

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF WEST VIRGINIA

In re: GENE CHARLES VALENTINE TRUST, Debtor-in-Possession.	}	Bankruptcy Case No. 5:12-bk-01078 Chapter 11
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DISCLOSURE STATEMENT IN RESPECT OF THE CHAPTER 11 PLAN OF REORGANIZATION PROPOSED BY THE GENE CHARLES VALENTINE TRUST

GENE CHARLES VALENTINE TRUST (HEREINAFTER REFERRED TO AS THE "PLAN PROPONENT" OR "DEBTOR"¹) PROVIDES THIS DISCLOSURE STATEMENT (THE "DISCLOSURE STATEMENT") IN RESPECT OF THE CHAPTER 11 PLAN OF REORGANIZATION PROPOSED BY THE GENE CHARLES VALENTINE TRUST (THE "PLAN"). A TRUE AND CORRECT COPY OF THE PLAN ACCOMPANIES THIS DISCLOSURE STATEMENT AND IS INCORPORATED HEREIN BY REFERENCE IN ITS ENTIRETY.

THE PLAN PROVIDES FOR THE AUCTION OF THE LEASING OF, OR OWNERSHIP RIGHTS TO, CERTAIN OF THE DEBTOR'S SUBSURFACE ASSETS LOCATED UNDERNEATH THE DEBTOR'S PEACE POINT FARMS EQUESTRIAN FACILITY AND ITS SURROUNDING PARCELS ("PEACE POINT SUBSURFACE ASSETS"). TOGETHER WITH CONTRIBUTIONS FROM DEBTOR'S TRUSTEE MR. GENE CHARLES VALENTINE AND TOGETHER WITH INCOME FROM THE DEBTOR'S BUSINESS ENTERPRISES, THE BEST AND HIGHEST BIDDER AT THE AUCTION WILL PROVIDE THE CONSIDERATION SET FORTH IN THE PLAN AND PROVIDE FUNDS FOR PAYMENTS TO CREDITORS AS PROVIDED IN THE PLAN.

THIS IS A SOLICITATION BY THE PLAN PROPONENT ONLY, AND THE REPRESENTATIONS MADE HEREIN ARE THOSE OF THE PLAN PROPONENT. THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECTED TO A CERTIFIED AUDIT.

¹ All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Debtor's Plan, filed simultaneously herewith.

DEBTOR'S EXECUTIVE SUMMARY OF PLAN

This Plan represents substantial compromises and contributions by various parties. In conjunction with filing of this Plan, the Debtor is filing an EXPEDITED MOTION OF DEBTOR FOR THE ENTRY OF AN ORDER AUTHORIZING THE AUCTION OF THE DEBTOR'S PEACE POINT SUBSURFACE ASSETS FREE AND CLEAR OF LIENS AND ENCUMBRANCES PURSUANT TO 11 U.S.C. § § 105, 363 AND FED. R. BANK. P. 6004 (the "Auction Motion", to be filed on 02/08/2013) together with an EXPEDITED MOTION OF THE DEBTOR FOR AN ORDER (A) APPROVING BIDDING PROCEDURES WITH RESPECT TO THE AUCTION OF DEBTOR'S PEACE POINT SUBSURFACE ASSETS, (B) APPROVING THE FORM AND MANNER OF NOTICE OF SALE PROCESS AND TO SET DATE OF APPROVAL HEARING (to be filed on 02/07/2013).

Pursuant to these motions, the Debtor seeks approval of an auction ("Auction") of leasing rights to, or ownership interests in, the oil and gas Peace Point Subsurface Assets to the highest and best bidder. The Debtor proposes to pay a total of \$1 million to its creditor Gulf Coast Bank & Trust Company ("Gulf Coast") from the Auction proceeds in full settlement of Gulf Coast's claims relating to Loan 808 and Loan 860. Remaining Auction proceeds will be used to cure the default on the United States Department of Agriculture ("USDA")'s Loan 807, as well as fund payment of additional Allowed Claims pursuant to this Plan. The USDA will reinstate the maturity of Loan 807 through the Debtor's Plan of Reorganization and retain its Liens on the remaining unsold Peace Point Assets. The Auction shall take place in advance of the Plan Confirmation Hearing in this Chapter 11 Case.

The Debtor will also fund the Plan with contributions from the Debtor's Trustee Mr. Gene Charles Valentine, as well as from income the Debtor's businesses.

The Allowed Administrative Claims presently are estimated to be approximately \$200,000 in total. The Allowed Unsecured Claims presently are estimated to be approximately \$11,430,392. in total. The Debtor intends to pay in full all Allowed Administrative Claims and all Allowed Unsecured Claimants over time.

The Debtor believes that the holders of the Unsecured Claims will receive substantially better treatment under this Plan than in a Chapter 7 liquidation and recommends strongly that all creditors vote to "Accept" this Plan.

Dated: February 7, 2013

1. INTRODUCTION

THIS DISCLOSURE STATEMENT IS PROVIDED TO THE UNITED STATES TRUSTEE, CREDITORS OF THE DEBTOR'S ESTATE AND OTHER PARTIES-IN-INTEREST FOR THE PURPOSE OF SOLICITING ACCEPTANCES TO THE PLAN, WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT AND WHICH IS INCORPORATED HEREIN. THE DEBTOR STRONGLY URGES YOU TO READ THIS DISCLOSURE STATEMENT BECAUSE IT CONTAINS IMPORTANT INFORMATION.

THE DISCLOSURE STATEMENT SUMMARIZES AND ANALYZES THE PLAN. YOU ARE ENCOURAGED TO READ THE PLAN IN FULL AND OBTAIN INDEPENDENT PROFESSIONAL ADVICE IF YOU DEEM IT NECESSARY OR APPROPRIATE.

Unless otherwise indicated herein, defined terms contained in this Disclosure Statement shall have the meaning ascribed in either the Plan or in the Bankruptcy Code (the "Code"). All terms used in this Disclosure Statement that are not defined in the Plan or in the Code, but that are defined in the Federal Rules of Bankruptcy Procedure or the local rules of the Court, shall have the respective meanings assigned to such terms by those rules. All Parties in Interest, therefore, should carefully review the Plan in conjunction with their review of this Disclosure Statement.

THE PLAN PROPONENT BELIEVES THAT THE PLAN IS IN THE BEST INTERESTS OF ALL CREDITORS, INTEREST HOLDERS AND OTHER PARTIES-IN-INTEREST.

The Plan Proponent believes that the Plan represents the best possible alternative to creditors holding Allowed Claims, since it provides for the most effective and efficient means of resolving the Case and because it proposes a distribution to unsecured creditors that the Plan Proponent believes would not be available if the Case was dismissed or converted and the Debtor's Assets liquidated.

2. PURPOSE OF A DISCLOSURE STATEMENT

The purpose of this Disclosure Statement is to provide adequate information to enable creditors to make an informed decision regarding the Plan.

3. CONFIRMATION OF THE PLAN

3.1 Requirements for Confirmation

The requirements for confirmation of a chapter 11 plan of reorganization or liquidation are set forth in Code §1129. The following is a summary of some pertinent requirements:

3.2 Acceptance by Impaired Classes

Each creditor and interest holder must: (i) be in a class of creditors or interest holders which vote to accept or reject a plan of reorganization; (ii) be in a class of creditors or interest holders that is deemed to have accepted the plan of reorganization; or (iii) be in a class of creditors or interest holders deemed to reject a plan of reorganization. Only impaired classes of creditors and interest holders may vote to accept or reject a plan of reorganization. Classes of creditors and interest holders that are not impaired by a plan of reorganization may not vote to accept or reject the plan, since such classes are deemed to accept the treatment afforded such classes under the plan. A class of creditors shall be deemed to have accepted a plan of reorganization if it is accepted by creditors of such class that hold at least two-thirds of the aggregate dollar amount and more than one-half of the number of the allowed claims of creditors of such class that vote to accept or reject the plan. A class of creditors or interest holders shall be

deemed to have rejected a plan if the plan provides that the holders of claims or interests in such classes are not entitled to receive or retain any property under the plan on account of such claims or interests.

3.3 Feasibility

A bankruptcy court is required to find that confirmation of a plan of reorganization is not likely to be followed by the need for further financial reorganization or liquidation of the debtor, unless contemplated by the plan of reorganization. The bankruptcy court must find that a plan addresses a debtor's needs for reorganization and that it is reasonably likely that the parties required to perform under the plan will be able to do so. The bankruptcy court must find only that there is a reasonable likelihood that the plan is feasible, not that consummation of the plan is guaranteed.

3.4 Cramdown

In the event all classes of creditors and interest holders do not vote, or are not deemed, to accept a plan, but at least one class of creditors, impaired by a plan has voted to accept the plan, excluding the accepting votes of insiders, the bankruptcy court may confirm the plan over the non-acceptance of creditors and interest holders, who voted, or are deemed, not to accept the plan. In order for a plan proponent to invoke the "cramdown" provisions of Code §1129(b) at least one class of creditors impaired by the plan of reorganization must vote to accept the plan, excluding the votes of insiders. In addition, in order for the bankruptcy court to confirm a plan over the non-acceptance of a class of creditors or interest holders, the bankruptcy court must find that the plan is fair and equitable and does not unfairly discriminate as to each non-accepting class. In this case, without the affirmative vote of Class 3 (Catholic Financial Life), Class 10 (Jim Davis and Shirley Oakes), and/or Class 14 (Unsecured Creditors) and/or Class 16 (Litigation Settlement Claimants), the Debtor will not be able to satisfy the provisions of Code section 1129(b), as they relate to Class 2 (Gulf Coast) and will not be able to confirm the Plan.

4 PROCEDURE

To confirm a plan of reorganization, the bankruptcy court must hold a hearing to determine, among others things, whether a plan of reorganization satisfies the requirements of confirmation. *The Court has scheduled the Confirmation Hearing for _____, 2013 at _____ .m., prevailing local time. The Confirmation Hearing will be held before the Honorable Patrick M. Flatley at the United States Bankruptcy Court for the Northern District of West Virginia, 1125 Chapline Street, Wheeling, WV 26003. The Confirmation Hearing may be adjourned from time to time without further notice to interested parties by announcement of such adjournment in Court on the date scheduled herein.*

5 OBJECTIONS TO CONFIRMATION

Any creditor or other party-in-interest may object to the confirmation of the Plan and appear at the Confirmation Hearing to pursue such objection. *Any and all objections to confirmation of the Plan must be filed on or before _____, 2013 at 12:00 noon prevailing local time with the Clerk of the Bankruptcy Court, United States Bankruptcy Court for*

the Northern District of West Virginia, 1125 Chapline Street, Wheeling, WV 26003 with a copy served on MAZURKRAEMER BUSINESS LAW, Suite B, 3205 Pennsylvania Avenue, Weirton, West Virginia, 26062, Attention: Salene R. M. Kraemer, Esquire.

6 EFFECT OF CONFIRMATION

Confirmation of the Plan revests title to all of the Assets in the Reorganized Debtor free and clear of all liens, claims, interests and encumbrances, **except as otherwise provided for in the Plan or in the Confirmation Order** and will bind all creditors and Interest Holders to the terms and conditions of the Plan, notwithstanding that a creditor or Interest Holder voted, or is deemed, to reject the Plan, or did not vote to accept or reject the Plan.

7 VOTING ON THE PLAN

7.1 Impaired Classes of Claims or Interests

Pursuant to Code §1126, only those Classes impaired by the Plan may vote to accept or reject the Plan. Classes which are not impaired by the Plan are presumed to vote to accept the Plan and do not have the right to vote to accept or reject the Plan. Classes impaired by the Plan which are not to receive distributions or retain property under the Plan are presumed to reject the Plan and do not have the right to vote on the Plan. Here, Class 1 (United States Department of Agriculture Claim), Class 4 (U.S. Bank); Class 5 (Main Street Bank); Class 6 (First National Bank-Loan 1); Class 7 (First National bank – Loan 2); Class 8 (First National bank – Loan 3); Class 9 (Richard McCreary); Class 11 (Wes Banco); Class 12 (Mark Bergeron); Class 13 (Priority Claims-Non-Tax); Class 15 (Interest Holders) are not impaired under the Plan, are deemed to accept the Plan and therefore are not entitled to vote to accept or reject the Plan. Creditors who are not entitled to vote to accept or who are deemed to reject the Plan are being provided with a copy of this Disclosure Statement for informational purposes only. Class 2 (Gulf Coast Bank), Class 3 (Catholic Financial Life), Class 10 (Jim Davis and Shirley Oakes); Class 14 (Unsecured Creditors); and Class 16 (Litigation Settlement Claimants) are impaired under the Plan and are entitled to vote to accept or reject the Plan.

CLAIMS SUMMARY Gene Charles Valentine Trust Bankr. Case No. 12-1078 (PMF) Bankr. N. D. W.V.		
GCV Trust-Proposed Classes	Creditor Class	Proposed Treatment
Class 1	USDA	Unimpaired
Class 2	Gulf Coast Bank	Impaired
Class 3	Catholic Financial Life	Impaired
Class 4	US Bank	Unimpaired
Class 5	Main Street Bank	Unimpaired
Class 6	First National Bank-Loan 1	Unimpaired
Class 7	First National Bank-Loan 2	Unimpaired
Class 8	First National Bank-Loan 3	Unimpaired
Class 9	Richard McCreary	Unimpaired
Class 10	Jim Davis and Shirley Oakes	Impaired
Class 11	Wes Banco	Unimpaired
Class 12	Mark Bergeron	Unimpaired
Class 13	Priority Claims- Non-Tax Claims	Unimpaired
Class 14	Unsecured Creditors	Impaired
Class 15	Interest Holders	Unimpaired
Class 16	Litigation Settlement Claimants	Impaired
Not Classified	Taxing Authorities	Unimpaired
Not Classified	Administrative Claimants	Unimpaired

7.2 Procedures for Voting

Generally, in order for a vote to be counted, a creditor or Interest Holder would complete, date, sign and properly serve a ballot on the Plan Proponent’s counsel.

7.3 Eligibility

In order to vote to accept or reject a Plan, a creditor must hold an Allowed Claim that is being impaired by the Plan. Except as provided in the Plan, a Claim is Allowed if: (i) it was scheduled by the Debtor in a fixed and liquidated amount and not scheduled as contingent or disputed; (ii) the Holder of such Claim filed and served a Proof of Claim and as to which no objection has been filed or the objection has been resolved by a Final Order and such Claim has been Allowed, in whole or in part; or (iii) such Claim has otherwise been Allowed by a Final Order of the Court or the Plan, or the Holder thereof is otherwise permitted to vote. Creditors holding Claims in more than one Class may vote in each class by casting separate ballots in each

such Class. Creditors, absent some affirmative act constituting a vote, will not be included in the balloting for purposes of accepting or rejecting a plan or for purposes of determining the number of persons voting on the plan.

7.4 Binding Effect

Whether or not a creditor or Interest Holder votes to accept or reject the Plan, all creditors and Interest Holders will be bound by the terms of the Plan if the Plan is confirmed by the Court.

8 SOURCES OF INFORMATION

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN OBTAINED FROM THE DEBTOR'S BOOKS AND RECORDS, SCHEDULES AND STATEMENT OF FINANCIAL AFFAIRS, APPRAISALS OF THE DEBTOR'S REAL PROPERTIES, EXPERT REPORTS, AND OTHER INFORMATION IN THE POSSESSION OF THE DEBTOR. THE INFORMATION CONTAINED HEREIN HAS NOT BEEN INDEPENDENTLY VERIFIED IN EVERY INSTANCE OR SUBJECTED TO A CERTIFIED AUDIT. REASONABLE EFFORTS HAVE BEEN MADE TO PRESENT ACCURATE INFORMATION AND SUCH INFORMATION IS BELIEVED TO BE CORRECT AS OF THE DATE HEREOF. YOU ARE STRONGLY URGED TO CONSULT WITH YOUR FINANCIAL AND LEGAL ADVISORS FULLY TO UNDERSTAND THE PLAN AND DISCLOSURE STATEMENT.

THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS MADE AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFIED, AND DELIVERY OF THIS DISCLOSURE STATEMENT DOES NOT, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS NOT BEEN ANY CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE HEREOF. THIS DISCLOSURE STATEMENT IS INTENDED, AMONG OTHER THINGS, TO SUMMARIZE THE PLAN AND MUST BE READ IN CONJUNCTION WITH THE PLAN. IF ANY CONFLICTS EXIST BETWEEN THE PLAN AND THIS DISCLOSURE STATEMENT, THE TERMS OF THE PLAN SHALL CONTROL.

9 ADDITIONAL INFORMATION

Additional information or clarifications regarding the Plan or this Disclosure Statement may be obtained by contacting MAZURKRAEMER BUSINESS LAW, Suite B, 3205 Pennsylvania Avenue, Weirton, West Virginia, 26062, Attention: Salene R. M. Kraemer, Esquire. Telephone: 304-914.4463, Facsimile: 1-888-718-6752, email: salene@mazurkraemer.com.

10 BACKGROUND

10.1 Introduction; Description of Debtor and Debtor's Assets

Gene Charles Valentine ("Mr. Valentine" or "Trustee") formed the Debtor Gene Charles Valentine Trust pursuant to that certain Declaration of Trust, dated November 26, 1986, as amended by the Thirteenth Amendment to and Complete Restatement of Declaration of Trust,

dated January 5, 2008 (the “Declaration of Trust”). Upon formation, the Trustee contributed, among other things, 100% of his equity in Financial West Investment Group, Inc. (“FWG”) title to an office building in California, and 100% of his equity in Paradox Holdings, Inc. (“Paradox”). Since that time, during the course of the past two and a half decades, The Trustee has transferred numerous properties (both real and personal) as additional contributions to the Trust estate. At the same time, The Trustee has made numerous disbursements of the Trust’s income and principal.

The Debtor estimates that the current aggregate value of its business holdings exceeds at least \$34 million. Among the Debtor’s assets are six (6) commercial buildings, together with surrounding parcels of real property. In addition, the Debtor owns a trailer park, a sewage treatment plant, a cemetery and at least nine (9) additional residential rental properties.

The Debtor directly or indirectly holds substantial interests in the following four (4) business enterprises and Mr. Valentine is integrally involved in the management of each of them: (i) FWG (an active independent broker dealer investment firm); (ii) Peace Point Equestrian Center (a partially active equestrian facility); (iii) Aspen Manor Resort (“Aspen Manor”) (an active event venue and bed and breakfast resort); and (iv) Camden Indemnity Limited (a temporarily dormant, captive insurance company).

In addition to substantial investment in foreign currency, the Trust has extensive subsurface oil, gas and mineral rights (“Subsurface Assets”) underneath numerous parcels of its property near Aspen Manor (the “Aspen Manor Subsurface Assets”) and the Peace Point Equestrian Center (the “Peace Point Subsurface Assets”); the value of such subsurface assets is unknown at this time but is substantial. As to unexpired leases, the Trustee has entered into oral or written agreements for the lease of the residential and commercial properties, for the provision of sewage treatment to various West Virginia residents, and for the leasing of various properties for the drilling and/or extraction of oil and gas. The Debtor is also a party to several unexpired settlement agreements with numerous litigation settlement claimants.

Excluding the \$11 million insider debt owed to Mr. Valentine, the liabilities of the Trust total approximately \$10 million. Gulf Coast Bank & Trust Company (“Gulf Coast”) is one of several mortgage holders listed on the Debtor’s secured creditor schedules. The Trust also owes substantial sums to (i) U.S. Bank National Association, as Trustee for the Registered Holders of Morgan Stanley Capital I Inc., Commercial Pass-Through Certificates, Series 2006-TOP21 (“U.S. Bank”) relating to an office building located in Westlake Village, California, (ii) Catholic Financial Life relating to Aspen Manor, and (iii) Main Street Bank relating to a commercial property in Wheeling, WV.

The Debtor has no trade creditors because most often Aspen Manor, FWG and Peace Point generally contract directly with their trade vendors for the provisions of goods and services; as such, the Debtor did not list the assets or liabilities of any subsidiaries on the Debtor’s schedules, unless the Debtor was a co-debtor on any such debt. With regard to utilities, utility companies required that the Trustee personally open up such accounts.

As unsecured creditors, the Trust listed on its Schedules numerous litigation settlement claimants (“Litigation Settlement Claimants”) to whom The Trustee and the Trust each have

guaranteed payment over a certain period of time; the litigation arose out of actions relating to the affairs of FWG. The Trust also lists certain unpaid professional fees and estimated outstanding taxes owed as unsecured debts, as well as a large unsecured loan extended by the Trustee on a continuing basis to the Trust to fund operating capital and renovation and construction costs.

The Debtor's Schedules and Statement of Financial Affairs were filed on or before September 14, 2012. To assist the reader to further identify the Debtor and its business, the reader is directed to the Debtor's Schedules and Statement of Financial Affairs, as amended (CM/ECF #1, filed on August 9, 2012; CM/ECF # 93, filed on September 14, 2012; CM/ECF# 121 and #122, filed on September 27, 2012; and CM/ECF #273, filed on November 8, 2012) and the websites for Peace Point <http://www.ppec.org> and Aspen Manor <http://www.aspenmanorresort.net> and FWG <http://www.fwg.com>. Any reader may contact Debtor's counsel for a copy of any such documents.

10.2 Events Leading to the Commencement of the Case

The catalyst for filing the Debtor's Chapter 11 Case was an ongoing dispute between the Debtor and Gulf Coast. Pre-Petition, on October 4, 2005, the Debtor, together with Mr. Valentine, and Peace Point Farms Equestrian Facility, LLC ("PPFEF") doing business as "Peace Point Equestrian Center" (as co-borrowers) executed and delivered to Ameribank, Inc., ("Ameribank") predecessor to Gulf Coast, two certain Promissory Notes and Business Loan Agreements in which Ameribank agreed to lend the sum of \$3,900,000 ("Loan No. 807") and \$990,000 ("Loan No. 808) for the purposes of funding relating to the Peace Point Equestrian Center in Bethany, West Virginia. Mr. Valentine, Debtor and PPFEF also subsequently borrowed an additional \$500,000 as a line of credit from Ameribank on September 25, 2006 ("Loan No. 860", together with Loan 807 and 808, the "Gulf Coast Loans").

After the Trust constructed the Peace Point Equestrian Center with the proceeds of the Gulf Coast Loans, unfortunate events transpired:

- Trustee had material management differences with Bethany College, the entity that was to utilize the Peace Point Equestrian Center for an equestrian program that it offered to its students; Bethany College unilaterally walked away from the agreement by which it promised to lease the facility. This dispute is the subject of a pending litigation against the Trust;
- In a frozen credit market, the Trustee sought to refinance the Gulf Coast Loans and entered into an interest rate swap agreement with Wells Fargo Bank; this swap agreement resulted in costly litigation over the swap that was ultimately settled; and
- The Trust and Trustee were named as defendants in litigation relating to a security issued by Trustee affiliate FWG. The Trust and the Trustee were then obligated to make hefty payments to numerous litigation claimants pursuant to the settlement of such action.

Due to these extraordinary events resulting in the Trust (losing or) having to pay additional expenses totaling at least \$280,000 a month, the Debtor was unable to continue making its monthly payments to Gulf Coast. Instead of consummating a workout, Gulf Coast accelerated the full balance of the Gulf Coast Loans, which totaled over \$5 million.

Because of the Debtor's inability to pay the Gulf Coast Loans in full, Gulf Coast initiated a foreclosure action and the Debtor asserted counterclaims. After an unsuccessful mediation, the District Court Judge permitted Gulf Coast to advertise a public auction for the sale of the collateral Peace Point Equestrian Center and its surrounding properties set for August 9, 2012. The Debtor filed its Chapter 11 Case on the morning of August 9, 2012, thereby automatically staying the auction proceedings. The Debtor determined that it would be in the best interest of all parties to effectuate a restructuring of its affairs through a formal bankruptcy reorganization.

10.2.1 Secured Claims on Debtor's Assets

As discussed above, substantially all of the Debtor's Assets are subject to a security interests executed and delivered by the Debtor to various secured creditors pursuant to various secured loan transactions (see **Disclosure Statement Attachment A**, attached hereto):

10.3 Events Following the Petition Date

The Debtor filed for relief under Chapter 11 ("Chapter 11 Case") on August 9, 2012 ("Petition Date") and, with Court approval, engaged the law firms of MAZURKRAEMER BUSINESS LAW and Weir & Partners LLP as its bankruptcy counsel. Four days after the Petition Date, Creditor Gulf Coast Bank filed a motion to dismiss this Chapter 11 Case, which was denied after a two-day evidentiary hearing.

The Debtor has continued to control its affairs as a debtor in possession. The Debtor attended a meeting of creditors presided over by the Office of the United States Trustee. The Court ordered, December 24, 2012, as the Bar Date for claims of creditors. The Debtor has also prosecuted and defended several motions during the Chapter 11 Case, including several that relate to the Debtor's oil & gas assets. The Debtor now proposes this Disclosure Statement and the Plan for consideration by parties in interest. The Debtor is ready, willing and able to move forward in a manner that it believes will be in the best interest of the estate and its creditors.

11. THE PROPOSED REORGANIZATION OF THE DEBTOR

Simultaneously with the filing of this Plan, the Debtor seeks approval of the Auction of leasing rights to, or ownership interests in, the oil and gas Peace Point Subsurface Assets to the highest and best bidder. Together with the Auction proceeds, the Debtor will fund the Plan with contributions from the Debtor's Trustee Mr. Gene Charles Valentine, as well as from income the Debtor's businesses.

Subject to Court approval, the Debtor will otherwise continue to operate following confirmation of the Plan and will make, except as provided herein, in addition to all regularly occurring payments of the expense of the operation of such businesses, payments to its creditors.

12 CLASSIFICATION OF CLAIMS AND INTERESTS

Set forth below is the classification of Claims and Interests and the treatment of such Claims and Interests under the Plan. The Plan Proponent has classified the Claims and Interests in the Plan in accordance with Code §1123. The treatment of Claims and Interests and the consideration to be received by Holders of Allowed Claims pursuant to the Plan will be in full satisfaction, discharge and settlement of such Holder's respective Claims or Interests against the Debtor and the Estate.

Unclassified Claims. Administrative Claims and Priority Tax Claims shall be treated in accordance with the Plan, but are not required to be classified pursuant to Code §1123(a)(1). The following is a statement of the treatment of Unclassified Claims

Allowed Administrative Claims. Each Holder of an Allowed Administrative Claim, including Debtor's counsel and co-counsel and the accountants for the Debtor, shall be paid over time rather than in full on Effective Date. Debtor is not aware of any other Allowed Administrative Claims. However, any such other claims that may exist shall be paid in full on the Effective Date, unless the Holder agrees to different treatment. In the event that any Administrative Claim is a Disputed Claim on the Effective Date, such Claim, or any portion thereof, shall be paid in full in Cash within thirty (30) days after such Claim becomes an Allowed Administrative Claim, unless the Holder of such Allowed Administrative Claim agrees to be treated differently. Such disputed amounts (or amounts pending allowance by the Court) shall be reserved by the Reorganized Debtor until the dispute is resolved.

The estimated aggregate amount of all Allowed Administrative Claims (principally professionals' fees) is expected to be approximately \$200,000 on the Effective Date. Debtor's counsel and co-counsel and accountants for the Debtor each will receive payment over a period of time rather than in full on the Effective Date. If any Holder of an Allowed Administrative Claim does not agree (or withdraws an agreement) to receive payment over time, then such Holder will have to be paid on the Effective Date as required by the Code.

Allowed Priority Tax Claims. The Debtor believes that there are only two Allowed Priority Tax Claims against the Debtor. On Petition Date, the Debtor listed a claim of the Internal Revenue Service ("IRS") in the amount of \$310,000 (the "Allowed IRS Priority Tax Claim"). The IRS did not file a Proof of Claim by the Bar Date. Pursuant to an agreement with the IRS, Mr. Valentine personally shall pay this Allowed Priority Tax Claim in full over a period of time.

On Petition Date, the Debtor also listed a claim of the West Virginia State Tax Department ("WVSTD") in the amount of \$1,000 (the "Allowed WVSTD Priority Tax Claim". The WVSTD did not file a Proof of Claim by the Bar Date. Pursuant to an agreement with the WVSTD, Mr. Valentine personally shall pay this Allowed WVSTD Priority Tax Claim in full over a period of time.

If the reorganized Debtor or Mr. Valentine substantially defaults on the payments of a tax due to the IRS or to the WVSTD under this Plan, the entire tax debt still owed to the IRS shall

become due and payable immediately, and the IRS or the WVSTD may collect these unpaid tax liabilities through their respective administrative collection provisions.

Class 1 (United States Department of Agriculture Secured Claim)

Class 1 consists of the Allowed Secured Claim of the United States Department of Agriculture (“USDA”) under Loan 807 of the Gulf Coast Loans (defined herein) on the Petition Date in the amount of \$3,718,068.27, plus any accrued and unpaid default interest of \$963,986.47 and allowable unreimbursed costs, fees and expenses, and other charges payable under the terms of the documents evidencing the Allowed Secured Claim of the USDA.

The Gulf Coast Loan Documents (Loans 807, 808, and 860)

Pursuant to the Gulf Coast Loan Documents, as defined and described above, on October 4, 2005, the Debtor, together with Mr. Valentine, and Peace Point Farms Equestrian Facility, LLC (“PPFEF”) (as co-borrowers) executed and delivered to Ameribank predecessor to USDA, two certain Promissory Notes and Business Loan Agreements in which Ameribank agreed to lend the sum of \$3,900,000.00 (“Loan No. 807”) with 7.75% variable per annum interest rate until paid in full and the sum of \$990,000 (“Loan No. 808) also with a 7.75% variable per annum interest rate until paid in full, both for the purposes of funding relating to the Peace Point Equestrian Center in Bethany, West Virginia (including mezzanine debt payoff and construction of arena barn and stalls, contingency/working capital, machinery and equipment and fees associated with the loan).

Mr. Valentine, Debtor and PPFEF on September 25, 2006, also subsequently borrowed an additional \$500,000 as a line of credit from Ameribank with a variable per annum interest rate of 9.25% (“Loan No. 860”, together with Loan 807 and 808, the “Gulf Coast Loans”).

Pursuant to the terms of the original Gulf Coast Loans, the terms of Loan 807 and 808 were each for a period of 20 years with interest accruing on annual basis at the variable per annum rate of 7.1% (as of the Petition Date). Loan 860 was for a period of 5 years with a variable per annum interest accruing at 9.25% and was payable upon demand. For Loan 807 the Debtor was to monthly payments in the amount of approximately \$31,697.09. For Loan 808, the Debtor was to make monthly payments in the amount of approximately \$8,310.83.

Loan No. 807 was guaranteed by the USDA, and Ameribank sold and assigned Loan No. 807 to the Federal Agricultural Mortgage Corporation (“Farmer Mac”). The USDA repurchased the Loan No. 807 from Farmer Mac. On or about January, 2010, the USDA then assigned its interest in Loan No. 807 to Gulf Coast as servicer; the USDA remains lender for Loan No. 807. Ameribank was closed on September 19, 2008, and the FDIC was named receiver of the assets including Loan No. 808 and 860. The FDIC offered the notes for sale through The Debt Exchanges, Inc. and Gulf Coast was the successful purchaser and assignee on September 24, 2009 for these Loan Nos. 808 and 860 as well.

The Promissory Notes evidencing Loans 807, 808 and 860 were secured by a Deed of Trust and Fixture Filing, a Commercial Security Agreement, and a Commercial Guaranty Agreement (executed by Mr. Valentine only). Pursuant to the Gulf Coast Loan Documents, the

claims of the USDA and Gulf Coast are secured by a first priority blanket lien upon the Debtor's Peace Point Equestrian Center and its surrounding parcels of land, as well as all collateral types including equipment, inventory, chattel paper, accounts, general intangibles, fixtures, standing timber, deposit accounts as Described in Assignment of Deposit Account, investment property, and mineral, oil, and gas as well as all right, title, and interest in and to all present and future leases of the property and all rents from the property (collectively, the "Peace Point Assets"). Loan No. 807 and 808 are *pari passu* holding first lien position and Loan No. 860 holds a second lien position on such property.

Prior to the Petition Date, pursuant to the Gulf Coast Loan Documents, Gulf Coast and the USDA were entitled to immediate payment of the entire balance due to it by the Debtor due to the Debtor's pre-petition defaults and the maturity of the loan balance. Gulf Coast, on behalf of the USDA as servicer, did not agreed to forbear on its rights pre-Petition Date, and, in fact, unsuccessfully attempted to exercise its right to foreclose on the Peace Point Assets. Interest has continued to accrue Post Petition Date at approximately 7.71% *per annum*-variable rate on Loan 807.

The Debtor scheduled the USDA as holding a contingent, unliquidated, and disputed secured claim against the Debtor's estate in the amount of \$3,900,000. A timely Proof of Claims was filed by Gulf Coast, as servicer, on behalf of USDA and on behalf of itself (assigned Claim #6), asserting a claim against the Debtor's estate in the amount of \$6,673,467, of which \$3,673,467 Gulf Coast asserts is unsecured², with the remaining \$3 million balance being secured. As set forth in Claim #6, Loan 807 for \$3,960,000 had a principal balance of \$3,718,068.27 as of the Petition Date. The Allowed Secured Claim of the USDA was not reduced by post-Petition Date payments made by the Debtor to Gulf Coast for the benefit of the USDA. For the purposes of this Plan, the USDA is deemed to hold an Allowed Secured Claim of \$3,718,068.27 plus any accrued and unpaid default interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the provisions of the Gulf Coast Loan Documents.

PLAN TREATMENT:

The Debtor will cure its pre-Petition defaults of Loan 807 by a Cash Payment of the Effective Date of the all unpaid monthly payments on Loan 807, reinstate the maturity of Loan 807 and all of its terms and conditions as it existed prior to August 2009 subject to the other provision of this Plan, and compensate the USDA for any damages it has incurred as a result of its reasonable reliance on the Gulf Coast Loan Documents regarding Loan 807. The pre-Petition Date Gulf Coast Loan Documents as they relate to Loan 807 are being reaffirmed and amended pursuant to the terms of a Modification of Loan Documents ("Modification") and such other documents executed in connection with the Modification ("Related Documents"), attached to the Plan as Plan Attachment "A". The Gulf Coast Loan Documents (relating to Loan 807 only), Modification and Related Documents are referred to hereinafter collectively as the "Post-Effective Date USDA Loan Documents" and shall govern the relationship between the USDA and the Reorganized Debtor commencing on the Effective Date.

² Gulf Coast assigned a value of \$3,000,000 to the Peace Point Assets at the time that it filed Claim #6.

The Post-Effective Date USDA Loan Documents shall provide, among other things, for USDA to retain (or otherwise obtain) a Lien on substantially all of Debtor's Peace Point Assets to secure the Reorganized Debtor's obligations under the Post-Effective Date USDA Loan Documents. All terms in the Post-Effective Date USDA Loan Documents shall be enforceable notwithstanding (i) their not being expressly set forth within the Plan, or (ii) any inconsistency between the Plan and the Post-Effective Date Loan Documents. Upon payment of the USDA Allowed Secured Claim in full, the USDA shall cause to be recorded a satisfaction piece regarding its Liens on the Peace Point Assets of the Reorganized Debtor as required by applicable non-bankruptcy law and shall mark the Gulf Coast Loan Documents (Loan 807 only) and Post-Effective Date USDA Loan Documents as satisfied.

The USDA Allowed Secured Claim is unimpaired by the Plan and the USDA is not entitled to vote on the Plan.

Class 2 (Gulf Coast Bank & Trust Company Secured Claim)

Class 2 consists of the Allowed Secured Claim of Gulf Coast under Loans 808 and 860 on the Petition Date in the amount of \$1,429,686.78, plus any accrued and unpaid default interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the terms of Loans 808 and 860 of the Gulf Coast Loan Documents described above, evidencing the Allowed Secured Claim of the Gulf Coast.

As set forth above, pursuant to the terms of the original Gulf Coast Loans, the terms of Loan 807 and 808 were each for a period of 20 years with interest accruing on annual basis at the variable per annum rate of 7.1% (as of the Petition Date). Loan 860 was for a period of 5 years with a variable per annum interest accruing at 9.25% and was payable upon demand. For Loan 807 the Debtor was to monthly payments in the amount of approximately \$31,697.09. For Loan 808, the Debtor was to make monthly payments in the amount of approximately \$8,310.83. Loan No. 807 and 808 are *pari passu* holding first lien position and Loan No. 860 holds a second lien position on such property.

Prior to the Petition Date, pursuant to the Gulf Coast Loan Documents, Gulf Coast and the USDA were entitled to immediate payment of the entire balance due to it by the Debtor due to the Debtor's pre-petition defaults and the maturity of the loan balance. Gulf Coast, on behalf of the USDA as servicer, did not agreed to forbear on its rights pre-Petition Date, and, in fact, unsuccessfully attempted to exercise its right to foreclose on the Peace Point Assets. Interest has continued to accrue Post Petition Date at a variable rate of 7.25 % *per annum* on Loans 808 and a variable rate of 9.25 % *per annum* on Loan 860.

The Debtor scheduled Gulf Coast as holding (2) two contingent, unliquidated, and disputed secured claims against the Debtor's estate in the amount of \$500,000 and \$900,000. A timely Proof of Claim was filed by Gulf Coast, as servicer, on behalf of USDA and on behalf of itself (assigned Claim #6) asserting a claim against the Debtor's estate in the amount of \$6,673,467, of which \$3,673,467 Gulf Coast asserts is unsecured³, with the remaining \$3 million balance being secured. As set forth in Claim #6, Loan 808 for \$990,000 had a principal balance

³ Gulf Coast assigned a value of \$3,000,000 to the Peace Point Assets at the time that it filed Claim #6.

of \$929,758.69 as of the Petition Date. Loan 860 for \$500,000 had a principal balance of \$499,928.09 as of the Petition Date.

The Allowed Secured Claim of Gulf Coast was not reduced by post-Petition Date payments made by the Debtor to Gulf Coast for the benefit of the USDA. For the purposes of this Plan, Gulf Coast is deemed to hold an Allowed Secured Claim of \$1,429,686.78 plus any accrued and unpaid default interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the provisions of the Gulf Coast Loan Documents.

PLAN TREATMENT:

The Debtor shall satisfy the Gulf Coast Allowed Secured Claim through the proceeds of the proposed Auction of the leasing or ownership rights of the Debtor's Peace Point Subsurface Assets. A total of \$1 million will be paid to Gulf Coast from the Auction proceeds in full settlement of Gulf Coast's claims relating to Loan 808 and Loan 860; remaining proceeds will be used to cure the default, in whole or in part, on the USDA's Loan 807 and the USDA will reinstate the maturity of Loan 807.

The Gulf Coast Allowed Secured Claim is impaired by the Plan and Gulf Coast is entitled to vote on the Plan.

Class 3 (Catholic Financial Life Secured Claim)

Class 3 consists of the Allowed Secured Claim of Catholic Financial Life ("CFL"). As set forth on the Debtor's Schedules, as of the Petition Date, the Debtor owed \$1,532,924.60 of secured debt to CFL. The Allowed Secured Claim of CFL has been reduced by post-Petition Date payments made by the Debtor to CFL. CFL filed a Proof of Claim (Claim #9) for the secured balance of only \$1,526,259.62 (\$1,523,403.20 principal and \$28,56.42 interest) plus any accrued and unpaid interest and unreimbursed costs, fees and expenses, and other charges payable under the terms of the documents evidencing the Allowed Secured Claim of the Catholic Financial Life.

The CFL Secured Claim arises out of that certain Promissory Note executed by the Debtor on November 29, 2006, as amended January 25, 2012, and delivered to CFL, in which CFL agreed to lend the sum of \$1,900,000.00 ("CFL Loan" and "CFL Loan Documents") for the purposes of funding relating to acquisition and operation of Aspen Manor Resort in Wellsburg, West Virginia. Mr. Valentine is a co-debtor on the CFL Loan.

Pursuant to the terms of the amended CFL Loan Documents, the term of the CFL Loan was for a period of six (6) years with interest accruing on annual basis at the fixed per annum rate of 7.5%. The Debtor has been making monthly payments in the amount of approximately \$10,788.

The CFL Loan was secured by a (1st position) Deed of Trust on the Aspen Manor Resort, its surrounding parcels of land and properties, mineral, improvements, personal property, the Aspen Manor Subsurface Assets, as well as all rents and profits thereof (collectively, the "Aspen Manor Assets"). The estimated value of Aspen Manor Resort and its surrounding parcels, is at

least \$6 million which far exceeds the amount of debt the Debtor's still owes to CFL. This \$6 million amount does not include any value for the oil and gas royalties anticipated to flow from the Aspen Manor oil and gas subsurface assets.

Pursuant to the terms of the CFL Documents, as amended on January 25, 2012, the Debtor was required to pay a fixed 7.5% annual interest rate on the loan balance, to be paid in 10 consecutively month installments of \$10,788 with final payment due on November 29, 2012, consisting of unpaid balance and accrued interest. Pursuant to the CFL Loan Documents and that certain Pipeline Order entered in this Chapter 11 Case (CM/ECF#403, filed on January 8, 2013), the Debtor agrees to pay additional principal payments equal to 75% of any oil and gas lease royalties exceeding \$60,000 per year.

CFL is entitled to the immediate payment of the entire balance due to it by the Debtor due to the maturity of the loan balance and the Debtor's post-petition default of the same. In light of its oversecured status, CFL has not sought relief from the Debtor's automatic stay. Interest has continued to accrue Post Petition Date at approximately 7.5 % *per annum*.

The Debtor scheduled CFL as holding a secured claim against the Debtor's estate in the amount of \$1,532,924.60. The CFL Loan was reduced by post-Petition Date payments made by the Debtor. CFL filed a Proof of Claim (assigned Claim #9), which was later stipulated to be timely, asserting a secured claim in the amount of \$1,526,259.62. For the purposes of this Plan, CFL is deemed to hold an Allowed Secured Claim of \$1,526,259.62, plus any accrued and unpaid default interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the provisions of the CFL Loan Documents.

PLAN TREATMENT:

The Debtor shall reaffirm and amend the CFL Loan Documents pursuant to the terms of a Modification of Loan Documents ("Modification") and such other documents ("Related Documents") executed in connection with the Modification. A copy of the Modification is attached hereto as Plan Attachment "B". The CFL Loan Documents, Modification and Related Documents are referred to hereinafter collectively as the "Post-Effective Date CFL Loan Documents" and shall govern the relationship between CFL and the Reorganized Debtor commencing on the Effective Date.

The Plan and Post-Effective Date CFL Loan Documents provide, among other things, for CFL to retain (or otherwise obtain) a Lien on substantially all of Debtor's Aspen Manor Assets to secure the Reorganized Debtor's obligations under the Post-Effective Date CFL Loan Documents. All terms in the Post-Effective Date CFL Loan Documents shall be enforceable notwithstanding (i) their not being expressly set forth within the Plan, or (ii) any inconsistency between the Plan and the Post-Effective Date Loan Documents.

Upon payment of the CFL Allowed Secured Claim in full, CFL shall cause to be recorded a satisfaction piece regarding its Liens on the Aspen Manor Assets of the Reorganized Debtor as required by applicable non-bankruptcy law and shall mark the CFL Loan Documents and Post-Effective Date CFL Loan Documents as satisfied.

The CFL Allowed Secured Claim is impaired by the Plan and CFL, as holder is entitled to vote on the Plan.

Class 4 (U.S. Bank Secured Claim)

Class 4 consists of the Allowed Secured Claim of U.S. Bank, National Association (“U.S. Bank”), successor in interest to Bank of America, National Association, as successor by merger to LaSalle Bank National Association (“LaSalle”), as Trustee for the Morgan Stanley Capital I Inc., Commercial Mortgage Pass-Through Certificates, Series 2006-TOP21 (the “Morgan Stanley Trust”), in the amount of \$1,811,383.14, plus any accrued and unpaid default interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the terms of the Westlake Loan Documents (defined below) evidencing the Allowed Secured Claim of U.S. Bank.

The Westlake Loan Documents

On or about August 19, 2005, Wells Fargo Bank, National Association (the “Original Lender”) made a loan to the Debtor in the original principal amount of \$1,750,000.00 (the “Westlake Loan”), evidenced by a Promissory Note Secured by Security Interest dated as of August 19, 2005 (the “Westlake Note”) for the purposes of financing an office building, commonly known as 4510 E. Thousand Oaks Blvd., West Lake Village, California (as more particularly described in the Deed of Trust (defined below), the “Westlake Property”). The Debtor owns a 50% undivided interest in the Westlake Property. The John N. Valentine Trust is also a co-debtor for the Westlake Loan.

The term of the Westlake Loan was for a period of ten (10) years with interest accruing on annual basis at the variable rate of 5.47% (as of the Petition Date). The Debtor currently is making monthly payments in the amount of \$9,903.39.

The Westlake Note is secured by, among other things, a Deed of Trust and Absolute Assignment of Rents and Leases and Security Agreement dated as of August 19, 2005 (the “Westlake Deed of Trust”) on the Westlake Property. Pursuant to the Westlake Deed of Trust, the Morgan Stanley Trust holds a valid and perfected first priority lien and security interest in the Westlake Property, which includes all rents, leases, issues, deposits and profits therefrom (the “Westlake Rents”). The Westlake Note, Westlake Deed of Trust and all related loan and security documents shall be collectively referred to herein as the “Westlake Loan Documents.”

The Westlake Note was assigned from the Original Lender to LaSalle, as Trustee for the Morgan Stanley Trust, pursuant to an endorsement to the Note, and then was subsequently assigned to U.S. Bank, as Trustee to the Morgan Stanley Trust, by Bank of America, N.A., as successor-by-merger to LaSalle. The Morgan Stanley Trust is the current holder of and beneficiary under the Westlake Loan Documents. As special servicer for the Morgan Stanley Trust, CIII Asset Management LLC (“CIII”) has full power and authority to service and administer the Westlake Loan on behalf of the Morgan Stanley Trust. Because the Westlake Property has a value of at least \$2,100,000 together with at least \$164,933.94 in cash reserves in

accordance with the terms of the Westlake Loan Documents, the Morgan Stanley Trust is oversecured.

The Debtor scheduled U.S. Bank as holding a secured claim against the Debtor's estate in the amount of \$1,572,452.17. The Westlake Loan was reduced by post-Petition Date payments made by the Debtor to C-III for the benefit of the U.S. Bank. C-III, on behalf of U.S. Bank and the Morgan Stanley Trust, timely filed a Proof of Claim (assigned Claim #8), asserting a secured claim against the Debtor's estate in the amount of \$1,811,383.14. For the purposes of this Plan, U.S. Bank is deemed to hold an Allowed Secured Claim of \$1,811,383.14, plus any accrued and unpaid default interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the provisions of the Westlake Loan Documents.

PLAN TREATMENT:

The Debtor shall pay the U.S. Bank Allowed Secured Claim in its ordinary course according to the terms of the Westlake Loan Documents.

The U.S. Bank Allowed Secured Claim is unimpaired by the Plan and its holder is not entitled to vote on the Plan.

Class 5 (Main Street Bank Secured Claim)

Class 5 consists of the Allowed Secured Claim of Main Street Bank ("MSB") in the amount of \$523,289.54, plus any accrued and unpaid default interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the terms of the MSB Loan Documents (defined below) evidencing the Allowed Secured Claim of MSB Bank.

The MSB Loan Documents

On or about November 1, 2001, MSB made a loan to the Debtor and Mr. Valentine in the original principal amount of \$122,500 plus interest for a 5 year period for the purpose of acquiring a commercial building located at 2478 Oglebay Drive, Wheeling, WV ("Hilltop Property"), as evidenced by a Note and Deed of Trust (dated November 1, 2001). On or about April 17, 2012, MSB refinanced the loan for the original principal amount of \$530,000 as evidenced by a Promissory Note, Commercial Security Agreement, Commercial Loan Agreement, Guaranty (Mr. Valentine only), and Deed of Trust (as refinanced, the "MSB Loan" and the "MSB Loan Documents"). The MSB Loan is secured by first priority lien and security interest in the Hilltop Property, including all accounts, rights to payment, inventory, equipment, deposits therefrom, etc.

The term of the MSB Loan was for a period of approximately (30) years due date of December 17, 2030, with interest accruing on annual basis at the fixed rate of 4.5%. The Debtor currently is making monthly payments in the amount of \$3,520.06.

The Debtor scheduled MSB Bank as holding a secured claim against the Debtor's estate in the amount of \$523,289.54 as of the Petition Date. The MSB Loan was reduced by post-Petition Date payments made by the Debtor to MSB. MSB timely filed a Proof of Claim

(assigned Claim #1), asserting a secured claim against the Debtor's estate in the amount of \$523,289.54. Because the Hilltop Property has a value of at least \$625,000 (as set forth on MSB's Claim #1), MSB is oversecured. For the purposes of this Plan, MSB is deemed to hold an Allowed Secured Claim of \$523,289.54, plus any accrued and unpaid default interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the provisions of the MSB Loan Documents.

PLAN TREATMENT:

The Debtor shall pay the Main Street Bank Allowed Secured Claim in its ordinary course according to the terms of the MSB Loan Documents.

The Main Street Bank Allowed Secured Claim is unimpaired by the Plan and its holder is not entitled to vote on the Plan.

Class 6 (First National Bank Secured Claim-Loan 1)

Class 6 consists of the Allowed Secured Claim of First National Bank ("FNB") in the amount of \$42,159.85, plus any accrued and unpaid interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the terms of the FNB Loan 1 Documents (defined below) evidencing the Allowed Secured Claim of FNB.

The FNB Loan 1 Documents

On or about September 23, 2003, FNB made a loan to the Debtor and Mr. Valentine in the original principal amount of \$61,600 with 6.5% adjustable annual interest for a 20-year period, as evidenced by an Adjustable Note and a Deed of Trust (the "FNB Loan 1" and the "FNB Loan 1 Documents"). The FNB Loan 1 is secured by first priority lien and security interest in a property located at 320 Peace Point Road, Bethany, West Virginia, including all buildings and improvement (the "320 Peace Point Road Property").

In respect of the 320 Peace Point Road Property, the Debtor scheduled FNB as holding a secured claim against the Debtor's estate in the amount of \$44,738.43 as of the Petition Date. The FNB Loan 1 has been reduced by post-Petition Date payments made by the Debtor to FNB. The Debtor currently is making monthly payments on FNB Loan 1 in the amount of \$438.35. FNB timely filed a Proof of Claim (assigned Claim #2), asserting a secured claim against the Debtor's estate in the amount of \$42,159.85; FNB did not assert a value for the 320 Peace Point Road Property. Because the Debtor believes that 320 Peace Point Road Property has a value of at least \$48,120, FNB is oversecured as to FNB Loan 1. For the purposes of this Plan, in respect of FNB Loan 1, FNB is deemed to hold an Allowed Secured Claim of \$42,159.85, plus any accrued and unpaid interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the provisions of the FNB Loan 1 Documents.

PLAN TREATMENT:

In respect of FNB Loan 1, the Debtor shall pay the FNB in its ordinary course according to the terms of the FNB Loan 1 Documents.

The First National Bank Secured Claim-Loan 1 is unimpaired by the Plan and its holder is not entitled to vote on the Plan.

Class 7 (First National Bank Secured Claim-Loan 2)

Class 7 consists of the Allowed Secured Claim of FNB in the amount of \$44,335.90, plus any accrued and unpaid interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the terms of the FNB Loan 2 Documents (defined below) evidencing the Allowed Secured Claim of FNB.

The FNB Loan 2 Documents

On or about May 12, 2004, FNB made a loan to the Debtor and Mr. Valentine in the original principal amount of \$63,840 with 6.0% adjustable annual interest for a 20-year period, as evidenced by an Adjustable Note and a Deed of Trust (the “FNB Loan 2” and the “FNB Loan 2 Documents”). The FNB Loan 2 is secured by first priority lien and security interest in a property located at 250 Peace Point Road, Bethany, West Virginia, including all buildings and improvement (the “250 Peace Point Road Property”).

In respect of the 250 Peace Point Road Property, the Debtor scheduled FNB as holding a secured claim against the Debtor’s estate in the amount of \$44,738.43 as of the Petition Date. The FNB Loan 2 has been reduced by post-Petition Date payments made by the Debtor to FNB. The Debtor currently is making monthly payments on FNB Loan 2 in the amount of \$484.78. FNB timely filed a Proof of Claim (assigned Claim #3), asserting a secured claim against the Debtor’s estate in the amount of \$44,335.90; FNB did not assert a value for the 250 Peace Point Road Property. For the purposes of this Plan, in respect of FNB Loan 2, FNB is deemed to hold an Allowed Secured Claim of \$44,335.90, plus any accrued and unpaid default interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the provisions of the FNB Loan 2 Documents.

PLAN TREATMENT:

In respect of FNB Loan 2, the Debtor shall pay the FNB in its ordinary course according to the terms of the FNB Loan 2 Documents.

The First National Bank Secured Claim-Loan 2 is unimpaired by the Plan and its holder is not entitled to vote on the Plan.

Class 8 (First National Bank Secured Claim-Loan 3)

Class 8 consists of the Allowed Secured Claim of FNB in the amount of \$132,847.54, plus any accrued and unpaid default interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the terms of the FNB Loan 3 Documents (defined below) evidencing the Allowed Secured Claim of FNB.

The FNB Loan 3 Documents

On or about August 10, 2001, FNB made a loan to the Debtor and Mr. Valentine in the original principal amount of \$220,000 with 7.75% adjustable annual interest for a 20-year period, as evidenced by an Adjustable Note and a Deed of Trust (the “FNB Loan 3” and the “FNB Loan 3 Documents”). The FNB Loan 3 is secured by first priority lien and security interest in a property located at 200 Main Street, Bethany, WV and 7199 Baptist Rd, Bethel Park, PA 15102, including all buildings and improvement (the “FNB Loan 3 Properties”).

In respect of the FNB Loan 3 Properties, the Debtor scheduled FNB as holding a secured claim against the Debtor’s estate in the amount of \$134,259.73 as of the Petition Date and estimated a value of only \$33,000 for the 200 Main Street Property, leaving an unsecured claim of \$101,259.73. The FNB Loan 3 has been reduced by post-Petition Date payments made by the Debtor to FNB. The Debtor currently is making monthly payments on FNB Loan 3 in the amount of \$1,806.09. FNB timely filed a Proof of Claim (assigned Claim #5) asserting a secured claim against the Debtor’s estate in the amount of \$132,259.73. FNB subsequently filed an amended Proof of Claim (assigned Claim #7) asserting a secured claim against the Debtor’s estate in the amount of \$129,803.40; FNB did not assert a value for the FNB Loan 3 Properties. For the purposes of this Plan, in respect of FNB Loan 3, FNB is deemed to hold an Allowed Secured Claim of \$129,803.40, plus any accrued and unpaid default interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the provisions of the FNB Loan 3 Documents.

PLAN TREATMENT:

In respect of FNB Loan 3, the Debtor shall pay the FNB in its ordinary course according to the terms of the FNB Loan 3 Documents.

The First National Bank Secured Claim-Loan 3 is unimpaired by the Plan and its holder is not entitled to vote on the Plan.

Class 9 (Richard McCreary Secured Claim)

Class 9 consists of the Allowed Secured Claim of Richard McCreary in the amount of \$59,002.02, plus any accrued and unpaid default interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the terms of the McCreary Loan Documents (defined below) evidencing the Allowed Secured Claim of Richard McCreary.

The McCreary Loan Documents

On or about May 5, 2008, Richard McCreary made a loan to the Debtor and Mr. Valentine in the original principal amount of \$45,000 with 4.0% fixed annual interest for a 20-year period with a 5-year balloon payment, as evidenced by an Offer to Purchase and Agreement of Sale (the “McCreary Loan” and the “McCreary Loan Documents”). The McCreary Loan is secured by first priority lien and security interest in a property located at 24 Main Street,

Wellsburg, WV, including all buildings and improvement (the “24 Main Street Property”).

In respect of the 24 Main Street Property, the Debtor scheduled Richard McCreary as holding a secured claim against the Debtor’s estate in the amount of \$59,002.02 as of the Petition Date and estimated a value for the 24 Main Street Property at only \$44,760, leaving an unsecured portion totaling \$14,242.02. The McCreary Loan has been reduced by post-Petition Date payments made by the Debtor to Richard McCreary. The Debtor currently is making monthly payments on the McCreary Loan in the amount of \$373.

Richard McCreary did not file a Proof of Claim in this Chapter 11 Case. For the purposes of this Plan, Richard McCreary is deemed to hold an Allowed Secured Claim in the amount of \$44,760 and Allowed Unsecured Claim in the amount of \$14,242.02, plus any accrued and unpaid interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the provisions of the McCreary Loan Documents.

PLAN TREATMENT:

The Debtor shall pay the McCreary Loan in its ordinary course according to the terms of the McCreary Loan Documents.

The Richard McCreary Secured Claim is unimpaired by the Plan and its holder is not entitled to vote on the Plan.

Class 10 (Davis & Oakes Secured Claim)

Class 10 consists of the Allowed Secured Claim of Jim Davis and Shirley Oakes in the amount of \$35,289, plus any accrued and unpaid interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the terms of the Davis and Oakes Loan Documents (defined below) evidencing the Allowed Secured Claim of Jim Davis and Shirley Oakes.

The Davis & Oakes Loan Documents

On or about September 27, 2006, Jim Davis and Shirley Oakes made a loan to the Debtor and Mr. Valentine in the original principal amount of \$60,000 with 5.0% fixed annual interest for a 5-year period, with a maturity date of September 1, 2011, as evidenced by a Note and Deed of Trust (the “Davis & Oakes Loan” and the “Davis & Oakes Loan Documents”). The Davis & Oakes Loan is secured by first priority lien and security interest in a property located at 223 Bealls Ridge, Wellsburg, WV, including all buildings and improvements (the “223 Bealls Ridge Property”).

The Debtor currently is not making monthly payments on the Davis & Oakes Loan. The maturity date of September 1, 2011 has passed. As of December, 2012, there was an outstanding arrearages in the amount of \$36,979.99.

In respect of the 223 Bealls Ridge Property, the Debtor scheduled Jim Davis and Shirley

Oakes as holding a secured claim against the Debtor's estate in the amount of \$35,288.66 as of the Petition Date and estimated a value of only \$22,140 for the 223 Bealls Ridge Property, leaving an unsecured portion totaling \$13,148.66. The Davis & Oakes Loan has not been reduced by post-Petition Date payments made by the Debtor to Davis & Oakes. Davis & Oakes did not file a Proof of Claim in this Chapter 11 Case. For the purposes of this Plan, Davis & Oakes are deemed to hold an Allowed Secured Claim in the amount of \$22,140.00 and an Allowed Unsecured Claim in the amount of \$13,148.66 plus any accrued and unpaid default interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the provisions of the Davis & Oakes Loan Documents.

PLAN TREATMENT:

The Debtor shall reaffirm and amend the Davis & Oakes Loan Documents pursuant to the terms of a Modification of Loan Documents ("Modification") and such other documents ("Related Documents") executed in connection with the Modification. A copy of the Modification is attached to the Plan as Plan Attachment "C". The Davis & Oakes Loan Documents, Modification and Related Documents are referred to hereinafter collectively as the "Post-Effective Date Davis & Oakes Loan Documents" and shall govern the relationship between Davis & Oakes and the Reorganized Debtor commencing on the Effective Date.

The Debtor shall extend the maturity of the Davis & Oakes Loan and resume monthly payments. The Plan and Post-Effective Date Davis & Oakes Loan Documents provide, among other things, for Davis & Oakes to retain (or otherwise obtain) a Lien on the 223 Bealls Ridge Property to secure the Reorganized Debtor's obligations under the Post-Effective Date Davis & Oakes Loan Documents. All terms in the Post-Effective Date Davis & Oakes Loan Documents shall be enforceable notwithstanding (i) their not being expressly set forth within the Plan, or (ii) any inconsistency between the Plan and the Post-Effective Date Davis & Oakes Loan Documents.

Upon payment of the Davis & Oakes Allowed Secured Claim in full, Davis & Oakes shall cause to be recorded a satisfaction piece regarding its Liens on the 223 Bealls Ridge Property of the Reorganized Debtor as required by applicable non-bankruptcy law and shall mark the Davis & Oakes Loan Documents and Post-Effective Date CFL Loan Documents as satisfied.

The Davis & Oakes Secured Claim is unimpaired by the Plan and is not entitled to vote on the Plan.

Class 11 (Wesbanco Secured Claim)

Class 11 consists of the Allowed Secured Claim of Wesbanco the amount of \$33,000 plus any accrued and unpaid interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the terms of the Wesbanco Loan Documents (defined below) evidencing the Allowed Secured Claim of Wesbanco.

The Wesbanco Loan Documents

On or about September 22, 2000, Wesbanco made a loan to the Debtor in the original principal amount of \$60,000 with 10.5% fixed annual interest for a 20-year period, with a maturity date of September 22, 2020, as evidenced by an Adjustable Rate Note and Deed of Trust (the “Wesbanco Loan” and the “Wesbanco Loan Documents”). The Wesbanco Loan is secured by first priority lien and security interest in a property located at 203 Richardson, Bethany, WV, including all buildings and improvements (the “203 Richardson Property”).

In respect of the 203 Richardson Property, the Debtor scheduled Wesbanco as holding a secured claim against the Debtor’s estate in the amount of \$32,997.56 as of the Petition Date. The Wesbanco Loan has been reduced by post-Petition Date payments made by the Debtor to Wesbanco. The Debtor currently is making monthly payments on the Davis & Oakes Loan in the amount of \$599.18. Wesbanco did not file a Proof of Claim in this Chapter 11 Case. For the purposes of this Plan, Wesbanco is deemed to hold an Allowed Secured Claim in the amount of \$32,997.56 plus any accrued and unpaid default interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the provisions of the Wesbanco Loan Documents.

PLAN TREATMENT:

The Debtor shall pay the Wesbanco Loan in its ordinary course according to the terms of the Wesbanco Loan Documents.

The Wesbanco Secured Claim is unimpaired by the Plan and its holder is not entitled to vote on the Plan.

Class 12 (Mark Bergeron Secured Claim)

Class 12 consists of the Allowed Secured Claim of Mark Bergeron in the amount of \$26,958.18 plus any accrued and unpaid interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the terms of the Bergeron Loan Documents (defined below) evidencing the Allowed Secured Claim of Mark Bergeron

The Bergeron Loan Documents

On or about December 14, 2007, Bergeron made a loan to the Debtor in the original principal amount of approximately \$31,000 with 6.5% fixed annual interest, as evidenced by that certain Real Estate Sales Contract, and its Schedule A, and a Deed of Trust (the “Bergeron Loan” and the “Bergeron Loan Documents”), for the purposes of financing the Debtor’s purchase of a property located at 230 Peace Point Road, Bethany, WV, including all buildings and improvements (the “230 Peace Point Road Property”). The Bergeron Loan is secured by first priority lien and security interest in the 230 Peace Point Road Property.

In respect of the 230 Peace Point Road Property, the Debtor scheduled Mark Bergeron as holding a secured claim against the Debtor’s estate in the amount of \$26,958.18 as of the Petition

Date and estimated a value of only \$25,200 for the 230 Peace Point Road Property. The Bergeron Loan has been reduced by post-Petition Date payments made by the Debtor. Mark Bergeron did not file a Proof of Claim in this Chapter 11 Case.

For the purposes of the Plan, Mark Bergeron is deemed to hold an Allowed Secured claim for \$25,200 and an Allowed Unsecured Claim for \$1,758.18 plus any accrued and unpaid interest and allowable unreimbursed costs, fees and expenses, and other charges payable under the provisions of the Bergeron Loan Documents.

PLAN TREATMENT:

Any pre-Petition defaults of the Bergeron Loan will be cured by the Debtor and the Debtor shall pay the Bergeron Loan in its ordinary course according to the terms of the Bergeron Loan Documents.

The Bergeron Secured Claim is unimpaired by the Plan and its holder is not entitled to vote on the Plan.

Class 13 (Priority Claims)

This class is reserved for any Priority Claims. There are no filed or scheduled Priority Claims but the Debtor reserves the right to include same if allowed as tardily filed by the Court (in which case same shall be treated in accordance with the Code). The Debtor also reserves the right to object to any Class 13 claim and to the extent that such claim should be treated as unsecured, the Debtor will object thereto for purposes of reclassification. Any Allowed Class 13 Claims will be paid in full on the Effective Date, unless the Holder agrees to different treatment.

Class 14 (Unsecured Claims)

Class 14 consists of the Allowed Unsecured Claims. As of the Bar Date, the total amount of filed unsecured claims, unscheduled claims (for which a proof of claim was timely filed) and unsecured claims scheduled so that no proof of such claim was required, was \$11,430,392. This amount includes, where applicable, the amount claimed on a proof of claim if such amount is greater than the amount appearing on the Debtor's schedules. This amount does not reflect the Debtor's belief as to the Allowed amount of Class 14 claims.

Based on any resolutions reached regarding informal objections to the claims of certain creditors, including, which will be reflected in amended claims by such creditors, the Debtor believes that the Allowed amount of pre-Petition Date Class 14 claims will be \$11,430,392. Included in Class 14 are the following:

- A claim in the total amount of \$11,368,217 constituting loans made by Mr. Valentine, the trustee, settlor, and lone lifetime beneficiary of the Debtor.
- A claim in the total scheduled amount of \$62,175 constituting outstanding legal fees expenses owed by the Debtor to CMCV for pre-petition legal services. CMCV also filed a proof of claim (Claim #4) in this Chapter 11 Case, in an

unknown amount.

- The unsecured portions of claims of certain undersecured creditors: (i) First National Bank-Loan 3 (Allowed Secured Claim -\$33,000 and an Allowed Unsecured Claim - \$96,803.40); (ii); Jim Davis/Shirley Oakes (Allowed Secured Claim -\$22,140.00 and an Allowed Unsecured Claim - \$13,148.66) (iii) Mark Bergeron (Allowed Secured Claim- \$25,200 and Allowed Unsecured Claim-\$1,758.18); (iv) Richard McCreary (Allowed Secured Claim- \$44,760, Allowed Unsecured Claim - \$14,242.02). These undersecured creditors may make the Bankruptcy Code §1111(b)(1)(B) election to be treated as Secured Claimants only to the extent of the value of their collateral and unsecured claimants to the extent of any deficiency.

As to First National Bank-Loan 3, Debtor intends to make the regular monthly payments according to the terms of First National Bank-Loan 3 documents. As to the Mark Bergeron and Richard McCreary Loans, the Debtor also shall pay the loans in their ordinary course according to the terms of the applicable Loan Documents. As to the Davis & Oakes Loan, the Debtor shall extend the maturity of the Davis & Oakes Loan and resume monthly payments.

PLAN TREATMENT

Beginning on the first Business Date of the first month after the Effective Date and continuing for twenty-four (24) additional months, the Debtor shall make monthly payments to Holders of Allowed Unsecured Claims until such Allowed Unsecured Claims are paid in full. Each Holder of the Allowed Unsecured Claims may elect to extend this payment schedule.

Holders of Allowed Unsecured Claims are impaired by the Plan and are entitled to vote on the Plan.

Class 15 (Interest Holders of the Debtor)

Class 15 consists of all Interest Holders of the Debtor. The Interest Holders shall retain their interest in the Debtor. Holders of Class 15 Claims are not impaired by the Plan and are deemed to accept the Plan.

Class 16 (Litigation Settlement Claimants)

Class 16 consists of the claim of certain claimants (the “Litigation Settlement Claimants”) who are entitled to settlement payments arising out of the settlement of certain pre-petition litigation matters involving the Debtor, Mr. Valentine and FWG. The Debtor’s Schedules disclose that these settlement payment amounts are confidential. Mr. Valentine and the Debtor are both primarily liable for the payment of these settlements. To date, the Debtor has timely made all such settlement payments to the Litigation Settlement Claimants.

PLAN TREATMENT

On the first day of the first month after the Effective Date, Mr. Valentine (and not the Reorganized Debtor) shall make the regular monthly settlement payments directly to the Litigation Settlement Claimants. The Reorganized Debtor shall make any such payments, only in the event that Mr. Valentine fails to make such payments, as a guaranty of payment. Holders of Class 16 are impaired and are entitled to vote on the Plan.

13 IDENTIFICATION OF CLASSES IMPAIRED BY THE PLAN

13.1 Unimpaired Classes of Claims

Claims in Classes 1, 4, 5, 6, 7, 8, 9, 11, 12, 13, 15 are not impaired under the Plan. Solicitation of acceptance with respect to Classes 1, 4, 5, 6, 7, 8, 9, 11, 12, 13, 15 is not required under Code § 1126(f). Accordingly, each Holder of a Claim in Classes 1, 4, 5, 6, 7, 8, 9, 11, 12, 13, 15 is conclusively presumed to have accepted the Plan in respect to such Claims and, as a result, solicitation of acceptances with respect to such Classes is not required under the Code.

13.2 Impaired Classes of Claims and Interests

Classes 2, 3, 10, 14, and 16 are impaired under the Plan, and therefore, Holders of Claims or Interests in those classes will be entitled to vote to accept or reject the Plan.

14 OTHER IMPORTANT PROVISIONS UNDER THE PLAN

14.1 Executory Contracts And Unexpired Leases.

The Debtor is a party to several executory contracts and unexpired leases, as more fully described in the Schedules. Any and all executory contracts and unexpired leases that have not been assumed prior to the Effective Date shall be deemed assumed as of the Effective Date. To the extent that any executory contracts and unexpired leases are nevertheless deemed rejected, any Allowed Claims arising out of the rejection of any executory contract or unexpired lease shall be treated in accordance with the provisions relating to Class 14 Claims (Unsecured Claims). Unless otherwise agreed to by any counterparty to an Executory contract or unexpired lease, the Debtor shall pay all cure amounts due on the Effective Date. As of the date of this Disclosure Statement, the Debtor will pay from revenues generated, the following cure amounts to the following recipients on the Effective Date (anticipated to be March 1, 2013):

- A. Jim Davis/Shirley Oakes Loan- Cure Amount—to be determined
- B. USDA Loan 806 – Cure Amount to be determined
- C. Mark Bergeron Loan-Cure Amount to be determined

Except as otherwise provided in the Plan, any Allowed Claims arising out of the rejection of any executory contract or unexpired lease shall be treated in accordance with the provisions relating to Class 14. Objections to Rejection Claims may be filed with the Court at any time prior to the thirtieth (30th) day following the Effective Date. Such objections shall be served upon the Holder of the Claim to which an objection is made. Any objection not timely filed shall

be deemed waived by all parties-in-interest.

14.2 Modification of the Plan

The Plan Proponent may modify the Plan as follows:

A. Modification Before The Confirmation Date. The Plan Proponent, exclusively, may modify the Plan at any time before the Confirmation Date provided that the Plan, as modified, meets the requirements of Code §§1122 and 1123. Once the Plan Proponent files a modification with the Court in accordance with Section 10.1 of the Plan, the Plan, as modified, becomes the Plan. If any material modification to the Plan is made after the solicitation package is sent out, but before the confirmation hearing, the Debtor will file a motion to determine if resolicitation is necessary.

B. Modification After The Confirmation Date. The Plan Proponent, exclusively, may modify the Plan at any time after the Confirmation Date and before the Effective Date, provided that the Plan, as modified, meets the requirements of Code §§ 1122 and 1123 and so long as it does not materially or adversely affect the interest any creditors. After the Effective Date and before substantial consummation of the Plan, only the Plan Proponent may modify the Plan (and, in accordance with Code §1127(e), whether or not the Plan has been substantially consummated), provided that the Plan, as modified, meets the requirements of Code §§ 1122 and 1123. Any modification addressed in this paragraph may only be made with authorization from the Court after notice and a hearing.

C. Defects, Omission, And Inconsistencies. Before the Effective Date, the Plan Proponent may, with the approval of the Court remedy any defect or omission, or reconcile or connect any inconsistencies in the Plan or amend the Plan in such manner as may be necessary to carry out the purpose and effect of the Plan, so long as it does not materially or adversely affect the interest any creditors. After the Effective Date, only Plan Proponent may, with the approval of the Court, remedy any defect or omission, or reconcile or correct any inconsistencies in the Plan or amend the Plan in such manner as may be necessary to carry out the purpose and effect of the Plan, so long as it does not materially or adversely affect the interest of creditors.

15 FINANCIAL PROJECTIONS

The Debtor anticipates significant growth in the next three years. The Debtor anticipates that the proposed Auction of the Peace Point Subsurface Assets will generate at least \$2 million, \$1 million of which will be used to pay Gulf Coast off in full as to Loans 808 and 860. The Debtor also anticipates significant royalties from its leases on its Aspen Manor properties in 2014. The Debtor also anticipates ancillary income relating to the oil and gas drilling on the Peace Point parcels. At the same time, in the next three (3) years, the Debtor will implement a turnaround strategy for its Aspen Manor Resort; the strategy involves a renovation and expansion of this unique property. The Debtor also intends to convert the Equestrian Center into a performing asset.

16. LIQUIDATION ANALYSIS

Prior to confirming the Plan, the Court must determine (with certain exceptions) that the Plan provides to each member of each impaired Class of Claims that does not accept the Plan, a recovery that has a value that is at least equal to the distribution that such member would receive if the Debtor were liquidated pursuant to Chapter 7 of the Code as of the Plan's proposed Effective Date. Such determination is referred to as the "best interests of creditors test." In a liquidation, a debtor's secured creditors are paid the value of their collateral. Other creditors and interest holders of a debtor are paid from available assets in order of their priority under the Code with no junior class receiving any payment until all amounts due the senior classes have been fully paid or provided for to the extent possible.

The Debtor directs the reader to the Liquidation Analysis provided below and attached hereto as **Disclosure Statement Attachment "B"**. The Liquidation Analysis provides the Debtor's estimate of the liquidation value of the Debtor's Assets. While the Debtor recognizes that different parties have varied valuations for the Debtor's diverse asset set, the liquidation value of the Debtor's assets (approximately \$35.2 million) far exceeds the amount of claims against the estate (\$21.2 million).

In the instant Case, however, if the Debtor's Estate was, in fact, liquidated in a Chapter 7 case, the Plan Proponent believes that a Chapter 7 Trustee would decline to sell or otherwise administer any of the Debtor's Assets, except the Peace Point Subsurface Assets as proposed herein, because, when taking into consideration certain liens on such Assets in favor of namely, First National Bank (relating to Loan 3), Jim Davis/Shirley Oakes, Mark Bergeron, and Richard McCreary, the value of the Assets is less than the unpaid balances secured by the aforementioned liens thereon and therefore there would be no distribution to Unsecured Creditors.

If the Chapter 7 Trustee were to administer any of the Debtor's Assets, the sale price would necessarily need to exceed the amount owed by the Debtor to not only First National Bank (relating to Loan 3), Jim Davis/Shirley Oakes, Mark Bergeron, and Richard McCreary, but also any Administrative Expense Claims. Before any payment could be made to any unsecured creditor on account of any Allowed Claim, the Chapter 7 Trustee would be required to pay, in full, all costs of the administration of the Debtor's estate, including any commission payable to the Chapter 7 Trustee, fees to professionals, including, not only those professionals' fees of counsel to the Chapter 7 Trustee, if any, and a fee to any other professional, such as a broker, but also all administrative fees payable to the Chapter 11 professionals rendering services post-petition for the numerous secured creditors in this case.

The Plan Proponent believes that the Plan is superior for all Holders of Allowed Unsecured Claims to a Chapter 7 liquidation because under the Plan, Holders of Allowed Unsecured Claims will receive a significant distribution over the life of the Plan which, as discussed above, likely would not be available in a Chapter 7. The Plan Proponent believes that the Plan is in the best interest of creditors.

17 TAX CONSEQUENCES

Each holder of a Claim or Equity Interest should consult his, her or 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. The Plan Proponent and the Plan Proponent's professionals do not 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 nonbusiness 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 "nonbusiness 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. section 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. section 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 section 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 section 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 section 166.

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.

The Debtor does not anticipate that it will experience a taxable event due to its consummation of the Plan, even with the proposed Auction. All parties in interest, including creditors should satisfy themselves as to the tax consequences of the approval, confirmation and consummation of the Plan by obtaining independent advice from their own professional advisors.

18 DISPUTED CLAIMS

For purposes of the Plan, any and all Claims that are subject to disallowance pursuant to Code §§502(e) and 509 shall be deemed to be disallowed as of the Confirmation Date, notwithstanding the absence of any objection thereto. Except as otherwise provided in the Plan, no payments shall be made with respect to any portion of a Disputed Claim unless and until any and all objections to such Disputed Claim or Actions against the Holder of a Disputed Claim have been determined by a Final Order. However, payment shall be made with respect to any undisputed portion of a Disputed Claim. Payments and distributions to each Holder of a Disputed Claim, to the extent that the Disputed Claim ultimately becomes an Allowed Claim, shall be made in accordance with the provisions of the Plan. Any payments that would have been made prior to the date on which a Disputed Claim becomes an Allowed Claim shall be made as soon as practicable after the date that the order or judgment of the Court determining such Claim to be an Allowed Claim becomes a Final Order.

Claims Objections Which Are Pending As Of The Effective Date. Claims objections may be filed by the Plan Proponent. Claims objections which are pending on the Effective Date may be prosecuted after such date unless the Claim is deemed Allowed under the Plan. The objecting party shall have the discretion to litigate to judgment, settle (without notice and approval by the Court pursuant to Bankruptcy Rule 9019) or withdraw objections to Disputed Claims.

Post-Confirmation Date Objections. After the Confirmation Date, only the Plan Proponent may make and file objections to proofs of claim for any claims that are not deemed allowed under this Plan. Any such objections to Claims shall be filed with the Court at any time within ninety (90) days after the Confirmation Date. Such objecting party shall have the discretion to litigate to judgment, settle, without notice or approval of the Court, or withdraw its objections.

19 DISCHARGE, EXCULPATION AND INJUNCTION

Exculpation Of Liability. Debtor’s attorneys and financial advisors, the attorneys for various secured and unsecured creditors and the Debtor’s Trustee shall not have or incur any liability to any Person for any act taken or omitted to be taken in good faith prior to or after the Effective Date (but after the Petition Date) in connection with the Case or related to the formulation, preparation, dissemination, implementation, confirmation or consummation of the Plan, the Disclosure Statement, or any other contract, instrument, release, agreement or other document created or entered into, or any act taken or omitted to be taken prior to or after the Effective Date in connection with the Plan or the Chapter 11 Case, including, without limitation, any pleadings filed with, or actions taken in, the Court in connection with the Case or the formulation, preparation, dissemination, implementation, confirmation or consummation of the Plan and the Disclosure Statement; provided, however, that the foregoing provision of this section 9.1.1 of the Plan shall have no effect on the liability of any Person that would otherwise result from any such act or omission to the extent that such act or omission is determined by a Final Order to have constituted willful misconduct or gross negligence.

Other Documents And Actions. The Reorganized Debtor may cause any other party to execute documents that are or may be necessary to effectuate the transactions provided for in this Plan. The Reorganized Debtor or their representatives or agents shall take such other actions as may be necessary or appropriate to effectuating the terms of the Plan.

Effect of Confirmation Order; Discharge. Except as provided in Section 1141(d) of the Bankruptcy Code, in the Post-Effective Date Loan Documents and as otherwise provided in the Plan, the provisions of the Plan and the Confirmation Order shall bind the Reorganized Debtor and all holders of claims or interests and will be a judicial determination of discharge of the Debtor from all debts that arose before the Confirmation Date and any liability on a Claim that is determined under Section 502 of the Bankruptcy Code as if such Claim had arisen before the Confirmation Date, whether or not a proof of claim based on any such debt or liability is filed under Section 501 of the Bankruptcy Code and whether or not a Claim based on such debt or liability is allowed under Section 502 of the Bankruptcy Code and whether or not such holder is impaired under the Plan and whether or not such holder has accepted the Plan, and shall terminate all rights, claims and interests of such holder, except as provided in the Plan.

[continued on next page]

20 RECOMMENDATIONS

The Plan Proponent believes that the Confirmation of the Plan is the most efficient and effective means of resolving the Chapter 11 Case. The Plan Proponent recommends the acceptance of the Plan.

Respectfully Submitted,

/s/ Salene Mazur Kraemer
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Disclosure Statement Attachment A- Secured Creditor Chart

Disclosure Statement Attachment B- Liquidation Analysis

Gene Charles Valentine Trust Secured Creditors			
Disclosure Statement Attachment A			
Secured Creditor	Amount of Scheduled Claim	Description of Collateral	Co-Debtor
United States Department of Agriculture (USDA)	\$3,900,000	Peace Point Equestrian Center + surrounding parcels, equipment, timber, oil & gas + proceeds (1 st lien position)	Gene Valentine, Peace Point Farms Equestrian Facility, LLC
Gulf Coast Bank & Trust Company	\$900,000	Peace Point Equestrian Center + surrounding parcels, equipment, timber, oil & gas + proceeds (1 st lien position-pari passu with USDA)	Gene Valentine, Peace Point Farms Equestrian Facility, LLC
Gulf Coast Bank & Trust Company	\$500,000	Peace Point Equestrian Center + surrounding parcels, equipment, timber, oil & gas + proceeds (2 nd lien position)	Gene Valentine, Peace Point Farms Equestrian Facility, LLC
U.S. Bank, National Association, successor in interest to Bank of America, National Association, as successor by merger to LaSalle Bank National Association, as Trustee for the Morgan Stanley Capital Inc., Commercial	\$1,572,452	Westlake Office Building + proceeds	John N. Valentine Trust
Main Street Bank	\$355,000	2478 Oglebay Drive, Wheeling, WV	None
Catholic Financial Life	\$1,533,000	Aspen Manor Facility + surrounding parcels, oil & gas + proceeds	None
First National Bank-Loan 3	\$134,000	200 Main Street, Bethany, WV	None
First National Bank-Loan 2	\$48,000	250 Peace Point, Bethany, WV	None
First National Bank-Loan 1	\$45,000	320 Peace Point, Bethany, WV	None
Jim Davis and Shirley Oakes	\$35,000	223 Beals Ridge, Bethany, WV	None
Mark Bergeron	\$27,000	230 Peace Point, Bethany, WV	None
Richard McCreary	\$59,000	24 Main Street, Wellsburg, WV	None
Wesbanco	\$33,000	203 Richardson, Bethany, WV	None

PLAN OF REORGANIZATION - Liquidation Analysis

Bankrt. N.D. W.V.

12-1078

IN RE: GENE CHARLES VALENTINE TRUST

7-Feb-13

Asset Description	Location	Asset Type	Orderly Liquidation Value as of Feb. 1, 2013	Ownership Interest	Debtor's % ownership	Debtor's Interest in Asset	Amount of Claim on Schedules	Amount of Claim on POC
Real Property								
Peace Point Equestrian Center facility (including fixtures, furniture and equipment)	Peace Point Equestrian Center, 100 Peace Point Road	Real property	\$287,760.00		100%	\$287,760.00	\$5,390,000.00	\$6,673,467.00
Westlake Office Building, 4510 East Thousand Oaks Blvd, Westlake Village, California	4510 East Thousand Oaks Blvd, Westlake Village, California 91362	Real property	\$2,200,000.00		50%	\$1,100,000.00	\$1,572,452.17	\$1,811,383.00
Aspen Manor Facility (including fixtures, furniture and equipment)	Aspen Manor Resort, 1500 Brinker Road, Wellsburg, WV 26070	Real property	\$4,000,000.00		100%	\$4,000,000.00	\$1,532,924.60	\$1,532,925.00
f/k/a THE HILLTOP- Commercial Property	2477 Oglebay Drive, Wheeling, WV 26003	Real property	\$355,000.00		100%	\$355,000.00	\$526,350.00	\$523,290.00
F/K/A the College Inn- Commercial Property	200 Main Street Bethany, WV 26032	Real property	\$33,000.00		100%	\$33,000.00	\$134,259.73	\$132,545.00
Wellsburg Commercial Building (f/k/a Brooke Furniture Company)	24 Main Street, Wellsburg, WV 26070	Real property	\$44,760.00	INDIRECT INTEREST	50%	\$22,380.00	\$59,002.02	\$59,002.02
Residential home	250 Main Street, Bethany, WV 26032	Real property	\$58,260.00		100%	\$58,260.00	\$44,738.00	\$44,336.00

Residential Home	320 Peace Point Road, Bethany, WV 26032	Real property	\$48,120.00		100%	\$48,120.00	\$44,738.00	\$42,160.00
Residential home	223 Beals Ridge, Bethany, WV 26032	Real property	\$22,140.00		50%	\$11,070.00	\$35,288.00	\$35,288.00
Residential home	203 Richardson, Bethany, WV 26032	Real property	\$70,000.00		100%	\$70,000.00	\$32,998.00	\$32,998.00
Residential home	230 Peace Point road, Bethany, WV 26032	Real property	\$25,200.00		100%	\$25,200.00	\$26,958.00	\$26,958.00
Residential Home	420 College View, Bethany West Virginia 26032	Real property	\$30,600.00		100%	\$30,600.00	\$5,390,000.00	\$6,673,467.00
Residential Home	240 Peace Point Road, Bethany, WV 26032	Real property	\$30,900.00		100%	\$30,900.00	\$0.00	\$0.00
Residential Home	28 Peace Point Road, Bethany, WV 26032	Real property	\$84,360.00		100%	\$84,360.00	\$0.00	\$0.00
Residential Home	340 Peace Point Road, Bethany, WV 26032	Real property	\$64,200.00		100%	\$64,200.00	\$526,350.00	\$523,290.00
Residential Home	435 College View Road, Bethany, WV 26032	Real property	\$24,460.00		100%	\$24,460.00	\$134,259.73	\$132,545.00
Residential Home	445 College View Road, Bethany, WV 26032	Real property	\$2,640.00		100%	\$2,640.00	\$59,002.02	\$59,002.02
Residential Home	100 Peace Point Road, Bethany, WV 26032	Real property	\$48,780.00		100%	\$48,780.00	\$44,738.00	\$44,336.00
Residential Home	2100 Pleasant Ave, Wellsburg, WV 26070	Real property	\$62,340.00		100%	\$62,340.00	\$0.00	\$0.00
Lot 16 Point Breeze So Add	Lot in town of Bethany	Real property	\$8,100.00		100%	\$8,100.00	\$0.00	\$0.00
Lot 14 Point Breeze So Add	Lot in town of Bethany	Real property	\$7,980.00		100%	\$7,980.00	\$0.00	\$0.00

.125 AC Glen Mar Estates	28 Peace Point Road, Bethany, WV 26032	Real property	\$100.00		100%	\$100.00	\$0.00	\$0.00
Lot 14 Glen Mar Estates First Addition	445 College View Road, Bethany, WV 26032	Real property	\$50,100.00		100%	\$50,100.00	\$0.00	\$0.00
494.38 AC Skull Run	1500 Brinker Road	Real property	\$112,010.00		100%	\$112,010.00	\$0.00	\$0.00
113 AC more or less Skull Run	1500 Brinker Road	Real property	\$18,340.00		100%	\$18,340.00	\$0.00	\$0.00
Bethany Sewage Plant	Peace Point Farm, Bethany, WV 26032	Real property	unk		100%	#VALUE!		
Colliers Park Trailer Park	Bethany, WV 26032	Real property	unk		100%	#VALUE!		
Personal Property								
Foreign Currency	Iraqi Dinar and Viet Dong	personal property	\$330,002.00		100%	\$330,002.00		
DIP Bank Account	DIP Bank Account	personal property	\$5,000.00		100%	\$5,000.00		
Wells Fargo Escrow Account	Wells Fargo Escrow Account	personal property	\$164,933.94		75%	\$123,700.46	\$1,572,452.17	\$1,811,383.00
Main Street Bank Account	1010 Commerce St., Wellsburg, WV 26070	personal property	\$848.01		100%	\$848.01		\$0.00
National Financial Services	Financial West Group	personal property	\$8,114.12		100%	\$8,114.12	\$0.00	\$0.00
Peace Point Farm Equestrian Facility, LLC	100 Peace Point Road, Bethany, WV 26032	personal property	\$8,595,335.00		98%	\$8,423,428.30	\$5,390,000.00	\$6,673,467.00
Financial West Group	4510 E. Thousand Lakes Blvd. 91362	personal property	unk					
Paradox Holdings, Inc.	28 Peace Point Rd., 26032	personal property	\$12,000,000.00		31%	\$3,720,000.00	\$0.00	\$0.00

Delphi Development, LLC	d/b/a Aspen Manor	personal property	\$5,940,000.00	JOINT OWNERSHIP	99.50%	\$5,910,300.00	\$1,532,924.60	\$1,532,925.00
Camden Indemnity Limited	British Virgin Island Corp.	personal property	\$1.00	INDIRECT OWNERSHIP	31%	\$0.31	\$0.00	\$0.00
Peace Point Farms Intercompany Receivable		personal property	\$6,202,265.51		100%	\$6,202,265.51	\$0.00	\$0.00
Aspen Manor Intercompany Receivable		personal property	\$4,707,445.67		100%	\$4,707,445.67	\$0.00	\$0.00
counterclaim against Gulf Coast Bank		personal property	unk		100%		\$0.00	\$0.00
counterclaim against Bethany College		personal property	unk		100%		\$0.00	\$0.00
20 chickens, 3 pigs, 3 horses,	Aspen Manor	personal property	\$1.00		100%	\$1.00	\$0.00	\$0.00
Subsurface oil, gas and mineral rights	Aspen Manor	personal property	\$2,250,000.00	INDIRECT OWNERSHIP VIA OVAL ROYALTY TRUST, LLC	100%	\$2,250,000.00	\$0.00	\$0.00
Subsurface oil, gas and mineral rights	Peace Point	personal property	\$3,500,000.00		100%	\$3,500,000.00	\$0.00	\$0.00
ASSETS TOTAL:								\$28,364,767.04

Liability Description										Liability POC or Scheduled Amount
Administrative Expense Debt:										
MAZURKRAEMER										\$80,000.00
WEIR AND PARTNERS										\$25,000.00
Accountant										unk
Secured Creditor Attorneys Fees										unk
TOTAL:										\$105,000.00
Priority Tax Debt										
IRS										\$310,000.00
WV State Tax Dept										\$1,000.00
TOTAL:										\$311,000.00
Secured Debt:										
USDA										\$3,718,068.27
Gulf Coast										\$1,429,686.78
Catholic Financial Life										\$1,526,259.62
US Bank										\$1,811,383.14
Main Street Bank										\$523,289.54
First National Bank- Loan 1										\$42,159.85
First National Bank- Loan 2										\$44,335.90
First National Bank- Loan 3										\$132,847.54
Richard McCreary										\$59,002.02
Jim Davis and Shirley										\$35,289.00
Wesbanco										\$33,000.00
Mark Bergeron										\$26,958.18
TOTAL:										\$9,382,279.84
Unsecured Debt:										
Cassidy Myers Cogan & Voegelin										\$62,175.00
Bethany College										unk
Litigation Claimants										CONFIDENTIAL
Gene Charles Valentine										\$11,368,217.00
TOTAL:										\$11,430,392.00

