

1 THOMAS A. BUFORD (WSBA #52969)  
RICHARD B. KEETON (WSBA #51537)  
2 BUSH KORNFELD LLP  
601 UNION STREET, SUITE 5000  
3 SEATTLE, WA 98101  
Tel: (206) 292-2110  
4 Emails: [tbuford@bskd.com](mailto:tbuford@bskd.com), [rkeeton@bskd.com](mailto:rkeeton@bskd.com)

HONORABLE TIMOTHY W. DORE

5  
6 UNITED STATES BANKRUPTCY COURT  
7 WESTERN DISTRICT OF WASHINGTON

8 In re

Chapter 11

9 NORTHWEST RENEWABLE ENERGY  
10 GROUP, LLC,

Case No. 24-11520-TWD

11 Debtor.

**DEBTOR'S AMENDED CHAPTER 11  
PLAN OF REORGANIZATION**

12 Northwest Renewable Energy Group, LLC (the "Debtor"), debtor and debtor in possession in  
13 the above-captioned chapter 11 bankruptcy case, hereby proposes, pursuant to Subchapter V of  
Chapter 11 of the Bankruptcy Code, this *Debtor's Amended Chapter 11 Plan of Reorganization*,  
14 which provides for the resolution of the outstanding Claims and interests asserted against the Debtor.  
The Debtor is the proponent of the Plan within the meaning of Bankruptcy Code section 1129.  
15 Subject to certain restrictions and requirements set forth in Bankruptcy Code section 1127 and  
Bankruptcy Rule 3019, the Debtor reserves the right to alter, amend, modify, revoke, or withdraw the  
16 Plan prior to its substantial consummation.

17 This Plan provides for twelve Classes of Claims and one Class of Equity Interests. As detailed  
herein, the Plan provides for payment of Allowed Claims from Net Income of the business in  
18 compliance with the Bankruptcy Code, as well as surrender of certain collateral to its respective  
secured lenders. The Plan also provides for the payment of Administrative Claims and Priority  
19 Claims. Such payments and other relief, in the Debtor's opinion, provide greater recovery to  
Creditors than which is likely upon dismissal or conversion of this case. Accordingly, the Debtor  
20 believes that approval of the Plan is in the best interests of all Creditors and stakeholders.

21 Reasonable efforts have been made by the Debtor to comply with all Local Bankruptcy Rules  
for the United States Bankruptcy Court for the Western District of Washington. Accordingly, the  
22 Debtor believes this Plan substantially complies with all applicable Local Rules.

1 YOUR RIGHTS MAY BE AFFECTED. YOU SHOULD READ THESE PAPERS  
2 CAREFULLY AND DISCUSS THEM WITH YOUR ATTORNEY, IF YOU HAVE ONE. (IF YOU  
3 DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE.) YOU ARE  
4 ENCOURAGED TO READ THIS PLAN IN ITS ENTIRETY BEFORE VOTING TO ACCEPT OR  
5 REJECT THIS PLAN AND SHOULD REVIEW THIS PLAN CAREFULLY FOR INFORMATION  
6 REGARDING THE SPECIFIC TREATMENT OF YOUR CLAIM(S).

7 THE ONLY REPRESENTATIONS THAT ARE AUTHORIZED OR THAT MAY BE  
8 MADE CONCERNING THE DEBTOR OR THE VALUE OF THEIR ASSETS ARE CONTAINED  
9 IN THIS PLAN. THE FINANCIAL INFORMATION CONTAINED HEREIN OR  
10 INCORPORATED BY REFERENCE HAS BEEN PREPARED BY THE DEBTOR'S  
11 MANAGEMENT AND IS EFFECTIVE AS OF THE DATE HEREOF UNLESS OTHERWISE  
12 SPECIFIED. THE READER SHOULD NOT INFER OR ASSUME THAT THERE HAVE BEEN  
13 NO CHANGES IN THE FACTS SET FORTH HEREIN SINCE THE DATE HEREOF.

14 FINANCIAL INFORMATION, WHILE PRESENTED WITH NUMERICAL SPECIFICITY,  
15 IS NECESSARILY BASED UPON A VARIETY OF ESTIMATES AND ASSUMPTIONS THAT,  
16 ALTHOUGH CONSIDERED REASONABLE AND PRUDENT BY MANAGEMENT, MAY NOT  
17 BE REALIZED AND WILL REMAIN SUBJECT TO INHERENT UNCERTAINTIES. THE  
18 FINANCIAL INFORMATION HAS NOT BEEN SUBJECTED TO AN AUDIT AND FOR THAT  
19 REASON THE DEBTOR ARE UNABLE TO WARRANT OR REPRESENT THAT THE  
20 INFORMATION CONTAINED IN THIS PLAN IS WITHOUT INACCURACY. HOWEVER,  
21 GREAT EFFORT HAS BEEN MADE TO ENSURE THAT ALL SUCH INFORMATION IS  
22 FAIRLY REPRESENTED.

23 *[Remainder of page intentionally left blank]*

**TABLE OF CONTENTS**

1

2 ARTICLE I. DEFINITION OF TERMS .....5

3 1.1 Definitions.....5

4 1.2 Rules of Interpretation .....9

5 ARTICLE II. BACKGROUND.....9

6 2.1 Description and History of the Debtor’s Business.....9

7 2.2 Post-Petition Activity in the Chapter 11 Case .....10

8 ARTICLE III. FINANCIAL INFORMATION .....11

9 3.1 Debtor’s Assets .....11

10 3.2 Debtor’s Liabilities .....11

11 3.3 Liquidation Analysis.....12

12 3.4 Ability to Make Future Plan Payments and Operate Without Further Reorganization .....12

13 ARTICLE IV. CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS .....13

14 ARTICLE V. TREATMENT OF CLAIMS AND EQUITY INTERESTS.....13

15 5.1 Unclassified Claims .....13

16 5.2 Classified Claims and Equity Interests .....14

17 5.3 Impairment of Classes.....26

18 ARTICLE VI. ALLOWANCE AND DISALLOWANCE OF CLAIMS .....26

19 6.1 Administration of Claims.....26

20 6.2 Delay of Distribution on Disputed Claims.....26

21 6.3 Settlement of Disputed Claims .....26

22 ARTICLE VII. EXECUTORY CONTRACTS AND UNEXPIRED LEASES .....27

23 ARTICLE VIII. MEANS FOR EXECUTION OF THE PLAN.....27

8.1 Implementation of the Plan.....27

8.2 Continued Existence of Debtor.....27

8.3 Revesting of Debtor’s Assets.....27

8.4 Continued Operation of the Business .....27

8.5 Plan Indebtedness.....27

8.6 Distributions under the Plan .....28

8.7 Delivery of Distributions .....28

8.8 Undeliverable Distributions .....28

8.9 Time Bar to Cash Payments.....28

8.10 Maintenance of Insurance.....28

8.11 Sale of Assets.....28

8.12 Continued Management and Equity Holder of the Debtor .....28

ARTICLE IX. GENERAL PROVISIONS .....29

9.1 Administrative Claims Bar Date.....29

9.2 Professional Fee Claims.....29

9.3 Post-Confirmation Employment of Professionals .....29

9.4 Event of Default; Consequence of Default .....29

9.5 Transactions on Business Days.....30

9.6 Good Faith .....30

9.7 Severability of Plan Provisions.....30

9.8 Captions .....30

1	9.9	Controlling Effect .....	30
	9.10	Notices .....	30
2	9.11	Additional Documents .....	30
	9.12	Conflicts with the Plan.....	30
3	9.13	Post-Confirmation Reporting.....	31
	ARTICLE X. DISCHARGE.....		31
4	10.1	Consensual Confirmation.....	31
	10.2	Nonconsensual Confirmation.....	31
5	10.3	Binding Effect.....	31
	ARTICLE XI. EXCULPATION AND INJUNCTION .....		31
6	11.1	Exculpation .....	31
	11.2	Injunction .....	32
7	ARTICLE XII. MODIFICATIONS TO THE PLAN.....		32
	ARTICLE XIII. RETENTION OF JURISDICTION BY THE BANKRUPTCY COURT .....		32
8	ARTICLE XIV. REQUEST FOR CONFIRMATION AND RECOMMENDATION .....		33
	14.1	Request for Confirmation .....	33
9	14.2	Recommendation .....	33
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			

**ARTICLE I.  
DEFINITION OF TERMS**

**1.1 Definitions.** A capitalized term used in this Plan shall have the meaning set forth in this Article I. A capitalized term not otherwise defined herein shall have the meaning as ascribed to that term in the Bankruptcy Code or Bankruptcy Rules, as applicable.

1.1.1 Administrative Claim: An Allowed Claim entitled to priority under § 507(a)(2) of the Bankruptcy Code, including (a) claims incurred by the Debtor since the Petition Date and allowed by the Court of a type described in § 503(b) of the Code; (b) all Allowed Claims of Professionals pursuant to §§ 330 and 331 of the Code and Bankruptcy Rule 2016; and (c) all fees and charges assessed against the Estate under 28 U.S.C. § 1930.

1.1.2 Allowed Claim: Any Claim in the amount and of the priority classification set forth in the proof of such Claim that has been filed timely in the Bankruptcy Case, or in the absence of such proof, as set forth in the Debtor’s Schedules filed in the Bankruptcy Case, unless: (i) such Claim has been listed in such Schedules as disputed, contingent, or unliquidated, in which case such Claim shall be allowed only in such amount and such classification as is authorized by Final Order of the Bankruptcy Court; (ii) such Claim has been objected to or is objected to after Confirmation, in which case such Claim is authorized by Final Order of the Bankruptcy Court; or (iii) such Claim has been paid in full, withdrawn, or otherwise deemed satisfied in full.

1.1.3 Assets: All property of the Debtor under section 541 of the Bankruptcy Code, whether such property is now existing or hereafter arising or acquired and wherever located including, without limitation, all accounts, contract rights, chattel paper, general intangibles, instruments, securities, claims, causes of action, vehicles, machinery, equipment, inventory, furniture and fixtures, intellectual property, and interests in real property.

1.1.4 Bankruptcy Code: Title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as the same may be amended from time to time to the extent applicable to the Chapter 11 Case.

1.1.5 Bankruptcy Court: The United States Bankruptcy Court for the Western District of Washington, or in the event such court ceases to exercise jurisdiction over these Chapter 11 Case, such other court or adjunct thereof that exercises jurisdiction over these Chapter 11 Case.

1.1.6 Bankruptcy Rules: The Federal Rules of Bankruptcy Procedure promulgated by the Supreme Court of the United States under 28 U.S.C. § 2075, as the same may be amended from time to time to the extent applicable to the Chapter 11 Case.

1.1.7 Business: The business operations of the Debtor.

1.1.8 Business Day: Any day other than a Saturday, a Sunday, a “legal holiday” (as defined in Bankruptcy Rule 9006(a)), or any other day on which commercial banks in the State of Washington are required or authorized to close by law or executive order.

1.1.9 Cash: Cash and cash equivalents, including bank deposits, wire transfers, and checks, representing good funds and legal tender of the United States of America or instrumentalities thereof.

1.1.10 CAT Financial: Caterpillar Financial Services Corporation, a Delaware corporation and the Holder of the Class 4 Claims.

1 1.1.11 Chapter 11 Case: The voluntary chapter 11 bankruptcy case commenced by the  
2 Debtor, pending before the Bankruptcy Court with Bankruptcy Case No. 24-11520.

3 1.1.12 Claim: Any “claim” as defined in Bankruptcy Code section 101(5), against either  
4 Debtor or against any property of either Debtor.

5 1.1.13 Claims Bar Date: August 14, 2024, the deadline for filing a Proof of Claim in the  
6 Chapter 11 Case, or any later date as extended by order of the Bankruptcy Court.

7 1.1.14 Class: A class of Claims or interests designated pursuant to the Plan.

8 1.1.15 Collateral: Any Asset that is subject to a lien to secure the payment or performance of  
9 a Claim, which lien is perfected and not subject to avoidance under the Bankruptcy Code or otherwise  
10 invalid or unenforceable under the Bankruptcy Code or applicable non-bankruptcy law.

11 1.1.16 Confirmation: The entry of the Confirmation Order by the Bankruptcy Court on the  
12 docket of the Chapter 11 Case.

13 1.1.17 Confirmation Hearing: The hearing held by the Bankruptcy Court to consider  
14 Confirmation of this Plan.

15 1.1.18 Confirmation Order: The order of the Bankruptcy Court confirming this Plan.

16 1.1.19 Creditor: A “creditor” within the meaning of § 101(10) of the Bankruptcy Code.

17 1.1.20 Debtor: Northwest Renewable Energy Group, LLC, the debtor and debtor-in-  
18 possession in this Chapter 11 Case.

19 1.1.21 Docket No.: The identifying number of the relevant document as reflected on the  
20 docket for the Chapter 11 Case that is maintained by the Bankruptcy Court.

21 1.1.22 Disputed Claim: A filed or scheduled Claim of an alleged Creditor that was listed in  
22 the Debtor’s Schedules or on the Proof of Claim as “disputed,” “unliquidated” or “contingent,” and  
23 which has not subsequently been allowed, or as to which a party-in-interest has filed an objection.

1.1.23 Distribution: Any initial or subsequent issuance, payment, or transfer of consideration  
made under the Plan.

1.1.24 DLL Financial: De Lage Landen Financial Services, Inc., a Michigan corporation and  
the Holder of the Class 2 Claim.

1.1.25 Effective Date: The first Business Day that is fourteen (14) calendar days following  
the entry of the Confirmation Order, unless such order is subject to a stay.

1.1.26 Equity Holder: B. Michael Malgarini, the Holder of all Equity Interests.

1.1.27 Equity Interest or Interest: An equity interest in the Debtor.

1.1.28 Estate: The estate created for the Debtor pursuant to section 541 of the Bankruptcy  
Code.

1 1.1.29 Exculpated Parties: The Debtor, its attorneys, consultants, financial advisors,  
2 accountants, other advisors and agents (acting in such capacity).

3 1.1.30 Final Decree: An order entered pursuant to Bankruptcy Code section 350 and  
4 Bankruptcy Rule 3022 closing the Chapter 11 Case.

5 1.1.31 Final Order: An order or judgment of the Bankruptcy Court entered on the docket of  
6 the Chapter 11 Case: (i) that has not been reversed, rescinded, stayed, modified, or amended; (ii) that  
7 is in full force and effect; and (iii) with respect to which (a) the time to appeal or to seek review,  
8 rehearing, remand, or a writ of certiorari has expired and as to which no timely filed appeal or petition  
9 for review, rehearing, remand, or writ of certiorari is pending; or (b) any such appeal or petition has  
10 been dismissed or resolved by the highest court to which the order or judgment was appealed or from  
11 which review, rehearing, remand, or a writ of certiorari was sought.

12 1.1.32 Ford Credit: Ford Motor Credit Company LLC, a Delaware limited liability company  
13 and the Holder of the Class 3 Claim.

14 1.1.33 Forest Service: The United States Forest Service, a federal agency within the United  
15 States Department of Agriculture.

16 1.1.34 Holder: A holder of a Claim or Equity Interest, as the case may be.

17 1.1.35 Impaired: Any Class of Claims or Interests that is impaired within the meaning of  
18 section 1124 of the Bankruptcy Code.

19 1.1.36 Insider: An “insider” within the meaning of Bankruptcy Code § 101(31).

20 1.1.37 IRS: The Internal Revenue Service.

21 1.1.38 John Deere: John Deere Construction & Forestry Company, a Delaware corporation  
22 and the Holder of the Class 5 Claim.

23 1.1.39 Kapitus: Kapitus Servicing, Inc., as authorized sub-servicing agent of Kapitus LLC, a  
Virginia limited liability company and the Holder of the Class 10 Claim.

1.1.40 Local Rules or LBR: The Local Rules of Bankruptcy Procedure for the United States  
Bankruptcy Court for the Western District of Washington, promulgated by the Bankruptcy Court  
pursuant to General Order No. 2023-1 entered by the Bankruptcy Court on October 31, 2023, as the  
same may be amended from time to time to the extent applicable to chapter 11 cases.

1.1.41 Morgan & Son: Morgan & Son Earthmoving, Inc., a Washington corporation and the  
Holder of the Class 8 Claim.

1.1.42 Notice and Hearing: Proceedings as contemplated under Bankruptcy Code § 102(1).

1.1.43 Net Income: Gross income less (i) payment of all operating expenses, and (ii) any  
amount necessary, if any, to cause the Operating Reserve to be fully funded.

1 1.1.44 Operating Reserve: The minimum working capital cash reserve the Reorganized  
2 Debtor shall strive to maintain at all times, in the initial amount of \$150,000, which minimum amount  
shall increase by three percent (3%) on January 1 of each year following the Effective Date.

3 1.1.45 Petition Date: June 18, 2024, the date upon which the Debtor commenced the  
4 Chapter 11 Case.

5 1.1.46 Plan: This *Debtor's Amended Chapter 11 Plan of Reorganization*, as such may be  
6 modified and amended from time to time.

7 1.1.47 Premises: That certain real property and improvements thereon, located at 31002 SE  
8 Enumclaw Chinook Pass Road in Enumclaw, Washington, that comprise the Debtor's operating  
premises.

9 1.1.48 Premises Lease: That certain *Lease* agreement by and between the Debtor and Lisa,  
10 Inc., dated October 1, 2015, concerning the Debtor's lease of the Premises, and any and all  
11 amendments, modifications and supplements thereto.

12 1.1.49 Priority Claim: A Claim that is entitled to priority under Bankruptcy Code section  
13 507(a), other than an Administrative Claim, Priority Tax Claim, and Priority Wage Claim.

14 1.1.50 Priority Tax Claim: An Allowed Claim of a taxing agency for the principal amount of  
15 a tax within the meaning of section 507(a)(8) of the Bankruptcy Code, and statutory interest accruing  
16 thereon prior to the Petition Date.

17 1.1.51 Priority Wage Claim: An Allowed Claim of a person for wages, salaries, or  
18 commissions within the meaning of section 507(a)(4) of the Bankruptcy Code.

19 1.1.52 Professional: A person, including a trustee, retained or to be compensated pursuant to  
20 sections 326, 327, 328, 330, and/or 1103 of the Bankruptcy Code.

21 1.1.53 Professional Fee Claim: Claim of a Professional for compensation or reimbursement  
22 of costs and expenses relating to services provided to the Debtor prior to confirmation of the Plan.

23 1.1.54 Proof of Claim: A proof of claim filed in compliance with Bankruptcy Rule 3003.

1.1.55 Pro Rata: Proportionally, so that the ratio of the amount distributed on account of a  
particular Allowed Claim to the amount of such Allowed Claim is the same as the ratio of the amount  
distributed on account of all Allowed Claims in the Class of which such particular Allowed Claim is a  
member to the total amount of all Allowed Claims in such Class.

1.1.56 Reorganized Debtor: The Debtor on and following the Effective Date.

1.1.57 Rejection Claim: Any Claim for monetary damages as a result of the rejection of any  
prepetition executory contract or unexpired lease, whether rejected pursuant to the Confirmation  
Order or otherwise.

1.1.58 Schedules: The schedules (Official Form 206) of assets and liabilities filed by the  
Debtor pursuant to § 521 of the Bankruptcy Code, and in accordance with the Bankruptcy Rules, as  
each has been, or may be, amended and supplemented from time to time.



1 1.1.59 Secured Claim: An Allowed Claim that is a secured Claim against the Debtor  
determined in accordance with § 506(a) of the Bankruptcy Code.

2 1.1.60 SOFA: The *Statement of Financial Affairs* (Official Form 207) filed by the Debtor in  
3 the Chapter 11 Case, as may be amended and supplemented from time to time.

4 1.1.61 Subchapter V Trustee: Mr. Michael S. DeLeo in his capacity as the subchapter V  
trustee in this Chapter 11 Case, pursuant to section 1183 of the Bankruptcy Code.

5 1.1.62 Substantial Consummation: The Plan shall be substantially consummated upon the  
occurrence of: (i) the Effective Date; and (ii) the first payment made on a Claim under the Plan.

6 1.1.63 Unsecured Claim: An Allowed Claim that is (a) based upon (i) a Proof of Claim  
7 executed and timely filed in accordance with Bankruptcy Rule 3003(c), or (ii) the listing of the Claim  
in any of the Debtor's Schedules as other than disputed, contingent or unliquidated, and (b) not a  
8 Secured Claim.

9 1.1.64 U.S. Trustee: The Office of the United States Trustee for the Western District of  
Washington.

10 1.1.65 WCLA: The WCLA (Washington Contract Loggers Association) Credit Union, the  
Holder of the Class 7 Claim.

11 **1.2 Rules of Interpretation.** The rules of construction set forth in § 102 of the Bankruptcy Code  
12 shall apply to the Plan.

## 13 **ARTICLE II.** **BACKGROUND**

### 14 **2.1 Description and History of the Debtor's Business**

15 Northwest Renewable Energy Group, LLC (the "Company" or "Debtor") d/b/a Arsiero  
16 Logging is a timber harvesting company, founded in 2009, operating in the State of Washington. Mr.  
B. Michael Malgarini is the manager and 100% owner of the Company.

17 Initially, the Company purchased timber rights from the United States Forest Service and  
18 subcontracted out harvesting. Over time, the Company grew and started harvesting directly through its  
own employees. Over the years, the Company's acquisitions of timber rights included a large and  
19 growing basket of timber that was designated by the Forest Service to be harvested by air.

20 In May 2022, the Company and the Company's sister entity, Arsiero Air, LLC, purchased a  
helicopter to harvest certain timber tracts. The Company financed the helicopter purchase by a loan  
from the Bank of Idaho for approximately \$4.5 million.

21 The acquisition of the helicopter, however, did not yield the expected results. In addition to  
22 significant operational expenses, including debt service, pilot staffing, fuel, and maintenance, the  
helicopter required significant repairs and experienced major mechanical failures, severely impacting  
23 the Company's revenues. Eventually in fall of 2023, the Company surrendered the helicopter to the  
bank, which resulted in a deficiency owing of over \$3 million after the helicopter was liquidated.

1 Unable to pay that amount as well as other mounting financial obligations, on June 18, 2024,  
2 the Company filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, thereby  
3 commencing this Chapter 11 Case.

## 4 **2.2 Post-Petition Activity in the Chapter 11 Case**

5 **2.2.1 Debtor in Possession.** The Debtor is operating its business and managing its affairs as  
6 a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee  
7 (other than the Subchapter V Trustee) or examiner has been appointed to serve in this case.

8 **2.2.2 Order on Cash Management.** On June 21, 2024, the Court entered an order  
9 authorizing the Debtor to continue using its prepetition cash management system, including its  
10 existing bank accounts, checks, and financial forms. *See* Docket No. 26.

11 **2.2.3 Order on Utilities.** On June 21, 2024, the Court entered an order approving the  
12 Debtor's proposed adequate assurance to utility providers (the "Utility Order"). *See* Docket No. 27.  
13 After notice was provided to utility providers and receiving no responses, the Utility Order became  
14 final on July 20, 2024. *Id.*

15 **2.2.4 Order on Prepetition Payroll.** On June 21, 2024, the Court entered an order  
16 authorizing the Debtor to pay its prepetition employee obligations, including, employee wages, tax  
17 withholdings, employer payroll taxes, and related costs. *See* Docket No. 28.

18 **2.2.5 Orders on Cash Collateral.** On June 21, 2024, the Court entered an order  
19 authorizing, on an interim basis, the Debtor's use of cash collateral pursuant to a budget, and  
20 authorizing the Debtor to grant adequate protection in favor of its secured lenders asserting prepetition  
21 liens in Collateral, subject to final determination upon subsequent hearing. *See* Docket No. 25. After  
22 negotiations between the Debtor, Bank of Idaho, DLL Financial Services, Inc. ("DLL Financial"), and  
23 Caterpillar Financial Services Corp. ("CAT Financial") resulted in an agreement on terms, and upon  
conclusion of a final hearing on the matter, the Bankruptcy Court entered its *Stipulated Final Order*  
(1) *Authorizing Use of Cash Collateral and*(2) *Granting Adequate Protection* [Docket No. 72],  
thereby authorizing the Debtor to use its Cash Collateral (as defined in the Motion) through the  
pendency of this Chapter 11 Case. As a condition of its Cash Collateral use, the Debtor agreed to and  
has made various adequate protection payments to Bank of Idaho, DLL Financial, Ford Motor Credit,  
and CAT Financial on a monthly basis.

**2.2.6 U.S. Trustee Motion to Convert or Dismiss.** On June 6, 2024, the U.S. Trustee filed  
its *Motion to Convert or Dismiss Chapter 11 Case* [Docket No. 41] (the "Conversion Motion"),  
seeking, among other things, an order of the Court converting the Chapter 11 Case to a case under  
chapter 7 or dismissing the case, for failure to provide proof of insurance covering business personal  
property and certain equipment and vehicles. Upon response by the Debtor, a hearing held, and the  
Debtor promptly obtaining adequate insurance policies covering all Assets of the Debtor, the U.S.  
Trustee withdrew the Conversion Motion.

**2.2.7 Employment of Professionals.** The Court entered orders authorizing the Debtor's  
employment of the following professionals pursuant to section 327(a) of the Bankruptcy Code:

Professional	Role	Order Entered	Docket No.
Bush Kornfeld LLP	Bankruptcy Counsel	Aug. 13, 2024	88
Turning Point Strategic Advisors	Financial Advisor	Aug. 13, 2024	89
Michael S. DeLeo	Subchapter V Trustee	June 20, 2024	18

**ARTICLE III.  
FINANCIAL INFORMATION**

**3.1 Debtor's Assets**

The Debtor's bankruptcy Schedules A/B reflect that, as of the Petition Date, the Debtor had the following Assets:

**3.1.1 Real Property Lease.** The Debtor leases the real property and improvements thereon consisting of a shop building for the Business premises located at 31002 SE Enumclaw Chinook Pass Road in Enumclaw, Washington.

**3.1.2 Cash, Receivables and Deposits.** The Debtor's bankruptcy Schedules reflect the following cash assets as of the Petition Date:

Cash in Various Accounts	\$74,214.00
Retainer (Turning Point Strategic Advisors)	\$10,000.00
Accounts Receivable	\$0.00
<b>Total</b>	<b>\$84,214.00</b>

**3.1.3 Furniture, Fixtures and Equipment.** The Debtor's bankruptcy Schedules reflect various furnishings, fixtures, and office equipment valued at \$3,950.00.

**3.1.4 Machinery, Equipment and Vehicles.** The Debtor's bankruptcy Schedules reflect numerous automobiles, pickup trucks, trucks, loggers, tractors, trailers, log loaders, yarders, carriages, excavators, a motor grader, a grapple skidder, and other vehicles, equipment and components as of the Petition Date with a total estimated value of \$2,657,218.

**3.1.5 Timber Sale Contracts.** The Debtor is a party to various Timber Sale Contracts with the U.S. Forest Service, which permit the Debtor to harvest timber from various timber tracts in National Forests. Prepetition, the Debtor submitted a bid and/or deposited funds with the Forest Service to obtain each Timber Sale Contract. While the Debtor's Schedules list several Timber Sale Contracts with an unknown value, the rights to each contract are not assignable and therefore have no value to any party other than the Debtor.

**3.2 Debtor's Liabilities**

**3.2.1 Scheduled Secured Claims.** The Schedules reflect potential Secured Claims totaling approximately \$5,458,154.76, which includes: (i) a line of credit from Bank of Idaho, (ii) purchase money loans from Bank of Idaho, DLL Financial, Ford Credit, John Deere, CAT Financial, Umpqua Bank, and WCLA Credit Union to acquire and finance various equipment and vehicles; (iii) merchant cash advance obligations of Forward Financing LLC, Headway Capital, LLC, and Kapitus LLC; and

(iv) amounts owed to Morgan & Son Earthmoving, Inc., Forest Service, and George Kraft assertedly secured by liens on lumber or stumpage, as the case may be, under RCW 60.24.

**3.2.2 Priority Unsecured Claims.** The Debtor is obligated to the following taxing agencies in amounts that are entitled to priority in accordance with section 507(a) of the Bankruptcy Code:

Creditor	Basis of Claim	Priority Amount
WA Dep't of Revenue	Excise Taxes	\$2,592.19
WA Dep't of Labor and Industries	Workers' Compensation Premiums	\$26,983.54
WA Dep't of Licensing	Motor Vehicle License Fees	\$6,185.75
Internal Revenue Service	Federal Unemployment Tax	\$317.43
Richard Core	Wages, Salary or Commission	\$6,150.00
<b>TOTAL:</b>		<b>\$42,228.91</b>

**3.2.3 Non-Priority General Unsecured Claims.** The Schedules reflect general Unsecured Claims as of the Petition Date totaling approximately \$153,391.38.

**3.2.4 Litigation.** As of the Petition Date, DLL Financial held a judgment against the Debtor for breach of contract and replevin entered in the lawsuit *De Lage Landen Financial Services, Inc. v. Northwest Renewable Energy Group, LLC*, King County Superior Court, Case No. 23-2-13739-6 KNT, in the total judgment amount of \$1,177,909.40, plus interest and attorney fees and costs. Collection and replevin action was stayed upon the commencement of the Chapter 11 Case.

### **3.3 Liquidation Analysis**

To confirm the Plan, the Bankruptcy Court must find that all creditors and Equity Holders who do not accept the Plan will receive at least as much under the Plan as such Claim and Equity Interests would receive in a chapter 7 liquidation. This is generally known as the "best interests" test. As set forth in the liquidation analysis attached hereto as **Exhibit A**, the Debtor believes that the Plan satisfies the standard.

### **3.4 Ability to Make Future Plan Payments and Operate Without Further Reorganization**

The Debtor, as Plan proponent, must also show that it will have enough cash over the life of the Plan to make the required Plan payments and operate the Debtor's Business. The Debtor has provided financial projections for all periods covered by the Plan attached hereto as **Exhibit B**. The Debtor's assumptions underlying the financial projections are attached hereto as **Exhibit C**.

The Debtor's financial projections for 2025 through 2029 show that the Debtor will have no projected disposable income (as defined by section 1191(d) of the Bankruptcy Code) for the period described in section 1191(c)(2) to maintain sufficient funds for operations. Notwithstanding, the Debtor proposes to pay allowed Administrative Claims, Priority Wage Claims, and Priority Tax Claims in full. The final Plan payment is expected to be paid in or around December 2029.

YOU SHOULD CONSULT WITH YOUR ACCOUNTANT OR OTHER FINANCIAL ADVISOR IF YOU HAVE ANY QUESTIONS PERTAINING TO THESE PROJECTIONS.

**ARTICLE IV.  
CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS**

This Article classifies Claims – except for Administrative Claims, Professional Fee Claims, and Priority Tax Claims, which are not classified – for all purposes, including Confirmation, Distributions, and voting. A Claim is classified in a particular Class only to the extent that the Claim falls within the Class description. To the extent that part of a Claim falls within a different Class description, that part of the Claim is classified in that different Class. The following table summarizes the Classes of Claims under the Plan:

CLASS	DESCRIPTION	IMPAIRED / UNIMPAIRED	VOTING STATUS
None	Administrative Claims (including Professional Fee Claims)	Unimpaired	Not Entitled to Vote
None	Priority Wage Claims	Impaired	Entitled to Vote
None	Priority Tax Claims	Impaired	Entitled to Vote
Class 1	Bank of Idaho Claims	Impaired	Entitled to Vote
Class 2	DLL Financial Claims	Impaired	Entitled to Vote
Class 3	Ford Credit Claims	Impaired	Entitled to Vote
Class 4a	CAT Financial Claim No. 12	Impaired	Entitled to Vote
Class 4b	CAT Financial Claim No. 13	Impaired	Entitled to Vote
Class 5	John Deere Claim	Impaired	Entitled to Vote
Class 6	Umpqua Bank Claims	Impaired	Entitled to Vote
Class 7	WCLA Claim	Impaired	Entitled to Vote
Class 8	Morgan & Son Claim	Impaired	Entitled to Vote
Class 9	Lumber & Stumpage Lien Claims	Impaired	Entitled to Vote
Class 10	Kapitus Claim	Impaired	Entitled to Vote
Class 11	Unsecured Claims	Impaired	Entitled to Vote
Class 12	Equity Interests	Insider	Not Entitled to Vote

NOTWITHSTANDING ANY OTHER TERM OR PROVISION OF THE PLAN, NO DISTRIBUTIONS WILL BE MADE ON ACCOUNT OF ANY CLAIM THAT IS NOT AN ALLOWED CLAIM AND NO RIGHTS WILL BE RETAINED ON ACCOUNT OF ANY CLAIM THAT IS A DISALLOWED CLAIM.

**ARTICLE V.  
TREATMENT OF CLAIMS AND EQUITY INTERESTS**

**5.1 Unclassified Claims**

**5.1.1 Administrative Claims.** Administrative Claims are Allowed Claims for costs or expenses of the Chapter 11 Case that are allowed under sections 503(b) and 507(a)(1) of the Bankruptcy Code. Unless otherwise agreed to by the Holder of an Administrative Claim,

1 Administrative Claims (excluding Professional Fee Claims) shall be paid in full within ten (10)  
2 Business Days from the Effective Date.

3 **5.1.2 Professional Fee Claims.** Professional Fee Claims shall be paid as set forth in Section  
4 9.2 of the Plan.

5 **5.1.3 Priority Wage Claims.** Priority Wage Claims are Allowed Claims of persons that are  
6 entitled to priority in accordance with Bankruptcy Code section 507(a)(4). Consistent with section  
7 1129(a)(9)(B) of the Bankruptcy Code, all Priority Wage Claims shall be paid in full by the  
8 Reorganized Debtor in equal monthly payments commencing in the first full month following the  
9 Effective Date, until the earlier of: (i) forty-eight (48) months, or (ii) such Priority Wage Claim is paid  
10 in full.

11 **5.1.4 Priority Tax Claims.** Priority Tax Claims are Allowed Claims of taxing agencies that  
12 are entitled to priority in accordance with section 507(a)(8) of the Bankruptcy Code. Priority Tax  
13 Claims include the principal portion of the applicable tax and interest accrued thereon through the  
14 Effective Date but do not include any penalties. Consistent with section 1129(a)(9)(C) of the  
15 Bankruptcy Code, all Priority Tax Claims shall be paid in full by the Reorganized Debtor in equal  
16 monthly payments commencing in the first full month following the Effective Date, until the earlier  
17 of: (i) forty-eight (48) months, or (ii) such Priority Tax Claim is paid in full.

## 18 **5.2 Classified Claims and Equity Interests**

19 **5.2.1 Class 1: Bank of Idaho Claims.** Class 1 consists of all Claims asserted by the Bank  
20 of Idaho as set forth in its Proof of Claim [Claim No. 4] (the "Bank of Idaho Claim"). The Bank of  
21 Idaho Claim shall be treated as follows:

22 **5.2.1.1 Allowance of Claims.** Bank of Idaho asserts in the Bank of Idaho Claim that  
23 the amount allowable under section 506(a) of the Bankruptcy Code is \$3,109,903.10. On the  
Effective Date, the Bank of Idaho Claim shall be allowed as follows:

Secured Claim: \$671,600.00 ("Bank of Idaho Secured Claim")  
Unsecured Claim: \$2,438,303.10 ("Bank of Idaho Unsecured Claim")

The Bank of Idaho Secured Claim shall be treated as described below. The Bank of Idaho Unsecured  
Claim shall be treated as a Class 11 Claim.

**5.2.1.2 Payment Terms.** In full and final satisfaction of the Bank of Idaho Secured  
Claim, commencing in the fifth (5th) full calendar month following the Effective Date, the Holder of  
the Bank of Idaho Secured Claim shall receive monthly payments in an amount that is equal to such  
principal and interest payments that would be made on a loan equal to the Bank of Idaho Secured  
Claim, plus interest accruing at a rate of 7.50 percent (7.50%) per annum, with an amortization period  
of ninety-six (96) months, which calculates to \$9,324.41 per month (each, a "Monthly Payment").  
Each Monthly Payment on the Bank of Idaho Secured Claim shall be applied, first, towards any  
interest accrued on such Claim during the prior month, and, second, towards the principal balance of  
the Claim. Within one month of the fifty-sixth (56<sup>th</sup>) Monthly Payment or any time prior thereto, the  
Holder of the Bank of Idaho Secured Claim shall receive a lump sum payment for the remaining

1 unpaid principal balance of the Claim, plus all accrued and unpaid interest, if any, of the Bank of  
2 Idaho Secured Claim.

3 5.2.1.3 Interest Rate. Simple interest shall accrue on the Bank of Idaho Secured Claim  
4 on the then-owing principal balance at 7.50% per annum.

5 5.2.1.4 Retention of Security Interests. Following the Effective Date, (i) any Collateral  
6 that secures the Bank of Idaho Secured Claim as of the Effective Date shall continue to secure such  
7 Bank of Idaho Secured Claim after the Effective Date; and (ii) Bank of Idaho and the Debtor shall  
8 retain all rights and interests by and between them that existed as of the Petition Date, except to the  
9 extent as inconsistent under any term of this Plan, in which case the provisions of the Plan shall  
10 control and take precedence. The Debtor shall maintain insurance on tangible property Collateral  
11 securing the Bank of Idaho Secured Claim.

12 5.2.1.5 No “Make-Whole” or Prepayment Penalty. Notwithstanding Section 5.2.1.2  
13 above, the Bank of Idaho Secured Claim may be prepaid at any time, without penalty. No applicable  
14 premium, make-whole, or similar Claim shall be allowed, and the Holder of the Bank of Idaho  
15 Secured Claim shall not assess any such prepayment penalty or similar premium.

16 5.2.1.6 Plan Constitutes Cure of Defaults. On the Effective Date, all defaults and  
17 events of default, if any, under the Bank of Idaho loan documents or in connection with the Bank of  
18 Idaho Claim that existed or were alleged to exist as of the Effective Date, and any rights and remedies  
19 associated with, arising from or related to any and all such defaults, shall be wholly and fully subject  
20 to the terms of the Plan and, absent the occurrence of a default under the Plan, there shall be no basis  
21 for the assertion of a default following the Effective Date.

22 5.2.1.7 Voting. Class 1 is Impaired. The Holder of the Bank of Idaho Secured Claim  
23 is entitled to vote to accept or reject the Plan.

**5.2.2 Class 2: DLL Financial Claims.** Class 2 consists of all Claims asserted by DLL  
Financial Services, Inc., as set forth in its Proof of Claim [Claim No. 10] (the “DLL Financial  
Claims”). The DLL Financial Claims are summarized as follows:

Claim No.	Collateral Description	Serial No. (last 4 digits)	Secured Claim Amount
10	2022 LBX Logger 3240TLN	2151	\$325,000.00
10	2021 LBX Logger 40TLW	1753	\$340,000.00
10	2022 LBX Log Loader 3240TL	2390	\$325,000.00

24 5.2.2.1 Allowance of Claims. DLL Financial asserts in the DLL Financial Claim that  
25 the amount allowable under section 506(a) of the Bankruptcy Code is \$1,280,974.22. On the  
26 Effective Date, the DLL Financial Claim shall be allowed as follows:

27 Secured Claim: \$665,000.00 (“DLL Financial Secured Claim”)  
28 Surrender Claim: \$325,000.00 (“DLL Financial Surrender Claim”)  
29 Unsecured Claim: \$290,974.22 (“DLL Financial Unsecured Claim”)

1 The Debtor shall surrender the 2022 LBX Logger 3240TLN, Serial No. LBX210Q7NMTLN2151 (the  
2 “Surrendered Collateral”) and shall retain the other two pieces of equipment Collateral listed above.  
3 The DLL Financial Surrender Claim and DLL Financial Secured Claim shall be treated as described  
4 below. The DLL Financial Unsecured Claim shall be treated as a Class 11 Claim.

5 5.2.2.2 Surrender of Certain Collateral. Promptly following the Effective Date, the  
6 Holder of the DLL Financial Claims shall receive the Surrendered Collateral in satisfaction of the  
7 DLL Financial Surrender Claim. The Reorganized Debtor shall, upon Confirmation of this Plan,  
8 make the Surrendered Collateral available to DLL Financial by providing the location of the  
9 Surrendered Collateral and any personal property necessary for DLL Financial to take possession of  
10 the Surrendered Collateral. The Surrendered Collateral may be liquidated for application to the DLL  
11 Financial Surrender Claim without need for further order of the Court. Any amount of the DLL  
12 Financial Surrender Claim that remains unsatisfied after liquidation of the Surrendered Collateral and  
13 application of the net sale proceeds to the Claim shall be treated as a Class 11 Claim.

14 5.2.2.3 Payment Terms. In full and final satisfaction of the DLL Financial Secured  
15 Claim, commencing in the fifth (5th) full calendar month following the Effective Date, the Holder of  
16 the DLL Financial Secured Claim shall receive monthly payments in an amount that is equal to such  
17 principal and interest payments that would be made on a loan equal to the DLL Financial Secured  
18 Claim, plus interest accruing at a rate of 7.50 percent (7.50%) per annum, with an amortization period  
19 of ninety-six (96) months, which calculates to \$9,232.77 per month (each, a “Monthly Payment”).  
20 Each Monthly Payment on the DLL Financial Secured Claim shall be applied, first, towards any  
21 interest accrued on such Claim during the prior month, and, second, towards the principal balance of  
22 the Claim. Within one month of the fifty-sixth (56<sup>th</sup>) Monthly Payment or any time prior thereto, the  
23 Holder of the DLL Financial Secured Claim shall receive a lump sum payment for the remaining  
unpaid principal balance of the Claim, plus all accrued and unpaid interest, if any, of the DLL  
Financial Secured Claim.

5.2.2.4 Interest Rate. Simple interest shall accrue on the DLL Financial Secured Claim  
on the then-owing principal balance at 7.50% per annum.

5.2.2.5 Retention of Security Interests. Following the Effective Date, (i) any Collateral  
that secures the DLL Financial Secured Claim as of the Effective Date shall continue to secure such  
DLL Financial Secured Claim after the Effective Date; and (ii) DLL Financial and the Debtor shall  
retain all rights and interests by and between them that existed as of the Petition Date, except to the  
extent as inconsistent under any term of this Plan, in which case the provisions of the Plan shall  
control and take precedence. The Debtor shall maintain insurance on tangible property Collateral  
securing the DLL Financial Secured Claim. The DLL Financial Secured Claim shall not be cross-  
collateralized with any new DLL Financial Collateral subsequently obtained by the Reorganized  
Debtor after the Effective Date.

5.2.2.6 No “Make-Whole” or Prepayment Penalty. Notwithstanding Section 5.2.2.3  
above, the DLL Financial Secured Claim may be prepaid at any time, without penalty. No applicable  
premium, make-whole, or similar Claim shall be allowed, and the Holder of the DLL Financial  
Secured Claim shall not assess any such prepayment penalty or similar premium.



1                   5.2.2.7 Plan Constitutes Cure of Defaults. On the Effective Date, all defaults and  
2 events of default, if any, under the DLL Financial loan documents or in connection with the DLL  
3 Financial Claim that existed or were alleged to exist as of the Effective Date, and any rights and  
4 remedies associated with, arising from or related to any and all such defaults, shall be wholly and fully  
5 subject to the terms of the Plan and, absent the occurrence of a default under the Plan, there shall be  
6 no basis for the assertion of a default following the Effective Date.

7                   5.2.2.8 Voting. Class 2 is Impaired. The Holder of the DLL Financial Secured Claim  
8 is entitled to vote to accept or reject the Plan.

9                   **5.2.3 Class 3: Ford Credit Claims**. Class 3 consists of all Claims asserted by Ford Motor  
10 Credit Company LLC, as set forth in its Proof of Claim [Claim No. 3] (the “Ford Credit Claims”).  
11 The Ford Credit Claims shall be treated as follows:

12                   5.2.3.1 Allowance of Claims. Ford Credit asserts in the Ford Credit Claim that the amount  
13 allowable under section 506(a) of the Bankruptcy Code is \$65,450.16, as follows:

Claim No.	Collateral Value	Secured Claim Amount
3	\$52,918.00	\$65,450.16

14 Accordingly, on the Effective Date, the Ford Credit Claim shall be allowed as follows:

15                   Secured Claim:       \$52,918.00 (“Ford Credit Secured Claim”)  
16                   Unsecured Claim:    \$12,532.16 (“Ford Credit Unsecured Claim”)

17                   The Ford Credit Secured Claim shall be treated as described below. The Ford Credit Unsecured  
18 Claim shall be treated as a Class 11 Claim.

19                   5.2.3.2 Payment Terms. In full and final satisfaction of the Ford Credit Secured Claim,  
20 commencing in the fifth (5th) full calendar month following the Effective Date, the Holder of the Ford  
21 Credit Secured Claim shall receive monthly payments in an amount that is equal to such principal and  
22 interest payments that would be made on a loan equal to the Ford Credit Secured Claim, plus interest  
23 accruing at a rate of 7.50 percent (7.50%) per annum, with an amortization period of fifty-six (56)  
months, which calculates to \$1,122.88 per month (each, a “Monthly Payment”). Each Monthly  
Payment on the Ford Credit Secured Claim shall be applied, first, towards any interest accrued on  
such Claim during the prior month, and, second, towards the principal balance of the Claim. The Ford  
Credit Secured Claim shall be paid in full by the sixtieth full calendar month following the Effective  
Date.

                  5.2.3.3 Interest Rate. Simple interest shall accrue on the Ford Credit Secured Claim on  
the then-owing principal balance at 7.50% per annum.

                  5.2.3.4 Retention of Security Interests. Following the Effective Date, (i) any Collateral  
that secures the Ford Credit Secured Claim as of the Effective Date shall continue to secure such Ford  
Credit Secured Claim after the Effective Date; and (ii) Ford Credit and the Debtor shall retain all  
rights and interests by and between them that existed as of the Petition Date, except to the extent as  
inconsistent under any term of this Plan, in which case the provisions of the Plan shall control and

1 take precedence. The Debtor shall maintain insurance on any Collateral securing the Ford Credit  
2 Secured Claim.

3 5.2.3.5 No “Make-Whole” or Prepayment Penalty. Notwithstanding Section 5.2.3.2  
4 above, the Ford Credit Secured Claim may be prepaid at any time, without penalty. No applicable  
5 premium, make-whole, or similar Claim shall be allowed, and the Holder of the Ford Credit Secured  
6 Claim shall not assess any such prepayment penalty or similar premium.

7 5.2.3.6 Plan Constitutes Cure of Defaults. On the Effective Date, all defaults and  
8 events of default, if any, under the Ford Credit loan documents or in connection with the Ford Credit  
9 Claims that existed or were alleged to exist as of the Effective Date, and any rights and remedies  
10 associated with, arising from or related to any and all such defaults, shall be wholly and fully subject  
11 to the terms of the Plan and, absent the occurrence of a default under the Plan, there shall be no basis  
12 for the assertion of a default following the Effective Date.

13 5.2.3.7 Voting. Class 3 is Impaired. The Holder of the Ford Credit Secured Claim is  
14 entitled to vote to accept or reject the Plan.

15 **5.2.4 Class 4a: CAT Financial Claim No. 12.** Class 4a consists of Claim No. 12 asserted  
16 by Caterpillar Financial Services Corporation, as set forth in its Proof of Claim [Claim No. 12] (the  
17 “CAT Financial Claim No. 12”). The CAT Financial Claim No. 12 shall be treated as follows:

18 5.2.4.1 Allowance of Claim. CAT Financial asserts in the CAT Financial Claim No. 12 that  
19 the amount allowable under section 506(a) of the Bankruptcy Code is \$96,575.41, as follows:

Claim No.	Collateral Value	Secured Claim Amount
12	\$115,500.00	\$96,575.41

20 (the “Class 4a Claim”). On the Effective Date, the Class 4a Claim shall be allowed as a Secured  
21 Claim and treated as described below.

22 5.2.4.2 Payment Terms. In full and final satisfaction of the Class 4a Claim,  
23 commencing in the fifth (5th) full calendar month following the Effective Date, the Holder of the  
Class 4a Claim shall receive monthly payments in an amount that is equal to such principal and  
interest payments that would be made on a loan equal to the Class 4a Claim, plus interest accruing at a  
rate of 5.75 percent (5.75%) per annum, with an amortization period of fifty-six (56) months, which  
calculates to \$1,970.38 per month (each, a “Monthly Payment”). Each Monthly Payment on the Class  
4a Claim shall be applied, first, towards any interest accrued on such Claim during the prior month,  
and, second, towards the principal balance of the Claim. The Class 4a Claim shall be paid in full by  
the sixtieth full calendar month following the Effective Date.

5.2.4.3 Interest Rate. Simple interest shall accrue on the Class 4a Claim on the then-  
owing principal balance at 5.75% per annum.

5.2.4.4 Retention of Security Interests. The Class 4a Claim shall not be cross-  
collateralized. Following the Effective Date, (i) any Collateral that secures the Class 4a Claim as of  
the Effective Date shall continue to secure such Class 4a Claim after the Effective Date; and (ii) CAT

1 Financial and the Debtor shall retain all rights and interests by and between them that existed as of the  
2 Petition Date, except to the extent as inconsistent under any term of this Plan, in which case the  
3 provisions of the Plan shall control and take precedence. The Debtor shall maintain insurance on any  
4 Collateral securing the Class 4a Claim.

5 5.2.4.5 No “Make-Whole” or Prepayment Penalty. Notwithstanding Section 5.2.4.2  
6 above, the Class 4a Claim may be prepaid at any time, without penalty. No applicable premium,  
7 make-whole, or similar Claim shall be allowed, and the Holder of the Class 4a Claim shall not assess  
8 any such prepayment penalty or similar premium.

9 5.2.4.6 Plan Constitutes Cure of Defaults. On the Effective Date, all defaults and  
10 events of default, if any, under the CAT Financial loan documents or in connection with the CAT  
11 Financial Claim No. 12 that existed or were alleged to exist as of the Effective Date, and any rights  
12 and remedies associated with, arising from or related to any and all such defaults, shall be wholly and  
13 fully subject to the terms of the Plan and, absent the occurrence of a default under the Plan, there shall  
14 be no basis for the assertion of a default following the Effective Date.

15 5.2.4.7 Voting. Class 4a is Impaired. The Holder of the Class 4a Claim is entitled to  
16 vote to accept or reject the Plan.

17 **5.2.5 Class 4b: CAT Financial Claim No. 13.** Class 4b consists of Claim No. 13 asserted  
18 by Caterpillar Financial Services Corporation, as set forth in its Proof of Claim [Claim No. 13] (the  
19 “CAT Financial Claim No. 13”). The CAT Financial Claim No. 13 shall be treated as follows:

20 5.2.5.1 Allowance of Claim. CAT Financial asserts in the CAT Financial Claim No. 13 that  
21 the amount allowable under section 506(a) of the Bankruptcy Code is \$79,906.42, as follows:

Claim No.	Collateral Value	Secured Claim Amount
13	\$85,000.00	\$79,906.42

22 (the “Class 4b Claim”). On the Effective Date, the Class 4b Claim shall be allowed as a Secured  
23 Claim and treated as described below.

24 5.2.5.2 Payment Terms. In full and final satisfaction of the Class 4b Claim,  
25 commencing in the fifth (5th) full calendar month following the Effective Date, the Holder of the  
26 Class 4b Claim shall receive monthly payments in an amount that is equal to such principal and  
27 interest payments that would be made on a loan equal to the Class 4b Claim, plus interest accruing at a  
28 rate of 4.75 percent (4.75%) per annum, with an amortization period of fifty-six (56) months, which  
29 calculates to \$1,593.70 per month (each, a “Monthly Payment”). Each Monthly Payment on the Class  
30 4b Claim shall be applied, first, towards any interest accrued on such Claim during the prior month,  
31 and, second, towards the principal balance of the Claim. The Class 4b Claim shall be paid in full by  
32 the sixtieth full calendar month following the Effective Date.

33 5.2.5.3 Interest Rate. Simple interest shall accrue on the Class 4b Claim on the then-  
34 owing principal balance at 4.75% per annum.

1                   5.2.5.4 Retention of Security Interests. The Class 4b Claim shall not be cross-  
2 collateralized. Following the Effective Date, (i) any Collateral that secures the Class 4b Claim as of  
3 the Effective Date shall continue to secure such Class 4b Claim after the Effective Date; and (ii) CAT  
4 Financial and the Debtor shall retain all rights and interests by and between them that existed as of the  
5 Petition Date, except to the extent as inconsistent under any term of this Plan, in which case the  
6 provisions of the Plan shall control and take precedence. The Debtor shall maintain insurance on any  
7 Collateral securing the Class 4b Claim.

8                   5.2.5.5 No “Make-Whole” or Prepayment Penalty. Notwithstanding Section 5.2.5.2  
9 above, the Class 4b Claim may be prepaid at any time, without penalty. No applicable premium,  
10 make-whole, or similar Claim shall be allowed, and the Holder of the Class 4b Claim shall not assess  
11 any such prepayment penalty or similar premium.

12                   5.2.5.6 Plan Constitutes Cure of Defaults. On the Effective Date, all defaults and  
13 events of default, if any, under the CAT Financial loan documents or in connection with the CAT  
14 Financial Claim No. 13 that existed or were alleged to exist as of the Effective Date, and any rights  
15 and remedies associated with, arising from or related to any and all such defaults, shall be wholly and  
16 fully subject to the terms of the Plan and, absent the occurrence of a default under the Plan, there shall  
17 be no basis for the assertion of a default following the Effective Date.

18                   5.2.5.7 Voting. Class 4b is Impaired. The Holder of the Class 4b Claim is entitled to  
19 vote to accept or reject the Plan.

20                   **5.2.6 Class 5: John Deere Claim.** Class 5 consists of all Claims asserted by John Deere  
21 Construction & Forestry Company, as set forth in its Proof of Claim [Claim No. 11] (the “John Deere  
22 Claim”). The John Deere Claim shall be treated as follows:

23                   5.2.6.1 Allowance of Claim. John Deere asserts in the John Deere Claim that the amount  
allowable under section 506(a) of the Bankruptcy Code is \$272,585.96, as follows:

Claim No.	Collateral Value	Secured Claim Amount
11	\$300,000.00	\$272,585.96

(the “John Deere Secured Claim”). On the Effective Date, the John Deere Secured Claim shall be  
allowed as a Secured Claim and treated as described below.

5.2.6.2 Payment Terms. In full and final satisfaction of the John Deere Secured Claim,  
commencing in the fifth (5th) full calendar month following the Effective Date, the Holder of the John  
Deere Secured Claim shall receive monthly payments in an amount that is equal to such principal and  
interest payments that would be made on a loan equal to the John Deere Secured Claim, plus interest  
accruing at a rate of 6.05 percent (6.05%) per annum, with an amortization period of fifty-six (56)  
months, which calculates to \$5,599.22 per month (each, a “Monthly Payment”). Each Monthly  
Payment on the John Deere Secured Claim shall be applied, first, towards any interest accrued on such  
Claim during the prior month, and, second, towards the principal balance of the Claim. The John  
Deere Secured Claim shall be paid in full by the sixtieth full calendar month following the Effective  
Date.

1                   5.2.6.3 Interest Rate. Simple interest shall accrue on the John Deere Secured Claim on  
2 the then-owing principal balance at 6.05% per annum.

3                   5.2.6.4 Retention of Security Interests. The John Deere Secured Claim shall not be  
4 cross-collateralized. Following the Effective Date, (i) any Collateral that secures the John Deere  
5 Secured Claim as of the Effective Date shall continue to secure the John Deere Secured Claim after  
6 the Effective Date; and (ii) John Deere and the Debtor shall retain all rights and interests by and  
7 between them that existed as of the Petition Date, except to the extent as inconsistent under any term  
8 of this Plan, in which case the provisions of the Plan shall control and take precedence. The Debtor  
9 shall maintain insurance on any Collateral securing the John Deere Secured Claim.

10                   5.2.6.5 No “Make-Whole” or Prepayment Penalty. Notwithstanding Section 5.2.6.2  
11 above, the John Deere Secured Claim may be prepaid at any time, without penalty. No applicable  
12 premium, make-whole, or similar Claim shall be allowed, and the Holder of the John Deere Secured  
13 Claim shall not assess any such prepayment penalty or similar premium.

14                   5.2.6.6 Plan Constitutes Cure of Defaults. On the Effective Date, all defaults and  
15 events of default, if any, under the John Deere loan documents or in connection with the John Deere  
16 Claim that existed or were alleged to exist as of the Effective Date, and any rights and remedies  
17 associated with, arising from or related to any and all such defaults, shall be wholly and fully subject  
18 to the terms of the Plan and, absent the occurrence of a default under the Plan, there shall be no basis  
19 for the assertion of a default following the Effective Date.

20                   5.2.6.7 Voting. Class 5 is Impaired. The Holder of the John Deere Secured Claim is  
21 entitled to vote to accept or reject the Plan.

22                   **5.2.7 Class 6: Umpqua Bank Claims**. Class 6 consists of all Claims asserted by Umpqua  
23 Bank, as set forth in the Debtor’s Schedules A/B (the “Umpqua Bank Claims”). The Umpqua Bank  
Claims shall be treated as follows:

                  5.2.7.1 Allowance of Claims. Umpqua Bank asserts in the Umpqua Bank Claims that the  
amount allowable under section 506(a) of the Bankruptcy Code is \$70,168.16, as follows:

Schedule D No.	Scheduled Collateral Value	Secured Claim Amount
2.18	\$45,000.00	\$70,168.16

Accordingly, on the Effective Date, the Umpqua Bank Claims shall be allowed as follows:

Secured Claim:       \$45,000.00 (“Umpqua Bank Secured Claim”)  
Unsecured Claim:    \$25,168.16 (“Umpqua Bank Unsecured Claim”)

The Umpqua Bank Secured Claim shall be treated as described below. The Umpqua Bank Unsecured  
Claim shall be treated as a Class 11 Claim.

                  5.2.7.2 Payment Terms. In full and final satisfaction of the Umpqua Bank Secured  
Claim, commencing in the fifth (5th) full calendar month following the Effective Date, the Holder of  
the Umpqua Bank Secured Claim shall receive monthly payments in an amount that is equal to such  
principal and interest payments that would be made on a loan equal to the Umpqua Bank Secured

1 Claim, plus interest accruing at a rate of 4.50 percent (4.50%) per annum, with an amortization period  
2 of fifty-six (56) months, which calculates to \$892.40 per month (each, a “Monthly Payment”). Each  
3 Monthly Payment on the Umpqua Bank Secured Claim shall be applied, first, towards any interest  
4 accrued on such Claim during the prior month, and, second, towards the principal balance of the  
5 Claim. The Umpqua Bank Secured Claim shall be paid in full by the sixtieth full calendar month  
6 following the Effective Date.

7 **5.2.7.3 Interest Rate.** Simple interest shall accrue on the Umpqua Bank Secured Claim  
8 on the then-owing principal balance at 4.50% per annum.

9 **5.2.7.4 Retention of Security Interests.** Following the Effective Date, (i) any Collateral  
10 that secures the Umpqua Bank Secured Claim as of the Effective Date shall continue to secure such  
11 Umpqua Bank Secured Claim after the Effective Date; and (ii) Umpqua Bank and the Debtor shall  
12 retain all rights and interests by and between them that existed as of the Petition Date, except to the  
13 extent as inconsistent under any term of this Plan, in which case the provisions of the Plan shall  
14 control and take precedence. The Debtor shall maintain insurance on any Collateral securing the  
15 Umpqua Bank Secured Claim.

16 **5.2.7.5 No “Make-Whole” or Prepayment Penalty.** Notwithstanding Section 5.2.7.2  
17 above, the Umpqua Bank Secured Claim may be prepaid at any time, without penalty. No applicable  
18 premium, make-whole, or similar Claim shall be allowed, and the Holder of the Umpqua Bank  
19 Secured Claim shall not assess any such prepayment penalty or similar premium.

20 **5.2.7.6 Plan Constitutes Cure of Defaults.** On the Effective Date, all defaults and  
21 events of default, if any, under the Umpqua Bank loan documents or in connection with the Umpqua  
22 Bank Claims that existed or were alleged to exist as of the Effective Date, and any rights and remedies  
23 associated with, arising from or related to any and all such defaults, shall be wholly and fully subject  
to the terms of the Plan and, absent the occurrence of a default under the Plan, there shall be no basis  
for the assertion of a default following the Effective Date.

**5.2.7.7 Voting.** Class 3 is Impaired. The Holder of the Umpqua Bank Secured Claim  
is entitled to vote to accept or reject the Plan.

**5.2.8 Class 7: WCLA Claim.** Class 7 consists of all Claims asserted by WCLA Credit  
Union, as set forth in its Proof of Claim [Claim No. 18] (the “WCLA Claim”). The WCLA Claim  
shall be treated as follows:

**5.2.8.1 Allowance of Claim.** WCLA asserts in the WCLA Claim that the amount allowable  
under section 506(a) of the Bankruptcy Code is \$237,879.39, as follows:

<b>Claim No.</b>	<b>Collateral Value</b>	<b>Secured Claim Amount</b>
18	\$237,879.39	\$237,879.39

(the “WCLA Secured Claim”). On the Effective Date, the WCLA Secured Claim shall be allowed as  
a Secured Claim and treated as described below.

1                   5.2.8.2 Payment Terms. In full and final satisfaction of the WCLA Secured Claim,  
2 commencing in the fifth (5th) full calendar month following the Effective Date, the Holder of the  
3 WCLA Secured Claim shall receive monthly payments in an amount that is equal to such principal  
4 and interest payments that would be made on a loan equal to the WCLA Secured Claim, plus interest  
5 accruing at a rate of 5.00 percent (5.00%) per annum, with an amortization period of fifty-six (56)  
6 months, which calculates to \$4,771.49 per month (each, a “Monthly Payment”). Each Monthly  
7 Payment on the WCLA Secured Claim shall be applied, first, towards any interest accrued on such  
8 Claim during the prior month, and, second, towards the principal balance of the Claim. The WCLA  
9 Secured Claim shall be paid in full by the sixtieth full calendar month following the Effective Date.

10                   5.2.8.3 Interest Rate. Simple interest shall accrue on the WCLA Secured Claim on the  
11 then-owing principal balance at 5.00% per annum.

12                   5.2.8.4 Retention of Security Interests. The WCLA Secured Claim shall not be cross-  
13 collateralized. Following the Effective Date, (i) any Collateral that secures the WCLA Secured Claim  
14 as of the Effective Date shall continue to secure the WCLA Secured Claim after the Effective Date;  
15 and (ii) WCLA and the Debtor shall retain all rights and interests by and between them that existed as  
16 of the Petition Date, except to the extent as inconsistent under any term of this Plan, in which case the  
17 provisions of the Plan shall control and take precedence. The Debtor shall maintain insurance on any  
18 Collateral securing the WCLA Secured Claim.

19                   5.2.8.5 No “Make-Whole” or Prepayment Penalty. Notwithstanding Section 5.2.8.2  
20 above, the WCLA Secured Claim may be prepaid at any time, without penalty. No applicable  
21 premium, make-whole, or similar Claim shall be allowed, and the Holder of the WCLA Secured  
22 Claim shall not assess any such prepayment penalty or similar premium.

23                   5.2.8.6 Plan Constitutes Cure of Defaults. On the Effective Date, all defaults and  
events of default, if any, under the WCLA loan documents or in connection with the WCLA Claim  
that existed or were alleged to exist as of the Effective Date, and any rights and remedies associated  
with, arising from or related to any and all such defaults, shall be wholly and fully subject to the terms  
of the Plan and, absent the occurrence of a default under the Plan, there shall be no basis for the  
assertion of a default following the Effective Date.

                  5.2.8.7 Voting. Class 7 is Impaired. The Holder of the WCLA Secured Claim is  
entitled to vote to accept or reject the Plan.

**5.2.9 Class 8: Morgan & Son Claim**. Class 8 consists of all Claims asserted by Morgan &  
Son Earthmoving, Inc., as set forth in its Proof of Claim [Claim No. 9] (the “Morgan & Son Claim”).  
The Morgan & Son Claim shall be treated as follows:

                  5.2.9.1 Allowance of Claim. Morgan & Son asserts in the Morgan & Son Claim that the  
amount allowable under section 506(a) of the Bankruptcy Code is \$145,168.22, as follows:

Claim No.	Collateral Value	Secured Claim Amount
9	\$145,168.22	\$145,168.22

1 (the “Morgan & Son Secured Claim”). On the Effective Date, the Morgan & Son Secured Claim shall  
2 be allowed as a Secured Claim and treated as described below.

3 5.2.9.2 Payment Terms. In full and final satisfaction of the Morgan & Son Secured  
4 Claim, commencing in the fifth (5th) full calendar month following the Effective Date, the Holder of  
5 the Morgan & Son Secured Claim shall receive monthly payments in an amount that is equal to such  
6 principal and interest payments that would be made on a loan equal to the Morgan & Son Secured  
7 Claim, plus interest accruing at the federal judgment rate, adjusted annually, with an amortization  
8 period of fifty-six (56) months (each, a “Monthly Payment”). Each Monthly Payment on the Morgan  
9 & Son Secured Claim shall be applied, first, towards any interest accrued on such Claim during the  
10 prior month, and, second, towards the principal balance of the Claim. The Morgan & Son Secured  
11 Claim shall be paid in full by the sixtieth full calendar month following the Effective Date.

12 5.2.9.3 Interest Rate. Simple interest shall accrue on the Morgan & Son Secured Claim  
13 on the then-owing principal balance at the federal judgment rate, which shall be adjusted annually.

14 5.2.9.4 Retention of Security Interests. Following the Effective Date, (i) Collateral  
15 that secures the Morgan & Son Secured Claim as of the Effective Date shall continue to secure the  
16 Morgan & Son Secured Claim after the Effective Date; and (ii) Morgan & Son and the Debtor shall  
17 retain all rights and interests by and between them that existed as of the Petition Date, except to the  
18 extent as inconsistent under any term of this Plan, in which case the provisions of the Plan shall  
19 control and take precedence. For the avoidance of doubt, Morgan & Son shall be entitled to only the  
20 payments set forth in Section 5.2.9.2 above and shall not be entitled to any payment or assert any  
21 demand for payment from the Reorganized Debtor, any lumber mill, or any other third party for the  
22 proceeds and/or profits of any lumber (as that term is defined in RCW 60.24.030), saw logs, spars,  
23 piles, cord wood, shingle bolts, or other timber, pursuant to RCW 60.24 or otherwise, derived from or  
in connection with the U.S. Forest Service contract Taneum DXP #302724 or any other agreement or  
arrangement whatsoever with any person or entity.

5.2.9.5 No Prepayment Penalty. Notwithstanding Section 5.2.9.2 above, the Morgan &  
Son Secured Claim may be prepaid at any time, without penalty.

5.2.9.6 Plan Constitutes Cure of Defaults. On the Effective Date, any default, breach,  
claim, or cause of action, if any, by and between the Debtor and Morgan & Son or in connection with  
the Morgan & Son Claim that existed or were alleged to exist as of the Effective Date, and any rights  
and remedies associated with, arising from or related to any default, breach, claim, or cause of action,  
shall be wholly and fully subject to the terms of the Plan and, absent the occurrence of a default under  
the Plan, there shall be no basis for the assertion of a default or breach following the Effective Date.

5.2.9.7 Voting. Class 8 is Impaired. The Holder of the Morgan & Son Secured Claim  
is entitled to vote to accept or reject the Plan.

**5.2.10 Class 9: Lumber and Stumpage Lien Claims**. Class 9 consists of all Claims asserted  
by persons and entities asserting liens for labor and services on lumber and timber, i.e., lumber liens  
and stumpage liens, pursuant to RCW 60.24 and allowable under section 506(a) of the Bankruptcy  
Code. The Holders of Class 9 Claims are as follows:



Claim/Schedule No.	Claimant	Claim Amount	Basis for Lien
Proof of Claim # 15	George Kraft	\$42,000.00	Lumber Lien
Sched D # 2.18	U.S. Forest Service	\$74,171.54	Stumpage Lien

(each, a “Class 9 Claim”). Each Class 9 Claim shall be treated as follows:

5.2.10.1 Allowance of Claim. On the Effective Date, each Class 9 Claim shall be allowed as a Secured Claim in the amounts set forth above and shall be treated as described below.

5.2.10.2 Retention of Security Interests. Any lien of a Holder of a Class 9 Claim as to the Debtor or its Collateral existing on the Petition Date shall be unaffected by Confirmation of the Plan and shall continue to exist following the Effective Date.

5.2.10.3 Payment Terms. To the extent a Holder of a Class 9 Claim is secured by an interest in property of the Estate, the Holder of the Class 9 Claim may receive the Collateral securing its Class 9 Claim, post-petition on the same terms and conditions that existed on the Petition Date, except to the extent as inconsistent under any term of this Plan, in which case the provisions of the Plan shall control and take precedence. Such post-confirmation recovery of Collateral, if any, shall be in full and final satisfaction of such Class 9 Claim.

5.2.10.4 Interest Rate. No interest shall accrue on any Class 9 Claim following the Effective Date.

5.2.10.5 Voting. Class 9 is Impaired. Each Holder of a Class 9 Claim is entitled to vote to accept or reject the Plan.

**5.2.11 Class 10: Kapitus Claim**. Class 10 consists of all Claims asserted by Kapitus Servicing, Inc., as set forth in its Proof of Claim [Claim No. 17], as amended (the “Kapitus Claim”). The Kapitus Claim shall be treated as follows:

5.2.11.1 Allowance and Treatment of Claim. Kapitus asserts in the Kapitus Claim that the amount allowable under section 506(a) of the Bankruptcy Code is \$244,185.24, as follows:

Claim No.	Collateral Value	Asserted Secured Claim Amount
17	[none stated]	\$244,185.24

Given the senior priority of Bank of Idaho’s security interests in the Debtor’s Assets not otherwise subject to purchase-money security interests or other valid liens, and the fact that the Bank of Idaho asserted Secured Claim far exceeds the value of such Assets, the Kapitus Claim shall be allowed as a Class 11 general Unsecured Claim and shall be treated in accordance therewith in all respects.

5.2.11.2 No Retention of Security Interests. On the Effective Date, the Kapitus Claim shall be deemed to be an Unsecured Claim, and the Holder of the Kapitus Claim shall not have any valid or enforceable security interests, liens, causes of action, debts, liabilities, setoffs, rights or claims of any nature whatsoever as to the Debtor, the Estate, or the Reorganized Debtor, and/or in and to any current or future asset of the Debtor, the Estate, or the Reorganized Debtor, except as such Holder may be entitled under Class 11.

1 5.2.11.3 Voting. Class 10 is Impaired. The Holder of the Kapitus Claim is entitled to  
2 vote to accept or reject the Plan.

3 **5.2.12 Class 11: Unsecured Claims.** Class 11 consists of all Holders of Unsecured Claims  
4 (the “Class 11 Claims”). The Class 11 Claims shall be treated as follows:

5 5.2.12.1 Allowance of Claims. Each Class 11 Claim shall be allowed or disallowed, as  
6 the case may be, whether prior to or following Confirmation, in such amount as to which the Debtor  
7 and the claimant may agree or the Bankruptcy Court may approve following Notice and Hearing.

8 5.2.12.2 Payment Terms. Holders of non-priority Class 11 Claims shall not receive  
9 any payment or Distribution pursuant to this Plan. Holders of allowed Administrative Claims,  
10 Professional Fee Claims, Priority Wage Claims, and Priority Tax Claims shall be paid pursuant to and  
11 in accordance with the terms set forth in Section 5.1 above.

12 5.2.12.3 Interest Rate. No interest shall accrue on any Class 11 Claim following the  
13 Effective Date.

14 5.2.12.4 Voting. Class 11 is Impaired. Each Holder of a Class 11 Claim is entitled to  
15 vote to accept or reject the Plan.

16 **5.2.13 Class 12: Equity Interests.** Class 12 consists of Equity Interests. The Holder of the  
17 Equity Interests shall retain such Equity Interests that existed on the Petition Date. The Holder of  
18 Class 12 Claims shall not receive any Distribution except as authorized pursuant to this Plan. For the  
19 avoidance of doubt, the financial projections attached to this Plan as Exhibit B allocates ten thousand  
20 dollars (\$10,000) per month under the Payroll expense line item as a reasonable salary to be paid to  
21 the Equity Holder.

22 **5.3 Impairment of Classes.** Each Class of Claims is Impaired under the Plan. Pursuant to the  
23 provisions of section 1129(b) of the Bankruptcy Code, in the event an Impaired Class does not accept  
the Plan, the Debtor requests the Court confirm the Plan without the consent of such Impaired Class.

## ARTICLE VI. ALLOWANCE AND DISALLOWANCE OF CLAIMS

18 **6.1 Administration of Claims.** Except as otherwise provided for herein, each Claim shall be  
19 allowed or disallowed, as the case may be, in such amount as the Bankruptcy Court shall determine,  
20 after Notice and Hearing, whether prior to or following Confirmation, and whether pursuant to this  
21 Plan or otherwise, upon such notice as the Bankruptcy Court or Bankruptcy Rules shall permit.

22 **6.2 Delay of Distribution on Disputed Claims.** No Distribution will be made on account of a  
23 Disputed Claim unless such Claim becomes an Allowed Claim by a Final Order.

**6.3 Settlement of Disputed Claims.** The Debtor and Reorganized Debtor shall have the power  
and authority to settle and compromise a Disputed Claim with Bankruptcy Court approval and  
compliance with Bankruptcy Rule 9019.



1 documents evidencing or creating any indebtedness or obligations of, or interest in, the Debtor, except  
2 assumed executory contracts and/or such notes or other instruments evidencing indebtedness or  
3 obligations of the Debtor that are unimpaired, reinstated, or amended and restated under this Plan,  
4 shall be cancelled and terminated and of no further force or effect.

5 **8.6 Distributions under the Plan.** Except as otherwise provided in this Plan or under applicable  
6 bankruptcy law or as ordered by the Bankruptcy Court, Distributions to be made on account of  
7 Allowed Claims as of the Effective Date shall be made by the Reorganized Debtor as set forth in this  
8 Plan. Any payment or Distribution required to be made under this Plan on a day other than a Business  
9 Day shall be made on the next succeeding Business Day. Any Distributions under the Plan may be  
10 made either in Cash, by check drawn on a domestic bank, ACH, or by wire transfer (or by any manner  
11 agreed to between the Debtor and Holder of an Allowed Claim), and shall be made in United States  
12 dollars. Notwithstanding any other provisions of the Plan to the contrary, no payment of fractional  
13 cents will be made under the Plan (each such payment shall be rounded up to the nearest cent).

14 **8.7 Delivery of Distributions.** Except as otherwise provided in the Plan, or as may otherwise be  
15 agreed between the Debtor and the Holder of an Allowed Claim, Distributions to Holders of Allowed  
16 Claims shall be made by the Reorganized Debtor: (i) at the addresses set forth on the Proofs of Claim  
17 filed by such Holders (or at the last known addresses of such Holder if no motion requesting payment  
18 or Proof of Claim is filed or the Debtor has been notified in writing of a change of address); (ii) at the  
19 addresses set forth in any written notices of address changes delivered to the Debtor after the date of  
20 any related Proof of Claim; or (iii) at the addresses reflected in the Schedules filed by the Debtor if no  
21 Proof of Claim has been filed and Debtor have not received a written notice of a change of address.

22 **8.8 Undeliverable Distributions.** If payment or Distribution to any Holder of an Allowed Class 2  
23 Claim under the Plan is returned for lack of a current address for the Holder or otherwise, the Debtor  
shall file with the Bankruptcy Court the name, if known, and last known address of the Holder and the  
reason for its inability to make payment. If, after the passage of ninety (90) days, the payment or  
Distribution still cannot be made, such payment or Distribution shall be cancelled and the Allowed  
Claim shall be deemed satisfied to the same extent as if payment or Distribution had been made to the  
Holder of the Allowed Claim.

**8.9 Time Bar to Cash Payments.** Checks issued by the Reorganized Debtor in respect of  
Distributions to Holders of Allowed Claims pursuant to this Plan will be null and void if not cashed  
within ninety (90) days of the date of their issuance. Requests for reissuance of any check shall be  
made to and at the discretion of the Debtor.

**8.10 Maintenance of Insurance.** The Reorganized Debtor shall continue to maintain insurance  
coverage in the same or more favorable amounts and type as such Debtor held as of the Petition Date.

**8.11 Sale of Assets.** Under the Plan, the Reorganized Debtor shall retain possession and ownership  
of the Assets, and the Reorganized Debtor shall have the authority to sell or surrender any Asset  
without further order of the Bankruptcy Court after the Effective Date, including outside the ordinary  
course of business.

**8.12 Continued Management and Equity Holder of the Debtor.** The Equity Holder shall remain  
as manager of the Debtor and shall retain such Equity Interests existing as of the Petition Date.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**ARTICLE IX.  
GENERAL PROVISIONS**

**9.1 Administrative Claims Bar Date.** The deadline for submission of all Claims entitled to priority pursuant to §§ 507(a)(1) and (b) of the Bankruptcy Code incurred prior to Confirmation, with the exception of fees and costs of Professionals, shall be thirty (30) days following the Effective Date. Subject to section 503(b)(1)(D) of the Bankruptcy Code, failure to file a Claim by this date shall conclusively bar the claimant from asserting its Claim, which Claim shall be forever barred, expunged and discharged. If for any reason any such Administrative Claim is incapable of being forever barred and disallowed, then the Holder of such Claim shall in no event have recourse to any property to be distributed pursuant to the Plan. Post-petition statutory tax claims shall not be subject to any Administrative Claims Bar Date.

**9.2 Professional Fee Claims.** All final requests for payment of Professional Fee Claims to the extent required pursuant to Bankruptcy Code sections 327, 328, 330, 331, 363, 503(b), or 1103 must be made by application filed with the Bankruptcy Court in accordance with all applicable Bankruptcy Rules and Local Rules. Such applications shall be filed with the Bankruptcy Court within thirty (30) calendar days following the Effective Date. All allowed Professional Fee Claims shall be paid in full by the Reorganized Debtor, prior to any Disbursements on allowed Secured Claims and/or allowed Unsecured Claims.

**9.3 Post-Confirmation Employment of Professionals.** The Reorganized Debtor shall be authorized to employ and compensate Professionals following Confirmation upon such terms and conditions as the Reorganized Debtor deem reasonable and appropriate without further notice or order of the Bankruptcy Court. If applicable, the Subchapter V Trustee may apply to this Court for approval of post-confirmation fees and costs, to be paid by the Reorganized Debtor.

**9.4 Event of Default; Consequence of Default.** An event of default shall occur if (i) the Reorganized Debtor fails to make a payment when due under the Plan, or (ii) the Reorganized Debtor fails to comply with a material term of this Plan. In such an event, the party alleging such default shall provide written notice of the alleged default to the Reorganized Debtor and its attorneys at each of the following addresses:

Thomas Buford  
Richard B. Keeton  
Bush Kornfeld LLP  
601 Union Street, Suite 5000  
Seattle, WA 98101  
Emails: [tbuford@bskd.com](mailto:tbuford@bskd.com) and [rkeeton@bskd.com](mailto:rkeeton@bskd.com)

And, if the Plan is confirmed pursuant to section 1191(b) of the Bankruptcy Code, also to:

Michael S. DeLeo  
Peterson Russell Kelly Livengood PLLC  
10900 NE 4th Street, Suite 1850  
Bellevue, WA 98004

1 If, after twenty (20) days following the Reorganized Debtor's receipt of the notice of default, the  
2 Reorganized Debtor and such party have been unable to resolve, or the Reorganized Debtor have been  
3 unable to cure, the asserted default, such party may proceed with any remedies available to it under  
applicable law, provided that nothing herein shall limit or affect the Reorganized Debtor's rights to  
seek appropriate relief from any court of competent jurisdiction.

4 **9.5 Transactions on Business Days.** If a date on which a transaction may occur under the Plan  
5 shall occur on a day that is not a Business Day, any transactions or other actions contemplated by the  
Plan to occur on such day shall instead occur on the next succeeding Business Day.

6 **9.6 Good Faith.** Confirmation of the Plan shall constitute a conclusive determination that: (a) the  
7 Plan, and all the transactions and settlements contemplated thereby, have been proposed in good faith  
8 and in compliance with all applicable provisions of the Bankruptcy Code and the Bankruptcy Rules;  
and (b) the solicitation of acceptances or rejections of the Plan has been in good faith and in  
compliance with all applicable provisions of the Bankruptcy Code, and the Bankruptcy Rules, and, in  
each case, that the Debtor have acted in good faith in connection therewith.

9 **9.7 Severability of Plan Provisions.** If any provision in this Plan is determined to be  
10 unenforceable, the determination will in no way limit or affect the enforceability and operative effect  
of any other provision in this Plan.

11 **9.8 Captions.** The headings contained in this Plan are for convenience of reference only and do  
12 not affect the meaning or interpretation of this Plan.

13 **9.9 Controlling Effect.** Unless a rule of law or procedure is supplied by federal law (including  
14 the Bankruptcy Code or the Bankruptcy Rules), the laws of the State of Washington govern this Plan  
and any agreements, documents, and instruments executed in connection with this Plan, except as  
otherwise provided in this Plan.

15 **9.10 Notices.** Following the Effective Date, all pleadings and notices filed in the Chapter 11 Case  
16 shall be served solely on: (i) the Reorganized Debtor and their counsel, (ii) the Subchapter V Trustee,  
(iii) the U.S. Trustee, (iv) any person whose rights are affected by the applicable pleading or notice,  
and (v) any person who filed a request for special notice or courtesy notice in the Chapter 11 Case.

17 **9.11 Additional Documents.** On or before the Effective Date, the Debtor may file with the  
18 Bankruptcy Court such agreements and other documents as may be necessary or appropriate to  
effectuate and further evidence the terms and conditions of the Plan. The Debtor and Reorganized  
19 Debtor, as applicable, and all Holders receiving Distributions under the Plan and all other parties in  
interest may, from time to time, prepare, execute, and deliver any agreements or documents and take  
20 any other acts as may be necessary or advisable to effectuate the provisions and intent of the Plan.

21 **9.12 Conflicts with the Plan.** In the event and to the extent that any provision of the Plan is  
22 inconsistent with the provisions of any other order entered in the Chapter 11 Case or any other  
agreement to be executed by any person pursuant to the Plan, the provisions of the Plan shall control  
and take precedence; *provided, however*, that the Confirmation Order shall control and take  
23 precedence in the event of any inconsistency between the Confirmation Order, any provision of the  
Plan, and any of the foregoing documents.

1  
2 **9.13 Post-Confirmation Reporting.** The Reorganized Debtor shall prepare and file the reports required by Local Rule 3022-1(a)(1).

3  
4 **ARTICLE X.  
DISCHARGE**

5 **10.1 Consensual Confirmation.** If the Plan is confirmed under section 1191(a) of the Bankruptcy Code, the Debtor will be discharged from any debt that arose before Confirmation of this Plan, to the extent specified in Bankruptcy Code section 1141(d)(1)(A). The Debtor will not be discharged from any debt imposed by this Plan.

6  
7 **10.2 Nonconsensual Confirmation.** If the Plan is confirmed under section 1191(b) of the Bankruptcy Code, Confirmation of the Plan does not discharge any debt provided for in this Plan until the Bankruptcy Court grants a discharge on completion of all payments due within the first three (3) years of this Plan, or as otherwise provided in Bankruptcy Code section 1192. The Debtor will not be discharged from any debt: (i) on which the last payment is due after the first three (3) years of the Plan, or as otherwise provided in section 1192 of the Bankruptcy Code; or (ii) excepted from discharge under Bankruptcy Code section 523(a), except as provided in Bankruptcy Rule 4007(c). If applicable, the disbursing agent will be the Reorganized Debtor.

8  
9  
10 **10.3 Binding Effect.** The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors and assigns of, such entity or person regardless of whether or not (i) a Claim was scheduled, (ii) a Proof of Claim was filed, (iii) a Claim is an Allowed Claim, or (iv) the Holder of such Claim voted to accept the Plan.

11  
12  
13 **ARTICLE XI.  
EXCULPATION AND INJUNCTION**

14 **11.1 Exculpation.**

15 **11.1.1** The Exculpated Parties shall not have or incur any liability to any entity or person for any act taken or omitted to be taken in relation to these Chapter 11 Case, including, but not limited to with respect to the formulation, preparation, dissemination, negotiation, implementation, confirmation, or approval of this Plan, or any contract, instrument, release, or other agreement or document provided for or contemplated in connection with the consummation of any transactions or actions to be taken in connection with this Plan; *provided, however*, that the provisions of this section shall not affect the liability of any entity or person that otherwise would result from any such act or omission to the extent that such act or omission is determined in a Final Order to have constituted gross negligence, actual fraud, or willful misconduct.

16  
17  
18  
19  
20 **11.1.2** The Exculpated Parties have, and upon Confirmation of this Plan shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the solicitation and Distributions pursuant to the Plan, and, therefore, are not, and on account of such Distributions shall not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of the Plan or such Distributions made pursuant to the Plan. All Exculpated Parties shall be entitled to rely in all respects upon the advice of counsel with respect to their duties and responsibilities under the Plan.

1 **11.2 Injunction.** Upon entry of a Final Decree by the Bankruptcy Court, all entities who have held,  
2 currently hold, or may hold a debt or Claim against the Debtor, the Estate, the Reorganized Debtor, or  
3 their respective property that is based upon any act or omission, transaction, or other activity of any  
4 kind or nature that arose or accrued prior to the Confirmation Hearing, or that is otherwise discharged  
5 pursuant to the Plan, shall be permanently enjoined to the fullest extent provided by the Bankruptcy  
6 Code from taking any of the following actions on account of any such discharged debt, Claim, or  
7 interest (the “Permanent Injunction”): (i) commencing or continuing in any manner any action or other  
8 proceeding against the Debtor, the Estate, the Reorganized Debtor, or their respective property that is  
9 inconsistent with this Plan or Confirmation Order; (ii) enforcing, attaching, collecting, or recovering  
10 in any manner any judgment, award, decree, or order against the Debtor, the Estate, the Reorganized  
11 Debtor, or their respective property other than as specifically permitted under the Plan, as approved by  
12 the Confirmation Order; (iii) creating, perfecting, or enforcing any lien or encumbrance against the  
13 Debtor, the Estate, the Reorganized Debtor, or their respective property in any manner that is  
14 inconsistent with the Plan or Confirmation Order; and (iv) commencing or continuing any action, in  
15 any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan,  
16 the Confirmation Order, or the discharge provisions of 11 U.S.C. §§ 524 or 1141.

10 **ARTICLE XII.**  
**MODIFICATIONS TO THE PLAN**

11 Pursuant to the provisions of the Bankruptcy Code and Bankruptcy Rule 3019, the Debtor  
12 reserves the right to alter, amend, modify, revoke, or withdraw the Plan prior to its Substantial  
13 Consummation.

13 **ARTICLE XIII.**  
**RETENTION OF JURISDICTION BY THE BANKRUPTCY COURT**

14 Notwithstanding Confirmation, until entry of a Final Decree, the Bankruptcy Court shall retain  
15 jurisdiction to ensure that the purposes and intent of the Plan are carried out. Without limiting the  
16 generality of the foregoing, the Bankruptcy Court shall retain jurisdiction for the following purposes:

17 13.1.1 Fixing and allowing any Claim as a cost and expense of the administration of the  
18 Bankruptcy Case;

19 13.1.2 Re-examining any Claim that has been allowed;

20 13.1.3 Hearing and determining objections to Claims. The failure of the Debtor to object to,  
21 or to examine any Claim for the purpose of voting, shall not be deemed to be a waiver of the Debtor’s  
22 right to object to, or re-examine any Claim in whole or in part;

23 13.1.4 Hearing and determining all applications for compensation and reimbursement of  
expenses of Professionals under the Plan or under Bankruptcy Code sections 327, 328, 330, 331, 363,  
503(b), and 1129(a)(4);

13.1.5 Hearing and determining any action brought by the Reorganized Debtor on behalf of  
the Estate seeking to avoid any transfer of an interest of the Debtor in property, or any obligation  
incurred by Debtor, that is avoidable pursuant to applicable law;



1 13.1.6 Hearing and determining all causes of action, controversies, disputes, or conflicts  
2 between or among the Debtor and any other party, including those that were pending prior to  
Confirmation;

3 13.1.7 Hearing and determining all questions and disputes regarding title to the property of the  
4 Estate;

5 13.1.8 Correcting any defect, curing any omission, or reconciling any inconsistency in the  
6 Plan or the Confirmation Order as may be necessary to carry out the purpose and intent of the Plan;

7 13.1.9 Issuing any order necessary to implement the Plan or Confirmation Order, including,  
8 without limitation, such declaratory and injunctive orders as are necessary or appropriate to protect the  
Debtor, the Estate, and the Reorganized Debtor from actions of creditors or other persons;

9 13.1.10 Hearing and determining any dispute relating to the terms or implementation of the  
10 Plan or Confirmation Order, or to the rights or obligations of any parties in interest with respect  
thereto; and

11 13.1.11 The modification of the Plan after Confirmation pursuant to the Bankruptcy Rules and  
the Bankruptcy Code in accordance with Article XIII above.

12 **ARTICLE XIV.**  
13 **REQUEST FOR CONFIRMATION AND RECOMMENDATION**

14 **14.1 Request for Confirmation.** The Debtor requests Confirmation of the Plan in accordance with  
15 section 1191 of the Bankruptcy Code.

16 **14.2 Recommendation.** The Debtor believes that Confirmation and implementation of the Plan are  
the best alternatives under the circumstances and urge all Creditors entitled to vote on the Plan to vote  
in favor of and support Confirmation of the Plan.

17 RESPECTFULLY SUBMITTED this 30th day of September, 2024.

18 NORTHWEST RENEWABLE ENERGY GROUP, LLC

19 /s/ B. Michael Malgarini

20 By: B. Michael Malgarini  
21 Its Manager  
22  
23

**EXHIBIT A**

**Liquidation Analysis**

## LIQUIDATION ANALYSIS

The Bankruptcy Code requires that, for a given class of claims, each holder of a claim or interest in such class must either vote to accept the plan, or, alternatively, receive or retain under the plan property of a value that is not less than the amount that such holder would receive or retain if the debtor's assets were liquidated in and the proceeds distributed under a chapter 7 liquidation. This is generally known as the "best interests of creditors" test. As set forth below, the Debtor believes that the Plan satisfies the standard.

To apply the test, the Debtors' Assets are valued in the context of a distressed liquidation in a chapter 7 case by a trustee appointed by the Bankruptcy Court. The estimated values take into consideration the costs and expense of the liquidation, and such additional administrative and priority claims that may result from conversion of the case from chapter 11 to chapter 7 for the purpose of liquidation. Net liquidation proceeds would be paid to Holders of Unsecured Claims only to the extent funds are available after Holders of Secured Claims have been paid the full value of their Collateral and Holders of Administrative Claims and Priority Claims receive full payment on their Claims.

The Debtor's primary Assets are its logging equipment and vehicles. All equipment and vehicles are encumbered by either purchase money security interests of various commercial lenders and/or the blanket lien on all Assets of Bank of Idaho. Other Assets are de minimis, and such Assets are also fully encumbered by Bank of Idaho's lien. The Debtor's estimate of a liquidation value incorporates, but is not limited to, the following facts and assumptions:

### Liquidation Values:

Asset	Scheduled Value <sup>1</sup>	Current/Liquidation Value <sup>2</sup>
Cash in Various Accounts	\$74,214	\$19,003
Retainer (Turning Point)	\$10,000	\$10,000
Accounts Receivable	\$0	\$0
Office Furniture and Equipment	\$3,950	\$0
Machinery, Equipment and Vehicles	\$2,657,218	\$1,860,053
Timber Sale Contracts	Unknown	Unknown
<b>TOTAL</b>	<b>\$2,745,382</b>	<b>\$1,889,056</b>

- Cash on hand is an approximate amount, less any payments of court-approved expenses.
- The prepetition retainer held by Turning Point is fully encumbered by Turning Point's lien rights for fees and costs incurred prepetition.
- The cost and expense of auctioning or locating a potential buyer for the de minimis office furniture and equipment would exceed any proceeds of sale realized.
- All machinery, equipment and vehicles are over-encumbered by their respective purchase money security interest lienholders and/or the Bank of Idaho blanket lien, and such Assets

<sup>1</sup> The Scheduled Values represent the Debtor's estimate of value for each vehicle or piece of equipment listed on the Schedules.

<sup>2</sup> The Liquidation Value is an Orderly Liquidation Value, which here discounts the Fair Market Value by 30%, and represents the estimated gross amount that would typically be realized from a properly advertised and conducted liquidation sale at public auction, with such vehicles and equipment sold on an as-is, where-is basis.

would be abandoned by a chapter 7 trustee pursuant to Bankruptcy Code § 554(a) as being burdensome or of inconsequential value to the Estate.

- The Debtor believes the timber sale contracts are non-assignable and, thus, would have no value to any third party.

**Liquidation Expenses:**

The gross amount of liquidation proceeds estimated above would be reduced by the costs and expenses that a chapter 7 trustee would incur in that process. The trustee would be entitled to a statutory commission pursuant to § 326(a) of the Bankruptcy Code. In addition, the trustee would presumably engage: (i) bankruptcy counsel to facilitate an auction and sale process; and (ii) an accountant to provide tax advice and prepare Estate tax returns. It is impossible to estimate with any reliability as to what each of these expenses would total, but for purposes of this analysis the following amounts are included:

<b>Professional</b>	<b>Estimated Expense Amount</b>
Chapter 7 Trustee	*\$79,052
Trustee’s bankruptcy counsel	\$40,000
Trustee’s accountant	\$20,000
<b>TOTAL</b>	<b>\$139,052</b>

\* This amount is the product of the gross liquidation proceeds (\$1,860,053) times the statutory commission framework set forth in Bankruptcy Code § 326(a).

**Total Estimated Liquidation Value:**

The estimated net liquidation recovery would be as follows:

Gross liquidation proceeds:	\$1,879,056
Less: Liquidation expenses:	<u>\$ 139,052</u>
<b>Total:</b>	<b>\$1,740,004</b>

**Best Interests of Creditors:**

Under the Plan, the Debtor has proposed to pay secured Creditors in full up to the value of their respective collateral. Specifically, Holders of Secured Claims will receive a total of \$2,266,633.40 under the Plan. The Plan will also pay all Priority Claims and Administrative Claims in full.

Notwithstanding what would actually be realized on liquidated or surrendered equipment and vehicles, the costs incurred by secured Creditors would greatly be reduced under the Plan by the reduction of their own costs of liquidating such vehicles and equipment, which would include retrieval, transportation, storage, and costs of sale by auction, thereby resulting in a significantly greater net recovery for each secured Creditor. Neither a liquidation or the Plan would result in a dividend to general unsecured creditors.

Accordingly, the Plan provides a more favorable alternative for Creditors than a chapter 7 liquidation and therefore satisfies the best interests of creditors test.

**EXHIBIT B**

**Plan Projections**

Northwest Renewable Energy Group Bankruptcy Plan Projections 9/25/2024	Plan Month		1		2		3		4		5		6		7		8		9		10		11		12		13		14		26		38		50		62					
	Forecast	Forecast	Forecast	Forecast	Forecast	% of	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast					
	9/30/2024	10/31/2024	11/30/2024	12/31/2024	2024 Total	Revenue	1/31/2025	2/28/2025	3/31/2025	4/30/2025	5/31/2025	6/30/2025	7/31/2025	8/31/2025	9/30/2025	10/31/2025	11/30/2025	12/31/2025	2025 Total	% of Revenue	2026 Total	% of Revenue	2027 Total	% of Revenue	2028 Total	% of Revenue	2029 Total	% of Revenue	2025 Total	% of Revenue	2026 Total	% of Revenue	2027 Total	% of Revenue	2028 Total	% of Revenue	2029 Total	% of Revenue				
<b>Beginning Cash Balance</b>	\$ (6,500)	\$ 400	\$ 20,100	\$ 2,400	\$ 31,064		\$ 3,200	\$ 200	\$ 51,300	\$ 54,443	\$ 48,285	\$ 27,228	\$ 42,271	\$ 41,013	\$ 58,056	\$ 55,999	\$ 102,241	\$ 75,784	\$ 3,200	100%	\$ 65,527	100%	\$ 231,439	100%	\$ 234,351	100%	\$ 157,663	100%	\$ 3,200	100%	\$ 65,527	100%	\$ 231,439	100%	\$ 234,351	100%	\$ 157,663	100%				
<b>Sales</b>																																										
Timber Sales Collections	270,800	327,600	278,300	270,500	2,067,100	88%	250,200	333,600	333,600	309,300	309,300	346,600	330,000	330,100	350,700	359,600	276,500	271,400	3,800,900	100%	3,831,100	100%	3,808,400	100%	3,808,400	100%	3,808,400	100%	3,808,400	100%	3,808,400	100%	3,808,400	100%	3,808,400	100%	3,808,400	100%	3,808,400	100%		
Contract Logging Collections	-	-	-	-	267,900	11%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	
Other Misc. Receipts	-	-	-	-	10,400	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	
<b>Total Sales</b>	\$ 270,800	\$ 327,600	\$ 278,300	\$ 270,500	\$ 2,345,400	100%	\$ 250,200	\$ 333,600	\$ 333,600	\$ 309,300	\$ 309,300	\$ 346,600	\$ 330,000	\$ 330,100	\$ 350,700	\$ 359,600	\$ 276,500	\$ 271,400	\$ 3,800,900	100%	\$ 3,831,100	100%	\$ 3,808,400	100%	\$ 3,808,400	100%	\$ 3,808,400	100%	\$ 3,808,400	100%	\$ 3,808,400	100%	\$ 3,808,400	100%	\$ 3,808,400	100%	\$ 3,808,400	100%	\$ 3,808,400	100%		
<b>Cost of Goods Sold</b>																																										
Stumpage	8,000	50,200	122,300	97,100	553,900	24%	73,500	67,900	90,600	90,600	109,800	109,800	92,200	87,800	87,500	89,300	85,200	63,900	1,048,100	28%	870,100	23%	929,900	24%	929,900	24%	929,900	24%	929,900	24%	929,900	24%	929,900	24%	929,900	24%	929,900	24%	929,900	24%	929,900	24%
Rocks and Culverts	10,000	-	-	-	36,200	2%	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	37,200	1%	38,400	1%	39,600	1%	40,800	1%	42,000	1%	42,000	1%	42,000	1%	42,000	1%	42,000	1%	42,000	1%	42,000	1%	42,000	1%
Gasoline, Fuel and Oil	20,000	21,400	20,100	20,700	220,600	9%	19,300	19,300	19,300	19,300	19,300	19,300	19,300	19,300	19,300	19,300	19,300	19,300	231,600	6%	238,800	6%	246,000	6%	253,200	7%	260,400	7%	260,400	7%	260,400	7%	260,400	7%	260,400	7%	260,400	7%	260,400	7%	260,400	7%
Repairs and Maintenance	17,000	39,000	8,000	8,000	132,600	6%	8,000	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	11,400	133,400	4%	138,000	4%	141,600	4%	146,400	4%	151,200	4%	151,200	4%	151,200	4%	151,200	4%	151,200	4%	151,200	4%	151,200	4%	151,200	4%
Bonds	-	-	-	-	20,400	1%	-	15,000	15,000	-	-	-	-	-	40,000	-	-	-	70,000	2%	45,000	1%	50,000	1%	50,000	1%	50,000	1%	50,000	1%	50,000	1%	50,000	1%	50,000	1%	50,000	1%	50,000	1%		
Scaling & Weight Loads Expense	1,500	1,500	1,500	1,500	12,200	1%	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000	0%	18,000	0%	18,000	0%	18,000	0%	18,000	0%	18,000	0%	18,000	0%	18,000	0%	18,000	0%	18,000	0%	18,000	0%		
<b>Total Cost of Goods Sold</b>	\$ 56,500	\$ 112,100	\$ 151,900	\$ 127,300	\$ 975,900	42%	\$ 105,400	\$ 118,200	\$ 140,900	\$ 125,900	\$ 145,100	\$ 145,100	\$ 127,500	\$ 123,100	\$ 162,800	\$ 124,600	\$ 120,500	\$ 99,200	\$ 1,538,300	40%	\$ 1,348,300	35%	\$ 1,425,100	37%	\$ 1,438,300	38%	\$ 1,451,500	38%	\$ 1,451,500	38%	\$ 1,451,500	38%	\$ 1,451,500	38%	\$ 1,451,500	38%	\$ 1,451,500	38%	\$ 1,451,500	38%		
<b>Gross Margin</b>	\$ 214,300	\$ 215,500	\$ 126,400	\$ 143,200	\$ 1,369,500	58%	\$ 144,800	\$ 215,400	\$ 192,700	\$ 183,400	\$ 164,200	\$ 201,500	\$ 202,500	\$ 207,000	\$ 187,900	\$ 235,000	\$ 156,000	\$ 172,200	\$ 2,262,600	60%	\$ 2,482,800	65%	\$ 2,383,300	63%	\$ 2,370,100	62%	\$ 2,356,900	62%	\$ 2,356,900	62%	\$ 2,356,900	62%	\$ 2,356,900	62%	\$ 2,356,900	62%	\$ 2,356,900	62%	\$ 2,356,900	62%		
<b>Expenses</b>																																										
<b>Labor &amp; Subcontractors</b>																																										
Payroll, Payroll Taxes & 401K Payments	85,000	87,000	74,000	66,000	716,800	31%	77,000	77,000	77,000	77,000	77,000	77,000	77,000	77,000	77,000	77,000	77,000	924,000	24%	970,800	25%	1,018,800	27%	1,069,200	28%	1,101,600	29%	1,101,600	29%	1,101,600	29%	1,101,600	29%	1,101,600	29%	1,101,600	29%	1,101,600	29%	1,101,600	29%	
Subcontractors	19,200	25,100	21,900	20,500	184,900	8%	18,800	25,100	25,100	25,100	25,100	26,300	25,100	26,300	26,300	25,100	18,800	18,800	285,900	8%	285,900	7%	285,900	8%	285,900	8%	285,900	8%	285,900	8%	285,900	8%	285,900	8%	285,900	8%	285,900	8%	285,900	8%	285,900	8%
Employee Benefits	31,800	15,900	15,900	15,900	205,000	9%	16,400	16,400	16,400	16,400	16,400	16,400	16,400	16,400	16,400	16,400	16,400	16,400	196,800	5%	202,800	5%	208,800	5%	214,800	6%	220,800	6%	220,800	6%	220,800	6%	220,800	6%	220,800	6%	220,800	6%	220,800	6%	220,800	6%
<b>Total Labor &amp; Subcontractors</b>	\$ 136,000	\$ 128,000	\$ 111,800	\$ 102,400	\$ 1,106,700	47%	\$ 112,200	\$ 118,500	\$ 118,500	\$ 118,500	\$ 118,500	\$ 119,700	\$ 118,500	\$ 119,700	\$ 119,700	\$ 118,500	\$ 112,200	\$ 112,200	\$ 1,406,700	37%	\$ 1,459,500	38%	\$ 1,513,500	40%	\$ 1,569,900	41%	\$ 1,608,300	42%	\$ 1,608,300	42%	\$ 1,608,300	42%	\$ 1,608,300	42%	\$ 1,608,300	42%	\$ 1,608,300	42%	\$ 1,608,300	42%		
<b>General &amp; Administrative</b>																																										
Insurance	15,100	15,100	15,100	15,100	128,400	5%	11,000	11,000	11,000	11,000	11,000	11,000	29,500	14,500	14,500	14,500	14,500	14,500	168,000	4%	172,700	5%	177,400	5%	182,600	5%	188,500	5%	188,500	5%	188,500	5%	188,500	5%	188,500	5%	188,500	5%	188,500	5%		
Rent	7,000	3,500	3,500	3,500	42,000	2%	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	50,400	1%	51,600	1%	52,800	1%	54,000	1%	55,200	1%	55,200	1%	55,200	1%	55,200	1%	55,200	1%	55,200	1%	55,200	1%		
License and Permits	-	-	-	3,600	10,400	0%	700	5,000	5,000	5,000	700	700	700	700	700	700	700	700	21,300	1%	21,600	1%	22,800	1%	24,000	1%	25,200	1%	25,200	1%	25,200	1%	25,200	1%	25,200	1%	25,200	1%	25,200	1%		
Operating Supplies	100	100	100	100	1,600	0%	100	100	100	100	100	100	100	100	100	100	100	100	1,200	0%	1,200	0%	1,200	0%	1,200	0%	1,200	0%	1,200	0%	1,200	0%	1,200	0%	1,200	0%	1,200	0%	1,200	0%		
Utilities	500	400	400	500	4,700	0%	400	400	400	400	400	400	400	400	400	400	400	400	4,800	0%	4,800	0%	4,800	0%	4,800	0%	4,800	0%	4,800	0%	4,800	0%	4,800	0%	4,800	0%	4,800	0%	4,800	0%		
Legal and Accounting	-	-	-	4,000	30,300	1%	4,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	59,000	2%	61,200	2%	63,600	2%	66,000	2%	68,400	2%	68,400	2%	68,400	2%	68,400	2%	68,400	2%	68,400	2%	68,400	2%		
Sales, Property, and Other Taxes	-	-	-	-	(10,400)	0%	-	-	-	-	-																															

**EXHIBIT C**

**Assumptions Underlying Projections**

## Northwest Renewable Energy Group

	Assumption	Remainder - 2024	2025	2026	2027	2028	2029
1	Average Loads per Day	6.3	6.5	6.5	6.5	6.5	6.5
2	Working Days per Month	Assume that employees will take a week off for Holidays in November & December (employees do not receive PTO). Assume that there are only 10 working days in August for Tower production due to owl nesting season.					
3	Production Sites - Tower	Soldier/Haller	Haller/Cabin /Midnight	Watch/Willie	Watch/Willie	Watch/Willie	Watch/Willie
4	Production Sites - Ground	Soldier/Taneum	Soldier/Taneum	Taneum/Willie	Soldier/Taneum	Soldier/Taneum	Soldier/Taneum
Note: Production sites past 2027 depend on stumps availability, determined by U.S. Forest Service.							
5	Stumpage Payments	Stumpage is based on the tonnage hauled from specific sites with each site having a varying production unit price, regardless if collected from Tower or Ground. Stumpage is paid monthly and payments are delayed one month. Depending on the contract for each location, the U.S. Forest Service will issue a deposit back after a set tonnage has been hauled.					
6	Labor Growth			4%	4%	4%	2%
7	Post-Confirm. Salary for Owner	\$10,000/mo.	\$10,000/mo.	\$10,000/mo.	\$10,000/mo.	\$10,000/mo.	\$10,000/mo.
8	G&A Growth			3%	2%	2%	2%
9	Rainier Veneer Recoupments	Recoupments to Rainer Veneer are projected to end in the latter half of 2025, dependent on tonnage processed throughout the year.					
10	Plan Payments	Payments of \$13,000/month start in Nov. ' 24	Payments increase to \$38,257/month in Feb. '25	Payments remain at \$38,257/month	Payments remain at \$38,257/month	Payments lower to \$37,378/month in Nov. '28	Payments remain at \$37,378/month