

Monthly Operating Report

CASE NAME	Linden Ponds, Inc.
CASE NUMBER	11-33913
JUDGE:	Stacey G. Jernigan

ACCRUAL BASIS

UNITED STATES BANKRUPTCY COURT

NORTHERN  
DISTRICT OF  
TEXAS

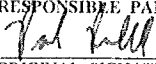
DIVISION 6

MONTHLY OPERATING REPORT

MONTH ENDING: August 31, 2011

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

  
ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

Managing Director  
TITLE

Paul Rudell  
PRINTED NAME OF RESPONSIBLE PARTY

9/29/2011  
DATE

PREPARER:

  
ORIGINAL SIGNATURE OF PREPARER

Director  
TITLE

David S. McLaughlin  
PRINTED NAME OF PREPARER

9/29/2011  
DATE

General Notes:

1. The Debtors have prepared this presentation, as required by the Office of the United States Trustee, based on the information available to the Debtors at this time, but note that such information may be incomplete and may be materially deficient in certain respects. This Monthly Operating Report (MOR) is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. The Debtors reserve all rights to revise this report.
2. This MOR is generally prepared in accordance with U.S. generally accepted accounting principles (GAAP).
3. The financial statements are unaudited.
4. Certain items presented in this MOR are under research and may be accounted for differently in future monthly reports.
5. The MOR does not include explanatory footnotes such as disclosures required under GAAP.

Monthly Operating Report

<b>CASE NAME</b>	Linden Ponds, Inc.
<b>CASE NUMBER</b>	11-33913

ACCURAL BASIS-1

**COMPARATIVE BALANCE SHEET**

ASSETS	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		6/30/11	7/31/11	8/31/11
1. UNRESTRICTED CASH		\$3,687,055	\$3,306,767	\$2,842,520
2. RESTRICTED CASH		\$23,024,914	23,506,283	24,128,001
3. TOTAL CASH		\$26,711,969	\$26,813,050	\$26,970,521
4. ACCOUNTS RECEIVABLE (NET)		\$2,525,689	\$2,784,137	\$2,611,798
5. INVENTORY		67,466	65,891	69,060
6. NOTES RECEIVABLE		7,750,699	8,838,499	9,664,699
7. PREPAID EXPENSES		199,458	238,654	176,087
8. OTHER (ATTACH LIST)		0	0	0
9. TOTAL CURRENT ASSETS		\$37,255,281	\$38,740,231	\$39,492,164
10. PROPERTY, PLANT & EQUIPMENT		\$138,973,340	\$138,996,949	\$139,030,852
11. LESS: ACCUMULATED DEPRECIATION / DEPLETION		13,314,684	13,585,571	13,857,243
12. NET PROPERTY, PLANT & EQUIPMENT		\$125,658,656	\$125,411,378	\$125,173,609
13. DUE FROM INSIDERS		\$0	\$0	\$0
14. OTHER ASSETS - NET OF AMORTIZATION		3,041,628	3,027,766	3,013,903
15. OTHER		326,097,780	325,880,220	325,660,303
16. TOTAL ASSETS		\$492,053,345	\$493,059,595	\$493,339,979
<b>POSTPETITION LIABILITIES</b>				
17. ACCOUNTS PAYABLE		\$613,303	\$1,593,219	\$2,468,229
18. TAXES PAYABLE		183,719	608,448	(75,633)
19. NOTES PAYABLE				
20. PROFESSIONAL FEES				
21. SECURED DEBT				
22. OTHER		458,071	1,507,454	2,755,798
23. TOTAL POSTPETITION LIABILITIES		\$1,255,093	\$3,709,121	\$5,148,394
<b>PREPETITION LIABILITIES</b>				
24. SECURED DEBT		\$152,230,000	\$152,230,000	\$152,230,000
25. PRIORITY DEBT				
26. UNSECURED DEBT		9,413,878	9,413,878	9,413,878
27. OTHER UNSECURED DEBT		375,096,268	375,096,268	375,096,268
28. TOTAL PREPETITION LIABILITIES		\$536,740,146	\$536,740,146	\$536,740,146
29. TOTAL LIABILITIES		\$537,995,239	\$540,449,267	\$541,888,541
<b>EQUITY</b>				
30. PREPETITION OWNERS' EQUITY		(\$44,882,670)	(\$44,882,670)	(\$44,882,670)
31. POSTPETITION CUMULATIVE PROFIT OR (LOSS)		(1,060,232)	(2,499,651)	(3,648,555)
32. DIRECT CHARGES TO EQUITY (ATTACH EXPLANATION)		1,008	(7,352)	(17,337)
33. TOTAL EQUITY		(\$45,941,894)	(\$47,389,673)	(\$48,548,562)
34. TOTAL LIABILITIES & OWNERS' EQUITY		\$492,053,345	\$493,059,594	\$493,339,979

\$0

\$0

(\$0)

**Monthly Operating Report**

<b>CASE NAME</b>	Linden Ponds, Inc.
<b>CASE NUMBER</b>	11-33913

ACCRUAL BASIS-2

**INCOME STATEMENT**

	16 DAYS ENDING	MONTH	MONTH	Case to Date
REVENUES	6/30/11	7/31/11	8/31/11	6/15/2011-8/31/2011
1. GROSS REVENUES	\$2,445,821	\$7,546,641	\$12,742,573	\$5,100,820
2. LESS: RETURNS & DISCOUNTS	0	0	0	0
3. NET REVENUE	\$2,445,821	\$7,546,641	\$12,742,573	\$22,735,035
<b>COST OF GOODS SOLD</b>				
4. MATERIAL	\$0	\$0	\$0	\$0
5. DIRECT LABOR	0	0	0	0
6. DIRECT OVERHEAD	0	0	0	0
7. TOTAL COST OF GOODS SOLD	\$0	\$0	\$0	\$0
8. GROSS PROFIT	\$2,445,821	\$7,546,641	\$12,742,573	\$22,735,035
<b>OPERATING EXPENSES</b>				
9. OFFICER / INSIDER COMPENSATION	\$0	\$0	\$0	\$0
10. SELLING & MARKETING		0	0	0
11. GENERAL & ADMINISTRATIVE	1,718,916	5,568,185	9,664,179	16,951,280
12. RENT & LEASE	573,634	1,726,457	2,879,279	5,179,370
13. OTHER	0	0	0	0
14. TOTAL OPERATING EXPENSES	\$2,292,549	\$7,294,642	\$12,543,458	22,130,649
15. INCOME BEFORE NON-OPERATING INCOME & EXPENSE	\$153,271	\$251,999	\$199,115	\$604,385
<b>OTHER INCOME &amp; EXPENSES</b>				
16. NON-OPERATING INCOME (Rent)	\$0	\$0	\$0	\$0
17. NON-OPERATING EXPENSE	0	0	0	\$0
18. INTEREST EXPENSE	228,562	685,685	1,151,121	\$2,065,368
19. DEPRECIATION / DEPLETION	135,277	406,164	677,837	\$1,219,278
20. AMORTIZATION	6,931	20,794	34,656	\$62,381
21. OTHER	0	0	0	\$0
22. NET OTHER INCOME & EXPENSES	\$370,770	\$1,112,643	\$1,863,614	\$3,347,027
<b>REORGANIZATION EXPENSES</b>				
23. PROFESSIONAL FEES	\$0	\$0	\$0	\$0
24. U.S. TRUSTEE FEES	0	0	0	\$0
25. OTHER (ATTACH LIST)	0	0	0	\$0
26. TOTAL REORGANIZATION EXPENSES	\$842,733	\$1,639,007	\$1,984,056	\$4,465,796
27. INCOME TAX	0	0	0	0
28. NET PROFIT (LOSS)	(\$1,060,232)	(\$2,499,651)	(\$3,648,555)	(\$7,208,437)

Monthly Operating Report

CASE NAME	Linden Ponds, Inc.
CASE NUMBER	11-33913

ACCRUAL BASIS-3

CASH RECEIPTS AND DISBURSEMENTS	16 DAYS ENDING	MONTH	MONTH	QUARTER
	6/30/11	7/31/11	8/31/2011	TOTAL
1. CASH - BEGINNING OF PERIOD	1,876,973	\$3,687,056	3,306,767	\$1,876,973
<b>RECEIPTS FROM OPERATIONS</b>				
2. CASH SALES	\$29,585	\$46,155	\$111,321	\$187,060
<b>COLLECTION OF ACCOUNTS RECEIVABLE</b>				
3. PREPETITION	\$1,566,808	\$0	\$0	\$1,566,808
4. POSTPETITION	\$1,566,808	3,178,438	\$3,849,930	\$8,595,176
5. TOTAL OPERATING RECEIPTS	\$3,163,200	\$3,224,593	\$3,961,251	\$10,161,983
<b>NON - OPERATING RECEIPTS</b>				
6. LOANS & ADVANCES (DIP Funding)	\$0	\$0	\$0	\$0
7. SALE OF ASSETS	\$0	\$0	\$0	\$0
8. OTHER	\$0	\$0	\$0	\$0
9. TOTAL NON-OPERATING RECEIPT	\$0	\$0	\$0	\$0
10. TOTAL RECEIPTS	\$3,163,200	\$3,224,593	\$3,961,251	\$10,349,044
11. TOTAL CASH AVAILABLE	5,040,173	\$6,911,649	\$7,268,018	\$12,226,017
<b>OPERATING DISBURSEMENTS</b>				
12. NET PAYROLL	\$502,104	\$1,002,772	\$1,591,493	\$3,096,369
13. PAYROLL TAXES PAID	\$183,747	\$367,109	\$541,399	\$1,092,255
14. SALES, USE & OTHER TAXES PAID	\$2,149	\$4,167	\$804,443	\$810,759
15. SECURED / RENTAL / LEASES	\$0	\$0	\$0	\$0
16. UTILITIES	\$102,197	\$41,768	\$321,932	\$465,897
17. INSURANCE	\$124,699	\$242,692	\$154,752	\$522,142
18. INVENTORY PURCHASES	\$0	\$0	\$0	\$0
19. VEHICLE EXPENSES	\$0	\$0	\$0	\$0
20. TRAVEL	\$1,689	\$4,135	\$2,864	\$8,688
21. ENTERTAINMENT	\$0	\$172	\$0	\$172
22. REPAIRS & MAINTENANCE	\$7,898	\$28,422	\$24,097	\$60,417
23. SUPPLIES	\$17,856	\$284,774	\$421,609	\$724,239
24. ADVERTISING	\$0	\$0	\$0	\$0
25. OTHER (ATTACH LIST)	\$410,780	\$840,866	\$340,026	\$1,591,672
26. TOTAL OPERATING DISBURSEMENTS	\$1,353,118	\$2,816,877	\$4,202,615	\$8,372,610
<b>REORGANIZATION EXPENSES</b>				
27. PROFESSIONAL FEES	\$0	531,668.00	\$222,883	\$754,551
28. U.S. TRUSTEE FEES	\$0	\$0	\$0	\$0
29. OTHER	\$0	\$256,337	\$0	\$256,337
30. TOTAL REORGANIZATION EXPENSES	\$0	\$788,005	\$222,883	\$1,010,888
<b>31. TOTAL DISBURSEMENTS</b>	<b>\$1,353,118</b>	<b>\$3,604,881</b>	<b>\$4,425,498</b>	<b>\$9,383,497</b>
32. NET CASH FLOW	\$1,810,082	(\$380,288)	(\$464,247)	\$965,547
33. CASH - END OF MONTH	3,687,056	\$3,306,767	\$2,842,520	\$2,842,520

3,687,055 (0) 3,306,767 (0) 2,842,520 (0)

Monthly Operating Report

<b>CASE NAME:</b>	Linden Ponds, Inc.
<b>CASE NUMBER:</b>	11-33913

ACCRUAL BASIS-4

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	MONTH 8/31/2011	MONTH	MONTH
1. 0-30		\$1,319,898		
2. 31-60		328,010		
3. 61-90		190,377		
4. 91+		\$981,573		
5. TOTAL ACCOUNTS RECEIVABLE		\$2,819,858	\$0	
6. AMOUNT CONSIDERED UNCOLLECTIBLE		208,060		
7. ACCOUNTS RECEIVABLE (NET)		\$2,611,798	\$0	

AGING OF POSTPETITION TAXES AND PAYABLES		MONTH: Period Ending 8/31/2011			
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL	\$15,819	\$0	\$0	\$7,830	\$23,649
2. STATE	(2,577)	0	0	0	(2,577)
3. LOCAL	(96,705)	0	0	0	(96,705)
4. OTHER	\$0	\$0	\$0	\$0	\$0
5. TOTAL TAXES PAYABLE	(\$83,463)	\$0	\$0	\$7,830	(\$75,633)
6. ACCOUNTS PAYABLE	\$1,965,943	\$502,286	\$0	\$0	\$2,468,229

STATUS OF POSTPETITION TAXES		MONTH: Period Ending 8/31/2011		
	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD AND/OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
<b>FEDERAL:</b>				
1. WITHHOLDING	\$0	\$0	\$0	\$0
2. FICA-EMPLOYEE	0	0	0	0
3. FICA-EMPLOYER	194,808	53,272	224,431	23,649
4. UNEMPLOYMENT	0	0	0	0
5. INCOME	0	0	0	0
6. OTHER	\$0	\$0	\$0	\$0
7. TOTAL FEDERAL TAXES	\$194,808	\$53,272	\$224,431	\$23,649
<b>STATE AND LOCAL:</b>				
8. WITHHOLDING	\$0	\$0	\$0	\$0
9. SALES	(2,685)	3,805	3,697	(2,577)
10. EXCISE	0	0	0	0
11. UNEMPLOYMENT	0	0	0	0
12. REAL PROPERTY	416,325	277,551	790,581	(96,705)
13. PERSONAL PROPERTY	0	0	0	0
14. OTHER	\$0	\$0	\$0	\$0
15. TOTAL STATE & LOCAL	\$413,640	\$281,356	\$794,278	(\$99,282)
16. TOTAL TAXES	\$608,448	\$334,628	\$1,018,709	(\$75,633)

<b>CASE NAME:</b>	Linden Ponds, Inc.
<b>CASE NUMBER:</b>	11-33913

Period ending 6/30/2011      Period Ending 7/31/2011      Period ending 8/31/2011

**Operating Cash-**

**PNC Account #XXXXXX7434**

Balance per bank	\$3,033,176.26	\$2,711,412.19	\$2,179,223.68
Less: Adjustments	\$90,054.57	(\$115,503.67)	(\$199,383.20)
Add: Deposits in Transit	\$79,593.55	\$40,106.65	\$44,345.47
Add: Wires in Transit	(14,412.80)	11,163.44	(82,969.19)
Less: Outstanding Checks			(229.53)

Balance per Books	<u>\$3,188,411.58</u>	<u>\$2,647,178.61</u>	<u>\$1,940,987.23</u>
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<b>Balance per G/L</b>	<b>\$3,188,411.58</b>	<b>\$2,647,178.61</b>	<b>\$1,940,987.23</b>
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**Operating Cash-**

**Hingham Account #XXXXXX7763**

Balance per bank	\$37,930.40	\$31,963.46	\$28,938.86
Less: Adjustments	\$3,196.23	\$17,560.48	\$10,933.79
Add: Deposits in Transit		\$2,365.79	\$860.90
Add: Wires in Transit	(6,023.36)		
Less: Outstanding Checks	(1,386.86)	(1,386.86)	(386.86)

Balance per Books	<u>\$33,716.41</u>	<u>\$50,502.87</u>	<u>\$40,346.69</u>
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<b>Balance per G/L</b>	<b>\$33,716.41</b>	<b>\$50,502.87</b>	<b>\$40,346.69</b>
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**Controlled Disbursement PNC**

**Account #XX-XXXX-2142**

Balance per bank	\$0.00	\$0.00	\$0.00
Less: Adjustments			
Add: Deposits in Transit			
Add: Wires in Transit			
Less: Outstanding Checks	\$116,933.16	\$652,333.65	\$2,242,263.69

Balance per Books	<u>\$116,933.16</u>	<u>\$652,333.65</u>	<u>\$2,242,263.69</u>
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<b>Balance per G/L</b>	<b>\$116,933.16</b>	<b>\$652,333.65</b>	<b>\$2,242,263.69</b>
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**Controlled Disbursement PNC-DIP**

**Account #XX-XXXX-9513**

Balance per bank	\$0.00	\$0.00	\$0.00
Less: Adjustments			
Add: Deposits in Transit			
Add: Wires in Transit			
Less: Outstanding Checks	(\$457,939.82)	(\$881,956.45)	(\$2,344,740.53)

Balance per Books	<u>(\$457,939.82)</u>	<u>(\$881,956.45)</u>	<u>(\$2,344,740.53)</u>
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<b>Balance per G/L</b>	<b>(\$457,939.82)</b>	<b>(\$881,956.45)</b>	<b>(\$2,344,740.53)</b>
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**General Liability-Designated Cash (insurance related)**

**Account #XX-XXXX-**

Balance per bank	\$0.00	\$0.00	\$0.00
Less: Adjustments			
Add: Deposits in Transit			
Add: Wires in Transit			
Less: Outstanding Checks			

Balance per Books	<u>\$805,318.11</u>	<u>\$838,092.40</u>	<u>\$963,046.89</u>
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<b>Balance per G/L</b>	<b>\$805,318.11</b>	<b>\$838,092.40</b>	<b>\$963,046.89</b>
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**Petty Cash**

**Account #XX-XXXX-**

Balance per bank	\$0.00	\$0.00	\$0.00
Less: Adjustments			
Add: Deposits in Transit			
Add: Wires in Transit			
Less: Outstanding Checks			

Balance per Books	<u>\$616.00</u>	<u>\$616.00</u>	<u>\$616.00</u>
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<b>Balance per G/L</b>	<b>\$616.00</b>	<b>\$616.00</b>	<b>\$616.00</b>
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<b>TOTAL CASH per G/L</b>	<b>\$3,687,055.44</b>	<b>\$3,306,767.08</b>	<b>\$2,842,519.97</b>
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**Monthly Operating Report**

<b>CASE NAME:</b> Linden Ponds, Inc.
<b>CASE NUMBER:</b> 11-33913

ACCRUAL BASIS-6

**PAYMENTS TO INSIDERS AND PROFESSIONALS**

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101 (31) (A)-(F) OF THE U.S. BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1.			
2.	NONE		
3.			
4.			
5.			
6.	TOTAL PAYMENTS TO INSIDERS		

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID *
1.	Mintz Levin, Wells Fargo & JH Cohn		\$ 531,668	\$ 531,668	
2.					
3.					
4.					
5.					
6.	TOTAL PAYMENTS TO PROFESSIONALS		\$ 531,668	\$ 531,668	

**POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS**  
7/31/2011

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
1.			
2.	NONE		
3.			
4.			
5.			
6.	TOTAL		

**Monthly Operating Report**

<b>CASE NAME:</b>	Linden Ponds, Inc.
<b>CASE NUMBER:</b>	11-33913

ACCRUAL BASIS-7

8/31/2011

**QUESTIONNAIRE**

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		X
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		X
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

**INSURANCE**

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS			
TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
None			