

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF KANSAS  
KANSAS CITY DIVISION

IN RE: )  
 )  
WALDEN RESERVE, LLC ) CASE No. 08-21230-11-DLS  
 ) CHAPTER 11  
 )  
DEBTOR. )  
\_\_\_\_\_ )

**FIRST AMENDED PLAN OF LIQUIDATION  
OF**

**WALDEN RESERVE, LLC**

**DATED**

**August 13, 2009**

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In the United States Bankruptcy Court  
District of Kansas, Kansas City Division  
In re: Walden Reserve, LLC  
Case No.: 08-21230-11-DLS  
Plan of Liquidation dated August 13, 2009

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## **PLAN OF LIQUIDATION**

The Debtor-in-Possession hereby files this Plan of Liquidation pursuant to the provisions of Chapter 11 of the United States Bankruptcy Code.

### **Article 1**

#### **DEFINITIONS**

The following capitalized terms shall have the following meanings when used in the Plan, which meanings shall be equally applicable to both the singular and plural forms of such terms. Any term in the Plan that is not defined herein but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules.

**1.1. Administrative Claims** - shall mean (i) Claims unpaid on the Effective Date, arising out of operation of the Debtor's business during these Proceedings and which are scheduled for payment in the ordinary course of the ongoing business operations of the Debtor, or (ii) Claims of Professionals employed by the Debtor for fees and expenses which have not yet been approved by the Court or which are scheduled for payment upon Court approval.

**1.2. Allowed Administrative Expense Claim** - shall mean an Allowed Claim for which a Claimant asserts, and is determined to be entitled to, priority pursuant to Sections 503 and 507(a)(2) of the Bankruptcy Code, except Administrative Trade Claims.

**1.3. Allowed Claim** - shall mean a Claim against the Debtor that (i) is allowed by a Final Order, (ii) is scheduled as liquidated, undisputed and non-contingent by the Debtor in its Schedules of Assets and Liabilities filed with the Bankruptcy Court, as they may be amended or supplemented (collectively, the "Schedules") or (iii) is timely filed with the Clerk of the

Bankruptcy Court and no objection has been made to the allowance thereof within a time fixed by the Bankruptcy Court and the Claim is not otherwise a Disputed Claim.

**1.4. Allowed Priority Tax Claim** - shall mean an Allowed Claim for which a Claimant asserts and is determined to be entitled to priority under Section 507(a)(8) of the Bankruptcy Code.

**1.5. Allowed Secured Claim** - shall mean an Allowed Claim for which a Claimant asserts, or upon objection is determined by a Final Order to hold, a valid, perfected and enforceable lien, security interest or other interest or encumbrance in property in which the Debtor has an interest not subject to avoidance or subordination under the Bankruptcy Code or applicable non-bankruptcy law, or an Allowed Claim for which a Claimant asserts a setoff under Section 553 of the Bankruptcy Code, but in any event only to the extent of the value, determined in accordance with Section 506(a) of the Bankruptcy Code, of the Claimant's interest in the Debtor's interest in the property or to the extent of the amount subject to such setoff as the case may be.

**1.6. Allowed Undersecured Claim** - shall mean the amount of a prepetition secured Claim that exceeds the value of the collateral securing that Claim and is therefore unsecured.

**1.7. Allowed Unsecured Claim** - shall mean an Allowed Claim which arose or which is deemed to have arisen prior to the filing of the Petition commencing these Proceedings and as to which the Claimant has not asserted, or as to whom it is determined by Final Order does not hold, a valid, perfected and enforceable lien, security interest or other interest in or encumbrance against property of the Debtor or a right of setoff to secure the payment of such Claim, but

excluding unsecured Claims previously paid in the Proceedings pursuant to agreements approved by the Bankruptcy Court.

**1.8. Available Cash** - shall mean all cash on hand and on deposit in the Debtor's accounts on the Effective Date.

**1.9. Bankruptcy Code** - shall mean the United States Bankruptcy Code, 11 U.S.C. § 101 et seq. and all amendments thereto.

**1.10. Bankruptcy Court or Court** - shall mean the United States Bankruptcy Court for the District of Kansas, Kansas City Division, in which the Proceedings were filed, or such other court as may hereafter have jurisdiction of and act with respect to the Proceedings.

**1.11. Bankruptcy Rules** - shall mean the Federal Rules of Bankruptcy Procedure applicable to cases or proceedings pending before the Court, now existing or as hereafter amended.

**1.12. Bar Date** - shall mean October 1, 2008, the date set by the Bankruptcy Court as the last day for filing Proofs of Claim against the Debtor.

**1.13. Cash Basis** - shall mean the method of accounting whereby income is reported in the taxable year in which the income is received.

**1.14. Causes of Action** - shall be used in its broadest sense and shall include all causes of action of the Debtor and all causes of action which a Trustee would have if the proceedings were converted on the Confirmation Date to a proceeding under Chapter 7 of the Code and a Trustee were appointed. Causes of action shall include all rights or causes of action, whether legal or equitable, whether they arise under the Code or under other federal or state laws or under

judicial decisions, whether or not they are the subject of presently pending litigation and whether they arise before or after the Confirmation Date, as well as rights belonging to the Debtor pursuant to Sections 506, 510, 544, 545, 547, 548, 549 or 550 of the Bankruptcy Code.

**1.15. Claim** - shall mean any right to payment against the Debtor or right to an equitable remedy against the Debtor for breach of performance if such breach gives rise to a right to payment, whether or not such right to payment or right to an equitable remedy is reduced to judgment, or whether liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, secured or unsecured.

**1.16. Claimant** - shall mean the holder of a Claim.

**1.17. Class** - shall mean any group of substantially similar Claims or interests as classified in Articles 3 and 4 of the Plan pursuant to Section 1123(a)(1) of the Bankruptcy Code.

**1.18. Confirmation** - shall mean the entry of an Order of the Bankruptcy Court confirming this Plan.

**1.19. Confirmation Date** - shall mean the date upon which the Confirmation Order is entered by the Court after a hearing conducted pursuant to Section 1128 of the Bankruptcy Code.

**1.20. Confirmation Order** - shall mean the order of the Bankruptcy Court confirming the Plan.

**1.21. Creditor** - shall have the meaning set forth in Section 101(10) of the Bankruptcy Code.

**1.22. Debtor** - shall mean Walden Reserve, LLC.



**1.23. Disputed Claim** - shall mean any Claim which is scheduled as disputed or as to which an objection has been filed but has not been resolved by Order of the Bankruptcy Court prior to the Effective Date.

**1.24. Disputed Claims Reserve** - shall mean the reserve of cash to be disbursed pursuant to this Plan, established pursuant to this Plan for Disputed Claims in each Class of Claims which will receive cash under this Plan.

**1.25. Effective Date** - shall mean the first day occurring on or after the tenth (10<sup>th</sup>) day following the Confirmation Date, unless the Confirmation Order is stayed pending appeal, in which case the Effective Date shall be the first business day after the stay is vacated or as soon thereafter as is practicable.

**1.26. Estate** - shall mean the estate created by § 541 of the Bankruptcy Code upon the filing of the Chapter 11 Petition with the Bankruptcy Court in this Proceeding.

**1.27. Final Order** - shall mean an Order or judgment that has not been reversed, stayed, modified or amended and as to which (i) the time to appeal or seek review, reargument or rehearing has expired and no appeal or petition for certiorari review or rehearing is pending, or (ii) if appeal, review, reargument, rehearing or certiorari of the Order has been sought, the Order has been affirmed or the request for review, reargument, rehearing or certiorari has been denied and the time to seek a further appeal, review, reargument, rehearing or certiorari has expired, as a result of which such Order shall have become final and nonappealable in accordance with applicable law.

**1.28. Impaired Class** - shall have the meaning set forth in 11 U.S.C. § 1124. A Class is impaired if the legal, equitable and contractual rights to which the Claim or interest is entitled are altered.

**1.29. Initial Distribution** - shall mean the initial payment to each Class.

**1.30. Interest or Interests** – shall mean an Interest (a) in respect of which a proof of Interest has been filed with the Court within the applicable period of limitation fixed by Bankruptcy Rule 3003 or (b) scheduled in the list of equity security holders set forth in the Debtor’s Schedules of Assets and Liabilities, and as to which no objection to the allowance thereof has been filed or as to which any such objection has been determined in favor of the Interest holder by a Final Order.

**1.31. Lien** - shall mean any charge against or interest in property to secure payment of an Allowed Claim and includes, without limitation, any judicial lien, security interest, mortgage, deed of trust and statutory lien as defined in the Bankruptcy Code or in any applicable state or federal law.

**1.32. Liquidated Debtor** - shall mean the Debtor in its liquidated form as of and after the Effective Date.

**1.33. Order** - shall mean an Order or judgment of the Bankruptcy Court as entered on the docket.

**1.34. Petition** - shall mean the Chapter 11 petition filed on the Petition Date.

**1.35. Petition Date** - shall mean May 28, 2008.

**1.36. Plan** - shall mean this Plan of Liquidation as it may be further amended or modified and all addenda, exhibits, schedules or other attachments.

**1.37. Plan Period** - shall mean the period of time required to make the disbursements contemplated in the Plan.

**1.38. Proceeding or Proceedings** - shall mean the case for liquidation of the Debtor pending in the Bankruptcy Court.

**1.39. Professionals** - shall mean entities retained or to be compensated pursuant to sections 326, 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code.

**1.40. Proponent** - shall mean the Debtor, Walden Reserve, LLC

**1.41. Scheduled** - shall mean set forth in the Schedules of Assets and Liabilities.

**1.42. Schedules of Assets and Liabilities** - shall mean the Schedules of Assets and Liabilities filed by the Debtor with the Bankruptcy Court, as the same have been or may be amended from time to time prior to the Effective Date.

**1.43. The Tennessee Property** - shall mean the 5,832 acres of real property located on the Cumberland Plateau in Tennessee.

## Article 2

### **GENERAL DESCRIPTION OF THE PLAN OF LIQUIDATION**

As the Debtor has liquidated its assets, this Plan will provide for disbursement of the approximately \$938,619.73 net proceeds of that liquidation, which are held in the trust account of the Debtor's Bankruptcy counsel, Evans & Mullinix, P.A.

### Article 3

#### **DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS**

All Claims and Interests against the Debtor of whatever nature, whether or not scheduled, liquidated or unliquidated, absolute or contingent, including all Claims arising from transactions of the Debtor or rejection of executory contracts and/or unexpired leases and all interests arising from the ownership of the Debtor, whether resulting in an Allowed Claim or not, shall be bound by the provisions of the Plan. Classification of Claims against and Interests in the Debtor, with the exception of Administrative Claims and Allowed Priority Tax Claims which are unclassified pursuant to 11 U.S.C. § 1123(a)(1), shall be classified as follows:

- 3.1. Class 1: Allowed Secured Claim of Farm Credit Services of Mid-America, PCA.
- 3.2. Class 2: Secured Claim of Cumberland County Tennessee.
- 3.3. Class 3: Secured Claims of Eagles Nest, LLC, James and Amanda Sharp and Grisel Wiley
- 3.4. Class 4: Allowed Unsecured Prepetition Claims Without Priority and Allowed Undersecured Claims.
- 3.5. Class 5: The Membership Interests in the Debtor.

### Article 4

#### **CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THIS PLAN**

##### **General Matters Regarding Classification and Treatment of Claims.**

- a. **Distribution Date.** Except as otherwise provided in this Plan, property to be distributed under this Plan to an Impaired Class (i) shall be

distributed on or as soon as practicable after the Effective Date to each holder of an Allowed Claim or Interest that is an Allowed Claim or Interest of the Class as of the Effective Date and (ii) shall be distributed to each holder of an Allowed Claim or Interest of that Class that is allowed after the Effective Date, to the extent allowed and as soon as practicable after the Order allowing the Claim or Interest becomes a Final Order. Property to be distributed under this Plan to a Class that is not impaired or on account of a Claim of a kind described in Bankruptcy Code Section 507(a)(2) shall be distributed on the later of (i) the later of the two dates specified in the preceding sentence or (ii) the date on which the distribution to the holder of the Claim would have been due and payable in the ordinary course of business or under the terms of the Claim in the absence of the Proceedings.

**b. Classification of Claims and Interests.** Under this Plan a Claim or Interest is classified in a particular Class only to the extent that such Claim or Interest qualifies within the description of that Class and is classified in a different Class to the extent that any remainder of the Claim or Interest qualifies within the description of such different Class. A Claim or Interest is classified in a particular Class under this Plan only to the extent that the Claim or interest in that Class has not been paid, released or otherwise satisfied before the Effective Date.

## **Unclassified Claims.**

In accordance with 11 U.S.C. § 1123(a)(1) Administrative Claims and Allowed Priority Tax Claims of the kinds specified in Sections 507(a)(2), 507(a)(8) and 507(b) of the Bankruptcy Code, respectively, have not been classified in this Plan and are excluded from the Classes discussed in the Disclosure Statement and this Plan. Such unclassified Claims, if any, will be treated as described below.

a. **Administrative Claims.** Subject to the provisions contained in this Plan and as described in this subsection, each holder of an Allowed Claim for administrative costs and expenses of the kind specified in Sections 507(a)(2) or 507(b) of the Bankruptcy Code, shall receive, on account of and in full satisfaction of such Allowed Claim, cash equal to the amount of such Allowed Claim, unless the holder agrees to a less favorable treatment of such Claim. Without limiting the foregoing, all unpaid fees payable under 28 U.S.C. § 1930 shall be paid on the Effective Date or as soon thereafter as is practicable. All Allowed Claims for administrative costs and expenses shall be paid by the Liquidated Debtor.

The Bankruptcy Code provides for two types of Administrative Claims. The first consists of Administrative Claims incurred by the Debtor in the ordinary course of its affairs since the Petition Date, including taxes and ordinary business expenses. Payment on these Administrative Claims will not be made until such payment otherwise would have become due in the ordinary course of the Debtor's

business or under the terms governing the Claim in the absence of these Proceedings.

The second type of Administrative Claim consists of fees and expenses as allowed by Order of the Bankruptcy Court (i) for the services of Professionals employed by the Debtor and (ii) for expenses incurred by other parties in interest making a “substantial contribution” in the Proceedings. The Debtor is not presently aware of the extent, if any, to which any party in interest will seek reimbursement for expenses in making a “substantial contribution” in the Proceedings. Neither does the Debtor believe any such request will be made.

Under this Plan all applications for final compensation of Professionals for services rendered and for reimbursement of expenses incurred on or before the Effective Date (including, without limitation, any compensation requested by any professional or any other entity for making a substantial contribution in the Proceedings) and all other requests for payment of administrative costs and expenses incurred before the Effective Date under §§ 507(a)(2) or 507(b) of the Bankruptcy Code (except for Claims for trade debt incurred in the ordinary course of business and Claims under 28 U.S.C. § 1930) shall be filed no later than thirty days after the Effective Date, unless such date is extended by the Bankruptcy Court and on notice to the Liquidated Debtor. Any such Claim that is not filed within this deadline shall be forever barred and any holders of Administrative Claims who are required to file a request for payment of such Claims and who do

not file such request by the applicable deadline shall be forever barred from asserting such Claims against the Debtor, the Liquidated Debtor or any of its property.

The Debtor anticipates that pre-Confirmation Administrative Claims will approximate \$125,000.00. These Claims shall be paid pro-rata after the payments to the Class 3 Creditors detailed herein from the funds held in the trust account of Evans & Mullinix, P.A.

**b. Allowed Priority Tax Claims.** There is one (1) Priority Tax Claim, held by the Tennessee Department of Revenue for Franchise and Excise Taxes, in the amount of \$1,014.42. If there are any funds available after payment of the Administrative and Secured Claims, those funds will be applied to this obligation.

**Classified Claims.**

**A. Priority Claims.** There are no unpaid Priority Claims.

**B. Secured Claims.**

**4.1. Class 1: (Allowed Secured Claim of Farm Credit Services of Mid-America, PCA).** Class 1 consists of the Allowed Secured Claim of Farm Credit Services of Mid-America, PCA in the amount of approximately \$2,598,370.23 as of the Petition Date. The Class 1 Claim was secured by the Tennessee Property, which has been sold. The proceeds of that sale were used, in



part, to fully satisfy the Class 1 Claim. Therefore, the Class 1 Creditor shall receive nothing under this Plan.

Class 1 is impaired under this Plan.

**4.2. Class 2: (Secured Claim of Cumberland County Tennessee).**

Class 2 consists of the Secured Claim of Cumberland County Tennessee in the amount of approximately \$20,981.00 as of the Petition Date. The Class 2 Claim was secured by the Tennessee Property, which has been sold. The proceeds of that sale were used, in part, to fully satisfy the Class 2 Claim. Therefore, the Class 2 Creditor shall receive nothing under this Plan.

Class 2 is impaired under this Plan.

**4.3. Class 3: (Secured Claims of Eagles Nest, LLC, James and**

**Amanda Share and Grisel Wiley.** Class 3 consists of the Secured Claims of Eagles Nest, LLC, James and Amanda Sharp and Grisel Wiley, each of whom asserts an interest in \$888,619.73 of the net proceeds from the sale of the Tennessee Property. Eagles Nest, LLC shall receive \$760,000.00, Grisel Wiley shall receive \$46,200.00. James and Amanda Sharp shall receive \$46,200.00. The balance of the funds shall be used to pay Administrative Claims pro-rata.

Class 3 is impaired under the Plan

**A. Unsecured Claims Without Priority.**

**4.4. Class 4: (Allowed Unsecured PrePetition Claims Without Priority and Allowed Undersecured Claims).** Class 4 consists of the Allowed

Unsecured Claims without Priority and Allowed Undersecured Claims. The Class 4 Creditors, which include those Creditors holding convertible bonds and Creditors with liens which were wholly unsecured, will receive nothing under the Plan.

Class 4 is impaired under this Plan.

Attached hereto as Exhibit A is a Claims analysis, setting forth the Claims of the Creditors.

**4.5. Class 5: (The Membership Interests in the Debtor).** Class 5 consists of the membership Interests in the Debtor, held by Thomas A. Bray, Dean Cherpitel, James R. Schemmel and Wendell Harkleroad. As this is a Plan of Liquidation, the Class 5 Creditors shall receive nothing under the Plan.

Class 5 is impaired under this Plan.

**Impaired Classes:** All Classes are impaired under this Plan.

## Article 5

### **MEANS OF EXECUTION OF THIS PLAN**

As the only act required under this Plan is disbursement of the funds held in the Evans & Mullinix, P.A. trust account, upon Confirmation and determination of all parties entitled to share in those funds, the monies will be disbursed to the appropriate parties.

**5.1. Events Occurring on or Before Confirmation.** The following events shall occur on or before the Confirmation Date:

The Debtor shall attempt to ascertain the extent of the claims which may be made against the funds held in the trust account of Evans & Mullinix, P.A.

**5.2. Events Occurring on or after the Effective Date.** The following events shall occur on or after the Effective Date:

The Debtor shall disburse the funds held in the trust account of Evans & Mullinix, P.A. in accordance with appropriate Orders of the Court.

**5.3. Disputed Claims.** Because the only funds available will be paid to those holding Administrative Claims, while it may dispute some of the Claims that have been filed and may dispute others that were scheduled, the Debtor will not formally object to Claims as there is no benefit to doing so.

**5.4. Documents.** All necessary documents for the implementation of this Plan shall be executed and delivered by the Debtor, when possible, on or before the Effective Date. To the extent that the Debtor or any party in interest herein is unable to agree on the form or substance of such documents, such unresolved issues shall be submitted to the Court. Upon execution and delivery all such documents shall be binding on the Debtor and all other parties thereto.

**5.5. Payments.** On or as soon as practicable after the Effective Date, the Debtor shall pay all amounts required to be paid on the Effective Date as provided in Section 4 of this Plan.

**5.6. Causes of Action.** All rights and Causes of Action pursuant to (i) §§ 502, 542, 544, 545, 546, 550 and 553 of the Bankruptcy Code; (ii) preference claims pursuant to § 547 of the Bankruptcy Code; (iii) fraudulent transfer claims pursuant to § 548 of the Bankruptcy Code; (iv) claims relating to post-petition transactions pursuant to § 549 of the Bankruptcy Code; and

(v) and all claims and causes of action held against third parties as of the Confirmation Date, have been evaluated by the Debtor and the Debtor does not believe that the cost of asserting such claims does not justify further pursuing. These Causes of Action are preserved through Confirmation only for the benefit of the Creditors.

**5.7. Reservation of Rights Under Section 1129(b).** The Debtor expressly reserves the right, pursuant to Section 1129(b) of the Bankruptcy Code, to request the Court to confirm this Plan if all of the applicable requirements of Section 1129(a) of the Bankruptcy Code have been met, other than those of Section 1129(a)(8). Section 1129(b) of the Bankruptcy Code provides that the Plan may be confirmed by the Court despite not being accepted by every Impaired Class if (i) at least one Impaired Class of Claim has accepted the Plan, and (ii) the Court finds that the Plan does not discriminate unfairly and is fair and equitable to the rejecting Classes. Among other things, such a finding would require a determination by the Court that no holder of an Allowed Claim or Interest junior to the rejecting Class will receive or retain any property or payment under the Plan. In connection with such a request the Debtor may seek permission to modify the Plan. Further, the Debtor reserves the right, pursuant to Section 1126(e) of the Bankruptcy Code, to request that the Court strike any rejection of the Plan by any holder of a Claim or Interest where such rejection is not in good faith.

## Article 6

### **PROVISIONS FOR THE ASSUMPTION OR REJECTION OF EXECUTORY CONTRACTS OR UNEXPIRED LEASES**

**6.1. Rejection.** Any and all executory contracts and unexpired leases of the Debtor, entered into prior to the Petition Date shall be deemed to have been rejected by the Debtor on the Confirmation Date, in accordance with the provisions of Section 365 of the Bankruptcy Code.

**6.2. Reservation of Rights.** The Debtor reserves the right to file applications for the assumption or rejection of any executory contract or unexpired lease at any time prior to the Confirmation Date and to prosecute any such application to entry of a Final Order anytime thereafter. The Debtor does not, however, intend to file any such applications as there are no leases or executory contracts to assume or reject.

**6.3. Proofs of Claim.** Each entity that is a party to an executory contract or unexpired lease rejected pursuant to this Plan, and only such entity, shall be entitled to file, not later than the Confirmation Date, a proof of Claim for damages alleged to arise from the rejection of the contract or lease to which such entity is a party.

## Article 7

### **PROCEDURES FOR RESOLVING CONTESTED CLAIMS**

The Debtor may contest Claims by filing with the Court objections to Claims and serving such objections upon the respective holders of the Claims to which objections are lodged. The service and prosecution of such objections shall be subject to the Federal Rules of Bankruptcy

Procedure and the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Kansas.

## **Article 8**

### **RETENTION OF JURISDICTION**

The Bankruptcy Court shall retain jurisdiction of the Proceedings pursuant to the provisions of the Bankruptcy Code until the Proceedings are closed and further with respect to the following matters:

- 8.1. To classify, allow or disallow Claims, direct distributions under the Plan and adjudicate all controversies concerning classification or allowance of any Claim or interest.
- 8.2. To enforce performance of the Plan against the Debtor, Claimants or any other entity.
- 8.3. To hear and determine all Claims arising from the rejection of executory contracts and unexpired leases and to consummate the rejection and termination thereof. To hear and determine all matters relating to the assumption of executory contracts and unexpired leases and the assumption and assignment of executory contracts and unexpired leases.
- 8.4. To liquidate damages or estimate Claims in connection with any disputed, contingent or unliquidated Claim.
- 8.5. To adjudicate all Claims to an ownership interest in any property of the Debtor, the Estate or any proceeds thereof.

- 8.6. To adjudicate all Claims or controversies arising out of any purchase, sale or contract made or undertaken by the Debtor during the pendency of the Proceedings.
- 8.7. To recover all assets and property of the Debtor wherever located.
- 8.8. To hear and determine matters concerning state, local and federal taxes pursuant to Sections 346, 505, 525 and 1146 of the Bankruptcy Code.
- 8.9. To hear and determine any action or proceeding brought by the Debtor or other party-in-interest under Sections 510, 542, 543, 544, 545, 547, 548, 549, 550, 551, 553 and 363(h) of the Bankruptcy Code.
- 8.10. To hear and determine all actions and proceedings brought by the Debtor or other party-in-interest arising in or related to the Proceedings or arising under the Bankruptcy Code.
- 8.11. To determine the validity, extent and priority of all liens against property of the Debtor's Estate.
- 8.12. To consider any modification of the Plan under Section 1127 of the Bankruptcy Code or under Rule 3020 of the Federal Rules of Bankruptcy Procedure and/or modification of the Plan after substantial consummation as defined in Section 1101(2) of the Bankruptcy Code.
- 8.13. To hear and determine all controversies, suits and disputes that may arise in connection with the interpretation or enforcement of the Plan.
- 8.14. To hear and determine all requests for compensation and/or reimbursement of expenses of Professionals that may be made after the Confirmation Date.
- 8.15. To hear and determine such matters and make such orders as are consistent with the Plan and as may be necessary or desirable to carry out the provisions thereof.

If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction or is otherwise without jurisdiction over any matter arising out of the Proceedings, including the matters set forth herein, or if a party-in-interest elects to bring an action in any other forum, this Article 8 shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

#### **Article 9**

#### **MODIFICATION OF THE PLAN**

The Debtor may propose amendments or modifications to the Plan at any time prior to the Confirmation Date without leave of the Bankruptcy Court. After the Confirmation Date parties-in-interest may, with Bankruptcy Court approval and so long as it does not materially or adversely affect the interests of Creditors, remedy any defect or omission or reconcile any inconsistencies in the Plan or in the Confirmation Order in such manner as may be necessary to carry out the purposes and intent of the Plan.

#### **Article 10**

#### **AMENDMENT OF CLAIMS**

Claimants shall not be permitted to amend or otherwise modify any Claim after the Confirmation Date without leave of the Bankruptcy Court, unless the Claimant has specifically reserved a right to amend its Claim.



## Article 11

### **EFFECT OF CONFIRMATION**

Upon the Effective Date all of the provisions of this Plan, including all appendices and other exhibits hereto, shall be binding on the Liquidated Debtor, the Estate, all Creditors and all other entities who are affected (or whose interests are affected) in any manner by the Plan.

As of the Effective Date, all property of the Estate, including all causes of action and the proceeds thereof and any property or interest in property acquired by the Estate after the Effective Date shall be vested in the Liquidated Debtor. All of such property shall be free and clear of all Claims and Interests except the Claims of Classes as treated in Article 4 of this Plan.

## Article 12

### **GENERAL PROVISIONS**

**12.1. Extension of Payment Dates.** If any payment under this Plan falls due on a Saturday, Sunday or other day that is not a Business Day, then such due date shall be extended to the next following Business Day.

**12.2. Governing Law.** Except to the extent that the Bankruptcy Code is applicable, the rights and obligations arising under this Plan and any documents, agreements and instruments executed in connection with this Plan (except to the extent such documents, agreements and instruments designate otherwise) shall be governed by, and construed and enforced in accordance with, the Laws of the State of Kansas.

**12.3. Headings.** The Article and Section headings used in this Plan are inserted for convenience and reference only and neither constitute a part of this Plan nor in any manner affect the terms, provisions or interpretations of this Plan.

**12.4. Notices.** All notices required to be made in or under this Plan shall be in writing and addressed to the following:

If to the Debtor:

James R. Schemmel  
10409 W. 52<sup>nd</sup> Terrace  
Shawnee, KS 66203

with a copy to the Debtor's attorneys:

Thomas M. Mullinix  
Colin N. Gotham  
Evans & Mullinix, P .A.  
7225 Renner Road, Suite 200  
Shawnee, KS 66217  
(913) 962-8700  
(913) 962-8701 (Fax)

or at such other address as a party may have designated as its address for such purpose or at any address of any such party appearing in the records of the party giving notice.

**12.5. Severability.** Should any term or provision in this Plan be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any other term or provision of this Plan.

**12.6. Successors and Assigns.** Except as may be otherwise provided in this Plan, the rights and obligations of any entity named or referred to herein shall be binding upon, and shall inure to the benefit of, the successors and assigns of each such entity .

In the United States Bankruptcy Court  
District of Kansas, Kansas City Division  
In re: Walden Reserve, LLC  
Case No.: 08-21230-11-DLS  
Plan of Liquidation dated August 13, 2009

**12.7. Trustee Fees.** The Liquidated Debtor shall be responsible for timely payment of fees incurred pursuant to 28 U.S.C. § 1930(a)(6). After Confirmation the Liquidated Debtor shall file with the Court and serve on the United States Trustee a quarterly disbursement report for each quarter, or portion thereof, until a Final Decree has been entered or the case dismissed or converted to another chapter, in a format prescribed by and provided to the Debtor by the United States Trustee.

This Plan of Liquidation is dated the 13<sup>th</sup> day of August, 2009, and is hereby approved by the undersigned.

WALDEN RESERVE, LLC

/s/ James R. Schemmel

By: James R. Schemmel  
Its Chief Financial Officer

Submitted by:

Evans & Mullinix, P.A.

/s/ Colin N. Gotham

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ATTORNEYS FOR DEBTOR