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Idaho State Bar No. 1654

Attorney for Debtor in Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF IDAHO

IN THE MATTER OF:)
) CASE NO. 10-20479-TLM
Joel K. Wahlin,)
) Chapter 11
)
)
Debtor in Possession.)
_____)

**AMENDED CHAPTER 11 PLAN OF REORGANIZATION
and Notice of Determination of Secured Status**

ARTICLE I
SUMMARY

This Plan of Reorganization (the "Plan") under chapter 11 of the Bankruptcy Code (the "Code") proposes to pay creditors of Joel K. Wahlin (the "Debtor") primarily from income from the sale of the debtor's real property.

This Plan provides for five classes of secured claims and one class of unsecured claims. The intent of the plan is to pay all creditors in full over the sixty month of the plan. This Plan also provides for the payment of administrative and priority claims and attorney fees. The Internal Revenue Service claim shall be paid in full with interest over in an amount which has yet to be determined.

All creditors should refer to Articles II through IV of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan. Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)

ARTICLE II
CLASSIFICATION OF CLAIMS AND INTERESTS

1. *Classes of Secured Claims*

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under §506 of the Code. **If any secured creditor is not listed below, Debtor will surrender the collateral to the creditor. Any deficiency remaining after the creditor disposes of the collateral shall be treated as an unsecured claim, provided that the creditor submits a claim prior to confirmation of the Plan.**

1.1 Debtor has sufficient real estate holdings to satisfy, in full, the entirety of secured and unsecured claims. Actual listing prices will be determined by real estate broker price opinions. To the extent that actual sums received from sales are lower, additional lots will be sold. Provision has been made for carrying costs as more fully described in the paragraph entitled "Sale of Property" below. Each secured creditor, and the amount of its claim as follows:

Class 1:	Consolidated Supply	\$ 62,036.75
Class 2:	Interstate Concrete	\$ 324,508.00
Class 3:	Mountain West Bank	\$ 2,238,210.60
Class 4:	Bonner County Tax Collector	\$ 192,102.00
Class 5:	Claim of Vernon	
Class 6:	General Unsecured Claims	

1.2 The above classes of creditors shall be provided for as follows: Debtors have engaged a licensed real estate agent , Kent Anderson and Jerri Anderson, associated with Coldwell banker Resort Realty to formulate a marketing plan. A summary is as follows:

All the available lots in Phase One are listed. Three 3 are listed as "exclusive right to sell" and are on the Multiple Listing Service (MLS) and the other 15 are listed as "exclusive agency" (allowing Debtor to actively sell those lots without a commission obligation). The idea is to maintain 3 "exclusive right to sell" listings at all times. The 3 lots on the MLS include a 1-unit zoned property, a 2-unit zoned property and a 3-unit zoned property.

All of the lots were listed consistent with the lowest priced lots currently available on The Ridge: \$89,000 for 1-unit, \$120,000 for 2-unit and \$150,000 for 3-unit. These prices also represent the lowest priced lots on the entire mountain that are not bank-owned. (There are no bank-owned properties, known to the agent, above the Village at this time).

The agent will be hand delivering individual presentation packets to approximately 60 Sandpoint Area Realtors this week. (see attachments). In addition, the agent has have maximized our internet presence using Coldwell Banker's Google Based listing partners. The Ridge will also be featured on ActiveRain this week...the #1 Realtors' internet site with over 197,000 active Realtor participants.

One of the focuses will be to gain exposure in the Canadian market, as well. The agent will be getting The Ridge information into the hands of as many real estate companies as possible from Calgary to the border via emailing.

The Ridge is also featured in the two monthly Coldwell Banker "Hot Sheet" fliers...both the Schweitzer version and the Sandpoint version. The Ridge will maintain a presence in that publication every month.

A combination of lots sales, proceeds from refinance and sale of the debtor's residence over sixty months should generate sufficient income to pay all of the claims including interest. The total of those claims without interest up to the date of filing is approximately \$5,942,092.

1.3 Lots will be sold free and clear of all liens (the liens shall attach to the proceeds), including the improved lots in Schweitzer Village except for the lots designated as "well lots," which are lots on which a well exists, and lots in the Cottages Subdivision (all of which are improved), over the next five years. From the net proceeds of each sale, and until debtor can sell his residence or refinance the debt, if the creditors accept this plan, past due and pending Bonner County taxes for that lot will be paid; secured creditors shall receive 90% of the net proceeds pro rata based upon their claim amount and the debtor shall retain approximately 10% of the net proceeds for operating expenses and living expenses. Proceeds shall first be applied to interest on each claim and the balance to principal. After all secured creditors are paid in full unsecured creditors will be paid from lot sales, sharing proceeds pro rata.

1.4 If sales are insufficient to meet interest accruals, in the spring of 2011 debtors shall place their residential real property on the market. This unique waterfront property is located on the north shore of Pend Orielle Lake. The property will be listed for an amount to be determined by the real estate agent approved by the court. Because the property appraised for \$3.6 million in 2009, it is anticipated that the sale of such property will substantially reduce the balance due to creditors. Proceeds from the sale of this property will be apportioned, after debtor's homestead exemption of \$100,000, is paid to him, to Mountain West Bank and the Internal Revenue Service in proportion to the allowed amount according of the claim.

1.5 Sales will take place over the next five years. If sales are not proceeding at a rate to cover interest accruals, sales that do occur will be used to determine the basis for a new price structure, in the year 2011 and annually thereafter. If within the next five years lots sales do not generate and generate sufficient income, to service interest accrued and to reduce principal, lots will be deeded to creditors based on values negotiated with each creditor, to satisfy the indebtedness to each creditor

1.6 The claim of Vernon arose after a purchase of a lot on Schweitzer by Vernon. Vernon was dissatisfied and filed a lawsuit in State court, Bonner County. A default judgment was entered in State Court. Vernon's claim was disputed by Debtors and no proof of claim has been filed. Vernon shall retain his lot and his judgment lien shall be deemed void upon confirmation of the plan. Any disparity between the current value of the lot and the amount of the judgment shall be considered an unsecured debt, but shall not be paid because of Vernon's failure to file a proof of claim.

2. *Class of General Unsecured Claims*

Class Five - General Unsecured Claims. General unsecured claims are not secured by property of the estate and are not entitled to priority under §507(a) of the Code.

All unsecured creditors will be paid in full from proceeds from the sale of assets or from

loan proceeds if the Debtor is able to refinance the entirety of the debt. If lot sales are insufficient, property will be distributed in lieu of debt, unsecured creditors shall receive 5% interest on the amount of their claims.

ARTICLE III
TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,
U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS

3.01 Unclassified Claims. Under section 1123(a)(1), administrative expense claims, and priority tax claims are not in classes.

3.02 Administrative Expense Claims. Each holder of an administrative expense claim allowed under §503 of the Code will be paid in full on the effective date of this Plan (as defined in Section 7.02), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor. Debtor's attorney, accountant and real estate agents shall be paid in the amount approved by the Court from sales proceeds, prior to payments to secured creditors.

3.03 Priority Tax Claims. Each holder of a priority tax claim will be paid as follows:

(A) If the debtor or successor in interest fails to make any deposits of any currently accruing employment tax liability or fails to make payment of any tax to the internal Revenue Service within 30 days of the due date of such deposit or payment, or if the debtor or the successor in interest fails to file any required federal tax return within 30 days of the due date of such return, or if the debtor fails to make any payment under the Plan, then the United States may declare that the debtor is in default of the Plan. Failure to declare a default does not constitute a waiver by the United States of the right to declare that the successor in interest or debtor is in default.

(B) If the United States declares the debtor or the successor in interest to be in default of the debtor's obligations under the Plan, then the entire pre-petition liability shall become due and payable immediately upon written demand to the debtor or the successor in interest.

(C) If full payment is not made within 14 days of such demand, or other arrangement agreed to in writing, then the Internal Revenue Service may collect any unpaid liabilities through the administrative collection provisions of the Internal Revenue Code. The debtors and all the debtors' property shall be liable for such unpaid liabilities as if no bankruptcy had occurred.

Setoff: The I.R.S. may setoff pre-petition overpayments against pre-petition tax balances due from the debtors as allowable under law, notwithstanding any contrary provisions in the plan.

3.04 United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

ARTICLE IV
ALLOWANCE AND DISALLOWANCE OF CLAIMS

4.01 Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed by a final non-appealable order, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.

4.02 Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.

4.03 Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

ARTICLE V
MEANS FOR IMPLEMENTATION OF THE PLAN

Payments and distributions under the Plan will be funded by the following:

Sales of lots. During the course of the plan and after the claim of the IRS is resolved in the proper amount debtor will sell his real estate holdings and seek alternative financing to pay all creditors or to obtain sufficient financing to continue with improvements of the unimproved lots in the Schweitzer subdivision.

Water Fees: Debtor is the sole shareholder of Acme Water Company which provides water services to the improved lots at Schweitzer. Twenty-one lots which have been sold, and these lots have a density of 88 dwellings. Each of the 88 dwellings must be connected to a water hookup and the current fee for such hookup is \$7,000 per density unit. Eleven of the density units have been sold. Debtor also has supplied water hookups to 15 units outside his subdivision. The stubs have been provided but the hookup fee has not been paid. Debtor will begin collecting from all owners of density units within and without the subdivision to pay the hookup fee and will sell the right to hookup to those who do not purchase to other lots in the subdivision. A portion of those revenues will then be available in the form of distributions to debtor these fees then be available to fund the plan and future operations of debtor.

ARTICLE VI
GENERAL PROVISIONS

6.01 Definitions and Rules of Construction. The definitions and rules of construction set forth in Sections 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan.

6.02 Effective Date of Plan. The effective date of this Plan is the eleventh business day in the month following the date of the entry of the order of confirmation. But if a stay of the confirmation order is in effect on that date, the effective date will be the first business day after

that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

6.03 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

6.04 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

6.05 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

6.06 Controlling Effect. Unless a rule of law or procedure is supplied by federal law including the Code or the Federal Rules of Bankruptcy Procedure, the laws of the State of Idaho govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

ARTICLE VII
DISCHARGE

7.01. Discharge. Confirmation of this Plan does not discharge any debt provided for in this Plan until the court grants a discharge on completion of all payments under this Plan, or as otherwise provided in §1141(d)(5) of the Code. The Debtor will not be discharged from any debt excepted from discharge under §523 of the Code, except as provided in Rule 4007(c) of the Federal Rules of Bankruptcy Procedure.

Respectfully submitted this 22 day of December, 2010,



STEPHEN B. McCREA
Attorney for Plan Proponent



Joel K. Wahlin
Debtor

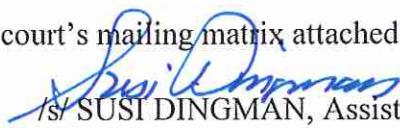
Certificate of Service

I hereby certify that on the 22nd day of December, 2010, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which sent a Notice of Electronic Filing to the following persons:

David Wayne Newman david.w.newman@usdoj.gov
Richard Wayne Sweney rws@lukins.com
US Trustee ustp.region18.bs.ecf@usdoj.gov
Warren S Derbidge warren.derbidge@usdoj.gov, USAID.ECFNOTICE@USDOJ.GOV;
pamela.hamlin@usdoj.gov
Lindsey Renee Simon lsimon@lukins.com, agibson@lukins.com

And, I hereby certify that I have mailed by United States Postal Service the foregoing document(s) to the following non-CM/ECF Registered Participant(s):

All creditors and parties in interest on the court's mailing matrix attached hereto.


/s/ SUSI DINGMAN, Assistant to
STEPHEN B. McCREA

THE RIDGE at SCHWEITZER

SANDPOINT ❄️ IDAHO



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208.610.1201
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JERRI ANDERSON
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Paradise Does Exist

The Ridge at Schweitzer is a spectacular mountain development complete with a wide assortment of lake and ski area view lots quietly nestled 1 mile from the main Schweitzer Resort Village. The available lots (both single & multi-density) at ***The Ridge*** have final plat approval complete with CCR's. Several multi-density projects have already been completed at ***The Ridge***. Phase I at ***The Ridge*** includes completed blacktop roads with sewer and water hookups available.

The Ridge offers development & architectural services to help make your dream mountain home a reality!

THE RIDGE at SCHWEITZER

LOT 14, BLOCK 3, MLS 21004132 - \$89,000
 LOT 10, BLOCK 3, MLS 21004134 - \$120,000
 LOT 16, BLOCK 6, MLS 21004135 - \$150,000

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KEY:

- AVAILABLE
- SOLD
- ▨ WITHHELD
- EXISTING BUILDINGS
- ★ CURRENTLY ON MLS

- ① \$89,000 (1-unit)
- ② \$120,000 (2-units)
- ③ \$150,000 (3-units)

COLDWELL BANKER
RESORT REALTY
 202 South First Avenue
 Sandpoint, ID 83864
 cbsandpoint.com



Each office is independently owned and operated.

THE RIDGE DEVELOPMENT TEAM OFFERS EXPERT: CONSULTING, ARCHITECTURAL SERVICES & CONSTRUCTION

Label Matrix for local noticing
0976-2
Case 10-20479-TLM
District of Idaho [LIVE]
Coeur d'Alene
Wed Dec 22 17:17:24 MST 2010

Kent A Anderson
Coldwell Banker Resort Realty
202 S. 1st Ave
Sandpoint, ID 83864-1306

CitiBusiness Card
POB 6235
Sioux Falls, SD 57117-6235

Warren S Derbidge
800 Park Blvd Ste 600
Boise, ID 83712-7788

(p)INTERNAL REVENUE SERVICE
CENTRALIZED INSOLVENCY OPERATIONS
PO BOX 21126
PHILADELPHIA PA 19114-0326

Kootenai Excavators Inc
31656 HWY 200 E Suite A
Ponderay, ID 83852-9500

Mountain West Bank
101 Ironwood Drive
Coeur d'Alene, ID 83814-1409

Richard Wayne Sweney
250 NW Blvd #102
Coeur d'Alene, ID 83814-2971

US Trustee
Washington Group Central Plaza
720 Park Blvd, Ste 220
Boise, ID 83712-7785

Wells Fargo Bank NA
PO Box 10438
Des Moines, IA 50306-0438

American General Finance Services
POB 54770
Los Angeles, CA 90054-0770

BF Builders Inc
65109 HWY 2
Bonners Ferry, ID 83805-5404

Citibank South Dakota NA
Payment Center
4740 121st St
Urbandale, IA 50323-2402

Guy and Petra Vernon
c/o Charles Dean Jr
1110 W Park Place Suite 212
Coeur d'Alene, ID 83814-2784

Interstate Concrete and Asphalt
POB 1113
Sandpoint, ID 83864-0873

Stephen Brian McCrea
POB 1501
Coeur d'Alene, ID 83816-1501

David Wayne Newman
OFFICE OF THE US TRUSTEE US DEPT
720 Park Blvd., Ste. 220
Boise, ID 83712-7785

US Trustee
Washington Group Central Plaza
720 Park Blvd Suite 210
Boise, ID 83712-7790

Joel K Wahlin
22 Crooked Ear Ct
Sandpoint, ID 83864-6588

Jerri Anderson
Coldwell Banker Resort Realty
202 S. 1st Ave
Sandpoint, ID 83864-1306

Bonner County Tax Collector
1500 HWY 2 Suite 304
Sandpoint, ID 83864-1793

Consolidated Supply Co
c/o Stephen C Brown
POB 388
Boise, ID 83701-0388

Idaho Tax Commission
Bankruptcy Unit
P O Box 36
Boise ID 83722-0036

James A Sewell and Associates LLC
600 4th Street West
Newport, WA 99156-9098

Mountain West Bank
c/o Richard Wayne Sweney
601 East Front Ave. #502
Coeur d'Alene, ID 83814-5155

Lindsey Renee Simon
Lukins & Annis, P.S.
601 E. Front Ave., Ste 502
Coeur d'Alene, ID 83814-5155

(p)US BANK
PO BOX 5229
CINCINNATI OH 45201-5229

Wells Fargo Bank
Po Box 10438
Des Moines, IA 50306-0438

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

Internal Revenue Service
Central Insolvency Operations
POB 21126
Philadelphia, PA 19114-0326

U.S. Bank N.A.
P.O. Box 5229
Cincinnati, OH 45201

(d)US Bank
POB 790084
St. Louis, MO 63179-0084

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u)Terry L Myers

(u)Conrad T Young

End of Label Matrix	
Mailable recipients	27
Bypassed recipients	2
Total	29