IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
(Richmond Division)

In re:	
ROSELAND VILLAGE, LLC,	Chapter 11 Case No. 11-30223-KRH Jointly Administered
Debtor.	

In re:	
G.B.S. HOLDING, LTD.,	
Debtor.	

SECOND AMENDED PROPOSED DISCLOSURE STATEMENT
FOR THE CHAPTER 11 PLAN OF REORGANIZATION
OF MILLER AND SMITH ADVISORY GROUP, LLC

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Counsel to Miller and Smith Advisory Group, LLC

Dated: July 2, 2013

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SECOND AMENDED PROPOSED DISCLOSURE STATEMENT
FOR THE CHAPTER 11 PLAN OF REORGANIZATION
OF MILLER AND SMITH ADVISORY GROUP, LLC

This Second Amended Proposed Disclosure Statement (the "**Disclosure Statement**") has been prepared by creditor Miller and Smith Advisory Group , LLC ("**Miller and Smith**" or the "**Plan Proponent**") to provide disclosure of its Chapter 11 Plan of Reorganization (the "**Plan**") for Roseland Village, LLC ("**Roseland Village**") and G.B.S. Holdings, Ltd. ("**GBS**" and, together with Roseland Village, the "**Debtors**"). Miller and Smith is the proponent of the Plan. The Plan provides for the restructuring of the Debtors' obligations, the resolution of the allowance of Claims and equity Interests,

and the Distribution to creditors in accordance with the priorities of the Bankruptcy Code.[1]

On January 13, 2011 (the "**Roseland Village Petition Date**"), Roseland Village filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code initiating its chapter 11 case. On June 3, 2011 (the "**GBS Petition Date**"), GBS filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code initiating its chapter 11 case (each a "**Bankruptcy Case**," and, together with the chapter 11 case of Roseland Village, the "**Bankruptcy Cases**"). The Bankruptcy Cases are being jointly administered, with Roseland Village as the lead case.

This Disclosure Statement is intended to aid creditors in making an informed judgment regarding acceptance or rejection of the Plan. If you have any questions regarding the Plan, Miller and Smith urges you to contact its counsel, Leach Travell Britt pc, 8270 Greensboro Drive, Suite 700, Tysons Corner, Virginia 22102, Attention: Lawrence A. Katz.

While the Bankruptcy Court has approved this Disclosure Statement as containing "adequate information" to enable you to vote on the Plan, the Bankruptcy Court's approval of the Disclosure Statement does not constitute approval or disapproval of the Plan itself. The Bankruptcy Court will consider approval of the Plan only after the completion of voting on the Plan. A copy of the Plan is attached to this Disclosure Statement and is incorporated herein by reference as "**Exhibit A**."

MILLER AND SMITH URGES YOU TO VOTE TO ACCEPT THE PLAN BY RETURNING YOUR BALLOT SO THAT IT IS RECEIVED BY LAWRENCE A. KATZ, LEACH TRAVELL BRITT PC, 8270 GREENSBORO DRIVE, SUITE 700,

[1] A capitalized term not otherwise defined herein shall have the meaning ascribed to it in the Plan.

TYSONS CORNER, VIRGINIA 22102, BY 5:00 P.M. LOCAL TIME ON _____, 2013. BALLOTS MUST BE SENT BY UNITED STATES MAIL OR COMMERCIAL OVERNIGHT DELIVERY AND MAY NOT BE SENT BY EMAIL OR FAX. MILLER AND SMITH FURTHER URGES YOU TO INDICATE ON YOUR BALLOT YOUR PREFERENCE FOR THE PLAN PROPOSED BY MILLER AND SMITH OVER THE JOINT SECOND AMENDED PLAN OF REORGANIZATION FILED BY THE DEBTORS.

No representations other than those made in this Disclosure Statement should be relied upon in evaluating the Plan. The information presented in this Disclosure Statement has not been subjected to an external audit. Miller and Smith and its counsel and advisors cannot warrant the accuracy of the information contained in this Disclosure Statement, although Miller and Smith has used its best efforts under all of the circumstances to ensure that the information herein is as accurate as possible.

THIS DISCLOSURE STATEMENT CONTAINS A SUMMARY OF THE PLAN. CREDITORS ARE URGED TO READ THE ENTIRE PLAN AND THE DISCLOSURE STATEMENT BEFORE VOTING ON THE PLAN.

I. DEFINITIONS

Unless otherwise indicated by context or otherwise, capitalized terms appearing in this Disclosure Statement have the meanings given to them under Article I of the Plan. *See* Exhibit A attached hereto.

II. BACKGROUND

A. General

The Debtors are in the business of purchasing raw land for development. GBS is owned by George B. "Buddy" Sowers, Jr., a land developer whose experience is largely in the Richmond, Virginia, area. Roseland Village is owned, in equal shares, by GBS and Theresa Sallé. Ms. Sallé's family formerly owned some of the land now owned by Roseland Village.

According to the Second Amended Disclosure Statement filed by the Debtors (the "**Debtors' Disclosure Statement**") on March 6, 2013 [Docket No. 201], the Debtors jointly own approximately 1,288 contiguous acres that are part of a larger assemblage of land known as Roseland (the "**Roseland Development**").[2] The property is located south of Route 288 at its intersection with Woolridge Road in Chesterfield County, Virginia. The Roseland Development is comprised of 29 separate parcels acquired by Roseland Village and GBS from 1988 through 2008, as identified below:[3]

Parcel	Brief Description
Parcel No. 1: $2.5^{+/-}$ Acres Land and Improvements at 807 and 815 Old Hundred Road, Midlothian, Virginia	Older, tri-level home in need of repairs and renovation. Well and septic system.
Parcel No. 2: $301^{+/-}$ Acres Land and Improvements at 1132, 1222, 16407, 16408, 16410, 16301, and 16300 Old Hundred Road, Midlothian, Virginia	Public sewer and water available from adjacent Hallsley Subdivision. Required access from two or three points may be difficult without cooperating adjacent owners.
Parcel No. 3: $100^{+/-}$ Acres Land and Improvements at 701, 731, 809, and 901 Old Hundred Road, Midlothian, Virginia	This property is well located and has public water along the entire frontage, but it has no public sewer at this time. Road improvements will be required on Old Hundred Road.
Parcel No. 4: $265^{+/-}$ Acres Land and Improvements at 921 and 1201 Old Hundred Road, Midlothian, Virginia	This property is well located and has public water along the entire frontage but has no public sewer at this time. Road improvements will be required on Old Hundred Road.
Parcel No. 5: $114^{+/-}$ Acres Land and Improvements at Parcel 1 of 1301 Otterdale Road, Midlothian, Virginia	Property will be adjacent to Roseland Town Center and Woolridge Road extended. At this time, however, it has no public sewer and water and has inadequate road infrastructure.
Parcel No. 6: $42^{+/-}$ Acres Land and Improvements at Parcel 2 of 1301 Otterdale Road, Midlothian, Virginia	Property will be adjacent to Roseland Town Center and Woolridge Road extended. At this time, however, it has no public sewer and water and has inadequate road infrastructure.

[2] Roseland Village owns approximately 345 acres, while GBS owns approximately 946 acres.
[3] The table is taken directly from the Debtors' Disclosure Statement at page 4.

Parcel No. 7: $87^{+/-}$ Acres Land and improvements at 2301 Old Hundred Road, Midlothian, Virginia	Property has no public water or sewer. Extensive road improvements will also be required. Needs cooperation of adjacent Smith property for appropriate road access and project massing.
Parcel No. 8: $16.6^{+/-}$ Acres Land and Improvements at 2041 and 2131 Old Hundred Road, Midlothian, Virginia	Property has no public water or sewer. Extensive road improvements will also be required. Needs cooperation of adjacent Styles property for appropriate road access and project massing.
Parcels No. 9 and 10: 343.78 +/- Acres of vacant land, terminus of Woolridge Road and Route 288, and Old Hundred Road, Midlothian, Virginia	Property is well located, and sewer is available for approximately half of the property. Water is adjacent to the south but lacks adequate pressure. Additional water and sewer infrastructure and road connections are required.

In August 2008, Chesterfield County approved the Roseland Development as a Master Planned Development ("**MPD**"), consisting of more than 1.5 million square feet of commercial space and more than 5,600 housing units. In conjunction with the approval of the Roseland Development as a Master Planned Development, Chesterfield County rezoned the Roseland Development's density based on the development of the entire assembled 1,288 acres. As a result, the Debtors cannot remove one or more of the 29 parcels that comprise the assembled Roseland Development without jeopardizing the entire Master Planned Development approval. *See* Debtors' Disclosure Statement at p. 3.

B. Events Leading to the Bankruptcy Filings

Based on the representations in the Debtors' Disclosure Statement, the bankruptcy filings were precipitated by the collapse of the subprime mortgage market and the ensuing housing crisis, which began in 2008, at about the same time that Chesterfield County approved the Roseland Development as a MPD. Because demand for new houses and new communities was low at that time, the Debtors were unable to move forward with the development of Roseland.

Thereafter, the Debtors began to come under pressure from their secured creditors. According to the Debtors' Disclosure Statement, the majority of the

acquisition loans for the 29 original parcels were held by five different banks in a total of nine different loans. The acquisition loans were generally short-term loans of one to three years to maturity, at which time most of the loans were "rolled over" by the secured creditors on new terms and conditions. However, beginning in 2009, some secured creditors were unwilling to renew the loans or would only agree to do so on terms and conditions that the Debtors could not possibly satisfy. In late 2010, one of Roseland Village's secured creditors commenced a foreclosure action, prompting Roseland Village to file for bankruptcy protection on January 13, 2011. Shortly thereafter, the same secured creditor commenced foreclosure proceedings against a GBS parcel, causing GBS to file for bankruptcy protection on June 3, 2011.

C. The Bankruptcy Cases

The Roseland Village Bankruptcy Case has been pending for two and a half years, and the GBS Bankruptcy Case has been pending for just over two years. During this time, the Debtors have made very little progress toward an effective reorganization. The Debtors filed their original joint plan of reorganization (the "**Original Debtor Plan**") and proposed disclosure statement for the Original Debtor Plan ("**Original Disclosure Statement**") on October 11, 2011 [Docket Nos. 70 and 69, respectively]. The Original Debtor Plan was based on the assumption that the Debtor would enter into a contract with a national builder which would purchase at least 360 developed lots over a minimum five-year period; however, at the time the Original Debtor Plan was filed, the Debtors did not have an actual contract with a national builder or any reasonably certain prospects of entering into such a contract. Not surprisingly, the Original Debtor Plan and Original Disclosure Statement faced substantial opposition from secured creditors.

Thereafter, on December 8, 2011, the Bankruptcy Court entered its Order Establishing Mediation Protocol [Docket No. 90]. Unfortunately, the mediation was not successful. On January 23, 2013, the Debtors filed their amended joint plan of reorganization (the "**Amended Debtor Plan**") and proposed disclosure statement for the Amended Debtor Plan (the "**Amended Disclosure Statement**") [Docket Nos. 173 and 172, respectively]. In the Amended Debtor Plan, the Debtors proposed to seek a modification of the MPD zoning from Chesterfield County, so that each parcel has distinct zoning requirements and certain proffers attached to it. Through this zoning modification, the Debtors propose to have the ability to isolate and sell or develop certain parcels. The Debtors also propose that such zoning modification would allow them, if necessary, to return certain parcels to the secured creditor which has an interest in it.

Despite strong creditor opposition, the Bankruptcy Court approved the Amended Disclosure Statement with certain amendments at a hearing held on February 20, 2013. The Bankruptcy Court ordered the Debtors to file a further amended disclosure statement by March 6, 2013 and, if they wished to file a further amended plan, to do so by April 17, 2013 [Docket No. 194]. The Bankruptcy Court also authorized other parties-in-interest to file a plan of reorganization by April 17, 2013. On March 6, 2013, the Debtors filed their second amended joint plan of reorganization (the "**Debtors' Second Amended Plan**") and the Debtors' Disclosure Statement [Docket Nos. 202 and 201, respectively]. The Debtors' Disclosure Statement was approved by order entered on March 26, 2013 [Docket No. 208].

On April 17, 2013, Miller and Smith filed its Plan [Docket No. 216] and a proposed disclosure statement [Docket No. 217]. At a hearing held on May 8, 2013, the

Bankruptcy Court scheduled a hearing on approval of the original Miller and Smith disclosure statement for May 30, 2013 and scheduled a confirmation hearing on both the Miller and Smith Plan and the Debtors' Second Amended Plan for July 8, 10 and 15, 2013. On May 23, 2013, Miller and Smith filed its First Amended Proposed Disclosure Statement for the Chapter 11 Plan of Reorganization of Miller and Smith Advisory Group, LLC [Docket No. 230]. This Disclosure Statement further amends the original Miller and Smith disclosure statement and it supersedes both the original and the first amended Miller and Smith disclosure statements. This Disclosure Statement was approved by the Bankruptcy Court by Order dated _____, 2013 [Docket No. ___].

Since the first of the year, five secured creditors have filed motions for relief from the automatic stay, including Franklin Federal Savings Bank [Docket No. 174], BB Hunt, L.L.C. [Docket No. 176], Central Virginia Bank [Docket No. 197], Essex Bank [Docket No. 199] and Paragon Commercial Bank [Docket No. 249](together, the "**Lift Stay Motions**"). The Lift Stay Motions are now scheduled for hearing following the conclusion of the confirmation hearing.[4]

D. The Plan

Miller and Smith is the proponent of the Plan. Since it was founded in 1964, Miller and Smith has built over 92 completed communities with 5,400 single family homes, 8,800 townhomes, and 2,125 condominiums and developed over 12,700 home sites for third party builders and its own portfolio. Miller and Smith's customer base includes national builders and regional builders, as well as Miller and Smith's building

[4] A preliminary hearing on the lift-stay motion recently filed by Paragon Commercial Bank has been scheduled for July 17, 2013. It is reasonable to assume that a final hearing on this motion will be set for the same time as the other pending lift-stay motions.

operations. With 92 completed projects within the Mid-Atlantic Region, Miller and Smith's projected revenue for 2013 will exceed $210,000,000. The third largest private builder of residential homes in the Washington, D.C. metropolitan area, Miller and Smith has won numerous awards for superior community planning and home design.

Miller and Smith has both the experience and the resources to complete large planned communities like Roseland. Miller and Smith is a fully integrated real estate firm with practical expertise in all facets of the development cycle. The firm takes unentitled parcels of land through the entitlement process, plans the phasing of development, develops the infrastructure and amenities, builds the home or sells finished lots to other builders and manages the Home Owner Associations. As is typical of real estate developers generally, Miller and Smith customarily forms a special purpose affiliated entity to take title to new developments. This new entity ("**Newco**") then has access to the substantial resource of the entire Miller and Smith business enterprise, which consists of its parent, Miller and Smith, Inc. and various affiliates of the Plan Proponent, including Miller and Smith Land, Inc. and Miller and Smith Homes, Inc., which collectively employee approximately 125 professionals and staff members.

Miller and Smith has established relationships with private equity firms (such as Carlyle, IHP, Goldman, Capmark, and Lehman), pension funds (such as CalPERS and Calsters), and joint venture partners (such as Sekisui House of Osaka, Japan). Additionally, Miller and Smith has established relationships with nationally-recognized homebuilders, such as NVR, Inc., who post deposits to ensure the purchase of lots in Miller and Smith's large planned communities.

Currently, Miller and Smith is developing the first phase of One Loudoun located in Loudoun County, Virginia, a mixed-use community on 358 acres just north of Dulles International Airport with 1,200 residential units, 3 million square feet of commercial space, 700,000 square feet of retail space, 700 hotel rooms, and a minor league baseball complex. Additionally, Miller and Smith is in the final stages of completing a planned unit development in Gainesville, Virginia with over 1,200 homes and a large recreational complex. Miller and Smith also recently completed a public/private partnership with Fauquier County, Virginia, for the redevelopment of a military facility which contains residential and commercial uses.

On December 13, 2012, Miller and Smith filed a Notice of Transfer of Claim [Docket No. 165], whereby Miller and Smith gave notice that it purchased the general unsecured claim of Perfect Lawn Care in the GBS Bankruptcy Case. No objections were filed to the Notice of Transfer of Claim. Miller and Smith also purchased the general unsecured claim of Urban Design Associates, Ltd. in the Roseland Village Bankruptcy Case. As a creditor in both Bankruptcy Cases, and given that GBS owns 50% of Roseland Village, and the real property owned by GBS and Roseland Village are contiguous and are jointly part of the MPD, Miller and Smith has both direct and indirect stakes in the outcome of both Bankruptcy Cases.

As will be discussed in more detail below, Miller and Smith proposes through the Plan to develop the Roseland Development as a single planned community in recognition of the MPD approved by Chesterfield County. This approach is based upon discussions with local marketing consultants, engineering firms, county economic personnel and third party consultants. The Plan contemplates two phases. The first phase begins on the

Effective Date and ends on the either the Project Commencement Date or the Project Termination Date (the "**Interim Period**"), and the second phase commences on either the Project Commencement Date or the Project Termination Date, whichever of these occurs. The commencement of development is contingent upon the achievement of certain conditions precedent, as outlined in section 7.1.1 of the Plan. Among other things, Miller and Smith will seek necessary modifications from Chesterfield County to the existing proffers and conditions that are required to be satisfied in order to develop Roseland as a unified assemblage and market the property for sale to third parties. The specific modifications to the existing proffers and development conditions that Miller and Smith will be seeking from Chesterfield County cannot be disclosed without impairing Miller and Smith's ability to negotiate effectively with the County, but all of the modifications are designed to reduce the overall cost of satisfying the County's requirements for development of the MPD and to make the Roseland Development viable for the benefit of all parties in interest in the Bankruptcy Cases.

During the Interim Period, to the extent that real estate taxes become due and payable with respect to the Debtors' real property, Miller and Smith will pay all real estate taxes that are due with respect to the Interim Period, so that the secured creditors do not have to come out of pocket for these expenses. Miller and Smith will fund the cost of these real estate taxes, as well as any legal, professional, and other fees and expenses incurred during the Interim Period, from the Interim Development Fund. Throughout this Interim Period, title to the real property will remain in the name of the Debtors, subject to all existing liens, claims and encumbrances.

If Miller and Smith is unable to achieve the conditions precedent set forth in section 7.1.1 of the Plan no later than 360 days after the Effective Date of the Plan, the project will be terminated. In such event, Miller and Smith will provide written notice of the Project Termination Date to all holders of Allowed Claims and Equity Interests. All holders of Allowed Secured Claims will have the right, but not the obligation, to foreclose on their collateral or take a Deed in Lieu of Foreclosure as provided in Article IV of the Plan. All holders of Allowed Secured Claims will also have the right, but not the obligation, to exercise any other state law remedies available to them. Within five days of receipt of notice, secured creditors may choose to take back their respective parcels through a friendly foreclosure or deed in lieu of foreclosure. All other holders of Allowed Claims or Interests shall receive no distribution under the Plan but may exercise their state law remedies.

If Miller and Smith is able to satisfy the conditions precedent set forth in section 7.1.1 of the Plan no later than 360 days after the Effective Date of the Plan, the project will commence development. At that time, Newco will take title to the Debtors' real property, subject to all existing liens, claims and encumbrances. Miller and Smith will proceed with the development of Roseland, using a combination of third-party debt financing and equity financing (the "**Final Development Fund**")[5], which will be used, among other things, to pay existing creditor claims over the course of up to eleven years. Miller and Smith will provide written notice of the Project Commencement Date to all holders of Allowed Claims and Interests, at which time the treatment afforded Holders of Allowed Claims will be determined by the specific election of treatment options made by each Holder within thirty (30) days of the Effective Date. Holders of Allowed Secured

[5] The debt and equity financing is described in greater detail in section XI(B) of this Disclosure Statement.

Claim(s) can choose one of three options for payment of their Allowed Secured Claim:

- Secured Claimant Option A: If a secured creditor elects Secured Claimant Option A within thirty (30) days of the Effective Date (the "Creditor Election Deadline") , the secured creditor shall be paid within thirty days of the Project Commencement Date an amount equal to forty percent (40%) of its Allowed Secured Claim(s).

- Secured Claimant Option B: If a secured creditor elects Secured Claimant Option B on or before the Creditor Election Deadline, then (a) twenty-five percent (25%) of its Allowed Secured Claim shall be waived on the Project Commencement Date and shall receive no Distributions; (b) the remaining seventy-five percent (75%) of its Allowed Secured Claim (the "Residual Secured Claim") shall be paid as follows: (i) twenty-five percent (25%) of the Residual Secured Claim shall be paid within thirty days of the Project Commencement Date; (ii) seventy-five percent (75%) of the Residual Secured Claim shall be paid quarterly, on a Pro Rata basis with all other holders of Allowed Secured Claims who elect Secured Claimant Options B or C, from funds deposited into the Final Development Fund in the following amounts: (i) $17,900 per single family lot sold through the second quarter of calendar year 2016; (ii) $11,900 per townhouse lot sold through the second quarter of calendar year 2016; (iii) for all quarters subsequent to the second quarter of calendar year 2016, the amounts set forth in the preceding subsections (i) and (ii) shall increase by two percent (2%) per year; (iv) seventeen percent (17%) of the net sale price of any multifamily or commercial lots sold; and (c) interest on the Residual Secured Claim shall be paid quarterly at the rate of two percent (2%) per annum, commencing on the first quarter following the Project Commencement Date.

- Secured Claimant Option C: If a secured creditor elects Secured Claimant Option C on or before the Creditor Election Deadline, then (a) one hundred percent (100%) of its Allowed Secured Claim shall be paid quarterly, on a Pro Rata basis with all other holders of Allowed Secured Claims who elect Secured Claimant Options B or C, from funds deposited into the Final Development Fund in the following amounts: (i) $17,900 per single family lot sold through the second quarter of calendar year 2016; (ii) $11,900 per townhouse lot sold during through the second quarter of calendar year 2016; (iii) for all quarters subsequent to the second quarter of calendar year 2016, the amounts set forth in the preceding subsections (i) and (ii) shall increase by two percent (2%) per year and (iv) seventeen percent (17%) of the net sale price of any multifamily or commercial lots sold and (b) interest on the Allowed Secured Claim shall be paid quarterly at the rate of two percent (2%) per annum, commencing on the first quarter following the Project Commencement Date.

Miller and Smith's Plan provides in Secured Claimant Options B and C an

accelerated release price substantially above normal development loan release amounts. This is designed to provide the secured creditors a quicker repayment of their secured claims. Under Secured Claimant Option B, described above, creditors are paid the balance of their Allowed Secured Claims once the Roseland Development reaches 40% of density; under Secured Claimant Option C, described above, creditors are paid in full once the Roseland Development reaches 62% of density. This is significantly sooner than repayment of secured debt would typically occur.

On or before the Creditor Election Deadline, Holders of Allowed Unsecured Claims (other than Insiders) shall elect one of the following two options:

- Unsecured Claimant Option A: If the unsecured creditor elects Unsecured Claimant Option A, the unsecured creditor shall receive an amount equal to twenty-five percent (25%) of such claimant's Allowed Unsecured Claim, without interest, within thirty (30) days of the Project Commencement Date.

- Unsecured Claimant Option B: If the unsecured creditor elects Unsecured Claimant Option B on or before the Creditor Election Deadline, the unsecured creditor shall receive quarterly Pro Rata Distributions from the Final Development Fund after the payment in full, with interest as provided herein, of all Allowed Administrative Expense Claims, all Allowed Claims in Classes 1, 2A, 2B, 3, 4A, 4B, 5, 6, 7, 8, 9, 10, 11, and 12, and all Project Financing (including all interest and returns thereon), until such Class 13A and 13B Allowed Unsecured Claims are paid in full with interest at the applicable rate.

After the payment in full of all Allowed Administrative Expense Claims, all Allowed Claims in Classes 1, 2A, 2B, 3, 4A, 4B, 5, 6, 7, 8, 9, 10, 11, 12, 13A and 13B, Insider Unsecured Claims shall receive pro rata distributions, not to exceed 100% of such Allowed Claims, with interest at the applicable rate. Holders of Allowed Equity Interests shall retain their Interests, but shall receive no distributions under the Plan.

Miller and Smith is fully committed to the Roseland Development and the success of this Plan. Miller and Smith has already invested over $250,000 of its own funds to

study the feasibility of the project, analyze the development strategy, and formulate this Plan. Miller and Smith approached its business partners, all nationally-known equity investors and home builders, about the Roseland Development and received strong interest from several parties, including a commitment from NVR, Inc. Miller and Smith anticipates that two or three other home builders will participate in the development of Roseland, and it also has the capacity to develop lots directly through its affiliate, Miller and Smith Homes, as necessary to adjust to fluctuating market conditions. Miller and Smith, with its years of experience, deep professional and financial resources, and proven track record, is ideally suited to bring this Plan and the Roseland Development to fruition. In addition to developing the real property so as to fund the payment of creditor Claims in accordance with the Plan, Miller and Smith will be providing to the community more than $10 million in project amenities when the Roseland Development is completed.

III. ASSETS AND LIABILITIES

REFERENCE IN THIS DISCLOSURE STATEMENT TO THE AMOUNT OF ANY CLAIM IS NEITHER AN ADMISSION NOR AN ACKNOWLEDGEMENT OF THE ALLOWED AMOUNT OF SUCH CLAIM, NOR IS REFERENCE TO THE VALUE OF ANY ASSET OR AMOUNT OF ANY CAUSE OF ACTION AN ADMISSION OF SUCH VALUE OR AMOUNT. NO CREDITOR SHOULD VOTE FOR THIS PLAN ON THE ASSUMPTION THAT ITS CLAIM WILL NOT BE SUBJECT TO OBJECTION.

A. Assets.

Roseland Village's most significant assets are real property. GBS's assets include real property, its interests in Roseland Village and in Riverton Associates, LLC, certain

de minimis cash assets, certain receivables due from Insiders and/or related entities, certain vehicles and equipment, furnishings for a model home, and residential leases with Mark Richards and James Huebler. In addition to the above assets, all of which are identified on the Debtors' respective schedules, the Debtors have certain other assets, including models, engineering reports, land surveys and environmental studies.

B. Liabilities and Equity Interests.

A schedule of all Claims for the Debtors, including secured Claims, prepetition Claims that are entitled to priority treatment, and unsecured Claims for which proofs of claim were filed or which were scheduled by the Debtors, is attached to the Disclosure Statement as "**Exhibit B-1"** for GBS and "**Schedule B-2**" for Roseland Village. The Claims and Equity Interests are summarized as follows:

1. Administrative Claims. It is anticipated that the Debtors' professionals will have administrative Claims for professional fees. On page 9 of the Debtors' Disclosure Statement, the Debtors estimate the total amount of administrative and priority Claims as no more than $75,000 each for Roseland Village and GBS.

2. Priority Claims. The Debtors do not believe that any creditors hold priority claims; however, as noted above, the Debtors estimate the total amount of administrative and priority claims as $75,000 each for Roseland Village and GBS.

3. Secured Claims. Each of the Debtors' parcels is pledged as security for one or more loans. On page 9 of the Debtors' Disclosure Statement, the Debtors estimate that the total amount of secured Claims as of October 10, 2011 is $20,782,634 for Roseland Village and $23,079,101.56 for GBS.

4. General Unsecured Claims. In the Roseland Village Bankruptcy Case, the claims bar dates are (i) May 12, 2011, the deadline established by the Bankruptcy Court as the last day by which Claims of non-governmental entities must be filed, and (ii) July 12, 2011, the deadline established by the Bankruptcy Court as the last day by which Claims of governmental entities must be filed. In the GBS Bankruptcy Case, the claims bar dates are (i) September 28, 2011, the deadline established by the Bankruptcy Court as the last day by which Claims of non-governmental entities must be filed, and (ii) November 30, 2011, the deadline established by the Bankruptcy Court as the last day by which Claims of governmental entities must be filed. On page 9 of the Debtors' Disclosure Statement, the Debtors estimate that the total amount of general unsecured Claims is $490,107.61 (including $422,987 owed to Insiders) in the Roseland Village Bankruptcy Case and $1,243,068.37 (including $1,122,660.11 owed to Insiders) in the GBS Bankruptcy Case. However, the Plan Proponent believes that the Debtors have reversed these numbers and that there are $1,243,068.37 in unsecured Claims against Roseland Village and $490.107.61 in unsecured Claims against GBS.[6]

4. Equity Interests. The Equity Interests for Roseland Village consist of a 50% membership interest held by GBS and a 50% membership interest held by Theresa Sallé. GBS is wholly owned by George B. Sowers, Jr. As discussed below, the Plan Proponent believes the Equity Interests have no value.

IV. SUMMARY OF THE PLAN

THIS SUMMARY IS MODIFIED IN ITS ENTIRETY BY REFERENCE TO THE FULL TEXT OF THE PLAN. TO THE EXTENT OF ANY CONFLICT

[6] See also footnote 6 of the Disclosure Statement.

BETWEEN THE TERMS OF THIS DISCLOSURE STATEMENT AND THE TERMS OF THE PLAN, THE TERMS OF THE PLAN SHALL CONTROL.

The Plan contemplates (i) the restructuring of the Debtors' obligations, (ii) the resolution of the allowance of Claims and Equity Interests, and (iii) the Distribution to creditors in accordance with the priorities of the Bankruptcy Code and as dictated by the development of Roseland as an MPD, with creditors of GBS and Roseland Village sharing *pari passu* based upon the priority of their Allowed Claims and the election of treatment of their Claims under the Plan.

A. Treatment of Administrative Expense Claims

Allowed Administrative Expense Claims consist of, *inter alia*, Claims that are allowed pursuant to section 503(b) of the Bankruptcy Code and entitled to priority under section 507(a)(2) of the Bankruptcy Code. Pursuant to the Plan, except to the extent that the holder of an Allowed Administrative Expense Claim agrees to less favorable treatment, each holder of an Allowed Administrative Expense Claim shall receive cash in an amount equal to such Allowed Administrative Expense Claim as soon as practicable following the later of (i) the Effective Date or (ii) the fifteenth day of the first month following the month in which such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, provided, however, that Allowed Administrative Expense Claims representing obligations incurred in the ordinary course of business of the Debtor shall be paid in full in accordance with the terms and conditions of the particular transactions, any applicable agreements, and applicable bankruptcy and non-bankruptcy law. All Disputed Administrative Expense Claims shall be reserved for in full on the Effective Date. To the extent that the Debtors do not satisfy or settle Allowed

Administrative Expense Claims directly, the payment of Allowed Administrative Expense Claims shall be paid with Available Cash, including the proceeds of Avoidance Actions and collection of Receivables.

Allowed Administrative Expense Claims which are attributable to professional fees are Administrative Expense Claims under section 503(b)(1) of the Bankruptcy Code and shall be paid in full in accordance with the terms and conditions of the Bankruptcy Court order allowing such fees.

Requests for payment of Administrative Expense Claims existing as of the Effective Date must be filed with the Bankruptcy Court and served on the applicable Reorganized Debtor no later than forty-five (45) days after the Effective Date. Objections to payment of Administrative Expense Claims must be filed with the Bankruptcy Court and served on the holder of the Administrative Expense Claim, the Reorganized Debtors, Miller and Smith, and the United States Trustee by the later of (i) thirty (30) days after the Effective Date or (ii) thirty (30) days after the filing of the request for payment of such Administrative Expense Claim, unless otherwise ordered or extended by the Bankruptcy Court. Notwithstanding anything to the contrary herein, no request for payment of an Administrative Expense Claim need be filed with the Bankruptcy Court for the allowance of (i) an Administrative Expense Claim incurred in the ordinary course of the Debtor's business; or (ii) the fees of the United States Trustee arising under 28 U.S.C. § 1930(a)(6).

Any Entity that is required to, but fails to file a request for allowance of an Administrative Expense Claim on or before the deadline referenced above shall be forever barred from asserting such Administrative Expense Claim against the

applicable Reorganized Debtor, and the holder thereof shall be enjoined from commencing or continuing any action, employment of process, or act to collect, offset, or recover such Administrative Expense.

All Professionals seeking an award by the Bankruptcy Court of a Professional Fee Claim incurred through and including the Effective Date shall, unless otherwise ordered by the Bankruptcy Court, file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred by the date that is no later than forty-five (45) days after the Effective Date. Professional Fee Claims shall be paid by the applicable Reorganized Debtor pursuant to the provisions in section 2.2 of the Plan with respect to Allowed Administrative Expense Claims generally.

B. Classification of Claims and Interests

The Plan provides for the division of Claims and Interests into a total of twenty (20) classes and subclasses. They are as follows:

Class 1	Allowed Priority Claims
Class 2A	Franklin Federal Savings and Loan ("**Franklin Federal**") Allowed Secured Claims in the Roseland Village Bankruptcy Case
Class 2B	Franklin Federal Allowed Secured Claims in the GBS Bankruptcy Case
Class 3	BB Hunt, LLC ("**Hunt**") Allowed Secured Claims in the Roseland Village Bankruptcy Case
Class 4A	Real Estate Tax Allowed Secured Claims of Chesterfield County in the Roseland Village Bankruptcy Case
Class 4B	Real Estate Tax Allowed Secured Claims of Chesterfield County in the GBS Bankruptcy Case
Class 5	Essex Bank ("**Essex**") Allowed Secured Claims in the GBS Bankruptcy Case

Class 6	Virginia Commonwealth Bank ("**VCB**") Allowed Secured Claims in the GBS Bankruptcy Case
Class 7	Four K Associates ("**Four K**") Allowed Secured Claim in the GBS Bankruptcy Case
Class 8	Paragon ("**Paragon**") Allowed Secured Claims in the GBS Bankruptcy Case
Class 9	Allowed Secured Claims of Mr. Walter F. Styles ("**Styles**") in the GBS Bankruptcy Case
Class 10	Central Virginia Bank ("**CVB**") Allowed Secured Claims in the GBS Bankruptcy Case
Class 11	Allowed Secured Claims of Mrs. Donese B. Smith ("**Smith**") in the GBS Bankruptcy Case
Class 12	Ally Bank ("**Ally**") Allowed Secured Claims in the GBS Bankruptcy Case
Class 13A	Allowed Unsecured Claims, excluding Insider Claims, in the Roseland Village Bankruptcy Case
Class 13B	Allowed Unsecured Claims, excluding Insider Claims, in the GBS Bankruptcy Case
Class 14A	Insider Allowed Unsecured Claims in the Roseland Village Bankruptcy Case
Class 14B	Insider Allowed Unsecured Claims in the GBS Bankruptcy Case
Class 15A	Allowed Equity Interests in the Roseland Village Bankruptcy Case
Class 15B	Allowed Equity Interests in the GBS Bankruptcy Case

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Professional Fee Claims of the kinds specified in sections 507(a)(2) and 507(a)(8) of the Bankruptcy Code have not been classified, and their treatment is set forth in section A above.

C. Treatment of Claims and Interests

The treatment of and the consideration received by Holders of Allowed Claims or Allowed Interests pursuant to Article IV of the Plan shall be in full satisfaction of their respective Claims against or Interest in the Debtors.

Class 1: Priority Claims. Each holder of an Allowed Class 1 Claim shall be paid as follows: (i) unless entitled to priority under section 507(a)(8) of the Bankruptcy Code, any Class 1 Claim shall be paid (a) in full in Cash on the later of the Effective Date or thirty (30) days after any such claim becomes an Allowed Priority Claim, or (b) upon such other less favorable terms as may be agreed to by the holder of such Claim and the applicable Reorganized Debtor or (ii) if entitled to priority under section 507(a)(8) of the Bankruptcy Code, such Class 1 Claim shall be paid in full (a) in equal monthly installments so that the Allowed amount of such Claim, with interest, from the Effective Date shall be paid in full no later than five (5) years following the Petition Date, or (b) upon such other less favorable terms as may be agreed to by the holder of such Claim and the applicable Reorganized Debtor.

Class 1 is unimpaired by the Plan.

Class 2A/2B: Franklin Federal Savings and Loan. Class 2A and 2B consist of the Secured Claims of Franklin Federal. The Class 2A Claim is secured by a first deed of trust on approximately 313.30 acres of real property owned by Roseland Village. According to the Debtors, the fair market value of this real property is $37,450,000 based upon earlier appraisals that were commissioned by Franklin Federal. The Class 2B Claim is secured by approximately 301 acres of real property owned by GBS. According to the Debtors, the fair market value of this real property is $12,200,000 based upon an earlier appraisal commissioned by Franklin Federal. The assets securing the Class 2A and 2B

Claims are referred to collectively as the "**Franklin Federal Collateral**". Miller and Smith believes, based upon a preliminary appraisal by a third-party, that the fair market value of the Roseland Development as a whole is approximately $42,000,000, assuming a rezoning or modification to the current zoning and proffers is approved by the County. Given the representations of the Debtors that the secured claims are, in the aggregate, approximately $43,862,000, Miller and Smith believes that Franklin Federal is close to fully secured, if not fully secured.

On or before the Creditor Election Deadline, Franklin Federal shall elect, with respect to each of its Allowed Class 2A Secured Claim and its Allowed Class 2B Secured Claim, whether to have each such Claim treated as provided under Secured Claimant Options A, B or C, as set forth in section 1.2.49, 1.2.50 and 1.2.51 of the Plan, and shall advise the Plan Proponent in writing of its elections with respect thereto. In the event Franklin Federal fails to make such election as required herein, it shall be deemed to have elected Secured Claimant Option A.

Franklin Federal will receive the following treatment with respect to its Class 2A and Class 2B Claims:

(i) From the Effective Date through the Project Commencement Date, Franklin Federal shall retain its senior liens on the Franklin Federal Collateral.

(ii) To the extent real estate taxes become due and payable with respect to the Franklin Federal Collateral during the Interim Period, the Plan Proponent shall pay that portion of such taxes that are due with respect to the Interim Period from funds deposited in the Interim Development Fund.

(iii) From the Effective Date through the Project Commencement Date or the Project Termination Date, as the case may be, Franklin Federal shall abide by the following obligations with respect to the Franklin Federal Collateral: (a) execute whatever documents are reasonably necessary and appropriate in order for the Plan Proponent to file, process or obtain approval of the restructuring and modification of the existing proffers and conditions with respect to the development of the Franklin Federal Collateral; (b) execute whatever documents are reasonably necessary and appropriate in order for the Plan Proponent to dedicate easements, rights of way or other access for roads, infrastructure, utilities, etc. that cross through the Franklin Federal Collateral; and (c) be bound by the injunction provided in section 9.1 of the Plan.

In the event the Project Termination Date occurs, the injunction provided in section 9.1 of the Plan shall terminate. The Plan Proponent shall advise Franklin Federal in writing of the occurrence of the Project Termination Date. Within five (5) calendar days of its receipt of notice of the Project Termination Date, Franklin Federal shall have the right, but not the obligation, to either (i) elect to foreclose on the Franklin Federal Collateral, or (ii) elect to take a Deed in Lieu of Foreclosure. If Franklin Federal elects to take a Deed in Lieu of foreclosure, the applicable reorganized Debtor shall tender a deed to the Franklin Federal Collateral within twenty-four (24) hours of that request. Franklin Federal may also exercise such other rights and remedies as are available to it under state law.

In the event the Project Commencement Date occurs, the Plan Proponent shall

advise Franklin Federal in writing of the occurrence of the Project Commencement Date. In the event Franklin Federal elects Secured Claimant Option A for one or both of its Allowed Secured Claims, (i) it shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.49 in the Plan with respect to its Allowed Secured Class 2A and/or 2B Claim(s), without interest; and (ii) it shall release its lien(s) with respect to such Class 2A and/or 2B Claim(s); and (iii) its Class 2A and/or 2B Claim(s) shall be released with respect to the reorganized Debtors and their Assets.

In the event Franklin Federal elects Secured Claimant Option B for one or both of its Allowed Secured Claims, (i) it shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.50(b)(1) of the Plan with respect to its Allowed Secured Class 2A and/or 2B Claim(s), without interest; (ii) it shall receive quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.50(b)(2) of the Plan with respect to its Allowed Secured Class 2A and/or 2B Claim(s), with interest as set forth therein; (iii) its lien(s) on the Franklin Federal Collateral with respect to such Class 2A and/or 2B Claim(s) shall be subordinated to a new senior lien granted to secure necessary real estate development loans and surety bonds; (iv) it shall retain its subordinated lien(s) with respect to such Class 2A and/or 2B Claim(s) until some or all of the Franklin Federal Collateral is developed and sold by the Plan Proponent, at which time it shall release its lien(s) with respect to such Franklin Federal Collateral; and (v) upon the payment in full of the amounts set forth in section 1.2.50 with respect to its Allowed Secured Class 2A and/or 2B Claim(s), with interest as

set forth therein, it shall release its subordinated lien(s) with respect to such Franklin Federal Collateral, and its Class 2A and/or 2B Claim(s) shall be released with respect to the reorganized Debtors and their Assets.

In the event Franklin Federal elects Secured Claimant Option C for one or both of its Allowed Secured Claims, it shall receive quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.51 of the Plan with respect to its Allowed Secured Class 2A and/or 2B Claim(s); (ii) its lien(s) on the Franklin Federal Collateral with respect to such Class 2A and/or 2B Claim(s) shall be subordinated to a new senior lien granted to secure necessary real estate development loans and necessary surety bonds; (iii) it shall retain its subordinated lien(s) with respect to such Class 2A and/or 2B Claim(s) until some or all of the Franklin Federal Collateral is developed and sold by the Plan Proponent, at which time it shall release its subordinated lien(s) with respect to such Franklin Federal Collateral; and (iv) upon the payment in full of the amounts set forth in section 1.2.51 with respect to its Allowed Secured Class 2A and/or 2B Claim(s), it shall release its subordinated lien(s) with respect to such Franklin Federal Collateral, and its Class 2A and/or 2B Claim(s) shall be released with respect to the reorganized Debtors and their Assets.

The Class 2A/2B Claimant is impaired by the Plan.

Class 3: BB Hunt, LLC. Class 3 consists of the Secured Claims of Hunt, including those specified in Proof of Claim No. 6. Hunt has a security interest in 30 acres of land owned by Roseland Village ("**the Hunt Collateral**"). According to the Debtors, the fair market value of the Hunt Collateral is $5,500,000, but the source of this valuation

is unknown. Miller and Smith believes, based upon a preliminary appraisal by a third-party, that the fair market value of the Roseland Development as a whole is approximately $42,000,000, assuming a rezoning or modification to the current zoning and proffers is approved by the County. Given the representations of the Debtors that the secured claims are, in the aggregate, approximately $43,862,000, Miller and Smith believes that Hunt is close to fully secured, if not fully secured.

On or before the Creditor Election Deadline, Hunt shall elect, with respect to its Allowed Class 3 Secured Claim, whether to have such Claim treated as provided under Secured Claimant Options A, B or C, as set forth in section 1.2.49, 1.2.50 and 1.2.51 of the Plan, and shall advise the Plan Proponent in writing of its elections with respect thereto. In the event Hunt fails to make such election as required herein, it shall be deemed to have elected Secured Claimant Option A.

Hunt will receive the following treatment with respect to its Class 3 Claim:

(i) From the Effective Date through the Project Commencement Date, Hunt shall retain its lien on the Hunt Collateral.

(ii) To the extent real estate taxes become due and payable with respect to the Hunt Collateral, the Plan Proponent shall pay that portion of such taxes that are due with respect to the Interim Period from funds deposited in the Interim Development Fund.

(iii) From the Effective Date through the Project Commencement Date or the Project Termination Date, as the case may be, Hunt shall abide by the following obligations with respect to the Hunt Collateral: (a) execute whatever documents are reasonably necessary and appropriate in order for

the Plan Proponent to file, process or obtain approval of the restructuring and modification of the existing proffers and conditions with respect to the development of the Hunt Collateral; (b) execute whatever documents are reasonably necessary and appropriate in order for the Plan Proponent to dedicate easements, rights of way or other access for roads, infrastructure, utilities, etc. that cross through the Hunt Collateral; and (c) be bound by the injunction provided in section 9.1 of the Plan.

In the event the Project Termination Date occurs, the injunction provided in section 9.1 of the Plan shall terminate. The Plan Proponent shall advise Hunt in writing of the occurrence of the Project Termination Date. Within five (5) calendar days of its receipt of notice of the Project Termination Date, Hunt shall have the right, but not the obligation, to either (i) elect to foreclose on the Hunt Collateral, or (ii) elect to take a Deed in Lieu of Foreclosure. If Hunt elects to take a Deed in Lieu of foreclosure, the reorganized Debtor shall tender a deed to the Hunt Collateral within twenty-four (24) hours of that request. Hunt may also exercise such other rights and remedies as are available to it under state law.

In the event the Project Commencement Date occurs, the Plan Proponent shall advise Hunt in writing of the occurrence of the Project Commencement Date. In the event Hunt elects Secured Claimant Option A for its Allowed Secured Claim, (i) it shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.49 of the Plan with respect to its Allowed Secured Class 3 Claim, without interest; (ii) it shall release its lien with respect to such Class 3 Claim; and (iii) its Class 3 Claim shall be released with respect to the reorganized

Debtors and their Assets.

In the event Hunt elects Secured Claimant Option B for its Allowed Secured Claim, (i) it shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.50(b)(1) in the Plan with respect to its Allowed Secured Class 3 Claim, without interest; (ii) it shall receive quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.50(b)(2) with respect to its Allowed Secured Class 3 Claim, with interest as set forth therein; (iii) its lien on the Hunt Collateral with respect to such Class 3 Claim shall be subordinated to a new senior lien granted to secure necessary real estate development loans and necessary surety bonds; and (iv) it shall retain its subordinated lien with respect to such Class 3 Claim until some or all of the Hunt Collateral is developed and sold by the Plan Proponent, at which time it shall release its lien with respect to such Hunt Collateral; and (iv) upon the payment in full of the amounts set forth in section 1.2.50 of the Plan with respect to its Allowed Secured Class 3 Claim, with interest as set forth therein, it shall release its subordinated lien with respect to such Hunt Collateral, and its Class 3 Claim shall be released with respect to the reorganized Debtors and their Assets.

In the event Hunt elects Secured Claimant Option C for its Allowed Secured Claim, (i) it shall receive quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.51 of the Plan with respect to its Allowed Secured Class 3 Claim; (ii) its lien(s) on the Hunt Collateral with respect to such Class 3 Claim shall be subordinated to a new senior lien granted to secure necessary real estate development loans and necessary surety bonds;

(iii) it shall retain its subordinated lien with respect to such Class 3 Claim until some or all of the Hunt Collateral is developed and sold by the Plan Proponent, at which time it shall release its subordinated lien with respect to such Hunt Collateral; and (iv) upon the payment in full of the amounts set forth in section 1.2.51 of the Plan with respect to its Allowed Secured Class 3 Claim, it shall release its subordinated lien with respect to such Hunt Collateral, and its Class 3 Claim shall be released with respect to the reorganized Debtors and their Assets.

The Class 3 Claimant is impaired by the Plan.

Class 4A/4B: Secured Real Estate Taxes Owed to Chesterfield County. Class 4A consists of the Secured Claims of Chesterfield County (the "**County**"), which are real property taxes imposed on real property owned by Roseland Village. Class 4B consists of the Secured Claims of Chesterfield County, which are real property taxes imposed on real property owned by GBS. The amounts owed to the County for real estate taxes are fully secured by the real property owned by Roseland Village and GBS. To the extent real estate taxes become due and payable to the County with respect to the real property of the Debtors, the Plan Proponent shall pay that portion of such taxes that are due with respect to the Interim Period from funds deposited in the Interim Development Fund. The County shall be bound by the injunction provided in section 9.1 of the Plan

In the event the Project Termination Date occurs, the Plan Proponent shall advise the County in writing of the occurrence of the Project Termination Date and the County shall receive no further Distributions under the Plan. The County shall receive all of the taxes owed on each parcel when such parcel is foreclosed upon as provided in the Plan. Prior to that time, the Class 4A/4B Claimant shall maintain its lien on the real property of

the Debtors as set forth in applicable non- bankruptcy law.

In the event the Project Commencement Date occurs, the Plan Proponent shall advise the County in writing of the occurrence of the Project Commencement Date. Within thirty (30) days after the Project Commencement Date, the County shall receive a Distribution from the Final Development Fund in an amount equal to the then outstanding real estate taxes due and owing with respect to the real property of the Debtors. All real estate taxes that accrue subsequent to the Project Commencement Date shall be paid to the County as and when due from funds deposited in the Final Development Fund.

The Class 4A/4B Claimant is impaired by the Plan.

Class 5: Essex Bank (formerly Bank of Powhatan). Class 5 consists of the Secured Claims of Essex Bank, formerly known as the Bank of Powhatan. The Class 5 Secured Claims are secured by a deed of trust on 2.5 acres of real property located at 807 Old Hundred Road, Midlothian, Virginia, and by a deed of trust on approximately 114 acres of real property located on Otterdale Road, Chesterfield, Virginia, all of which is owned by GBS. According to the Debtors, the fair market value of the Old Hundred Road real property is $450,000 and the fair market value of the Otterdale Road real property is $11,400,000. In addition to the consensual liens held by Essex in these two properties, Essex has judgment liens on all other real property owned by GBS, which liens are junior to the consensual liens of all other secured creditors on such real property. The assets securing only the Class 5 Secured Claims and the Class 4B Claim are referred to collectively as the "**Essex Collateral.**" The assets upon which Essex holds judgment liens, other than the Essex Collateral, are referred to collectively the "**Essex Judgment**

Collateral." Miller and Smith believes, based upon a preliminary appraisal by a third-party, that the fair market value of the Roseland Development as a whole is approximately $42,000,000, assuming a rezoning or modification to the current zoning and proffers is approved by the County. Given the representations of the Debtors that the secured claims are, in the aggregate, approximately $43,862,000, and given that Essex is secured by both the Essex Collateral and the Essex Judgment Collateral, Miller and Smith believes that Essex is fully secured.

On or before the Creditor Election Deadline, Essex shall elect, with respect to its Allowed Class 5 Secured Claim, whether to have such Claim treated as provided under Secured Claimant Options A, B or C, as set forth in section 1.2.49, 1.2.50 and 1.2.51 of the Plan, and shall advise the Plan Proponent in writing of its elections with respect thereto. In the event Essex fails to make such election as required herein, it shall be deemed to have elected Secured Claimant Option A.

Essex will receive the following treatment with respect to its Class 5 Claims:

(i) From the Effective Date through the Project Commencement Date, Essex shall retain its lien on the Essex Collateral and the Essex Judgment Collateral.

(ii) To the extent real estate taxes become due and payable with respect to the Essex Collateral and the Essex Judgment Collateral, the Plan Proponent shall pay that portion of such taxes that are due with respect to the Interim Period from funds deposited in the Interim Development Fund.

(iii) From the Effective Date through the Project Commencement Date or the Project Termination Date, as the case may be, Essex shall abide by the

following obligations with respect to the Essex Collateral and the Essex Judgment Collateral: (a) execute whatever documents are reasonably necessary and appropriate in order for the Plan Proponent to file, process or obtain approval of the restructuring and modification of the existing proffers and conditions with respect to the development of the Essex Collateral and the Essex Judgment Collateral; (b) execute whatever documents are reasonably necessary and appropriate in order for the Plan Proponent to dedicate easements, rights of way or other access for roads, infrastructure, utilities, etc. that cross through the Essex Collateral and the Essex Judgment Collateral; and (c) be bound by the injunction provided in section 9.1 of the Plan.

In the event the Project Termination Date occurs, the injunction provided in section 9.1 of the Plan shall terminate. The Plan Proponent shall advise Essex in writing of the occurrence of the Project Termination Date. Within five (5) calendar days of its receipt of notice of the Project Termination Date, Essex shall have the right, but not the obligation, to either (i) elect to foreclose on the Essex Collateral and the Essex Judgment Collateral, or (ii) elect to take a Deed in Lieu of Foreclosure with respect to the Essex Collateral, but not the Essex Judgment Collateral. If Essex elects to take a Deed in Lieu of foreclosure with respect to the Essex Collateral, the reorganized Debtor shall tender a deed to the Essex Collateral within twenty-four (24) hours of that request. Essex may also exercise such other rights and remedies as are available to it under state law.

In the event the Project Commencement Date occurs, the Plan Proponent shall advise Essex in writing of the occurrence of the Project Commencement Date. In the

event Essex elects Secured Claimant Option A for its Allowed Secured Claim, (i) it shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.49 of the Plan with respect to its Allowed Secured Class 5 Claim, without interest; (ii) it shall release its lien with respect to such Class 5 Claim; and (iii) its Class 5 Claim shall be released with respect to the reorganized Debtors and their Assets.

In the event Essex elects Secured Claimant Option B for its Allowed Secured Claim, (i) it shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.50(b)(1) of the Plan with respect to its Allowed Secured Class 5 Claim, without interest; (ii) it shall receive quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.50(b)(2) of the Plan with respect to its Allowed Secured Class 5 Claim, with interest as set forth therein; (iii) its lien on the Essex Collateral and the Essex Judgment Collateral with respect to such Class 5 Claim shall be subordinated to a new senior lien granted to secure necessary real estate development loans and necessary surety bonds; (iv) it shall retain its subordinated lien with respect to such Class 5 Claim until some or all of the Essex Collateral and the Essex Judgment Collateral is developed and sold by the Plan Proponent, at which time it shall release its lien with respect to such Essex Collateral and the Essex Judgment Collateral; and (v) upon the payment in full of the amounts set forth in section 1.2.50 of the Plan with respect to its Allowed Secured Class 5 Claim, with interest as set forth therein, it shall release its subordinated lien with respect to such Essex Collateral and the Essex Judgment Collateral, and its Class 5 Claim shall be released with respect to the

reorganized Debtors and their Assets.

In the event Essex elects Secured Claimant Option C for its Allowed Secured Claim, (i) it shall receive quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.51 of the Plan with respect to its Allowed Secured Class 5 Claim; its lien(s) on the Essex Collateral and the Essex Judgment Collateral with respect to such Class 5 Claim shall be subordinated to a new senior lien granted to secure necessary real estate development loans and necessary surety bonds; (iii) it shall retain its subordinated lien with respect to such Class 5 Claim until some or all of the Essex Collateral is developed and sold by the Plan Proponent, at which time it shall release its subordinated lien with respect to such Essex Collateral; and (iv) upon the payment in full of the amounts set forth in section 1.2.51 of the Plan with respect to its Allowed Secured Class 5 Claim, it shall release its subordinated lien with respect to such Essex Collateral, and its Class 5 Claim shall be released with respect to the reorganized Debtors and their Assets.

The Class 5 Claimant is impaired by the Plan.

Class 6: Virginia Commonwealth Bank. Class 6 consists of the Secured Claim of VCB on property owned by GBS as set forth in Proof of Claim No. 17 filed on September 29, 2011. The Class 6 Secured Claim is secured a deed of trust on approximately 100 acres of real property owned by GBS (the "**VCB Collateral**"). According to the Debtors, the fair market value of the VCB Collateral is $4,600,000 based upon a recent appraisal prepared on behalf of VCB. Miller and Smith believes, based upon a preliminary appraisal by a third-party, that the fair market value of the Roseland Development as a whole is approximately $42,000,000, assuming a rezoning or

modification to the current zoning and proffers is approved by the County. Given the representations of the Debtors that the secured claims are, in the aggregate, approximately $43,862,000, Miller and Smith believes that VCB is close to fully secured, if not fully secured.

On or before the Creditor Election Deadline, VCB shall elect, with respect to its Allowed Class 6 Secured Claim whether to have such Claim treated as provided under Secured Claimant Options A, B or C, as set forth in section 1.2.49, 1.2.50 and 1.2.51 of the Plan, and shall advise the Plan Proponent in writing of its elections with respect thereto. In the event VCB fails to make such election as required herein, it shall be deemed to have elected Secured Claimant Option A.

VCB will receive the following treatment with respect to its Class 6 Claims:

(i) From the Effective Date through the Project Commencement Date, VCB shall retain its lien on the VCB Collateral.

(ii) To the extent real estate taxes become due and payable with respect to the VCB Collateral, the Plan Proponent shall pay that portion of such taxes that are due with respect to the Interim Period from funds deposited in the Interim Development Fund.

(iii) From the Effective Date through the Project Commencement Date or the Project Termination Date, as the case may be, VCB shall abide by the following obligations with respect to the VCB Collateral: (a) execute whatever documents are reasonably necessary and appropriate in order for the Plan Proponent to file, process or obtain approval of the restructuring and modification of the existing proffers and conditions with respect to the

development of the VCB Collateral; (b) execute whatever documents are reasonably necessary and appropriate in order for the Plan Proponent to dedicate easements, rights of way or other access for roads, infrastructure, utilities, etc. that cross through the VCB Collateral; and (c) be bound by the injunction provided in section 9.1 of the Plan.

In the event the Project Termination Date occurs, the injunction provided in section 9.1 of the Plan shall terminate. The Plan Proponent shall advise VCB in writing of the occurrence of the Project Termination Date. Within five (5) calendar days of its receipt of notice of the Project Termination Date, VCB shall have the right, but not the obligation, to either (i) elect to foreclose on the VCB Collateral, or (ii) elect to take a Deed in Lieu of Foreclosure. If VCB elects to take a Deed in Lieu of foreclosure, the reorganized Debtor shall tender a deed to the VCB Collateral within twenty-four (24) hours of that request. VCB may also exercise such other rights and remedies as are available under state law.

In the event the Project Commencement Date occurs, the Plan Proponent shall advise VCB in writing of the occurrence of the Project Commencement Date. In the event VCB elects Secured Claimant Option A for its Allowed Secured Claim, (i) it shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.49 of the Plan with respect to its Allowed Secured Class 6 Claim, without interest; (ii) it shall release its lien with respect to such Class 6 Claim; and (iii) its Class 6 Claim shall be released with respect to the Reorganized Debtors and their Assets.

In the event VCB elects Secured Claimant Option B for its Allowed Secured

Claim, (i) it shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.50(b)(1) of the Plan with respect to its Allowed Secured Class 6 Claim, without interest; (ii) it shall receive quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.50(b)(2) of the Plan with respect to its Allowed Secured Class 6 Claim, with interest as set forth therein; (iii) its lien on the VCB Collateral with respect to such Class 6 Claim shall be subordinated to a new senior lien granted to secure necessary real estate development loans and necessary surety bonds; (iv) it shall retain its subordinated lien with respect to such Class 6 Claim until some or all of the VCB Collateral is developed and sold by the Plan Proponent, at which time it shall release its lien with respect to such VCB Collateral; and (v) upon the payment in full of the amounts set forth in section 1.2.50 of the Plan with respect to its Allowed Secured Class 6 Claim, with interest as set forth therein, it shall release its subordinated lien with respect to such VCB Collateral, and its Class 6 Claim shall be released with respect to the reorganized Debtors and their Assets.

In the event VCB elects Secured Claimant Option C for its Allowed Secured Claim, (i) it shall receive quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.51 of the Plan with respect to its Allowed Secured Class 6 Claim; (ii) its lien(s) on the VCB Collateral with respect to such Class 6 Claim shall be subordinated to a new senior lien granted to secure necessary real estate development loans and necessary surety bonds; (iii) it shall retain its subordinated lien with respect to such Class 6 Claim until some or all of the VCB Collateral is developed and sold by the Plan Proponent, at which time it

shall release its subordinated lien with respect to such VCB Collateral; and (iv) upon the payment in full of the amounts set forth in section 1.2.51 of the Plan with respect to its Allowed Secured Class 6 Claim, it shall release its subordinated lien with respect to such VCB Collateral, and its Class 6 Claim shall be released with respect to the reorganized Debtors and their Assets.

The Class 6 Claimant is impaired by the Plan.

Class 7: Four K Associates. Four K has a second deed of trust on approximately 75 acres. The Class 7 Secured Claim is secured a second deed of trust on approximately 75 acres of real property owned by GBS, which lien is subordinate to a senior lien held by VCB. As set forth in the preceding paragraph, according to the Debtor, the fair market value of the VCB Collateral upon which Four K has a junior lien is $4,600,000 based upon an appraisal done by VCB. Four K is secured to the extent the value of VCB Collateral exceeds the Class 6 Claim (the "**Four K Collateral**"). Miller and Smith believes, based upon a preliminary appraisal by a third-party, that the fair market value of the Roseland Development as a whole is approximately $42,000,000, assuming a rezoning or modification to the current zoning and proffers is approved by the County. Given the representations of the Debtors that the secured claims are, in the aggregate, approximately $43,862,000, Miller and Smith believes that Four K is close to fully secured, if not fully secured.

On or before the Creditor Election Deadline, Four K shall elect, with respect to its Allowed Class 7 Secured Claim whether to have such Claim treated as provided under Secured Claimant Options A, B or C, as set forth in section 1.2.49, 1.2.50 and 1.2.51 of the Plan, and shall advise the Plan Proponent in writing of its elections with respect

thereto. In the event Four K fails to make such election as required herein, it shall be deemed to have elected Secured Claimant Option A.

Four K will receive the following treatment with respect to its Class 7 Claims:

(i) From the Effective Date through the Project Commencement Date, Four K shall retain its lien on the Four K Collateral.

(ii) To the extent real estate taxes become due and payable with respect to the Four K Collateral, the Plan Proponent shall pay that portion of such taxes that are due with respect to the Interim Period from funds deposited in the Interim Development Fund.

(iii) From the Effective Date through the Project Commencement Date or the Project Termination Date, as the case may be, Four K shall abide by the following obligations with respect to the Four K Collateral: (a) execute whatever documents are reasonably necessary and appropriate in order for the Plan Proponent to file, process or obtain approval of the restructuring and modification of the existing proffers and conditions with respect to the development of the Four K Collateral; (b) execute whatever documents are reasonably necessary and appropriate in order for the Plan Proponent to dedicate easements, rights of way or other access for roads, infrastructure, utilities, etc. that cross through the Four K Collateral; and (c) be bound by the injunction provided in section 9.1 of the Plan.

In the event the Project Termination Date occurs, the injunction provided in section 9.1 of the Plan shall terminate. The Plan Proponent shall advise Four K in writing of the occurrence of the Project Termination Date. Within five (5) calendar days of its

receipt of notice of the Project Termination Date, Four K shall have the right, but not the obligation, to foreclose on the Four K Collateral. Four K may also exercise such other rights and remedies as are available to it under state law.

In the event the Project Commencement Date occurs, the Plan Proponent shall advise Four K in writing of the occurrence of the Project Commencement Date. In the event Four K elects Secured Claimant Option A for its Allowed Secured Claim, (i) it shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.49 of the Plan with respect to its Allowed Secured Class 7 Claim, without interest; (ii) it shall release its lien with respect to such Class 7 Claim; and (iii) its Class 7 Claim shall be released with respect to the reorganized Debtors and their Assets.

In the event Four K elects Secured Claimant Option B for its Allowed Secured Claim, (i) it shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.50(b)(1) of the Plan with respect to its Allowed Secured Class 7 Claim, without interest; (ii) it shall receive quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.50(b)(2) of the Plan with respect to its Allowed Secured Class 7 Claim, with interest as set forth therein; (iii) its lien on the Four K Collateral with respect to such Class 7 Claim shall be subordinated to a new senior lien granted to secure necessary real estate development loans and necessary surety bonds; (iv) it shall retain its subordinated lien with respect to such Class 7 Claim until some or all of the Four K Collateral is developed and sold by the Plan Proponent, at which time it shall release its lien with respect to such Four K Collateral; and (iv) upon

the payment in full of the amounts set forth in section 1.2.50 of the Plan with respect to its Allowed Secured Class 7 Claim, with interest as set forth therein, it shall release its subordinated lien with respect to such Four K Collateral, and its Class 7 Claim shall be released with respect to the reorganized Debtors and their Assets.

In the event Four K elects Secured Claimant Option C for its Allowed Secured Claim, (i) it shall receive quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.51 of the Plan with respect to its Allowed Secured Class 7 Claim; (ii) its lien(s) on the Four K Collateral with respect to such Class 7 Claim shall be subordinated to a new senior lien granted to secure necessary real estate development loans and necessary surety bonds; (iii) it shall retain its subordinated lien with respect to such Class 7 Claim until some or all of the Four K Collateral is developed and sold by the Plan Proponent, at which time it shall release its subordinated lien with respect to such Four K Collateral; and (iv) upon the payment in full of the amounts set forth in section 1.2.51 of the Plan with respect to its Allowed Secured Class 7 Claim, it shall release its subordinated lien with respect to such Four K Collateral, and its Class 7 Claim shall be released with respect to the reorganized Debtors and their Assets.

The Class 7 Claimant is impaired by the Plan.

Class 8: Paragon Bank. Class 8 consists of the Secured Claim of Paragon Bank. The Class 8 Secured Claim is secured by a first deed of trust on approximately 42 acres of real property owned by GBS (the "**Paragon Collateral**"). According to the Debtors, the fair market value of the Paragon Collateral is $4,200,000, based upon the proof of claim filed by Paragon. Miller and Smith believes, based upon a preliminary appraisal by

a third-party, that the fair market value of the Roseland Development as a whole is approximately $42,000,000, assuming a rezoning or modification to the current zoning and proffers is approved by the County. Given the representations of the Debtors that the secured claims are, in the aggregate, approximately $43,862,000, Miller and Smith believes that Paragon is close to fully secured, if not fully secured.

On or before the Creditor Election Deadline, Paragon shall elect, with respect to its Allowed Class 8 Secured Claim whether to have such Claim treated as provided under Secured Claimant Options A, B or C, as set forth in section 1.2.49, 1.2.50 and 1.2.51 of this Plan, and shall advise the Plan Proponent in writing of its elections with respect thereto. In the event Paragon fails to make such election as required herein, it shall be deemed to have elected Secured Claimant Option A.

Paragon will receive the following treatment with respect to its Class 8 Claim:

(i) From the Effective Date through the Project Commencement Date, Paragon shall retain its lien on the Paragon Collateral.

(ii) To the extent real estate taxes become due and payable with respect to the Paragon Collateral, the Plan Proponent shall pay that portion of such taxes that are due with respect to the Interim Period from funds deposited in the Interim Development Fund.

(iii) From the Effective Date through the Project Commencement Date or the Project Termination Date, as the case may be, Paragon shall abide by the following obligations with respect to the Paragon Collateral: (a) execute whatever documents are reasonably necessary and appropriate in order for the Plan Proponent to file, process or obtain approval of the restructuring

and modification of the existing proffers and conditions with respect to the development of the Paragon Collateral; (b) execute whatever documents are reasonably necessary and appropriate in order for the Plan Proponent to dedicate easements, rights of way or other access for roads, infrastructure, utilities, etc. that cross through the Paragon Collateral; and (c) be bound by the injunction provided in section 9.1 of the Plan.

In the event the Project Termination Date occurs, the injunction provided in section 9.1 of the Plan shall terminate. The Plan Proponent shall advise Paragon in writing of the occurrence of the Project Termination Date. Within five (5) calendar days of its receipt of notice of the Project Termination Date, Paragon shall have the right, but not the obligation, to either (i) elect to foreclose on the Paragon Collateral, or (ii) elect to take a Deed in Lieu of Foreclosure. If Paragon elects to take a Deed in Lieu of foreclosure, the reorganized Debtor shall tender a deed to the Paragon Collateral within twenty-four (24) hours of that request. Paragon may also exercise such other rights and remedies as are available under state law.

In the event the Project Commencement Date occurs, the Plan Proponent shall advise Paragon in writing of the occurrence of the Project Commencement Date. In the event Paragon elects Secured Claimant Option A for its Allowed Secured Claim, (i) it shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.49 of the Plan with respect to its Allowed Secured Class 8 Claim, without interest; (ii) it shall release its lien with respect to such Class 8 Claim; and (iii) its Class 8 Claim shall be released with respect to the reorganized Debtors and their Assets.

In the event Paragon elects Secured Claimant Option B for its Allowed Secured Claim, (i) it shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.50(b)(1) of the Plan with respect to its Allowed Secured Class 8 Claim, without interest; (ii) it shall receive quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.50(b)(2) of the Plan with respect to its Allowed Secured Class 8 Claim, with interest as set forth therein; (iii) its lien on the Paragon Collateral with respect to such Class 8 Claim shall be subordinated to a new senior lien granted to secure necessary real estate development loans and necessary surety bonds; (iv) it shall retain its subordinated lien with respect to such Class 8 Claim until some or all of the Paragon Collateral is developed and sold by the Plan Proponent, at which time it shall release its lien with respect to such Paragon Collateral; and (v) upon the payment in full of the amounts set forth in section 1.2.50 of the Plan with respect to its Allowed Secured Class 8 Claim, with interest as set forth therein, it shall release its subordinated lien with respect to such Paragon Collateral, and its Class 8 Claim shall be released with respect to the reorganized Debtors and their Assets.

In the event Paragon elects Secured Claimant Option C for its Allowed Secured Claim, (i) it shall receive quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.51 of the Plan with respect to its Allowed Secured Class 8 Claim; (ii) its lien(s) on the Paragon Collateral with respect to such Class 8 Claim shall be subordinated to a new senior lien granted to secure necessary real estate development loans and necessary surety bonds; (iii) it shall retain its subordinated lien with respect to such Class 8 Claim until some or

all of the Paragon Collateral is developed and sold by the Plan Proponent, at which time it shall release its subordinated lien with respect to such Paragon Collateral; and

(iv) upon the payment in full of the amounts set forth in section 1.2.51 of the Plan with respect to its Allowed Secured Class 8 Claim, it shall release its subordinated lien with respect to such Paragon Collateral, and its Class 8 Claim shall be released with respect to the reorganized Debtors and their Assets.

The Class 8 Claimant is impaired by the Plan.

Class 9: Mr. Walter F. Styles. Class 9 consists of the Secured Claim of Styles. The Class 9 Secured Claim is secured by a first deed of trust on approximately 87 acres of real property owned by GBS (the "**Styles Collateral**"). According to the Debtors, the fair market value of the Styles Collateral is $1,364,000, based upon the proof of claim filed by Styles. Miller and Smith believes, based upon a preliminary appraisal by a third-party, that the fair market value of the Roseland Development as a whole is approximately $42,000,000, assuming a rezoning or modification to the current zoning and proffers is approved by the County. Given the representations of the Debtors that the secured claims are, in the aggregate, approximately $43,862,000, Miller and Smith believes that Styles is close to fully secured, if not fully secured.

On or before the Creditor Election Deadline, Styles shall elect, with respect to his Allowed Class 9 Secured Claim whether to have such Claim treated as provided under Secured Claimant Options A, B or C, as set forth in section 1.2.49, 1.2.50 and 1.2.51 of the Plan, and shall advise the Plan Proponent in writing of his elections with respect thereto. In the event Styles fails to make such election as required herein, he shall be deemed to have elected Secured Claimant Option A.

Styles will receive the following treatment with respect to his Class 9 Claims:

(i) From the Effective Date through the Project Commencement Date, Styles shall retain his lien on the Styles Collateral.

(ii) To the extent real estate taxes become due and payable with respect to the Styles Collateral, the Plan Proponent shall pay that portion of such taxes that are due with respect to the Interim Period from funds deposited in the Interim Development Fund.

(iii) From the Effective Date through the Project Commencement Date or the Project Termination Date, as the case may be, Styles shall abide by the following obligations with respect to the Styles Collateral: (a) execute whatever documents are reasonably necessary and appropriate in order for the Plan Proponent to file, process or obtain approval of the restructuring and modification of the existing proffers and conditions with respect to the development of the Styles Collateral; (b) execute whatever documents are reasonably necessary and appropriate in order for the Plan Proponent to dedicate easements, rights of way or other access for roads, infrastructure, utilities, etc. that cross through the Styles Collateral; and (c) be bound by the injunction provided in section 9.1 of the Plan.

In the event the Project Termination Date occurs, the injunction provided in section 9.1 of the Plan shall terminate. The Plan Proponent shall advise Styles in writing of the occurrence of the Project Termination Date. Within five (5) calendar days of his receipt of notice of the Project Termination Date, Styles shall have the right, but not the obligation, to either (i) elect to foreclose on the Styles Collateral, or (ii) elect to take a

Deed in Lieu of Foreclosure. If Styles elects to take a Deed in Lieu of foreclosure, the reorganized Debtor shall tender a deed to the Styles Collateral within twenty-four (24) hours of that request. Styles may also exercise such other rights and remedies as are available to him under state law.

In the event the Project Commencement Date occurs, the Plan Proponent shall advise Styles in writing of the occurrence of the Project Commencement Date. In the event Styles elects Secured Claimant Option A for his Allowed Secured Claim, (i) he shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.49 of the Plan with respect to his Allowed Secured Class 9 Claim, without interest; (ii) he shall release his lien with respect to such Class 9 Claim; and (iii) his Class 9 Claim shall be released with respect to the reorganized Debtors and their Assets.

In the event Styles elects Secured Claimant Option B for his Allowed Secured Claim, (i) he shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.50(b)(1) of the Plan with respect to his Allowed Secured Class 9 Claim, without interest; (ii) he shall receive quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.50(b)(2) of the Plan with respect to his Allowed Secured Class 9 Claim, with interest as set forth therein; (iii) his lien on the Styles Collateral with respect to such Class 9 Claim shall be subordinated to a new senior lien granted to secure necessary real estate development loans and necessary surety bonds; (iv) he shall retain his subordinated lien with respect to such Class 9 Claim until some or all of the Styles Collateral is developed and sold by the Plan Proponent, at

which time he shall release his lien with respect to such Styles Collateral; and (v) upon the payment in full of the amounts set forth in section 1.2.50 of the Plan with respect to his Allowed Secured Class 9 Claim, with interest as set forth therein, he shall release his subordinated lien with respect to such Styles Collateral, and his Class 9 Claim shall be released with respect to the reorganized Debtors and their Assets.

In the event Styles elects Secured Claimant Option C for his Allowed Secured Claim, (i) he shall receive quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.51 of the Plan with respect to his Allowed Secured Class 9 Claim; (ii) his lien(s) on the Styles Collateral with respect to such Class 9 Claim shall be subordinated to a new senior lien granted to secure necessary real estate development loans and necessary surety bonds; (iii) he shall retain his subordinated lien with respect to such Class 9 Claim until some or all of the Styles Collateral is developed and sold by the Plan Proponent, at which time he shall release his subordinated lien with respect to such Styles Collateral; and (iv) upon the payment in full of the amounts set forth in section 1.2.51 of the Plan with respect to his Allowed Secured Class 9 Claim, he shall release his subordinated lien with respect to such Styles Collateral, and his Class 9 Claim shall be released with respect to the reorganized Debtors and their Assets.

The Class 9 Claimant is impaired by the Plan.

Class 10: Central Virginia Bank. Class 10 consists of the Secured Claim of CVB. The Class 10 Secured Claim is secured by a first deed of trust on approximately 265 acres of real property owned by GBS (the "**CVB Collateral**")[7]. According to the

[7] The Class 10 Secured Claim is reflected in Proof of Claim No. 2, filed by CVB in the amount of $6,222,014.12 as of June 20, 2011. In addition, CVB filed Proof of Claim No. 6, in which it alleges it has a separate claim in the amount of

Debtors, the fair market value of the CVB Collateral is $10,600,000, based upon earlier appraisals and upon the per-acre values that are reflected in the appraisal prepared with respect to the VCB Collateral that adjoins the CVB Collateral. Miller and Smith believes, based upon a preliminary appraisal by a third-party, that the fair market value of the Roseland Development as a whole is approximately $42,000,000, assuming a rezoning or modification to the current zoning and proffers is approved by the County. Given the representations of the Debtors that the secured claims are, in the aggregate, approximately $43,862,000, Miller and Smith believes that CVB is close to fully secured, if not fully secured.

On or before the Creditor Election Deadline, CVB shall elect, with respect to its Allowed Class 10 Secured Claim whether to have such Claim treated as provided under Secured Claimant Options A, B or C, as set forth in section 1.2.49, 1.2.50 and 1.2.51 of the Plan, and shall advise the Plan Proponent in writing of its elections with respect thereto. In the event CVB fails to make such election as required herein, it shall be deemed to have elected Secured Claimant Option A.

CVB will receive the following treatment with respect to its Class 10 Claims:

(i) From the Effective Date through the Project Commencement Date, CVB shall retain its lien on the CVB Collateral.

(ii) To the extent real estate taxes become due and payable with respect to the CVB Collateral, the Plan Proponent shall pay that portion of such taxes that are due with respect to the Interim Period from funds deposited in the

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$73,942.49, secured by a second lien on the CVB Collateral. This alleged Claim is not reflected in GBS' Schedule D. Proof of Claim No. 6 states that GBS "is not obligated on this debt, but simply pledged collateral for the loan [to George and Jacqueline Sowers personally]." The Plan Proponent submits that Proof of Claim No. 6 should not be allowed as a Claim against GBS, and it therefore intends to object to the claim on the grounds, *inter alia*, that GBS received no consideration for the alleged Claim and that the lien constitutes an avoidable preference and fraudulent transfer. The alleged Claim reflected in Proof of Claim No. 6 is not included in Exhibits C-3 or C-4 for this reason.

Interim Development Fund.

(iii) From the Effective Date through the Project Commencement Date or the Project Termination Date, as the case may be, CVB shall abide by the following obligations with respect to the CVB Collateral: (a) execute whatever documents are reasonably necessary and appropriate in order for the Plan Proponent to file, process or obtain approval of the restructuring and modification of the existing proffers and conditions with respect to the development of the CVB Collateral; (b) execute whatever documents are reasonably necessary and appropriate in order for the Plan Proponent to dedicate easements, rights of way or other access for roads, infrastructure, utilities, etc. that cross through the CVB Collateral; and (c) be bound by the injunction provided in section 9.1. of the Plan.

In the event the Project Termination Date occurs, the injunction provided in section 9.1. of the Plan shall terminate. The Plan Proponent shall advise CVB in writing of the occurrence of the Project Termination Date. Within five (5) calendar days of its receipt of notice of the Project Termination Date, CVB shall have the right, but not the obligation, to either (i) elect to foreclose on the CVB Collateral, or (ii) elect to take a Deed in Lieu of Foreclosure. If CVB elects to take a Deed in Lieu of foreclosure, the Reorganized Debtor shall tender a deed to the CVB Collateral within twenty-four (24) hours of that request. CVB may also exercise such other rights and remedies as are available to it under state law.

In the event the Project Commencement Date occurs, the Plan Proponent shall advise CVB in writing of the occurrence of the Project Commencement Date. In the

event CVB elects Secured Claimant Option A for its Allowed Secured Claim, (i) it shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.49 of the Plan with respect to its Allowed Secured Class 10 Claim, without interest; (ii) it shall release its lien with respect to such Class 10 Claim; and (iii) its Class 10 Claim shall be released with respect to the reorganized Debtors and their Assets.

In the event CVB elects Secured Claimant Option B for its Allowed Secured Claim, (i) it shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.50(b)(1) of the Plan with respect to its Allowed Secured Class 10 Claim, without interest; (ii) it shall receive quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.50(b)(2) of the Plan with respect to its Allowed Secured Class 10 Claim, with interest as set forth therein; (iii) its lien on the CVB Collateral with respect to such Class 10 Claim shall be subordinated to a new senior lien granted to secure necessary real estate development loans and necessary surety bonds; (iv) it shall retain its subordinated lien with respect to such Class 10 Claim until some or all of the CVB Collateral is developed and sold by the Plan Proponent, at which time it shall release its lien with respect to such CVB Collateral; and (v) upon the payment in full of the amounts set forth in section 1.2.50 of the Plan with respect to its Allowed Secured Class 10 Claim, with interest as set forth therein, it shall release its subordinated lien with respect to such CVB Collateral, and its Class 10 Claim shall be released with respect to the reorganized Debtors and their Assets.

In the event CVB elects Secured Claimant Option C for its Allowed Secured

Claim, (i) it shall receive quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.51 of the Plan with respect to its Allowed Secured Class 10 Claim; (ii) its lien(s) on the CVB Collateral with respect to such Class 10 Claim shall be subordinated to a new senior lien granted to secure necessary real estate development loans and necessary surety bonds; (iii) it shall retain its subordinated lien with respect to such Class 10 Claim until some or all of the CVB Collateral is developed and sold by the Plan Proponent, at which time it shall release its subordinated lien with respect to such CVB Collateral; and (iv) upon the payment in full of the amounts set forth in section 1.2.51 of the Plan with respect to its Allowed Secured Class 10 Claim, it shall release its subordinated lien with respect to such CVB Collateral, and its Class 10 Claim shall be released with respect to the reorganized Debtors and their Assets.

The Class 10 Claimant is impaired by the Plan.

Class 11: Mrs. Donese B. Smith. Class 11 consists of the Secured Claim of Smith. The Class 11 Secured Claim is secured by a first deed of trust on 16.63 acres of real property on Old Hundred Road, Midlothian, Virginia that is owned by GBS (the "**Smith Collateral**"). According to the Debtors, the fair market value of the Smith Collateral is $1,000,000, based upon the proof of claim filed by Smith. Miller and Smith believes, based upon a preliminary appraisal by a third-party, that the fair market value of the Roseland Development as a whole is approximately $42,000,000, assuming a rezoning or modification to the current zoning and proffers is approved by the County. Given the representations of the Debtors that the secured claims are, in the aggregate, approximately $43,862,000, Miller and Smith believes that Smith is close to fully

secured, if not fully secured.

On or before the Creditor Election Deadline, Smith shall elect, with respect to her Allowed Class 11 Secured Claim whether to have such Claim treated as provided under Secured Claimant Options A, B or C, as set forth in section 1.2.49, 1.2.50 and 1.2.51 of the Plan, and shall advise the Plan Proponent in writing of her elections with respect thereto. In the event Smith fails to make such election as required herein, she shall be deemed to have elected Secured Claimant Option A.

Smith will receive the following treatment with respect to her Class 11 Claims:

(i) From the Effective Date through the Project Commencement Date, Smith shall retain her lien on the Smith Collateral.

(ii) To the extent real estate taxes become due and payable with respect to the Smith Collateral, the Plan Proponent shall pay that portion of such taxes that are due with respect to the Interim Period from funds deposited in the Interim Development Fund.

(iii) From the Effective Date through the Project Commencement Date or the Project Termination Date, as the case may be, Smith shall abide by the following obligations with respect to the Smith Collateral: (a) execute whatever documents are reasonably necessary and appropriate in order for the Plan Proponent to file, process or obtain approval of the restructuring and modification of the existing proffers and conditions with respect to the development of the Smith Collateral; (b) execute whatever documents are reasonably necessary and appropriate in order for the Plan Proponent to dedicate easements, rights of way or other access for roads, infrastructure,

utilities, etc. that cross through the Smith Collateral; and (c) be bound by the injunction provided in section 9.1 of the Plan.

In the event the Project Termination Date occurs, the injunction provided in section 9.1 of the Plan shall terminate. The Plan Proponent shall advise Smith in writing of the occurrence of the Project Termination Date. Within five (5) calendar days of her receipt of notice of the Project Termination Date, Smith shall have the right, but not the obligation, to either (i) elect to foreclose on the Smith Collateral, or (ii) elect to take a Deed in Lieu of Foreclosure. If Smith elects to take a Deed in Lieu of foreclosure, the reorganized Debtor shall tender a deed to the Smith Collateral within twenty-four (24) hours of that request. Smith may also exercise such other rights and remedies as are available to her under state law.

In the event the Project Commencement Date occurs, the Plan Proponent shall advise Smith in writing of the occurrence of the Project Commencement Date. In the event Smith elects Secured Claimant Option A for her Allowed Secured Claim, (i) she shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.49 of the Plan with respect to her Allowed Secured Class 11 Claim, without interest; (ii) she shall release her lien with respect to such Class 11 Claim; and (iii) her Class 11 Claim shall be released with respect to the reorganized Debtors and their Assets.

In the event Smith elects Secured Claimant Option B for her Allowed Secured Claim, (i) she shall receive a distribution on the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.50(b)(1) of the Plan with respect to her Allowed Secured Class 11 Claim, without interest; (ii) she shall receive

quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.50(b)(2) of the Plan with respect to her Allowed Secured Class 11 Claim, with interest as set forth therein; (iii) her lien on the Smith Collateral with respect to such Class 11 Claim shall be subordinated to a new senior lien granted to secure necessary real estate development loans and necessary surety bonds; (iv) she shall retain her subordinated lien with respect to such Class 11 Claim until some or all of the Smith Collateral is developed and sold by the Plan Proponent, at which time he shall release her lien with respect to such Smith Collateral; and (v) upon the payment in full of the amounts set forth in section 1.2.50 of the Plan with respect to her Allowed Secured Class 11 Claim, with interest as set forth therein, she shall release her subordinated lien with respect to such Smith Collateral, and her Class 11 Claim shall be released with respect to the reorganized Debtors and their Assets.

In the event Smith elects Secured Claimant Option C for her Allowed Secured Claim, (i) she shall receive quarterly Distributions following the Project Commencement Date from the Final Development Fund in the amounts set forth in section 1.2.51 of the Plan with respect to her Allowed Secured Class 11 Claim; (ii) her lien(s) on the Smith Collateral with respect to such Class 11 Claim shall be subordinated to a new senior lien granted to secure necessary real estate development loans and necessary surety bonds; (iii) she shall retain her subordinated lien with respect to such Class 11 Claim until some or all of the Smith Collateral is developed and sold by the Plan Proponent, at which time he shall release her subordinated lien with respect to such Smith Collateral; and (iv) upon the payment in full of the amounts set forth in section 1.2.51 of the Plan with respect to her Allowed Secured Class 11 Claim, she shall release her subordinated lien

with respect to such Smith Collateral, and her Class 11 Claim shall be released with respect to the reorganized Debtors and their Assets.

The Class 11 Claimant is impaired by the Plan.

Class 12: Ally Financial Inc., f/k/a GMAC, Inc. Class 12 consists of the Secured Claim of Ally. The Class 12 Secured Claim is secured by a senior lien on a 2009 Chevrolet Suburban Truck owned by GBS (the "**Ally Collateral**"). According to the Debtors, the fair market value of the Ally Collateral is $32,000. Ally's Class 12 Claim shall be treated as follows:

(i) As soon as practicable following the Effective Date, the Ally Collateral will be auctioned off pursuant to section 363 of the Bankruptcy Code.

(ii) Ally's lien shall attach to the proceeds of sale of the Ally Collateral.

(iii) The proceeds of sale of the Ally Collateral shall be paid to Ally up to the amount of its Allowed Secured Claim. Any proceeds in excess of the Class 12 Claim shall be deposited in the Interim Development Fund. Any deficiency shall be treated as a Class 13B Allowed Unsecured Claim.

The Class 12 Claimant is impaired by the Plan.

Class 13A/13B: Unsecured Creditors, Excluding Insider Claims. Class 13 consists of all Allowed Unsecured Claims, excluding the Claims of Insiders. Class 13A consists of all Allowed Unsecured Claims in the Roseland Village Case. Class 13B consists of all Allowed Unsecured Claims in the GBS Case.[8] Class 13A/13B also include

[8] As set forth in footnotes 6 and 7 of Exhibit B-1 to the Disclosure Statement, two unsecured Claims originally held by Citizens and Farmers Bank against GBS were transferred post-petition, one to W.C. English, Incorporated, and the other to Sycamore Investments Associates, LLP. These Claims are apparently based on guaranties by GBS of amounts loaned to Riverton Associates, LLC and George B. Sowers, Jr. and Associates, Inc., insiders of GBS. George B. Sowers, Jr. and Jacqueline R. Sowers are co-guarantors of these insider obligations together with GBS. The Plan Proponent intends to take discovery, as necessary, to determine whether the holders of the alleged Claims are insiders of the Debtors and whether there are bases for the Claims to be disallowed. In addition, GBS has potential subrogation

the unsecured portions, if any, of Claims held by Franklin Federal, Hunt, Essex, VCB, Four K, Paragon, Styles, CVB, Smith and Ally. On or before the Creditor Election Deadline, each Holder of an Allowed Class 13A or 13B Claim shall elect, with respect to its Allowed Class 13A/13B Claim whether to have such Claim treated as provided under Unsecured Claimant Option A or Unsecured Claimant Option B, as set forth in section 1.2.53 and 1.2.54 of the Plan, and shall advise the Plan Proponent in writing of its elections with respect thereto. In the event the Holder of an Allowed Class 13A or 13B Claim fails to make such election as required herein, such Holder shall be deemed to have elected Unsecured Claimant Option A.

The Class 13A and 13B Claims shall be treated as follows:

(i) The Holders of Allowed Claims in Class 13A and 13B shall be bound by the injunction provided in section 9.1 of the Plan.

(ii) In the event the Project Termination Date occurs, (a) the injunction provided in section 9.1 of the Plan shall terminate, (b) the Plan Proponent shall advise the Holders of Allowed Claims in Class 13A and 13B in writing of the occurrence of the Project Termination Date, (c) the Holders of such Allowed Claims in Class 13A and 13B shall receive no Distributions under the Plan but may exercise such rights and remedies as are available to them under state law.

(iii) In the event the Project Commencement Date occurs, the Plan Proponent shall advise the Holders of Allowed Claims in Class 13A and 13B in

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rights and contribution and indemnification claims against the insider borrowers and against the individual co-guarantors. According to the scheduled filed by the co-guarantors in their personal chapter 11 bankruptcy case, the underlying obligations are fully secured and contingent. Because the bona fides of the alleged Claims are not yet known and the Claims appear to be fully secured by non-Debtor assets, the Claims are not included in Exhibits C-3 and C-4 to the Disclosure Statement. They will either be disallowed or, if allowed, paid from proceeds of the collateral securing the underlying insider obligations.

writing of the occurrence of the Project Commencement Date.

In the event the Holder of the Class 13A or 13B Allows Claim elects Unsecured Claimant Option A for its Allowed Unsecured Claim, (i) it shall receive a distribution within thirty (30) days of the Project Commencement Date from the Final Development Fund in the amount set forth in section 1.2.53 of the Plan with respect to its Allowed Unsecured Claim, without interest and (ii) its Class 13A or 13B Claim shall be released with respect to the reorganized Debtors and their Assets.

In the event the Holder of the Class 13A or 13B Allows Claim elects Unsecured Claimant Option B for its Allowed Unsecured Claim, (i) it shall receive Distributions from the Final Development Fund in the amount set forth in section 1.2.54 with respect to its Allowed Unsecured Claim, with interest at the applicable rate and (ii) upon the payment in full of the amounts set forth in section 1.2.54 with respect to its Allowed Unsecured Claim, its Class 13A or 13B Claim shall be released with respect to the reorganized Debtors and their Assets.

The Class 13A/13B Claimants are impaired by the Plan.

Class 14A/14B: Insider Allowed Unsecured Claims. Class 14 consists of all Allowed Unsecured Insider Claimants. Class 14A consists of all Allowed Insider Unsecured Claimants in the Roseland Village Case. Class 14B consists of all Allowed Insider Unsecured Claimants in the GBS Case.

The Class 14A and 14B Claims shall be treated as follows:

(i) Holders of Allowed Class 14A and 14B Claims shall be bound by the injunction provided in section 9.1 of the Plan.

(ii) In the event the Project Termination Date occurs, (a) the injunction

provided in section 9.1 of the Plan shall terminate, (b) the Plan Proponent shall advise the Holders of Allowed Claims in Class 14A and 14B in writing of the occurrence of the Project Termination Date, and (c) the Holders of such Allowed Claims shall receive no Distributions under the Plan but may exercise such rights and remedies as are available to them under state law.

(iii) In the event the Project Commencement Date occurs, (a) the Plan Proponent shall advise the Holders of Allowed Claims in Class 14A and 14B in writing of the occurrence of the Project Commencement Date; (b) the Holders of Allowed Claims in Classes 14A and 14B shall not receive any Distribution unless and until the Holders of all Allowed Claims in Classes 1, 2A, 2B, 3, 4A, 4B, 5, 6, 7, 8, 9, 10, 11, 12, 13A, and 13B have received 100% of the Distributions provided for in Article IV of the Plan; and (c) if the creditors in Classes 1 through 13B receive 100% of the Distributions provided for herein, then the Holders of Allowed Claims in Classes 14A and 14B shall be entitled to receive a Pro Rata Distribution, not to exceed 100% of such Allowed Claims plus interest at the applicable rate.

The Class 14A/14B Claimants are impaired by the Plan.

Class 15A/15B: Equity Holders. Class 15 consists of the Debtors' Equity Holders. Class 15A consists of the Interests of GBS Holding and Theresa Salle in Roseland Village. Class 15 B consists of the Interests of George B. Sowers, Jr. in GBS. Miller and Smith believes, based upon a preliminary appraisal by a third-party, that the

fair market value of the Roseland Development as a whole is approximately $42,000,000, assuming a rezoning or modification to the current zoning and proffers is approved by the County. Given the representations of the Debtors that the secured claims are, in the aggregate, approximately $43,862,000, Miller and Smith believes that the value of the Debtors' assets as of the Effective Date of the Plan will not exceed the secured claims. Accordingly, the Equity Interests have no value and the Equity Holders are contributing no new value under the Plan, nor are they making any non-monetary contributions to the Plan. Thus, there is no basis for the Equity Holders to receive Distributions under the Plan relating to the Roseland Development. Nevertheless, the Equity Holders are retaining their Interest in the Debtors and may be entitled to receive Distributions to the extent there are funds available, after the payment of Allowed Administrative Expenses, from avoidance action recoveries and the collection of accounts receivable.

The Class 15A and 15B Interests shall be treated as follows:

(i) Upon the Effective Date, each Holder of an Allowed Class 15A/15B Interest shall retain such Interest held in Roseland Village or GBS, as the case may be, as of the Petition Date.

(ii) Holders of Allowed Interests in Roseland Village or GBS, as the case may be, shall not be entitled to, and shall not receive, any Distribution on account of such Interests under the Plan until holders of all Allowed Claims have been paid in full as provided under the Plan. Moreover, for the reasons set forth above, the Plan Proponent does not believe the Interests have any value and the Holders of such Interests thus will receive no Distributions relating to the Roseland Development.

The Class 15A/15B Interest Holders are unimpaired by the Plan.

D. Bar Date and Treatment of Disputed Claims

The deadline for filing with the Bankruptcy Court any and all Claims against Roseland Village, other than Claims arising from the rejection of any executory contract or unexpired lease pursuant to this Plan, was May 12, 2011 for all non-governmental claimants and July 12, 2011 for all governmental claimants. The deadline for filing with the Bankruptcy Court any and all Claims against GBS, other than Claims arising from the rejection of any executory contract or unexpired lease pursuant to this Plan, was September 28, 2011 for all non-governmental claimants and November 30, 2011 for all governmental claimants. Any such Claim that was not filed prior to that time is forever barred and shall be conclusively deemed discharged and disallowed for the purposes of voting on this Plan or receiving any Distributions hereunder. Except as otherwise provided herein, objections to Claims shall be filed with the Bankruptcy Court within ninety (90) days after the Effective Date. Objections to Claims relating to the rejection of executory contracts or unexpired leases hereunder shall be filed by the earlier of (i) the Effective Date or (ii) within ninety (90) days after such Claims are filed and served on the Debtor and counsel to the Debtor, the Plan Proponent and counsel to the Plan Proponent.

Any party in interest may object to the allowance of any Claim or Interest filed with the Bankruptcy Court. Objections will be litigated to a Final Order. However, the Plan Proponent may compromise and settle, withdraw or resolve by any other method approved by the Bankruptcy Court, any objections to a Disputed Claim or Interest, and may seek the Bankruptcy Court's estimation of any Disputed Claim pursuant to § 502(c) of the Bankruptcy Code.

Only Allowed Claims and Interests are entitled to receive Distributions under the Plan. Until a Disputed Claim or Interest becomes an Allowed Claim or Interest, no Distributions otherwise available to the Holder of such Claim or Interest will be made. As soon as reasonably practicable after a Disputed Claim or Interest becomes an Allowed Claim or Interest, or on such date as the Plan shall otherwise provide, the Holder of such Allowed Claim or Interest shall receive all payments and Distributions to which such Holder is then entitled under the Plan.

E. Treatment of Executory Contracts and Unexpired Leases

As of the Effective Date, the Debtors shall be deemed to have rejected any and all executory contracts and unexpired leases to which either of them is a party, except those executory contracts that (a) have been assumed pursuant to an Order of the Bankruptcy Court, including the Confirmation Order, entered prior to the Effective Date, or (b) are the subject of a motion to assume that is pending before the Bankruptcy Court on the Effective Date.

If the rejection of an executory contract results in damages to the non-Debtor party or parties to such executory contract, a Claim for such damages, if not evidenced by a proof of claim filed on or before the Effective Date or by an order of the Bankruptcy Court determining the Allowed amount of such Claim entered on or before the Effective Date, shall be forever barred and shall not be enforceable unless a proof of claim is filed with the Bankruptcy Court and served upon the Debtors and the Plan Proponent on or before the later of (a) thirty (30) days after the date of service of the notice of the rejection, and (b) the date set as the last date for filing a rejection claim pursuant to an order of the Bankruptcy Court (other than the Confirmation Order) authorizing the

rejection of an executory contract. Any other Claims held by a party to a rejected contract or lease shall have been evidenced by a proof of claim filed by the Bar Date, or shall be barred and unenforceable.

Upon the assumption of any executory contract or lease pursuant to section 6.1 of the Plan, all defaults, including, without limitation, defaults specified in sections 365(b)(1) and (2) of the Bankruptcy Code, shall be deemed cured upon payment by the Debtors of the cure amount established pursuant to this Plan.

All Allowed Claims arising from the acceptance of an executory contract pursuant to section 6.1 of this Plan shall be treated as Administrative Claims; all rejection claims shall be treated as Class 13A/13B Claims if the Holders of such Claims are non-Insiders and as Class 14A/14B Claims if the Holders are Insiders.

F. Means for Implementation of the Plan

The Plan incorporates two phases: the first phase, defined in the Plan as the Interim Period, commences on the Effective Date and ends no more than 360 days following the Effective Date of the Plan on either the Project Commencement Date or the Project Termination Date. The second phase commences on either the Project Commencement Date or the Project Termination Date, as the case may be, and the nature of this second phase is dependent on whether the Project Commencement Date has occurred or the Project Termination Date has occurred.

During the Interim Period, the Plan Proponent will seek to obtain from Chesterfield County necessary modifications to the existing proffers and conditions that are required to be satisfied in order to develop Roseland as a unified assemblage and market the property for sale to third-parties. As previously discussed, the modifications

that are necessary for the Roseland Development to be viable will be the subject of negotiations with the County, and the specifics cannot be disclosed without jeopardizing the success of these negotiations. Discussions between the County and Miller and Smith have already taken place, and it is the intent of Miller and Smith to conclude these negotiations (which, of course, are contingent upon Plan confirmation) as quickly as possible after the Effective Date of the Plan has occurred.

During the Interim Period, the Plan Proponent will also need to satisfy the customary conditions to development and sale of real property, such as title surveys, Phase I environmental studies and archeological surveys. All such expenditures incurred during this Interim Period shall be paid from the Interim Development Fund which will be funded by the Plan Proponent. In addition, pursuant to section 4.5.3 of the Plan, to the extent real estate taxes become due and payable with respect to the real property of the Debtors, the Plan Proponent shall pay that portion of such taxes that are due with respect to the Interim Period from funds deposited in the Interim Development Fund. Thus, during the Interim Period, the interests of secured creditors will be not only adequately protected, but enhanced, as the Plan Proponent will cover the cost of obtaining valuable proffer modifications, implementing initial project development and satisfying ongoing tax obligations, all to the benefit of secured creditors.

During the Interim Period, title to all Assets of the Estates shall remain with the Debtors and all liens, claims and encumbrances on such Assets shall be preserved to the same extent and in the same order of priority as they exist on the Effective Date. Also during the Interim Period, to the extent there are Allowed Administrative Expense Claims that have not been satisfied or settled by the Debtors directly, the Plan Proponent shall

seek to recover accounts receivable due to the Debtors from third parties and Insiders to fund any required Distributions to Holders of such Claims. Pursuant to the injunction imposed by section 9.1 of the Plan, no action may be taken by any Holder of an Allowed Claim during the Interim Period to enforce their Allowed Claims against the Debtors or their Assets. The only party assuming any risk during this Interim Period is the Plan Proponent.

The occurrence of either the Project Commencement Date or the Project Termination Date is dependent on whether the conditions described in section 7.1.1 can be satisfied or waived, in the sole discretion of the Plan Proponent, no later than 360 days after the Effective Date. If all such conditions are either satisfied or waived within this time period, the Project Commencement Date will occur. If the Project Commencement Date occurs, the second phase of the Plan will consist of the development and marketing of Roseland. At that time, the following shall occur:

(i) The Plan Proponent shall provide written notice of the Project Commencement Date to all Holders of Allowed Claims and Interests as provided in Article IV of the Plan.

(ii) Title to all Assets (other than Available Cash, Avoidance Actions and Receivables) of the Debtors shall be transferred to a Newco, an entity created by the Plan Proponent for the purpose of implementing the Roseland Development.

(iii) The Plan Proponent shall fund the Final Development Fund through a combination of third-party debt financing and equity financing, with all third-party debt financing to be secured by a senior lien on all Assets and

the amount of funds deposited in the Final Development Fund to be based upon the projected cost of development of Roseland and the Distributions to be made to Holders of Allowed Claims pursuant to the terms of the Plan and the elections made by such Holders with respect thereto.

(iv) The Plan Proponent shall obtain all necessary bonding for the development of Roseland.

(v) The Plan Proponent shall fund the payment of all outstanding real estate taxes pursuant to section 4.5.5 of the Plan.

If all such conditions to the Project Commencement Date are not either satisfied or waived within this time period, the Project Termination Date will occur. If the Project Termination Date occurs, the Plan Proponent will not proceed with the development and marketing of Roseland. Instead, the following shall occur: (i) The Plan Proponent shall provide written notice of the Project Termination Date to all Holders of Allowed Claims and Interests as provided in Article IV of the Plan; (ii) All Holders of Allowed Secured Claims shall have the right, but not the obligation to, foreclose on their collateral or, if they hold a senior lien, to take a Deed in Lieu of Foreclosure as provided in Article IV of the Plan, or to pursue such rights and remedies as may be available to them under state law with respect to the Debtors and their Assets; and (iii) All other Holders of Allowed Claims or Interests shall receive no Distributions under the Plan but shall have the right, but not the obligation, to pursue such rights and remedies as may be available to them under state law with respect to the Debtors and their Assets.

In order to effect the treatment of Claims and Interests pursuant to this Plan, the Debtors, the Plan Proponent and any Holder of an affected Claim or Interest may execute

and deliver, or join in the execution and delivery of, any agreement, instrument or document or perform any other act necessary or appropriate for the implementation or consummation of the Plan.

Except as otherwise provided in this Plan, the Debtors, as of the Effective Date, shall be vested with title to the Assets of the Estates free and clear of all claims, liens, encumbrances, charges and other Interests of Holders of Claims against, or Interests in, the Debtors, except for the Claims, liens and security interests of Holders of Allowed Secured Claims, the rights and interests of the Plan Proponent, and those otherwise arising pursuant to the provisions of this Plan or the documents, instruments and agreements implementing this Plan.

During the Interim Period, Debtors shall cooperate fully with the Plan Proponent in connection with the actions taken by the Plan Proponent pursuant to section 7.1.1 of the Plan. Such cooperation shall include, but not be limited to, providing the Plan Proponent with complete access to the Roseland real property, the books and records of the Debtors, and all models, engineering reports, land surveys and environmental studies with respect to the Debtors and their Assets. In addition, the Debtors will be required to deposit into escrow deeds to their real property in anticipation of the Project Commencement Date. If the Project Commencement Date occurs, the deeds will be delivered out of escrow to Newco. Alternatively, if the Project Termination Date occurs, the deeds will be released from escrow and delivered either back to the Debtors or to those secured creditors who elect to receive a deed in lieu of foreclosure under the terms of the Plan.

The Debtors shall pay the quarterly fees owing to the United States Trustee until the Debtors' Reorganization Case is closed, converted to Chapter 7 or dismissed.

V. DISTRIBUTIONS AND GENERAL PROVISIONS

Distributions and deliveries to holders of Allowed Claims will be made at the addresses set forth on the proofs of claim filed by the holders (or at the last known address). The Holder of an Allowed Claim, or any other Person entitled to be paid under this Plan, who has not claimed such Person's payment within ninety (90) days of the disbursement or attempted disbursement of such funds under this Plan, shall be deemed to have forfeited such Person's right to receive such payment pursuant to this Plan. A Person shall be deemed to have failed to claim a payment if (a) a check to such Person is returned as undeliverable without a proper forwarding address, (b) such Person's check has not been cashed, or (c) a check to such a Person could not be mailed or delivered due to the absence of a proper address to which mail or deliver such check. Any such unclaimed payments shall be deposited into the Interim Development Fund or Final Development Fund from which such payment was made, as the case may be.

Cash payments made pursuant to the Plan will be in United States funds, by check drawn on a domestic bank or by wire transfer from a domestic bank. All cash Distributions will be made by the Plan Proponent. Checks issued by the Plan Proponent in respect of Allowed Claims will be null and void if not cashed within ninety (90) days of the date of their issuance. Requests for re-issuance of any check shall be made to the Plan Proponent by the Holder of the Allowed Claim with respect to which the check originally was issued. Any Claim relating to a voided check must be made on or before ninety (90) days after the date the check was voided. After that date, all

Claims will be discharged and forever barred and the cash, including interest earned shall be re-deposited in the Interim Development Fund or the Final Development Fund, as the case may be. No cash payment of less than twenty- five dollars ($25.00) will be made to any creditor unless a request is made in writing to the Plan Proponent to make such a payment.

The Plan Proponent may, but will not be required to, set off against any Claim and the payments to be made pursuant to the Plan in respect of the Claim, any Claims of any nature whatsoever that the Debtors may have against the Claim Holder, but neither the failure to do so nor the allowance of any Claim hereunder will constitute a waiver or release by the Debtors of any such Claim the Debtors may have against such Claim Holder.

No default shall be declared under this Plan unless and until any payment due under this Plan has not have been made within thirty (30) days after written notice to the Plan Proponent and its counsel of record.

Notwithstanding any of the provisions of the Plan specifying a date or time for Distributions hereunder, Distributions in respect of any Claim or Interest which at such date or time are disputed, unliquidated or contingent shall not be made until such Claim or Interest becomes an Allowed Claim or an Allowed Interest, whereupon such Distribution shall be made promptly pursuant to and in accordance with this Plan.

VI. EFFECT OF CONFIRMATION

A. Binding Effect

On and after the Effective Date, the provisions of the Plan shall bind any holder of a Claim against, or Equity Interest in, the Reorganized Debtors and such holder's

respective successors and assigns, whether or not the Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan.

B. Post-Confirmation Injunction

Except as otherwise expressly provided in the Plan, the entry of the Confirmation Order shall act to, among other things, permanently enjoin all Persons who have held, hold or may hold Claims of or Interests in the Debtors as of the Confirmation Date (a) from commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim of or Interest in the Debtors, (b) from the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree, or order against the Debtors or the Assets of the Debtors with respect to any such Claim or Interest, (c) from creating, perfecting or enforcing any encumbrance of any kind against the Debtors thereof, or against the Assets of the Debtors with respect to any such Claim or Interest, (d) from creating, perfecting or enforcing any encumbrance of any kind against the Debtor thereof, or against the Assets of the Debtors with respect to any such Claim or Interest, and (e) from asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due from the Debtors thereof, or against the property of the Debtor, with respect to any such Claim or Interest. Notwithstanding the foregoing, in the event the Project Commencement Date does not occur, the injunction shall automatically terminate as of the Project Termination Date.

Unless otherwise provided, all injunctions or stays provided for in Chapter 11 cases pursuant to section 362(a) of the Bankruptcy Code or otherwise, shall remain in full force and effect until the Effective Date, at which time the injunction under section 9.1 shall be in force. No entity may commence or continue any action or proceeding, or

perform any act to interfere with the implementation and consummation of the Plan and the Distributions to be made hereunder.

C. Exculpation

Following the Effective Date, neither the Plan Proponent nor any of its officers, directors, members, employees or agents, nor any professional persons employed by any of the foregoing parties, shall have or incur any liability or obligation to any entity for any action taken at any time or omitted to be taken at any time in connection with or related to the formation, preparation, dissemination, implementation, confirmation or consummation of the Plan, the Disclosure Statement or any agreement or document created or entered into, or any action taken or omitted to be taken in connection with the Plan or these Bankruptcy Cases; provided, however, that the provisions of this article shall have not effect on the liability of any entity that would otherwise result from action or omission to the extent that such action or omission is determined in a Final Order to have constituted gross negligence or willful misconduct.

D. Section 1146(a) Exemption

Pursuant to section 1146(a) of the Bankruptcy Code, the issuance, transfer or exchange of a security, or the execution, delivery or recording of an instrument of transfer under this Plan, including but not limited to grantor's taxes on lots sold or land conveyed to others during the life of this Plan, may not be taxed under any law imposing deed stamps, a stamp tax, a recording tax, a transfer tax, an intangible tax or similar tax. In order to effectuate Bankruptcy Code § 1146(a), each recorder of deed or similar official for any county, city or governmental unit in which instruments of transfer of the Property or the Amended Loan Documents are to be recorded shall, pursuant to the

Confirmation Order, be ordered and directed to accept such instruments for recording and promptly to record such instruments or deeds without payment of any documentary stamp tax, deed stamps, stamp tax, recording tax, transfer tax, intangible tax or similar tax. Without limiting the generality of the foregoing, any deed, mortgage or instrument relating to the transfer of title from the Debtors to a Newco formed by the Plan Proponent, and any deed, mortgage or instrument modifying or amending a deed or mortgage executed and delivered pursuant to this Plan and relating to the Assets shall constitute a "transfer under a plan" within the purview of section 1146(a) of the Bankruptcy Code and, accordingly, shall not be subject to any documentary stamp tax, deed stamp tax, recording tax, transfer tax, intangible tax or similar tax.

E. Post-Confirmation Governance of Debtors

The officers and Directors or managing member of the Debtors following Confirmation are as follows: (a) For Roseland Village: GBS Holdings, Ltd by and through George B. Sowers, Jr. its President; and (b) for GBS Holdings, George B. Sowers, Jr., its President. Except as otherwise provided in this Plan, the Debtors, as of the Effective Date, shall be vested with title to the Assets of the Estates free and clear of all claims, liens, encumbrances, charges and other Interests of Holders of Claims against, or Interests in, the Debtors, except for the Claims, liens and security interests of Holders of Allowed Secured Claims, the rights and interests of the Plan Proponent, and those otherwise arising pursuant to the provisions of this Plan or the documents, instruments and agreements implementing this Plan.

F. Post-Confirmation Governance and Staffing of Plan Proponent

During the Interim Period, various officers and employees of the Plan Proponent and its affiliates will engage in the activities necessary to get to the Project Commencement Date. Senior management oversight will be provided by Douglas I. Smith (President and CEO of the Plan Proponent), Charles F. Stuart Jr. (Senior Vice President and General Counsel), Jake Oates (Chief Financial Officer) and Steven B. Aylor (Vice President - Land). Operational management of the Plan Proponent in the Richmond area will be provided by Edward F. Podboy (Vice President and General Manager), Philip Jones (Associate General Counsel), John Conrad (Vice President - Land Development), Kim Ambrose (Vice President - Marketing) and Pamela A. Wiles (Director - Property Management). The Plan Proponent will also work closely with numerous outside professionals, including Timmons Group (engineering), Bowman Consulting (engineering), Grant Massie Land Company (marketing), Synergy Development Group (marketing), John Burns Real Estate Consulting (marketing) and Hirschler Fleischer (zoning). In addition, members of the senior management of NASH Advisory Services, LLC ("NASH")[9], the Plan Proponent's joint venture partner, will be directly involved with the Plan Proponent in all aspects of the project.

G. Preferences and Fraudulent Conveyances

The Debtors shall retain the right to pursue any preferential transfers under section 547 of the Bankruptcy Code or any fraudulent conveyances under section 548 of the Bankruptcy Code for the benefit of Holders of Allowed Claims and Interests.

H. Cramdown Provisions and Confirmation Request

[9] Additional information regarding NASH is contained in section XI(B) of this Disclosure Statement.

In the event that sufficient votes to confirm this Plan are not received, the Plan Proponent requests confirmation of the Plan pursuant to the provision of section 1129(b) of the Bankruptcy Code.

VII. CONDITIONS PRECEDENT TO THE EFFECTIVE DATE

Under the Plan, Confirmation is subject to: (a) the Bankruptcy Court having approved this Disclosure Statement by order entered on the docket of the jointly-administered Bankruptcy Cases; and (b) the presentment of a Confirmation Order to the Bankruptcy Court for entry to confirm the Plan. The occurrence of the Effective Date is subject to: (a) the Confirmation Order becoming a Final Order; and (b) no stay of the Confirmation Order shall then be in effect.

VIII. MODIFICATION OF THE PLAN

Miller and Smith reserves the right in accordance with the Bankruptcy Code to amend or modify this Plan. At any time before the Confirmation Date, the Plan may be modified by the Plan Proponent upon approval of the Bankruptcy Court, provided that the Plan, as modified, does not fail to meet the requirements of Section 1122 and 1123 of the Bankruptcy Code. In the event that there is a modification of the Plan, then the Plan, as modified, shall become the Plan. At any time after the Confirmation Date of the Plan, but before substantial consummation of the Plan, the Plan may be modified by the Plan Proponent upon approval of the Bankruptcy Court, provided that the Plan, as modified, does not fail to meet the requirements of Section 1122 and 1123 of the Bankruptcy Code. The Plan, as modified under these sections, becomes a Plan only if the Court, after notice and hearing, confirms such Plan, as modified, under Section 1129 of the Bankruptcy Code. At any time, the Plan Proponent may, without the approval of the Bankruptcy

Court, so long as it does not materially or adversely affect the interest of Creditors, remedy any defect or omission, or reconcile any such inconsistencies in the Plan or in the Confirmation Order, as such matters may be necessary to carry out the purposes, intent and effect of this Plan.

IX. RETENTION OF JURISDICTION

The Bankruptcy Court shall retain jurisdiction after confirmation of the Plan for the following purposes:

(a) To determine the classification, allowance or disallowance of all Claims or Interests, including, without limitation, Claims and objections relating to the rejection of executory contracts and unexpired leases pursuant to this Plan, and to hear and determine any and all objections to such Claims or Interests;

(b) To hear and determine any and all disputes arising under this Plan;

(c) To determine any and all applications for allowance of compensation and reimbursement of expenses for periods prior to the Effective Date;

(d) To hear and determine any and all controversies, suits and disputes arising through the entry of a final decree;

(e) To recover all assets of the Reorganized Debtors, wherever located;

(f) To interpret, construe or enforce this Plan, the Confirmation Order or any order previously entered by the Bankruptcy Court in the Bankruptcy Cases;

(g) To implement the provisions of this Plan and enter any orders in aid of its implementation or in furtherance of its purposes and intent;

(h) To correct any defect, cure any omissions or reconcile any inconsistency in this Plan or the Confirmation Order as may be necessary to carry out the purpose and intent of this Plan;

(i) To determine such other matters as may be provided for in the Confirmation Order or as may be authorized under the provisions of the Bankruptcy Code;

(j) To enforce all orders, judgments, injunctions and rulings entered in connection with the Bankruptcy Cases; and

(k) To hear and determine any and all controversies, suits and disputes arising through the entry of a final decree.

X. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES.

The following discussion summarizes certain U.S. Federal income tax consequences of the Plan to holders of Claims and Interests. This summary is based upon the Internal Revenue Code of 1986, as amended (the "Tax Code"), Treasury Regulations promulgated thereunder, judicial decisions and published administrative rulings and pronouncements of the IRS, as in effect on the date hereof. Legislative, judicial or administrative changes or interpretations enacted or promulgated hereafter could alter or modify the analysis and conclusions set forth below. Any such changes or interpretations may be retroactive and could affect significantly the federal income tax consequences discussed below. This summary does not address foreign, state or local tax law, or any estate or gift tax consequences of the Plan, nor does it purport to address the Federal income tax consequences of the Plan to special categories of taxpayers who are holders of Claims (such as taxpayers who are not U.S. domestic corporations or citizens or residents

of the United States, or are S corporations, banks, mutual funds, insurance companies, financial institutions, regulated investment companies, broker-dealers and tax-exempt organizations) and assumes that each Creditor holds its Claim directly.

The U.S. Federal income tax consequences of the Plan are complex and are subject to significant uncertainties. Miller and Smith has not requested and will not request a ruling from the IRS with respect to any of the tax aspects of the Plan.

THE TAX CONSEQUENCES TO HOLDERS OF CLAIMS AND INTERESTS MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER. MOREOVER, THE TAX CONSEQUENCES OF CERTAIN ASPECTS OF THE PLAN ARE UNCERTAIN DUE TO THE LACK OF APPLICABLE LEGAL PRECEDENT AND THE POSSIBILITY OF CHANGES IN THE APPLICABLE TAX LAW. THERE CAN BE NO ASSURANCE THAT THE IRS WILL NOT CHALLENGE ANY OF THE TAX CONSEQUENCES DESCRIBED HEREIN, OR THAT SUCH A CHALLENGE, IF ASSERTED, WOULD NOT BE SUSTAINED. ACCORDINGLY, EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT WITH ITS OWN TAX ADVISOR REGARDING THE FOREIGN, FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF THE PLAN.

A. Tax Consequences for Creditors Generally

The U.S. federal income tax consequences of the Plan to a Creditor will depend upon several factors, including but not limited to: (i) whether the Creditor's Claim (or portion thereof) constitutes a Claim for principal or interest; (ii) whether the Creditor is a resident of the United States for tax purposes (or falls into any of the special classes of

taxpayers excluded from this discussion as noted above); and (iii) whether the Creditor has taken a bad debt deduction with respect to its Claim. In addition, if a Claim is a "security" for tax purposes, different rules may apply. **CREDITORS ARE STRONGLY ADVISED TO CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE TAX TREATMENT UNDER THE PLAN OF THEIR PARTICULAR CLAIMS.**

B. Creditors Who Receive Solely Cash

A Creditor receiving solely Cash in exchange for its Claim will generally recognize taxable gain or loss in an amount equal to the difference between the amount realized and its adjusted tax basis in the Allowed Claim. The amount realized will equal the amount of Cash to the extent that such consideration is not allocable to any portion of the Allowed Claim representing accrued and unpaid interest, as further discussed below.

The character of any recognized gain or loss (i.e., ordinary income, or short-term or long-term capital gain or loss) will depend upon the status of the Creditor, the nature of the Allowed Claim in the Creditor's hands, the purpose and circumstances of its acquisition, the Creditor's holding period of the Allowed Claim, and the extent to which the Creditor previously claimed a deduction for the worthlessness of all or a portion of the Allowed Claim.

A loss generally is treated as sustained in the taxable year for which there has been a closed and completed transaction, and no portion of a loss with respect to which there is a reasonable prospect of reimbursement may be deducted until it can be ascertained with reasonable certainty whether or not such reimbursement will be recovered.

A portion of the consideration received by a Creditor in satisfaction of an Allowed Claim may be allocated to the portion of such Claim (if any) that represents accrued but unpaid interest. If any portion of the distribution were required to be allocated to accrued interest, such portion would be taxable to the Creditor as interest income, except to the extent the Creditor has previously reported such interest as income. In the event that a Creditor has not previously reported the interest income, only the balance of the distribution after the allocation of proceeds to accrued interest would be considered received by the Creditor in respect of the principal amount of the Allowed Claim. Such an allocation would reduce the amount of the gain, or increase the amount of loss, realized by the Creditor with respect to the Allowed Claim. If such loss were a capital loss, it would not offset any amount of the distribution that was treated as ordinary interest income (except, in the case of individuals, to the limited extent that capital losses may be deducted against ordinary income).

C. Federal Income Tax Consequences to Holders of Allowed Equity Interests Receiving No Distributions

Holders of Allowed Equity Interests receiving no distributions will generally recognize loss in the amount of each such holder's adjusted tax basis in the Allowed Interest. The character of any recognized loss (i.e., ordinary income, or short-term or long-term capital gain or loss) will depend upon the status of the holder, the nature of the Allowed Equity Interest in the holder's hands, the purpose and circumstances of its acquisition, the holder's holding period, and the extent to which the holder had previously claimed a deduction for the worthlessness of all or a portion of the Allowed Equity Interest.

A loss generally is treated as sustained in the taxable year for which there has been a closed and completed transaction, and no portion of loss with respect to which there is a reasonable prospect of reimbursement may be deducted until it can be ascertained with reasonable certainty whether or not such reimbursement will be recovered.

D. Information Reporting and Backup Withholding

All distributions to holders of Allowed Claims under the Plan are subject to any applicable withholding requirements. Under U.S. federal income tax law, interest, dividends, and other reportable payments may, under certain circumstances, be subject to "backup withholding" at a rate of 28%. Backup withholding generally applies if the holder fails to provide a taxpayer identification number or fails to otherwise establish an exemption. The amount of any backup withholding will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle such holder to a refund. Certain persons, including corporations and financial institutions, are generally exempt from backup withholding.

E. Importance of Obtaining Professional Tax Assistance

No holder of a Claim or Interest should rely on the tax discussion in this Disclosure Statement in lieu of consulting with one's own tax professional. The foregoing is intended to be a summary only and not a substitute for consultation with a tax professional. The federal, state, local and foreign tax consequences of the Plan are complex and, in some respects, uncertain. Such consequences may also vary based upon the individual circumstances of each holder of a Claim or Interest. Accordingly, each

holder of a Claim or Interest is strongly urged to consult with its own tax advisor regarding the federal, estate, local and foreign tax consequences of the Plan.

XI. ALTERNATIVES TO THE PLAN

Based on its research, analysis, and years of experience, Miller and Smith believes that the Plan represents the best method of generating funds for distribution to creditors. The Debtors' Disclosure Statement includes a "Liquidation Analysis Table" on page 11, in which the Debtor presents a comparison of the estimated fair market value to the estimated liquidation value for each parcel. The total liquidation value for all the parcels, as provided in the Liquidation Analysis Table, is not sufficient to pay even 50% of the total amount of secured claims of both Debtors. The Plan, by comparison, provides a greater prospect of recovery and a more expeditious distribution to creditors in a manner which avoids certain administrative costs necessitated by a conversion to chapter 7, such as the costs associated with the appointment of a chapter 7 trustee and the retention of new professionals.

A. Liquidation Under Chapter 7.

As noted above, the Debtors' Disclosure Statement contains a liquidation analysis which compares the estimated fair market value of a parcel to the estimated liquidation value for such parcel. The Debtors based the estimated fair market value on the assumption that Roseland would retain its approval as a MPD. The Debtors' estimated liquidation value assumes that the parcels are auctioned at different times, and the County withdraws approval of the MPD.

Based on the Debtors' liquidation analysis, if a liquidation under chapter 7 were to occur, Miller and Smith does not believe that the funds generated through a liquidation

sale of the property will generate sufficient cash to pay all Allowed Secured Claims in full. Under this scenario, only the fees of the Trustee and his professionals would likely be paid in full. For certain parcels, it may be possible (though not likely) that the Allowed Secured Creditor Claim secured by a senior lien on that parcel will be paid in full. The more likely scenario, however, is that the holder of the Allowed Secured Creditor Claim secured by a senior lien on that parcel will receive only a partial distribution on account of its Allowed Secured Creditor Claim. Holders of Allowed Secured Creditor Claims secured by junior liens would receive no distribution, and the sale of the property at liquidation value would not generate sufficient cash in excess of the Allowed Secured Claims to make any distributions to holders of Class 13A/13B Allowed Unsecured Claims, Excluding Insider Claims or to Class 14A/14B Insider Allowed Unsecured Claims.

B. Distributions Under the Plan

The projected distributions that would be available under the Plan, as described in this Disclosure Statement, are based upon the achievement of certain conditions precedent set forth in section 7.1.1 of the Plan. If those conditions precedent are not satisfied, the creditors have lost nothing more than the passage of time, as Miller and Smith will absorb the costs associated with achieving the conditions precedent, as well as the costs of real estate taxes that accrue with respect to the Interim Period. However, if those conditions precedent are satisfied, creditors will benefit greatly.

On or before the Creditor Election Deadline, each holder of an Allowed Secured Claim shall choose between Secured Claimant Option A, Secured Claimant Option B, and Secured Claimant Option C. Of these three options, the minimum payout is 40% of

the Allowed Secured Claim, payable within 30 days (Secured Claimant Option A) and the maximum payout is 100% of the Allowed Secured Claim, payable over an extended period of time with interest (Secured Claimant Option C). Similarly, each holder of an Allowed Unsecured Claim, Excluding Insider Claims, may elect Unsecured Claimant Option A, which will pay 25% of the Allowed Unsecured Claim within 30 days, or Unsecured Claimant Option B, which will pay the Allowed Unsecured Claim in full after all Allowed Claims in Class 1 through 12 have been paid in full, with interest where appropriate. In comparison to a chapter 7 scenario, where it is likely that Allowed Secured Claims would not be paid in full and would likely receive only a partial distribution, Miller and Smith believes that the Plan represents a superior alternative to a chapter 7 liquidation.

If secured creditors elect Secured Claimant Option A under the Plan and unsecured creditors elect Unsecured Claimant Option A, they are paid, respectively, forty percent (40%) and twenty-five percent (25%) of their Allowed Claims within thirty (30) days of the Project Commencement Date from funds made available by the Plan Proponent. The amount to be distributed to each such creditor from the Final Development Fund is a simple arithmetic calculation. Assuming all holders of Allowed Secured Claims and Allowed Unsecured Claims choose this option, the Plan Proponent has access to the necessary financing, together with its own resources, to fund all required distributions to such creditors.

For holders of Allowed Secured Claims who elect Secured Claimant Option B or C, and for holders of Allowed Unsecured Claims who elect Unsecured Claimant Option B, the amount and timing of distributions is a function of the cost and timing for

completion of the Roseland Development and, in the case of secured creditors, whether such creditor elected Secured Claimant Option B or Option C. Attached to the Disclosure Statement as Exhibits C-1 through C-4 are projections of the estimated distributions to such holders of Allowed Claims, as well as estimates of the overall development costs and the yearly cash flow of the Roseland Development.

Exhibit C-1 reflects the distributions that are projected to be made to creditors in the event all secured creditors elected Secured Claimant Option B and all unsecured creditors elect Unsecured Claimant Option B. Assuming a Project Commencement Date of June 30, 2014, holders of Allowed Secured Claims would waive twenty-five percent (25%) of their Allowed Claims and would receive initial payments of twenty-five percent (25%) of their Residual Secured Claims on that date. Collectively, they would receive an initial principal payment of $8,000,000 and interest of $61,500. Such creditors are projected to receive additional quarterly payments of principal and interest over a period of eight years, with the estimated amount of all distributions equaling, in the aggregate, approximately $35,000,000 as of September 30, 2021. At that time, they would have received payment in full of their Residual Secured Claims with interest at two percent (2%). Also at that time, unsecured creditors would receive payment in full on their Allowed Claims with interest at the applicable rate.

Exhibit C-2 reflects the distributions that are projected to be made to creditors in the event all secured creditors elected Secured Claimant Option C and all unsecured creditors elect Unsecured Claimant Option B. Again, assuming a Project Commencement Date of June 30, 2014, holders of Allowed Secured Claims are projected to receive quarterly payments of principal and interest over a period of eleven years, with the

estimated amount of all distributions equaling, in the aggregate, approximately $49,200,000 as of September 30, 2024. At that time, they would have received payment in full of their Allowed Secured Claims with interest at two percent (2%). Also at that time, unsecured creditors would receive payment in full on their Allowed Claims with interest at the applicable rate.

The startup costs for the Roseland Development are projected to be in the range of $3,000,000 to $5,000,000. This is reflected in Exhibit C-3, which shows the projected cash flow (before debt and equity) for each year through the outside date of September, 2024, when secured creditors electing Secured Claimant Option C and unsecured creditors electing Unsecured Claimant Option B are paid in full. Bonding requirements are currently estimated to be approximately $30,000,000 and will be the responsibility of the Newco formed by Miller and Smith.

The gross Roseland Development costs are projected to be $190,000,000, as reflected in Exhibit C-4. These costs are broken down in Exhibit C-4 by each phase of the overall development. While it is anticipated that the revolving development financing will at no time exceed $25,000,000, Miller and Smith believes that the financing in place at any one time is not likely to exceed $15,000,000. This will be on a rolling basis, with loan curtailments made on a regular basis beginning in 2016. Supplementing the development financing will be equity contributions beginning immediately and continuing throughout the development of the project. Miller and Smith projects the aggregate infusion of equity to be between $15,000,000 and $21,000,000. The various assumptions and calculations supporting the projections reflected in Exhibits C-1 through C-4 are set forth in greater detail in Exhibit C-5.

Notably, all equity contributions are treated under the Plan as subordinate to Allowed Secured Claims, so Newco will receive no return of, or return on, its equity investment until after all secured creditors have received payment in full of the amounts they have elected to receive under the Plan. The Plan Proponent is willing to make such a significant equity contribution on a subordinated basis based upon its commitment to the project and its confidence that once the Project Commencement Date is reached, all necessary steps will be taken to ensure the success of the development.

The equity investments that the Plan Proponent is prepared to make, together with the debt financing, will directly enhance the overall value of the Roseland Development and will offer a means to complete the development, provide performance guaranties, and pay secured creditor claims. All of the development work for road construction, sewer and water, and related infrastructure improvements requires the posting of bonds or letters of credit which are put in place to ensure that the necessary funds will remain available to complete the improvements, all to the benefit of secured creditors. The project financing will ensure that all outstanding real estate taxes are paid and kept current on a going-forward basis, that ongoing engineering and other development costs are funded, and that interest payments are made to secured creditors. The Plan Proponent is confident that these direct benefits realized by secured creditors, together with the resultant appreciation in the overall value of the project, will at all times exceed the balance of the outstanding financing. This will provide secured creditors with adequate protection of their interests, notwithstanding the senior lien that will be granted to secure the new debt financing.

Moreover, to provide further protection to the interests of secured creditors, the Plan Proponent intends to direct as much of the development costs secured by the new senior lien to overall infrastructure improvements that enhance the collateral value of all secured creditors, rather than to lot development, which may benefit certain secured creditors more than others. The Plan Proponent has specifically designed its phased development plan so as to "front-load" the infrastructure improvements, and it currently estimates that lot development costs will not exceed approximately $8,000,000 at any given time.

The projections of the Plan Proponent assume development financing based upon a seventy percent (70%) loan to value ratio. This is consistent with other projects developed by Miller and Smith. Based upon discussions that it has had with prospective financing sources, including North America Sekisui House, a wholly owned subsidiary of Sekisui House, Ltd., Japan's largest homebuilder, Miller and Smith is confident that all of the financing requirements for the Roseland Development pursuant to the Plan can be met.

The Plan Proponent has negotiated the terms of a Letter of Intent from NASH addressing both the debt financing and equity financing needs of Newco (the "NASH LOI"). The NASH LOI provides for two commitments: first, a commitment from a NASH affiliate for an equity contribution to Newco; and second, a commitment from a separate NASH affiliate for a development loan to Newco. The equity commitment is for (a) between 80% to 90% of the Interim Development Fund and approved expenses; and (b) between 80% and 90% of the Final Development Fund (with such Fund to not exceed

an amount between $10,000,000 and $14,500,000). The balance of the equity commitment will come from the Plan Proponent.

The loan commitment is for a revolving, multi-draw construction loan of between $15,000,000 and $19,000,000, with interest at approximately 2.4% above LIBOR. Based upon Miller and Smith's experience, these terms are extremely competitive, with an interest rate that is lower than can be obtained currently from any other available source. As a necessary predicate to obtaining such favorable third-party financing, the Plan provides that the development loan will be secured by a senior lien on all assets of Newco, including the Roseland Development.

The commitment for the equity contribution to the Interim Development Fund is contingent upon, *inter alia*, Bankruptcy Court approval of the Plan. The commitment for the equity contribution to the Final Development Fund and for the development loan is contingent upon, *inter alia*, the negotiation with the County of acceptable modifications to the existing proffers and conditions, and the completion of necessary due diligence, all of which are existing conditions to the occurrence of the Project Commencement Date under the terms of the Plan.

NASH (North America Sekisui House, LLC) is a wholly owned subsidiary of Sekisui House, Ltd., Japan's largest homebuilder. Sekisui House has been in business since 1960 and has built over two million homes. Its business consists of the construction, sale, purchase and administration of residential properties, the design, execution, contracting and supervision of construction projects, real estate brokerage and landscaping. It has been developing homes and communities for over 50 years. NASH is one of the country's leading developers of master-planned communities. NASH is

currently involved in the development of over 28 such communities in the U.S. that are similar in size to the Roseland Development.

Under the plan developed by the Plan Proponent for the Roseland Development, initial pricing as of 2016 is projected to be the following:

Single family lots:	$105,000 to $125,000
Townhouse lots:	$70,000 to $80,000
Multi-family lots:	$15,000 to $20,000
Commercial space:	$3.00 to $6.00 per ground foot

The Plan Proponent's sales program for the residential lots anticipates three to four builder programs and will include participation by NVR, Inc. Marketing of the commercial property will be an integral part of Miller and Smith's overall commercial presentations at meetings of the International Council of Shopping Centers and its direct marketing channels. When completed, the Roseland Development will also include more than $10,000,000 worth of project amenities, such as tennis courts, swimming pools and other recreational facilities.

C. The Debtors' Second Amended Debtor Plan

Miller and Smith believes that the Debtors' Second Amended Plan is an inferior alternative to the Plan. In the Debtors' Second Amended Plan, the Debtors intend to seek a modification of the MPD zoning from Chesterfield County, so that each parcel has distinct zoning requirements and certain proffers attached to it. Through this zoning modification, the Debtors hope to have the ability to isolate and sell or develop certain parcels. The Debtors also proposed that such zoning modification would allow them, if necessary, to return certain parcels to the secured creditor which has an interest in it.

However, the ultimate effect of the zoning modification is to destroy Roseland's designation as an MPD, which will necessarily reduce property values. Moreover, the Debtors' Second Amended Plan is highly uncertain. The Debtors do not have a source of funds outside of their businesses. Accordingly, the Debtors intend to generate funds through "selective" timber harvesting on the property and to use such funds to pay the costs associated with the zoning modification. The holders of Allowed Secured Claims are essentially bearing the cost of the Debtors' zoning modification efforts through the devaluation of their land caused by the Debtors' timber harvest, assuming the Debtors' can obtain the necessary approvals for such a harvesting plan.[10] The Plan, in comparison, is a superior alternative. There is no adverse impact on the value of the real property, as no timbering is required, and it offers a more certain outcome and less risk for creditors due to the substantial investment of financial and human resources made by Miller and Smith at no expense to the creditors or the Estate. If Miller and Smith is successful in satisfying the conditions precedent and development of Roseland proceeds, all creditors are likely to receive a significantly higher distribution on account of their Allowed Claims.

D. Alternative Chapter 11 Plan

If the Plan is not confirmed, any other party in interest may attempt to formulate an alternative chapter 11 plan which could provide for the reorganization and/or liquidation and distribution of the Debtors' Assets other than as provided by the Plan. However, Miller and Smith believes that any alternative chapter 11 plan will be inferior

[10] It is the understanding of the Plan Proponent that the County has never issued timbering permits without an approved site plan and erosion plan, neither of which exist at this time. Thus, the Plan Proponent believes that the Debtors' harvesting plan is not feasible and that the Debtors' Second Amended Plan lacks any credible means of funding.

to the Plan because no other entity will be willing to take the risks taken by Miller and Smith in connection with the Roseland Development. Miller and Smith has already invested over $250,000 of its own funds in the project. Moreover, it is also fully committed to making a substantial investment of financial and personnel resources during the Interim Period to make the Plan successful. It is highly unlikely that another entity can or will make a similar investment of time and money into Roseland to propose a viable alternative chapter 11 plan. For these reasons, Miller and Smith believe that the Plan will enable all Creditors and Equity Interest holders to realize the greatest possible recovery.

XII. VOTING ON THE PLAN

A. Ballots and Voting Deadline

For each Debtor, each holder of an Allowed Claim entitled to vote on the Plan has been sent, by mail, a ballot, together with this Disclosure Statement. The ballot is to be used for voting to accept or reject both the Plan and the Debtors' Second Amended Plan. The ballot is also used for expressing a preference as between the two plans in the event the Bankruptcy Court finds both plans to be confirmable.

The Bankruptcy Court has directed that, to be counted for voting purposes, ballots must be mailed or delivered so that they are ACTUALLY RECEIVED by counsel to Miller and Smith no later than 5:00 p.m. local time on _____, 2013, at the below address. Ballots must be sent by United States mail or commercial overnight delivery and may not be sent by email or fax.

Lawrence A. Katz, Esquire
Leach Travell Britt pc
8270 Greensboro Drive, Suite 700
Tysons Corner, VA 22102

Phone: (703) 584-8362

TO BE COUNTED, YOUR BALLOT MUST BE ACTUALLY RECEIVED BY 5:00 P.M. LOCAL STANDARD TIME ON _____, 2013. Ballots must be sent by United States mail or commercial overnight delivery and may not be sent by email or fax.

B. Classes Entitled to Vote

Any creditor whose Claim is impaired under the Plan is entitled to vote if either (i) such holder's Claim is scheduled and such Claim is not scheduled as disputed, contingent or unliquidated, or (ii) such holder has timely filed a proof of claim which (a) currently is not the subject of an objection which has not been withdrawn, and (b) has not been disallowed by a Final Order. A vote of any creditor may be disregarded if the Bankruptcy Court determines that such vote was not solicited or procured in good faith and in accordance with the Bankruptcy Code.

A creditor who is not entitled to vote on the Plan may file a motion with the Bankruptcy Court for an order temporarily allowing its Claim for purposes of voting to accept or reject the Plan. Any such motion must be timely filed with the Bankruptcy Court (in accordance with the Bankruptcy Rules and the applicable rules of the Bankruptcy Court) so as to be heard and determined by the Bankruptcy Court at or before the confirmation hearing.

IF YOU HAVE ANY QUESTIONS REGARDING THE PROCEDURES FOR VOTING ON THE PLAN, PLEASE CONTACT MILLER AND SMITH'S COUNSEL:

Lawrence A. Katz, Esquire
Leach Travell Britt pc
8270 Greensboro Drive, Suite 700
Tysons Corner, VA 22102
Phone: (703) 584-8362

C. Impairment Under the Plan

1. Definition of Impairment. Under section 1124 of the Bankruptcy Code, a class of claims or equity interests is "impaired" under a plan of reorganization unless such plan (a) leaves unaltered the legal, equitable and contract rights of each holder of a claim or equity interest in such class, or (b) provides, among other things, for the cure of existing defaults and reinstatement of the maturity of the claims or equity interests in such class.

2. Impaired and Voting Classes. All classes of claims and equity interests other than Class 1 (Allowed Priority Claims) are impaired under the Plan. Thus, creditors in Class 2A/2B, Class 3, Class 4A/4B, Class 5, Class 6, Class 7, Class 8, Class 9, Class 10, Class 11, Class 12, Class 13A/13B, and Class 14A/14B are entitled to vote to accept or reject the Plan.

3. Unimpaired and Non-Voting Classes**.** Class 1 (Allowed Priority Claims) is unimpaired under the Plan. Under section 1126(f) of the Bankruptcy Code, the holders of such Claims are conclusively presumed to accept the Plan and the votes of such holders will not be solicited. Holders of Allowed Equity Interests in Class 15A/15B will retain their Interests but receive no distribution under the Plan unless and until all

Allowed Claims are paid in full as provided in the Plan. Holders of Allowed Equity Interests in Class 15A/15B are therefore unimpaired under the Plan.

XIII. CONFIRMATION OF THE PLAN

The Bankruptcy Court will confirm the Plan only if all of the requirements of section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation are that the Plan: (i) is accepted by all impaired classes of Claims and Equity Interests entitled to vote or, if rejected by an impaired class, that the Plan "does not discriminate unfairly" and is "fair and equitable" as to such rejecting class and as to the impaired classes of Claims and Equity Interests that are deemed to reject the Plan, (ii) is feasible, and (iii) is in the "best interests" of the holders of Claims impaired under the Plan.

A. Acceptance of the Plan.

The Bankruptcy Code defines acceptance of a plan of reorganization by a class of creditors as acceptance by creditors holding two-thirds (2/3) in dollar amount and a majority in number of the Claims in such class (other than any such creditor designated under section 1126(e) of the Bankruptcy Code), but for that purpose counts only those creditors that actually cast ballots. Holders of claims that fail to vote are not counted as either accepting or rejecting a plan. If no votes are cast by holders of claims in a particular class, that class is deemed to accept the Plan.

B. No Unfair Discrimination/Fair and Equitable Test

In the event that any impaired class of Claims or Equity Interests does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of Miller and Smith if, as to each impaired class of Claims or Equity Interests which has not accepted the Plan, the Plan "does not discriminate unfairly" and is "fair and equitable."

A Chapter 11 plan does not discriminate unfairly, within the meaning of the Bankruptcy Code, if the legal rights of a dissenting class are treated in a manner consistent with the treatment of other classes whose legal rights are substantially similar to those of the dissenting class and if no class of Claims or Equity Interests receives more than it legally is entitled to receive for its Claims or Equity Interests.

Under the Bankruptcy Code, "fair and equitable" has different meanings for secured and unsecured Claims. With respect to a secured Claim, "fair and equitable" means (i) the impaired secured creditor retains its liens to the extent of its allowed Claim and receives deferred cash payments at least equal in value to the allowed amount of its Claim with a present value as of the effective date of the plan at least equal in value to such creditor's interest in the estate's interest in the property securing its Claim, (ii) if property subject to the lien of the impaired secured creditor is sold free and clear of that lien, the lien attaches to the proceeds of the sale, and such lien proceeds are treated in accordance with clause (i) or (iii) of this paragraph, or (iii) if the impaired secured creditor realizes the "indubitable equivalent" of its Claim under the plan.

With respect to an unsecured Claim, "fair and equitable" means either (i) each impaired unsecured creditor receives or retains property of a value, as of the effective date of the plan, equal to the amount of its Allowed Claim, or (ii) the holders of Claims or Equity Interests that are junior to the Claims or Equity Interests of the dissenting class will not receive or retain any property under the plan.

With respect to Equity Interests, "fair and equitable" means that each Equity Interest holder (i) will receive or retain property of a value, as of the effective date of the plan, equal to the greatest of (a) the allowed amount of any fixed liquidation preference to

which such holder is entitled, (b) any fixed redemption price to which such holder is entitled, or (c) the value of such Equity Interest; or (ii) the holder of any Equity Interest that is junior to the Equity Interests of such class will not receive or retain any property under the plan on account of such junior Equity Interest.

Under the Plan, no Holder in a class of Claims is to receive cash or other property in excess of the full amount of its Allowed Claim. As to any holders of Allowed Secured Claims, the Plan provides that each such Holder will retain its collateral until it has received payment in full satisfaction of its Claim under the terms of the Plan or has elected a different treatment for its Claim. As to holders of Unsecured Claims, no holder of an Equity Interest with rights junior to holders of Unsecured Claims will receive any distributions or retain any property under the Plan until holders of all Claims have been paid in full with interest. Furthermore, the Plan provides that the holders of Equity Interests will not receive any distributions until all Allowed Claims are paid in full in accordance with the Plan. Accordingly, Miller and Smith believes that the Plan does not discriminate unfairly and is fair and equitable with respect to all Classes of creditors and equity interest holders.

C. "Best Interests" Test

The Bankruptcy Code provides that the Plan will not be confirmed, regardless of whether or not anyone objects to confirmation, unless the Bankruptcy Court finds that the Plan is in the "best interests" of all classes of Claims and Equity Interests which are impaired. The "best interests" test will be satisfied by a finding of the Bankruptcy Court that either (i) all holders of impaired Claims have accepted the Plan, or (ii) the Plan will provide such a holder that has not accepted the Plan with a recovery at least equal in

value to the recovery such holder would receive if the estate were distributed under chapter 7 of the Bankruptcy Code.

Miller and Smith believes that the Plan meets the "best interests" test. The starting point in determining whether the Plan meets the "best interests" test is a determination of the amount of proceeds that would be generated from the distribution of the estate's remaining assets in the context of a chapter 7 liquidation. The amount to be distributed must be reduced by the additional costs of converting to a case under chapter 7, including the costs incurred during the chapter 11 case and those allowed under chapter 7 of the Bankruptcy Code (such as trustee's commission and the fees and expenses of professionals retained by a trustee). The potential chapter 7 distribution in respect to each class must be further reduced by the costs imposed by the delay caused by conversion to chapter 7. The net present value of a hypothetical chapter 7 distribution in respect to an impaired class is then compared to the recovery in respect to such class provided for in the Plan.

Here, the Plan provides that Allowed Class 1 Priority Claims will be paid in full on the Effective Date or as soon as reasonably practicable thereafter. If Miller and Smith satisfies the conditions precedent set forth in section 7.1.1 of the Plan, Miller and Smith will notify all holders of Allowed Claims and Equity Interests of the Project Commencement Date. Thereafter, Holders of Allowed Secured Claims will be treated in accordance with the election made by each such Holder on or before the Creditor Election Deadline. Of these three options, the minimum payout is forty percent (40%) of the Allowed Secured Claim, payable within 30 days (Secured Claimant Option A) and the maximum payout is one hundred percent (100%) of the Allowed Secured Claim,

payable over an extended period of time with interest (Secured Claimant Option C). Similarly, each holder of an Allowed Unsecured Claim, Excluding Insider Claims, may elect Unsecured Claimant Option A, which will pay twenty-five percent (25%) of the Allowed Unsecured Claim within 30 days, or Unsecured Claimant Option B, which will pay the Allowed Unsecured Claim in full after all Allowed Claims in Class 1 through 12 have been paid in full, with interest where appropriate. In comparison to a chapter 7 scenario, where it is likely that Allowed Secured Claims would not be paid in full and would likely receive only a percentage distribution, Miller and Smith believes that the Plan represents an alternative that is superior to a chapter 7 liquidation if the Project Commencement Date occurs, but is in no event inferior to a chapter 7 liquidation even if the Project Termination Date occurs. Accordingly, Miller and Smith submits that the "best interest" test is met.

D. Feasibility

Section 1129(a)(11) of the Bankruptcy-Code provides that a Chapter 11 plan may be confirmed only if the Bankruptcy Court finds that such plan is feasible. A feasible plan is one which will not lead to a need for further reorganization or liquidation. Since the Plan provides for the reorganization of the Debtors, the Bankruptcy Court will find that the Plan is feasible if it determines that the conditions precedent to the Effective Date can be satisfied and that the estate will generate sufficient funds to meet its post-confirmation obligations to pay for the costs of administering and fully consummating the Plan and closing the Bankruptcy Cases.

Miller and Smith believes that the Plan satisfies the financial feasibility requirement imposed by the Bankruptcy Code. The projected distributions that would be

available under the Plan, as described in this Disclosure Statement, are based upon the (i) the satisfaction of the baseline conditions as provided in section 7.1.1 of the Plan; (ii) the commitment by Miller and Smith to fund the Interim Development Fund and to leverage its financial and professional resources to ensure the successful development of Roseland; and (iii) the commitment by Miller and Smith to raise sufficient capital to fund the Final Development Fund.

Other than the passage of time, holders of Allowed Secured Claims will have suffered no harm while Miller and Smith endeavors to satisfy the conditions precedent to the development of Roseland. Miller and Smith has had preliminary discussions with Chesterfield County in an effort to shorten as much as possible the amount of time needed to procure necessary modifications of the relevant proffers and zoning conditions and to complete the required initial engineering work. The collateral for each secured creditor is raw land. Raw land does not waste over time, and presumably the land will not incur damage (such as timber harvest) during the Interim Period. Miller and Smith will also absorb the cost of real estate taxes accruing for each secured creditor during the Interim Period, so that holders of Allowed Secured Claims do not incur any additional financial losses as a result of the accrual of taxes during the Interim Period. For these reasons, Miller and Smith believes that the Plan is feasible, and that no further reorganization or liquidation will be necessary.

E. Confirmation Hearing.

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of the Plan (the "Confirmation Hearing"). Section 1128(b) provides that any party in interest may object to confirmation of a plan.

A CONFIRMATION HEARING HAS BEEN SCHEDULED FOR JULY 8, 2013, AT 10:00 A.M., LOCAL TIME, IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA, RICHMOND DIVISION, 701 EAST BROAD STREET, SUITE 4000, RICHMOND, VIRGINIA 23219. IF NOT CONCLUDED ON THAT DATE, THE CONFIRMATION HEARING WILL RESUME ON JULY 10, 2013 AT 3:00 P.M., LOCAL TIME, AND, IF NECESSARY, ON JULY 15, 2013 AT 10:00 A.M., LOCAL TIME. ANY OBJECTION TO CONFIRMATION MUST BE MADE IN WRITING, FILED WITH THE BANKRUPTCY COURT AND SERVED UPON THE FOLLOWING PARTIES, TOGETHER WITH PROOF OF SERVICE THEREOF, SO AS TO BE ACTUALLY RECEIVED ON OR BEFORE _____ __, 2013 AT 5:00 P.M. LOCAL TIME:

To the Plan Proponent:

Lawrence A. Katz, Esquire
Leach Travell Britt pc
8270 Greensboro Drive, Suite 700
Tysons Corner, VA 22102

To the Office of the United States Trustee:

Judy A. Robbins
Office of the United States Trustee
701 E. Broad Street, Suite 4304
Richmond, VA 23219

UNLESS A WRITTEN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. At the Confirmation Hearing, the Bankruptcy Court must determine whether the requirements of section 1129 of the Bankruptcy Code have been satisfied and, upon demonstration of such compliance, the Bankruptcy Court will enter the Confirmation Order.

XIV. CONCLUSION

Miller and Smith submits that the Plan complies in all respects with chapter 11 of the Bankruptcy Code and that its acceptance would be in the best interests of creditors and Equity Interest holders. Accordingly, Miller and Smith strongly encourage all voting parties to vote in favor of the Plan.

July 2, 2013

Respectfully submitted,

MILLER AND SMITH ADVISORY GROUP, LLC

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