IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF WEST VIRGINIA
(Martinsburg Division)

In re:	*	
FAIRFAX CROSSING LLC, et al.[1]	*	Case No: 10-01362-PMF (Chapter 11)
Debtors	*	(Jointly Administered)

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DISCLOSURE STATEMENT FOR DEBTORS' JOINT PLAN OF REORGANIZATION AND REQUEST FOR SUBSTANTIVE CONSOLIDATION FOR FAIRFAX CROSSING LLC AND FAIRFAX CROSSING II LLC PURSUANT TO CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE

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Dated: April 19, 2011

[1] The Debtors in these Chapter 11 bankruptcy cases are Fairfax Crossing LLC and Fairfax Crossing II LLC (collectively, the "Debtors").

TERMS OF CONSTRUCTION

Capitalized terms used and not otherwise defined in this Disclosure Statement shall have the meaning set forth in the Debtors' Joint Plan of Reorganization and Request for Substantive Consolidation Pursuant to Chapter 11 of the Bankruptcy Code (the "Plan") of Fairfax Crossing LLC ("Fairfax") and Fairfax Crossing II LLC ("Fairfax II"), as debtors and debtors in possession (collectively, the "Debtors"), a copy of which is attached hereto as **Exhibit 1** and is incorporated herein by reference. In the event a capitalized term is not defined therein, then it shall have the meaning given in the Bankruptcy Code or the Bankruptcy Rules. In the event a capitalized term is not defined in the Plan, the Bankruptcy Code, or the Bankruptcy Rules, then it shall have the meaning such term has in ordinary usage, and if one or more meaning for such term exists in ordinary usage, then it shall have the meaning which is most consistent with the purposes of this Disclosure Statement, the Plan, and the Bankruptcy Code. The terms of this Disclosure Statement shall not be construed against any Person but shall be given a reasonable construction, consistent with the purposes hereof and of the Plan and the Bankruptcy Code.

I. Introduction

The Debtors prepared this Disclosure Statement in connection with solicitation of votes for acceptance of the Plan. This Disclosure Statement is intended to provide adequate information of a kind, and in sufficient detail, to enable the Debtors' Creditors to make an informed judgment about the Plan, including whether to accept or reject the Plan.

As described more fully herein, the Debtors assert that the Plan is in the best interests of all Creditors and the Estate and urges the Holders of Impaired Claims entitled to vote to accept the Plan and to evidence such acceptance by properly voting and timely returning their Ballots.

The Disclosure Statement provides the following categories of information:

Section	**Summary of Contents**
I.	Introduction
II.	Background information regarding the Debtors' business and description of the Estates
III.	A summary of events leading to the Bankruptcy Case
IV.	An overview of the Bankruptcy Case
V.	A description of the Plan and the Substantive Consolidation contemplated under therein
VI.	The treatment of Claims against and Equity Interests in the Debtors under the terms of the Plan, a listing of which Classes are entitled to vote to accept or reject the Plan, and means of implementation thereof
VII.	Voting procedures and requirements in the Debtors' Bankruptcy Case
VIII.	Financial Information of the Debtors
IX.	Outline of, among other things, how distributions contemplated under the Plan will be made, how Disputed Claims will be resolved, assumption and rejection of

executory contracts and unexpired leases, the effect of confirmation of the Plan, and administrative matters

X. Discussion of certain risks and other considerations Creditors should be aware of prior to voting

XI. Outline of the procedure for confirming the Plan and discussion of the liquidation analysis of the Debtors

XII. Overview of certain Federal income tax consequences of the Plan

XIII. The Debtors' recommendations and conclusions concerning the Plan

To the extent that the information provided in this Disclosure Statement and the Plan (including any attached exhibits and Plan Supplements) are in conflict, the terms of the Plan (including any attached exhibits and Plan Supplements) will control.

Creditors should refer only to this Disclosure Statement and the Plan to determine whether to vote to accept or reject the Plan.

As discussed more fully in Section XIII below, the Debtors assert that approval of the Plan is indisputably in the best interests of the Debtors' Creditors.

Creditors may request additional copies of this Disclosure Statement from the Debtors' Counsel at the following address:

Lawrence J. Yumkas, Esquire
Logan, Yumkas, Vidmar & Sweeney, LLC
2530 Riva Road, Suite 400
Annapolis, Maryland 21401

Pursuant to the Bankruptcy Code, only Creditors who actually vote on the Plan will be counted for purposes of determining whether the required number of acceptances have been obtained. Failure to deliver a properly completed Ballot by the voting deadline will result in an abstention; consequently, the vote will neither be counted as an acceptance nor rejection of the Plan.

II. Background Information

A. The Debtors' Business and Description of the Estate

Each Debtor is a limited liability company formed under the laws of the State of West Virginia with a principal place of business located at 741 East Washington Street, Charles Town, West Virginia 25414. The Debtors were organized by Terry L. Marcus, Ronald E. "Ron" Marcus, and Christopher "Cricky" Shultz, for the purpose of purchasing, developing and selling real property. Up until Terry's unexpected and untimely death in December 2010, Terry and Cricky managed the day-to-day operations of the Debtors' business. Today Ron and Cricky are each a manager of the Debtors and the membership interests in the Debtors are held by Ron and Cricky. The estate of Terry retains a one-third (1/3) distributional interest in each of the Debtors.

Fairfax is the developer of Lakeland Place at Fairfax Crossing ("Lakeland Place"), a growing community comprised of single family residences and townhomes in Ranson, West Virginia. Fairfax II is a real estate development company that holds title to a 19.1139 acre residential and commercial parcel in Fairfax Crossing and also holds title to an adjoining 31.13

acre parcel which Fairfax plans to develop into a residential community called Lloyd's Landing ("Lloyds Landing").

B. Prepetition Secured Lenders

The Debtors' three (3) prepetition secured Creditors are: (i) Branch Banking & Trust Company, a North Carolina financial institution ("BB&T"), (ii) the Holder of the Turf Guaranty Claim, which is currently GACC as assignee of BB&T, and (iii) Glendwell and Jo Ann Lloyd (the "Lloyds"). As set forth below, each of the prepetition secured lenders asserts a mortgage lien on certain property owned by one or more of the Debtors. No prepetition secured lender asserts a lien on all of the assets and Property comprising the Estates.

1. BB&T Loans.

Fairfax II is indebted to BB&T pursuant to that certain Promissory Note in the stated principal amount of Three Million Dollars ($3,000,000.00), as amended by certain Note Modification Agreements dated July 6, 2006, February 9, 2007, and February 25, 2008, and as further modified by the Forbearance Agreement (the "BB&T $3 Million Loan"). Such indebtedness of Fairfax II is secured by that certain Credit Line Deed of Trust and Forbearance Agreement, dated November 29, 2005 by Fairfax to BB&T recorded with the Clerk of the County Commission of Jefferson County, West Virginia at Book 1501, Page 614, covering certain property in Jefferson County, West Virginia, as more fully described therein, the BB&T Security Agreement, and the UCC Financing Statement filed on July 3, 2006, with the West Virginia Secretary of State.

Fairfax is indebted to BB&T pursuant to that certain Promissory Note, dated June 28, 2006, in the stated principal amount of Seven Million Six Hundred Thousand Dollars ($7,600,000.00), as modified by the Forbearance Agreement (the "BB&T $7.6 Million Loan" and together with the BB&T $3 Million Loan, the "Fairfax Loans"). Such indebtedness of Fairfax is secured by that certain Credit Line Deed of Trust and Security Agreement, dated June 28, 2006 by Fairfax to BB&T recorded with the Clerk of the County Commission of Jefferson County, West Virginia, at Book 1564, Page 567, covering four tracts of land located in Jefferson County, West Virginia, as more fully described therein, the BB&T Security Agreement, and the UCC Financing Statement filed on July 3, 2006, with the West Virginia Secretary of State.

The Fairfax Loans are further secured by a lien on the Turf Motel and Rib Room Restaurant (the "Motel") located on a 4.97 acre parcel of property occupying approximately 2.5 acres with the footprint of the building and leaving approximately 2.5 acres of excess lands fronting along the access road to the Charles Town Races and Slots (collectively, the "Motel Property") pursuant to the terms of the Forbearance Agreement.

2. The Turf Guaranty Claim.

As more fully described hereinbelow and in the Plan, the Debtors pledged the Turf Guaranty Collateral to secure repayment of the Turf Loans pursuant to the terms of the Forbearance Agreement. The Holder of the Turf Notes will retain its prepetition lien on the Turf Guaranty Collateral until such time as the Turf Notes are paid in full unless otherwise agreed to by such Holder and subject to the injunction provisions of the Plan.

3. The Lloyds Loan.

Fairfax II is indebted to the Lloyds pursuant to that certain Note dated January 25, 2006, in the stated principal amount of Two Million Three Hundred Ninety-Seven Four Hundred Dollars ($2,397,400.00), as amended by that certain Modification of Promissory

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Note Agreement, dated February 19, 2009 (the "Lloyds Loan"). The Lloyds Loan is secured by that certain Deed of Trust, dated January 20, 2006, by Fairfax II recorded with the Clerk of the County Commission of Jefferson County, West Virginia, at Book 1516 A, Page 677, covering 37.82 acres of land located in Jefferson County, West Virginia, as more fully described therein.

III. Events Leading to Bankruptcy

On or about March 25, 2009, the Debtors and two affiliates, Turf, LLC ("Turf") and Marcus Enterprises LLC ("Marcus Enterprises" and together with the Debtors and Turf, the "BB&T Borrowers"), as well as Ronald E. Marcus, Christopher B. Shultz, and Terry L. Marcus (collectively, the "BB&T Guarantors") entered into that certain Loan Modification and Forbearance Agreement with BB&T (the "Forbearance Agreement), which, among other things, provided for guarantees and cross-collateralization of certain indebtedness of the BB&T Borrowers to BB&T, some of which was in default at the time. Pursuant to the Forbearance Agreement, the existing collateral securing the BB&T Loans was pledged as additional collateral for the Turf Notes and Fairfax II granted a lien on certain real property as additional security for each of the BB&T Loans and Turf Loans.

With the downturn in the economy and overall real estate market, the Debtors, developers of mixed-use commercial and residential developments, and Marcus Enterprises, a developer and builder of planned residential communities, were not immune to adverse market forces and began to fall behind in their various loan obligations to BB&T.

In October 2009, BB&T sent notices of default based on the failure of the Debtors to sell sixteen (16) Lots as required under the Forbearance Agreement as well as the failure of Marcus Enterprises and Turf to pay property taxes on the properties securing their loans to BB&T. Consequently, BB&T exercised its right to declare all amounts outstanding under all the loan documents to be immediately due and payable. This amount totaled more than Nine Million Seven Hundred Thousand and No/100 Dollars ($9,700,000.00).

On March 31, 2010, BB&T sent notices of default to the Debtors. BB&T accelerated all amounts outstanding under the Fairfax Loans and demanded that Turf pay more than One Million Five Hundred Sixty-Thousand and No/100 Dollars ($1,560,000.00) five (5) days later on April 5, 2010. Unable to meet BB&T's demands, on April 2, 2010, BB&T noticed a sale of foreclosure to occur on the Motel Property on April 30, 2010. In order to stop the foreclosure, Turf filed for relief under Chapter 11 of the Bankruptcy Code, Case No. 10-00970-PMF (the "Turf Bankruptcy Case").

Its collection efforts frustrated by the Turf Bankruptcy Case, BB&T then initiated foreclosure proceedings against the Debtors. In response and in order to preserve the extraordinary going concern value of the Estates, the Debtors filed these jointly administered bankruptcy cases as more fully described below.

IV. The Bankruptcy Case

A. The Bankruptcy Filing

On June 29, 2010 (the "Petition Date"), the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code with the Bankruptcy Court. On June 30, 2010, they filed that certain Motion of the Debtors for an Order Directing Joint Administration of their Related Bankruptcy Cases. On July 1, 2010, the Bankruptcy Court notified the parties that the meeting of Creditors would take place on August 6, 2010, that the last day to file Proofs of Claim (for all Creditors, except Governmental Units) was November 4, 2010, and that the last day to file Proofs of Claim for governmental units was December 27, 2010.

B. Continuation of the Business

After the Petition Date, the Debtors continued to operate their business as a debtor-in-possession under the Bankruptcy Code and continued to develop and sell Real Property. Pursuant to the Bankruptcy Code, the Debtors are required to comply with certain statutory reporting requirements, including the filing of monthly operating reports. The Debtors are current on all reports and fees required by the Bankruptcy Code.

C. Professionals Retained

The Debtors retained certain attorneys, accountants and advisors to assist them in their reorganization under Chapter 11. In connection with the commencement of the Bankruptcy Case, the Debtors sought and obtained Bankruptcy Court approval for the retention of Logan, Yumkas, Vidmar & Sweeney, LLC, as its bankruptcy counsel, and the Law Office of Richard G. Gay, L.C., as its local bankruptcy counsel.

D. Significant Events

Since the Petition Date, the Debtors have renegotiated favorable sale contracts, infrastructure construction contracts and negotiated with its secured Creditors for new payment terms that would permit the Debtors to reorganize their affairs in a feasible manner. The Debtors' efforts resulted in the transactions outlined in the Plan. In addition, the Debtors' have continued to develop, sell and market Real Property.

V. The Plan

A. Overview

In accordance with § 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims have not been classified in the Plan. Administrative Expense Claims will receive distributions as provided by § 1129(a)(9)(A) of the Bankruptcy code and Priority Tax Claims will receive distributions over time as provided by § 1129(a)(9)(C) of the Bankruptcy Code. The Plan provides that Holders of both the Allowed Secured Claims and Unsecured Claims will receive payment equal to one hundred percent (100%) of their Allowed Claims, over time, on the terms set forth below and under the Plan.

The Plan shall be implemented on the Effective Date, and the primary source of the funds necessary to implement the Plan initially will be the Cash of the Reorganized Debtor. At the present time, the Debtors believe that the Reorganized Debtor will have sufficient funds as of the Effective Date to pay in full the expected payments required to be paid on the Effective Date under the Plan, including to the Holders of Allowed Administrative Expense Claims (including Allowed Administrative Expense Claims of Professionals). Cash payments to be made under the Plan after the Effective Date will be derived from (i) the Freeman Proceeds, and (ii) proceeds of the Reorganized Debtor's Real Property sales in excess of amounts necessary to pay transfer taxes, recording fees, realtors' commissions to realtors who are not affiliates of the Reorganized Debtor, fees payable under the Jefferson Asphalt Contract for infrastructure improvements, and other customary settlement charges, as shown in the Projection.

At anytime on and after the Effective Date, the Reorganized Debtor shall be permitted to use any Cash in excess of the Cash required to make the distributions required under the Plan without restriction.

B. Request for and Basis of Substantive Consolidation.

Since the Petition Date, the Debtors have focused on the formulation of one or more plans of reorganization that would allow them to emerge as promptly as practicable from Chapter 11 and preserve their value as a going concern. The Debtors recognize that in the market in which they operate, a lengthy and uncertain Chapter 11 process may detrimentally affect lender and buyer confidence in the Debtors, impair the Debtors' financial condition, and imperil the Debtors' prospects for a successful reorganization. The terms of the Plan are based on, among other things, the Debtors' assessment of their ability to successfully restructure their capitalization, make the distributions contemplated under the Plan, and pay their continuing obligations in the ordinary course of the Reorganized Debtor's business.

In summary, but subject to the more specific details provided herein, the Plan summarized below provides for the reorganization of the Debtors, the emergence of the Debtors from the Bankruptcy Case as the Reorganized Debtor and the treatment of Allowed Claims against the Debtors and Allowed Equity Interests in the Debtors as provided in the Plan. Although the Debtors' Estates are presently being jointly administered for procedural purposes, the Debtors and their respective Estates have not yet been substantively consolidated.

The Plan constitutes a motion by each Debtor to substantively consolidate Fairfax II with and into Fairfax as described in the Plan. If such motion is granted and the Plan is confirmed by the Bankruptcy Court, then, on the Effective Date, the Estates of the Debtors will be consolidated into one Estate as described therein, which will then vest in the Reorganized Debtor on the Effective Date, subject to the terms of the Plan.

C. Management of the Reorganized Debtor

Subject to any requirement of Bankruptcy Court approval pursuant to § 1129(a)(5) of the Bankruptcy Code, as of the Effective Date, the members, distributional interest holder, and managers of Fairfax immediately prior to the Effective Date shall be deemed to be the members, distributional interest holder, and managers of the Reorganized Debtor without any further action by any party. Pursuant to § 1129(a)(5) of the Bankruptcy Code, each of Ronald E. Marcus and Christopher B. Shultz, will continue to hold fifty percent (50%) of the membership interests and a thirty-three and one-third percent (33.33%) distributional interest in the Reorganized Debtor and the estate of Terry L. Marcus will continue to hold a thirty-three and one-third percent (33.33%) distributional interest in the Reorganized Debtor. Each of Ronald E. Marcus and Christopher B. Shultz will be a manager of the Reorganized Debtor.

VI. Treatment of Classified Claims and Equity Interests Under the Plan

A. Classification and Treatment of Claims.

The following table summarizes the treatment of each Class under the Plan. The table also identifies which Classes are entitled to vote on the Plan and the estimated recovery for Holders of Allowed Claims in each Class, pursuant to applicable provisions of the Bankruptcy Code.

Class	Description	Treatment	Entitled to Vote	Type of Recovery
1	Secured Claim of BB&T	Impaired	Yes	100% of Allowed Claim
2	Secured Turf Guaranty Claim	Impaired	Yes	100% of Allowed Claim
3	Secured Claim of Glendwell and Jo Ann Lloyd	Impaired	Yes	100% of Allowed Claim

Class	Description	Treatment	Entitled to Vote	Type of Recovery
4	Unsecured Claim of Perry Engineering	Impaired	Yes	100% of Allowed Claim
5	Unsecured Claims of Unrelated Parties other than Perry Engineering	Impaired	Yes	100% of Allowed Claim
6	Unsecured Claims of Related Parties	Impaired	Yes	100% of Allowed Claim
7	Equity Interests in the Debtors	Unimpaired	No	Retain Equity Interests in Reorganized Debtor

B. Treatment of Classified Claims under the Plan.

1. Class 1: Secured Claim of BB&T.

Class 1 consists of the Secured Claim of BB&T. In complete satisfaction, discharge and release of its Class 1 Claim, the Holder thereof shall retain its first priority Prepetition Lien on the BB&T Collateral and shall receive: (a) quarterly installments interest calculated by reference to the principal balance of the Fairfax Loans outstanding from time to time and a fixed rate of interest equal to five percent (5%) per annum, (b) two (2) quarterly installments of pre-bankruptcy interest, and (c) payment of principal in an amount equal to the Release Price upon each sale of Real Property.

The Reorganized Debtor will commence making the above-described payments as follows:

Description of payment	Date of first payment
Interest	The date that is the last day of the first calendar quarter after the later of the Effective Date or the date the Class 1 Claim is Allowed by a Final Order
Pre-Bankruptcy Interest	The date that is the last day of the first calendar quarter after the later of the Effective Date or the date the Class 1 Claim is Allowed by a Final Order
Principal	At financial closing of each sale of Real Property

The above-described payments of principal and interest shall continue until the earlier to occur of (i) payment in full of the Fairfax Loans, or (ii) December 31, 2012, on which date all unpaid principal, interest and other fees and charges shall be due and payable in full.

Class 1 is Impaired by the Plan and each Holder of a Claim in Class 1 is entitled to vote to accept or reject the Plan.

2. Class 2: Secured Turf Guaranty Claim.

Class 2 consists of the Secured Turf Guaranty Claim. In complete satisfaction, discharge and release of the Allowed Class 2 Secured Turf Guaranty Claim, the

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Holder thereof will retain its prepetition lien on the Turf Guaranty Collateral until such time as the Turf Notes are paid in full unless otherwise agreed to by such Holder and subject to the injunction provisions of this Plan.

Class 2 is Impaired by the Plan and each Holder of a Claim in Class 2 is entitled to vote to accept or reject the Plan.

3. Class 3: Secured Claim of Glendwell and Jo Ann Lloyd.

Class 3 consists of the Secured Claim of Glendwell and Jo Ann Lloyd. In complete satisfaction, discharge and release of its Class 3 Claim: (a) the Holders thereof shall retain their first priority Prepetition Lien on the Lloyds Collateral, and (b) the Lloyds Loan Documents will be amended to reflect the following modified terms: (i) aggregate principal and interest due shall be Two Million Two Hundred Fifty Four Thousand and No/100 Dollars ($2,254,000.00) (i.e., principal in the amount of One Million Seven Hundred Sixty-Seven Thousand Four Hundred and No/100 Dollars ($1,767,400.00) and accrued and future interest of Four Hundred Eighty-Six Thousand Six Hundred and No/100 Dollars ($486,600.00); (ii) such amount will be repaid from the proceeds of lot sales in Lloyds Landing (net of amounts necessary to pay transfer taxes, recording fees, realtors' commissions to realtors who are not affiliates of the Reorganized Debtor, fees payable for infrastructure improvements, and other customary settlement charges); (iii) the Lloyds Release Price with respect to each lot in Lloyds Landing will be payable upon deed transfer to builder; and (iv) such payments shall continue until the earlier to occur of (y) payment in full of the Class 3 Claim, or (z) December 31, 2020, on which date all unpaid principal, interest and other charges shall be due and payable in full.

Class 3 is Impaired by the Plan and each Holder of a Claim in Class 3 is entitled to vote to accept or reject the Plan.

4. Class 4: Unsecured Claim of Perry Engineering.

Class 4 consists of the Unsecured Claim of Perry Engineering. In complete satisfaction, discharge and release of its Class 4 Claim, the Holder thereof shall receive quarterly installments of principal and interest based on an outstanding principal balance of Four Hundred Ninety-Eight Thousand Nine Hundred Forty-Two and 35/100 Dollars ($498,942.35) and accrual of interest thereon at the rate of two percent (2%) per annum, commencing on the date that is the last day of the first calendar quarter after the Class 1 Claim is paid in full. Such payments of shall continue until the payment in full of the Class 4 Claim.

Class 4 is Impaired by the Plan and each Holder of a Claim in Class 4 is entitled to vote to accept or reject the Plan.

5. Class 5: Unsecured Claims of Unrelated Parties other than Perry Engineering.

Class 5 consists of the Unsecured Claims of unrelated Parties other than Perry Engineering. In complete satisfaction, discharge and release of the Class 5 Claim, each Holder thereof shall receive its pro rata share of: (a) one payment of principal in the amount of Eighteen Thousand Two Hundred Six and No/100 Dollars ($18,206) on June 30, 2011, and (b) one payment of principal in the amount of Fifteen Thousand Six Hundred Seven and No/100 Dollars ($15,607) on September 30, 2011.

Class 5 is Impaired by the Plan and each Holder of a Claim in Class 5 is entitled to vote to accept or reject the Plan.

6. Class 6: Related Party Unsecured Claims.

Class 6 consists of all Unsecured Claims of Related Parties. In complete satisfaction, discharge and release of the Class 6 Claims, each Holder of an Allowed Unsecured Claim in Class 6 shall receive quarterly installments of principal and interest based on the full amount of such Holder's Allowed Unsecured Claim and an interest rate of two percent (2%) per annum. Such installments shall be payable commencing on the date that is the last day of the first calendar quarter after the Class 1 Claim is paid in full, and continuing until the full amount of such Allowed Unsecured Claims have been paid in full.

Class 6 is Impaired by the Plan and each Holder of Claim in Class 6 is entitled to vote to accept or reject the Plan.

7. Class 7: Equity Interests.

Class 7 consists of all Equity Interests. On the Effective Date, the legal, equitable and contractual rights of the Holders of the Equity Interests shall be converted into Equity Interests in the Reorganized Debtor.

Class 7 is Unimpaired. As a result, pursuant to § 1126(f) of the Bankruptcy Code, each Holder of an Equity Interest in Class 7 is conclusively deemed to have accepted the Plan and therefore is not entitled to vote to accept or reject the Plan.

C. Means of Implementation.

1. General Overview of the Plan.

The Plan provides for the continued development and sale of Real Property by and through the Reorganized Debtor in accordance with and as set forth in the Plan. If Substantive Consolidation is granted and the Plan is confirmed by the Bankruptcy Court, then, on the Effective Date and except as expressly provided in the Plan, the Property of each of the Estates will be consolidated and will vest in the Reorganized Debtor. The Reorganized Debtor will thereafter manage such Property and implement the terms of the Plan, including making distributions of Cash and Property to Holders of Allowed Claims, as applicable, all as set forth in the Plan. The cash flow projection for the Reorganized Debtor from the Effective Date through December 31, 2016, is **Exhibit 2** hereto (the "Projection").

The Plan provides for Cash payments to Holders of Allowed Claims. At anytime on and after the Effective Date, the Reorganized Debtor shall be permitted to use any Cash in excess of the Cash required to make the distributions required hereunder without restriction.

As shown in the Projection, the primary source of the funds necessary to implement the Plan initially will be the Cash of the Reorganized Debtor. At the present time, the Debtors believe that the Reorganized Debtor will have sufficient funds as of the Effective Date to pay in full the expected payments required to be paid on the Effective Date under the Plan, including to the Holders of Allowed Administrative Expense Claims (including Allowed Administrative Expense Claims of Professionals). Cash payments to be made under the Plan after the Effective Date will be derived from (i) the Freeman Proceeds, and (ii) proceeds of the Reorganized Debtor's Real Property sales in excess of amounts necessary to pay transfer taxes, recording fees, realtors' commissions to realtors who are not affiliates of the Reorganized Debtor, fees payable under the Jefferson Asphalt Contract for infrastructure improvements, and other customary settlement charges, as shown in the Projection.

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2. Effective Date Actions.

Subject to the approval of the Bankruptcy Court, on or as of the Effective Date, the Plan shall be implemented, the Substantive Consolidation of the Debtors shall occur on the terms set forth in § 10.2 of the Plan, and the Reorganized Debtor shall carry out all other obligations and responsibilities required under the Plan, including the execution and delivery of all documentation contemplated by the Plan and the Plan Documents.

3. Vesting of Property of Estate in the Reorganized Debtor.

On the Effective Date, after giving effect to Substantive Consolidation as provided in § 10.2 of the Plan, and except as otherwise expressly provided in the Plan, all Property of the Estates shall vest in the Reorganized Debtor free and clear of any and all Liens, Debts, obligations, Claims, Liabilities, Equity Interests, and all other interests of every kind and nature, and the Confirmation Order shall so provide. As of the Effective Date, the Reorganized Debtor may operate its business and use, acquire, and dispose of its Property, free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and the Confirmation Order. All privileges with respect to the Property of the Estates, including the attorney/client privilege, to which the Debtors are entitled shall automatically vest in, and may be asserted by or waived on behalf of, the Reorganized Debtor.

4. Continued Corporate Existence.

a. As of the Effective Date, Fairfax II shall be substantively consolidated with and into Fairfax. Fairfax shall continue after the Effective Date to exist as a limited liability company, with all of the powers of a limited liability company under the West Virginia Limited Liability Company Act (as amended or supplemented from time to time), without prejudice to any right to terminate such existence (whether by merger, dissolution or otherwise) under applicable law after the Effective Date.

b. By the Effective Date, the Reorganized Debtor shall file any and all corporate or other documents, and shall take all other actions necessary or appropriate to effect the Substantive Consolidation of Fairfax II with and into Fairfax under the laws of the State of West Virginia as provided for in the Plan.

5. Corporate Action.

All matters provided for under the Plan involving the corporate structure of the Debtors or the Reorganized Debtor, or any corporate action to be taken by or required of the Debtors or the Reorganized Debtor, shall, as of the Effective Date, be deemed to have occurred and be effective as provided herein, and shall be authorized and approved in all respects without any requirement for further action by the members or managers of the Debtors or the Reorganized Debtor.

6. Members and Managers of the Reorganized Debtor.

a. Subject to any requirement of Bankruptcy Court approval pursuant to § 1129(a)(5) of the Bankruptcy Code, as of the Effective Date, the members, distributional interest holder, and managers of Fairfax immediately prior to the Effective Date shall be deemed to be the members, distributional interest holder, and managers of the Reorganized Debtor without any further action by any party. Pursuant to § 1129(a)(5) of the Bankruptcy Code, the Debtors have disclosed herein, the identity and affiliation of any individuals proposed to serve as the managers of the Reorganized Debtor.

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b. On and after the Effective Date, the operations of the Reorganized Debtor shall continue to be the responsibility of its managers, unless otherwise set forth in the applicable existing organizational or operational documents of Fairfax. Each manager of the Reorganized Debtor shall serve from and after the Effective Date until his or her successor is duly elected or appointed and qualified or until his or her earlier death, resignation or removal in accordance with the articles of organization, operating agreement or other applicable organizational documents of the Reorganized Debtor.

c. From and after the Confirmation Date, the members and managers, as applicable, of the Debtors and the Reorganized Debtor, as the case may be, shall have all powers accorded by law to put into effect and carry out the Plan and the Confirmation Order.

7. Effectuating Documents; Further Transactions.

Prior to the Effective Date, each member, manager, or other officer of the Debtors (and, on and after the Effective Date, each member, manager or other officer of the Reorganized Debtor) shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, mortgages, and other agreements or documents, and take such actions as may be necessary or appropriate, to effectuate and further evidence the terms and conditions of the Plan or to otherwise comply with applicable law.

8. Exclusivity Period.

The Debtors will retain the exclusive right to amend or modify the Plan, and to solicit acceptances of any amendments to or modifications of the Plan, through and until the Effective Date.

VII. Voting Procedures and Requirements

Please refer to information provided with the Ballot in the Solicitation Package sent to you by the Debtors' Counsel for further detailed voting instructions. Only Impaired Classes of Claims, which are expected to receive recovery above zero percent (0%) or where the Class' percentage of recovery is not yet designated, are entitled to vote. Please refer to Article VI herein for estimated percentages of recovery for each Impaired Class. If the Claim or Claims you hold are not in one of those Classes, you are not entitled to vote and, thus you will not receive a Ballot from the Debtors' Counsel. Holders of Claims that are entitled to vote should read the Ballot provided by the Debtors' Counsel and follow the accompanying instructions carefully.

ANY QUESTIONS CONCERNING THE BALLOT OR ANY OTHER CONTENTS OF THE SOLICITATION PACKAGE SHOULD BE DIRECTED TO THE DEBTORS' COUNSEL AT (410) 571-2780 OR VIA EMAIL AT LYUMKAS@LOGANYUMKAS.COM.

A. Vote Required for Acceptance by a Class.

A Class of Claims entitled to vote to accept or reject the Plan shall be deemed to accept the Plan if the Holders of Claims in such voting Class that hold at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Claims that vote in such Class vote to accept the Plan. A Class of Equity Interests is deemed to accept the Plan if the Plan has been accepted by Holders of at least two-thirds (2/3) of the amount of the allowed Equity Interests held by Holders of such Equity Interests who vote in such Class.

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B. Classes Entitled to Vote.

Pursuant to § 1126 of the Bankruptcy Code, each Impaired Class of Claims or Equity Interests that will receive a distribution pursuant to the Plan may vote separately to accept or reject the Plan. Each Holder of an Allowed Claim in such an Impaired Class as of the date of the final hearing on this Disclosure Statement (the "Voting Record Date") shall receive a Ballot and may cast a vote to accept or reject the Plan.

C. Classes Not Entitled to Vote.

The following Holders of Claims are not entitled to vote: if, as of the Voting Record Date, the Claim (a) has been disallowed, (b) is the subject of a pending objection, or (c) was listed on the Debtors' Schedules as unliquidated, contingent or disputed and a Proof of Claim was not filed or was filed for an unliquidated, contingent or disputed claim, unless on or before the Voting Record Date the Bankruptcy Court enters a Final Order directing otherwise. However, if a Claim is disallowed in part, the Holder shall be entitled to vote the Allowed portion of the Claim.

D. Voting Procedures.

The Debtors' Counsel will facilitate the solicitation and voting process. If you have any questions regarding voting procedures and your eligibility to vote to accept or reject the Plan or if you need additional copies of documents included in the Solicitation Package, please contact the Debtors' Counsel at the below mailing address, phone number, and email address:

By regular mail, messenger or overnight delivery: Lawrence J. Yumkas Logan, Yumkas, Vidmar & Sweeney, LLC 2530 Riva Road, Suite 400 Annapolis, Maryland 21401

BALLOTS CAST BY HOLDERS OF CLAIMS AND/OR EQUITY INTERESTS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN MUST BE ACTUALLY RECEIVED BY THE DEBTORS' COUNSEL AT THE ABOVE ADDRESS BY THE VOTING DEADLINE. THE DEBTORS RESERVE THE RIGHT TO DECIDE WHETHER OR NOT TO COUNT BALLOTS RECEIVED BY THE DEBTORS' COUNSEL AFTER THE VOTING DEADLINE.

If a Ballot is damaged or lost, you may contact the Debtors' Counsel to request another Ballot. Any Ballot received by the Debtors' Counsel which does not indicate an acceptance or rejection of the Plan will not be counted.

VIII. Financial Information

The Debtors' financial performance since the Petition Date has been fully and timely disclosed in detail in their filed Monthly Operating Reports. Each such report may be viewed in the electronic records of the Bankruptcy Case as maintained by the Bankruptcy Court.

IX. Other Plan Components

A. Distribution Procedures.

Only Allowed Claims and Equity Interests may receive distributions under and in accordance with the Plan.

1. Allocation of Distributions.

Except as otherwise provided in the Plan, distributions to any Holder of an Allowed Claim shall be allocated first to the principal portion of any such Allowed Claim, and, only after the principal portion of any such Allowed Claim is satisfied in full, to any portion of such Allowed Claim comprising interest or other charges (but solely to the extent that such interest or other charges are an allowable portion of such Allowed Claim). All payments shall be made in accordance with the priorities established by the Bankruptcy Code.

2. Delivery of Distributions and Undeliverable Distributions.

Distributions to Holders of Allowed Claims shall be made at the address of each such Holder as set forth on the Schedules filed with the Bankruptcy Court unless superseded by the address as set forth on the Proofs of Claim filed by such Holders or other writing notifying the Reorganized Debtor of a change of address. If any Holder's distribution is returned as undeliverable, no further distributions to such Holder shall be made unless and until the Reorganized Debtor is notified of such Holder's then-current address, at which time all missed distributions shall be made to such Holder, without interest from the date of the first attempted distribution. All Claims for undeliverable distributions shall be made on or before sixty (60) days after the date such undeliverable distribution was initially made. After such date, all unclaimed property shall, in the discretion of the Reorganized Debtor, be used to satisfy the costs of administering and fully consummating the Plan, to the extent such costs would otherwise be paid from available Cash, or become available Cash for distribution in accordance with the Plan, and the Holder of any such Claim shall not be entitled to any other or further distribution under the Plan on account of such Claim.

3. Time Bar for Check Payments.

Checks issued by the Reorganized Debtor in respect of Allowed Claims shall be null and void if not negotiated within sixty (60) days after the date of issuance thereof. Requests for reissuance of any check shall be made to the Reorganized Debtor by the Holder of the Allowed Claim to whom such check originally was issued. Any claim in respect of such a voided check shall be made on or before thirty (30) days after the expiration of the sixty (60) day period following the date of issuance of such check. After such date, all funds held on account of such voided check shall, in the discretion of the Reorganized Debtor, be used to satisfy the costs of administering and fully consummating the Plan, to the extent such costs would otherwise be paid from available Cash, or become available Cash for distribution in accordance with the Plan, and the Holder of any such Claims shall not be entitled to any other or further distribution under the Plan on account of such Claim.

4. Setoffs.

The Reorganized Debtor may, in accordance with § 553 of the Bankruptcy Code and applicable non-bankruptcy law, setoff against any Allowed Claim and the distributions to be made pursuant to this Plan on account of such Claim (before any distribution is made on account of such Claim), the claims, rights and causes of action of any nature that the Reorganized Debtor may hold against the Holder of such Allowed Claim; provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Reorganized Debtor of any such claims, rights and causes of action that the Reorganized Debtor may possess against such Holder. The Reorganized Debtor shall have the exclusive right and authority to settle claims and recognize setoff rights.

B. Treatment of Disputed Claims.

1. No Distribution Pending Allowance.

Notwithstanding any other provision of the Plan, no payments shall be distributed under the Plan on account of any Disputed Claim unless and until such Claim becomes an Allowed Claim.

2. Resolution of Disputed Claims or Equity Interests.

Notwithstanding any other provision of the Plan to the contrary, after the Confirmation Date, unless otherwise ordered by the Bankruptcy Court after notice and a hearing, parties in interest shall have the right (except as to applications for allowances of compensation and reimbursement of expenses under §§ 330 and 503 of the Bankruptcy Code, and except as to any objections which have been filed prior to the Confirmation Date by any party) to make and file objections to Claims and shall serve a copy of each objection upon the Holder of the Claim to which the objection is made as soon as practicable, but in no event later than forty-five (45) days after the Confirmation Date. From and after the Confirmation Date, all objections shall be litigated to a Final Order except to the extent the Reorganized Debtor elects to withdraw any such objection or the Reorganized Debtor and the claimant elect to compromise, settle or otherwise resolve any such objection, in which event they may settle, compromise or otherwise resolve any Disputed Claim for an amount of Ten Thousand and No/100 Dollars ($10,000.00) or more subject to approval of the Bankruptcy Court and for amounts of Nine Thousand Nine Hundred Ninety-Nine and 99/100 Dollars ($9,999.99) or less without approval of the Bankruptcy Court.

3. Estimation.

The Reorganized Debtor may, at any time, request that the Bankruptcy Court estimate any Disputed Claim pursuant to § 502(c) of the Bankruptcy Code regardless of whether the Debtors or Reorganized Debtor, as applicable, have previously objected to such Claim, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time, including during litigation concerning any objection to such Claim. In the event that the Bankruptcy Court estimates any Disputed Claim, the estimated amount may constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claims, the Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate payment of such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not necessarily exclusive of one another. On and after the Confirmation Date, Claims which have been estimated subsequently may be compromised, settled, withdrawn or otherwise resolved subject to approval by the Bankruptcy Court as provided in the Plan.

4. Reserve Accounts for Disputed Claims or Equity Interests.

On and after the Effective Date, the Reorganized Debtor shall hold in the Disputed Claims Reserve, funds in an aggregate amount sufficient to pay to each Holder of a Disputed Claim the amount that such Holder would have been entitled to receive under the Plan if such Claim had been an Allowed Claim on the Effective Date. Funds withheld and reserved for payments to Holders of Disputed Claims shall be held and deposited by the Reorganized Debtor in one or more segregated interest-bearing reserve accounts, as determined by the Reorganized Debtor, to be used to satisfy such Claims if and when such Disputed Claims become Allowed Claims.

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5. Investment of Disputed Claims Reserve.

The Reorganized Debtor shall be permitted, from time to time, in its sole discretion, to invest all or a portion of the funds in the Disputed Claims Reserve in interest-bearing savings accounts, United States Treasury Bills, interest-bearing certificates of deposit, tax exempt securities or investments permitted by § 345 of the Bankruptcy Code or otherwise authorized by the Bankruptcy Court, using prudent efforts to enhance the rates of interest earned on such funds without inordinate credit risk or interest rate risk. All interest earned on such funds shall be held in the Disputed Claims Reserve and, after satisfaction of any expenses incurred in connection with the maintenance of the Disputed Claims Reserve, including taxes payable on such interest income, if any, shall be transferred out of the Disputed Claims Reserve and, in the discretion of the Reorganized Debtor, be used to satisfy the costs of administering and fully consummating the Plan or become available cash for distribution in accordance with the Plan.

6. Release of Funds from Disputed Claims Reserve.

If at any time or from time to time after the Effective Date, there shall be funds in the Disputed Claims Reserve in an amount in excess of the Reorganized Debtor's maximum remaining payment obligations to the then existing Holders of Disputed Claims under the Plan, such excess funds shall become available to the Reorganized Debtor generally and shall, in the discretion of the Reorganized Debtor be used to satisfy the costs of administering and fully consummating the Plan or become available cash for distribution in accordance with the Plan.

C. Executory Contracts.

1. General Treatment.

Pursuant to § 365 of the Bankruptcy Code, a debtor in possession may assume or reject an executory contract or unexpired lease. A debtor in possession may reject any executory contract or unexpired lease that it has determined, within its exercise of its sound business judgment, would be burdensome to the estate to continue performing under the terms of such executory contract or unexpired lease. It is likewise within a debtor in possession's discretion to assume any executory contract or unexpired lease. If a debtor in possession assumes an executory contract or unexpired lease, the debtor in possession must cure any existing defaults thereunder or provide adequate assurance that it will promptly cure any defaults.

2. Assumption and Rejection of Executory Contracts.

As of the Effective Date and pursuant to the Confirmation Order, the Debtor shall assume the Freeman Contract and all other executory contracts and unexpired leases that otherwise have not been assumed or rejected.

3. Insurance Policies.

All of the Debtors' insurance policies and any agreements, documents or instruments relating thereto are treated as executory contracts under the Plan.

4. Jefferson Asphalt Contract.

Pursuant to the Order Modifying Order Authorizing Debtor to Assume as Amended Two Executory Contracts with Dan Ryan Builders, Inc. entered by the Bankruptcy Court on February 24, 2011, Jefferson Asphalt will continue to provide infrastructure-related services pursuant to the Jefferson Asphalt Contract to the Reorganized Debtor and all funds escrowed from Lot sales prior to the Confirmation Date shall be released from escrow and paid to Jefferson Asphalt on the Effective Date or as soon thereafter as reasonably practicable.

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5. Approval of Assumption and Assignment of Executory Contracts.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to § 365 of the Bankruptcy Code, of the assumption of each executory contract assumed pursuant to § 7.1 of the Plan.

D. Discharge, Exculpation from Liability, Release and General Injunction

1. Discharge of Claims.

Except as otherwise expressly provided in the Plan or in the Confirmation Order, the Confirmation Order shall operate as a discharge, pursuant to § 1141(d) of the Bankruptcy Code, to the fullest extent permitted by applicable law, as of the Effective Date, of the Debtors, the Reorganized Debtor, the Estates, or any Guarantor, or any of their respective successors and assigns, or the assets or Property of any of them, from any and all Debts, Liabilities or Claims of any nature whatsoever against the Debtors that arose at any time prior to the Effective Date, including any and all Claims for principal and interest, whether accrued before, on or after the Petition Date. Except as otherwise expressly provided in the Plan or in the Confirmation Order, but without limiting the generality of the foregoing, on the Effective Date, the Debtors, the Reorganized Debtor, the Estates, or any Guarantor, or any of their respective successors and assigns, or the assets or Property of any of them, shall be discharged, to the fullest extent permitted by applicable law, from any Claim or Debt that arose prior to the Effective Date and from any and all Debts of the kind specified in §§ 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not (a) a Proof of Claim based on such Debt was filed pursuant to § 501 of the Bankruptcy Code, (b) a Claim based on such Debt is an Allowed Claim pursuant to § 502 of the Bankruptcy Code, or (c) the Holder of a Claim based on such Debt has voted to accept the Plan. As of the Effective Date, except as otherwise expressly provided in the Plan or in the Confirmation Order, all Persons and Entities, including all Holders of Claims or Equity Interests, shall be forever precluded and permanently enjoined to the fullest extent permitted by applicable law from asserting directly or indirectly against the Debtors, the Reorganized Debtor, the Estates, or any Guarantor, or any of their respective successors and assigns, or the assets or Property of any of them, any other or further Claims, Debts, rights, causes of action, remedies, Liabilities or Equity Interests based upon any act, omission, document, instrument, transaction, event, or other activity of any kind or nature that occurred prior to the Effective Date or that occurs in connection with implementation of the Plan, and the Confirmation Order shall contain appropriate injunctive language to that effect. In accordance with the foregoing, except as otherwise expressly provided in the Plan or in the Confirmation Order, the Confirmation Order shall be a judicial determination of the discharge or termination of all such Claims and other Debts and Liabilities against the Debtors, pursuant to §§ 524 and 1141 of the Bankruptcy Code, to the fullest extent permitted by applicable law, and such discharge shall void any judgment obtained against the Debtors, at any time, to the extent that such judgment relates to a discharged or terminated Claim, Liability, Debt or Equity Interest. Notwithstanding the foregoing, Reorganized Debtor shall remain obligated to make payments and distributions to Holders of Allowed Claims as required pursuant to the Plan.

2. Exculpation from Liability.

The Debtors and their respective partners, members and managers, and the Professionals for the Debtors acting in such capacity (collectively, the "Exculpated Parties") shall neither have nor incur any liability whatsoever to any Person or Entity for any act taken or omitted to be taken in good faith in connection with or related to the formulation, preparation, dissemination, implementation, confirmation, or consummation of the Plan, the Disclosure Statement, any Plan Document, or any contract, instrument, release, or other agreement or document created or entered into, or any other act taken or omitted to be taken, in connection with the Plan or the Bankruptcy Case, in each case for the period on and after the Petition Date;

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provided, however, that this exculpation from liability provision shall not be applicable to any liability found by a court of competent jurisdiction to have resulted from fraud or the willful misconduct or gross negligence of any such party. The rights granted under this § 12.2 are cumulative with (and not restrictive of) any and all rights, remedies, and benefits that the Exculpated Parties have or obtain pursuant to any provision of the Bankruptcy Code or other applicable law. This exculpation from liability provision is an integral part of the Plan and is essential to its implementation.

3. General Injunction.

Pursuant to §§ 105, 1123, 1129 and 1141 of the Bankruptcy Code, in order to preserve and implement the various transactions contemplated by and provided for in the Plan, as of the Confirmation Date, except as otherwise expressly provided in the Plan or in the Confirmation Order, all Persons or Entities that have held, currently hold or may hold a Claim, Debt, Liability or Equity Interest that is discharged or terminated pursuant to the terms of the Plan are and shall be permanently enjoined and forever barred to the fullest extent permitted by law from taking any of the following actions on account of any such discharged or terminated Claims, Debts, Liabilities, or Equity Interests, other than actions brought to enforce any rights or obligations under the Plan or the Plan Documents: (a) commencing or continuing in any manner, directly or indirectly, any action or other proceeding (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Debtors, the Reorganized Debtor, the Estates, or any Guarantor, or any of their respective successors and assigns, or the assets or Property of any of them; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors, the Reorganized Debtor, the Estates, or any Guarantor, or any of their respective successors and assigns, or the assets or Property of any of them; (c) creating, perfecting or enforcing any Lien or encumbrance against the Debtors, the Reorganized Debtor, the Estates, or any Guarantor, or any of their respective successors and assigns, or the assets or Property of any of them; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors, the Reorganized Debtor, the Estates, or any Guarantor, or any of their respective successors and assigns, or the assets or Property of any of them; (e) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order; or (f) interfering with or in any manner whatsoever disturbing the rights and remedies of the Debtors, the Reorganized Debtor, the Estates, or any Guarantor, or any of their respective successors and assigns, or the assets or Property of any of them, under the Plan and the Plan Documents and the other documents executed in connection therewith. The Debtors, the Reorganized Debtor and any Guarantor shall have the right to independently seek enforcement of this general injunction provision. This general injunction provision is an integral part of the Plan and is essential to its implementation.

4. Term of Certain Injunctions and Automatic Stay.

a. All injunctions or automatic stays for the benefit of the Debtors pursuant to §§ 105, 362 or other applicable provisions of the Bankruptcy Code, or otherwise provided for in the Bankruptcy Case, and in existence on the Confirmation Date, shall remain in full force and effect following the Confirmation Date, unless otherwise ordered by the Bankruptcy Court.

b. With respect to all lawsuits pending in courts in any jurisdiction (other than the Bankruptcy Court) that seek to establish the Debtors' liability on Prepetition Claims asserted therein and that are stayed pursuant to § 362 of the Bankruptcy Code, such lawsuits shall be deemed dismissed as of the Effective Date, unless the Reorganized Debtor affirmatively elects to have such liability established by such other courts, and any pending motions seeking relief from the automatic stay for purposes of continuing any such lawsuits in such other courts shall be deemed denied as of the Effective Date, and the automatic stay shall

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continue in effect, unless the Reorganized Debtor affirmatively elects to have the automatic stay lifted and to have such liability established by such other courts; and the Prepetition Claims at issue in such lawsuits shall be determined and either Allowed or disallowed in whole or part by the Bankruptcy Court pursuant to the applicable provisions of the Plan, unless otherwise elected by the Reorganized Debtor as provided therein.

c. All lawsuits pending in courts in any jurisdiction (other than the Bankruptcy Court) that seek to establish liability of the Debtors and/or one or more Guarantors on Prepetition Claims asserted therein shall be deemed dismissed as of the Effective Date. After the Effective Date, the Guarantors shall guarantee the Reorganized Debtor's obligations to the Holder of the Class 1 Claim arising from the Confirmation Order. Any party benefitting from a guaranty of the BB&T Loans or the Turf Loans shall be stayed from instituting or continuing any collection activity at any time arising from or related to the default or defaults arising prior to the Confirmation Date. This provision shall not prejudice any collection activities arising from or related to the Guarantors' guaranty obligations to the Holders of Allowed Class 1 and Class 2 Claims for defaults arising after the Effective Date.

5. Liability for Tax Claims.

Unless a taxing Governmental Unit has asserted a Claim against the Debtors before the Bar Date established therefor, no Claim of such Governmental Unit shall be Allowed against the Debtors, the Reorganized Debtor or their respective members, managers or other officers, employees or agents for taxes, penalties, interest, additions to tax or other charges arising out of (i) the failure, if any, of the Debtors, any of their Affiliates, or any other Person or Entity to have paid tax or to have filed any tax return (including any income tax return or franchise tax return) in or for any prior year or period, or (ii) an audit of any return for a period before the Petition Date.

6. Regulatory or Enforcement Actions.

Nothing in this Plan shall restrict any federal government regulatory agency from pursuing any regulatory or police enforcement action against the Debtors, the Reorganized Debtor, or their respective successors or assigns, but only to the extent not prohibited by the automatic stay of § 362 of the Bankruptcy Code or discharged or enjoined pursuant to §§ 524 or 1141(d) of the Bankruptcy Code.

E. Administrative Provisions.

1. Retention of Jurisdiction.

Unless otherwise provided by a prior Order in the Bankruptcy Case, the Bankruptcy Court shall retain exclusive jurisdiction of all matters arising under, arising out of, or related to, the Bankruptcy Case and the Plan pursuant to, and for the purposes of §§ 105(a) and 1142 of the Bankruptcy Code and for, among other things the following purposes until such time as the Debtors' or Reorganized Debtor's obligations, respectively, under the Plan are fully discharged:

a. To hear and determine any motions for the assumption or rejection of Executory Contracts, and the allowance of any Claims resulting therefrom;

b. To determine any and all pending adversary proceedings, applications and contested matters;

c. To hear and determine any objection to any Claims or Equity Interests;

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d. To liquidate or estimate damages or determine the manner and time for such liquidation or estimation in connection with any contingent or unliquidated Claim;

e. To adjudicate all Claims to any lien on any of the Debtors' assets or any proceeds thereof;

f. To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated, and/or if the Effective Date never occurs;

g. To issue such orders in aid of execution of the Plan to the extent authorized by § 1142 of the Bankruptcy Code;

h. To consider any modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

i. To hear and determine all applications for compensation and reimbursement of expenses of Professionals under §§ 330, 331 and 503(b) of the Bankruptcy Code;

j. To enforce and interpret the Plan and to hear and determine any dispute or any other matter arising out of or related to the Plan;

k. To recover all assets of the Debtors and Property of the Estates, wherever located;

l. To hear and determine matters concerning state, local and federal taxes in accordance with §§ 346, 505 and 1146 of the Bankruptcy Code;

m. To enforce and interpret the discharge of Claims and Equity Interests affected by the Plan and to enter and implement such orders as may be appropriate with regard thereto;

n. To hear any other matter consistent with the provisions of the Bankruptcy Code;

o. To enter a final decree closing the Bankruptcy Case; and

p. To enter an order on the motion for Substantive Consolidation;

q. To hear and determine such other issues as the Court deems necessary and reasonable to carry out the intent and purposes of the Plan.

2. Governing Law.

Except to the extent the Bankruptcy Code or Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the United States of America and, when applicable, the State of West Virginia, without giving effect to the principles of conflicts of law thereof.

3. Modification of the Plan.

The Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan at any time prior to the entry of the Confirmation

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Order. After the entry of the Confirmation Order, the Reorganized Debtor may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with § 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan. A Holder of an Allowed Claim or Equity Interest that is deemed to have accepted the Plan shall be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim or Equity Interest of such Holder.

4. Revocation or Withdrawal of the Plan.

The Debtors may withdraw or revoke the Plan at any time prior to the Confirmation Date. If the Debtors withdraw or revoke the Plan prior to the Confirmation Date Deadline or if the Confirmation Date does not occur, then the Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claim by or against the Debtors or any other Person or to prejudice in any manner the rights of the Debtors or any other Person in any further proceedings involving the Debtors.

5. Cram Down.

The Debtors may utilize the provisions of § 1129(b) of the Bankruptcy Code to satisfy the requirements for confirmation of the Plan over the rejection, if any, of any Class entitled to vote to accept or reject the Plan.

6. Exemption from Certain Transfer Taxes.

Pursuant to § 1146(a) of the Bankruptcy Code, any issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer under a plan of reorganization, which is ultimately confirmed, is not taxable under any law imposing a stamp or similar tax. Moreover, any transfer of assets from the Debtors to any other entity (including the contemplated transfer of real property pursuant to the Plan) in accordance with, in contemplation of, or in connection with the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local government officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment pursuant to § 1146(a) of the Bankruptcy Code.

7. Binding Effect of Plan.

Upon the occurrence of the Effective Date, the terms of the Plan shall be immediately effective and enforceable and deemed binding upon the Reorganized Debtor and any and all Holders of Claims and Equity Interests (irrespective of whether any such Holders of Claims and Equity Interests failed to vote to accept or reject the Plan, voted to accept or reject the Plan, or are deemed to accept or reject the Plan), all entities that are parties to or are subject to the settlements, compromises, releases, exculpations, discharges, and injunctions described in the Plan, each entity acquiring or retaining property under the Plan, and any and all non-Debtor parties to Executory Contracts and unexpired leases with the Debtors.

8. Dissolution of Statutory Committees.

Except with respect to the prosecution of fee applications, any committees appointed pursuant to § 1102 of the Bankruptcy Code in the Bankruptcy Case shall dissolve on the Effective Date.

9. Time.

Bankruptcy Rule 9006 shall apply to all computations of time periods prescribed or allowed by the Plan unless otherwise set forth in the Plan or provided by the Bankruptcy Court.

X. Risks and Considerations

A. Bankruptcy Considerations.

The Plan includes several compromises among the Debtors and their Creditors. If the Plan as proposed (especially, the agreed upon allocations) is not adopted, then the aforementioned parties may not support an alternative plan.

Although the Debtors believe that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will confirm the Plan as proposed. Moreover, there can be no assurance that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate the re-solicitation of votes.

The Bankruptcy Court may confirm the Plan if at least one Impaired Class votes to accept the Plan (with such acceptance being determined without including the vote of any "insider" in such class). As to each Impaired Class that has not accepted the Plan, the Plan may be confirmed if the Bankruptcy Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to these Classes. The Debtors believe that the Plan satisfies these requirements.

XI. Plan Confirmation and Consummation

A. Confirmation Hearing.

Bankruptcy Code § 1128(a) requires the Bankruptcy Court, after appropriate notice, to hold a hearing on confirmation of a Plan. On, or as promptly as practicable after the filing of the Plan and this Disclosure Statement, the Debtors will request pursuant to the requirements of the Bankruptcy Code and the Bankruptcy Rules, that the Bankruptcy Court schedule the Confirmation Hearing. Notice of the Confirmation Hearing will be provided to all known Creditors, equity holders or their representatives. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any subsequent adjourned Confirmation Hearing.

Pursuant to Bankruptcy Code § 1128(b), any Party in Interest may object to confirmation of a plan of reorganization. Any objection to confirmation of the Plan must be in writing, must conform to the Bankruptcy Rules, must set forth the name of the objector, the nature and amount of Claims or Equity Interests held or asserted by the objector against the particular Debtor or Debtors, the basis for the objection and the specific grounds of the objection, and must be filed with the Bankruptcy Court, with a copy to Chambers, together with proof of service thereof, and served upon (i) the U.S. Trustee's Office; (ii) counsel for Debtor, Lawrence J. Yumkas, Esquire, Logan, Yumkas, Vidmar & Sweeney, LLC, 2530 Riva Road, Suite 400, Annapolis, Maryland 21401; and (iii) such other parties as the Bankruptcy Court may order.

Bankruptcy Rule 9014 governs objections to confirmation of the Plan. **UNLESS AN OBJECTION TO CONFIRMATION OF THE PLAN IS TIMELY SERVED UPON THE PARTIES LISTED ABOVE AND FILED WITH THE BANKRUPTCY COURT, IT**

MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT IN DETERMINING CONFIRMATION OF THE PLAN.

B. Plan Confirmation Requirements Under the Bankruptcy Code.

At the Confirmation Hearing, the Bankruptcy Court will consider the terms of the Plan and determine whether the Plan terms satisfy the requirements set out in § 1129 of the Bankruptcy Code.

C. Plan Consummation.

Upon confirmation of the Plan by the Bankruptcy Court, the Plan will be deemed consummated on the Effective Date. Distributions to Holders of Claims receiving a distribution pursuant to the terms of the Plan will follow consummation of the Plan. Post-confirmation Estate expenses will be paid from funds held or controlled by the Reorganized Debtor.

D. Best Interests Test.

The Bankruptcy Code requires that, with respect to an impaired class of claims or interests, each Holder of an impaired claim or interest in such Class either (i) accept the plan or (ii) receive or retain under the plan property of a value, as of the effective date of the plan, that is not less than the amount (value) such Holder would receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code on the effective date.

The Debtors' costs of a Chapter 7 liquidation would necessarily include fees payable to a trustee in bankruptcy, as well as fees likely to be payable to attorneys, advisors, and other professionals that such a Chapter 7 trustee may engage to carry out its duties under the Bankruptcy Code. Other costs of liquidating the Estates would include the expenses incurred during the Bankruptcy Case and allowed by the Bankruptcy Court in the Chapter 7 case, such as reimbursable compensation for the Debtors' Professionals, including, but not limited to, attorneys, financial advisors, appraisers, and accountants.

The foregoing types of claims, costs, expenses, and fees that may arise in a Chapter 7 liquidation case would be paid in full from the proceeds of the sale of the Debtors' assets before the balance of those sales proceeds would be made available to pay pre-Chapter 11 priority and Unsecured Claims. The Debtors have obtained independent expert opinions about the value of the Debtors' Property as a going concern and in a hypothetical Chapter 7 liquidation. **Exhibit 3** hereto is the going concern valuation of Douglas Wise (the "Going Concern Valuation") which concludes that the Debtor's Property has highest and best use value of Ten Million and No/100 Dollars ($10,000,000.00). **Exhibit 4** hereto is the liquidation valuation of Douglas Wise (the "Liquidation Valuation"), which concludes that before deducting Chapter 7 related type expenses, a Chapter 7 Trustee's sale of the Debtors' Property in its current partially developed condition would only bring a sale price of Six Million and No/100 Dollars ($6,000,000.00).

The liquidation analysis is only an estimation of the probable amount of sales proceeds that may be generated as a result of a hypothetical Chapter 7 liquidation of the Debtors' assets. In conducting this analysis, the Debtors and its Professionals relied on a set of assumptions. These assumptions are described below. The liquidation analysis is not a current fair valuation of the Debtors' assets and should not be considered indicative of the values that may be realized in an actual liquidation.

Debtors assert that the Plan meets the best interests of creditors test because it pays Creditors more (in full) and faster than in a Chapter 7 scenario after considering the Liquidation Valuation and payment of Chapter 7-related fees and expenses.

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E. Liquidation Analysis.

As noted above, because all Holders of Impaired Claims and Equity Interests are receiving one hundred percent (100%) of their Allowed Claims under the Plan, the Debtors believe that such Holders will receive property with a value not less than the value such Holders would receive in a Chapter 7 liquidation of the Debtors' assets.

The Debtors' belief is based primarily on (i) consideration of the effects that a Chapter 7 liquidation would have on the ultimate proceeds available for distribution to Holders of Impaired Claims and Equity Interests, including (a) the increased costs and expenses of a liquidation under Chapter 7 arising from fees payable to a Chapter 7 trustee and professional advisors to the trustee, (b) the erosion in value of assets in a Chapter 7 case in the context of the rapid liquidation required under Chapter 7 and the "forced sale" atmosphere that would prevail, (c) the adverse effects of the Debtors' business as a result of the likely departures of key employees, (d) the substantial increases in claims, (e) the reduction of value associated with a Chapter 7 trustee's operation of the Debtors' business, and (f) the substantial delay in Distributions to the Holders of Impaired Claims and Equity Interests that would likely ensue in a Chapter 7 liquidation; and (ii) the liquidation analysis.

The Debtors believe that any liquidation analysis is speculative; as such an analysis necessarily is premised on assumptions and estimates which are inherently subject to significant uncertainties and contingencies, many of which would be beyond the control of the Debtors. Thus, there can be no assurance as to values that would actually be realized in a Chapter 7 liquidation, nor can there be any assurance that a Bankruptcy Court would accept the Debtors' conclusions or concur with such assumptions in making its determinations under § 1129(a)(7) of the Bankruptcy Code.

If the Debtors were to liquidate under Chapter 7, the Debtors would be forced to cease operations, and a trustee would be appointed to liquidate the Debtors' assets and distribute proceeds of liquidation in accordance with priorities established in the Code to their respective Creditors. From the net proceeds of liquidation, distribution would be made first to Holders of Allowed Secured Claims in each case. If any funds remain after distribution on account of Allowed Secured Claims, distributions would then be made for the payment of Allowed Administrative Claims (including the Chapter 7 trustee's commission, the Chapter 7 trustee's counsel fees, the expenses of maintaining and liquidating the assets of the Debtor, the unpaid expenses of the Bankruptcy Case), and then to Holders of other Allowed Priority Claims under § 507 of the Code. Unsecured Creditors would be entitled to receive distributions on Allowed Claims, but only after payment of Allowed Secured, Administrative and other Priority Claims.

Based on the Liquidation Valuation as applied to the Debtors, the Debtors envision no liquidation scenario in which the Holders of Secured Claims or Unsecured Claims are paid in full. Indeed, if all Claims are allowed as filed, Holders of Unsecured Claims and Equity Interests would realize no return with respect to their Allowed Claims and Equity Interests.

In contrast, under the Plan, Holders of Unsecured Claims are receiving one hundred percent (100%) of their Allowed Claims, plus interest as provided in the Plan. Further, Holders of Equity Interests retain unaltered their legal, equitable and contractual rights.

F. Feasibility.

Pursuant to § 1129(a)(11) of the Bankruptcy Code, a debtor must demonstrate that the bankruptcy court's confirmation of a plan, is not likely to be followed by the liquidation or need for further financial reorganization of the debtor or its successor under the plan, unless such liquidation or reorganization is proposed under the plan. The Debtors assert that their Projection

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is accurate and achievable and demonstrates that the Reorganized Debtor can perform and meet its obligations under the Plan.

G. Section 1129(b).

Section 1129(b) of the Bankruptcy Code provides that the Bankruptcy Court may confirm a plan even if a Class of impaired claims or interests votes to reject the plan if the plan does not unfairly discriminate and is fair and equitable with respect to each impaired Class of claims or interests that has not accepted the plan.

1. No Unfair Discrimination.

The "no unfair discrimination" test requires that the plan not provide for unfair treatment with respect to classes of claims or interests that are of equal priority, but are receiving different treatment under the plan.

2. Fair and Equitable.

The fair and equitable requirement applies to classes of claims of different priority and status, such as secured versus unsecured. The plan satisfies the fair and equitable requirement if no Class of claims receives more than 100% of the allowed amount of the claims in such class. Further, if a Class of claims is considered a dissenting Class ("Dissenting Class"), *i.e.*, a Class of Claims that is deemed to reject the Plan because the required majorities in amount and number of votes is not received from the Class, the following requirements apply:

a. Class of Secured Claims:

Each Holder of an impaired Secured Claim either (i) retains its liens on the subject property, to the extent of the allowed amount of its Secured Claim and receives deferred cash payments having a value, as of the effective date of the plan of at least the allowed amount of such claim, (ii) has the right to credit bid the amount of its claim if its property is sold and retains its liens on the proceeds of the sale (or if sold, on the proceeds thereof) or (iii) receives the "indubitable equivalent" of its allowed Secured Claim.

b. Class of Unsecured Creditors:

Either (i) each Holder of an impaired Unsecured Claim receives or retains under the plan property of a value equal to the amount of its allowed claim or (ii) the Holders of claims and interests that are junior to the claims of the Dissenting Class will not receive any property under the plan.

c. Class of Interests:

Either (i) each interest Holder will receive or retain under the plan property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such stock and (b) the value of the stock, or (ii) the Holders of interests that are junior to the interests of the Dissenting Class will not receive any property under the plan.

The Debtors believe the Plan will satisfy the "fair and equitable" requirement because no Class that is junior to such Class will receive or retain any property on account of the Claims and Equity Interests in such Class without such senior class's consent.

XII. Certain Federal Income Tax Consequences of the Plan

Each Holder of a Claim or Equity Interest should consult its own tax advisor to determine what effect, if any, the treatment afforded its respective Claim or Equity Interest by the Plan may have under federal tax law, state and local tax laws and the laws of any applicable foreign jurisdictions.

No statement in this Disclosure Statement should be construed as legal or tax advice. Neither the Plan proponents nor their Professionals assume any responsibility or liability for the tax consequences the Holder of a Claim or Equity Interest may incur as a result of the treatment afforded its Claim or Equity Interest under the Plan.

The principal income tax consequence for a Creditor relates to its ability to deduct a portion of its Claim in the event the Creditor does not receive full payment of its Allowed Claim. Section 166 of the Internal Revenue Code of 1986, as amended ("IRC") (relating to the deductibility of bad debts) generally provides that:

(a) a totally worthless business bad debt is deductible only in the tax year in which it becomes worthless;

(b) a partially worthless business bad debt is deductible in an amount not in excess of the part charged off on the taxpayer's within the taxable year; and

(c) in the case of a taxpayer other than a corporation, a non-business bad debt which becomes completely worthless during that taxable year is deductible as a short-term capital loss and is subject to the limitations imposed on the deductibility of such losses.

For purposes of IRC section 166, a "non-business bad debt" means a debt other than: (a) one created or acquired in connection with the taxpayer-creditor's trade or business or (b) the loss from the worthlessness of which was incurred during the operation of the taxpayer-creditor's trade or business.

Pursuant to Treas. Reg. § 1.166-2(c), a bankruptcy filing is generally an indication of the worthlessness of at least a part of an unsecured and unperfected debt. In bankruptcy cases, a debt may become worthless before settlement in some instances, and in others, only when a settlement has been reached. In either case, the mere fact that bankruptcy proceedings are terminated in a later year, thereby confirming the conclusion that the debt is worthless, does not authorize the shifting of the deduction under IRC section 166 to such later year. Pursuant to Treas. Reg. § 1.166-1(2)(ii), only the difference between the amount received in distribution of assets of a debtor and the amount of the claim may be deducted under IRC § 166 as a bad debt.

Generally, a taxpayer is entitled to a bad debt deduction with respect to accounts receivable only if the taxpayer has recognized as income the accounts receivable in the year in which the bad debt deduction is claimed or a prior taxable year. Thus, bad debt deductions for worthless or partially worthless accounts receivable are normally available only to accrual method taxpayers. Likewise, worthless debts arising from unpaid wages, salaries, fees, rents and similar items of taxable income are not allowed as a bad debt deduction unless such items have been reported as income in the year for which the deduction as a bad debt is claimed or for a prior taxable year.

Business bad debts deductible under IRC § 166 generally may be deducted using either the specific charge-off method or, if certain requirements are met, the nonaccrual-experience method. Under the specific charge-off method, specific business bad debts that become either partially or totally worthless during the tax year may be deducted in the manner permitted by IRC § 166.

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If a deduction is taken for a bad debt which is recovered in whole or part in a latter tax year, the taxpayer may have to include in gross income the amount recovered, except, under limited circumstances, the amount of the deduction that did not reduce taxes in the year deducted.

XIII. Recommendation and Conclusion

The Debtors assert that the Plan is in the best interests of all Creditors and the Estate and urges the Holders of Impaired Claims entitled to vote to accept the Plan and to evidence such acceptance by properly voting and timely returning their Ballots.

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FAIRFAX CROSSING LLC

Dated: April 19, 2011

By: /s/ Ronald E. Marcus
Name: Ronald E. Marcus
Title: Manager

Dated: April 19, 2011

By: /s/ Christopher B. Shultz
Name: Christopher B. Shultz
Title: Manager

FAIRFAX CROSSING II LLC

Dated: April 19, 2011

By: /s/ Ronald E. Marcus
Name: Ronald E. Marcus
Title: Manager

Dated: April 19, 2011

By: /s/ Christopher B. Shultz
Name: Christopher B. Shultz
Title: Manager

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CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of April 2011, notice of filing of the Disclosure Statement for Debtors' Joint Plan of Reorganization and Request for Substantive Consolidation for Fairfax Crossing LLC and Fairfax Crossing II LLC Pursuant to Chapter 11 of the United States Bankruptcy Code was sent electronically to those parties listed on the docket as being entitled to such electronic notices.

/s/ Lawrence J. Yumkas
Lawrence J. Yumkas