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UNITED STATES BANKRUPTCY COURT

DISTRICT OF IDAHO

In Re: WALKER LAND & CATTLE, LLC, Debtor.	Case No. 13-41437 JDP Chapter 11

SECOND AMENDED DISCLOSURE STATEMENT

On November 15, 2013, WALKER LAND & CATTLE, LLC ("Debtor") filed its voluntary petition for relief pursuant to Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Idaho. Pursuant to Section 1125 of the Bankruptcy Code, the Debtor has obtained an order of the Court approving this Second Amended Disclosure Statement ("Disclosure Statement") for submission to the holders of claims against it to allow such claim holders to vote for or against Debtor's Second Amended Plan of Reorganization ("Plan").

INTRODUCTION

THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE DEBTOR'S PROPOSED PLAN OF REORGANIZATION.

PLEASE READ THIS DOCUMENT WITH CARE.

The Debtor is providing this Disclosure Statement to all of its known creditors pursuant to Section 1125 of the Bankruptcy Code in order to permit such creditors to make an informed judgment in exercising their right to vote on the Plan of Reorganization. Section 1125 of the Bankruptcy Code requires that this Disclosure Statement be submitted to holders of claims against, and interests in, the Debtor, and that this Disclosure Statement contains sufficient information about the Debtor to enable creditors and other interested parties to make an informed decision regarding the Plan of Reorganization. The Disclosure Statement is required to be approved by the Court. The

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Debtor has complied with the requirements of Section 1125 of the Bankruptcy Code and the Disclosure Statement has been approved by the Court with a determination that it contains adequate information.

THE APPROVAL BY THE COURT OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE COURT OF THE PLAN OR A GUARANTEE OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

This Disclosure Statement is being furnished to all known creditors and claimants to inform them about the Plan and their rights with respect thereto. The only representations that are authorized by the Debtor concerning its finances and business operations, the value of Debtor's assets, its reorganization prospects, or other matters are as contained in this Disclosure Statement. The financial information contained in this Disclosure Statement has not been subjected to an audit by an independent Certified Public Account; however, it has been prepared by the Debtor's business accountants and is consistent with historical financial information. For that reason, the Debtor is not able to warrant or represent that the information contained in this Disclosure Statement is without any inaccuracy; however, effort has been made to ensure that all such information is fairly represented.

In determining the acceptance of the Plan, votes will only be counted if submitted by the claimant whose claim is duly scheduled by the proponent as undisputed, non-contingent, and liquidated, or who, prior to the hearing on confirmation has filed with the Court a proof of claim which has not been disallowed or suspended prior to the computation of the vote on the plan. A class that is unimpaired is deemed to have accepted the plan if solicitation of acceptance is not required under 11 USC § 1126(f). The ballot received from you does not constitute a Proof of Claim. If you are in any way uncertain whether or not your claim has been correctly scheduled, you should check the Debtor's schedules which are on file in the office of the Clerk of the United States Bankruptcy Court, U.S. Courthouse, Pocatello, Idaho. Due to the volume of business of the Clerk of the Bankruptcy Court, it is believed that this information will not be given by telephone.

Pursuant to Bankruptcy Code 11 USC §1129(b), a plan may be confirmed even if it is not accepted by one or all of the impaired classes, provided the Bankruptcy Court deems the plan does not discriminate unfairly and the plan is *fair and equitable* to such class or classes.

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EXECUTIVE SUMMARY OF THE PLAN

Debtor is a farmer. Its plan of reorganization is being offered not to liquidate all of its assets but rather to allow it to continue its farm operations to maintain its employees and suppliers. Under Debtor's proposed Plan of Reorganization, all of its creditors will be paid in full, with interest, over the term of the Plan, by the Debtor taking the following steps:

1. The Debtor has agreements to sell $6,183,000.00 in real property upon confirmation of this Plan and pay during the first twelve months:
   - $2,103,626.75 to Rabo Agrifinance;
   - $1,126,744.19 to Wells Fargo Bank;
   - $692,669.00 to John Deere Credit;
   - $810,058.00 to General Unsecured Creditors (Class 51); and
   - Remaining balance retained to fund future plan payments to secured and unsecured creditors and as working capital. See Appendix F for additional details.

2. The Debtor will pay creditors through improved farm operations boosting profitability, *while reserving the right to obtain take out financing and prepay unsecured creditors in the future*.

Farm operation improvements include:

- Expanded Joint Venture/Crop Share Agreement[1] with Foster Co.: Of the 1,354 farmable acres being sold to Foster Co., the Debtor will expand its Joint Venture/Crop Share, sharing/minimizing risks, lowering amortization costs for use of equipment, improving cash flow, and most importantly allow for improved crop rotation, yield and quality;

- Improved Crop Rotation: The Expanded Joint Venture allows for access to better ground for potato production. The joint venture allows for there to be two years of grain production followed by one year of potatoes, instead of alternating between potatoes and grain year-to-year, improving soil nutrient levels, yield and quality.

- New Management has also:
  - Increased potato yield and quality;
  - Decreased costs; and
  - Increased acres farmed.

The following charts summarize and highlight current management's performance. According to recent test digs of potatoes the Debtor's projected yield per acre is 420 sacks of potatoes, with potential for 442 sacks according to preliminary indications.

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[1] See page 42 of the Plan and Appendix B (Plan) herein for additional details regarding the Joint Venture/Crop Share Agreement with Mr. Foster.

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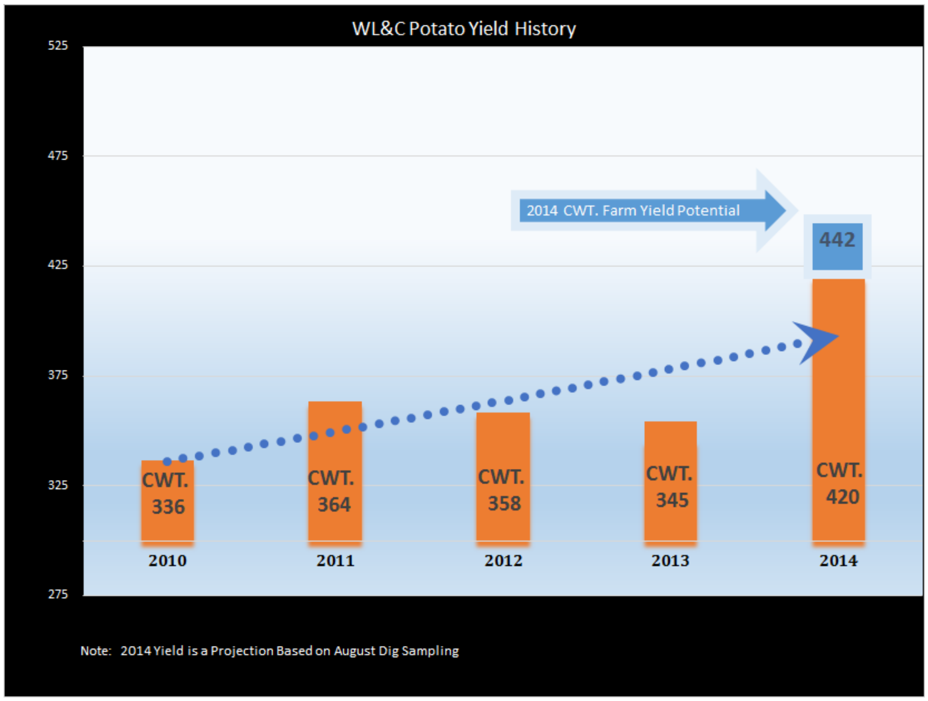
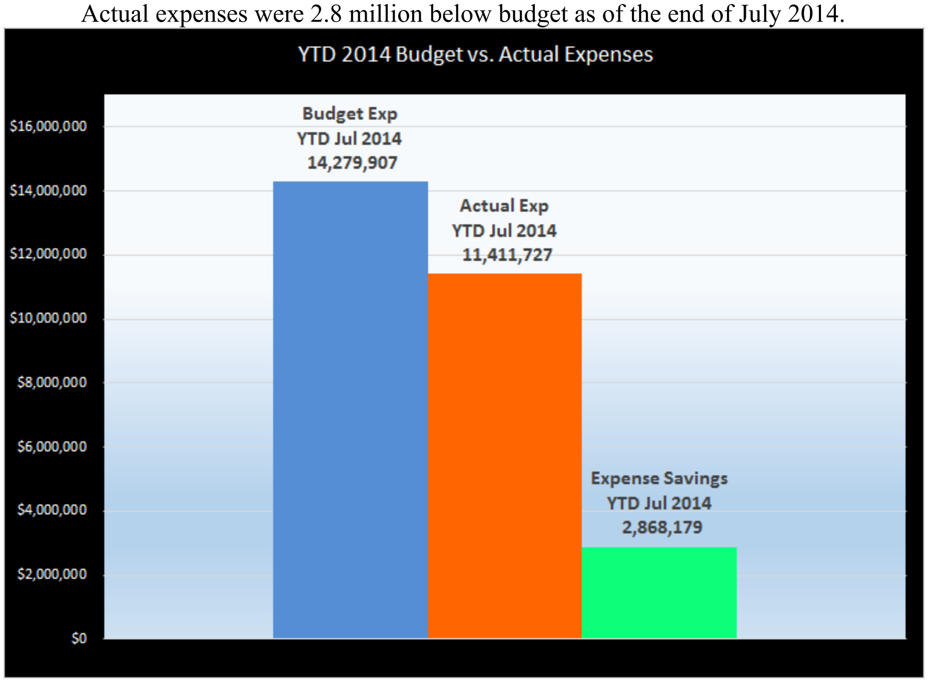


Actual expenses were 2.8 million below budget as of the end of July 2014.



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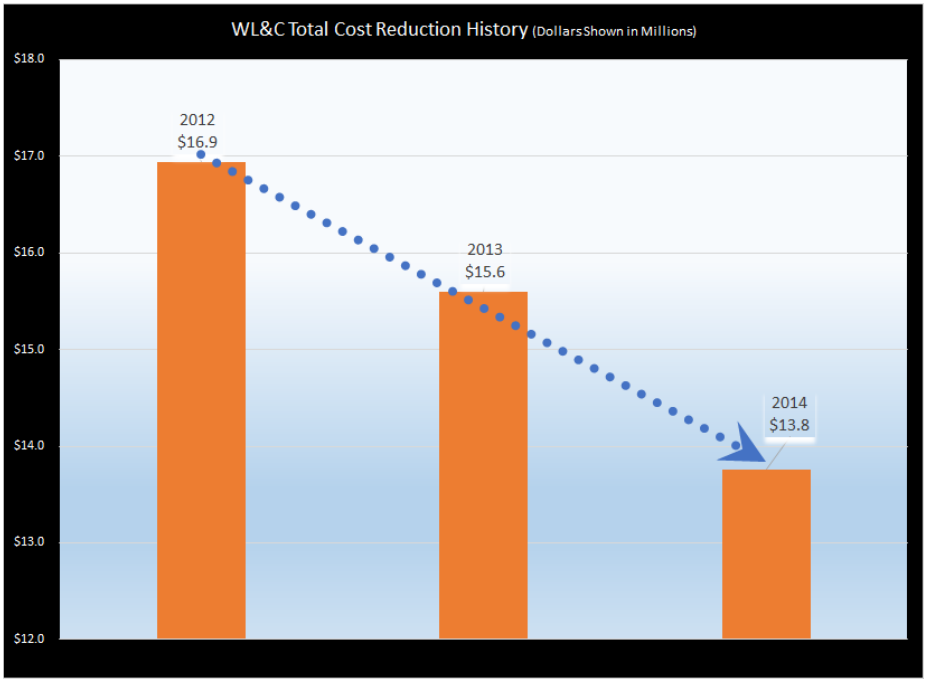
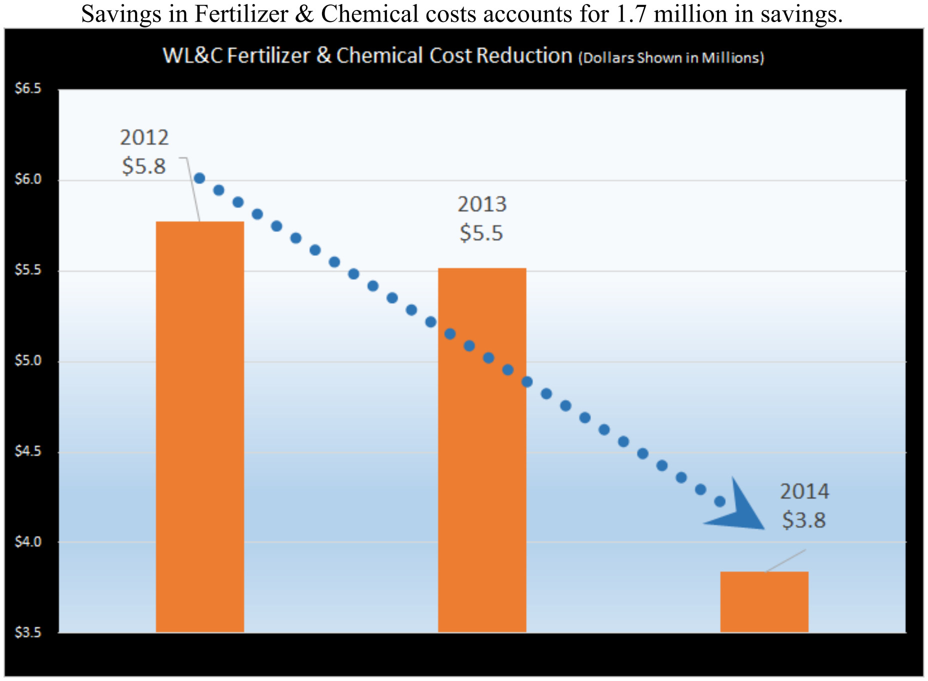


Savings in Fertilizer & Chemical costs accounts for 1.7 million in savings.



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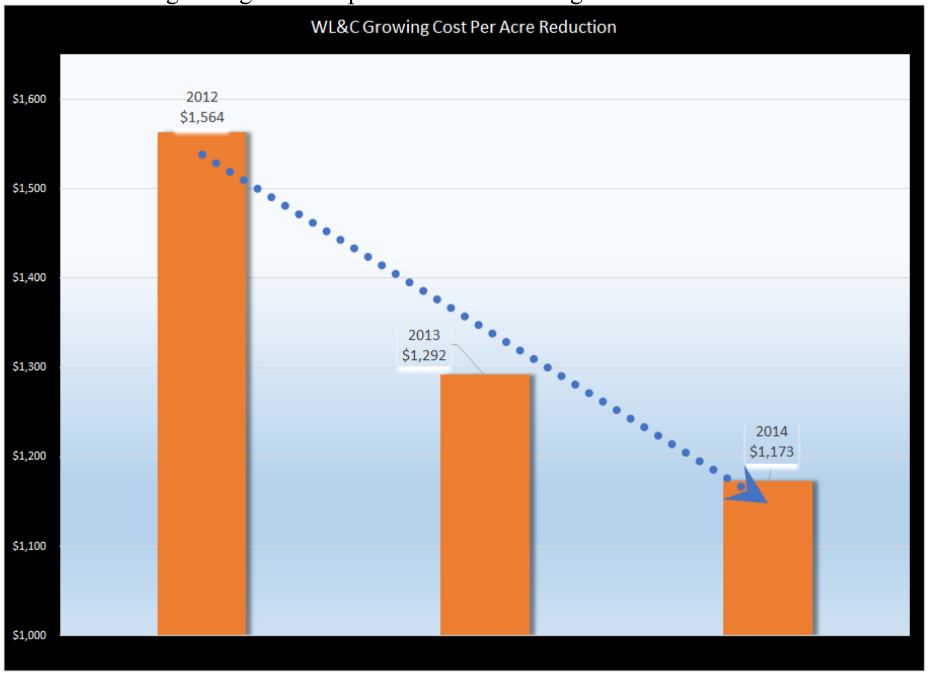
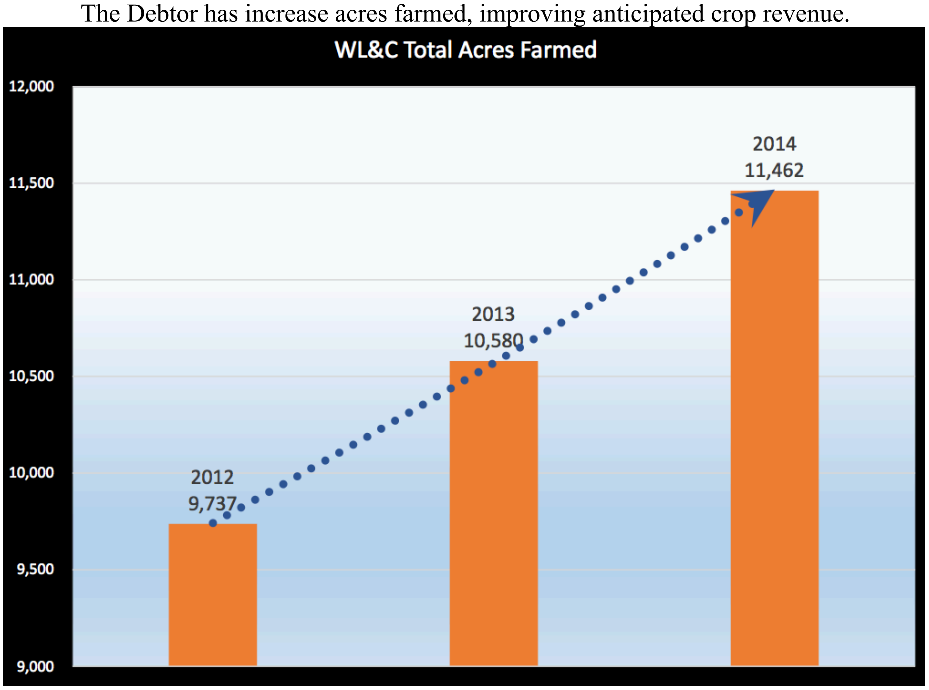
Resulting savings in Cost per Acre have been significant.



The Debtor has increase acres farmed, improving anticipated crop revenue.



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All of these measures will allow the Debtor to retire debt as follows:

1. First, secured creditors will be paid the full amount of their claims, plus interest, under the terms set forth in the Plan

2. Second, General Unsecured Creditors with allowed claims will receive payment in full, with interest post-confirmation at the Wall Street Journal prime rate (anticipated to be 3.25%) in equal semi-annual installments of $810,058.45 over the next eight years, *with the Debtor reserving the right to prepay these creditors as funds allow or with take out financing.*

3. Third, the related entities class (Class 52) holding unsecured claims and the equity interests (Class 53) shall not be paid until other classes of creditors are satisfied.

4. Fourth, the Debtor will seek take out financing in order to prepay debts.

Each of these components is discussed in greater detail elsewhere herein.

Accompanying this Disclosure Statement are copies of the following documents:

APPENDIX A: The Court's *Order Approving Disclosure Statement* pursuant to 11 USC §1125, and affixing the time for the filing of acceptances or rejections of the Plan of Reorganization and for a hearing on confirmation of the Plan of Reorganization.

APPENDIX B: The Plan of Reorganization, including the Foster and Hamilton Agreements as Exhibits "A" through "D" to the Plan.

APPENDIX C: The ballot form for acceptance or rejection of the Plan of Reorganization.

APPENDIX D: Debtor's list of secured and unsecured claims, including any disputed claims.

APPENDIX E: Debtor's Historic Balance Sheets and Statements of Operation

APPENDIX F: Debtor's Projected Income and Expenses, including Cost Detail By Month, Projections by Month and Crop Budgets Year-to-Year. The Debtor is currently operating under a cash collateral budget through January 31, 2015.[2]

[2] *See Final Order Authorizing Use of Cash Collateral and Granting Adequate Protection and Adequate Protection Liens* (Dkt. No. 321).

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APPENDIX G: Debtor's Post-petition Projected vs. Actual Income and Expense Report.

APPENDIX H: Debtor's Historic Crop Yields.

APPENDIX I: Debtor's Historic Crop Prices.

APPENDIX J: Debtor's Post-petition crop prices from November 15, 2013 through July 31, 2104.

APPENDIX K: Liquidation Analysis

APPENDIX L: Real Property Encumbrances Analysis.

APPENDIX M: Claims Summary.

APPENDIX N: Financial Statements and Independent Auditor's Report for fiscal year ended December 31, 2013.

APPENDIX O: Crop Position Report, as of July 31, 2014.

To avoid unnecessary duplication of paperwork Debtor has not attached the monthly reports filed with the Court as required by the Chapter 11 Bankruptcy Code and the U.S. Trustee Regulations. These have been delivered to counsel for Wells Fargo Bank, Rabo Agrifinance, the Unsecured Creditors Committee and all other creditors receiving electronic notice in this case. They are also available on the Bankruptcy Court's website or will be produced if a creditor requests a copy thereof from Debtor's counsel. Debtor believes these show that it has complied with payment of all expenses during the pendency of this proceeding and Court Orders issued to date.

DEFINITIONS

Unless the context otherwise requires, the following terms, when used in this Disclosure Statement shall have the same meanings set forth in Article 1.2 of the Plan:

1.2.1 "Administrative Claim" means a claim for the cost or expense of administration of this Chapter 11 case, including any actual and necessary expense of preserving or liquidating the estate, any actual and necessary expense of operating the business of the Debtor, and all allowances approved by the Court in accordance with the Bankruptcy Code.

1.2.2 "Administrative Claims Bar Date" shall have the meaning given it in Article 14.1.1 of this Plan.

1.2.3 "Allowed Claim" means a claim or any portion thereof (a) that has been allowed by a Final Order of the Bankruptcy Court or (b) as to which, on or by the

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Effective Date, (i) no proof of claim has been filed with the Bankruptcy Court and (ii) the liquidated and non-contingent amount of which is scheduled, other than a claim that is scheduled at zero, in an unknown amount, or as disputed, or (c) for which a proof of claim in a liquidated amount has been timely filed with the Bankruptcy Court pursuant to the Bankruptcy Code, any Final Order of the Bankruptcy Court or other applicable bankruptcy law, and as to which either (i) no objection to its allowance has been filed within the periods of limitation fixed by this Plan, the Bankruptcy Code or by any order of the Bankruptcy Court, or (ii) any objection as to its allowance has been settled or withdrawn or has been denied by a Final Order, or (d) is reflected in a schedule of Allowed Claims, if any, filed from time to time with the Bankruptcy Court by the Debtor, or (e) that is expressly allowed in a liquidated amount in this Plan. An Allowed Claim (a) includes a Disputed Claim to the extent such Disputed Claim becomes allowed after the Effective Date; and (b) shall be net of any valid setoff exercised with respect to such claim under the provisions of the Bankruptcy Code and applicable law. Unless otherwise specified herein, in section 506(b) of the Bankruptcy Code, or in any order of the Bankruptcy Court, “Allowed Claim” shall not, for purposes of distributions under this Plan, include for prepetition claims, interest on such claim or claims accruing from or after the Petition Date.

1.2.4 “Avoidance Actions” means any and all actions, causes of action, suits, accounts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims existing or arising under Chapter 5 of the Bankruptcy Code, including but not limited to state law remedies available pursuant to Section 544 of the Bankruptcy Code, whether known or unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, unsecured and whether asserted or assertable directly or derivatively, in law, equity or otherwise.

1.2.5 “Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as codified in Title 11 of the United States Code, 11 U.S.C. §§101-1532, as now in effect or hereafter amended, and as applicable to Debtor’s Chapter 11 case.

1.2.6 “Bankruptcy Court” means the United States Bankruptcy Court for the District of Idaho or any other court with jurisdiction over Debtor’s Chapter 11 case.

1.2.7 “Bankruptcy Rules” means, collectively, the Federal Rules of Bankruptcy Procedure promulgated under section 2075 of title 28 of the United States Code and the Official Bankruptcy Forms, the Federal Rules of Civil Procedure, as applicable to the Debtor’s Chapter 11 case or proceedings therein, and the Local Rules of the Bankruptcy Court, all as now in effect or hereafter amended, and as applicable to Debtor’s Chapter 11 case.

1.2.8 “Business Day” means any day on which commercial banks are open for business in Idaho Falls, Idaho, excluding Saturdays, Sundays or “legal holidays” (as defined in Bankruptcy Rule 9006(a)).

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1.2.9 "Case Interest Rate" means the federal judgment rate described in 28 U.S.C. § 1961 in effect on the Petition Date through the Effective Date and subsequent to the Effective Date the Wall Street Journal prime rate in place on the Confirmation Date.

1.2.10 "Causes of Action" means, individually or collectively, any and all actions, causes of action, suits, accounts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims held by Debtor as of the Effective Date, including but not limited to Avoidance Actions, whether known or unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, unsecured and whether asserted or assertable directly or derivatively, in law, equity or otherwise.

1.2.11 "Class" means one of the classes of claims listed in Article II of this Plan.

1.2.12 "Confirmation" means entry by the Bankruptcy Court of the Confirmation Order.

1.2.13 "Confirmation Date" means the date of entry of the Confirmation Order on the docket maintained by the Clerk of the Bankruptcy Court with respect to this Chapter 11 case.

1.2.14 "Confirmation Hearing" means the hearing held by the Bankruptcy Court pursuant to section 1128(a) of the Bankruptcy Code, to consider confirmation of this Plan under section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

1.2.15 "Confirmation Order" means the order of the Bankruptcy Court confirming this Plan under section 1129 of the Bankruptcy Code.

1.2.16 "Debtor" means Walker Land & Cattle, LLC, including in its capacity as debtor-in-possession under sections 1107 and 1108 of the Bankruptcy Code.

1.2.17 *Reserved.*

1.2.22 "Disclosure Statement" means the disclosure statement that relates to this Plan, as approved by the Bankruptcy Court as containing adequate information pursuant to section 1125 of the Bankruptcy Code and Fed. R. Bankr. P. 3017, as such disclosure statement may be amended, modified or supplemented from time to time.

1.2.23 "Disputed Claim" means any claim against or Interest in Debtor or any portion thereof that is not an Allowed Claim or a disallowed claim, as the case may be.

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1.2.24 "Distribution Date" means the date, occurring within one hundred twenty (120) days of the Effective Date or as soon as is practicable thereafter, on which the Debtor first makes distributions under this Plan.

1.2.25 "Effective Date" means the first Business Day following the ninetieth (90th) calendar day on which all conditions set forth in Article 9.1 of the Plan have been either satisfied or waived as provided in Article 9.2 of the Plan.

1.2.26 "Final Order" means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction with respect to the subject matter, which has not been reversed, stayed, modified or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought.

1.2.27 "General Unsecured Claim" means a pre-petition unsecured claim against Debtor that is not entitled to priority under section 507 of the Bankruptcy Code, including any claim for money borrowed or guaranteed, rejection of executory contracts, unsecured deficiency claims, and claims for indemnification, if any.

1.2.28 "Interest" means the legal, equitable, contractual and other rights of any holder of a stock interest, membership interest, partnership interest or other equity interest in a corporation, limited liability company, limited partnership, general partnership or other entity, whether or not transferable, and any option, warrant or right, contractual or otherwise, to purchase, sell, subscribe for or otherwise acquire or receive any such interest.

1.2.29 "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended from time to time.

1.2.30 "Other Priority Claim" means a claim entitled to priority under section 507(a) of the Bankruptcy Code other than a priority tax claim or an administrative claim.

1.2.31 "Person" means an individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, limited liability partnership, trust, trustee, United States Trustee, estate, unincorporated organization, government, governmental unit (as defined in the Bankruptcy Code), agency or political subdivision thereof or other entity.

1.2.32 "Petition Date" means November 15, 2013, the date on which Debtor filed its petition for reorganization relief commencing the Chapter 11 case.

1.2.33 "Plan" means the reorganization Plan proposed by Debtor, together with all exhibits hereto, as it may be further amended, modified or supplemented from

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time to time in accordance with section 1127 of the Bankruptcy Code, including Plan Supplements, if any.

1.2.34 "Plan Supplement" means the compilation of documents or forms of documents specified in this Plan, including any exhibits to this Plan not included herewith, that may be filed with the Bankruptcy Court on or before the date that is fourteen (14) days prior to the Confirmation Hearing.

1.2.35 "Post-Effective Date Assets" means all property of the kind defined in Section 541, as limited by all subsections of Section 541, of the Bankruptcy Code.

1.2.36 "Pro Rata" means, at any time, the proportion that the face amount of an Allowed Claim in a particular Class bears to the aggregate face amount of all claims (including Disputed Claims, but excluding disallowed claims) in that Class, unless this Plan provides otherwise.

1.2.37 "Professional Fee Claims" shall have the meaning given it in Article 14.1.1 of this Plan.

1.2.38 "Proponent" means Debtor.

1.2.39 "Protective Order" means that certain protections afforded to the estate's financial information and limitations on use pursuant to paragraph 5.d of the "Final Order Authorizing Use of Cash Collateral and Granting Adequate Protection and Adequate Protection Liens" entered in this Chapter 11 case on or about April 28, 2014 as Docket No. 321.

1.2.40 "Reorganized Debtor" means Walker Land & Cattle, LLC after the Effective Date.

1.2.41 "Secured Claim" means a claim, other than a Setoff Claim, that is secured by a lien that is valid, perfected and enforceable, and not avoidable, on property in which Debtor has an interest, or the proceeds of the sale of such property, to the extent of the value, as of the Petition Date, of such interest or lien as determined by a Final Order of the Bankruptcy Court under section 506 of the Bankruptcy Code or as otherwise agreed upon in writing by the Debtor and the holder of such claim.

1.2.42 "Setoff Claim" means a claim of holder that has a valid right of setoff with respect to such claim, which right is enforceable under section 553 of the Bankruptcy Code as by a Final Order or as otherwise agreed writing by the Debtor, to the extent of the amount subject to such right of setoff.

1.2.43 "Voting Deadline" means the date and time, as fixed by an order of the Bankruptcy Court and set forth in the Disclosure Statement, by which all Ballots to accept or reject this Plan must be received.

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GENERAL HISTORY OF THE DEBTOR

Debtor is an Idaho limited liability company in the business of farming. The LLC was formed in April 2004. Members of the Walker Family own the Debtor.[3] The Walker Family has farmed in Eastern Idaho for over 64 years, and for many years was listed as one the top 100 Growers of potatoes in the USA by Vegetable Grower Magazine. Their crops have been among the main supplies to the country's most celebrated institutions, including Albertsons, Krogers, Hard Rock Café, Sysco Foods, ADM, Con Agra, Lamb Weston, Simplot, Gem State Processing, Anheuser Busch and may others.

Debtor's farm operation consists of approximately 11,500 acres in Eastern Idaho. The Debtor owns approximately 8,500 acres and leases an additional 3,000 acres. The farm ground is located primarily in Hamer, Osgood, Ririe, Menan, Lewisville and Rigby, Idaho. The Debtor has in that past raised cattle, potatoes, barley, wheat and hay.

Historically, a team of key personnel, led by the family patriarch, Von Walker, managed the farms. Von's sons, Rollie, Blair, Lorin and Keith Walker also participated in the farm operation, along with a son-in-law, Blair Erickson, playing major roles over time.

Over the last five years, the Debtor has undergone a number of sudden and unexpected management changes. Three of the four previous managers passed away or retired. Von Walker passed away in 2009. Blair Walker passed away unexpectedly in October 2011. In 2011 Blair Erickson, a brother-in-law, retired to care for his wife who was diagnosed with cancer.

As a result, Keith Walker stepped in to manage the operation, while at the same time managing Walker Produce, Inc., a potato fresh shed. Given the size of the operation and the number of field locations, this proved to be an overwhelming and impossible role. Had Keith been able to address all the company needs imposed on senior management, it is possible that there may have been fewer negative impacts on profitability. During these trying times, Rollie and Lorin Walker were resolving the loans (involving entities unrelated to the Debtor) related to the real estate recession and Keith was left to manage Walker Produce (the fresh shed) and the Debtor (the farms) with limited support. While farm supervisors, Mike Hathaway, Mike Barns and Jesus Gonzales provided vital support, they did not, and could not, fully replace the family management and team support.

With Blair Erickson's need to retire in order to attend to his wife's poor health condition, the Debtor opted to lease out the majority of the Debtor's surface water farms instead of growing its own hay on these farms. Leasing out the hay ground removed a cash crop from the Debtor's operation and, in hindsight, proved to be an unfavorable decision. Historically, over the last several years, the Debtor's own hay production would have generated a significantly greater profit above the lease rate. But, hindsight is 20/20.

[3] The membership interest holders are identified in detail elsewhere herein.

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In 2007, the Debtor was falsely accused of having fields containing the potato cyst nematode (PCN)—a parasite catastrophic to the potato industry and to farms containing the same. These false accusations forced any field accused out of production for the duration of the investigation until the specific field was cleared. The Debtor incurred the time and expense to power wash all equipment before moving it between fields. Buyers rejected contracts out of fear of spreading PCN. It threw several fields out of the Debtor's crop rotation due to the quarantined fields, and until cleared such fields could not be planted in potatoes. The Debtor lost out in the 2008 high potato year. The USDA conducted numerous, comprehensive soil tests and inspections and ULTIMATELY, THE ACCUSATIONS WERE SHOWN TO BE MISDIRECTED AND FALSE. In response to the USDA's extensive inspections and related quarantines, management was distracted and additional costs imposed on the Debtor. Despite the fact that the Debtor was targeted in error, the Debtor was offered no restitution by the USDA for damages suffered.

In 2012, Debtor chose not to sell its potatoes at the then very low market return, and rather elected to store its potatoes, hoping for better options by holding the potatoes at fryer temperatures[4] with the intent to get higher prices later in the year. Fryer prices often can provide a much higher profit. These decisions did not pay off but, instead, resulted in a greater shrinkage percentage and an overall negative impact to the bottom line. While fresh prices did rise significantly, the shrink due to holding the potatoes off set the increase in price.

Prior to 2012, the Debtor relied primarily on petiole testing to evaluate fertilizer needs.[5] The downside to relying primarily on this type of testing is that it measures the fertilizer the plant has been able to uptake for the past several weeks. If a problem is apparent from the testing, it may be too late to take corrective measures and preserve higher crop yields. In 2012, the Debtor realized that relying solely on this method of testing resulted in over-fertilization and reduced crop yields.

The Debtor has also experienced increased costs in recent years. In 2011, the weather simply required more water applied given the higher temperatures. More water requires more power to the irrigation pumps. More power increases the costs to operate and an inability to use the load control incentive programs offered by Rocky Mountain Power. Further, fuel, chemical and fertilizer costs increased significantly in 2011 and 2012. Lax internal controls and distracted management allowed for some of these costs to be rolled over and were realized on the financial statements in 2012 and 2013.

Further, in 2013 the Debtor experience reduced crop yields due to seed rot in its Hamer fields. The Debtor estimated a 40% loss in plants in that area. The seed rot issue was compounded by the frost during harvest in 2013 and excessive weeds due to late

[4] When potatoes are stored at lower temperatures, the potato starch can convert to sugar resulting in darkened potatoes when frying.

[5] Stated simply, petiole testing consists of taking samples of potato leaves during the growing season to monitor the crop nutrient status, tracking the crop nutrient status over time.

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application of weed control caused by Wells Fargo's failure to release funds in a timely manner to buy chemical. These, and other factors such as the frost damage also resulted in a material reduction in profit.

In October 2012, the Debtor and Wells Fargo were negotiating the renewal of the operating line for the following crop year, as had been historically done over the past 16 years. After paying the required payments to Wells Fargo on the line of credit, in November 2012, Wells Fargo demanded an additional cash payment of $800,000 in order to be approved for the 2013 operating line. The Debtor provided the $800,000, borrowing the funds from Walker Produce. Additionally, in December Wells Fargo requested the Debtor obtain contracts on its potatoes for $7.50 per cwt. to provide assurance of market price. The Debtor obtained the requested contracts.

After paying against the line of credit pursuant to the 16 consecutive year history, injecting an additional $800,000.00 and taking the time to negotiate two $7.50 cwt. contracts, the Debtor was informed that it had met approval, pending final credit officer's approval, who, according to local Wells Fargo personnel, was on vacation. However, on the 20th of February, 2 weeks prior to commencement of farm operations, the Debtor was informed that it was being moved to Wells Fargo's "Special Credits" department. The Debtor was then told that all the budgets, projections and data that were done by the local Wells Fargo office could not be used and they would have to start from scratch to comply with the Salt Lake Special Credits office.

IT WAS TOO LATE TO FIND AN ALTERNATIVE LENDER.

The transition to Special Credits delayed the 2013 farm operations. Special Credits required the resubmission of the prior budget information, new budgets and financial information and pushed back the Debtor's planting deadlines.

The Debtor was unable to timely obtain funds to purchase pre-plant fertilizers and weed control, and lost its bulk purchase discounts. Well into the season, the Debtor also incurred increased costs due to Wells Fargo's unprecedented requirement for flood insurance in Hamer, Idaho, a known desert of sand, with an extremely unlikely risk of flood or damage in the event of a flood.

In short, by continually controlling the purse strings, Wells Fargo drove management decisions and negatively impacted farm operations throughout the 2013 crop year. Wells Fargo even refused to fund the amounts need to complete the 2013 harvest. So, the Debtor arranged for a cash injection of $3,000,000.00 to complete harvest. Ultimately, Wells Fargo filed a state court lawsuit seeking appointment of a receiver in November 2013.

Managing through economic cycles of ups and downs is not unfamiliar to the Walker family, particularly given its long 64 years of doing business in agriculture. Today more than ever, the Walkers are determined to continue an aggressive refinement of operations, reestablishing its position as a top competitor in the US marketplace. Numerous areas in its operations have already started to see the benefits

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of intense focus on detail at every level. Improved farming techniques and efficiencies are already making a measurable difference. These improvements assure that the operation that has provided, at times, nearly 200 people and their families with income, continues. Several employees have been dedicated to and dependent on the farm for over 35 years.

Prior to the bankruptcy, the Debtor took several steps to begin turning things around. In 2013, Rollie Walker became the primary manager for the Debtor, and there have been significant management changes undertaken in 2013 and 2014. Specifically, the Debtor has made some of the following operational changes:

1. Pursuant to this proposed Plan, the Debtor has taken back the leased hay ground, 1,661 acres in 2014, increasing to 2,045 acres in 2015 and 2016 that will greatly add to the bottom line.

2. The Debtor has improved irrigation efficiency. In 2013, the Debtor took advantage of power company subsidies and upgraded its sprinkler packages, improving water patterns and coverage while reducing power consumption. The Debtor continues to take advantage of the power company's load control program.

3. Beginning in the fall of 2012 and continuing in 2013, the Debtor began conducting soil analysis to measure the existing or "banked" fertilizers in the soil as well as soil treatment options to release the existing fertilizer banked in the soil over the years. Using the soil analysis in conjunction with the petiole testing, the Debtor has been able to take advantage of the "banked fertilizer" in the soil, which provides several benefits. First, using the banked fertilizer has the long-term benefit of reducing soil toxicity; and second, it decreases chemical and fertilizer costs. Third, the Debtor has been able to focus on fertilizer needs on a field-by-field basis, improving the crop production on an individual field basis.

4. The enhanced soil testing, as mentioned above, has allowed the Debtor to manage the fields on a field-by-field basis rather than the farms as a whole. In addition, the Debtor has taken its lower producing fields and put them into hay, revising its crop rotation program to allow the lower potato producers to be left longer in hay, thereby regenerating the soil. The hay yields are anticipated to increase after the hay crop is established. The Debtor anticipates approximately 6 to 7 tons per acre based upon production in the surrounding community.

5. The Debtor has improved its fuel efficiency by tracking idle running time of the tractors thus saving fuel and hourly rate costs by taking advantage of GPS technology provided by John Deere.

6. The Debtor has also made labor changes improving management focus on the farm manager and supervisors eliminating waste and improving efficiency and productivity so that they can reduce the number of employees needed and being able to do more in less time while increasing quality control measures.

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7. They have also shifted their focus on the mechanical/equipment side taking advantage of older equipment that can be refurbished and repaired, returning tractors that are not necessary, focusing on the overall efficiency of taking advantage of parts in inventory instead of purchasing new parts, and they have also taken advantage of the availability of used parts whenever possible.

8. The Debtor has also been evaluating when its used equipment repairs could be reduced by trading its over-used equipment for like-kind used equipment that has much less use and is in better repair, saving money over all and extending the use and avoiding large capital purchases of newer equipment.

DEBTOR'S SUBSIDIARY, R-LIFE LINE COMPANY, LLC

In June 2009, the Debtor invested $2,249,096 into R-Life Line Company, LLC (R-LLC), which is wholly owned by the Debtor. R-LLC in turn invested the same amount into Series A Units of UMS Capital Group Limited, LLC. Series A Units have after one year a conversion right option that upon demand and written notice converts capital ownership into a demand note that pays 12% interest. *This was done based on the representation that the life insurance company would provide alternative financing for the Debtor.* When it was apparent that the promised financing was not forthcoming, R-LLC has exercised its option and the demand note was due and payable June 2011. The payment has not been made and a complaint was filed in the United States District Court for the Central District of California (the "California Litigation"), as more fully described elsewhere herein. R-LLC owns no other assets.

Wells Fargo's security interest extends to R-LLC's claims and any related settlement. The California Litigation settled in April 2014 for a payment of $650,000, payable in $25,000 installments every six months, due on June 15th and December 15th. If the settlement payments are made timely no interests shall accrue, otherwise interest shall accrue at 14% a.p.r. In the event all $25,000 installments are made timely and $300,000 is paid prior to June 15, 2015, the settlement amount shall be discounted to $300,000. If all $25,000 installments are timely, this discount shall be $350,000 if paid prior to June 15, 2016, $400,000 if paid prior to June 15, 2017, $450,000 if paid prior to June 15, 2018, and $550,000 if paid prior to June 15, 2019.[6] Settlement payments are to be made directly to Wells Fargo.

MAJOR ASSET DISPOSITIONS

The Debtor is a farm operation that as a part of good agricultural practice sells its crop inventory throughout the year. Income received from these sales has been accounted for in the monthly reports filed by the Debtor.

[6] The Settlement Agreement indicates the discount date for the $550,000 amount is June 2018 which appears to be in error. It appears that the date should be 2019.

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DESCRIPTION OF DEBTOR'S BUSINESS MODEL

Debtor farms approximately 11,500 acres, of which approximately 8,500 acres the Debtor owns, located in Fremont, Jefferson and Bonneville Counties, Idaho. The Debtor grows potatoes, barley, wheat and hay.

Debtor's Plan envisions that Debtor shall reorganize under the following parameters:

1. Debtor will continue to operate to produce quality crops for sale. It shall manage the rotation of its crops in a fashion that will create the highest likelihood for superior crop yields and quality. See Debtor's projected income and expenses, projected vs. actual income and expenses, historic crop yields and prices, projected crop yields and prices and post-petition crop prices attached as Appendices F, G, H, I and J. Debtor will continue to obtain optimum prices for its potatoes, wheat barley and alfalfa, using either Walker Produce to market its potatoes, both fresh and eliminators, or such third party brokers, or by the Debtor directly, based on the best possible market price on all commodities grown by the Debtor.

A significant component of the improved crop rotation is the Joint Venture Agreement with Boyd Foster. This Joint Venture will allow potatoes to be planted in soil that for the preceding two years were planted in grain, allowing greater soil regeneration for the benefit of the cash crop potatoes. It will allow the Debtor to focus on potato production and Mr. Foster to focus on grain production—playing to the strengths of each other's agriculture experience.

2. The Debtor will commence making the payments described in the Plan, which provides for payment of all administrative expenses on the Effective Date. Upon closing of the sales of real property, described below, disbursements of $2,101,343.27 will be made, presumably in January 2015, to Rabo and Wells Fargo. The Plan then provides for annual cash payments to creditors beginning July 1, 2015.

3. Debtor will, upon confirmation, sell a portion of its real property and lease it back for continued crop production as a part of the Joint Venture/Crop Share described below.

4. Debtor continues to explore refinancing options. It has discussed possible refinancing with several interested lenders, but such lenders would like to see a Plan confirmed and crop prices for this year's crop before continuing such negotiations. The Plan reserves the right to prepay any and all amounts due and owing, in whole or in part, without penalty.

5. The Debtor has obtained agreements from persons and entities that share affiliated owners or equity interest holders in the Debtor, whole or in part, to forego any payments on their debts under the Plan until the other creditors in the Plan are paid. Foregoing payments on these debts, which exceed $2,900,000.00, will facilitate Debtor's

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proposed 100% pay out to all non-insider, unrelated creditors.[7]

MEANS FOR IMPLEMENTATION OF THE PLAN AND PLAN SUMMARY

The Debtor's Plan provides for the following payments:

1. Administrative Claims, including Professional Claims, shall be paid in full on the Effective Date as required by 11 U.S.C. § 1129(a)(9)(A).

2. Priority tax claims, if any, will be paid in semi-annual installments over four (4) years. The Debtor is unaware of any priority tax claims.

3. From the $6,183,000.00 real property sale proceeds, described elsewhere herein, disbursements will be paid to the following secured creditors upon post-confirmation closing, during the first twelve months:

   a. $2,103,626.75 to Rabo Agrifinance;
   b. $1,126,744.19 to Wells Fargo Bank;
   c. $692,669.00 to John Deere Credit;
   d. $810,058.00 to General Unsecured Creditors (Class 51); and
   e. Remaining balance retained to fund future plan payments to secured and unsecured creditors and as working capital. See Appendix F for additional details.

4. Secured creditors will be paid from ongoing business operations and crop sales regular installments as detailed in Article 3 of the Plan.

5. General unsecured creditors (Class 51) shall be paid, with interest,[8] from ongoing business operations and crop sales. Further, the Debtor will attempt to obtain take out financing to retire debts during the Plan Term. In the event it obtains take out financing, the financing will be sufficient to pay off the remaining allowed secured claims, Classes 3 to 50 and the remaining balance of all allowed unsecured claims described in Class 51.

6. Only after all priority and other unsecured creditors, Classes 1, 2 and 51, have been paid in full, with interest, will the Affiliated Unsecured creditors (Class 52) be paid, in annual installments from ongoing business operations and crop sales.

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[7] Walker Produce is owed approximately 2.2 million; however, Walker Produce owes the Debtor a pre-petition balance approximately 3.5 million, which has not been paid due to an agreement with Wells Fargo prohibiting any set off being effected. Assuming all set offs can be effected, including the amount owed to/from Walker Produce, the Debtor believes the net amount owed by Debtor to members of Class 52 is $642,251.90.

[8] The applicable interest rate for unsecured creditors from the Petition to the Effective Date is the federal judgment rate of 0.13% a.p.r. The post-Effective Date interest rate shall be fixed at the Wall Street Journal prime rate in place on the Confirmation Date. The Wall Street Journal prime rate in effect on the date of filing of this Disclosure Statement was 3.25% a.p.r.

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7. Only after all unsecured creditors have been paid in full, with interest, will Equity Interest holders receive any equity distribution from the Debtor.

Proposed Real Property Sales and Foster Joint Venture/Crop Share and Lease Back Agreements

The Plan proposes that the following sales of real property, joint venture and lease option agreements be approved:

Sale of The Steel Farm

1. DESCRIPTION OF PROPERTY: 1,354 farmable acres commonly known as:

Field/Description	Parcel Number	Parcel Description
Steel 01	RP03N36E186001	S1/2 SW1/4, SEC 18 T3N R36E
Steel 01a	RP03N36E182401 (SEE STEEL 1)	
Steel 02	RP03N36E182401	NW1/4, N1/2 SW1/4, SEC 18 T3N R36E
Steel 03	RP03N36E075401	W1/2 SW1/4, SEC 7 T3N R36E
Steel 04	RP03N36E075401 (SEE STEEL 03)	
Steel 07	RP03N36E040002	LOTS 1-2, S1/2 NE1/4, SE1/4, SEC 4 T3N R36E
Steel 08	RP03N36E040002 (SEE STEEL 07)	
Steel 09	RP03N36E030601	LOT 2, S1/2 NE1/4, W1/2, SEC 3, T3N R36E
Steel 10	RP03N36E030601 (SEE Steel 9)	
Steel 11	RP03N36E100002	E1/2 E1/2, SEC 10 T3N R36E
Steel 11a	RP03N36E100601 & RP03N36E100002	W1/2 NE1/4, SEC 10 T3N R36E
Steel 12	RP03N36E107801 & RP03N36E100002 (SEE STEEL 11)	W1/2 SE 1/4, SEC 10 T3N R36E
Steel 13	RP03N36E037801	W1/2 SE1/4, SEC 3 T3N R36E
Steel 14	RP03N36E030601 (SEE Steel 9)	

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Steel 15	RP03N36E030601 (SEE Steel 9)
Steel Dry Corners	(SEE STEEL 7-10,13-15)
Steel Hand Lines	(SEE STEEL 7-10,13-15)
Steel Irr.	(SEE STEEL 7-10,13-15)

2. TYPE OF SALE: Private sale to Foster Co., an Idaho general partnership, P.O. Box 626, Ririe, Idaho 83443, consisting of Boyd S. and Laurie Foster as the general partners.

3. TERMS OF SALE: Cash at closing in the amount of $6,183,000.00.

4. TIME AND PLACE OF SALE:

a. Date: Upon confirmation.

b. Place: Closing to be held at Alliance Title & Escrow Corp., upon Court approval.

5. TREATMENT OF EXISTING LIENS: Sale shall be free and clear of liens, with all valid interests in the property to attach to the sale proceeds and subject to the terms and conditions of Debtor's Chapter 11 Plan of Reorganization upon confirmation. As noted in Appendix L, Rabo Agrifiance holds the first lien hold position on the Steel Farm and Wells Fargo holds the second lien hold position. The Debtor believes there are no other liens, with the exception of 2014 property taxes.

6. VALUE OF PROPERTY BEING SOLD: $6,183,000.00.

7. AUTHORITY FOR CONDUCTING THE SALE: 11 U.S.C. §§ 363(f), 1123(a)(5)(D) and 1129(b)(2)(A).

8. PURCHASER'S RELATIONSHIP TO THE DEBTOR: Boyd Foster and the principals of the Debtor are second cousins. Mr. Foster is also one of the principals of Vista Valley Ag, an unsecured creditor in the case.

9. MISCELLANEOUS INFORMATION:

a. This sale will, upon Court approval (either of the sale or the Debtor's proposed plan) and closing, be effective immediately and the fourteen-day (14-day) stay imposed by Bankruptcy Rule 6004(h) and other rules shall be waived.

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b. A copy of the Draft Real Estate Purchase and Sale Agreement is attached to the Plan as Exhibit "A".

c. **JOINT VENTURE/CROP SHARE:** In conjunction with approval of this Sale No. 1, confirmation of the Plan constitutes approval of the Joint Venture Agreement between the Debtor and Foster Company, an Idaho general partnership with respect to the Steel Farm. This Joint Venture provides, in relevant part, that the Debtor and Foster shall split the potato planting, growing, harvesting and storing costs 50-50. Management of the potato cultivation shall be the Debtor's responsibility, but the parties shall jointly determine the marketing strategy for the potatoes, with either party able to determine what should be done with their ½ of the potato crop. The parties shall split the net proceeds 50-50. Foster will provide the land, with a rental value of $300.00 an acre. 7 pivots are to be planted with potatoes, with actual acreage varying from year-to-year based on good farm management practices. This agreement is for 1-year beginning in January 2015, renewable automatically unless either party opts out 60 days prior to the end of the year.

The terms and conditions of the joint venture are contained in the Joint Venture Agreement attached to the Plan as Exhibit "B" and incorporated herein by this reference.

It the Debtor's considered opinion that the Joint Venture/Crop Share adds considerable value to the future farm operations, as follows:

- First, the Debtor and Fosters have worked well together in the past and have a positive working relationship.
- Second, the shared operation allows the Debtor take advantage of bulk discounts on supplies, chemicals and fertilizer, reduce equipment cost per acre, etc.
- Third, the Joint Venture/Crop Share allows the Debtor to improve crop yields by planting potatoes in soil that had grain the preceding two years.

PENDING LEGAL PROCEEDINGS

(State and Federal Court Actions including Bankruptcy Proceedings)

Pre-petition Legal Proceedings

As noted in Paragraph 4 of the Statement of Financial Affairs there were four (4) prepetition state court actions:

(1) *MinnChem, Inc. et al. v. Agrium, Inc. et al.*, Case No. 1:08-CV-6910 MDL Docket No. 1996, North District of Illinois: This case is a class action anti-trust claim related to the purchase of potash with the Debtor constituting a member of the class;

(2) *Walker Land & Cattle, LLC v. United Potato Growers of Idaho, Inc.,* Case No. CV-2012-2500-OC, Bonneville County District Court: This is a dispute over membership, associated fees deducted from settlement checks without Debtor's consent. The matter is active and has a status conference scheduled for July 2014. A Notice of Commencement of Bankruptcy was filed with the Court on December 20, 2013;

(3) *Chad Larsen v. Walker Land & Cattle, LLC, et. al (Estate of Roland Lavon Walker, and Dorothy M. Walker)*, Case No. CV-2012-48, Jefferson County District Court: This case was dismissed due to inactivity on September 28, 2012; and

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(4) *Wells Fargo Bank, N.A. v. Walker Land and Cattle, et.al.*, Case No. CV-13-5849-OC, Bonneville County District Court: This action seeks collection of the unpaid balance of approximately $20,000,000.00 owed to Wells Fargo Bank from the Debtor, its members and related guarantors. The action sought appointment of a receiver for the Debtor and/or a temporary restraining order (TRO) that would have effectively shut down the Debtor's operations. In response to the request for a TRO and/or receiver, the Debtor filed bankruptcy on November 15, 2013. This action has been stayed as to the Debtor by the bankruptcy filing, but is proceeding as to the non-debtor parties, including third-party guarantors consisting of the members of the Debtor including the interests of current management of the Debtor.

Post-petition Legal Proceedings

To date, there has been one adversary proceeding filed in the bankruptcy case: *C & B Operations, LLC d/b/a Bonneville County Implement v. Walker Land & Cattle, LLC, Wells Fargo Bank, National Association and Commercial Credit Group, Inc.*, Adv. No. 14-08022 JDP, Bankr. D. Idaho. The Complaint was filed on April 3, 2014 and pursuant to the agreement of counsel, the Answer deadline is June 9, 2014.

In brief, the facts of this dispute can be summarized as follows. Shortly before the bankruptcy was filed, the Debtor, C&B Operations and John Deere Credit entered into a transaction whereby Debtor was to trade in eight (8) of its tractors in exchange for an equivalent number of new leased tractors. In furtherance of this transaction, C&B Operations claims to have paid off the John Deere liens on the eight (8) tractors—ostensibly without conducting a UCC lien search to see the liens held by Wells Fargo Bank, Commercial Credit Group and other secured creditors. When the Debtor requested delivery of the new leased tractors, C&B Operations failed and refused to deliver the eight (8) new tractors and demanded instead additional payments on unrelated leases and/or loans. C&B Operations maintains that its payment to John Deere on the eight (8) tractors divested the Debtor of any equitable interest in the eight (8) tractors and that the bankruptcy estate only has legal title in the equipment. The action seeks a determination that (1) Debtor has only legal title subject to a duty to deliver the tractors to C&B Operations; (2) Debtor has a duty to deliver the tractors to C&B Operations; (3) Debtor has no right to use the tractors; (4) Wells Fargo has no security interest in the tractors; (5) Commercial Credit Group has no security interest in the tractors; (6) Debtor be required to deliver the tractors free and clear of any entity that may assert a security interest in the tractors; and (7) all costs and expenses of litigation.

The Debtor respectfully disputes C&B Operations' position. The Debtor maintains that its duty to deliver the eight (8) tractors is part and parcel of a single transaction requiring delivery of new leased equipment. C&B Operations' failure and refusal pre-petition to deliver the new leased equipment excused Debtor's obligations to deliver the eight (8) tractors. Further, upon filing bankruptcy the transaction is an executory contract subject to the Debtor's rights under 11 U.S.C. § 365. The Debtor also disputes the amount, 1,129,020.00, claimed by C&B Operations, which is believe to be closer to $700,000.00. The value of the tractors with disputed ownership is approximately $1,100,000.00—a difference of approximately $400,000.00, before accounting for the Debtor's equity in the

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tractors of $460,000.00. The Debtor further believes an additional $210,000.00 in value might be lost if John Deere Credit were to also assert damages related to the transaction.

The Debtor reserves the right under this Plan to reject the executory contract with C&B Operations and John Deere Credit, subject to resolution and determination of the Court of the adversary proceeding. The Debtor further reserves the right to assert a set off of any claim asserted by John Deere Credit and/or C&B Operations for the value of Debtor's equity in surrendered equipment.

On September 16, 2014, C&B Operations, Deere Credit, Inc., Deere & Company, and Wells Fargo Bank entered into a Stipulation for Settlement (Adv. Doc. No. 21) that provided:

A. Settlement payments totaling $205,797.96 from C&B Operations and Deere Credit to Wells Fargo Bank and applied to Well Fargo's proof of claim;

B. Rejection of the 8 new tractor leases, with a withdrawal of the proofs of claims associated with the 8 leases, with an aggregate claimed value of $1,122,704.98 (Claims 74-81 filed by Deere Credit, Inc.), and a withdrawal of the proof of claim associated with the 8 trade-in tractors, with a claimed value of $1,129,020.00 (Claim 114 filed by C&B Operations);

C. Sale of the 8 trade-in tractors, with an estimated value of $1,197,000.00 back to C&B Operations free and clear of liens; and

D. Lease back by the Debtor of (i) harvest tractors and (ii) lease with an option to purchase 2 small loader tractors, at competitive rates.

Additional information regarding this settlement can be found as a part of the Motion to Approve Compromise (Doc. No. 488). At the time of filing this Second Amended Disclosure Statement, the Motion for Approval of Compromise was pending before the Court with a hearing set for September 24, 2014.

Anticipated Legal Proceedings

Prepetition the Debtor leased its feedlot to Mike Telford and Heath Lewis, a General Partnership. The Debtor is informed and believes that the feedlot tenant had unpaid rent of approximately $34,000.00 as of December, 31, 2013, with additional amounts due and owing for 2014. Further, the Debtor is informed and believes that the head counts reported pursuant to the lease have been grossly under counted. A 3-day Notice to Quit was sent to the tenants the end of April 2014. Tenants' counsel has responded disputing the Debtor's allegation, but agreeing to vacate the premises on or before June 1, 2014. While Tenants did vacate the premises, they have removed assets of the estate. The Debtor intends to bring an action for violations for § 362 and for turn over of unpaid rents and amounts due and owing under the contract. The Debtor reserves the right under the Plan to pursue its claim for monetary damages against the tenant.

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Further, Debtor also had a prepetition lease of farm ground to Heath Lewis and Jared Lewis (Double L, a general partnership) for which the 2013 rents in the amount of approximately $68,000.00 are unpaid. Counsel for the tenant has responded disputing liability. The Debtor reserves the right under the Plan to pursue its claim for monetary damages against the tenant.

Additional Claims that may be Contested: Some claims may later be contested which may increase the *pro rata* distribution to unsecured creditors. Many of these potential claim objections are addressed under the terms of the Plan and need only be addressed should creditors disagree with the Plan. For example, the § 506 valuation of collateral objections can be determined as a part of the confirmation process without the necessity of incurring exorbitant legal fees and costs, and otherwise stipulated to in the existing plan treatment stipulation(s), as noted in the Plan. The Plan does not prevent other interested parties from asserting claim objections on their own behalf. Claims that may be contested include, by way of illustration and not limitation, the following:

No.	Creditor	Amount	Comments
14	Bonneville County Treasurer	$29,292.82	This claim was paid post-petition pursuant to a cash collateral order. The claim should be disallowed.
15	Wells Fargo Bank	$7,674.58	Withdrawn; see comments related to Claim No. 56.
16	Wells Fargo Bank	$8,255.98	Withdrawn; see comments related to Claim No. 56.
17	Wells Fargo Bank	$18,931.57	Withdrawn; see comments related to Claim No. 56.
18	Wells Fargo Bank	$577.50	Withdrawn; see comments related to Claim No. 56.
19	Wells Fargo Bank	8,447.16	Withdrawn; see comments related to Claim No. 56.
20	Bearing Sales	$5,133.81	This claim conflicts with the amount scheduled by the Debtor in the amount of $3,075.49.
25	Conrad & Bischoff	$439,067.62	This claim conflicts with the amount scheduled by the Debtor in the amount of $2,285.74.
33/72	Electrical Wholesale Supply	$53,378.80/$64,069.93	Claim No. 72 appears to be duplicative and incorporate Claim No. 33 which is for the lesser amount of $53,378.80. Further, claimant may no longer be the correct claim holder based on payment by third-party guarantor.
39	Interstate Billing Service	18,330.72	The Debtor believes this claim relates to a truck lease that has been assumed and default cured pursuant to Court Order (Dkt. No. 321). As such, this claim should be disallowed.

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40	Interstate Billing Service	$1,442.34	The Debtor believes this claim relates to a truck lease that has been assumed and default cured pursuant to Court Order (Dkt. No. 321). As such, this claim should be disallowed.
41	Interstate Billing Service	$21,362.34	The Debtor believes this claim relates to a truck lease that has been assumed and default cured pursuant to Court Order (Dkt. No. 321). As such, this claim should be disallowed.
47/55	Pacific Steel & Recycling	$6,486.09/$6,401.38	These claims appear to be duplicative. The Debtor has this creditor scheduled as undisputed in the amount of $6,403.01. Claim 47 should be disallowed.
48	Fremont County Tax Collector	$7,784.67	This claim was paid post-petition pursuant to a cash collateral order. The claim should be disallowed.
49	Western States Equipment	$33,398.01	This claim conflicts with the amount scheduled by the Debtor in the amount of $7,215.67.
50	Les Schwab Tire Centers of Boise	$3,214.80	This claim asserts a secured claim for $1,691.20 and a priority, unsecured claim for $1,523.60. No basis is asserted for the priority status being asserted. Priority claim should be disallowed.
54	Crop Production Services, Inc.	1,645,659.71	The Debtor scheduled this claim in the aggregate amount of $1,325,233.10. It is believed the difference is based on claimant's miscalculation of interest and the amount is disputed. Note, the original principal is believed to be approx. $850,000.00. Claimant and the Debtor are attempting to reconcile the different amounts without the time and expense of claim objection proceedings.
56	Wells Fargo Bank	$20,988,377.57	Debtor is currently investigating set off claims, including, but not limited to waiver of lien rights pursuant to the Idaho Single Action rule; failure of consideration; reduction in amount to the extent amounts collected from third-party guarantors; and reduction due to unreasonable fees and costs, etc.
61	Rabo Agrifinance, Inc.	$4,149,853.64	Claimant has included a prepayment penalty in the amount of $183,851.95

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			that should be disallowed.
62	Rabo Agrifinance, Inc.	$3,349,053.75	Claimant has included a prepayment penalty in the amount of $143,870.57 that should be disallowed.
66	Parkinson See Farm, Inc.	$161,541.09	This claim conflicts with the amount scheduled by the Debtor in the amount of $13,590.69.
69	Maupin Welding	$110,918.29	This claim conflicts with the amount scheduled by the Debtor in the amount of $2,060.13.
70	Pioneer Equipment Co.	$15,374.48	This claim conflicts with the amount scheduled by the Debtor in the amount of $2,557.97.
73	C&B Operations dba Bonneville County Implement	$72,130.87	The Debtor scheduled this claim in the amount of $59,320.86. The difference is unexplained and disputed.
74	Deere Credit, Inc.	$94,120.39	This claim relates to an executory contract that is subject to litigation as described elsewhere herein. Given that the underlying tractors were never delivered, the Debtor maintains that the balance of this claim should be 0.00 and the claim disallowed in full. This claim is incorporated in the Stipulation for Settlement discussed elsewhere herein. If the Court approves the settlement, then this claim will be withdrawn pursuant to the terms of the Stipulation for Settlement.
75	Deere Credit, Inc.	$152,116.12	This claim relates to an executory contract that is subject to litigation as described elsewhere herein. Given that the underlying tractors were never delivered, the Debtor maintains that the balance of this claim should be 0.00 and the claim disallowed in full. This claim is incorporated in the Stipulation for Settlement discussed elsewhere herein. If the Court approves the settlement, then this claim will be withdrawn pursuant to the terms of the Stipulation for Settlement.
76	Deere Credit, Inc.	$174,810.99	This claim relates to an executory contract that is subject to litigation as described elsewhere herein. Given that the underlying tractors were never delivered, the Debtor maintains that the

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			balance of this claim should be 0.00 and the claim disallowed in full. This claim is incorporated in the Stipulation for Settlement discussed elsewhere herein. If the Court approves the settlement, then this claim will be withdrawn pursuant to the terms of the Stipulation for Settlement.
77	Deere Credit, Inc.	$145,470.20	This claim relates to an executory contract that is subject to litigation as described elsewhere herein. Given that the underlying tractors were never delivered, the Debtor maintains that the balance of this claim should be 0.00 and the claim disallowed in full. This claim is incorporated in the Stipulation for Settlement discussed elsewhere herein. If the Court approves the settlement, then this claim will be withdrawn pursuant to the terms of the Stipulation for Settlement.
78	Deere Credit, Inc.	$170,307.58	This claim relates to an executory contract that is subject to litigation as described elsewhere herein. Given that the underlying tractors were never delivered, the Debtor maintains that the balance of this claim should be 0.00 and the claim disallowed in full. This claim is incorporated in the Stipulation for Settlement discussed elsewhere herein. If the Court approves the settlement, then this claim will be withdrawn pursuant to the terms of the Stipulation for Settlement.
79	Deere Credit, Inc.	$155,804.51	This claim relates to an executory contract that is subject to litigation as described elsewhere herein. Given that the underlying tractors were never delivered, the Debtor maintains that the balance of this claim should be 0.00 and the claim disallowed in full. This claim is incorporated in the Stipulation for Settlement discussed elsewhere herein. If the Court approves the settlement, then this claim will be withdrawn pursuant to the terms of the Stipulation for Settlement.

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80	Deere Credit, Inc.	$147,006.17	This claim relates to an executory contract that is subject to litigation as described elsewhere herein. Given that the underlying tractors were never delivered, the Debtor maintains that the balance of this claim should be 0.00 and the claim disallowed in full. This claim is incorporated in the Stipulation for Settlement discussed elsewhere herein. If the Court approves the settlement, then this claim will be withdrawn pursuant to the terms of the Stipulation for Settlement.
81	Deere Credit, Inc.	$83,069.12	This claim relates to an executory contract that is subject to litigation as described elsewhere herein. Given that the underlying tractors were never delivered, the Debtor maintains that the balance of this claim should be 0.00 and the claim disallowed in full. This claim is incorporated in the Stipulation for Settlement discussed elsewhere herein. If the Court approves the settlement, then this claim will be withdrawn pursuant to the terms of the Stipulation for Settlement.
114	C&B Operations dba Bonneville County Implement	$1,129,030.00	This claim relates to executory contracts that are subject to litigation as described elsewhere herein. Given that the underlying tractors were never delivered, this claim should be reduced to the actual prepetition amount paid by this creditor to release the senior John Deere Credit lien(s) for the benefit of the this estate as an unsecured claim only. The Debtor has no knowledge of the actual amount paid by this creditor to John Deere Credit, but is informed and believes the actual amount paid to was significantly less than the amount alleged. This claim is incorporated in the Stipulation for Settlement discussed elsewhere herein. If the Court approves the settlement, then this claim will be withdrawn pursuant to the terms of the Stipulation for Settlement.
115	C&B Operations dba	Unliquidated and	This claim asserts liability based on

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	Bonneville County Implement	contingent.	"contribution and indemnity" based on claimant's agreement and relationship with Deere Credit; however, claimant has not provided evidence or documentation demonstrating a right to relief on this basis against the Debtor. Claim should be disallowed in full.
126	The Estate of Blair Walker	$53,626.58	This claim asserts an equity interest in the property. Debtor believes legal title is in the name of the claimant; however, all equitable title belongs to this estate. This claim should be disallowed in full and legal titled transferred to the Debtor.
127	Idaho Material Handling	184.39	This claim was late filed, but matches the undisputed amount scheduled by the Debtor.
128	Nature's Way, Inc.	$156,634.00	This claim was late filed, but was scheduled by the Debtor as undisputed in the amount of $164,089.00. The Debtor will not be objecting to the claim for the lesser amount.
129	Airgas, Inc.	$8,206.94	This claim was late filed, but matches the undisputed amount scheduled by the Debtor.

Additional Avoidance Actions: Debtor has evaluated preference payments and liens granted within 90 days of the Bankruptcy. Debtor has also evaluated sales and other transfers made as to whether these can be avoided under 11 U.S.C. 548 or other appropriate statutes. There are transfers that might be avoided, if the Debtor were insolvent; however, as noted in the Debtor's liquidation analysis, the Debtor is not balance sheet insolvent. Further, this Plan is a 100% pay out to all non-insider creditors Debtor believes that the cost and time that would be incurred would be counterproductive to the reorganization, Debtor would prefer to focus entirely on the repayment of the obligations over time rather than the litigation that would come pursuing avoidance actions. The Statement of Financial Affairs discloses any potential avoidance actions and can be consulted by creditors. *See Paragraph 3, Statement of Financial Affairs*, Dkt. 75 at pp. 130-131. In the event Debtor discovers new information, it reserves the right to pursue these avoidance actions for the benefit of creditors.

Post-petition Audit Report

At the insistence of Wells Fargo, the Debtor incurred the cost and expense (in the approximate amount of $40,000.00) for an audit of the Debtor's pre-petition financial statement for the year 2013. The audit report, attached hereto as Appendix N, highlights the problems, as discussed above, that existed with prior management of the Debtor.

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Further, the auditor has indicated that the Debtor's pre-petition internal financial controls were relatively weak, contributing to the financial discrepancies noted in the audit, which the Debtor believes represent losses from prior years that were ultimately booked in 2013. The Debtor has taken corrective measures, primarily bringing Sam Cook to fill the position of Acting CFO, which has been vacant since Mr. Cook's predecessor left.

The audit notes a discrepancy in the pre-petition inventory. In dealing with the 2012 potato inventory in the ordinary course of business the Debtor had the opportunity to presell, and pre-sold, approximately $3,000,000.00 worth of potatoes. This was listed on the Debtor's financial statements as a negative receivable, but potato cellar inventory failed to deduct the pre-sold amounts from the Debtor's total inventory. However, all of the funds received have been accounted for and were paid over to Wells Fargo pre-petition.

Creditors are invited to review the Audit Report (Appendix N) and this Disclosure Statement in detail.

LIMITED LIABILITY COMPANY ORGANIZATION

The Debtor is an Idaho limited liability company in good standing. At the present time and as noted in the List of Equity Security Holders – Amended, filed as Dkt. No. 72 on December 13, 2013, there are nine (9) members, each of which are entitled to vote. The Plan contemplates no changes in the Debtor's capital structure and equity ownership. However, the Plan provides that *no* equity distributions will be made until unsecured creditors have been paid in full.

Member	*Percentage*
Allyson Walker	10%
Blair G. Erickson	10%
Celia Erickson	10%
Debbie Walker	10%
Estate of Blair Walker (deceased)	10%
Keith T. Walker	10%
Lorin V. Walker	10%
R&S Farms Limited Partnership	20%
Vickie Walker	10%

The proposed corporate organization which began pre-petition and will be effective post-confirmation, including identification of LLC managers and officers, is set out below:

As indicated previously, the Debtor was formerly managed solely by Keith Walker. Given the size of Debtor's operation, the task was simply too big. The Debtor's strategy going forward is to return to a closely-knit management team with clearly defined roles.

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Key Managers and Officers

Name	*Office Held*	*Insider Compensation (Annual)*
Roland N. (Rollie) Walker	Manager	$118,742.00[9]
Lorin V. Walker	Manager	$44,948.00
Sam Cook	Acting CFO	Non-insider

Additionally, the following compensation and benefits are available to the managers, supervisors and administrative staff of Walker Land & Cattle, LLC:

- Roth 401(k)/401(k) Retirement Savings with a match of up to 4% if the employee contributes 5%.
- Health, Dental, Vision, Life and Short-term Disability benefits for those working a minimum of 1,500 hours per year or an average of 180 hours per 6 week period. The Health Insurance Plan includes a PPO Option and Health Savings Account Option and can cover the employee and their family.
- Employees are entitled to Family Medical Leave, Paid Time Off, Military Leave and coverage under both Workman's Compensation Insurance and Unemployment Insurance.

The background, role and responsibility of each Manager and Officer is as follows:

Rollie Walker is now, and will manage and oversee the farming practices of the Debtor, including determining pre-planting, planting and harvest. This is a critical role that includes the strategic planning—what crops to plant, where and when for the Debtor's approximately 11,500 acres, and is crucial to maximizing crop yields and crop revenues. Rollie Walker is a limited partner in R&S Farms Limited Partnership, a member of the Debtor. Rollie has 38 years of farm management experience. His specified duties are:

SUPERVISE AND DIRECT THE FARM MANAGERS AT EVERY LEVEL:

- To drive continually the improvement, productivity and efficiency of the farm.
- To increase yields and quality while reducing costs.
- To continually improve by tracking, recording and analyzing results.
- To physically inspect to assure that expectations are being met.
- To listen to the managers in the field and consider and validate their opinions based on their experience.
- To track actions and results in order to analyze projections and adjust for best results.
- To meet weekly with management and with record keeping and accountants to insure restraint and frugality with the use of funds within the budget.
- To compare actual production with historical data for projections and in order to anticipate needs and results.

[9] Net of benefits.

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- To invite professional consultants and field reps to teach us about new methods, products or equipment that will reduce costs and increase profits by increasing yields and quality in the crops.
- To select through inspection the best seed for planting.
- To plan base fertilizer and chemical needs at the time of planting.
- To determine planting dates according to weather.
- To analyze soil samples taken weekly from each field to determine present consumption of fertilizer and projected needs of the plant based on the trends we see in the numbers each week.
- To review pictures of the plants taken in each field, comments from each manager from what he sees in the field and listen to his recommendations.
- To reach out weekly to analysis and seek their opinions based on experience and the data we send them to seek their recommendations.
- To weekly reach a unilateral action plan based on the above-mentioned processes and then execute.
- To continually inspect for insects or fungus or virus in the fields that may be occurring and resolve to act in a way to stop its progress.
- To use all preventive measures of known challenges in the mentioned areas and apply accordingly.
- To anticipate needs and create plans according to budgets in preparation for seasonal need. Spring work, planting, cultivation, irrigating in season work, harvest and fall work.

SUPERVISE AND DIRECT CROP MARKETING BY:

- Analyze markets and building relationships
- Inviting specialists in the field to understand trends, supply and demand, and projected prices.
- Speak daily with others in the market as to results.
- Continually improve opportunities and always have options that could bring higher than average sales for our products.
- Seek contracts that will reduce risk of loss and improve returns.
- Constantly compare sales and results in order to improve.
- Continually research the commodity markets outside our immediate area in order to anticipate the effects it will have on us.
- Do in field inspections with anticipated buyers prior to harvest.
- Invite direct sales relationships to fly in and inspect our harvest.
- Keep options open for the effects of unknown weather.

MANAGE THE USE AND REPAIR OF EQUIPMENT:

- Meet with other team member and managers to analyze the status of all anticipated equipment.
- Assist in decision making of repairs, trades or purchases that are best use of funds, productivity and efficiency that will reduce costs and increase productivity.
- Analyze with team members prevention of break downs thru anticipated

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maintenance and cost of repairing vs. upgrading.
- Use it up, wear it out, make it do or do without.
- Avoid being penny wise and dollar dumb.
- LISTEN to the OPERATORS seek their insight to improve efficiency.

Lorin Walker is responsible for the Debtor's agricultural equipment parts, service and repairs, including ten-wheel trucks, semis with trailers, rippers, discs, packers, markers, fertilizer spreaders, grain planters, potato planters, pilers, grain augers, dammer-dikers, irrigation circles (gear boxes, engines, generators), irrigation equipment (4-wheelers, gators, tractors), pickups, crossovers, diggers, eliminators, conveyors, evenflow bins, sand machine, hay equipment (swathers, balers, windrow turners), cellar repairs, road grader, roller and all related repairs. Lorin Walker is a member of the Debtor. Lorin has more than 20 years of farm management experience. Lorin's duties include:

MANAGE EQUIPMENT REPAIRS AND REPAIR INVENTORY/SUPPLY:

Specifically, Lorin is responsible for the strategic planning of what equipment to repair, how, when and to what extent on each piece. Lorin is responsible to anticipate the farm needs and have equipment prepared for service before the equipment is called upon. His tasks include overseeing repairs of equipment, a responsibility that is year round. In order to move inventory through out the year, it is essential that equipment be consistently maintained in order to support crop production. For example, inventory movement requires potato scoopers, grain augers, pilers, eliminators, trucks, trailer beds, pickups, snow plowing equipment in the winter, etc.

Lorin also oversees inventory control, including planning, storage and delivery of fuel, oil, tires, transmissions, engines, belted chain, electric motors, hydraulic pumps, sprockets, rollers, bearings, hand tools, shop tools, and the management and maintenance of inventory facilities, etc.

MARKETING:

Lorin is a key member and asset to the Marketing Team. He is intensely involved in the "detail" and "execution" of all marketing plans adopted and or agreed to in marketing the crops. He plays a key role in design and creation of operating agreements, contracts, marketing materials, and step-by-step execution of all marketing plans. He heads up quality control, and inspections at local levels as well as field visits at customer locations through out the United States. He is in charge of educating users of our products and assisting them with any challenges they may incur with their customers. He has been an essential and vital member is assisting all members of the Marketing Team. Lorin has over 25 years of in field experience in Marketing. He has been issued provisional patents and received recognition in outstanding achievements recognized by our customers. He has invented revolutionary poly bags for potatoes that prevent greening. He has also marketed this technology to manufacturers who produce light tubes in produce areas to also prevent greening at retail store levels. Note: Light changes the taste of a potato after an excess of 24 hours of exposure. Lorin's inventions and discoveries have lengthened that time tremendously.

Lorin is intensely involved in grading and marketing equipment that open up specialized markets for much higher prices.

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TEST PLOTS AND STUDIES:

Lorin is in charge of test plots and controls of new products used in our fields of barley, wheat, alfalfa and potatoes. He creates the test plots, accumulates data during the growing season and then compares them to harvest yields by comparison. He plays an essential role in our determination to increase yield and quality while reducing the costs and uses of fumigants, insecticides, fungicides, pesticides and products that repel predators to the plants that can ultimately retard or increase yield and quality. His involvement and cooperation with field managers play an essential role in our future that will ultimately qualify us in specialized markets for better prices.

Sam W. Cook is not a member of Debtor, but has been brought over from other Walker-related entities to serve as the Debtor's Acting CFO since the end of January 2014. Mr. Cook has 18 years of experience as a certified accountant, along with being a CPA and Certified Management Accountant.

Mr. Cook oversees and assists in the following:

- The accounting staff in their day-to-day accounting and bookkeeping responsibilities, continuing education and training;
- Strategic planning—including creditor relations, legal matters, management planning, etc.
- Planning and management of existing financial resources;
- Bank and financing relations and reporting;
- Budget projection preparation and comparisons with actual; and
- Crop inventory reports.

It is the Debtor's considered opinion that absent the assistance, expertise, and support of these three key individuals, the Debtor's reorganization effort would be severely hampered and less profitable in returning more to all creditors.

Additionally, the Debtor proposes creation of an Advisory Board to consult with Debtor's management regarding marketing strategies to maximize crop prices, and good farm management practices. This board shall be advisory in nature and have no powers over management decisions. Members of the Advisory Board shall consist of:

	Advisory Board[10]	
Keith T. Walker	Advisory Board Member	$0.00
Boyd S. Foster	Advisory Board Member	$0.00
Roland N. (Rollie) Walker	Advisory Board Member	$0.00
Lorin V. Walker	Advisory Board Member	$0.00
Sam W. Cook	Advisory Board Member	$0.00

Keith Walker, a member of the Debtor, is also the President of Walker Produce Co., Inc. and has numerous valuable contacts with end purchasers of potatoes. Based on Keith's relationships in the potato grower, shipper and end consumer markets, the Debtor has historically received top dollar for its potatoes.

[10] No compensation shall be provided to members of the Advisory Board for their service on the board.

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While Wells Fargo has suggested that Keith Walker has a conflict of interest due to his position with Walker Produce, it is the Debtor's considered opinion that Keith Walker's knowledge and connections in the potato markets has allowed the Debtor to achieve a better return on its potatoes. For instance, post-petition the Debtor's 2013 potato sales peaked out at approximately $9.75/cwt. for fresh potatoes (tops) and $4.81/cwt. for eliminators.

Boyd S. Foster has served as Chairman of the Research & Evaluation Committee for the US Potato Board for 2003, then served as Domestic Market Committee Chairman of the US Potato Board for 2004-2005, Vice Chairman of the Idaho Potato Commission in 2013, and will become Chairman for the Idaho Potato Commission in 2014. Boyd Foster is a second cousin of Rollie, Lorin, Keith and Blair Walker, and Celia Erickson.

More importantly, Mr. Foster is a successful farmer in his own right and a well-respected member of the farming industry. He was last year's Farmer of the Year for the State of Idaho. While serving on the Debtor's Advisory Board, Mr. Foster is also a partner in the anticipated Joint Venture/Crop Share with the Debtor on the Steel Farm. This Joint Venture/Crop Share will allow the Debtor to further improve its crop rotation, allowing the Debtor to plant potatoes in soil that has grown grain for the past two years, improving potato quality and yield. Mr. Foster is also one of the principals of Vista Valley Ag, an unsecured creditor owed $33,474.49 (Claim No. 65) in this case.

The Debtor is of the opinion that key relationships maintained by members of the Advisory Board allows the Debtor to stay abreast of market information and take advantage of opportunities that arise in the market through out the year, yielding better prices for the Debtor's crops, and increasing the ability to fund Debtor's Plan of Reorganization.

LEASEHOLD INTERESTS/EXECUTORY CONTRACTS

Unless specifically rejected pursuant to previous orders of the Court, the Debtor has or is assuming in the Plan of Reorganization all prepetition executory contracts and unexpired leases, except as noted below:

PARTY	PROPERTY	ASSUME/REJECT/MODIFICATIONS
Allan R. Shupe	Hamer Farmland Lease Agreement	This lease has been assumed pursuant to the terms and conditions of the Order (Dkt. No. 328) entered on April 29, 2014 that states in relevant part, "The Allan R. Shupe (Hamer) Lease, executed post-petition is assumed".
Allan R. Shupe	Butikofer Farmland Lease Agreement	This lease has been rejected pursuant to the terms and conditions of the Order (Dkt. No. 328) entered on April 29, 2014 that states in relevant part, "The Allan R. Shupe (Butikofer) Lease, is REJECTED".

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Alvin Sharp Alvin Sharp Estate c/o Claudia Pullman	18 acres located in Jefferson County, Idaho.	This lease has been assumed pursuant to the terms and conditions of the Order (Dkt. No. 328) entered on April 29, 2014 that states in relevant part, "The Alvin Sharp Lease and Assignment is assumed.
Kent Sperry Hatchett Ranch	214.2 Acres located in Bonneville County, Idaho.	This lease has been assumed pursuant to the terms and conditions of the Order (Dkt. No. 328) entered on April 29, 2014 that states in relevant part, "The Kent Sperry dba Hatchett Ranch Lease is Assumed".
Kingston Properties	Potato Storage Leases (2) Located in Idaho Falls, Idaho,	These leases have been assumed pursuant to the terms and conditions of the Order Granting Motion to Assume Potato Storage Leases (Dkt. No. 323) entered on April 28, 2014 that states in relevant part that "The two Commercial Agreements between the Debtor and the Kingston Properties, LLP, both dated July 16, 2013 for potato storage are assumed."
Heath Lewis Mike Telford	Feed Lot Lease Agreement	This lease is subject to anticipated litigation as noted elsewhere herein and assumed solely to preserve the right to pursue unpaid, pre- and post-petition rents.
Lyle Shupe	100 Acres	This lease has been assumed pursuant to the terms and conditions of the Order (Dkt. No. 328) entered on April 29, 2014 that states in relevant part, "The Lyle/Karlene Shupe Lease, executed post-petition, is assumed".
Roger & Vicky Sauer	34.5 acres located in Jefferson County, Idaho.	This lease has been assumed pursuant to the terms and conditions of the Order (Dkt. No. 328) entered on April 29, 2014 that states in relevant part, "The Roger and Vicky Sauer Lease and Assignment is assumed".
SAGN	840 Acres	Assumed, with alleged defaults resolved pursuant to the Plan, i.e. plan treatment regarding Rabo Agrifinance. See Plan at Section 3.3.1, Class 4. The alleged defaults asserted by SAGN are to be resolved as part of the confirmation hearing. SAGN asserts that the Rabo loan needs to be paid off pursuant to the terms of the lease agreement. The Debtor maintains that its proposed plan provides for payment of the Rabo loan consistent with and without any change to the lease. The

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		lease expressly provides that any loan on the property must be paid off by 2027, which the current Plan accomplishes. SAGN further maintains that damage to a shed that took place pre-petition and pre-lease formation needs to be rectified in order to assume the lease. The Debtor maintains the damaged shed took place prior to the new lease agreement and is simply irrelevant to the assumption of the existing lease. To the extent SAGN elected to waive its right to file a proof of claim with regards to any sums due and owing related to the shed, the Debtor maintains that such liability has been waived as a matter of law. Whether a default under the lease exists is an issue to be determined at the confirmation hearing on the Debtor's Plan.
Vernon K. Smith Victoria Smith, P.R.	1043 acres located in Jefferson County, Idaho.	This lease has been assumed pursuant to the terms and conditions of the Order (Dkt. No. 328) entered on April 29, 2014 that states in relevant part, "The Estate of Vernon K. Smith Lease and Extension is assumed."
Waterstone	37.7 acres Bonneville County, Idaho.	Rejected as a matter of law under § 365(d).
Wright Brothers	Crop share lease-882 acres Located in Bonneville County, Idaho.	This lease has been assumed pursuant to the terms and conditions of the Order (Dkt. No. 328) entered on April 29, 2014 that states in relevant part, "The Wright Brothers Company Lease, executed post-petition, is assumed."
C&B Operations dba Bonneville County Implement and Deere Credit, Inc.	Executory contracts pertaining to the acquisition of 8 new lease tractors and proposed trade in tractors, consisting of the following: 1) WLC Unit No. 245 1L06330XJBP699303 and WLC Unit No. 265 1L06105RKDP766417, collectively comprising Purchase Order No. 02427999 and Proof of	These executory contracts are subject to litigation as described elsewhere herein. The Debtor reserves the right to assume or reject the executory contracts in advance of or in conjunction with any confirmation hearing. To the extent the parties are unable to reach a compromise, the Debtor's plan rejects these executory contracts and reserves all rights to dispute the amount of C&B Operations' asserted unsecured claim(s) pursuant to the terms of the Plan and applicable law. These leases are incorporated in the Stipulation

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	Claim 74; 2) WLC Unit No. 244 1L06330XJBP700028 and WLC Unit No. 266 1L06105REDP770851, collectively comprising Purchase Order No. 02441968 and Proof of Claim 81; 3) WLC Unit No. 228 RW8235R063349 and WLC Unit No. 268 1RW8235RCDD073267, collectively compromising Purchase Order No. 02427899 and Proof of Claim 75; 4) WLC Unit No. 224 RW8235R063386 and WLC Unit No. 269 1RW8235RCDD070457, collectively comprising Purchase Order No. 02427907 and Proof of Claim 76; 5) WLC Unit No. 230 RW8235R063506 and WLC Unit No. 270 1RW8235RCDD073141, collectively comprising Purchase Order No. 02427912 and Proof of Claim 78; 6) WLC Unit No. 223 RW7215RACD008355 and WLC Unit 271 1RW7215RPDD012805, collectively comprising Purchase Order No. 02428059 and Proof of Claim 80;	for Settlement discussed elsewhere herein. If the Court approves the settlement, then these leases will be rejected, with no claims asserted for rejection damages, if any, pursuant to the terms of the Stipulation for Settlement.

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	7) WLC Unit No. 222 RW7215RVCD008046 and WLC Unit No. 272 1RW7215RTDD012785, collectively comprising Purchase Order No. 02427925 and Proof of Claim 77; and 8) WLC Unit No. 219 RW7215RCCD008068 and WLC Unit No. 273 1RW7200RLDD012717, collectively comprising Purchase Order No. 02428018 and Proof of Claim No. 79.	
CAC Recovery Services	Potash AntiTrust Litigation Services Agreement	Assume pursuant to the terms of this Plan. There are no defaults.
Farm Credit Services	2007 Case 845 Road Grader	Assume. Debtor shall remain current with post-confirmation payments pursuant to the lease terms and pay a single lump sum cure payment of $56,952.10 within thirty (30) days of the Effective Date.
Vista Valley Ag., Inc./Foster Company Boyd & Laurie Foster P.O. Box 626 Ririe, ID 783443	2013 Land Lease/Joint Venture/Crop Share Agreement 490 Acres	Reject. Upon confirmation, replaced with new Joint Venture/Crop Share Agreement, attached to the Plan as Exhibit B. The amounts due and owing on the prepetition joint venture/crop share agreement shall be paid as a general unsecured claim under Class 51, as noted in Claim No. 65 in the amount of $33,474.49 filed by Vista Valley Ag, Inc.
Ideal Truck Leasing	Four Rental Agreements on Trucks	These four Rental Agreements have been assumed pursuant to the terms and conditions of the Order (Dkt. No. 333) entered on April 30, 2014 that states in relevant part, "The Rental Agreements are assumed and Debtor is authorized to pay the cure payments requested in the Motion to the extent such payments are provided for in its approved cash collateral budget".
McNeil	Property Mgt Agreement (oral)	Assume pursuant to the terms of the Plan.

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Development 1070 Riverwalk Dr. #200 Idaho Falls, ID 83402		
Steve Worthen Farms 2498 N 2375 E Hamer, ID 83425	Contractor Services Agreement	Assume pursuant to the terms of the Plan.
Toyota Financial Services	Lease 2013 Toyota Tundra VIN – 287946 (Unit No. 15)	Assume. Pursuant to the terms and conditions of that certain Stipulation for Plan Treatment filed on July 29, 2014, as Dkt. No. 429. The Debtor shall make monthly payments in the amount of $271.00 on the 15th of each month until lease maturity. Lease maturity shall be extended an additional eight (8) months to October 16, 2015.
Toyota Financial Services	Lease 2013 Toyota Tundra VIN – 288989 (Unit No. 5)	Assume. Pursuant to the terms and conditions of that certain Stipulation for Plan Treatment filed on July 29, 2014, as Dkt. No. 429. The Debtor shall make monthly payments in the amount of $271.00 on the 15th of each month until lease maturity. Lease maturity shall be extended an additional eight (8) months to October 16, 2015.
John Deer Credit	Lease 2012 JD STS Combine S670-6088; 2012 Draper Platform 630D-5482, Proof of Claim No. 83	Reject. This lease has been rejected pursuant to the terms and conditions of the Order (Dkt. No. 444) entered on August 7, 2014, wherein the Court approved the Stipulation for Rejection of Equipment Leases (Dkt. No. 436). Pursuant to the Stipulation (Dkt. No. 436), the parties expressly agree that the rejection damages for this lease would be capped at $73,260.00 and paid as a general unsecured claim pursuant to Class 51 as set forth hereinabove.
John Deer Credit	Lease 2012 JD STS Combine S670-6827; 2012 Draper Platform 630D-5419, Proof of Claim No. 84.	Reject. This lease has been rejected pursuant to the terms and conditions of the Order (Dkt. No. 444) entered on August 7, 2014, wherein the Court approved the Stipulation for Rejection of Equipment Leases (Dkt. No. 436). Pursuant to the Stipulation (Dkt. No. 436), the parties expressly agree that the rejection damages for this lease would be capped at $73,260.00 and paid as a general unsecured claim pursuant to Class 51 as set forth hereinabove.

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John Deer Credit	Lease 2012 JD STS Combine S670-6971; 2012 Draper Platform 630D-5438, Proof of Claim No. 85.	Reject. This lease has been rejected pursuant to the terms and conditions of the Order (Dkt. No. 444) entered on August 7, 2014, wherein the Court approved the Stipulation for Rejection of Equipment Leases (Dkt. No. 436). Pursuant to the Stipulation (Dkt. No. 436), the parties expressly agree that the rejection damages for this lease would be capped at $73,260.00 and paid as a general unsecured claim pursuant to Class 51 as set forth hereinabove.
John Deer Credit	Lease 2012 JD STS Combine S670-5815; 2012 Draper Platform 630D-5422, Proof of Claim No. 86.	Reject. This lease has been rejected pursuant to the terms and conditions of the Order (Dkt. No. 444) entered on August 7, 2014, wherein the Court approved the Stipulation for Rejection of Equipment Leases (Dkt. No. 436). Pursuant to the Stipulation (Dkt. No. 436), the parties expressly agree that the rejection damages for this lease would be capped at $73,260.00 and paid as a general unsecured claim pursuant to Class 51 as set forth hereinabove.
John Deer Credit	Lease JD Skid Steer Loader 320D-4431, Proof of Claim No. 87.	Assume. This lease is assumed pursuant to the terms and conditions set forth in the Stipulation filed July 31, 2014, as Dkt. No. 436, which provides in relevant part that the "the Debtor has paid the first lease payment and the second lease payment is due September 13, 2014, in the amount of $4,637.88. The third and final lease payment of $4,637.88 is due September 13, 2015. The lease will terminate on September 13, 2016, at which time the Debtor may exercise its purchase option and buy the leased equipment by paying Deere Credit the purchase option price of $16,454.60. If the purchase option price is not exercised by the Debtor, the leased equipment will be surrendered to Deere Credit pursuant to the terms of the Assumed Lease."

BASIS OF VALUATION

The basis of the evaluation of property contained in the liquidation analysis, or best interest of creditors test, was obtained from various sources, primarily the opinions of the managers, as well as appraisals provided by the secured lenders during the course of administration of this case.

IT SHOULD BE BORNE IN MIND THAT THE VALUES ESTABLISHED IN THIS ANALYSIS ARE ONLY THE BEST ESTIMATES OF THE DEBTOR. These values were arrived at by assuming that the entirety of the Debtor's assets would be liquidated and it is assumed that different values might be obtained in limited or spot

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sales of similar property over an extended period of time. It must be kept in mind that secured creditors will exert a major effort to reclaim their property at the earliest possible time to avoid their collateral being involved in the liquidation process. The nature of this activity will further reduce the liquidation value of the Debtor's estate.

SUMMARY OF REAL PROPERTY AND EQUIPMENT APPRAISAL				
DATE	**LOCATION OF PROPERTY**	**APPRAISAL PREPARED FOR:**	**APPRAISAL PREPARED BY:**	**APPRAISAL AMOUNT**
01/07/2010	Roland L. "Von" Walker Estate 231.1 Acres M/L Irrigated (Three Tracts) 400 N. & 3400 East Lewisville, ID Effective Date: December 30, 2009	Dwight E. Baker Baker & Harris Law 266 West Bridge St. Blackfoot, ID 83221	Robert G. Morrison, ARA Idaho Certified General Appraiser #26 2225 West Broadway, Ste. A Idaho Falls, ID 83402	$1,200,000
06/01/2013	Walker Land & Cattle 1476.41 M/L Irrigated Farm Located 14 miles Northwest of Idaho Falls Effective Date: May 21, 2013	Rabo Agrifinance, Inc. 237 Canyon Crest Dr. Twin Falls, ID 83301	Robb Steinke, ARA, RPRA AVP Appraiser/Reviewer Idaho Certified Appraiser #CGA-104 237 Canyon Crest Dr. Twin Falls, ID 83301	$7,300,000
06/02/2013	Walker Land & Cattle 2139.58 Acres M/L Irrigated Farm Locate 12-14 miles Northwest of Idaho Falls Effective Date: May 21, 2013	Rabo Agrifinance, Inc. 237 Canyon Crest Dr. Twin Falls, ID 83301	Robb Steinke, ARA, RPRA AVP Appraiser/Reviewer Idaho Certified Appraiser #CGA-104 237 Canyon Crest Dr. Twin Falls, ID 83301	$7,275,000
06/14/2013	Walker Land & Cattle 4824.91 Acres M/L Irrigated Farm Located Hamer Area,	Rabo Agrifinance, Inc. 237 Canyon Crest Dr.	Robb Steinke, ARA, RPRA AVP Appraiser/Revi	$18,200,000

	Idaho Effective Date: May 21-22, 2013	Twin Falls, ID 83301	ewer Idaho Certified Appraiser #CGA-104 237 Canyon Crest Dr. Twin Falls, ID 83301	
06/19/2013	Walker Land & Cattle 140.00 Acres M/L Irrigated Farm Located 1-2 miles West of Rigby Effective Date: May 22, 2013	Rabo Agrifinance, Inc. 237 Canyon Crest Dr. Twin Falls, ID 83301	Robb Steinke, ARA, RPRA AVP Appraiser/Reviewer Idaho Certified Appraiser #CGA-104 237 Canyon Crest Dr. Twin Falls, ID 83301	$665,000
09/17/2012	Walker Land & Cattle 956.00 Acres M/L Irrigated Farm Located 12-13 miles Northwest of Idaho Falls Effective Date: August 27, 2012	Rabo Agrifinance, Inc. 237 Canyon Crest Dr. Twin Falls, ID 83301	Robb Steinke, ARA, RPRA AVP Appraiser/Reviewer Idaho Certified Appraiser #CGA-104 237 Canyon Crest Dr. Twin Falls, ID 83301	$3,627,000
06/14/2013	Walker Land & Cattle Equipment Appraisal Mr. Keith Walker 1070 Riverwalk Drive Idaho Falls, ID Effective Date: May 22, 2013	Mr. Gregory Mondon Vice President Wells Fargo Bank, NA Salt Lake City, UT	Hilco Appraisal Services, LLC Machinery & Equipment Valuation Nelson V. Thorpe, CEA Appraiser 5 Revere Drive, Suite 300	$7,692,650-$9,179,450[11]

[11] First number is Forced Liquidation Value (3 months) and the second number is the Orderly Liquidation Value (6 months).

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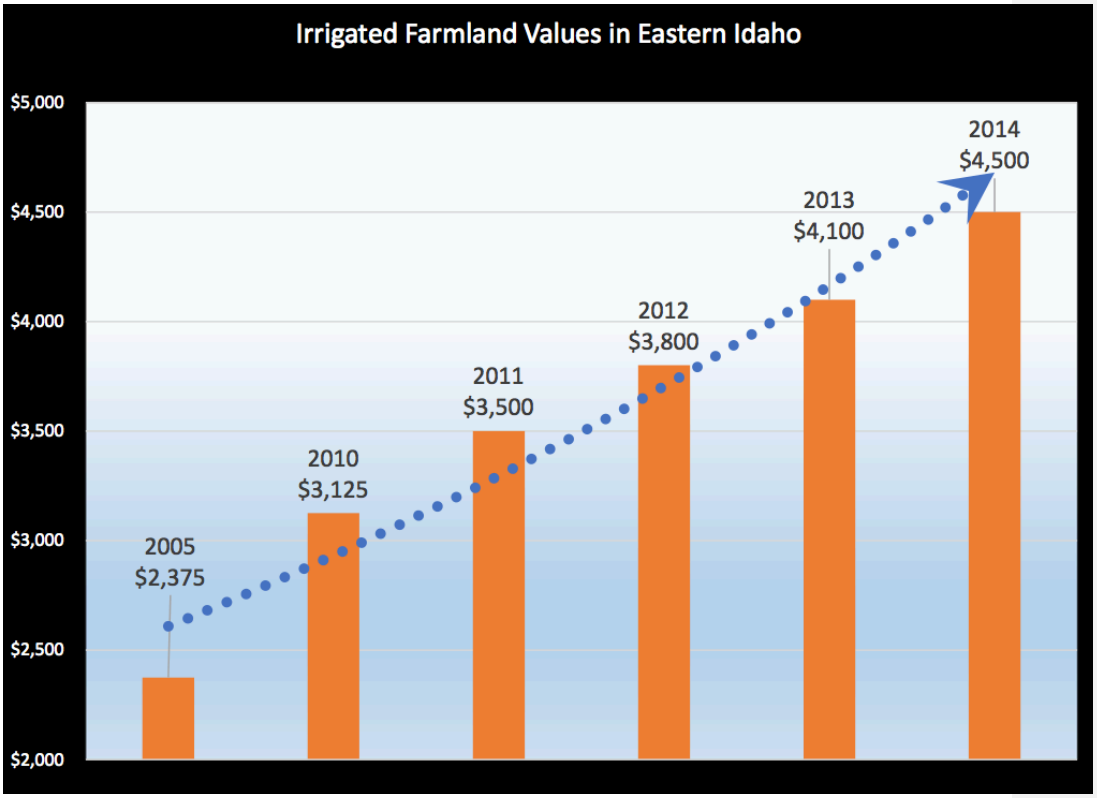
All other value estimates are the Debtor's considered opinion. Copies of the above referenced appraisals are available from Debtor's counsel upon written request. Further, based on Debtor's historic appraisals, it is the Debtor's considered opinion that real estate values for agricultural property continue to rise. The following chart is a summary of appraised values (per acre) for Irrigated Farm Ground based on appraisals done for the Debtor or the benefit of Debtor's secured creditors.



The 2014 values noted above are based on the acre price in the real property sales contemplated under the Debtor's Plan.

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LIQUIDATION ANALYSIS
"Best Interests of Creditors Test"

The Debtor is a farmer. Its plan of reorganization is being offered not to liquidate all of its assets but rather to allow it to continue its farm operations to maintain its employees and suppliers. Debtor's plan is not a liquidation of its entire operation. Debtor believes that the plan of liquidation being proposed by Wells Fargo Bank, however, is akin to an involuntary conversion of this chapter 11 case to a chapter 7 which is prohibited by 11 USC 1112(c).

Notwithstanding acceptance of the Plan by creditors, in order to confirm the Plan the Court must independently determine that the Plan is in the best interests of all classes of creditors and stockholders. The "best interest" test requires that the Court find that the Plan provides to each member of each impaired class of claims and interest a recovery which has a present value at least equal to the present value of a distribution which each such person would receive from the Debtor if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code instead of being reorganized under Chapter 11 of the Bankruptcy Code.

To calculate what members of each impaired class of unsecured claims or interest would receive if the Debtor were liquidated, the Court must first determine the dollar amount that would be generated from the disposition or liquidation of the assets of the Debtor in excess of the amount necessary to pay allowed secured claims, plus the cash held by the Debtor, and plus recoveries on actions against third parties. The proceeds of this liquidation will then be reduced by the costs of the liquidation. Such a liquidation would probably take place in a Chapter 7 proceeding and such a proceeding would likely include the fees of a trustee as well as those of counsel and other professionals that might be retained by such trustee, selling expenses (including costs of advertising and auctioneer's fees or brokerage commissions), unpaid expenses incurred by the Debtor during its reorganization proceedings under Chapter 11, and claims arising by rejection by the trustee of obligations incurred by the Debtor during the pendency of the Chapter 11 case.

The value of the distributions after liquidation, deduction of costs of liquidation, and in keeping with the analysis described above would then be compared by the Court with the present value being offered to each of the classes of unsecured claims and interests under the Plan. The Debtor also believes that secured and unsecured claims in a liquidation would be significantly greater than under the contemplated Plan.

The proponent also believes that liquidation of the Debtor's estate would be a time consuming matter and might involve litigation between a Chapter 7 trustee and the various claimants to assets of the estate. The difficulties and cost associated with a Chapter 7 Liquidation are exacerbated by any trustee's inherent lack of "institutional" knowledge of and familiarity with the Debtor's properties. It would not be unusual that no distribution to unsecured creditors in a Chapter 7 liquidation proceeding would be forthcoming for one or more years.

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THE DEBTOR FIRMLY BELIEVES THAT THE PLAN IS IN THE BEST INTERESTS OF EACH CLASS OF CREDITORS AND THAT THE CREDITORS WILL RECEIVE BOTH A LARGER AND MORE RAPID DISTRIBUTION UNDER THIS PLAN OF REORGANIZATION THAN THEY WOULD IF THE DEBTOR'S ESTATE WERE LIQUIDATED.

The following sets forth assets, liabilities and estimated expenses Debtor is using to calculate its liquidation analysis. See Appendices "K" and "L".

In sum, the net total equity of all Debtor's property available in a liquidation to pay unsecured creditors in the bankruptcy is $16,437,763.54, after subtracting an estimated cost of liquidation that varies by category, as indicated in the following chart and related footnotes.

Liquidation Analysis Summary				
Asset	**Value**	**Liquidation Cost**	**Secured Debt**	**Net Equity**
Cash	$3,843,803.26	$0.00	$0.00	$3,843,803.26
Crops[12]	$4,930,035.00	$197,201.40[13]	$4,261,728.19[14]	$471,105.41
Accounts Receivable	$2,306,614.22	$0.00	$0.00	$2,306,614.22
Life Insurance Policies	$2,133,834.00	$0.00	$0.00	$2,133,834.00
Real Estate	$39,452,618.00[15]	$5,917,892.75[16]	$30,093,757.61[17]	$3,440,967.94
Vehicles	$2,049,973.00	$409,994.60[18]	$71,010.03[19]	$1,568,968.37
Office Equipment	$12,195.00	$2,439.00[6]	$0.00	$9,756.00
Farm	$4,316,650.00	$863,330.00[6]	$1,252,144.59[20]	$2,201,175.41[21]

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[12] This represents the remaining 2013 Crop Inventory. The 2014 Crop is currently in the ground, with a value that remains to be determined subsequent to the 2014 harvest.

[13] Shrinkage of 4%.

[14] Wells Fargo - $4,261,728.19.

[15] Please note that Appendix L lists the real estate value as $38,006,055.00 based upon the original schedules, compared to the amount noted in this Liquidation Analysis Summary and Appendix K. The difference is due to the fact that (1) the Reinke 2060 Center Pivots are in the original schedules with an "unknown" value and listed in Appendix K and this summary with a value of $200,706.31. (2) The Reinke 20658 Tower Center Pivots are in the original schedules with an "unknown" value and listed in Appendix K and this summary with a value of $81,256.99. And (3) the East-West Valley Parcel was inadvertently omitted from the Debtor's original schedules and Appendix K values this property at $1,164,600.00.

[16] Liquidation cost of 15%.

[17] Wells Fargo Home Mortgage - $76,059.00, Rabo Agrifinance - $10,788,309.18, Well Fargo - $15,945,332.65, Dorothy M. Walker FLP - $300,408.00, Estate of Roland L. Walker - $2,261,200.17, Bank of Commerce - $482,779.81.

[18] Liquidation cost of 20%.

[19] Agricredit Acceptance, LLC - $24,098.72, Ally - $18,969.49, Toyota Financial Services - $27,941.82.

[20] Wells Fargo - $1,252,144.59.

[21] Net Value based on forced liquidation.

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Equipment				
Farm Machinery	$4,642,199.60	$928,439.92[6]	$3,223,553.95[22]	$262,207.92
TOTALS:	*63,687,922.38*	*$8,319,297.67*	*38,902,194.37*[23]	
			Total Net Equity	**$16,465,430.34**

With regards to the claims filed against this estate, Appendices "D" and "M" shows the claims in greater detail, and are summarized as follows:

CLAIMS SUMMARY	
Category	**Claim Amount**
Secured Claims	**$40,356,046.34**
Priority Claims	**$301,523.60**
General Unsecured Claims	**$12,237,820.20**
Total Claims:	**$52,895,390.14**

This Disclosure Statement shows that General Unsecured Creditors would be paid in full in the event of a Chapter 7 liquidation. See Appendices "D", "K", "L" and "M" for additional details.

It is the Debtor's considered opinion unsecured creditors would most likely receive a distribution that would be 100% of their respective claims in a Chapter 7 liquidation, and the Debtor's Plan provides for the equivalent. The Plan provides over the eight (8) year term for a distribution of a projected $13,770,993.65[24] to Class 51 (General Unsecured Class) and $301,523.60 for priority claimants—for a total of $14,072,517.25 (from projected business income and cash on hand) to fund the Plan. As discussed in greater detail elsewhere herein, the Plan provides for at least a 100% distribution to members of Class 51 (General Unsecured Class), including interest.[25]

To the extent undersecured creditors file timely, amended proofs of claim under applicable state laws allowing for deficiency claims, if applicable, this percentage might be reduced accordingly. However, Debtor believes there is sufficient equity in the collateral held by secured creditors, such that no deficiencies are anticipated. To the

[22] CNH Capital - $17,500.00, Commercial Credit Group, Inc. - $192,881.42, John Deere Credit - $3,013,172.53.

[23] This Liquidation Analysis is based on the scheduled amounts from Debtor's schedules, including amendments; however, if filed claims are used, the total amount of secured debt would be $40,356,046.34 and the net equity would be $15,011,578.37.

[24] This represents 17 semi-annual payments of $810,058.45 over 8 years from July 1, 2015 to July 1, 2022. Although, with claim objections and anticipated settlements (pending), the Debtor expects this class will be paid prior to July 1, 2022.

[25] As noted in Appendix D, Class 51 consists of a current total of $9,340,374.38 and Class 52, $2,905,565.10 (see also Note 24, infra):

General Unsecured Creditors By Class	
Class 51 (General Unsecured Creditors – Unrelated)	9,310,204.74
Class 52 (Related Entities Class)	2,905,565.10
Total:	*12,215,769.84*

See Appendix D for greater detail.

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extent claims were disallowed via the claims objection process, if applicable, this would allow payments sooner than projected, or in greater pro rate shares. See *Pending Legal Proceedings* elsewhere herein.

The books and records of the Proponent are largely in the possession of Proponent. As previously stated, to avoid unnecessary duplication of paperwork Debtor has not attached the monthly reports filed with the Court as required by the Chapter 11 Bankruptcy Code and the U.S. Trustee Regulations. These have been delivered to counsel for Wells Fargo Bank, Rabo Agrifinance, the Unsecured Creditors Committee and all other creditors receiving electronic notice in this case. They are also available on the Bankruptcy Court's website or will be produced if a creditor requests in writing a copy thereof from Debtor's counsel. Debtor believes these show that it has complied with payment of all expenses during the pendency of this proceeding and Court Orders issued to date.

Additionally, attached as Appendices "F", "G", "H", "I" and "J" are the Debtor's Projected Income and Expenses, Post-petition Projected vs. Actual Income and Expense Report, Historic crop yields and prices, projected crop yields and prices, and actual post-petition crop prices, prepared by the Acting Chief Financial Officer and accounting staff of Walker Land & Cattle, LLC.

It is the Debtor's considered opinion that the payments contemplated under the Plan constitute the Debtor's projected business cash flow to be received by the Debtor during the 8-year term of the Plan and represent creditors' best prospect for repayment.

TAX IMPLICATIONS

The cash tax consequences to this estate of the liquidation of the estate by a Chapter 7 trustee are believed to be nil assuming the entire estate is liquidated in the same year and results in an excess tax basis in assets over taxable sales receipts (resulting in an a significant capital loss that never can be used or sold).

Further, the Debtor understands that due to its limited liability company structure, the Debtor is a pass-through entity for purposes of taxes, such that any negative tax consequences flow through to the members of the Debtor.

Debtor does not currently believe there will be any material adverse tax consequences connected to confirmation of the Plan. Debtor is not familiar with any tax attributes held by its creditors and is advising creditors to consult with their own experts as to the tax implications, if any, of the Plan on those creditors.

CONFIRMATION OF THE PLAN

Voting Procedure: All creditors entitled to vote on the Plan may cast their votes for or against the Plan by completing, dating and signing the "Ballot for Accepting or Rejecting Plan of Reorganization" attached to this Disclosure Statement as Appendix C. The Ballot must be filed with the Bankruptcy Court and may be submitted personally or by mailing such Ballot to the U.S. Bankruptcy Court, 801 E. Sherman Street, Pocatello, ID 83201.

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In order to be counted all ballots must be filed or received by the Bankruptcy Court prior to 5:00 o'clock p.m. on the date specified in the order approving the Debtor's Disclosure Statement.

Persons Entitled to Vote on Plan: Only the votes of classes of creditors whose claims or interests are impaired by the Plan of Reorganization will be counted in connection with confirmation of the Plan of Reorganization. Generally, and subject to the specific provisions of §1124 of the Bankruptcy Code, this includes any creditor who, under the Plan, will receive less than payment in full in cash of the allowed amount of their respective claims on the effective date of the Plan. It appears to Debtor that with the exception of Classes 1 and 2, all other classes are impaired. The respective classes are set forth in *Paragraphs 2.2, 2.3 and 2.4* of the proposed Plan. In determining acceptance of the Plan, votes will be counted only if submitted by a creditor whose claim is scheduled by the Debtor as undisputed, non-contingent and liquidated, or who, prior to the hearing on confirmation, has filed with the Bankruptcy Court a Proof of Claim which has not been disallowed, disqualified or suspended prior to computation of the vote on the Plan. The ballot which accompanies this Disclosure Statement does not constitute a Proof of Claim. If you are uncertain whether your claim has been correctly scheduled, you should check the Debtor's schedules which are on file with, and may be inspected at, the U.S. Bankruptcy Court, 801 E. Sherman Street, Pocatello, ID 83201.

Acceptances May Not be Necessary to Confirm Plan: Under §1126 of the Bankruptcy Code an impaired class is deemed to have accepted the Plan if (1) at least 2/3 in amount and (2) more than 1/2 in number of the allowed claims or interests of class members who have voted on the Plan have voted to accept it. Further, unless there is unanimous acceptance of the Plan by an impaired class, the Bankruptcy Court must also determine that under the Plan such class members will receive property of value, as of the effective date of the Plan, that is not less than the amount that such class member would receive or retain if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code on the effective date of the Plan. Even if all classes of claims or interests accept the Plan, the Court may refuse to confirm the Plan. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and there are other provisions therein which may affect confirmation exclusive of the votes of creditors.

Confirmation of Plan Without Acceptances: The Court may confirm a Plan even though less than all of the classes of claims or interests accepts the Plan. The circumstances under which the Court may confirm a Plan over the objection of a class of claims or interests are set forth in §1129(b) of the Bankruptcy Code. This section provides that the Court may confirm a Plan notwithstanding its rejection by one or more impaired classes if the Court finds that the Plan does not discriminate unfairly and is *fair and equitable* with respect to each impaired class which does not accept the Plan. With respect to classes of secured creditors, the *fair and equitable* test requires that a secured creditor (1) retain its lien and receive cash payments having a present value equal to its allowed secured claim, and (2) receive the proceeds of the sale of its collateral, or (3) realize the indubitable equivalent of its claim to the extent validly secured.

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With respect to a class of unsecured claims, the *fair and equitable* test requires that if each creditor in such class does not receive property having a present value equal to the amount of such creditors allowed claim, no junior class can receive or retain any property. The Proponent of the Plan will rely on the features of §1129(b) in the event there is a rejection of the Plan by a class of claims or interests. The invocation of the provision of §1129(b) is a legal matter required to be heard by the Court at the confirmation hearing or at a hearing set by the Court.

Consequences of Confirming the Plan: Confirmation of the Plan will not discharge the Debtor from the debts provided in the Plan; confirmation makes the Plan binding upon the Debtor, creditors and other parties in interest regardless of whether they have accepted or rejected the Plan. Confirmation of the Plan will, generally, provide for the distribution of value to the creditors as set forth in the Plan.

Hearing on Confirmation of the Plan: The Bankruptcy Court has set a hearing date to determine whether the Plan has or will be accepted and whether the other requirements for confirmation of the Plan have been satisfied. A time for hearing for confirmation of the Plan has been established in Appendix "A" hereto and each creditor and shareholder should make note of that Notice of Hearing and determine whether or not they want to attend. Attendance is not mandatory to establish a claim. Also, as also set forth in Appendix "A", all ballots must be timely filed with the Bankruptcy Court as outlined in Appendix "A."

Risks Associated with Confirming the Plan: The Debtor has endeavored to accurately state the projected business cash flow based on the projections contained in Appendix "F". Given the risks associated with any farming operation, projections are inherently difficult—particularly if based upon historical data. The projections contained in Appendix "F" are based primarily upon the Debtor's historic performance as well as the Debtor's performance projected for the term of the Plan.

Additionally, as noted elsewhere herein, Wells Fargo Bank continues to pursue collection against the third-party guarantors of the Debtor's obligations in state court. The Debtor understands that Wells Fargo is pursuing collection efforts against Dorothy Walker and The Estate of Von Walker, Debbie Walker and The Estate of Blair Walker, Keith and Allyson Walker, Blair and Celia Erickson, R&S Farms Limited Partnership, and/or Lorin and Vickie Walker. Confirmation of the Debtor's Plan does require that no equity distributions shall be made to these members until after all unsecured creditors have been paid. With respect to the above-described sales of real property, secured creditors with liens in the property may assert a right to credit bid. The Debtor, as a part of the confirmation process, will request that the Court, for cause, including but not limited to the joint venture/crop share components of the proposed sale(s) and given the overwhelming value of Wells Fargo and Rabo's existing collateral security, deny the right to credit bid. The Court may decide to allow the credit bid and the value of the joint venture/crop share agreements would be lost. In addition, leased ground may no longer be available for any number of reasons, including Foster's right to opt out of any future renewals of the joint venture/crop share, reducing the amount of acres in Debtor's operation.

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Rabo Agrifinance has not consented to the Debtor's Plan, but is currently contemplating the Debtor's Plan. There is a risk that Rabo Agrifinance may object to the proposed sales and assert a right to credit bid.

To the extent that negative, unforeseen circumstances may occur, the Debtor's performance may be negatively impacted to the detriment of this estate and creditors thereof.

Retention of Jurisdiction: If the Plan is confirmed the Bankruptcy Court, it will retain jurisdiction, as more specifically set out in the Plan, to adjudicate the allowance of claims, the value of secured interests, the disposition of executory contracts or unexpired leases, the avoidance of liens or transfers, litigation concerning claims and property of the estate, rule on modifications of the Plan if any, and to issue such orders and judgments as may be necessary to implement the Plan and resolve disputes concerning the Plan.

BANKRUPTCY SCHEDULES

This Disclosure Statement is meant to disclose all of the assets and liabilities of the Debtor. To the extent it contradicts the bankruptcy schedules on file with the Bankruptcy Court, the disclosures contained in this Disclosure Statement and Appendices control.

DATED: September 19, 2014

WALKER LAND & CATTLE, LLC

By: */s/ Rollie Walker*______________
Its: Manager

MAYNES TAGGART, PLLC

By: _*/s/ Robert J. Maynes*__________
Robert J. Maynes for the Firm

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