

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

_____)	
In re)	
)	
ROSELAND VILLAGE, LLC, et al.,)	Chapter 11
)	Case No. 11-30223-KRH
Debtors.)	Jointly Administered
)	
_____)	

_____)
In re)
)
G.B.S. HOLDING, LTD.,)
)
Debtor.)
)
_____)

**JOINT
DISCLOSURE STATEMENT**

G.B.S. Holding, Ltd. and Roseland Village, LLC (“Debtors” or “GBS (or GBS Holding)” or “Roseland Village”) have prepared and filed this disclosure statement (“Disclosure Statement”) for the purpose of providing creditors herein with adequate information about the Debtors and their proposed plan of reorganization (the “Plan”), which has been filed with the United States Bankruptcy Court for the Eastern District of Virginia (the “Bankruptcy Court”), so that creditors may make an informed judgment with respect to the Plan and its approval. A copy of the Plan accompanies this Disclosure Statement.

As a creditor, your acceptance of the Plan is important. In order for the Plan to be accepted, of those creditors voting, creditors holding at least two-thirds in dollar amount and more than one-half in number of the allowed claims of each class of creditors impaired under the Plan must vote to accept the Plan.

NO REPRESENTATIONS CONCERNING THE DEBTORS, THE PLAN, OR THE VALUE OF THE DEBTOR’S PROPERTY ARE AUTHORIZED BY THE DEBTORS UNLESS SET FORTH IN THIS DISCLOSURE STATEMENT. ACCORDINGLY, NO REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE, OTHER

**THAN THOSE CONTAINED IN THIS DISCLOSURE STATEMENT,
SHOULD BE RELIED UPON IN EXERCISING YOUR RIGHT TO
ACCEPT OR REJECT THE PLAN.**

The information contained herein has not been subjected to a certified audit. Therefore, the Debtors are unable to warrant or represent that this information is without inaccuracy, although great effort has been made to be accurate.

Capitalized words in this Disclosure Statement are defined in Article I of the accompanying Plan, and those definitions are used in this Disclosure Statement.

I. INTRODUCTION

On August 24, 2011, the Bankruptcy Court entered an Order that consolidated the two separate cases, *In re G.B.S. Holding, Ltd.* (Case No. 11-333708-DOT) and *In re Roseland Village, LLC* (Case No. 11-30223-KRH), on a procedural basis. That Order allows the Debtors to file a consolidated Disclosure Statement and Plan of Reorganization.

The reason for the consolidation of the cases is that Roseland Village and GBS jointly own 1,288^{+/-} acres adjoining each other that are jointly part of a larger assemblage of land, known as *Roseland*,¹ which has been given approval from Chesterfield County as a Master Planned Development consisting of more than 1.5 million square feet of commercial space and more than 5,600 housing units. Roseland consists of 29 separate parcels that were acquired over a nine (9)-year period. The property is located south of Route 288 at its intersection with Woolridge Road. Development of the assembled parcel will take place in some cases without regard to the property lines of the original 29 parcels that comprise the land titled to GBS and Roseland Village.

II. BACKGROUND OF THE DEBTORS AND THEIR CHAPTER 11 CASE

A. Ownership, Origin and Business of Debtors

GBS is owned by George B. “Buddy” Sowers, Jr.; Roseland Village is owned, in equal shares, by GBS and Theresa Sallé, who sold some of the land owned by her family to Roseland Village. Roseland Village owns 345^{+/-} acres, and GBS owns the remaining 946^{+/-} acres.

Buddy Sowers is one of Chesterfield County’s most successful and experienced land developers and has developed many residential subdivisions and commercial properties in and around the Richmond area. Mr. Sowers and his companies have conceived, assembled, entitled and developed industrial parks, mixed-use commercial developments, and dozens of single- and multi-family residential developments. Mr. Sowers has also been responsible for several recreational and park projects around the Richmond area, including the redevelopment of Providence Golf Club; the construction and development of Robious Landing Park in

¹ To avoid confusion, the entire development will be referred to herein as *Roseland*. The Debtor Roseland Village, LLC may be referred to herein as *Roseland Village*.

Midlothian; development of Independence Golf Course and academy in Powhatan and the dedication of over 350 acres of park property to the Eppington Foundation in Chesterfield.

Mr. Sowers and his sons, George B. "Casey" Sowers, III and Christian Sowers, have successfully developed properties for decades and have the experience and ability to successfully develop Roseland. Mr. Sowers and his sons will oversee the development of Roseland as proposed in this Disclosure Statement and the Plan.

As stated above, the assemblage of the land of Roseland Village and GBS is for the purpose of developing approximately 1,288^{+/-} acres that is known as *Roseland*. The Roseland land was assembled through acquisitions that occurred between 1998 and 2008. In most cases, financing was procured by the Debtors for the acquisitions as they were purchased. In 2006, the Debtors began the process of obtaining all of the zoning approvals required to develop the land. The approval process lasted until August of 2008, when Chesterfield County approved the entire site as a Master Planned Development, which permitted the more than 1.5 million square feet of commercial space and more than 5,600 housing units referenced above.

It is important to note that the approval as a Master Planned Development is without regard to the original 29 parcel boundary lines; instead, the development and approvals are based on the entire site's natural contours, outer boundaries and geography. The Debtors cannot simply remove one or more of the 29 parcels that comprise the assembled Roseland without jeopardizing the entire Master Planned Development approval, since the County rezoned Roseland's density based on the development of the entire assembled parcel.

B. Events Leading To Chapter 11 Filing

Chesterfield County approved the rezoning of Roseland as a Master Planned Community in August of 2008. Immediately thereafter, the subprime mortgage issue in residential lending emerged as a major problem. Development, particularly of large-scale residential communities, came to an abrupt halt almost overnight. Lenders began to tighten the requirement related to development loans, and the lack of industry transactions squeezed the resources of developers like the Debtors.

Most of the acquisition loans related to the assembled Roseland development were held by nine (9) different loans with five (5) different banks (some banks had more than one acquisition loan made to the Debtors). The loans with those banks typically were short-term loans of one to three years to maturity. In many cases, the loans were "rolled over" at maturity by the lenders on new terms and conditions. In 2009 and thereafter, either some lenders did not renew the loans or the terms of the renewals were such that the Debtors could not meet the terms. A Roseland Village lender, whose loan was not renewed, commenced a foreclosure proceeding against most of the land owned by Roseland Village, causing it to file for bankruptcy protection on January 13, 2011. Thereafter the same lender, whose loan was also not renewed, commenced foreclosure proceeding on land owned by GBS, causing it to file for bankruptcy protection on June 3, 2011.

C. Summary of Post-Petition Events

The Debtors have continued their quest to develop Roseland after the petitions were filed. There are ongoing negotiations with local, regional and national builders who are potential buyers of developed lots. Communications are ongoing with potential lenders, including private equity investors and others who were interested in purchasing individual parcels in the development as well as the possibility of funding development in the project. In addition, the Debtors are pursuing opportunities with Chesterfield County and adjacent landowners that would help provide major regional public infrastructure. Discussions were also ongoing regarding the possible public/private partnership to create a regional park and trail system.

D. Post-Filing Issues

Since Roseland Village's is a single-asset case, it was required to either commence payments to its creditors or file a plan within 90 days of the date on which it filed its petition, or a petitioning creditor could seek, and would be granted, relief from stay to foreclose on the property that secured its loan. The Bankruptcy Code allows the Bankruptcy Court to extend that deadline. Roseland Village filed a motion to extend that deadline, and the Bankruptcy Court entered an order on April 7, 2011 extending the time that Roseland Village could file a Plan to and including October 11, 2011.

There have been no significant post-filing proceedings or issues in the GBS bankruptcy case.

E. Summary of the Plan of Reorganization

The Debtors believe that Roseland is the premier large, developable tract of land in Central Virginia. It is in the desirable Midlothian District in Chesterfield County, where schools, road infrastructure, amenities and nearby attractions make the neighborhood one of the most sought-after areas in the Richmond Metropolitan area. The value in the assemblage is the fact it consists of 1,288^{+/-} contiguous acres with approval as a Master Planned Development.

The development is near several very successful planned residential developments, including Brandermill, Woodlake, Salisbury and Charter Colony. Each of these developments is at or near build-out. The historical demand for lots in these developments is evidence that regional support for planned development in the immediate area is realistic. In addition, the Debtors have commissioned a professional firm that prepared a detailed commercial and residential market analyses that support the projections that have been made in connection with this Plan.

The Debtors believe that there will be demand for developed lots within 12 to 18 months from the Effective Date of the Plan of Reorganization. There are contracts that can be executed upon approval of the Plan that will provide significant deposit money. This deposit money, in a secured position, provides the necessary capital to move the project into the development stage and facilitates the first phase of development of lots for sale. The Debtors believe that development opportunities in the project are the best method of providing the revenue necessary

to pay all creditors their full note balances as well as interest thereon. Accordingly, the Debtors are proposing, as described below, to develop the property and pay all creditors the principal balance owed to them, plus interest at market rates, over a five (5)-year period. As a backstop, the Debtors are proposing to sell or allow a secured creditor to foreclose on the property that serves as its collateral if payments are not made or commenced to the satisfaction of the secured creditor at the end of the fifth year from the Effective Date.

III. FINANCIAL INFORMATION

A. Creditors' Claims

Roseland Village's Creditors

As of October 10, 2011, certain creditors had filed proofs of claim in the case or were listed by Roseland Village as undisputed obligations. Based upon a review of the proofs of claim, Roseland Village believes that the following accurately describes the claims in its case:

1. Priority Claims for administrative expenses. Other than real estate taxes (which are secured claims) and professional fees, Roseland Village does not believe it has any unpaid post-petition obligations. The amounts are estimated to be \$30,000.00 or less.
2. Unsecured Claims without priority in the total amount of approximately \$490,107.61. Included in this amount is \$422,987.00 owed to insiders.
3. Secured Claims in the approximate amount of \$20,782,634.00.

GBS' Creditors

As of October 10, 2011, certain creditors had filed proofs of claim in the case or were listed by GBS as undisputed obligations. GBS believes, based upon a review of the proofs of claim, that the following accurately describes the claims against it:

1. Priority Claims for administrative expenses. Other than professional fees, and real estate taxes that accrued post-petition (which are secured by the real estate), GBS does not believe it has any unpaid post-petition obligations. The amounts are estimated to be \$30,000.00 or less.
2. Unsecured Claims without priority in the total amount of approximately \$1,243,068.37. Included in this amount is \$1,122,660.11 owed to insiders.
3. Secured Claim in the approximate amount of \$23,079,101.56.

B. Executory Contracts and Unexpired Leases

Roseland Village is not a party to any leases or executory contracts.

GBS has a verbal lease with Mark Richards, who occupies a residence located on land owned by GBS at 807 Old Hundred Road, Midlothian, Virginia 23114. The terms of the lease are as follows: rental of the property in exchange for caretaker duties for 807 Old Hundred Road and 701 Old Hundred Road. GBS will assume this lease.

GBS has a verbal lease with James Huebler, who occupies a residence located on land owned by GBS at 1301 Otterdale Road, Midlothian, Virginia 23114. The terms of the lease are as follows: month-to-month rental of the property for the sum of \$1,000.00 per month.

GBS is not aware of any other leases or executory contracts to which it is a party.

C. Unpaid Debt Incurred since the Commencement of the Case

The Debtors have not incurred any material or significant unsecured debt post-petition, except for accrued salaries to members of the Sowers Family and ordinary-course unsecured debt for operating expenses to affiliates of GBS known as Riverton Associates, LLC and George B. Sowers, Jr. and Associates, Inc. The amount of that Debt is approximately \$39,800.00.

In addition, there are post-petition sums, including post-petition interest that has accrued and is owed to secured creditors, including the banks and other lenders and to the County of Chesterfield for post-petition taxes (which is secured under applicable non-bankruptcy law).

Finally, the Debtors will owe its professionals for fees incurred post-petition.

D. Distribution on Unsecured Claims

No distributions have been made post-petition to holders of Unsecured Claims of either Roseland Village or GBS.

E. Liquidation Analysis

In order to make an informed decision as to whether to accept or reject the Plan, unsecured creditors may compare the return on their pre-petition claims under the Plan to the probable return if this case were to be converted to a case under Chapter 7 of the Bankruptcy Code. Under Chapter 7, a disinterested Chapter 7 trustee is appointed by the Bankruptcy Court to liquidate a debtor's assets and to distribute those assets in accordance with priorities established by the Bankruptcy Code. Under the Bankruptcy Code, payments of administrative claims (including the trustee's fee, trustee's counsel's fee, costs of maintaining and liquidating the assets of the estate and taxes) are entitled to first priority. Secured creditors receive either the property on which they have liens or the proceeds from the sale of such property. Unsecured creditors are entitled to payment only after payment of administrative expenses and any payments to secured creditors.

If this case were to be converted to a case under Chapter 7, a Chapter 7 trustee would be appointed to administer the case, and the Chapter 7 trustee, in all likelihood, would appoint an

attorney to represent him or her in the case. The Chapter 7 trustee would be entitled to a commission based on the total amount of funds in the estate. In contrast, under the Plan, there is no trustee's commission to be paid in this Chapter 11 case. In addition, the Chapter 7 trustee's attorney would be required to become familiar with the case. This presupposes that a Chapter 7 estate would have any assets available to fund either administrative expenses or distributions to unsecured creditors after the satisfaction of secured creditors.

The Debtors believe that if the Property owned by each of them were to be auctioned or sold in the current market, the proceeds from those sales would reflect a substantial devaluation of the project and the respective parcels. This is due to a host of factors, including current market conditions, lack of conventional credit and financing, uncertainty of entitlements, and lack of final planning requirements. Thus, the proceeds would not be sufficient to pay off the liens held by secured creditors or to pay all of the other expenses and unsecured claims.

A liquidation analysis under Chapter 7 for both Debtors is based on the appraised values that the Debtor has in hand or is aware of, and the Debtors' knowledge of the value of undeveloped parcels that have not been rezoned or approved for development but have been liquidated through sales that were not at arms length, which is summarized in the following table:

LIQUIDATION ANALYSIS TABLE

Parcel Number ²	Owner	Acreage	Fair Market Value	Liquidation Value Estimate ³	Secured Party
1	GBS Holding	2.50 ±	\$450,000	\$175,000	Bank of Powhatan (Essex Bank)
2	GBS Holding	301 ±	\$12,220,000	\$2,750,000	Franklin Federal
3	GBS Holding	100 ±	\$4,200,000	\$1,500,000	Va. Comm. Bank 4K Assoc. Second Deed of Trust
4	GBS Holding	265 ±	\$10,600,000	\$3,500,000	Central Va. Bank
5	GBS Holding	114 ±	\$11,400,000	\$1,750,000	Bank of Powhatan (Essex Bank)
6	GBS Holding	42 ±	\$4,200,000	\$630,000	Paragon Bank
7	GBS Holding	87 ±	\$4,350,000	\$550,000	Walter P. Styles
8	GBS Holding	16.63	\$830,000	\$225,000	Donese B. Smith
Totals			\$48,250,000	\$11,080,000	
9	Roseland Village	313.50	\$37,500,000	\$12,000,000	Franklin Federal
10	Roseland Village	30	\$5,500,000	(combined)	BB Hunt
Totals			\$43,000,000	\$12,000,000	

² The Parcel Number listed below is the same number used on Exhibit 2 attached hereto, depicting the entire Roseland assemblage with the original boundary lines.

³ The Debtors' estimated liquidation value is based on each parcel being sold at auction at different times. If each of the assembled parcels were to be sold separately, then the Master Planned Development approval by Chesterfield County would be withdrawn, and the land would be worth a fraction of the amount of the Fair Market Value and the Liquidation Value.

LIQUIDATION VALUE NARRATIVE (PER PARCEL)

Parcel No. 1: 2.5^{+/-} Acres Land and Improvements at 807 and 815 Old Hundred Road, Midlothian, Virginia:

Older tri-level home in need of repairs and renovation. Well and septic system.

Parcel No. 2: 301^{+/-} Acres Land and Improvements at 1132, 1222, 16407, 16408, 16410, 16301, and 16300 Old Hundred Road, Midlothian, Virginia:

Public sewer and water available from adjacent Hallsley Subdivision. Required access from two or three points may be difficult without cooperating adjacent owners.

Parcel No. 3: 100^{+/-} Acres Land and Improvements at 701, 731, 809, and 901 Old Hundred Road, Midlothian, Virginia:

This property is well located and has public water along the entire frontage, but has no public sewer at this time. Road improvements will be required on Old Hundred Road.

Parcel No. 4: 265^{+/-} Acres Land and Improvements at 921 and 1201 Old Hundred Road, Midlothian, Virginia:

This property is well located and has public water along the entire frontage but has no public sewer at this time. Road improvements will be required on Old Hundred Road.

Parcel No. 5: 114^{+/-} Acres Land and Improvements at Parcel 1 of 1301 Otterdale Road, Midlothian, Virginia:

Property will be adjacent to Roseland Town Center and Woolridge Road extended. At this time, however, it has no public sewer and water and has inadequate road infrastructure.

Parcel No. 6: 42^{+/-} Acres Land and Improvements at Parcel 2 of 1301 Otterdale Road, Midlothian, Virginia:

Property will be adjacent to Roseland Town Center and Woolridge Road extended. At this time, however, it has no public sewer and water and has inadequate road infrastructure.

Parcel No. 7: 87^{+/-} Acres Land and Improvements at 2301 Old Hundred Road, Midlothian, Virginia:

Property has no public water or sewer. Extensive road improvements will also be required. Needs cooperation of adjacent Smith property for appropriate road access and project massing.

Parcel No. 8: 16.6^{+/-} Acres Land and Improvements at 2041 and 2131 Old Hundred Road, Midlothian, Virginia:

Property has no public water or sewer. Extensive road improvements will also be required. Needs cooperation of adjacent Styles property for appropriate road access and project massing.

Parcels No. 9 and 10: 343.78^{+/-} Acres of vacant land, terminus of Woodlridge Road and Route 288, and Old Hundred Road, Midlothian, Virginia:

Property is well located, and sewer is available for approximately half of the property. Water is adjacent to the south but lacks adequate pressure. Additional water and sewer infrastructure and road connections are required.

A summary of the claims against each Debtor based on Proofs of Claims and the schedules are follows:

ROSELAND VILLAGE ESTIMATED CLAIMS

	Proof of Claim/Scheduled	Projected Interest at 4%	Totals	Insider Portion of All Claims
Priority/Administrative	Est. \$30,000.00	n/a	\$30,000.00	N/A
Secured Claims	\$20,782,634.00	\$4,156,526.80	\$24,939,160.80	N/A
Unsecured Claims	\$490,107.61	N/A	\$490,107.61	\$422,987.00
Total Claims	\$21,302,741.61		\$25,459,268.41	

GBS HOLDING ESTIMATED CLAIMS

	Proof of Claim/Scheduled	Projected Interest at 4%	Totals	Insider Portion of All Claims
Priority/Administrative	Est. \$30,000.00	n/a	\$30,000.00	N/A
Secured Claims	\$23,079,101.56	\$4,615,820.32	\$27,694,921.88	N/A
Unsecured Claims	\$233,445.13	N/A	\$233,445.13	\$1,122,660.11
Total Claims	\$23,342,546.69	\$4,615,820.32	\$27,958,367.01	

Based on the Debtors' calculations, if Roseland is developed as they plan, there are sufficient assets to pay all of their creditors 100% of the obligations owed to them. Accordingly, the Debtors believe that all creditors will recover all that is owed to them if the Plan is accepted and completed.

F. Plan Feasibility.

The Debtors are convinced, based on their expertise as developers, that their Plan of Reorganization is feasible. The Debtors have a Marketing Report (“the Zimmerman Report”) that was performed by Zimmerman/Volk Associates, Inc. of Clinton, New Jersey (“Zimmerman”) pre-petition. Zimmerman has been hired by municipal governments, developers and governmental agencies nationwide to study land use, development and the marketability of developments. Zimmerman reported that there is substantial market depth for the Roseland development. The Zimmerman Report gave the Debtors suggested lot prices for the development and a schedule of absorption of the lots. The Debtors’ projections are based on achieving approximately fifty percent (50%) of the projections and absorption predicted by the Zimmerman Report. The Debtors believe that, even though the market has deteriorated since the Zimmerman Report was performed, projecting their performance at approximately fifty percent (50%) of the Zimmerman analysis is prudent and achievable.

The Court cannot confirm a Plan if it is not feasible. A Plan is feasible if the Plan proponent can perform its obligations under the Plan and if confirmation will not likely be followed by either the liquidation of or the need for further financial reorganization of the Debtor. The Debtors plan to develop the property in phases and believe that they have a plan that is feasible and that will materialize. This belief is based on the existence of key components that are necessary to develop the property, which are discussed below. In addition, the Debtors have implemented a stop-loss mechanism that provides that if the Debtors’ projections and plans do not materially occur, then the Debtors will attempt to liquidate and sell the land that secures Deeds of Trust in favor of their secured creditors. If the sale does not occur, then either the Debtors will convey the land secured by a creditor’s deeds of trust back to it by deed in lieu of foreclosure or the secured creditor may commence foreclosure proceedings. Thus, the Debtors believe they have the ability to meet their obligations under the Plan and have concluded that each of them will meet its obligations and that confirmation will likely not be followed by the liquidation or further financial reorganization of the Debtors.

Attached hereto is Exhibit 1, which has been compiled by the Debtors and which provides a projection of the income and expenses of both Debtors over the five (5) years of the Plan. The Debtors reasonably believe that Exhibit 1 contains an accurate estimate of the income, expenses and surplus that each Debtor will have during the term of the Plan. The Debtors will each use the income to fund the continued development of Roseland, pay salaries and expenses and make the payments to the creditors.

The Plan is based on the following assumptions and events occurring:

1. The Debtors entering into a contract with at least one national builder to buy developed lots.

A key to successfully developing Roseland is a base contract with at least one national builder that will agree to a substantial cash deposit and agree to purchase a large amount of lots that the Debtors will develop in Roseland. That cash deposit will be made available to finance the outstanding master planning necessary to begin construction in the project and will be

secured by the land proposed to be developed with a first lien position. The Debtor has a Letter of Intent that it can convert into a contract with at least one national builder, to purchase at least 360 finished lots on approximately 60 acres in the Roseland Village portion of Roseland. The basic terms of this agreement are as follows:

Minimum total number of lots to be purchased:	360
Minimum Cash Deposit:	\$2,000,000.00
Minimum term of contract (takedown period):	5 Years

The Debtors estimate that the net proceeds from this contract that will be available over the five-year term of the contract to pay interest expense will be approximately \$7,900,000.00.

The consummation of the initial contract to purchase residential lots in Roseland provides the financing mechanism and timeline whereby the remaining master-planning items necessary to begin construction in the project will be completed.

The Debtors believe that once the development of Roseland begins, there will be regional and local builders that will also agree to convert interest to purchase lots in Roseland into purchase contracts, which will further advance the multi-family, commercial and office development of Roseland.

2. Financing to commence building infrastructure needed for the lots.

In order to deliver the initial lots to builders and other purchasers, the Debtors will need to build roads and install utilities and other amenities that are required to deliver a “finished lot” to a builder. Once the initial infrastructure is built that is necessary to begin selling lots, then the Debtors believe that sales and income will be sufficient to build the next phase of infrastructure necessary to deliver more lots to the builders. In other words, the Debtors do not propose to build the entire infrastructure at one time but will build it in stages to accommodate the lot sales and to manage cash. The Debtors believe that they can generate the cash necessary for the second and subsequent sales of lots from the sale of the initial phase of development. The expenses associated with the building of infrastructure are listed in Exhibit 1 attached hereto. The sources of cash that the Debtor will use for the initial phase of development of infrastructure will be as follows:

a. Deposits from a National Builder: Under an agreement with a national builder, the builder will be required to make cash deposits staged to match the demands of the project in terms of capital necessary to build the infrastructure for the lots it is purchasing in stages. For example, the initial deposit would be \$2,000,000.00 for the initial purchase of 360 lots. The deposit will be secured as a first-priority lien on the 60 acres that will be developed for this purchaser.

b. If Necessary, Loans from Private Equity Sources: If the Debtors require additional sources of capital to build infrastructure in order to consummate a sale of lots or other building sites, then the Debtors may arrange financing with private equity sources. If that financing is required, then said private equity sources will receive first liens on the land on which

they provide funds for building infrastructure, and the existing secured lenders will be required by the Plan to subordinate their liens to the extent of those infrastructure loans. The Debtors do not believe that the subordination of the existing secured liens will adversely impact those lenders, because: (i) there is significant equity in the land and (ii) the increase in the value of the land that is upgraded with infrastructure will be more than the debt that is incurred and made a priority over existing secured debt. The Debtors are in discussions with private equity lenders to meet capital infrastructure needs if that becomes necessary.

c. Public/Private to Design and Build Major Public Infrastructure: Given that the design of Roseland as a Master Planned Community conforms with Chesterfield County's Comprehensive Plan and allows the County to anticipate the development's impact on existing and required transportation improvements, public utilities and services, there are a number of opportunities for the creation of public/private partnerships that would help fund key components of the project's infrastructure. Areas of development that would benefit from these public/private partnerships include roads, schools, utilities and parks. The Debtors have initiated preliminary discussions with various municipal agencies and private investors regarding these types of public/private partnerships and, based on the tenor of these preliminary discussions, anticipate that these partnerships could be an important source of funding as the development of Roseland progresses.

d. Selective Timber Harvesting Income: Timber management of the land, conducted under the best silviculture practices as recommended by the Virginia Department of Forestry and as approved by the Chesterfield County Department of Environmental Engineering for residential timber thinning, is anticipated on the property. The Debtors expect to selectively harvest mature or over-mature trees that would be removed during the normal course of development. The trees that will remain are expected to be those trees that can best grow with the development on the lots. The Debtors have a proposal from a timber broker to perform the selective timber thinning of the land. The estimated value of the timber to be harvested is between \$575,000.00 and \$655,000.00 ("Timber Proceeds"). The Timber Proceeds are reflected in Exhibit 1 and will be used for property taxes and other development expenses necessary to commence the development of Roseland.

DEVELOPMENT PLANS

Development plans for the project must be approved in conjunction with final approvals of infrastructure phasing by Chesterfield County. It is the Debtors' intention to focus initial development activity in the Roseland Village portion of the project. A sales contract, with a cash deposit, for residential lots in this portion of the project may provide the necessary capital to engage the final level of master-plan approvals from Chesterfield County. Upon receipt of these approvals, it is the intention of the Debtor to begin development in two to four separate districts of the project. Following the market recommendations of their market consultants, the Debtors believe separate markets can be identified in different areas of the project, providing land curtailment opportunities for the largest number of creditors. Additionally, this development strategy provides marketing opportunities to the widest possible range of potential customers, including local, regional and national builders, multi-family developers, and commercial tenants and partner developers. Exhibit 3 attached hereto contains a timeline, prepared by the Debtors,

that lists the milestones that the Debtors expect to achieve in each of the five (5) years after the Effective Date.

ROSELAND VILLAGE'S PROJECTED PAYMENTS

Roseland Village has prepared projections of the income and expenses that it believes it will realize over the life of the Plan. Exhibit 1 indicates that over the five (5) years in which the Plan will be in place, Roseland Village will have approximately \$7,900,000.00 of net revenue, which will be used to fund the Plan payments. Exhibit 4 to this Disclosure Statement details the Debtors' projected overhead expenses in each of the five (5) years after the Effective Date. Finally, Exhibit 5 to this Disclosure Statement details the income and expenses in the first year after the Effective Date before the lot sales begin.

In summary, as set forth below, Roseland Village proposes to pay all of its creditors in full, with interest, during the term of the Plan.

GBS' PROJECTED PAYMENTS

Exhibit 1 also contains the projected income and expenses for GBS for five (5) years after the Effective Date. The income is based on the sales of lots as listed in that exhibit.

In summary, as set forth below, GBS proposes to pay all of its creditors in full, with interest, during the term of the Plan.

IV. SUMMARY OF THE PLAN

The following is a brief summary of the Plan and should not be relied upon for voting purposes. Creditors are urged to read the entire Plan and to consult with counsel or each other in order to fully understand the Plan. If confirmed, the Plan would represent a legally binding agreement by the Debtor in each case, with each of its creditors, and an informed decision concerning the approval of the Plan cannot be made without understanding it.

Administrative Expense Claims and the Priority Claims will be paid by the Debtors under the Plan on either the Effective Date or the dates on which payments of such claims become due in accordance with terms. Approved Amounts owed to Professionals will be paid in accordance with an agreement made with them for such payment, as approved by the Bankruptcy Court.

Allowed Priority Claims in Both Cases

Priority Claims in both cases are, to the extent allowed, Unsecured Claims entitled to priority pursuant to 11 U.S.C. § 507(a)(1)-(8), including (but not limited to) United States Trustee's Fees pursuant to 28 U.S.C. § 1930(a)(6). The Internal Revenue Service ("IRS") has a filed a Proof of Claim (Amended Proof of Claim No. 9) in the GBS Holding case in the amount of \$100.00. GBS intends to object to the IRS claim. If that objection is overruled, or if the IRS is, in fact, allowed a priority claim of \$100.00, then it will be paid in full on the Effective Date. The Debtors believe that the only allowed Priority Claim will be the fees owed to the Trustee.

Roseland Village's Creditors

The creditors of Roseland Village will be treated as follows:

Class 1: Franklin Federal Savings and Loan: Class 1 consists of the Secured Claims of Franklin Federal Savings and Loan ("Franklin Federal") that are included in Proof of Claim No. 4. Franklin Federal has a first deed of trust on approximately 313.30 acres. The Debtor believes that it owes Franklin Federal, as of April 4, 2011, approximately \$14,947,614.12, plus interest and fees (according to the Proof of Claim) and that the fair market value of the land that is subject to Franklin Federal's lien is \$37,450,000.00. Accordingly, Franklin Federal is over-secured.

The Debtor will pay Franklin Federal the principal balance of \$14,947,614.12, plus interest from April 4, 2011 at a simple rate of interest of four percent (4%) per annum, as set forth in Exhibit 1 attached hereto. The amount of interest that will accrue before the claim of this class is paid in full is approximately \$597,904.56 per annum. The amount owed to the holder of the claim in this class will remain over-secured through the date on which the claim will be paid.

Development Summary:

- A. Estimated date when land will be available for sale: Lots in the first phase of residential development for this property are expected to be available Q1 2013. Commercial property on this site will be available for sale Q3 2013. Multi-family property on this site will be available for sale Q3 2013.
- B. Number of lots projected for land that is secured by lien: To be determined by master plan.
- C. Projected sales prices for lots: To be determined.
- D. Release fee paid to creditor on each lot: First year of lot sales will have \$7,500.00 land curtailment per lot average. Average lot release fee for subsequent years shall be a minimum of \$15,000.00 per lot.
- E. Projected date for sale of all lots/land secured by loan: October 15, 2016.

Insofar as the amounts owed to Franklin Federal are now due but the Debtors are proposing to pay Franklin Federal in full, with interest, by October 15, 2016, the claims of Franklin Federal are impaired.

Franklin Federal shall be deemed fully secured and shall maintain all perfected security interests in the property that serves as security for its loan. Provided, however, if the Debtor requires financing to build infrastructure in order to close on an arms-length contract with an unrelated party for the sale of lots to a purchaser that is ready, willing and able to purchase those lots, the following shall occur: (1) Roseland Village will seek an advance of those costs as part of

its loan. If Franklin Federal declines to make those advances, then (2) the Debtors shall be entitled to seek a loan from a third party for those costs, that loan shall be recorded as a first deed of trust against the property and Franklins Federal's lien shall be subordinate to that loan

Release Fees/Payments: Exhibit 1 attached hereto lists the specifics regarding the payment to this secured creditor. According to the Debtors' projections, the lot release fees set forth herein will pay this creditor in full the principal, fees and interest owed to the Creditor. Accordingly, the Plan provides that the secured creditor in this class will partially release its lien on each lot that is sold/conveyed to a third party. The secured party shall execute the documents that are reasonably required to release each lot as it is sold.

If the Debtor sells any of the land secured by this creditor's lien, other than a sale of developed lots, then the release fee shall be one hundred ten percent (110%) of the outstanding balance owed on the parcel being sold, to be determined on a per-acre basis, or such lesser amount that this creditor agrees to accept, not to exceed the balance then due to this creditor.

Contingent Stop-Loss Provision: The Debtors shall have commenced payments to the holder of the claim of this class of the amounts specified in Exhibit 1. If the Debtors materially miss any such payment(s) and that payment remains due for one hundred twenty (120) days after the due date of the date that projected for the completion of all payments to this secured creditor, as set forth in Exhibit 1, then the Debtors shall immediately (within 30 days) place the remaining land that serves as the collateral in the deed(s) of trust recorded in favor of this creditor on the market, with a licensed real estate agent, to be sold for at least the amount of principal and accrued interest owed to this creditor. If the collateral is not sold for that sum within twelve (12) months from the date on which it is listed for sale, then the creditor that holds the claim in this class shall be entitled to foreclose on the collateral or receive a deed in lieu of foreclosure for its collateral, whichever it elects.

Rights of Way, Easements and Selective Timber Thinning Proceeds: The Debtors will grant easements, road rights of way and other encumbrances that are necessary for the orderly development of Roseland that will be located on the property secured by the land that serves as collateral for this creditor note. The creditor in this Class shall execute such documents that may be reasonably necessary to grant such encumbrances without additional consideration or payment. In addition, this creditor shall not receive any of the amounts the Debtor receives from the selective timber thinning described in Section III(f) above that will take place on the land that serves as collateral for its loan.

Class 2: BB Hunt, LLC: Class 2 consists of the Secured Claims of BB Hunt, LLC ("Hunt"), including those specified in Proof of Claim No. 6. Hunt has a security interest in 30 acres of land owned by Roseland Village, as depicted on Exhibit 2 attached hereto. The Debtor believes that it owes Hunt approximately \$5,497,716.32 and that the fair market value of the land that is subject to Hunt's lien is approximately \$5,500,000.00. Accordingly, Hunt is fully secured.

The Debtor will pay Hunt \$5,497,716.32, plus interest on the outstanding principal balance from May 12, 2011 at a simple rate of interest of four percent (4%) per annum.

Development Summary:

- A. Estimated date when land will be available for sale: 2015
- B. Number of lots projected for land that is secured by lien: 450 multi-family.
- C. Projected sales prices for lots: \$13,500.00 (net)
- D. Release fee paid to creditor on each lot: \$13,500.00
- E. Projected date for sale of all lots secured by loan: 2015

Insofar as the amounts owed to Hunt are now due but the Debtors are proposing to pay Hunt in full, with interest, by October 15, 2016, the claims of Hunt are impaired.

Release Fees/Payments: Exhibit 1 attached hereto lists the specifics regarding the payment to this secured creditor. According to the Debtors' projections, the lot release fees set forth herein will pay this creditor in full the principal, fees and interest owed to the Creditor. Accordingly, the Plan provides that the secured creditor in this class will partially release its lien on each lot that is sold/conveyed to a third party. The secured party shall execute the documents that are reasonably required to release each lot as it is sold.

If the Debtor sells any of the land secured by this creditor's lien, other than a sale of developed lots, then the release fee shall be one hundred ten percent (110%) of the outstanding balance owed on the parcel being sold, to be determined on a per-acre basis, or such lesser amount that this creditor agrees to accept, not to exceed the balance then due to this creditor.

Contingent Stop-Loss Provision: The Debtors shall have commenced payments to the holder of the claim of this class of the amounts specified in Exhibit 1. If the Debtors materially miss any such payment(s) and that payment remains due for one hundred twenty (120) days after the due date of the date that projected for the completion of all payments to this secured creditor, as set forth in Exhibit 1, then the Debtors shall immediately (within 30 days) place the remaining land that serves as the collateral in the deed(s) of trust recorded in favor of this creditor on the market, with a licensed real estate agent, to be sold for at least the amount of principal and accrued interest owed to this creditor. If the collateral is not sold for that sum within twelve (12) months from the date on which it is listed for sale, then the creditor that holds the claim in this class shall be entitled to foreclose on the collateral or receive a deed in lieu of foreclosure for its collateral, whichever it elects.

Rights of Way, Easements and Selective Timber Thinning Proceeds: The Debtors will grant easements, road rights of way and other encumbrances that are necessary for the orderly development of Roseland that will be located on the property secured by the land that serves as collateral for this creditor note. The creditor in this Class shall execute such documents that may be reasonably necessary to grant such encumbrances without additional consideration or payment. In addition, this creditor shall not receive any of the amounts the Debtor receives from

the selective timber thinning described in Section III(f) above that will take place on the land that serves as collateral for its loan.

Class 3: Secured Real Estate Taxes Owed to Chesterfield County: Class 3 consists of the Secured Claims of County of Chesterfield, which are real property taxes imposed on real estate owned by Roseland Village. *See* Proof of Claim No. 5 for \$337,303.56 filed by the County of Chesterfield on May 9, 2011. The amounts owed to Chesterfield County for real estate taxes are secured under applicable non-bankruptcy law. Roseland Village will pay the amounts owed to Chesterfield County in full, with penalties and interest, as the parcels it owns are sold and/or under the payment schedule set forth in Exhibit 1 and below.

Class 3 Claims are impaired.

Payment Plan:

- A. Initial payment of \$250,000.00 in Q1 2012 upon confirmation of Plan and acceptance of initial purchase contract.
- B. Proposed payment No. 2 in Q1 2013 to bring taxes current.

Class 4: Roseland Village's Unsecured Creditors, Excluding Insider Claims: Class 4 consists of all allowed Unsecured Claimants of Roseland Village, excluding the claims of Insiders.

The Class 4 claims are impaired.

Each claim holder in this class will receive a payment equal to 100% of the amount of the claim without interest as set forth in Exhibit 1 attached. The disbursement to Class 4 claimants will commence in 2014 and will consist of 50% of the amount shown on Exhibit 1 for "Funds Available for Unsecured Creditors" after the payment of administrative claims, including attorney fees incurred by the Debtors. These funds will be distributed on a *pro-rata* basis to all claimants within this class. Subsequent distributions will be made using 50% of the amount shown on Exhibit 1 for such year in December of each subsequent year until all claimants in this class have received 100% of their claims, without interest.

Class 5: Roseland Village's Unsecured Insider Claims: Class 5 consists of all allowed Unsecured Insider Claimants of Roseland Village.

The Class 5 claims are impaired.

Each claim holder in this class will receive a payment equal to 100% of the amount of the claim without interest. Payments to this class shall be made after all Class 4 and Class 17 claimants are paid in full. After all Class 4 and Class 17 claimants have been paid 100% of their claims, without interest, the disbursement agent shall disburse 50% of the amount shown on Exhibit 1 for "Funds Available for Unsecured Creditors" for such year. These funds will be distributed on a *pro-rata* basis to all claimants within this class. Subsequent distributions will be

made using 50% of the amount shown on Exhibit 1 for such year in December of each subsequent year until all claimants in this class have received 100% of their claim without interest.

Class 6: Equity Holders in Roseland Village: Class 6 consists of the holders of the equity interests in the Debtor. The two equity holders in Roseland Village are GBS Holding and Theresa Sallé. Since the Debtor is proposing to pay all secured and unsecured creditors in full with deferred payments as set forth herein, the Debtor proposes that the equity interest holders maintain the same equity interest that they had in Roseland Village prior to the filing of the Chapter 11 Petition. The equity holders will only receive a distribution if all non-insider creditors receive all the payments that are set forth herein and contained in the confirmed Chapter 11 Plan.

GBS Holding, Ltd.'s Creditors

The creditors of GBS Holding, Ltd. will be treated as follows:

Class 7: Essex Bank (formerly Bank of Powhatan): Class 7 consists of the Secured Claims of Essex Bank, formerly known as the Bank of Powhatan. The two claims of Essex Bank are as follows: (1) \$225,000.00, plus interest and attorney fees set forth in a Confession of Judgment in the amount of \$32,187.42 received on February 10, 2011 in Chesterfield County Circuit Court in Order Book No. 0300, Page 0927, which is set forth in Proof of Claim No. 8 (Referred to herein as “Essex Note No. 1”) and (2) \$5,396,966.84, plus interest and attorney fees based on a Confession of Judgment received on February 10, 2011 in Powhatan County Circuit Court in Instrument No. 11-103, which is set forth in Proof of Claim No. 7 (Referred to herein as “Essex Note No. 2”).

Essex Note No. 1 is secured by a Deed of Trust on 2.5 acres located at 807 Old Hundred Road, Midlothian, Virginia, owned by GBS. GBS believes that the value of the collateral is \$450,000.00. Since Essex Note No. 1 was reduced to a judgment, it is a lien on all of the real estate owned by GBS as well as the 2.5 acres pledged as collateral for the loan. Essex Bank Note No. 1 is fully secured.

The Debtor will pay Essex Bank \$225,000.00, plus interest and attorney fees of \$32,187.42, plus interest on the outstanding principal balance that accrued after February 10, 2011, as set forth in Exhibit 1 attached hereto. The amount of interest that will accrue before the claim of this class is paid in full is \$9,000.00 per annum. The amount owed to the holder of the claim in this class will remain over-secured through the date on which the claim will be paid.

Essex Note No. 2 is secured by a Deed of Trust on 114 acres on Otterdale Road in Chesterfield County, Virginia owned by GBS. GBS believes that the value of the collateral is \$11,400,000.00. Since Essex Note No. 2 was reduced to a judgment, it is a lien on all of the real estate owned by GBS in addition to the acreage that was pledged as collateral for this loan. Essex Note No. 2 is fully secured.

The Debtor will pay Essex Bank \$5,255,152.58, plus interest, attorney fees and other fees of \$141,844.25, plus interest on the outstanding principal balance that accrued after February 10,

2011, as set forth in Exhibit 1 attached hereto. The amount of interest that will accrue before the claim of this class is paid in full is \$204,000.10 per annum. The amount owed to the holder of the claim in this class will remain over-secured through the date on which the claim will be paid.

Development Summary:

- A. Estimated date when land will be available for sale: 2014
- B. Number of lots projected for land that is secured by lien: To be determined.
- C. Projected sales prices for lots/land: \$5,400,000.00
- D. Release fee paid to creditor on each lot: To be determined.
- E. Projected date for sale of all lots secured by loan: 2014
- F. Current LOI or contracts for lot sales: Pending

The Debtor proposes that Essex Bank maintain a first-priority lien in the property that is subject to its two deeds of trust and that interest accrue on the amounts due to Essex Bank from February 10, 2011 until paid at the rate of four percent (4%) per annum. The debtor proposes that it continue negotiations with Chesterfield County to place a conservation easement on the land and then sell the land to the County for use as a park. The Debtor shall only encumber the land with the easement and sell it to Chesterfield County if there is a contract with the County that has been ratified by the Chesterfield County Board of Supervisors, or other persons or entities that are permitted or required to do so under applicable law, and the Bank of Powhatan consents to the easement and sale, which cannot be unreasonably withheld.

The Debtors believe negotiations for a public/private partnership to create a regional park on the subject property should be concluded within one year of confirmation of the Plan. Should this Plan be deemed unsuccessful, the Debtors would then begin the marketing of the property in its original intended use of a mixed-use component of the Roseland project. The Debtors believe the successful marketing of this property will allow the outstanding balance due Essex Bank, including interest and expenses, to be paid in full no later than October 15, 2016.

Lot Release Fees/ Payments: As lots are sold on land that is not subject to the Bank of Essex's Deed-of-Trust liens, the Plan requires that the Bank of Essex release its judgment lien on those lots without payment. While Bank of Essex will maintain its judgment lien on all of the land owned by GBS until it is paid in full, it is over-secured with the land that is subject to its Deeds of Trust, and therefore, it will not receive payments from land that is only subject to its judgment lien.

If the Debtor sells any of the land secured by this creditor's deeds of trust (excluding the judgment lien), other than a sale of developed lots, then the release fee shall be one-hundred ten percent (110%) of the outstanding balance owed on the parcel being sold, to be determined on a

per-acre basis, or such lesser amount that this creditor agrees to accept, not to exceed the balance then due to this creditor.

The Claims of the Class 7 Creditor are impaired.

Contingent Stop-Loss Provision: The Debtors shall have commenced payments to the holder of the claim of this class of the amounts specified in Exhibit 1. If the Debtors materially miss any such payment(s) and that payment remains due for one hundred twenty (120) days after the due date of the date that projected for the completion of all payments to this secured creditor, as set forth in Exhibit 1, then the Debtors shall immediately (within 30 days) place the remaining land that serves as the collateral for the deed(s) of trust recorded in favor of this creditor on the market, with a licensed real estate agent, to be sold for at least the amount of principal and accrued interest owed to this creditor. If the collateral is not sold for that sum within twelve (12) months from the date on which it is listed for sale, then the creditor that holds the claim in this class shall be entitled to foreclose on the collateral or receive a deed in lieu of foreclosure for its collateral, whichever it elects.

Rights of Way, Easements and Selective Timber Thinning Proceeds: The Debtors will grant easements, road rights of way and other encumbrances that are necessary for the orderly development of Roseland that will be located on the property secured by the land that serves as collateral for this creditor note and/or its judgment lien. The creditor in this Class shall execute such documents that may be reasonably necessary to grant such encumbrances without additional consideration or payment. In addition, this creditor shall not receive any of the amounts the Debtor receives from the selective timber thinning described in Section III(f) above that will take place on the land that serves as collateral for its loan or to which the judgment lien has attached.

Class 8: Franklin Federal Savings and Loan: Class 8 consists of the Secured Claim of Franklin Federal Savings and Loan ("Franklin Federal") on property owned by GBS that is included in Proof of Claim No.4 in the principal amount of \$5,295,693.59 as of June 23, 2011. Franklin Federal has a first deed of trust on approximately 301 acres, as depicted on Exhibit 2 attached hereto. The Debtor believes that the fair market value of the land that is subject to Franklin Federal's lien is \$9,000,000.00. Accordingly, Franklin Federal is over-secured.

The Debtor will pay Franklin Federal \$5,295,693.59 as of June 23, 2011, plus interest from that date on the outstanding principal balance at a simple rate of interest of four percent (4%) per annum, as set forth in Exhibit 1 attached hereto. The amount of interest that will accrue before the claim of this class is paid in full is approximately \$200,000.00 per annum. The amount owed to the holder of the claim in this class will remain over-secured through the date on which the claim will be paid. The Debtor believes that Franklin Federal will be paid in full on or before October 15, 2016.

Development Summary:

- A. Estimated date when land will be available for sale: 2014
- B. Number of lots projected for land that is secured by lien: 600

- C. Projected sales prices for lots: To be determined.
- D. Release fee paid to creditor on each lot: \$9,000.00 per unit (average).
- E. Projected date for sale of all lots/land secured by loan: 2016
- F. Current LOI or contracts for lot sales: To be determined.

Insofar as the amounts owed to Franklin Federal are now due but the Debtors are proposing to pay Franklin Federal in full, with interest, by October 15, 2016, the claims of Franklin Federal are impaired.

Franklin Federal shall be deemed fully secured and shall maintain all perfected security interests in the property that serves as security for its loan. Provided, however, if the Debtor requires financing to build infrastructure in order to close on an arms-length contract with an unrelated party for the sale of lots to a purchaser that is ready, willing and able to purchase those lots, the following shall occur: (1) GBS will seek an advance of the those costs as part of its loan. If Franklin Federal declines to make those advances, then (2) the Debtor shall be entitled to seek a loan from a third party for those costs, that loan shall be recorded as a first deed of trust against the property and Franklin Federal's lien shall be subordinate to that loan.

Release Fees/Payments: Exhibit 1 attached hereto lists the specifics regarding the payment to this secured creditor. According to the Debtors' projections, the lot release fees set forth herein will pay this creditor in full the principal, fees and interest owed to the Creditor. Accordingly, the Plan provides that the secured creditor in this class will partially release its lien on each lot that is sold/conveyed to a third party. The secured party shall execute the documents that are reasonably required to release each lot as it is sold.

If the Debtor sells any of the land secured by this creditor's lien, other than a sale of developed lots, then the release fee shall be one hundred ten percent (110%) of the outstanding balance owed on the parcel being sold, to be determined on a per-acre basis, or such lesser amount that this creditor agrees to accept, not to exceed the balance then due to this creditor.

Contingent Stop-Loss Provision: The Debtors shall have commenced payments to the holder of the claim of this class of the amounts specified in Exhibit 1. If the Debtors materially miss any such payment(s) and that payment remains due for one hundred twenty (120) days after the due date of the date that projected for the completion of all payments to this secured creditor, as set forth in Exhibit 1, then the Debtors shall immediately (within 30 days) place the remaining land that serves as the collateral in the deed(s) of trust recorded in favor of this creditor on the market, with a licensed real estate agent, to be sold for at least the amount of principal and accrued interest owed to this creditor. If the collateral is not sold for that sum within twelve (12) months from the date on which it is listed for sale, then the creditor that holds the claim in this class shall be entitled to foreclose on the collateral or receive a deed in lieu of foreclosure for its collateral, whichever it elects.

Rights of Way, Easements and Selective Timber Thinning Proceeds: The Debtors will grant easements, road rights of way and other encumbrances that are necessary for the orderly development of Roseland that will be located on the property secured by the land that serves as collateral for this creditor note. The creditor in this Class shall execute such documents that may be reasonably necessary to grant such encumbrances without additional consideration or payment. In addition, this creditor shall not receive any of the amounts the Debtor receives from the selective timber thinning described in Section III(f) above that will take place on the land that serves as collateral for its loan.

Class 9: Virginia Commonwealth Bank: Class 9 consists of the Secured Claim of Virginia Commonwealth Bank on property owned by GBS as set forth in Proof of Claim No. 17 filed on September 29, 2011. Virginia Commonwealth Bank has a first deed of trust on approximately 100 acres, as depicted on Exhibit 2 attached hereto. The Debtor owes Virginia Commonwealth Bank approximately \$1,778,471.78 as of September 29, 2011. The foregoing amount includes accrued interest and fees of \$85,471.78 as of the date the Proof of Claim was filed. The Debtor believes that the fair market value of the land that is subject to Virginia Commonwealth Bank's lien is \$4,200,000.00. Accordingly, Virginia Commonwealth Bank is over-secured.

The Debtor will pay Virginia Commonwealth Bank all that it owes it, including interest on the outstanding principal balance set forth in the Proof of Claim filed by this creditor at a simple rate of interest of four percent (4%) per annum. The Debtor believes that Virginia Commonwealth Bank will be paid in full no later than October 15, 2016 or as set forth in Exhibit 1 attached hereto. The amount of interest that will accrue before the claim of this class is paid in full is \$68,000.00 per annum. The amount owed to the holder of the claim in this class will remain over-secured through the date on which the claim will be paid.

Development Summary:

- A. Estimated date when land will be available for sale: Depending upon availability of utilities. Anticipated lot/land sales to commence in 2013.
- B. Number of lots/units projected for land that is secured by lien: Approximately 350.
- C. Projected sales prices for lots: To be determined.
- D. Release fee paid to creditor on each lot: \$7,250.00 per unit (average).
- E. Projected date for sale of all lots/land secured by loan: 2016
- F. Current LOI or contracts for lot sales: To be determined.

Insofar as the amounts owed to Virginia Commonwealth Bank are now due but the Debtors are proposing to pay Virginia Commonwealth Bank in full, with interest, by October 15, 2016, the claims of Virginia Commonwealth Bank are impaired.

Virginia Commonwealth Bank shall be deemed fully secured and shall maintain all perfected security interests in the property that serves as security for its loan. Provided, however, if the Debtor requires financing to build infrastructure in order to close on an arms-length contract with an unrelated party for the sale of lots to a purchaser that is ready, willing and able to purchase those lots, the following shall occur: (1) GBS will seek an advance of those costs as part of its loan. If Virginia Commonwealth Bank declines to make those advances, then (2) the Debtor shall be entitled to seek a loan from a third party for those costs, that loan shall be recorded as a first deed of trust against the property and Virginia Commonwealth Bank's lien shall be subordinate to that loan.

Release Fees/Payments: Exhibit 1 attached hereto lists the specifics regarding the payment to this secured creditor. According to the Debtors' projections, the lot release fees set forth herein will pay this creditor in full the principal, fees and interest owed to the Creditor. Accordingly, the Plan provides that the secured creditor in this class will partially release its lien on each lot that is sold/conveyed to a third party. The secured party shall execute the documents that are reasonably required to release each lot as it is sold.

If the Debtor sells any of the land secured by this creditor's lien, other than a sale of developed lots, then the release fee shall be one hundred ten percent (110%) of the outstanding balance owed on the parcel being sold, to be determined on a per-acre basis, or such lesser amount that this creditor agrees to accept, not to exceed the balance then due to this creditor.

Contingent Stop-Loss Provision: The Debtors shall have commenced payments to the holder of the claim of this class of the amounts specified in Exhibit 1. If the Debtors materially miss any such payment(s) and that payment remains due for one hundred twenty (120) days after the due date of the date that projected for the completion of all payments to this secured creditor, as set forth in Exhibit 1, then the Debtors shall immediately (within 30 days) place the remaining land that serves as the collateral in the deed(s) of trust recorded in favor of this creditor on the market, with a licensed real estate agent, to be sold for at least the amount of principal and accrued interest owed to this creditor. If the collateral is not sold for that sum within twelve (12) months from the date on which it is listed for sale, then the creditor that holds the claim in this class shall be entitled to foreclose on the collateral or receive a deed in lieu of foreclosure for its collateral, whichever it elects.

Rights of Way, Easements and Selective Timber Thinning Proceeds: The Debtors will grant easements, road rights of way and other encumbrances that are necessary for the orderly development of Roseland that will be located on the property secured by the land that serves as collateral for this creditor note. The creditor in this Class shall execute such documents that may be reasonably necessary to grant such encumbrances without additional consideration or payment. In addition, this creditor shall not receive any of the amounts the Debtor receives from the selective timber thinning described in Section III(f) above that will take place on the land that serves as collateral for its loan.

Class 10: Four K Associates: Four K Associates has a second deed of trust on approximately 75 acres as depicted on Exhibit 2 attached hereto. The Debtor owes Four K Associates \$841,456.84 as of June 3, 2011, as set forth in Proof of Claim No. 11 filed on September 16, 2011. Virginia Commonwealth Bank has a first Deed of Trust on the parcel that secures this loan. The Debtor believes that the fair market value of the land that is subject to Four K Associates lien is \$3,000,000.00.

The Debtor will pay Four K Associates all that it owes it, including interest on the outstanding principal balance set forth in the Proof of Claim filed by this creditor at a simple rate of interest of four percent (4%) per annum. The Debtor believes that Four K Associates will be paid in full on October 15, 2016 or as set forth in Exhibit 1 attached hereto. The amount of interest that will accrue before the claim of this class is paid in full is approximately \$33,000.00 per annum. The amount owed to the holder of the claim in this class will remain over-secured through the date on which the claim will be paid.

Development Summary:

- A. Estimated date when land will be available for sale: Depending upon availability of utilities. Anticipated lot and land sales to commence in 2013.
- B. Number of lots projected for land that is secured by lien: Approximately 350 residential units.
- C. Projected sales prices for lots: To be determined.
- D. Release fee paid to creditor on each lot: \$7,250.00 per unit (average).
- E. Projected date for sale of all lots/land secured by loan: 2016
- F. Current LOI or contracts for lot sales: To be determined.

The Class 10 creditor is impaired.

Release Fees/Payments: Exhibit 1 attached hereto lists the specifics regarding the payment to this secured creditor. According to the Debtors' projections, the lot release fees set forth herein will pay this creditor in full the principal, fees and interest owed to the Creditor. Accordingly, the Plan provides that the secured creditor in this class will partially release its lien on each lot that is sold/conveyed to a third party. The secured party shall execute the documents that are reasonably required to release each lot as it is sold.

If the Debtor sells any of the land secured by this creditor's lien, other than a sale of developed lots, then the release fee shall be one hundred ten percent (110%) of the outstanding balance owed on the parcel being sold, to be determined on a per-acre basis, or such lesser amount that this creditor agrees to accept, not to exceed the balance then due to this creditor.

Contingent Stop-Loss Provision: The Debtors shall have commenced payments to the holder of the claim of this class of the amounts specified in Exhibit 1. If the Debtors materially miss any such payment(s) and that payment remains due for one hundred twenty (120) days after the due date of the date that projected for the completion of all payments to this secured creditor, as set forth in Exhibit 1, then the Debtors shall immediately (within 30 days) place the remaining land that serves as the collateral in the deed(s) of trust recorded in favor of this creditor on the market, with a licensed real estate agent, to be sold for at least the amount of principal and accrued interest owed to this creditor. If the collateral is not sold for that sum within twelve (12) months from the date on which it is listed for sale, then the creditor that holds the claim in this class shall be entitled to foreclose on the collateral or receive a deed in lieu of foreclosure for its collateral, whichever it elects. Four K Associates' claim is subordinate to the lien of Virginia Commonwealth Bank.

Rights of Way, Easements and Selective Timber Thinning Proceeds: The Debtors will grant easements, road rights of way and other encumbrances that are necessary for the orderly development of Roseland that will be located on the property secured by the land that serves as collateral for this creditor note. The creditor in this Class shall execute such documents that may be reasonably necessary to grant such encumbrances without additional consideration or payment. In addition, this creditor shall not receive any of the amounts the Debtor receives from the selective timber thinning described in Section III(f) above that will take place on the land that serves as collateral for its loan.

Class 11: Paragon Bank: Class 11 consists of the Secured Claim of Paragon Bank on property owned by GBS. Paragon Bank has a first deed of trust on approximately 42 acres, as depicted on Exhibit 2 attached hereto. The Debtor believes that it owes Paragon Bank approximately \$2,056,564.56 as of September 27, 2011 as set forth in Proof of Claim No. 13 filed by Paragon Bank. The principal balance is \$1,905,581.56 as of September 27, 2011, according to the Proof of Claim filed. GBS believes that the fair market value of the land that is subject to Paragon Bank's first deed of trust lien is \$4,200,000.00. Accordingly, Paragon Bank is over-secured.

The Debtor proposes that Paragon Bank maintain a first-priority lien on the property that is subject to its deed of trust and that interest accrue on the principal amount due to Paragon Bank as of September 27, 2011, plus late charges and interest that accrued from June 3, 2011 until paid at the rate of four percent (4%) per annum. The Debtor proposes that it continue negotiations with Chesterfield County to place a conservation easement on the land and then sell the land to the County for use as a park. The Debtor shall only encumber the land with the easement and sell it to Chesterfield County if there is a contract with the County that has been ratified by the Chesterfield County Board of Supervisors, or other persons or entities that are permitted or required to do so under applicable law, and Paragon Bank consents to the easement and sale, which cannot be unreasonably withheld.

The Debtor believes negotiations for a public/private partnership to create a regional park on the subject property should be concluded with one year of confirmation of the Plan. Should this plan be deemed unsuccessful, the Debtor would then begin the marketing of the property in its original intended use of a mixed-use component of the Roseland project. The Debtor believes

the successful marketing of this property will allow the outstanding balance due Essex Bank, including interest and expenses, to be paid in full no later than October 15, 2016.

Development Summary:

- A. Estimated date when the sale of the land will be made: 2014
- B. Projected sales prices for the land subject to the lien: \$1,900,000.00

The Claims of the Class 11 Creditor are impaired.

If the Debtor sells any of the land secured by this creditor's lien, other than a sale of developed lots, then the release fee shall be one hundred ten percent (110%) of the outstanding balance owed on the parcel being sold, to be determined on a per-acre basis, or such lesser amount that this creditor agrees to accept, not to exceed the balance then due to this creditor.

Contingent Stop-Loss Provision: The Debtors shall have commenced payments to the holder of the claim of this class of the amounts specified in Exhibit 1. If the Debtors materially miss any such payment(s) and that payment remains due for one hundred twenty (120) days after the due date of the date that projected for the completion of all payments to this secured creditor, as set forth in Exhibit 1, then the Debtors shall immediately (within 30 days) place the remaining land that serves as the collateral in the deed(s) of trust recorded in favor of this creditor on the market, with a licensed real estate agent, to be sold for at least the amount of principal and accrued interest owed to this creditor. If the collateral is not sold for that sum within twelve (12) months from the date on which it is listed for sale, then the creditor that holds the claim in this class shall be entitled to foreclose on the collateral or receive a deed in lieu of foreclosure for its collateral, whichever it elects.

Rights of Way, Easements and Selective Timber Thinning Proceeds: The Debtors will grant easements, road rights of way and other encumbrances that are necessary for the orderly development of Roseland that will be located on the property secured by the land that serves as collateral for this creditor note. The creditor in this Class shall execute such documents that may be reasonably necessary to grant such encumbrances without additional consideration or payment. In addition, this creditor shall not receive any of the amounts the Debtor receives from the selective timber thinning described in Section III(f) above that will take place on the land that serves as collateral for its loan.

Class 12: Mr. Walter F. Styles: Class 12 consists of the Purchase-Money Secured Claim of Walter F. Styles on property owned by GBS that is included in Proof of Claim No.3 in the principal amount of \$748,110.66 as of June 22, 2011. Mr. Styles has a first deed of trust on approximately 87^{+/-} acres, as depicted on Exhibit 2 attached hereto. The Debtor believes that the fair market value of the land that is subject to Mr. Styles' lien is \$4,350,000.00. Accordingly, Mr. Styles is over-secured.

The Debtor will pay Mr. Styles \$748,110.66, plus interest on the outstanding principal balance at a simple rate of interest of four percent (4%) per annum from June 22, 2011 until paid,

as set forth in Exhibit 1 attached hereto. The amount of interest that will accrue before the claim of this class is paid in full is approximately \$29,000.00 per annum. The amount owed to the holder of the claim in this class will remain over-secured through the date on which the claim will be paid. The Debtor believes that Mr. Styles will be paid in full on or before October 15, 2016 or as set forth in Exhibit 1 attached hereto.

Development Summary:

- A. Estimated date when land will be available for sale: 2013
- B. Number of lots projected for land that is secured by lien: To be determined.
- C. Anticipated bulk-sale of development site upon completion of master-planning and infrastructure and transportation plans.

Insofar as the amounts owed to Mr. Styles are now due but the Debtors are proposing to pay Mr. Styles in full, with interest, by October 15, 2016, the claims of Mr. Styles are impaired.

Release Fees/Payments: Exhibit 1 attached hereto lists the specifics regarding the payment to this secured creditor. According to the Debtors' projections, the lot release fees set forth herein will pay this creditor in full the principal, fees and interest owed to the Creditor. Accordingly, the Plan provides that the secured creditor in this class will partially release his lien on each lot that is sold/conveyed to a third party. The secured party shall execute the documents that are reasonably required to release each lot as it is sold.

If the Debtor sells any of the land secured by this creditor's lien, other than a sale of developed lots, then the release fee shall be one hundred ten percent (110%) of the outstanding balance owed on the parcel being sold, to be determined on a per-acre basis, or such lesser amount that this creditor agrees to accept, not to exceed the balance then due to this creditor.

Contingent Stop-Loss Provision: The Debtors shall have commenced payments to the holder of the claim of this class of the amounts specified in Exhibit 1. If the Debtors materially miss any such payment(s) and that payment remains due for one hundred twenty (120) days after the due date of the date that projected for the completion of all payments to this secured creditor, as set forth in Exhibit 1, then the Debtors shall immediately (within 30 days) place the remaining land that serves as the collateral in the deed(s) of trust recorded in favor of this creditor on the market, with a licensed real estate agent, to be sold for at least the amount of principal and accrued interest owed to this creditor. If the collateral is not sold for that sum within twelve (12) months from the date on which it is listed for sale, then the creditor that holds the claim in this class shall be entitled to foreclose on the collateral or receive a deed in lieu of foreclosure for his collateral, whichever it elects.

Rights of Way, Easements and Selective Timber Thinning Proceeds: The Debtors will grant easements, road rights of way and other encumbrances that are necessary for the orderly development of Roseland that will be located on the property secured by the land that serves as

collateral for this creditor note. The creditor in this Class shall execute such documents that may be reasonably necessary to grant such encumbrances without additional consideration or payment. In addition, this creditor shall not receive any of the amounts the Debtor receives from the selective timber thinning described in Section III(f) above that will take place on the land that serves as collateral for his loan.

Class 13: Central Virginia Bank: Class 13 consists of the Secured Claim of Central Virginia Bank (“CVB”) on property owned by GBS that is included in Proof of Claim No. 2 in the principal amount of \$6,222,014.12 as of June 20, 2011. CVB has a first deed of trust on approximately 265 acres, as depicted on Exhibit 2 attached hereto. The Debtor believes that the fair market value of the land that is subject to CVB’s lien is \$10,600,000.00. Accordingly, CVB is over-secured.

The Debtor will pay CVB \$6,222,014.12, plus interest on the outstanding principal balance at a simple rate of interest of four percent (4%) per annum from June 22, 2011 until paid, as set forth in Exhibit 1 attached hereto. The amount of interest that will accrue before the claim of this class is paid in full is approximately \$236,000.00 per annum. The amount owed to the holder of the claim in this class will remain over-secured through the date on which the claim will be paid. The Debtor believes that CVB will be paid in full on or before October 15, 2016 or as set forth in Exhibit 1 attached hereto.

Development Summary:

- A. Estimated date when land will be available for sale: Depending upon the availability of public utilities, the property may be available for development and sale as soon as 2013.
- B. Number of lots projected for land that is secured by lien: Approximately 795 residential units
- C. Projected sales prices for lots: To be determined.
- D. Release fee paid to creditor on each lot: Average release fee of \$8,000.00 per residential unit.
- E. Projected date for sale of all lots/land secured by loan: 2016

Insofar as the amounts owed to CVB are now due but the Debtors are proposing to pay CVB in full, with interest, by October 15, 2016, the claims of CVB are impaired.

CVB shall be deemed fully secured and shall maintain all perfected security interests in the property that serves as security for its loan. Provided, however, if the Debtor requires financing to build infrastructure in order to close on an arms-length contract with an unrelated party for the sale of lots to a purchaser that is ready, willing and able to purchase those lots, the following shall occur: (1) GBS will seek an advance of the those costs as part of its loan. If CVB declines to make those advances, then (2) the Debtor shall be entitled to seek a loan from a third

party for those costs, that loan shall be recorded as a first deed of trust against the property and CVB's lien shall be subordinate to that loan.

Release Fees/Payments: Exhibit 1 attached hereto lists the specifics regarding the payment to this secured creditor. According to the Debtors' projections, the lot release fees set forth herein will pay this creditor in full the principal, fees and interest owed to the Creditor. Accordingly, the Plan provides that the secured creditor in this class will partially release its lien on each lot that is sold/conveyed to a third party. The secured party shall execute the documents that are reasonably required to release each lot as it is sold.

If the Debtor sells any of the land secured by this creditor's lien, other than a sale of developed lots, then the release fee shall be one hundred ten percent (110%) of the outstanding balance owed on the parcel being sold, to be determined on a per-acre basis, or such lesser amount that this creditor agrees to accept, not to exceed the balance then due to this creditor.

Contingent Stop-Loss Provision: The Debtors shall have commenced payments to the holder of the claim of this class of the amounts specified in Exhibit 1. If the Debtors materially miss any such payment(s) and that payment remains due for one hundred twenty (120) days after the due date of the date that projected for the completion of all payments to this secured creditor, as set forth in Exhibit 1, then the Debtors shall immediately (within 30 days) place the remaining land that serves as the collateral in the deed(s) of trust recorded in favor of this creditor on the market, with a licensed real estate agent, to be sold for at least the amount of principal and accrued interest owed to this creditor. If the collateral is not sold for that sum within twelve (12) months from the date on which it is listed for sale, then the creditor that holds the claim in this class shall be entitled to foreclose on the collateral or receive a deed in lieu of foreclosure for its collateral, whichever it elects.

Rights of Way, Easements and Selective Timber Thinning Proceeds: The Debtors will grant easements, road rights of way and other encumbrances that are necessary for the orderly development of Roseland that will be located on the property secured by the land that serves as collateral for this creditor note. The creditor in this Class shall execute such documents that may be reasonably necessary to grant such encumbrances without additional consideration or payment. In addition, this creditor shall not receive any of the amounts the Debtor receives from the selective timber thinning described in Section III(f) above that will take place on the land that serves as collateral for its loan.

Class 14: Mrs. Donese B. Smith: Class 14 consists of the Secured Claim of Donese B. Smith ("Mrs. Smith") on 16.63 acres on Old Hundred Road, Midlothian, Virginia, which is owned by GBS, that is included in Proof of Claim No.14 in the principal amount of \$400,000.00 as of September 29, 2011, plus accrued interest and fees of \$26,695.75. Mrs. Smith has a purchase-money first deed of trust duly recorded against the property. The Debtor believes that the fair market value of the land that is subject to Mrs. Smith's lien is \$830,000.00. Accordingly, Mrs. Smith is over-secured.

The Debtor will pay Mrs. Smith \$400,000.00, plus interest on the outstanding principal balance at a simple rate of interest of four percent (4%) per annum from September 29, 2011

until paid, plus accrued interest and fees as set forth on Proof of Claim No. 14 and as set forth in Exhibit 1 attached hereto. The amount of interest that will accrue before the claim of this class is paid in full is approximately \$16,000.00 per annum. The amount owed to the holder of the claim in this class will remain over-secured through the date on which the claim will be paid. The Debtor believes that Mrs. Smith will be paid in full on or before October 15, 2016 or as set forth in Exhibit 1 attached hereto.

Development Summary:

- A. Estimated date when land will be available for sale: 2013
- B. Number of lots projected for land that is secured by lien: To be determined.
- C. Anticipated bulk-sale of development site upon completion of master-planning and infrastructure and transportation plans.

Insofar as the Debtors are proposing to pay Mrs. Smith in full, with a lower rate of interest, the claims of Mrs. Smith are impaired.

Mrs. Smith shall be deemed fully secured and shall maintain all perfected security interests in the property that serve as security for her loan.

Release Fees/Payments: Exhibit 1 attached hereto lists the specifics regarding the payment to this secured creditor. According to the Debtors' projections, the lot release fees set forth herein will pay this creditor in full the principal, fees and interest owed to the Creditor. Accordingly, the Plan provides that the secured creditor in this class will partially release her lien on each lot that is sold/conveyed to a third party. The secured party shall execute the documents that are reasonably required to release each lot as it is sold.

If the Debtor sells any of the land secured by this creditor's lien, other than a sale of developed lots, then the release fee shall be one hundred ten percent (110%) of the outstanding balance owed on the parcel being sold, to be determined on a per-acre basis, or such lesser amount that this creditor agrees to accept, not to exceed the balance then due to this creditor.

Contingent Stop-Loss Provision: The Debtors shall have commenced payments to the holder of the claim of this class of the amounts specified in Exhibit 1. If the Debtors materially miss any such payment(s) and that payment remains due for one hundred twenty (120) days after the due date of the date that projected for the completion of all payments to this secured creditor, as set forth in Exhibit 1, then the Debtors shall immediately (within 30 days) place the remaining land that serves as the collateral in the deed(s) of trust recorded in favor of this creditor on the market, with a licensed real estate agent, to be sold for at least the amount of principal and accrued interest owed to this creditor. If the collateral is not sold for that sum within twelve (12) months from the date on which it is listed for sale, then the creditor that holds the claim in this class shall be entitled to foreclose on the collateral or receive a deed in lieu of foreclosure for her collateral, whichever it elects.

Rights of Way, Easements and Selective Timber Thinning Proceeds: The Debtors will grant easements, road rights of way and other encumbrances that are necessary for the orderly development of Roseland that will be located on the property secured by the land that serves as collateral for this creditor note. The creditor in this Class shall execute such documents that may be reasonably necessary to grant such encumbrances without additional consideration or payment. In addition, this creditor shall not receive any of the amounts the Debtor receives from the selective timber thinning described in Section III(f) above that will take place on the land that serves as collateral for her loan.

Class 15: Ally Financial Inc., f/k/a GMAC, Inc.: Class 15 consists of the Secured Claim of Alley Financial, Inc. (“Ally”) on a 2009 Chevrolet Suburban Truck owned by GBS that is included in Proof of Claim No.1. The principal amount is \$31,231.25 as of June 10, 2011. Ally has a perfected security interest on the vehicle. The monthly payments due on the loan are \$867.52. The final payment on the five (5)-year loan is due on May 15, 2014. The Debtor believes that the fair market value of the vehicle that is subject to Ally’s lien is \$32,000.00. Accordingly, Ally is fully secured.

The Debtor will pay Ally \$867.52, including interest, on the outstanding principal balance as required by the loan agreement and comply with all other terms in the Loan Agreement. The Debtor believes that it is current on the payments on this loan.

The claims of Ally are unimpaired.

Ally shall be deemed fully secured and shall maintain all perfected security interests in the vehicle that serves as security for its loan.

Class 16: Secured Real Estate Taxes Owed to Chesterfield County: Class 16 consists of the Secured Claims of the County of Chesterfield, which are real property taxes imposed on real estate owed by GBS as set forth in Proof of Claim No. 5 in the amount of \$227,088.68 filed by the County of Chesterfield on June 28, 2011. The amounts owed to Chesterfield County for real estate taxes are secured under applicable non-bankruptcy law. GBS will pay the amounts owed to Chesterfield County in full, with penalties and interest, as the lots it owns are sold and/or under the payment schedule set forth in Exhibit 1 and below.

Payment Plan: Property taxes are anticipated to be paid prior to development of respective parcels. Property taxes have been deemed the development’s top priority and, as such, shall be paid prior to any development activities on each respective property.

Class 16 Claims are impaired.

Class 17: GBS Holding, Ltd.’s Unsecured Creditors, Excluding Insider Claims: Class 17 consists of all allowed Unsecured Claimants of GBS, excluding the claims of Insiders.

The Class 17 claims are impaired.

Each claim holder in this class will receive a payment equal to 100% of the amount of the claim, without interest. The Debtor expects that the first distribution to this Class will be made by the disbursement agent commencing in December 2014. The disbursement will consist of 50% of the amount shown on Exhibit 1 for "Funds Available for Unsecured Creditors" after all administrative expenses, including the Debtors' attorney fees related to the bankruptcy cases, have been paid. These funds will be distributed on a *pro-rata* basis to all claimants within this class. Subsequent distributions will be made using 50% of the amount shown on Exhibit 1 for such year in December of each subsequent year until all claimants in this class have received 100% of their claims, without interest.

Any unsecured claimant whose claim is based solely on a guarantee that GBS gave for an obligation of another entity shall be classified as a Class 20 Claim and shall be subject to the treatment specified for Class 20 claimants.

Class 18: GBS Holding, Ltd.'s Unsecured Insider Claims: Class 18 consists of all allowed Unsecured Insider Claimants of GBS.

The Class 18 claims are impaired.

Each claim holder in this class will receive a payment equal to 100% of the amount of the claim, without interest. Payments to this class shall be made after all Class 4 and Class 17 claimants are paid in full. After all Class 4 and Class 17 claimants have been paid 100% of their claims, without interest, the disbursement agent shall disburse 50% of the amount shown on Exhibit 1 for "Funds Available for Unsecured Creditors" for such year. These funds will be distributed on a *pro-rata* basis to all claimants within this class. Subsequent distributions will be made using 50% of the amount shown on Exhibit 1 for such year in December of each subsequent year until all claimants in this class have received 100% of their claims, without interest.

Class 19: Equity Holders in GBS Holding, Ltd.: Class 19 consists of George B. Sowers, Jr.'s equity interests in the Debtor. He is the sole shareholder in GBS. Since the Debtor is proposing to pay all secured and unsecured creditors in full with deferred payments as set forth herein, the Debtor proposes that the Mr. Sowers maintain the same equity interest that he had in GBS Holding prior to the filing of the Chapter 11 Petition. Mr. Sowers will only receive a distribution if all non-insider creditors receive all the payments that are set forth herein and contained in the confirmed Chapter 11 Plan.

Class 20: Creditors that have Guarantees from GBS Holding, Ltd.: Class 20 consists of unsecured creditors that have a guarantee of payment from GBS in connection with an obligation owed by an entity other than GBS. Included in the claims of this class are Claims of Citizens and Farmers Bank as set forth in their Proof of Claims No. 15 and 16. The creditors in this Class are all secured by real estate or other collateral that serves as the primary collateral for the debt that is owed to them. The Debtors believe that the value of each creditor's collateral in all cases exceeds the amount owed to that creditor. The Debtors propose that all unsecured creditors that merely have a guarantee of payment from GBS receive nothing for their guarantee claims and that those guarantees are extinguished upon confirmation of the Plan. The Plan

provides that all creditors of Roseland Village and/or GBS that have guarantees from the insiders, officers, members, employees and their spouses will also be enjoined from seeking payment from the guarantors during the period that the confirmed Plan of Reorganization is being consummated by the Debtors.

V. SOLICITATION OF PLAN APPROVAL

THE DEADLINE TO ACCEPT OR REJECT THE PLAN IS 5:00 P.M., EASTERN DAYLIGHT TIME, ON _____, 2011 (THE “VOTING DEADLINE”), UNLESS EXTENDED BY THE DEBTORS WITH THE APPROVAL OF THE BANKRUPTCY COURT. IN ORDER TO BE COUNTED, BALLOTS MUST BE RECEIVED BY DURRETTECRUMP PLC (ATTENTION: BRUCE E. ARKEMA), BANK OF AMERICA CENTER, 1111 EAST MAIN STREET, 16TH FLOOR, RICHMOND, VIRGINIA 23219 ON OR PRIOR TO THE VOTING DEADLINE.

Upon the terms and subject to the conditions set forth in this Disclosure Statement and in the accompanying Ballot, the Debtors are soliciting acceptances of the Plan from claimants eligible to vote. Your vote on whether to accept or reject the Plan is important. Although this Disclosure Statement summarizes the Plan, you should read the Plan in its entirety. To adopt the Plan, the Debtors must receive acceptances of the Plan from: (1) claimants eligible to vote holding at least two thirds (2/3) of the principal amount of each Class of Claims entitled to vote on the Plan actually voting on the Plan, and (2) more than one half (1/2) in number of the holders of such Claims that actually vote on the Plan (the “Requisite Acceptances”). Because only those holders who vote to accept or reject the Plan will be counted for purposes of determining acceptance or rejection of the Plan, the Plan could be approved by the affirmative vote of claimants eligible to vote holding significantly less than two thirds (2/3) of the aggregate principal amount of each class of Claims entitled to vote on the Plan, and less than one half (1/2) in number of the claimants eligible to vote with respect to each such Class. Even if the Plan is accepted by the Classes entitled to vote, it will remain subject to review by and approval of the Bankruptcy Court.

A COPY OF THE PLAN IS ATTACHED TO THIS DISCLOSURE STATEMENT AS EXHIBIT 6 AND IS INCORPORATED HEREIN BY REFERENCE. THE FOLLOWING IS A SUMMARY OF THE MATERIAL PROVISIONS OF THE PLAN. YOU SHOULD CAREFULLY READ THE PLAN IN ITS ENTIRETY FOR A FULL UNDERSTANDING OF ITS TERMS.

A. Explanation of Chapter 11 Reorganization.

Chapter 11 of the Bankruptcy Code is the principal business reorganization chapter of the Bankruptcy Code. Under Chapter 11, a debtor is authorized to reorganize its business for

the benefit of itself and its creditors and equity holders. In addition to permitting the rehabilitation of the debtor, another goal of Chapter 11 is to promote equality of treatment of creditors and equity holders of equal rank with respect to the distribution of a debtor's assets. In furtherance of these two goals, upon the filing of a petition for reorganization under Chapter 11, Bankruptcy Code § 362 generally provides for an automatic stay of substantially all acts and proceedings against the debtor and its property, including all attempts to collect claims or to enforce liens that arose prior to the commencement of the debtor's case under Chapter 11.

Approval and confirmation of a plan of reorganization by a Bankruptcy Court is the principal objective of a Chapter 11 case. In general, a Chapter 11 plan of reorganization:

- divides claims and equity interests into separate classes,
- specifies the property that each class is to receive under the plan, and
- contains other provisions necessary or desirable for the reorganization of the debtor.

In general, there are two forms of treatment that may be provided to a holder of a claim or equity interest under a Chapter 11 plan of reorganization: "unimpaired" treatment and "impaired" treatment. Unimpaired treatment means that the legal, equitable and contractual rights of a holder of a claim or equity interest are unchanged under the Plan. Impaired treatment means that the legal, equitable or contractual rights of a holder of a claim or equity interest are somehow changed under the Plan and can include situations where a holder of a claim or equity interest does not receive or retain any property under a plan.

In Chapter 11, the right to vote on a plan of reorganization is determined by the treatment that a particular holder of a claim or equity interest receives under the Plan. If the holder of a claim or equity interest is unimpaired under a plan, the holder is deemed to accept the Plan, and it is therefore unnecessary to solicit such holder's vote on the Plan. Similarly, it is not necessary to solicit a vote from a holder of a claim or equity interest that is not entitled to receive or retain any property under a plan, and such holder is deemed to reject the Plan under the Bankruptcy Code. However, if an impaired holder of a claim or equity interest is entitled to receive property under the Plan, then such holder is not deemed to automatically accept or reject the Plan and, therefore, should vote on the Plan.

Chapter 11 of the Bankruptcy Code, however, does not require each holder of a claim or equity interest in a voting class to vote in favor of a plan of reorganization in order for the Bankruptcy Court to confirm the Plan. Instead, in order for a particular class to accept a plan, acceptances must be received:

- if such class is a class of claims against a debtor, from the holders of claims constituting at least two-thirds (2/3) in dollar amount of the allowed claims actually voting in such class and more than one-half (1/2) in number of the holders of allowed claims actually voted in such class; or

- if such class is a class of equity interests in a debtor, from the holders of at least two-thirds (2/3) in amount of the allowed equity interests in such class of equity interests that have actually voted to accept or reject the plan.

In addition to the voting requirements described above, the Bankruptcy Court must also find that the plan of reorganization meets a number of statutory tests before the Court may confirm (approve) the plan of reorganization. Many of these tests are designed to protect the interests of holders of claims or equity interests who do not vote to accept the plan of reorganization but who will nonetheless be bound by the Plan's provisions if it is confirmed by the Bankruptcy Court.

B. Disclosure Statement.

Bankruptcy Code § 1125(a) defines "adequate information" as information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of a company and the condition of such company's books and records, that would enable a hypothetical reasonable investor typical of holders of claims or equity interests of the relevant class to make an informed judgment about the plan of reorganization. The Debtors believe that this Disclosure Statement contains adequate information for holders to cast an informed vote to accept or reject the Plan and that this Disclosure Statement and the solicitation of acceptances comply with applicable provisions of the Bankruptcy Code [including sections 1125(a) and 1126(b)], the Bankruptcy Rules and non-bankruptcy law, to the extent applicable. The Debtors also believe that properly executed Ballots comply with the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules concerning plan acceptances.

This Disclosure Statement, together with the Plan, is being transmitted to all known eligible voters. Although there is no specified period during which the Debtors are legally required to keep the solicitation open, the Debtors will keep this solicitation open until the Voting Deadline.

C. Voting on the Plan.

As more fully described above, only impaired classes of claims and equity interests are entitled to vote on a plan of reorganization. The Plan designates twenty (20) separate classes of Claims, including the equity interest holders in Roseland Village and GBS Holding. The Debtors are soliciting the votes of all the Classes.

The solicitation of acceptances of the Plan will expire on _____, 2011, unless extended by the Debtors.

D. Classifications of Claims and Equity Interests.

Bankruptcy Code § 1123 provides that a plan of reorganization must classify claims against any equity interests in a debtor. Under Bankruptcy Code § 1122, a plan must classify each right to payment against the debtor and each right to an equitable remedy for breach of

performance that gives rise to a right to payment (collectively, a “Claim”) and any interest in the debtor represented by an equity security into a category or class (a “Class”) that contains substantially similar Claims and equity interests. The Plan divides the Claims of known creditors and the equity interests of equity holders into Classes and sets forth the treatment offered each Class. The Debtors believe they have classified all Claims and equity interests in compliance with the provisions of Section 1122, but it is possible that a creditor or equity interest holder may challenge the Debtors’ classification of Claims and equity interests and that the Bankruptcy Court may find that a different classification is required for the Plan to be confirmed. In such event, it is the Debtors’ present intention, to the extent permitted by the Bankruptcy Code and the provisions of the Plan, to make modifications of the classification of Claims or equity interests that are required by the Bankruptcy Court for confirmation.

VI. OTHER DISCLOSURES

A. Court Approval.

Note that Court approval of this Disclosure Statement is not a decision by the Court on the merits of the Plan.

B. Insider Claims.

There are insider claims in these cases, and the treatment of those claims is clearly set forth herein under Class 5 and Class 18 above.

C. Transactions With Insiders.

The Debtors are not aware of any insider transactions, except that insiders and/or entities affiliated with insiders have made unsecured post-petition loans, in the ordinary course of business, to the Debtors for operating expenses.

D. Disputed Claims.

The Debtors have not objected to any claims but reserve the right to do so at any time prior to 90 days following the Effective Date.

E. U.S. Trustee Fees.

U.S. Trustee fees will be paid until the case is converted, dismissed or closed, and post-confirmation quarterly fees will be timely paid as required by law.

F. Administrative Expenses.

These consist of U.S. Trustee fees (which are current) and professional fees for the attorneys and accountants. The Debtors estimate that total allowable professional fees (inclusive of retainers) will be between \$35,000.00 and \$45,000.00.

G. Legal Proceedings.

The Debtors have not instituted any legal proceedings against any third party at this time.

VII. CONCLUSION

The Debtors believe that the reorganization of the Debtors, as set forth in the Plan of Reorganization and summarized in this Disclosure Statement, is in the best interests of the creditors of each of the Debtors' estates and other interested parties and urges all concerned to vote to approve the Plan of Reorganization.

ROSELAND VILLAGE, LLC,
and
GBS HOLDING, LTD.

By: /s/ George B. Sowers, Jr.

/s/ Bruce E. Arkema
Bruce E. Arkema (VSB No. 18625)
Kevin J. Funk (VSB No. 65465)
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Counsel for Roseland Village, LLC and GBS Holding, Ltd.

CERTIFICATE OF SERVICE

I certify that on the 11th day of October, 2011, a true and accurate copy of the foregoing Disclosure Statement was served, via the Court's ECF system, on Robert B. Van Arsdale, Esquire (Robert.B.Van.Arsdale@usdoj.gov).

/s/ Bruce E. Arkema