

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO

In re:)	
)	
PRECISION CASTING PROTOTYPES)	Case No. 16-20113 TBM
AND ENGINEERING, INC.)	Chapter 11
Debtor.)	
)	

SECOND AMENDED PLAN OF REORGANIZATION
DATED JANUARY 9, 2018

Precision Casting Prototypes and Engineering, Inc., Debtor-in-possession herein (“Debtor” or “Precise Cast”), through its undersigned counsel respectfully proposes the following Second Amended Plan of Reorganization (the “Plan”) pursuant to 11 U.S.C. § 1121(a) as follows:

ARTICLE I
SUMMARY

The Plan under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code” or the “Code”) proposes to pay creditors of the Debtor from the Debtor’s net income. This Plan provides for seven (7) classes of secured claims; three (3) classes of priority claims, one (1) class of unsecured claims; and one (1) class of the Debtor’s equity holders. General unsecured creditors holding allowed claims will receive distributions at approximately thirty-two cents on the dollar (32%) over a period of six (6) years.

All creditors and equity security holders should refer to Articles II through VII of this Plan for information regarding the precise treatment of their claim. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. If you do not have an attorney, you may wish to consult one.**

ARTICLE II
CLASSIFICATION OF CLAIMS AND INTERESTS

- 2.1 Class 1 All allowed claims entitled to priority under 11 U.S.C. § 507 (except administrative expense claims under 11 U.S.C. § 507(a)(2), priority wage claims under 11 U.S.C. § 507(a)(4), and priority tax claims under 11 U.S.C. § 507(a)(8)).

- 2.2 Class 2 The secured claim of Bank of the West (“BOTW”), which is secured by various security agreements and recorded financing statements against all of the assets of the Debtor, pursuant to 11 U.S.C. § 506.

- 2.3 Class 3 The secured claim of TCF Equipment Finance, a division of TCF Bank (“TCF”), which is secured by a recorded financing statement against certain equipment owned by the Debtor pursuant to 11 U.S.C. § 506.
- 2.4 Class 4 The first claim of Stearns Bank which is secured by a recorded financing statement against certain equipment owned by the Debtor pursuant to 11 U.S.C. § 506.
- 2.5 Class 5 The second claim of Stearns Bank which is secured by a recorded financing statement against certain equipment owned by the Debtor pursuant to 11 U.S.C. § 506.
- 2.6 Class 6 The secured claim of First Sound Bank which is secured by a recorded financing statement against certain equipment owned by the Debtor pursuant to 11 U.S.C. § 506.
- 2.7 Class 7 The secured claim of IPFS Corporation which is secured by a Premium Financing Agreement against an insurance policy of the Debtor pursuant to 11 U.S.C. § 506.
- 2.8 Class 8 The secured claim of Wells Fargo Equipment Finance which is secured by a recorded financing statement against certain equipment owned by the Debtor pursuant to 11 U.S.C. § 506.
- 2.9 Class 9 The unsecured priority claims of wages, salaries, commissions, etc., up to \$12,475 per individual earned within the 180 days before the Petition Date, pursuant to 11 U.S.C. § 507(a)(4).
- 2.10 Class 10 The unsecured priority tax claim of the Colorado Department of Revenue for any unpaid and accrued taxes as of the Petition Date, to the extent such claim is allowed pursuant to 11 U.S.C. § 507(a)(8) as provided by 11 U.S.C. § 1129(a)(9)(D).
- 2.11 Class 11 The unsecured priority tax claim of the Internal Revenue Service for any unpaid and accrued income taxes as of the Petition, to the extent such claim is allowed pursuant to 11 U.S.C. § 507(a)(8) as provided by 11 U.S.C. § 1129(a)(9)(D).
- 2.12 Class 12 General unsecured claims allowed under 11 U.S.C. § 502.
- 2.13 Class 13 All holders of equity interests in the Debtor.

ARTICLE III
TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS, US TRUSTEE FEES,
AND PRIORITY CLAIMS

3.1 Unclassified Claims. Under 11 U.S.C. § 1123(a)(1), certain administrative expense claims are not required to be classified. For purposes of this Plan, such unclassified claims consist of the allowed administrative expense claims under 11 U.S.C. § 507(a)(2). Each holder of an allowed unclassified administrative expense claim will be paid in full on the Effective Date of this Plan (as defined in Article VIII), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor.

3.2 **Class 1. Administrative Expenses.** Class 1 consists of all other allowed claims entitled to priority under 11 U.S.C. § 507 (except administrative expense claims under 11 U.S.C. § 507(a)(2), priority wage claims under 11 U.S.C. § 507(a)(4), and priority tax claims under 11 U.S.C. § 507(a)(8)). Each holder of an administrative expense claim allowed under 11 U.S.C. § 503 will be paid in full on the effective date of this Plan (as defined in Article VII), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor. This Class includes the filed priority claim of Fastenal Company of \$88.35 pursuant to 11 U.S.C. §503(b)(9).

3.3 **Class 9. Priority Wage Claims.** Class 9 consists of the unsecured priority claims of employees of the Debtor for wages, salaries, commissions, etc., up to \$12,475 per individual earned within the 180 days before the Petition Date, pursuant to 11 U.S.C. § 507(a)(4). To the extent that any priority wage claims are allowed under 11 U.S.C. § 507(a)(4), each holder of a priority wage claim will have an allowed claim for the amount earned in the 180 days prior to the Petition Date in an amount not to exceed \$12,475. Such claims were paid pursuant to the Final Order Authorizing Payment of Pre-Petition Wages, Compensation and Employee benefits on October 31, 2016, by the Bankruptcy Court. Additional claims were filed by Den Uyl Mathews & Long, Inc. (“DUMLI”), in the amount of \$6,155.00 (\$600 of which may be subject to priority treatment) and Arvada Transfer in the amount of \$9,031.34 (who filed an untimely claim and did not provide any basis for asserting its grounds for priority).

- (i) The Debtor shall file an Objection to the Proof of Claim filed by DUMLI and Arvada Transfer within 60 days after the Effective Date seeking a final determination of the amount actually owed. Fed.R.Bankr.P. 3007. To the extent any claim is allowed under 11 U.S.C. §507(a)(4), the Debtor shall pay such claim in full within 30 days after a Final Order.
- (ii) Any remaining portion of or all, as the case may be, of a wage claimant which is not entitled to priority under 11 U.S.C. §507(a)(4), shall be unsecured and be paid pursuant to the provisions of Class 12 of the Plan, unless otherwise provided by a separate Court order.

3.4 **Assumption of Lease.** Pre-petition, the Debtor entered into a Real Estate Lease (Single Tenant Building) (“Lease”) with the Landlord for the lease of real property known as 7501

Dahlia Street, Denver, Colorado (the “Property”). The Debtor’s manufacturing operations and offices are located at the Property. Under the terms of the Lease, the Debtor pays monthly rents and charges. On the Petition Date, the monthly rent was \$9,395.83 together with monthly Additional Rent (for property taxes, insurance and maintenance) of approximately \$1,915.59. The term of the lease is five (5) years and three (3) months commencing January 1, 2012. The Debtor has an option to renew the Lease for an additional term of three (3) years provided the Debtor is not then in default. Contemporaneously with the Lease, the principals of the Debtor, Mr. Craig Reeves, Patrick V. Peterson and Brett Peak, personally guaranteed the obligations of the Debtor to the Landlord. Neither the Debtor, nor any of its principals, own any interest in the Landlord or are otherwise affiliated with the Landlord. On March 2, 2015, the Debtor and the Landlord entered into a First Amendment to Lease Agreement (the “Amendment”). Under the terms of the Amendment, the monthly rents were modified from and after April 1, 2017. The term of the Lease was also extended through March 31, 2020 and the Debtor was granted another option to renew the Lease for a subsequent five (5) year period. At the time of the Amendment, the Debtor was in arrears of its monetary obligations (primarily real estate taxes and common area maintenance charges) under the Lease in the amount of \$41,130.00. As partial consideration for the Amendment, the Debtor, Mr. Reeves and Mr. Peterson executed a Promissory Note in the amount of \$41,130 in favor of the Landlord. Under the terms of the Promissory Note, the Debtor agreed to make monthly installment payments of \$1,000 until July 15, 2019, when the obligation matured.

- (a) On the Petition Date, the Debtor was in arrears on its rents and charges under the Lease and Amendment as follows:
 - i. Rents for July, August and October, totaling \$37,330.57;
 - ii. Note payments for August, September and October, totaling \$3,000;
 - iii. For a total of \$40,330.57.

- (b) Pursuant to 11 U.S.C. § 365, the Debtor has moved to assume or reject its executory contracts and unexpired leases. Unless otherwise subject to an order of the Bankruptcy Court, on the Effective Date, the Lease, Amendment and Promissory Note shall be assumed. The Debtor shall cure its arrears under the Lease as follows:
 - i. On the 15th day of the month following an order approving the Debtor’s assumption of the Lease, the Debtor shall make equal monthly installments of \$3,360.88 for a period of 12 months.
 - ii. Such payments shall be in addition to the Debtors’ required payments under the Lease, Amendment and Promissory Note.

3.5. Priority Tax Claims. The holders of priority tax claims will be paid as follows:

a. **Class 10. Priority Tax Claim of Colorado Department of Revenue.** Class 7 consists of the unsecured priority tax claims of the Colorado Department of Revenue for any unpaid and/or accrued taxes owing as of the Petition Date under 11 U.S.C. § 507(a)(8). The Debtor does not believe that it owes any taxes to the Colorado Department of Revenue as of the Petition Date.

To the extent such claims are allowed, they shall bear interest at the Wall Street Journal prime rate on the Effective Date and shall be paid in full within one (1) year of the Effective Date. Any general unsecured claim of any entity asserting a priority tax claim under this section, including any claim for penalties not related to actual pecuniary loss, shall be paid as provided for pursuant to Class 12 of the Plan, unless subordinated by separate order of the Court.

b. Class 11. Priority Tax Claim of Internal Revenue Service. Class 11 consists of the unsecured priority tax claims of the Internal Revenue Service for any unpaid and/or accrued taxes owing as of the Petition Date under 11 U.S.C. § 507(a)(8). The Debtor does not believe that it owes any taxes to the IRS as of the Petition Date. The IRS filed a proof of claim in the amount of \$13,070.81 for unassessed liability for the Debtor's 2016 payroll tax obligations and corporate income taxes. The Debtor asserts that it timely paid all pre-petition taxes owing to the IRS and timely filed its required returns. To the extent such claims are allowed, the claims shall bear interest at the Wall Street Journal prime rate on the Effective Date and shall be paid in full within one (1) year of the Effective Date. Any general unsecured claim of any entity asserting a priority tax claim under this section, including any claim for penalties not related to actual pecuniary loss, shall be paid as provided for pursuant to Class 12 of the Plan, unless subordinated by separate order of the Court.

c. Adams County. Adams County, Colorado holds a priority secured claim for Business Personal Property taxes for the tax years 2015 and 2016. Adams County filed a proof of claim for a total of \$16,886.08 with interest at 12% per annum. The Debtor shall pay the claim of Adams County in full on the Effective Date. The creditor shall retain its lien on the Debtor's assets, pursuant to 11 U.S.C. §506(a), with the priority thereof, as existed on the Petition Date pursuant to 11 U.S.C. §1129(a)(9)(D) and § 1129(b)(2)(A)(i)(I), until the secured claim is paid. With respect to any post-petition taxes which accrued but are not due and owing until the following calendar year, the Debtor will pay such taxes as they become due. Upon payment of the secured portion of its claim, any lien asserted by Adams County against any asset of the Debtor shall be deemed released and of no further force and effect. Any unsecured general claim of Adams County, including any claim for penalties not related to actual pecuniary loss, shall be paid as provided for pursuant to the provisions of Class 12 of the Plan, unless subordinated by separate order of the Court.

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

ARTICLE IV TREATMENT OF SECURED AND UNSECURED CLAIMS AND EQUITY INTERESTS UNDER THE PLAN

Secured claims, unsecured claims and equity interests in the Debtor shall be treated as follows under the Plan:

4.1. **Class 2** consists of the secured claims of Bank of the West (“BOTW”), which is secured by various security agreements and recorded financing statements against all of the assets of the Debtor, pursuant to 11 U.S.C. § 506. As described in the Disclosure Statement, the Debtor took six different loans in the total principal amount of \$1,579,354.93 between 2011 and 2014. The Debtor gave several security agreements to BOTW to secure these loans against all of the Debtor’s assets, which were all properly perfected pre-petition. BOTW filed a proof of claim asserting that the amount of \$857,116.55 was owed on such loans as of the Petition Date. Post-petition, BOTW retained Dickensheet & Associates, Inc. to value most of the Debtor’s equipment which is subject to BOTW’s lien. Dickensheet determined that the fair market value of the Debtor’s equipment was \$584,900, and the liquidation value at \$456,959.00. The total market value of the Debtor’s assets that are encumbered by BOTW’s lien is \$1,314,912.55. Class 2 is impaired under the Plan. The Debtor shall treat the Class 2 Claim as follows:

- 4.1.1 BOTW shall have an Allowed Secured Claim in the amount of \$857,116.55 less all adequate protection payments made during the case (approximately \$76,000). Such claim shall bear interest at the rate of four percent (4.00%) per annum. The Debtor shall make equal monthly payments of approximately \$8,500 starting the first day of the first month after the Effective Date, and each month thereafter, for a period of 12 months, then monthly payments of \$10,000 for a period of four (4) years thereafter. Any remaining sums of principal and interest not paid during the 5 years following the Effective Date will be due and payable to the Class 2 Creditor on the 5th anniversary of the Effective Date. All payments shall be applied first to costs, then to interest, then to principal.
- 4.1.2 The Class 2 claimant shall retain its lien on all of the Debtor’s assets listed within the security agreements, in the same priority as existed on the Petition Date, pending payment in full of the Allowed Class 2 Secured Claim, pursuant to 11 U.S.C. §506(a).
- 4.1.3 The Debtor shall treat any remaining deficiency amount of the Class 2 Claim as a general unsecured claim in accordance with Class 12 of this Plan.
- 4.1.4 The Debtor shall have the option to pre-pay the Allowed Secured Claim of BOTW at any time without premium or penalty. The Debtor shall provide BOTW 10 days written notice if the Debtor intends to payoff the Class 2 claim prior to completion of the payments herein.
- 4.1.5 In the event of an uncured default by the Debtor of the payments to BOTW, the interest rate on the Class 2 claim shall revert to the contract rate (approximately 5.75%) as of the Petition Date and accrue thereafter according to the loan documents and 11 U.S.C. §506.

4.2 **Class 3** consists of the secured claim of TCF Equipment Finance, a division of TCF Bank (“TCF”), which is secured by a recorded financing statement against certain equipment owned by the Debtor pursuant to 11 U.S.C. § 506. Pre-petition, the Debtor entered into a promissory note in the principal amount of \$147,417.21 with TCF to finance the purchase of a HAAS VM-6 Vertical Machining Center, Serial No. 1116061 (the “TCF Equipment”). The Debtor granted TCF a security interest in the TCF Equipment which TCF properly perfected pre-petition. As of the Petition Date, TCF asserts that it is owed the sum of \$110,750.42. The Debtor obtained a valuation of the TCF Equipment pre-petition in the amount of \$70,000.00. Post-petition, TCF obtained a “Fair Market In-Place” valuation of \$115,000. Class 3 is impaired under the Plan. The Debtor shall treat the Class 3 Claim as follows:

- 4.2.1 TCF shall have an Allowed Secured Claim in the amount of \$110,750.42, less all adequate protection payments made during the case (approximately \$17,500). Such claim shall bear interest at the rate of four percent (4.00%) per annum. As of August 1, 2017, the principal balance of the Allowed Secured Claim shall be \$96,740.02, together with TCF’s attorneys’ fees of \$7,224.19, for a total of \$103,964.21.
- 4.2.2 Commencing September 15, 2017, the Debtor shall make equal monthly payments of \$2,347.41 for a period of 48 months.
- 4.2.3 The Class 3 claimant shall retain its lien on all of the Debtor’s equipment listed within the security agreement, in the same priority as existed on the Petition Date, pending payment in full of the Allowed Class 3 Secured Claim, pursuant to 11 U.S.C. §506(a).
- 4.2.3 The Debtor shall treat any remaining deficiency amount of the Class 3 Claim as a general unsecured claim in accordance with Class 12 of this Plan.
- 4.2.5 The Debtor shall have the option to pre-pay the Allowed Secured Claim of TCF at any time without premium or penalty.

4.3 **Class 4** consists of the first secured claim of Stearns Bank which is secured by a recorded financing statement against certain equipment owned by the Debtor pursuant to 11 U.S.C. § 506. On or about October 16, 2014, the Debtor entered into a Conditional Sales Contract: Sales and Security Agreement with Leco Corporation to purchase a new Leco GDS500A Spectrometer (the “Leco Equipment”) from Leco Corporation in the amount of \$66,436.00 (the “Leco Loan”). The Leco Loan was assigned to Stearns Bank. Under the Leco Loan, the Debtor granted Stearns Bank a security interest in the purchased equipment. Stearns Bank filed a Financing Statement with the Colorado Secretary of State on November 10, 2014. Stearns Bank therefore asserts a perfected lien on such equipment. Stearns Bank filed a proof of claim asserting that it was owed \$50,989.00 on the Petition Date. The Debtor obtained a valuation of the Leco Equipment at \$30,000. Stearns Bank asserts the value of the Leco Equipment is equal to the debt owed. Class 4 is impaired under the Plan. The Debtor shall treat the Class 4 Claim as follows:

- 4.3.1 Stearns Bank shall have an Allowed Class 4 Secured Claim in the amount of \$30,000.00, less all adequate protection payments made during the case (approximately \$6,000). Such claim shall bear interest at the rate of four percent (4.00%) per annum. The Debtor shall make equal monthly payments of approximately \$442.00 of principal and interest starting the first day of the first month after the Effective Date, and each month thereafter, for a period of five (5) years.
- 4.3.2 The Class 4 claimant shall retain its lien on all of the Debtor's Leco Equipment listed within the security agreement, in the same priority as existed on the Petition Date, pending payment in full of the Allowed Class 4 Secured Claim, pursuant to 11 U.S.C. §506(a).
- 4.3.3 The Debtor shall treat any remaining deficiency amount of the Class 4 Claim as a general unsecured claim in accordance with Class 12 of this Plan.
- 4.3.4 The Debtor shall have the option to pre-pay the Allowed Secured Claim of Stearns Bank at any time without premium or penalty.

4.4 **Class 5** consists of the second secured claim of Stearns Bank which is secured by a recorded financing statement against certain equipment owned by the Debtor pursuant to 11 U.S.C. § 506. In or around March, 2015, the Debtor entered into a Conditional Sales Contract: Sales and Security Agreement with Industrial Finance-Texas to purchase several pieces of equipment (the "Rotary Equipment) in the amount of \$49,253.72 (the "Industrial Loan"). The Industrial Loan was assigned to Stearns Bank. Under the Industrial Loan, the Debtor granted Stearns Bank a security interest in the Rotary Equipment. Stearns Bank filed a Financing Statement with the Colorado Secretary of State on March 2, 2015. Stearns Bank therefore asserts a perfected lien on such equipment. Stearns Bank filed a proof of claim asserting that as of the Petition Date \$43,124.72 was owed on its Class 5 Claim. The Debtor obtained a valuation of the Rotary Equipment pre-petition of \$7,500.00. Stearns Bank asserts that the value of the Rotary Equipment was equal to the debt. Class 5 is impaired under the Plan. The Debtor shall treat the Class 5 Claim as follows:

- 4.4.1 Stearns Bank shall have an Allowed Class 5 Secured Claim in the amount of \$7,500. Such claim shall bear interest at the rate of four percent (4.00%) per annum. The Debtor shall make equal monthly payments of approximately \$138.12 of principal and interest starting the first day of the first month after the Effective Date, and each month thereafter, for a period of five (5) years.
- 4.4.2 The Class 5 claimant shall retain its lien on all of the Debtor's Rotary Equipment listed within the security agreement, in the same priority as existed on the Petition Date, pending payment in full of the Allowed Class 5 Secured Claim, pursuant to 11 U.S.C. §506(a).

4.4.3 The Debtor shall treat any remaining deficiency amount of the Class 5 Claim as a general unsecured claim in accordance with Class 12 of this Plan.

4.4.4 The Debtor shall have the option to pre-pay the Allowed Secured Claim of Stearns Bank at any time without premium or penalty.

4.5 **Class 6** consists of secured claim of First Sound Bank which is secured by a recorded financing statement against certain equipment owned by the Debtor pursuant to 11 U.S.C. § 506. On or about October 17, 2014, the Debtor entered into a Equipment Finance Agreement with First Sound Bank to acquire a Haas VF-5/40XT CNC Vertical Machining Center (the “First Sound Bank Collateral”) in the amount of \$134,779.80 (the “First Sound Bank Loan”). Under the First Sound Bank Fargo Loan, the Debtor granted First Sound Bank a security interest in the purchased equipment. First Sound Bank filed a Financing Statement with the Colorado Secretary of State on October 24, 2014. First Sound Bank therefore asserts a perfected lien on such equipment. The Debtor asserts that as of the Petition Date First Sound Bank is owed the amount of \$78,756.71. The Debtor obtained a valuation of the First Sound Bank Collateral in the amount of \$57,500. Class 6 is impaired under the Plan. The Debtor shall treat the Class 6 Claim as follows:

4.5.1 First Sound Bank shall have an Allowed Class 6 Secured Claim in the amount of \$57,500, less the amount of adequate protection payments made during the case (in the approximate amount of \$7,000). Such claim shall bear interest at the rate of four percent (4.00%) per annum. The Debtor shall make equal monthly payments of approximately \$930.03 of principal and interest starting the first day of the first month after the Effective Date, and each month thereafter, for a period of five (5) years.

4.5.2 The Class 6 claimant shall retain its lien on all of the Debtor’s First Sound Bank Collateral listed within the security agreement, in the same priority as existed on the Petition Date, pending payment in full of the Allowed Class 6 Secured Claim, pursuant to 11 U.S.C. §506(a).

4.5.3 The Debtor shall treat any remaining deficiency amount of the Class 6 Claim as a general unsecured claim in accordance with Class 12 of this Plan.

4.5.4 The Debtor shall have the option to pre-pay the Allowed Secured Claim of Stearns Bank at any time without premium or penalty.

4.6. **Class 7** consists of the secured claim of IPFS Corporation which is secured by a Premium Financing Agreement against an insurance policy of the Debtor pursuant to 11 U.S.C. § 506. Pre-petition, the Debtor entered into a Premium Financing Agreement with IPFS to finance the premiums of on its insurance policy with HUB International Services, Inc. The Debtor financed the principal amount of \$9,510.50 and granted IPFS a security interest in the insurance proceeds and excess premiums for any unpaid amounts. The Debtor was required to make monthly payments of \$995.53 to IPFS. IPFS has filed a proof of claim in the amount of \$5,973.78. The Debtor asserts

that such claim is for the full amount owed. The Debtor scheduled pre-petition arrears to IPFS in the amount of \$1,045.41. IPFS is impaired under the Plan. The Debtor shall treat the Class 7 claim as follows:

- 4.6.1. On the Effective Date, the Debtor shall assume Premium Financing Agreement and continue to make the required monthly payments under the terms of Agreement, in the amount of \$995.53 per month, until the Agreement is paid in full.
- 4.6.2 The Debtor shall cure all arrears on the Agreement, including late charges, interest, and missed payments, which are in the total amount of \$1,045.41 on or before the Effective Date.
- 4.6.3 The Class 7 Claimant shall have a secured lien on its collateral in the same priority as existed on the Petition Date, pending payment in full of the Allowed Class 7 Secured Claim, pursuant to 11 U.S.C. §506(a).

4.7 **Class 8** consists of the secured claim of Wells Fargo Equipment Finance (“Wells Fargo”) which is secured by a recorded financing statement against certain equipment owned by the Debtor pursuant to 11 U.S.C. § 506. On or about November 26, 2014, the Debtor entered into a Combination Loan and Security Agreement with Wells Fargo Equipment Finance, Inc., to acquire a 2014 Projet Model CPX 3500 Max Plus 3D Printer (the “Printer”) in the amount of \$117,840.00 (the “Wells Fargo Loan”). Under the Wells Fargo Loan, the Debtor granted Wells Fargo a security interest in the purchased equipment. Wells Fargo filed a Financing Statement with the Colorado Secretary of State on December 4, 2014. Wells Fargo therefore asserts a perfected lien on such equipment. Post-petition, the Debtor surrendered the Printer to Wells Fargo and Wells Fargo obtained relief from stay. Wells Fargo filed a proof of claim asserting that as of the Petition Date the Debtor owed \$74,686.41 and that the value of the Printer was \$45,000. The Class 8 Claim is impaired under the Plan. The Class 8 Claim shall be treated as follows:

- 4.7.1 Wells Fargo shall apply all proceeds from the commercially reasonable sale of the Printer to the Class 8 Claim.
- 4.7.2 The Debtor shall treat the deficiency in the approximate amount of \$29,686.41 as an allowed unsecured Class 12 Claim as set forth below.

4.8 **Class 12. General Unsecured Claims.** Class 12 shall be comprised of all creditors who hold Allowed Unsecured Claims against the Debtor, including any allowed claims, not subordinated by Order of the Bankruptcy Court, held by any governmental agency which are not related to actual pecuniary loss, by any employee of the Debtor in an amount in excess of \$12,475 or otherwise not subject to treatment under 11 U.S.C. § 507(a)(4), and any deficiency claim of any secured creditor. Class 12 is impaired under the Plan.

- 4.8.1 Class 12 creditors shall receive pro-rata distributions on an annual basis from the Debtor's Creditor Fund within thirty (30) days of each anniversary of the Effective Date for a period of six (6) years.

4.9 **Class 13** consists of the Debtor's equity interests which are held by Craig Reeves (80%) and Patrick Peterson (20%). The Class 13 Equity Interests are Impaired. The treatment of the Class 13 claims are dependent upon whether the Plan is confirmed as a Consensual Plan with the acceptance of each class of creditors or by Cramdown in the event of a rejecting class.

- 4.9.1 Consensual Plan: In the event that the Plan is confirmed as a Consensual Plan, with the acceptance of each class, the Class 13 claimants will retain their shareholder interests and therefore hold, collectively, 100% of the outstanding shares of the Reorganized Debtor.
- 4.9.2 Treatment under Cramdown Plan: The ownership interests of the Debtor's shares shall be canceled subject to the provisions of this Plan.

- (1) New stock certificates will be issued to the Creditors' Trust established pursuant to the terms of the within Plan and that certain "Creditors' Trust Agreement", a copy of which is attached hereto and incorporated herein by this reference as Exhibit "A". The stock certificates issued by the Debtor to the Trust shall be held in trust pursuant to the terms of the Creditors' Trust Agreement.
- (2) Upon confirmation of the Debtor's Plan and transfer of the newly issued shares of common voting stock to the Creditors' Trust, the Creditors' Trust shall transfer eight percent (8%) of all such shares to Mr. Reeves and two percent (2%) of all such stock interests to Mr. Peterson in consideration of their agreement to remain as officers and directors of the Debtor to assist the Debtor with performance of this Plan. On each anniversary of the Effective Date of the Debtor's Plan the Creditors' Trust shall transfer an additional 12.85 percent (12.85%) of the stock certificates then being held by the Creditors' Trust to Mr. Reeves, receiving 80% of the annually transferred stock, and Mr. Peterson, receiving 20% of the annually transferred stock. The Creditors' Trust will transfer such shares to Mr. Reeves and Mr. Peterson as provided for herein as long as the Debtor is not in default under the terms of its Plan and/or pursuant to the provisions of the Creditors' Trust Agreement. In case of an uncured default, all shares issued to Mr. Reeves and Mr. Peterson shall be returned to the Creditors Trust.
- (3) Following confirmation of the Debtor's Plan and during the pendency of the Debtor's Plan, Mr. Reeves and Mr. Peterson shall be entitled

to vote all shareholder interests only to authorize ordinary course of business transactions of the Reorganized Debtor. Transactions outside the ordinary course of the Reorganized Debtor's business shall require approval by the Beneficiaries' Committee established pursuant to the terms of the within Plan to govern the Creditors' Trust as a established herein.

ARTICLE V ALLOWANCE AND DISALLOWANCE OF CLAIMS

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

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

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

- (a) Except that the Reorganized Debtor may compromise objections to claims or causes of action referred to in the Plan without notice and hearing for claims or causes of action asserted in the original amount of \$50,000 or less, from and after the Effective Date.
- (b) Settlements or compromises of any claims or causes of action asserted in the amount of \$50,000 or more shall be with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

ARTICLE VI PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.1 Assumed Executory Contracts and Unexpired Leases.

- (a) The Debtor assumes the following executory contracts and/or unexpired leases effective upon the effective date of this Plan as provided in Article VII:
 - i. Real Estate Lease, First Amendment and Promissory Note with Lambright, LLC, the Debtor's landlord;
 - ii. Workers' Compensation Insurance Policy with Pinnacol Assurance.
 - iii. Premium Insurance Contract with IPFS.

- (b) The Debtor will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed under section 6.01(a) above, or before the date of the order confirming this Plan, upon the effective date of this Plan. **A PROOF OF A CLAIM ARISING FROM THE REJECTION OF AN EXECUTORY CONTRACT OR UNEXPIRED LEASE UNDER THIS SECTION MUST BE FILED NO LATER THAN SIXTY (60) DAYS AFTER THE DATE OF THE ORDER CONFIRMING THIS PLAN.**

ARTICLE VII MEANS FOR IMPLEMENTATION OF THE PLAN

7.1 On or about the Confirmation Date, all assets of the Bankruptcy Estate shall be transferred to the Reorganized Debtor free and clear of all liens, claims, and interests of creditors, equity holders, and other parties in interest, except as otherwise provided herein.

7.2 The Reorganized Debtor shall not, except as otherwise provided in this Plan, be liable to repay any debts which accrued prior to the Confirmation Date. Except as provided in this Plan, on the Confirmation Date the Debtor and Debtor-in-Possession shall be granted a discharge under 11 U.S.C. § 1141.

7.3 Thirty days after the Effective Date, the Debtor shall implement its Plan of Reorganization pursuant to the terms for each class of claimants set forth above. The payments under the Plan shall come from the cash flow of the Reorganized Debtor generated by the Reorganized Debtor's business operations. On the due date for payments as set forth above, the Reorganized Debtor shall immediately distribute the required amount to each claimant holding an Allowed Secured, Priority or Unsecured Claim and escrow the required amounts for each creditor holding a Contested Claim as provided in Article V of the Plan.

7.4 Within thirty days following the close of each quarter, the Debtor shall calculate its Net Available Cash and deposit thirty percent (30%) of its Net Available Cash into the Creditor Fund for distribution to the Allowed Class 12 Claimants.

7.5 The Debtor shall deposit the remaining 70% of its Net Available Cash into a separate account (the "Working Capital Account") within thirty days following the close of each quarter. The Debtor shall use the monies in the Working Capital Account to meet its working capital needs such as replacement of furniture, fixtures, equipment, etc., as such items deteriorate or need to be replaced. In addition, the Debtor shall maintain a minimum of \$15,000.00 in the Working Capital Account during the life of the Plan which will be used to pay any shortfall in any monthly payments to secured and/or priority creditors. Should the Debtor require the use of such reserve for secured and/or priority creditors, the Debtor shall immediately replenish the reserve with the first available Net Available Cash. The Debtor shall properly maintain the records of its Working Capital Account, including any disbursements out of such account for its capital needs, which shall be available to be reviewed by any creditor in accordance with the Disclosure Statement and the Plan.

7.6 Within 60 days following the end of each calendar year after the effective date, the Debtor shall reconcile its Net Available Cash and the amounts deposited to the Creditor Fund for the past calendar year and, if determined, the amount of monies deposited to the Creditor are greater than or less than the aggregate of all quarterly installments paid for said calendar year, then the Debtor shall either, as the case may be: deposit into the Creditor Fund 30% of any additional Net Available Cash as reconciled for distribution to Allowed Class 12 Claims the following quarter; or, receive a credit against future deposits to the Creditor Fund for future quarters.

7.7 Commencing on the first anniversary of the Effective Date, the Reorganized Debtor shall distribute the amount in the Creditor Fund to the Allowed Class 12 Creditors, pro rata. Such amounts shall be mailed within thirty (30) days after the anniversary of the Effective Date. The Debtor shall provide Allowed Class 12 Creditors with a summary calculation of the Creditor Fund for the prior year at the time the distribution is mailed.

7.8 The payments from the Creditor Fund shall continue for a period of six (6) years after the Effective Date of the Plan. Should the funds in the Creditor Fund satisfy the balance due to each Allowed Class 12 Creditor, including their full principal obligation with interest at the Federal mid-term interest rate on one year United States Treasury Bonds as of the Effective Date, prior to the end of six (6) years from the Effective Date, the Debtor's obligations to Allowed Class 12 Creditors shall be deemed satisfied.

7.9 The Reorganized Debtor's financial records shall be available for review by creditors upon reasonable notice to the Debtor and its counsel during normal business hours subject to execution of an appropriate confidentiality agreement.

7.10 The Reorganized Debtor may pursue any claims or recovery actions held by the Debtor, including but not limited to recovery under 11 U.S.C. §§544, 547, 548 and 549. The Reorganized Debtor may abandon any claim it has against any third party if it determines that the claim is burdensome or of inconsequential value and benefit. The Reorganized Debtor is authorized to employ counsel to represent it in the litigation or any cause of action or claims held by the Debtor.

7.11 All funds held by the Reorganized Debtor for distribution under the Plan shall be held in accounts which are insured or guaranteed by the United States or by a department, agency or instrumentality of the United States or backed by the full faith and credit of the United States.

7.12 After the Effective Date, the Reorganized Debtor exercising its business judgment may sell, operate or abandon any of its assets.

7.13 Cancelling and Issuing New Stock: The treatment of the Reorganized Debtor's stock is dependent upon whether the Plan is confirmed as a Consensual Plan with the acceptance of each class of creditors or by Cramdown in the event of a rejecting class.

7.13.1 Consensual Plan: In the event that the Plan is confirmed as a Consensual Plan, with the acceptance of each class, Mr. Reeves and Mr. Peterson will

retain their stock and will then hold, collectively, 100% of the outstanding issued shares of the Reorganized Debtor.

7.13.2 Cramdown: In the event that the plan is confirmed by cramdown, without the acceptance of each class, the Class 13 interests shall be canceled and reissued as provided in Section 4.10.2 of the Plan.

7.13.3 As may be required, the Articles of Incorporation and ByLaws of the Debtor shall be amended on or before the Effective Date to comply and conform to this Plan.

7.14 The Reorganized Debtor shall not, except as otherwise provided in this Plan, be liable to repay any debts which accrued prior to the Confirmation Date.

7.15 Unclaimed Distributions. For a period of one year following the date a payment is due under the Plan, the Reorganized Debtor shall retain in a reserve account for issuance of any unclaimed distributions for the benefit of the holders of allowed claims and/or administrative expenses which have failed to claim such distributions. Following the one year period after such distributions are due, the holders of allowed claims or allowed administrative expenses theretofore entitled to such distributions held in such reserve account shall cease to be entitled thereto and thereupon such distributions shall become property of the Reorganized Debtor.

ARTICLE VIII

GENERAL PROVISIONS

8.1 Definitions and Rules of Construction. The definitions and rules of construction set forth in 11 U.S.C. §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the definitions in the Disclosure Statement.

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

8.3 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 or assigns of such entity.

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

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

8.6 Entire Agreement. This Plan, together with the exhibits hereto, constitutes the entire agreement among the parties hereto and there are no agreements, representations or warranties which are not set forth herein. All prior negotiations, agreements and understandings are superseded hereby.

ARTICLE IX **DISCHARGE**

9.1. Discharge. Pursuant to 11 U.S.C. §1141(d)(1)(A), confirmation of the Debtor's Plan shall discharge the Debtor from any debt that arose before the date of such confirmation and any debt of a kind specified in 11 U.S.C. §502(g), 502(h), or 502(I), whether or not: (a) a proof of claim is filed or deemed filed; (b) such claim is allowed under 11 U.S.C. §502; or, (c) the holder of such claim has accepted the plan. Confirmation of the Plan also terminates all rights and interests of equity security holders and general partners provided for by the Plan. The Reorganized Debtor shall be entitled to seek injunctive relief from the Court, if necessary, to enforce any and all provisions of the Plan.

ARTICLE X **DEFAULT OF PLAN**

10.1 In the event of any default by the Reorganized Debtor of any payment to any class of claimants arising under the terms of this Plan other than payment to IRS, the Reorganized Debtor shall have thirty (30) days within which to cure any default in payments due under this Plan after the date of issuance of written notice from any claim holder. The IRS has taken the position that it is not required to give the Debtor notice of any default.

10.2 Written notice shall be provided to the Reorganized Debtor and to Debtor's counsel. For purposes of this section, the notice to Debtor's counsel shall be served upon Buechler & Garber, LLC, 999 18th Street, Suite 1230-S, Denver, Colorado 80202, unless written notice of substitution of legal counsel is served upon the claim holder at least fifteen (15) days prior to the date notice is sent.

10.3 In the event that the Reorganized Debtor fails to cure any default in the requirements to make payment under the Plan, within thirty days from the date that written notice is sent in compliance with paragraph 10.2, the entire amount of the obligations dealt with under the Plan shall be immediately due from the Reorganized Debtor.

ARTICLE XI **MISCELLANEOUS PROVISIONS**

11.1 Retention of Jurisdiction. The Reorganized Debtor reserves the right to reopen the Chapter 11 Case after Confirmation and dismissal for the purposes set forth in this paragraph. The Bankruptcy Court shall retain jurisdiction over the Chapter 11 Case for the following purposes:

- (a) To hear and determine any and all objections to the allowance of Claims or Interests.
- (b) To determine any and all applications for allowances of compensation and reimbursement of expenses and any other fees and expenses authorized to be paid or reimbursed under the Bankruptcy Code or the Plan, to the extent such claim was incurred prior to the Effective Date.
- (c) To hear and determine any and all pending applications for the rejection or assumption, or for the assumption and assignment, as the case may be, of executory contracts or unexpired leases to which the Debtor is a party, and to hear and determine any and all Claims arising therefrom.
- (d) To consider any modifications of the Plan, to remedy any defect or omission, or reconcile any inconsistency in the Plan or in any order of the Bankruptcy Court, including the Confirmation Order.
- (e) To hear and determine all controversies, suits, and disputes that may arise in connection with the interpretation, enforcement, or consummation of the Plan, including, but not limited to, any and all applications, adversary proceedings, claims objections and contested matters that may be pending on the Effective Date or become necessary after the Effective Date.
- (f) To consider and act on the compromise and settlement of any claim or cause of action by or against the Debtor where the original claim or cause of action is in excess of \$50,000.00.
- (g) To issue orders in aid of execution of the Plan as contemplated by 11 U.S.C. § 1142.
- (h) To determine such other matters as may be set forth in the Confirmation Order or which may arise in connection with the Plan or the Confirmation Order.

11.2. Vesting of Property. The Reorganized Debtor shall be vested with ownership to all property of the estate upon the Effective Date subject to any liens and encumbrances provided in the Plan.

11.3. Satisfaction of Claims. The payment of Allowed Claims, Allowed Administrative Claims and Allowed Secured Claims shall be in exchange for all claims against the Debtor and shall constitute full settlement, release, discharge, and satisfaction of all such claims against the Debtor. Confirmation of the Plan shall constitute a modification of any note or obligation for which specification and treatment is provided under the Plan as set forth in the Plan. Any obligation or note, previously in default, so modified, shall be cured as modified as of the Confirmation Date. This provision shall be operable regardless of whether the Plan provides for any obligation to be evidenced by a rewritten loan or security document following confirmation of the Plan.

11.4. Pre-Existing Causes of Action. Nothing herein contained shall prevent the Reorganized Debtor from taking any action as may be necessary to the enforcement of any cause of action which may exist on behalf of the Reorganized Debtor and which may not have been enforced or prosecuted by the Debtor prior to the Effective Date.

11.5. Headings. The headings used in the Plan are for convenience of reference only and shall not limit or in any manner affect the meaning or interpretation of the Plan.

11.6. Notices. All notices, request, demands, or other communications required or permitted in this Plan must be given in writing to the party(ies) to be notified. All communications will be deemed delivered when received at the following addresses:

(a) To Debtor:

7501 Dahlia Street
Commerce City, CO 80022

(b) With a copy to:

Kenneth J. Buechler, Esq.
Buechler & Garber, LLC
999 18th Street, Suite 1230-S
Denver, Colorado 80202
Tel: 720-381-0045 / Fax: 720-381-0382
email: ken@BandGlawoffice.com

(c) To an allowed claimant, at the addresses set forth in the allowed Proof of Claim, if filed, or, if no Proof of Claim is filed, at the address set forth for the claimant in the Debtor's Schedules filed with the Bankruptcy Court.

11.7. Successors and Assigns. The Plan will be binding upon the Reorganized Debtor, any creditor affected by the Plan and their heirs, successors, assigns and legal representatives.

11.8 **Substantial Consummation**. On the Effective Date or as soon thereafter as practicable, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

11.9 **Exemption from Transfer Taxes**. Subject to orders entered by the Bankruptcy Court prior to the Confirmation Date authorizing certain sales of real property, pursuant to section 1146(c) of the Bankruptcy Code, the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition of assets contemplated by the Plan shall not be subject to any stamp, real estate transfer, mortgage recording, sales, use, or other similar tax.

11.10 Releases by Debtor, Exculpation of Debtor, its officers and directors, and Injunction against claims against Debtor, its estate and its assets.

(a) *Definitions.*

- (i) “*Representatives*” means, with regard to any entity, its officers, directors, employees, advisors, attorneys, professionals, accountants, investment bankers, financial advisors, consultants, agents and other representatives (including their respective officers, directors, employees, members and professionals).
- (ii) “*Exculpated Parties*” means, collectively, the Debtor, the officers and directors of the Debtor that served in such capacity at any time from and after the Petition Date (in their capacity as such as well as in their individual capacities), and each of their respective Representatives (each of the foregoing in its individual capacity as such).

(b) *Compromise and Settlement*

Should the Plan be confirmed by consent pursuant to 11 U.S.C. §1129(a), pursuant to 11 U.S.C. § 363 and Fed.R.Bankr.P. 9019, and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims and equity interests. The entry of the Confirmation Order shall constitute the Bankruptcy Court’s approval of the compromise or settlement of all Claims and equity interests, as well as a finding by the Bankruptcy Court that such compromise or settlement is fair, equitable, reasonable and in the best interests of the Debtor, the estate and holders of Claims and equity interests.

(c) *Releases by the Debtor.*

Should the Plan be confirmed by consent pursuant to 11 U.S.C. §1129(a), notwithstanding anything contained in the Plan to the contrary, as of the Effective Date, for the good and valuable consideration provided by the BOTW and TCF, all Holders of Claims, all Holders of Equity Interests, and their respective Representatives, including, without limitation, the satisfaction and elimination of debt and all other good and valuable consideration paid pursuant to the Plan or otherwise, the Debtor hereby provides a full release, waiver and discharge to BOTW and TCF, all Holders of Claims, all Holders of Equity Interests and their respective Representatives (and each such party shall be deemed released and discharged by the Debtor) from any and all causes of action and any other debts, obligations, rights, suits, damages, actions, remedies and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing as of the Effective Date, in law, equity or otherwise, whether for tort, contract, violations of federal or state securities laws, or otherwise, that are based in whole or in part upon any act or omission, transaction, or other occurrence or circumstances taking place or continuing during these Chapter 11 Cases and prior to or on the Effective Date in any way related to the Debtor or the conduct of the Chapter 11 Cases, including, without limitation, those that the Debtor would have been legally entitled to assert

or that any holder of a Claim or Equity Interest or other Entity would have been legally entitled to assert for or on behalf of the Debtor or the bankruptcy estate and further including those in any way related to the Chapter 11 Cases or the Plan. Notwithstanding the foregoing, nothing herein is intended or shall be deemed to release any of the parties released under this provision from any claims or causes of action determined in a Final Order to have (i) resulted from gross negligence, willful misconduct, or fraud by such a released party, or (ii) arisen prior to the Petition Date.

(d) *Exculpation*

Should the Plan be confirmed by consent pursuant to 11 U.S.C. §1129(a), notwithstanding anything contained in the Plan to the contrary, the Exculpated Parties shall neither have nor incur any liability to any entity for any and all claims and causes of action arising on or after the Petition Date and prior to or on the Effective Date relating in any way to the conduct of this Chapter 11 Case, including any act taken or omitted to be taken in connection with, or arising out of, the Chapter 11 Case, including, without limitation, formulating, negotiating, preparing, disseminating, implementing, administering, confirming or consummating the Plan, the Disclosure Statement, or any other contract, instrument, release or other agreement or document created or entered into in connection with the Chapter 11 Case; provided, however, that the foregoing provisions of this Article shall have no effect on the liability of any Exculpated Party that results from any such act or omission that is determined in a Final Order to have (i) constituted gross negligence, willful misconduct, or fraud, (ii) been outside the scope of their respective duties in the Chapter 11 Case, or (iii) arose prior to the Petition Date.

(e) *Injunction.* Should the Plan be confirmed by consent pursuant to 11 U.S.C. §1129(a),

(i) except as otherwise expressly provided for in the Plan or in obligations issued pursuant to the Plan, and except for claims and causes of action expressly carved out of the release provisions that are based upon gross negligence, willful misconduct, or fraud by a party released thereunder, all Holders of Claims, and all Holders of Equity Interests are permanently enjoined, on and after the Effective Date, on account of any claim or equity interest in the Debtor, from:

(A) commencing or continuing in any manner any action or other proceeding of any kind against the Debtor's estate, its successors and assigns, and any of its assets;

(B) enforcing, attaching, collecting or recovering by any manner or means any judgment, award, decree or order against the Debtor's estate, its successors and assigns, and any of its assets;

- (C) **creating, perfecting or enforcing any encumbrance of any kind against the Debtor's estate, its successors and assigns, and any of its assets;**
- (D) **asserting any right of setoff or subrogation of any kind against any obligation due from the Debtor's estate, or its successors and assigns, or against any of its assets, except to the extent a right to setoff or subrogation is asserted with respect to a timely filed proof of claim; or**
- (E) **commencing or continuing in any manner any action or other proceeding of any kind in respect of any claim or equity interest or cause of action released or settled hereunder.**
- (ii) **Should the Plan be confirmed by consent pursuant to 11 U.S.C. §1129(a), from and after the Effective Date, all Holders of Claims, and all Holders of Equity Interests are permanently enjoined from commencing or continuing in any manner against the Debtor, its estate, its successors and assigns, and any of its assets, any suit, action or other proceeding, on account of or respecting any claim, demand, liability, obligation, debt, right, cause of action, interest or remedy released or to be released pursuant to the Plan or the Confirmation Order.**
- (g) This Amended Plan, the Disclosure Statement, or Confirmation Order shall not be construed to impair any claimant's state law rights as against any non-debtor guarantors, including Mr. Reeves and/or Mr. Peterson, on any obligations of non-debtors on guarantees by such non-debtors guarantying the obligations of the Debtor; any loans made to non-debtors, guarantors or co-borrowers; or, against any real or personal property not owned by the Debtor.

11.11 Covenant Not to Sue Related to Releases. Should the Plan be confirmed by consent pursuant to 11 U.S.C. §1129(a), the Debtor, all Holders of Claims, and all Holders of Equity Interests covenant not to sue Mr. Reeves and Mr. Peterson of any of the Debtor's indebtedness for any amounts owed by the Debtor to any party so long as the Debtor is in compliance with the terms of the Plan. Should the Debtor be in default of the Plan and remain in default following an opportunity to cure, this Provision shall be null and void.

- (a) **Mr. Reeves and Mr. Peterson have, or will have by the Effective Date, enter into a Tolling Agreement in favor of BOTW and TCF on any claims and causes of action arising out of any personal guarantees of the Debtor's debts to such creditors, such that said claims shall be tolled during the term of the Plan.**

(b) Upon full payment of the secured claims of BOTW and TCF as provided in the Plan, BOTW and TCF agree that any claims and causes of action arising out of any personal guarantees of the Debtor's debts to such creditors shall be deemed released.

This Second Amended Plan is respectfully submitted.

Dated: January 9, 2018.

Precision Casting Prototypes
and Engineering, Inc.

/s/ Craig Reeves

By: Craig Reeves, President

BUECHLER & GARBER, L.L.C.

/s/ Kenneth J. Buechler

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