2013 by filing a Voluntary Petition under Chapter 11 of the U.S. Bankruptcy Code. The Debtor is a Virginia Limited Liability Company.

Little Piney Run Estates, LLC created Loudoun Heights, LLC in November of 2007. Little Piney Run Estates, LLC transferred a property consisting of approximately 166 acres to Loudoun Heights, LLC in November of 2008. The Debtor's plan was to develop seventy-four (74) residential lots that were appraised for twenty million dollars. Unfortunately, the real estate market fell apart in 2008 and the County of Loudoun down-zoned the property. In order to rescue the failing project, the Debtor signed an agreement with Loudoun Mitigation Bank, LLC to build a stream mitigation project on the Debtor's property. The parties agreed that Loudoun Mitigation Bank, LLC would receive 80% of the profits for doing all the work, and the Debtor would receive 20% of the profits from the project. Moreover, the Debtor planned to place a conservation easement on the entire property. The Debtor believed that the funds from the stream mitigation project and the conservation easement would be enough to pay its creditors. Unfortunately, some of the members of Little Piney Run Estates, LLC, the 93% owner of the Debtor, objected to the plans, and the projects were placed on hold. Throughout this time, due to the members' infighting, the Debtor had no income and no plan for repayment of its creditors.

The Debtor now owns the following real properties:

A. 166.49 acres, located at 10942 Harpers Ferry Road in Purcellville, Virginia 20132, made up of 5 parcels, and secured by a First Deed of Trust to M&T Bank in the amount of $4,361,609.30; and

B. 313 acres, Loudoun PIN #507-17-3739-001, off of Harpers Ferry Road, located in Purcellville, Virginia 20132, which is not encumbered by any debt. The Leggett Foundation has the right to repurchase these 313 acres from the Debtor for the amount of $1.00. The Operating Agreement for the Debtor contains this language. Currently this tract has no legal access. In order to obtain legal access to this parcel the Debtor will need the cooperation of M&T Bank to allow an access easement to be granted through the 166.49 acre tract.

The Debtor also has the following general intangible assets:

A. *Stream Credits*. On December 27, 2013, the Debtor filed a *Motion to Approve Sale of Stream Credits* with the Court (*Doc 15*). Debtor expects that sale of these credits will raise between $573,300.00 and $716,625.00 of revenue. M&T Bank filed an objection to the Debtor's sale of the stream credits on January 22, 2014 (*Doc 23*). Moreover, Little Piney Run Estates, LLC, on behalf of two of its members, also filed an objection to the sale of the stream credits on January 23, 2014 (*Doc 25*). A hearing on these objections is scheduled for April 24, 2014 at 9:30 a.m. There is a dispute as to whether a stream credit is a General Intangible or whether it is affixed to the real estate. Unless the matter is resolved it will be decided at the hearing in April.

The Debtor filed an *Amended Motion* on March 29, 2014 (*Doc 90*), which explained the steps necessary for the sale of the stream mitigation credits, as follows:

a. The Army Corps of Engineers issues all of the credits to the bank sponsor, which then is authorized to sell the credits in an auction process to an entity that needs credits in order to receive a governmental permit when their development project has an adverse impact to wetlands, streams, and other aquatic resources.

b. The bank sponsor, in this case Loudoun Mitigation Bank, owns the stream credits

c. The Debtor receives a contract receivable from the Loudoun Mitigation Bank, which in this case is contractually fifty percent (50%) of the ninety percent (90%) of the proceeds remaining subsequent to the Army Corps of Engineers withholding ten percent (10%) of the proceeds as a performance bond.

d. All of the documents necessary to accomplish the stream mitigation site on the Debtor's property have been recorded previous to M&T Bank's recorded Deed-of-Trust.

e. Loudoun Mitigation Bank, LLC has spent approximately $400,000.00 obtaining U.S. Army Corps of Engineers approvals for the Loudoun Heights, LLC properties and the adjoining stream bank areas.

f. Loudoun Heights, LLC will receive approximately $180.00-$225.00 per stream credit, totaling between $573,300.00 and $716,625.00, upon the sale of the stream credits.

B. *Trail Easement Credits*. Debtor proposes donation of an access easement to the Old Dominion Land Conservancy ("ODLC"). ODLC is a 501(C)3 non-profit and a designated holder of the two 50-foot wide trail easements under Federal and state tax laws. ODLC has confirmed that they will act as holder of the conservation easement on the Debtor's Property. ODLC is cooperating with state and Federal authorities in the creation of a public park (see the article attached hereto as ***Exhibit B***). Debtor's conveyance of two 50-foot wide trail easements on the parcels will create marketable state tax credits. When sold, the tax credits for the first trail easement, which is an access easement for the Potomac Heritage Trail, will bring between $400,000.00 and $1,000,000.00 into the Debtor's Bankruptcy Estate. Debtor filed a Motion requesting approval of the Court for the conveyance of these easements on February 18, 2014 (*Doc 42*).

In addition to the conveyance of the access easement for the Potomac Heritage Trail, the Debtor plans on conveying a loop trail easement from the 166.49-acre section to the 313-acre section. This loop trail will provide access for the public to the Appalachian Trail and the Mosby Battlefield Civil War Historic Site. This loop trail easement will generate marketable state tax credits worth between $400,000.00 and $1,500,000.00. This money is not secured by the lien of M&T Bank, and will be available to the Unsecured Creditors. The Debtor will not know what the actual value of the tax credits will be until the trail easements are created, and the property's

value is appraised. The Debtor, by separate applications, will seek approval from the Court for employment of a professional appraiser and surveyor.

Attached as ***Exhibit C*** are examples of trail easements with the values obtained by their conveyance.

C. *Conservation Easement Credits*. Debtor proposes granting a conservation easement on all of its real estate, both the 166.49-acre parcel and the 313-acre parcel described above. This gift will result in the creation of marketable state tax credits that can be sold to third parties. These tax credits will generate revenue for the Debtor in an amount ranging from $1,500,000.00 to $3,500,000.00. This money is not secured by the lien of M&T Bank, and will be available to the Unsecured Creditors.

Debtor has filed an application with the Court for authority to convey this conservation easement (*Doc 40*) which will include obtaining a letter from the Virginia Department of Conservation and Recreation (DCR) re-approving this conservation easement, which was first approved by DCR in 2009; officially recording a Deed of Conservation Easement, which would be subordinate to the M&T Bank loan, with the County of Loudoun; formal conveyance of the conservation easement to the Old Dominion Land Conservancy ("ODLC"), which is a 501(C)3 non-profit and a designated holder of conservation easements under Federal and state tax laws that has confirmed that they will act as holder of the conservation easement on the Debtor's Property. The Debtor will not know what the actual value of the tax credits will be until the property is appraised, after conveyance of the conservation easement. The Debtor, by separate application, will seek approval from the Court for employment of a professional appraiser.

The Debtor will receive seventy-seven cents ($0.77) for every dollar resulting from the sale of tax credits through the Virginia Easement Exchange, LC.

D. *Sale or Conveyance of 166.49- and 313-Acre Parcels.* If necessary to satisfy payment to its Secured and Unsecured Creditors, the Debtor will sell the 166.49- and 313-acre parcels to a third party, or to a public entity for use as a state park. Attached as ***Exhibit D*** are copies of recent appraisals of the Debtor's properties. The post-easement sale of the 166.49 acres either as an estate parcel or for farm usage should generate between $1,000,000.00 and $1,600,000.00, as it conveys with improvements including barns and residential buildings.

Debtor estimates that sale of the 313 acres as an estate parcel, subject to the conservation and loop trail easements, will generate between $500,000.00 and $1,600,000.00. Currently this tract has no legal access. As stated above, in order to obtain legal access to this parcel the Debtor will need the cooperation of M&T Bank to allow an access easement to be granted through the 12 acre section of the 166.49 acre tract secured by the M&T Bank lien on the West side of Harper's Ferry Road. The value cannot be realized without this access easement being granted. The Debtor's property cannot be marketed until all of the easement and stream mitigation work is completed. If it is necessary to sell the property, the Debtor will seek approval from the Court for an auction company to sell the land.

E. *Summary of Sales.*

ASSET	*LOW RANGE*	*HIGH RANGE*
Stream Credits	$573,300.00	$716,625.00
Trail Easement Credits	$400,000.00	$1,000,000.00
Loop Trail Easement Credits	$400,000.00	$1,500,000.00
Conservation Easement Credits	$1,500,000.00	$3,500,000.00
Sale or Conveyance of Real Property – 166.49 acres	$1,000,000.00	$1,600,000.00
Sale or Conveyance of Real Property – 313 acres	$500,000.00	$1,600,000.00

Total Potential Revenue Generated by Sale of All Assets:

$4,373,300.00 to $9,916,625.00

Under the Debtor's Plan of Reorganization, all Classes of Creditors will be paid in full. The proceeds from sale of the Debtor's assets will be sufficient to pay the Claims of all Secured, Priority Unsecured and General Unsecured Creditors, and Court-approved professionals. All payments will be made in accordance with the terms of the Plan.

This is a plan of complete or partial liquidation. If sufficient property is not sold within twenty-four (24) months after approval of the Debtor's Plan of Reorganization to repay all Secured and Unsecured Creditors in full, this case will be converted to a Chapter 7 liquidation.

Significant Events During the Bankruptcy Case.

Significant events during this Chapter 11 case are the Debtor's Motion for Approval of Sale of Stream Credits and planned Motions requesting approval of the sale of trail easement credits, conservation easement credits, and sale or conveyance of Debtor's real property.

Professionals Approved by the Court.

a) At a hearing on January 28, 2014 the Court approved the Debtor's application for authority to employ Frank Bredimus, under a general retainer, as its counsel in this case. Pursuant to the Court's Order, Mr. Bredimus' compensation and reimbursement of expenses is subject to approval of the Court upon proper application as stated in the Debtor's application, filed electronically in this case on January 7, 2014 as *Doc 17,* and in the Attorney Fee Disclosure, which was filed at the same time as *Attachment 3* to Document 17.

b) At a hearing on January 28, 2014 the Court approved the Debtor's application to employ Accounting Services of Leesburg, Inc. as accountant pursuant to 11 U.S.C. § 327, for the reasons and upon the conditions set forth in the Debtor's application, filed electronically on January 7, 2013 as *Doc 19,* and in the verified statement of Richard Gallagher, which was filed at the same time as *Attachment 1* to Document 19. Pursuant to the Court's Order, all compensation

and reimbursement of expenses is subject to further approval of the Court upon proper application.

c) Additionally, the Debtor requires the services of a professional appraiser, and will file an application with the Court requesting approval of an appraiser.

Adversary Proceedings or Significant Litigation.

The Debtor is currently conducting negotiations with the sole Secured Creditor regarding litigation about Debtor's sale of the stream credits (see *Docket Nos. 15, 23–27*, and *33*).

Claims.

The Internal Revenue Service has filed a Proof of Claim for the unsecured amount of $400.00. The Debtor has not filed an objection to this Claim.

M&T Bank has filed a Proof of Claim for the secured amount of $4,411,073.46. The Debtor has not filed an objection to this claim.

Walsh, Colucci, Lubley, Emrich & Walsh has filed a Proof of Claim for the unsecured amount of $55,252.00. The Debtor has not filed an objection to this claim.

The County of Loudoun, Virginia has filed an Ad Valorem Proof of Claim in the amount of $90,831.88. The Debtor has not filed an objection to this claim.

The Claims Bar Date for all Creditors except governmental units in this case is April 15, 2014; the Claims Bar Date for governmental units is June 16, 2014.

Current, Historical and Projected Financial Conditions.

The identity and fair market values of the Estate's assets and the amounts of Debtor's known liabilities are listed in the Schedules. See the *Summary of Sales* chart on page 12 of this Amended Disclosure Statement for a full understanding of the Debtor's assets.

The source of the Debtor's valuation of its assets is from the Debtor and from appraisals received by the Debtor prior to its filing.

Since the Petition Date, all net income has been deposited into the Debtor's Debtor-in-Possession account. Each month Debtor files a Monthly Operating Report that details all income received, expenses paid, and other financial information relating to Debtor's operation of its properties. The Monthly Operating Reports are Debtor's most recent financial statements. The Monthly Report of the Debtor-in-Possession for the period ending January 31, 2014 was filed electronically on February 15, 2014 (*Doc 37*). Copies are available through the Office of the Clerk of the Court.

The Debtor's Plan calls for the sale of the general intangibles and, if necessary, the real property, and specifies that the proceeds from these sales will be used to pay off all Secured and Unsecured Creditors in full.

Related Parties.

To manage construction of the proposed trails, the Debtor has filed an Application to Employ FBJ Farm and Timber, LLC as Land Manager and Consultant (*Doc 45*). The proposed Manager has current experience managing the Debtor's property, and is the only entity with an existing USDA Farm and Timber Plan which allows the proposed Manager to construct trails on the Debtor's property. In the interests of full disclosure, the Debtor points out that FBJ is comprised of Frederick C. Calhoun, Jr., who is the Managing Member and holds a forty-five percent (45%) interest, James B. Bane, with a forty-five percent (45%) interest, and Joseph L. Bane, Jr., with a ten percent interest (10%). Joseph L. Bane, Jr. is the designated Manager of the Debtor, and has an ownership interest in the Debtor through Little Piney Run Estates, LLC.

Tamara Bane, the wife of the Debtor's manager, holds the majority interest in and is manager of Loudoun Mitigation Bank, LLC, which owns the stream credits. This entity is the only mitigation bank that can sell these stream credits.

III. CLASSIFICATION AND TREATMENT OF CLASSES OF CLAIMS AND INTERESTS; COMPLIANCE WITH 11 U.S.C. § 1129

The Debtor's Plan of Reorganization (the "Plan") is restated and incorporated herein by reference.

Section III of the Plan describes the classification of Claims and interests and the treatment of the various Classes of Claims and interests, including a description of whether each Class is Impaired or Unimpaired.

THE PLAN CONTEMPLATES THE LIQUIDATION OF THE DEBTOR'S GENERAL INTANGIBLE ASSETS AND, IF NECESSARY, THE DEBTOR'S REAL PROPERTY. IN ACCORDANCE WITH THE PLAN, THE DEBTOR INTENDS TO USE THE PROCEEDS FROM THESE SALES TO PAY ALL ALLOWED CLAIMS OF SECURED AND UNSECURED CREDITORS IN FULL.

In order to be confirmed (*i.e.*, approved) by the Court, the Plan must comply with 11 U.S.C. § 1129. The Debtor believes that the Plan complies with 11 U.S.C. § 1129 in all material and necessary ways.

The Purpose of the Plan of Reorganization.

As required by the Bankruptcy Code, the Plan places Claims in various Classes and describes the treatment that each Class will receive. The Plan also states whether each Class of Claims is Impaired or Unimpaired. The Debtor's Plan proposes to satisfy Creditor Claims with proceeds from the sale of its general intangible assets and its real estate. The particular method for payment of each Creditor is outlined in Section III of the Plan.

If the Plan is confirmed your recovery will be limited to the amount provided by the Plan.

The following types of Claims and the treatment of each type of Claim are addressed in the Plan.

Class 1 - Administrative Costs

Description of Claims. Class 1 consists of claims for any cost or expense of administration pursuant to 11 U.S.C. §§ 503, 506 and 507. The following claims of Professionals will be paid subject to Court approval:

Frank Bredimus, Counsel for the Debtor; Richard Gallagher of Accounting Services of Leesburg, Inc., Accountant for the Debtor.

Additionally, the Debtor has applied to the Court for authority to employ a Land Manager and Consultant, and plans to request authority to employ an Appraiser.

Impairment This Class will be Impaired.

Treatment .No fees payable under Section 1930 of Title 28 have been paid through the date of Filing of the Plan. All Administrative Claims shall be paid in cash and in full (including accruals to date of payment) within thirty (30) days from the date of Settlement on the sale of Debtor's property, or sooner if other funds become available, if the claims have not been previously paid pursuant to an Order entered by the Court. Payments to Professionals for reasonable compensation and reimbursement of expenses will be made in accordance with detailed procedures established by the Bankruptcy Code and Rules relating to such payments. In the event that funds are not available to pay Class 1 Claims in full within thirty (30) days of Settlement, then each holder of a Class 1 Claim, including the Debtor's Professionals, will receive partial payments from the Debtor until paid in full. The Debtor's Professionals agree to partial or deferred payments under this Plan if they cannot be paid in full.

Class 2 – Ad Valorem Taxes

Description of Claims. Class 2 consists of claims for taxes owed by the Debtor to any city, county, or other municipality or taxing entity entitled to tax the property of the Debtor based upon the value of the property assessed. The Debtor is aware of the following claim(s) in this Class:

a. County of Loudoun (Priority Unsecured) – $49,130.00;

Impairment.This Class will be Impaired.

Treatment.Claims in this class will be paid in full upon sale of the Debtor's property; or, if any Unsecured Priority or General Unsecured tax claim in this class is Disputed, then that Claim will be paid within 10 days after such Claim is allowed by Final Order and after Settlement on the sale of Debtor's property.

Class 3 – Tax Claims

Description of Claims. Class 3 consists of Tax Claims against the Debtor for income taxes, withholding taxes, unemployment taxes, and/or any and all other taxes levied or entitled to be levied against the Debtor by the United States Department of the Treasury, Internal Revenue Service, and/or the Virginia Department of Taxation, plus interest as allowed by law. The Debtor is aware of the following claim(s) in this Class:

a. Internal Revenue Service (Proof of Claim # 1-1/Unsecured) – $400.00;

b. Virginia Department of Taxation (Priority Unsecured) – $1,342.00.

Impairment.This Class will be Impaired.

Treatment.Claims in this class will be paid in full upon Settlement following the sale of the Debtor's property; or, if any Unsecured Priority or General Unsecured tax claim in this class is Disputed, then that Claim will be paid within thirty (30) days after such Claim is allowed by Final Order and after Settlement following sale of Debtor's property.

Costs and expenses of administration, if any, shall be paid in cash and in full including accruals to date of payment within thirty (30) days after Settlement following the sale of the Debtor's property. The Debtor does not anticipate that any such claims will be filed.

Unsecured priority tax claims, if any, described in § 507(a)(8) of the Bankruptcy Code shall be paid in full, with statutory interest, within 120 days within thirty (30) days after Settlement following the sale of the Debtor's property, or, if any Claim in this Class is Disputed, then within 10 days after such Claim is allowed by Final Order and after Settlement following the sale of the Debtor's property.

Secured claimants, if any, shall retain their secured interest in the property of the Debtor. The taxing authority shall retain its lien and secured status as to the underlying secured tax liability, plus accruing interest at the statutory rate from the Effective Date. Debtor shall pay any secured tax claims over a period not to exceed five (5) years from the Petition Date. All Secured Claims shall be paid in full within thirty (30) days after Settlement following the sale of the Debtor's property.

Unsecured general tax claims, if any, will be treated as provided below in the section relating to "General Unsecured Claims."

Class 4 – SECURED CLAIMS

Description of Class. Allowed Secured Claims are claims secured by property of the Debtor's Bankruptcy Estate (or that are subject to setoff) to the extent allowed as Secured Claims under 11 U.S.C. § 506. The value of the collateral securing the creditors' claims exceeds the value of the claims.

Impairment. This Class will be Impaired.

A. M&T Bank

Claim – $4,400,000.00

Description of Debt. This loan is listed on Debtor's Schedule D, and is secured by a First Deed of Trust lien on the Debtor's 166.49-acre property at10942 Harpers Ferry Road in Purcellville,Virginia 20132.

Treatment. This Plan provides that this Creditor will be paid from the proceeds of the Debtor's proposed sales of its stream credits, trail easements, conservation easements, and if necessary its properties, as follows:

A. The portion of the conservation easement sales that attaches to the 166.49 acre parcel on which this Creditor holds a lien.

B. The portion of the trail easement sales that attaches to the 166.49 acre parcel on which this Creditor holds a lien.

C. If the Court determines that the Creditor has a lien on the Debtor's stream credits, then this Creditor will be paid all of the proceeds from Debtor's sale of the stream credits, less property tax payments and administrative costs. If the Court determines that the stream credits are general intangibles, as the Debtor maintains, then the residual money from sale of the stream credits will be used to pay Class 5 General Unsecured Creditors.

D. Proceeds from the sale of the 166.49 acre real property on which this Creditor holds a lien.

If all of the income derived from the 166.49 acre parcel on which this Creditor holds a lien is insufficient to pay this Creditor in full, then this Creditor will be treated as a Class 5 General Unsecured Creditor.

Agreement of Secured Creditor. Debtor has no knowledge of this creditor's agreement or disagreement with the Plan.

Class 5 – GENERAL UNSECURED CLAIMS

Description of Class. This Class consists of all Allowed, undisputed, non-contingent,

unsecured claims and deficiency claims listed in the Debtor's Petition or as otherwise approved by the Court. In addition to those parts of the Claims filed by Creditors in Classes 2 through 4 above that will be treated as General Unsecured Claims under this Plan, the Debtor is aware of the following General Unsecured Claims:

a. Walsh Colucci, Lubley, Emrich & Walsh – $57,587.00

b. Hirschler Fleischer – $9,453.00

c. Stantec – $1,880.00

d. Little Piney Run Estates, LLC – $0.00*

*This creditor is an insider, and its claim in the amount of $364,645.00 will not be paid under the Plan, and shall have no right to vote on acceptance or rejection of the Plan.

e. M&T Bank – Unknown Amount**

**Any unpaid amount remaining following Debtor's sale of its stream credits, trail easements, conservation easements and the sale of the 166.49 acre property on which this Creditor holds a lien will be treated as a Class 5 General Unsecured debt.

Impairment.This Class will be Impaired.

Treatment.The approximate total of General Unsecured Claims and known deficiency claims based on Claims filed or Scheduled as of the date of the filing of this Plan, excluding Claims in this Class that are either disputed or for as yet undetermined amounts, is $68,920.00. The deadline for General Unsecured Claims Creditors to file proofs of claim is the Bar Date set by the Court, April 15, 2014, or June 16, 2014 for governmental units. As indicated in the Liquidation Analysis attached to the Disclosure Statement, General Unsecured Creditors would receive no payment from Debtor in a Chapter 7 liquidation of the Debtor's assets.

The amount being paid on Class 5 - General Unsecured Claims will be 100% of the total

amount of all General Unsecured Claims and known deficiency claims based on Claims filed or scheduled as of the date of the filing of the Plan.

This Plan provides that Class 5 Creditors will be paid in full using all of the proceeds derived from sales of trail easements and conservation easements related to the Debtor's 313-acre parcel, and, depending on the decision of the Court, the stream credits. If necessary the Debtor will sell the 313-acre real property and apply the proceeds to payment of General Unsecured claims.

The Debtor intends to commit all disposable income to payment of General Unsecured claims.

Moreover, James Bane made a gift of $1,700.00 to the Debtor to pay the insurance required by the U.S. Trustee's Office. Mr. Bane is the brother of Joseph L. Bane, Jr., and he is not seeking reimbursement of the $1,700.00 gift.

IV. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Except as stated and specified in the Plan, all contracts that exist between the Debtor and any individual or entity, whether such contract be in writing or oral, which has not heretofore been rejected or heretofore been approved by Orders of the Court, will be specifically rejected; provided, however, that this provision of the Plan is not intended to reject and does not reject any agreement for the renewal or the extension of any loan or funds, presently binding and in effect between the Debtor and any Secured Creditor. Any person with a Claim arising from such rejection will be deemed to hold a General Unsecured Claim and, under the Plan, will be required to file a proof of claim within sixty (60) days of the Effective Date or be forever barred from asserting any Claim relating to such rejection.

V. MEANS OF IMPLEMENTATION AND EXECUTION OF THE PLAN

Means of Plan Payment; Assumptions and Reasonable Expectations.

In accordance with the Plan, the Debtor intends to satisfy Creditor Claims with proceeds generated by the expected sale of the general intangible assets and property as detailed above in Section II.

11 U.S.C. § 1129(a)(15) provides that when an Allowed, Unsecured Claim holder objects to confirmation of the Plan, the Plan must provide either: (1) that the value of the property distributed under the Plan to that Claim holder is not less than the value of the claim; or, (2) if that requirement is not met, that the Debtor commit all disposable income to the Plan over a five-year period.

Each Class of Claim will be paid in full under the Plan. Distributions under the Plan shall be made on the Distribution Date, provided that Court-approved Professionals may be paid such fees and expenses as are approved by the Court. Any distribution required to be made hereunder on a day other than a business day shall be made on the next succeeding business day.

The amount(s) each holder of an Allowed Unsecured Claim will receive under the Plan and the timing of such payments is set forth in Article III of the Plan. The amount being paid on Class 5 - General Unsecured Claims will be 100% of the total amount of all General Unsecured Claims and of known deficiency claims based on Claims filed by Creditors or listed as undisputed on the Debtor's bankruptcy schedules as of the date of the filing of the Plan.

The Debtor intends to commit all disposable income to payment of General Unsecured Claims.

***De Minimis* Distributions.**

No distribution of less than fifty dollars ($50.00) shall be required to be made to any holder of an Allowed Unsecured Claim. Instead, the Debtor shall have the option of retaining such funds to be distributed at the time of the final distribution in accordance with the Plan.

Unclaimed Property.

If any distribution remains unclaimed for a period of ninety (90) days after it has been delivered, or attempted to be delivered, such unclaimed property shall be forfeited by such holder of the Claim and the Disbursing Agent shall not re-attempt to make such distribution to the holder of the Claim. Undistributed property shall be returned to the Debtor for distribution to Class 5 Creditors in accordance with the Plan.

Preservation of Avoided Transactions for the Benefit of the Estate.

All transactions avoided or otherwise set aside pursuant to 11 U.S.C. §§ 544, 547, 548, and/or 549, if any, shall be preserved for the benefit of the Estate pursuant to 11 U.S.C. § 551 and applicable case law. Funds received from such transactions shall be distributed to Creditors according to the priorities of the Code. In the case of any lien which encumbered certain properties of the Debtor and has since been avoided, the lien shall remain on the public record and shall remain an encumbrance upon the real property. However, all distributions made towards such deeds of trust shall be distributed not to the named beneficiary of such deeds of trust, but shall instead be paid to the Disbursing Agent for distribution to Creditors.

The Debtor will execute and deliver all documentation to the Court and to all parties in interest who are entitled to receive the same as required by the terms of the Plan and the Bankruptcy Code.

The Debtor shall take such other action as necessary to satisfy the other terms and requirements of the Plan and the Bankruptcy Code.

Procedure for Deficiency Claims.

Any Creditor asserting a deficiency claim shall file a proof of claim within the time period specified in the treatment for such Creditor or be forever barred from asserting any deficiency claim, and such obligation shall be deemed paid in full. In the event the Debtor obtains a Final Decree prior to the deadline for filing such deficiency claim, such Creditor shall inform the Disbursing Agent of such deficiency claim within the same time period. In such event, a proof of claim form shall not be required, but the Creditor shall provide notice of such deficiency claim to the Disbursing Agent, in writing, containing the amount of such claim and an itemization of such claim.

Procedure for Payment of Professionals.

Professionals employed by the Debtor shall not be subject to the fee application process for services rendered post-confirmation in furtherance of implementation of the confirmed Plan.

Except as expressly stated in the Plan, or allowed by a Final Order of the Court, no interest, penalty, or late charge shall be allowed on any claim subsequent to the Petition Date, unless otherwise required by the Code. No attorney's fees or expenses shall be paid with respect to any claim except as specified herein or as allowed by a Final Order of the Court.

Confirmation of the Plan shall constitute a finding that the Debtor does not waive, release, or discharge, but rather retains and reserves any and all Pre-Petition claims and any and all Post-Petition claims that it could or might assert against any party or entity arising under or otherwise related to any state or federal statute, state or federal common law, and any and all violations arising out of rights or claims provided for by Title 11 of the United States Code, by the Federal Rules of Bankruptcy Procedure, or by the Local Rules of this Court, including all rights to assert and pursue any and all avoidance actions, preference actions, and any other actions pursuant to 11 U.S.C. §§ 545, 546, 547, 548 and 550, except to the extent such avoidance

actions, preference actions, or other actions were assigned to one or more Creditors as part of the Debtor's Plan. Further, the Debtor retains all rights to assert and pursue all claims under 11 U.S.C. § 542, including, without limitation, actions to seek turnover of Estate assets, actions to recover accounts receivable, and/or actions to invalidate setoffs.

Administrative Claims unpaid on the Effective Date will be paid from funds on hand or as the parties otherwise agree.

All objections to Claims, fee applications, and adversary proceedings will be filed with the Court within sixty (60) days of the Effective Date; provided however, that the Debtor retains the right to object or otherwise pursue any claims against Secured Creditors relating to the payoff and/or satisfaction of their Secured Claims.

Absolute Priority Rule.

The "absolute priority rule" bars the retention of the Debtor's equity interest in its property over the objection of any Class of senior Unsecured Claims. In accordance with 11 U.S.C. § 1129(b), the Plan provides that, with respect to Class 5 – General Unsecured Claims, the holder of any claim or interest that is junior to the Claims of such Class will not receive or retain any property under the Plan on account of such junior claim or interest, except that the Debtor in this case may retain property included in the Estate under 11 U.S.C. § 1115, subject to the requirements of subsection (a)(14) of 11 U.S.C. § 1129. The Debtor intends to retain legal title and all equity and beneficial interest in its property under the Plan. The Debtor may only retain an interest in its property if the Plan is accepted by the holders of at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims of Class 5 that are entitled to vote and that have timely and properly voted to accept or reject the Plan. Debtor believes that the requisite amount and number of Class 5 Creditors have agreed to accept impairment and treatment under the Plan. The consequence of failing to obtain acceptance of the

Plan by the requisite amount and number of Creditors is that Debtor may not retain an interest in any of its properties, the Plan cannot be approved, and Debtor will be forced into Chapter 7 liquidation.

Default Remedies.

In the event that Debtor fails to comply with the terms and conditions of the Plan, the Debtor may be in default under the Plan. In the event of a default under the Plan by the Debtor, Creditors and parties in interest retain all available remedies under the Bankruptcy Code, including, but not limited to, the right to move for enforcement of the Plan, the right to move the Court to dismiss the Debtor's case, the right to move the Court for relief from the automatic stay and injunction, and/or the right to move to convert the case to a Chapter 7 liquidation. In the event that the case is dismissed before the Debtor receives a discharge, Creditors will have the right to legally pursue the Debtor for the full amount of their respective Allowed Claims plus interest and applicable costs and expenses, and the Creditors will not be limited to the amount that was to be paid under the confirmed Plan.

Risk Factors.

The only risk factor is whether or not proceeds from the sale of Debtor's general intangible assets and real property as discussed in Section II of this Amended Disclosure Statement prove sufficient to pay all Allowed Claims of Secured and Unsecured Creditors in full.

VI. ACCEPTANCE OR REJECTION OF PLAN; EFFECT OF REJECTION BY AN IMPAIRED CLASS

Each Impaired Class Entitled to Vote Separately.

Each Impaired Class of Claims shall be entitled to vote separately as a Class to accept or reject the Plan.

Acceptance by a Class of Creditors.

In accordance with 11 U.S.C. § 1126(c), and except as provided in 11 U.S.C. § 1126(e), a Class of Claims shall have accepted the Plan if the holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of that Class have timely and properly voted to accept the Plan.

Claimants Entitled to Vote.

Holders of Impaired Claims shall be entitled to vote:

(1) If such Claim has been filed against the Debtor in a liquidated amount or has been listed on the Debtor's schedules other than as contingent, unliquidated or disputed, and as to which no proof of claim has been filed, then the Claim shall be allowed solely for the purpose of voting on the Plan in the amount in which such Claim has been filed or listed on the Debtor's schedules; or

(2) If such Claim has been filed against the Debtor or listed on the Debtor's schedules and is the subject of an existing objection filed by the Debtor, and is temporarily allowed for voting purposes by order of the Court in accordance with Bankruptcy Rule 3018; or

(3) If such Claim has been filed in an undetermined amount, in which case the Creditor shall not be entitled to vote unless the Debtor and the holder of the Claim agree on an amount for voting purposes or the Court enters an order setting the amount of the Claim that the Creditor may ballot.

Any entity holding two or more duplicate Claims shall be entitled to vote only one Claim.

Confirmation Hearing.

As stated above, the Court has set a hearing to determine whether to approve this Amended Disclosure Statement. If this Amended Disclosure Statement is approved, the Court will schedule a confirmation hearing to determine whether the Plan has been accepted by the

requisite number of Creditors and whether the other requirements for confirmation of the Plan have been satisfied.

Acceptances Necessary to Confirm the Plan.

At the hearing of confirmation of the Plan, the Court shall determine, among other things, whether the Plan has been accepted by each Impaired Class. Under 11 U.S.C. § 1126, an Impaired Class of Creditors is deemed to accept the Plan if at least two-thirds (2/3) in amount and more than one-half (1/2) in number vote to accept the Plan. Further, unless there is unanimous acceptance of the Plan by an Impaired Class, the Court must also determine in accordance with 11 U.S.C. § 1129(a)(7)(A)(ii) that Class members will receive or retain property with a value, as of the Effective Date of the Plan, not less than the amount that such Class member would receive or retain if the Debtor were liquidated as of the Effective Date of the Plan under Chapter 7 of the Bankruptcy Code.

Confirmation of Plan Without the Necessary Acceptances

Section 1129(b) of the Bankruptcy Code provides that the Plan may be confirmed even if it is not accepted by all Impaired Classes. In order to be confirmed without the requisite number of acceptances of each Impaired Class, the Court must find that at least one Impaired Class has accepted the Plan without including any acceptance of the Plan by an Insider, and that the Plan does not discriminate unfairly against, and is otherwise fair and equitable to, each Class of Claims or interests which is Impaired under, and has not accepted, the Plan. In the event that any Class votes against the Plan, the Debtor hereby requests and moves the Court, under the section of this Plan entitled "Cramdown", for confirmation pursuant to the "cramdown" provisions of 11 U.S.C. § 1129(b). In connection with any request for confirmation under 11 U.S.C. § 1129(b),

the Debtor shall be allowed to modify the proposed treatment of the Allowed Claims in any Class that votes against the Plan consistent with 11 U.S.C. § 1129(b)(2)(A).

VII. "CRAMDOWN" FOR IMPAIRED CREDITORS NOT ACCEPTING THE PLAN

In respect to any Class of Creditors Impaired but not accepting the Plan by the requisite majority in number or two-thirds in amount, the proponent of this Plan requests the Court to find that the Plan does not discriminate unfairly and is fair and equitable in respect to each Class of Claims or interests that are Impaired under the Plan and that the Court confirm the Plan without such acceptances by the said Impaired Classes. The Debtor also requests that the Court establish a value for any assets, the value of which is in dispute between the Debtor and any Secured Creditor, at a valuation hearing under 11 U.S.C. § 506, to be conducted at the same time as the hearing on confirmation of the Plan.

VIII. DISCLAIMER

All parties are advised and encouraged to read this Amended Disclosure Statement and the Plan in their entirety before voting to accept or reject the Plan or before voting on any other matter as provided for herein.

Statements made in this Amended Disclosure Statement are qualified in their entirety by reference to the Plan itself, the Amended Disclosure Statement, and all Exhibits annexed thereto. The statements contained in this Amended Disclosure Statement are made only as of the date hereof. No assurances exist that the statements contained herein will be correct at any time hereafter.

The information contained in this Amended Disclosure Statement is included herein for purposes of soliciting acceptances of the Plan and may not be relied upon for any purpose other than to determine how to vote on the Plan. No representations concerning the Debtor are

authorized by the Debtor other than as set forth in this Amended Disclosure Statement. Any other representations or inducements made to solicit your acceptance that are not contained in this Amended Disclosure Statement should not be relied upon by you in arriving at your decision to accept or reject the Plan.

With respect to adversary proceedings, contested matters, other actions, or threatened actions, this Amended Disclosure Statement shall not constitute or be construed as an admission of any fact or liability, stipulation or waiver; rather, this Amended Disclosure Statement shall constitute statements made in connection with settlement negotiations.

This Amended Disclosure Statement shall not be admissible in any non-bankruptcy proceeding involving the Debtor or any other party. Furthermore, this Amended Disclosure Statement shall not be construed to be conclusive advice on the legal effects, including but not limited to the tax effects, of the Debtor's Plan of Reorganization. You should consult your legal or tax advisor on any questions or concerns regarding the tax or other legal consequences of the Plan.

The information contained in this Amended Disclosure Statement is not the subject of a certified audit. The Debtor's records are dependent upon internal accounting methods and procedures. Although substantial efforts have been made to be complete and accurate, the Debtor is unable to warrant or represent the full and complete accuracy of the information contained herein.

IX. PAYMENTS UNDER PLAN ARE IN FULL AND FINAL SATISFACTION OF DEBT

The payments and distributions made pursuant to the Plan will be in full and final satisfaction, settlement, release, and discharge, as against the Debtor, of any and all Claims and interests against the Debtor, as defined in the Bankruptcy Code, including, without limitation,

any Claim accrued or incurred on or before the Confirmation Date, whether or not (i) a proof of claim or interest is filed or deemed filed under 11 U.S.C. § 501, (ii) such Claim or interest is allowed under 11 U.S.C. § 501, or (iii) the holder of such Claim or interest has accepted the Plan.

X. POTENTIAL MATERIAL FEDERAL TAX CONSEQUENCES

The Debtor is a Virginia limited liability company that is taxed as a partnership; as such, it is a pass-through entity and contains no tax attributes. All tax attributes are passed down to the partners through a K-1. As a pass-through entity the Debtor will not generate any income taxes from the sale of these assets. All income or deductions will be passed to the members of the Debtor, which are Little Piney Run Estates, LLC (93%) and The Robert and Dee Leggett Foundation, a charitable organization (7%).

CIRCULAR 230 NOTICE: *To comply with requirements imposed by the United States Treasury Department and/or IRS, any information regarding any U.S. federal tax matters contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, as advice for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. A formal and thorough written tax opinion would first be required for any tax advice contained in this communication to be used to avoid tax related penalties. Please consult your own tax professional.*

XI. PROVISIONS FOR VOTING ON A PLAN

Creditors Allowed to Vote and Deadline.

Creditors holding Allowed Claims are entitled to vote to accept or reject the Debtor's Plan of Reorganization. Ballots upon the proposed Plan must be filed with counsel for the Debtor as an agent and officer of the Court by 5:00 p.m. one (1) day before any scheduled confirmation hearing. Even though a Creditor may choose not to vote, or may vote against the Plan, the Creditor will be

bound by the terms and treatment set forth in the Plan if the Plan is accepted by the requisite majorities in each Class of Creditors and/or if the Plan is confirmed by the Court. A copy of the Plan is attached as ***Exhibit E***. Creditors who fail to vote will not be counted in determining acceptance or rejection of the Plan. Allowance of a Claim or interest for voting purposes does not necessarily mean that the Claim will be allowed or disallowed for purposes of distribution under the terms of the Plan. Any Claim to which an objection has been or will be made will be allowed for distribution only after determination by the Court. Such determination of Allowed status may be made before or after the Plan is confirmed.

Voting Provisions.

The Plan will be deemed accepted by a Class if:

A. The dollar amount of all Allowed Claims voting to accept the Plan represents at least two-thirds (2/3) of the total dollar amount of all votes cast by members of the Class; and,

B. The number of Allowed Claims voting to accept the Plan represents more than one-half (1/2) of the total number of votes cast by members of the Class.

Under certain limited circumstances more fully described in Section 1129(b) of the Code, the Court may confirm the Plan by a "cramdown", notwithstanding rejection votes by more than one-third (1/3) in amount or more than one-half (1/2) in number of Creditors voting on the Plan. The Debtor intends to seek confirmation under 11 U.S.C. § 1129(b) in the event any Class rejects the Plan.

Representations Limited.

No representation concerning the Debtor, particularly regarding future business operations or the value of the Debtor's assets, has been authorized by the Debtor except as set forth in this Amended Disclosure Statement. You should not rely on any other representations or inducements

offered to you to secure your acceptance or decide how to vote on the Plan. Any person making representations or inducements concerning acceptance or rejection of the Plan should be reported immediately to Counsel for the Debtor.

While every effort has been made to provide the most accurate information available, the Debtor are unable to warrant or represent that all information is without inaccuracy. No known inaccuracies are set forth in the Plan or in this Amended Disclosure Statement. Further, certain information contained herein consists of projections of future performance. While every effort has been made to ensure that the assumptions are valid and that the projections are as accurate as can be made under the circumstances, the Debtor has not undertaken to certify or warrant the absolute accuracy of any projections. There are risks and this Amended Disclosure Statement highlights some of those risks.

XII. ACCEPTANCE AND CONFIRMATION

The Bankruptcy Code requires that the Court, after notice, hold a hearing to consider confirmation of the Plan. The confirmation hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the confirmation hearing.

At the confirmation hearing, the Court will determine whether the requirements of Section 1129 of the Bankruptcy Code have been satisfied, in which event the Court will enter an Order confirming the Plan. These requirements include determinations by the Court that: (i) the Plan has classified Claims in a permissible manner; (ii) the Plan is in the "best interests" of all Creditors; (iii) the Plan is feasible; (iv) the Plan has been accepted by the requisite number and amount of Creditors in each Class entitled to vote on the Plan, or that the Plan may be confirmed without such acceptances; (v) the Plan and its proponent comply with various technical requirements of the Bankruptcy Code; (vi) the Debtor has proposed the Plan in good faith; (vii) any payments made or

promised in connection with the Plan are subject to the approval of the Bankruptcy Court as reasonable; and, (viii) the Plan provides specified recoveries for certain Priority Claims. The Debtor believes that all of these conditions have been or will be met prior to the confirmation hearing.

Classification of Claims.

The Bankruptcy Code requires that a plan place each Creditor's Claim in a Class with "substantially similar" claims. The Debtor believes that the Plan's classification of claims complies with the requirements of the Bankruptcy Code and applicable case law.

The Best Interests Test.

Notwithstanding acceptance of the Plan in accordance with 11 U.S.C. § 1126, the Court must find, whether or not any party in interest objects to confirmation, that the Plan is in the best interests of the Creditors. Bankruptcy courts have generally defined "best interests" as the Bankruptcy Code's requirement that, under any plan of reorganization, each member of an Impaired Class of Creditors must receive or retain, on account of its claim, property of a value, as of the effective date of the plan, that is not less than the amount such Creditor would receive or retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code. The Debtor believes that the Plan is in the best interests of all Creditors.

To determine what Creditors would receive under a Chapter 7 liquidation of the Bankruptcy Estate, the dollar amount that would be generated from the immediate liquidation of the Debtor's assets needs to be considered. The amount that would be available for the satisfaction of Claims would consist of the Debtor's interest, if any, in the net proceeds resulting from the disposition of the Estate's assets, augmented by the Debtor's interest in the cash on hand. The Estate's interest would be further reduced by the amount of any Secured Claims, the costs and expenses of the liquidation, and such additional Administrative Claims and Priority Claims that may result from the termination

of the Debtor's business. These calculations are set forth in a Liquidation Analysis attached to this Amended Disclosure Statement as ***Exhibit A***. If a Chapter 7 liquidation occurred at this time, the properties would not sell for their fair-market value, which would increase the possibility that Unsecured Creditors would not be repaid.

The costs of liquidation under Chapter 7 would become Administrative Claims with the highest priority against the proceeds of liquidation. Such costs would include the fees payable to a Chapter 7 trustee, as well as those which might be payable to attorneys, financial advisors, appraisers, accountants, and other professionals that such a trustee may engage to assist in the liquidation.

After satisfying Administrative Claims arising in the course of the Chapter 7 liquidation, the proceeds of the liquidation would then be payable to satisfy any unpaid expenses incurred during the time the case was pending under Chapter 11, including compensation for the Debtor, attorneys, financial advisors, appraisers, accountants and other professionals retained by the Debtor.

For the reasons discussed above, the Debtor has concluded that this Plan provides Creditors with a recovery that has a present value at least equal, but most likely far greater than the present value of the distribution that such Persons would receive if the Estate were liquidated under Chapter 7 of the Bankruptcy Code.

BECAUSE THE LIQUIDATION ANALYSIS AND ANY PROJECTIONS WHICH MAY BE PROVIDED BY THE DEBTOR ARE BASED UPON A NUMBER OF ASSUMPTIONS AND ARE INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES THAT ARE BEYOND THE DEBTOR'S CONTROL, THERE CAN BE NO ASSURANCE THAT THE LIQUIDATION VALUES WOULD, IN FACT, BE REALIZED IN THE EVENT OF A LIQUIDATION UNDER CHAPTER 7 OR THAT THE FINANCIAL PROJECTIONS WILL BE REALIZED. ACTUAL RESULTS MAY BE HIGHER OR LOWER THAN THOSE SHOWN IN THE EXHIBITS, POSSIBLY BY MATERIAL AMOUNTS.

Feasibility of the Plan.

Section 1129(a)(11) of the Bankruptcy Code requires a judicial determination that confirmation of the Plan will not likely be followed by liquidation or the need for further financial reorganization of the Debtor or any other successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.

The Debtor believes in good faith that the sale of its properties will produce sufficient income to permit Debtor to meet its obligations under the Plan.

Confirmation.

The Plan may be confirmed if the holders of Impaired Classes of Claims accept the Plan. Classes of Claims that are Unimpaired are deemed to have accepted the Plan. A Class is Impaired if the legal, equitable, or contractual rights attaching to the Claims or interests of that Class are modified other than by curing defaults and reinstating maturities or by full payment in cash.

The Bankruptcy Code defines acceptance of a plan by a Class of Claims as acceptance by the holders of two-thirds in dollar amount and a majority in number of Allowed Claims in that Class. This calculation includes only those holders of Claims who actually vote to accept or reject the Plan. Votes on the Plan are being solicited only from holders of Allowed Claims in Impaired Classes who are expected to receive distributions.

In the event that an Impaired Class does not accept the Plan the Bankruptcy Court may nevertheless confirm the Plan at the Debtor's request if:

(i) All other requirements of 11 U.S.C. § 1129(a) are satisfied; and

(ii) The Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to each Impaired Class that has not accepted the Plan.

THE DEBTOR BELIEVES THAT THE PLAN IS IN THE BEST INTERESTS OF ALL CREDITORS AND STRONGLY RECOMMENDS THAT ALL PARTIES ENTITLED TO VOTE CAST THEIR BALLOTS IN FAVOR OF ACCEPTING THE PLAN.

Nevertheless, the Debtor has requested that the Court confirm the Plan over the rejection of any non-accepting Class, except Class 5, in the event that all other elements of 11 U.S.C. § 1129(a) are satisfied.

A plan "does not discriminate unfairly" if the legal rights of a non-accepting Class are treated in a manner that is consistent with the treatment of other Classes whose legal rights are intertwined with those of the non-accepting Class, and if no Class receives payments in excess of those which it is legally entitled to receive. The Debtor believes that, under the Plan, all holders of Impaired Claims are treated in a manner that is consistent with the treatment of other holders of Claims with which any of its legal rights are intertwined. Accordingly, the Debtor believes that the Plan does not discriminate unfairly as to any Impaired Class of Claims.

The condition that a plan be "fair and equitable" generally requires that an Impaired Class that has not accepted the Plan must receive certain specified recoveries, as set forth in 11 U.S.C. § 1129(b)(2). The Debtor believes that the Plan meets the thresholds specified in this section of the Bankruptcy Code.

XIII. ALTERNATIVES TO THE PLAN

If the Plan is not confirmed, the Debtor believes that it is unlikely any alternate plan of reorganization would be feasible or could contain terms more favorable to the Creditors than the Plan. The Debtor believes that the Plan, as described herein, enables all Creditors to realize the maximum possible recovery under all circumstances.

XIV. EFFECT OF CONFIRMATION

A. *Property*. Except as otherwise provided in the Plan, confirmation of the Plan vests all of the property of the Estate in the Debtor.

XV. OTHER SOURCES OF INFORMATION AVAILABLE TO CREDITORS AND PARTIES IN INTEREST

Additional reports, motions, affidavits, orders, and/or other documentation which might be of interest to any holder of a Claim against the Debtor in this proceeding are shown on the docket sheet maintained by the Clerk's office and are available through the Public Access to Court Electronic Records (PACER) website, www.pacer.com. Copies of the docket sheet and actual items can be obtained from the office of the Clerk of the Bankruptcy Court:

William C. Redden, Clerk of Court
U.S. Bankruptcy Court
200 S. Washington St.
Alexandria, VA 22314-5405
(703) 258-1200

XVI. DISCHARGE

Upon completion of payments, the Debtor and the Estate will be discharged from all Claims and liens expressly provided for in the Plan. The discharge will be fully effective against all Creditors regardless of whether they have voted to accept or reject the Plan and regardless of whether the Plan is confirmed by consent or by resort to the provisions of 11 U.S.C. § 1129(b). However, even though no discharge will be entered until all payments are completed, the Debtor will seek to have the case closed upon substantial consummation under 11 U.S.C. § 1101(2).

Furthermore, the Debtor will seek to have the case automatically re-opened pursuant to 11 U.S.C. § 350(b) without payment of a fee upon the filing and service on all Creditors and the Bankruptcy Case Administrator of a Notice of Completion of Plan Payments and Request for Entry of Discharge, allowing all parties fourteen (14) days to file a response.

XVII. RECOMMENDATION AND CONCLUSION

THE DEBTOR BELIEVES THAT THE PLAN PROVIDES THE GREATEST RECOVERY TO CREDITORS AND IS IN THE BEST INTERESTS OF ALL CREDITORS. THE DEBTOR THEREFORE RECOMMENDS THAT ALL CREDITORS VOTE TO ACCEPT THE PLAN.

DATED: April 3, 2014

Respectfully submitted,
LOUDOUN HEIGHTS, LLC
/s/ Joseph L. Bane, Jr.
Manager

/s/ Frank Bredimus
Frank Bredimus
Counsel for the Debtor
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