

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA**

---

In re: Case No. 17-32006  
PREMIER MARINE, INC., Chapter 11  
Debtor.

---

**DEBTOR'S DISCLOSURE STATEMENT  
JANUARY 22, 2018**

---

**I. INTRODUCTION**

**A. General**

Premier Marine, Inc. ("Debtor") seeks confirmation from the United States Bankruptcy Court for the District of Minnesota ("Bankruptcy Court") of Plan of Reorganization dated January 22, 2018 ("Plan"). A copy of the Plan accompanies this Disclosure Statement (the "Disclosure Statement").

This Disclosure Statement is furnished pursuant to Section 1125 of the United States Bankruptcy Code, 11 U.S.C. §101 *et seq.* (the "Code") and is intended to provide all persons who have claims against the Debtor or its property with information sufficient to permit them to make an informed judgment as to their votes to accept or reject the Plan. The information set forth in this Disclosure Statement has been supplied by the Debtor.

This Disclosure Statement and the enclosed Plan should be read in their entirety. It may also be advisable for creditors to consult their own counsel or other advisors with respect to matters related to the Plan. For the convenience of creditors the terms of the Plan are summarized in this Disclosure Statement in Section IV entitled "Summary of the Plan". However, all summaries are qualified by the Plan itself, which is controlling in the event of any inconsistency.

Any capitalized terms contained herein which are not specifically defined herein shall have the meaning provided for in the Plan unless the context otherwise requires.

**B. Representations**

No representations concerning the Debtor are authorized by the Debtor other than as set forth in this Disclosure Statement. Any representations or inducements made to secure acceptance of the Plan which are other than as contained in this Disclosure Statement should not be relied upon by creditors in arriving at a decision to vote to accept or reject the Plan.

The information contained herein is not audited. The Debtor is unable to warrant or represent that the information contained herein is without any inaccuracy, although the Debtor has

made every reasonable effort to be accurate in all material respects. Ravich Meyer Kirkman McGrath Nauman & Tansey, counsel for the Debtor, have not verified any of the information set forth in this Disclosure Statement. Ravich Meyer Kirkman McGrath Nauman & Tansey has no actual knowledge of any inaccuracies.

## **II. HISTORY OF THE DEBTOR**

The Debtor was formed in 1992 by Robert Menne, Jr and Gene Hallberg to manufacture and sell pontoon boats. Menne family affiliates presently own 74% of the company and Hallberg family affiliates own the remaining 26% of the Debtor equity. The Debtor manufactures and sells a line of pontoon boats ranging from entry level to large customized pontoons through an active network of more than 100 dealers located throughout the United States and Canada. The Debtor manufactures the Premier line in Wyoming, Minnesota from facilities leased from Hallberg, Inc.

The Debtor grew its business and operated profitably until the 2008 financial crisis immediately after which revenue declined by 50%. The Debtor rebounded following the financial crisis and steadily increased sales to more than \$48 million in 2011.

In 2011 the Debtor acquired an entry level pontoon manufacturing business located in New Ulm, Minnesota that manufactured the Palm Beach and Weeres brands. Hallberg purchased the New Ulm manufacturing facility and equipment and leased the facility and equipment to the Debtor. The acquisition was a failure as the Debtor suffered record losses and was forced to incur additional debt to survive. The Debtor closed the New Ulm facility in 2016 and moved Palm Beach and Weeres production to Wyoming, Minnesota. In January, 2017 the Debtor discontinued the Palm Beach & Weeres lines. A summary of historical financial performance dating to the 2011 failed acquisition is attached as **Exhibit 1**.

In 2014, with tensions among shareholders high, the Menne family commenced suit against Gene Hallberg and certain Hallberg family affiliates, which had made demand for repayment of a shareholder loan and precipitated a bank default and demand. The Hallberg family in turn commenced suit against the Debtor and the Menne family. The suits were consolidated and a special litigation committee (SRC) appointed by the board in accordance with Minnesota law. The SRC issued a report in June, 2015 addressing each of the Hallberg allegations and recommending against claim prosecution against any officer, director or shareholder. The report identified management, systems reporting and operational deficiencies to be addressed if the company was to survive.

## **III. EVENTS LEADING TO FILING**

Significant losses incurred in 2015 and 2016 triggered defaults under the Debtor loan agreements with Central Bank and later ABN. Wells Fargo also terminated the floor plan financing program utilized by dealers to purchase pontoons and backed by the Debtor's 2 year repurchase commitment. As a condition to the Wells Fargo termination, the Debtor was forced to borrow \$1 million on its ABN line of credit, deposit the proceeds at Midwest Bank and cause Midwest Bank to issue a \$1 million letter of credit in favor of Wells Fargo to secure the Debtor's repurchase commitment.

Without borrowing capacity or additional equity capital the Debtor retained Lighthouse management in Q4 2016 to construct a turnaround plan and assess the cash needs of the company.

The company efforts to solicit private equity investors through a private placement memorandum was unsuccessful as was a nine-month effort commencing in Q4 2016 to solicit an industry equity partner or buyer.

For eight months before filing the Debtor was forced to pay cash in advance or on delivery to obtain parts and materials. Without adequate cash to meet day to day operating requirements boat production slowed to less than 10 boats a week in May, 2017 and dealer backlog grew to more than \$16 million. The Debtor defaulted under its Wyoming, Minnesota facility leases and under a forbearance agreement with ABN which provided for the termination of operations and surrender of assets as of June 30, 2017.

In May, 2017 the Debtor retained chapter 11 counsel and GuideSource as a financial advisor and began soliciting DIP financing and preparing for a chapter 11 filing. The Debtor secured a \$2.5 million financing commitment from Trusek conditioned upon a chapter 11 filing and court approval. Trusek advanced \$500,000 pre-filing secured by a lien junior to ABN in all assets of the Debtor and personally guaranteed by Bob and Betty Menne.

The chapter 11 petition was filed on June 19, 2017 days before an eviction hearing and forced asset surrender and liquidation.

#### **IV. SIGNIFICANT EVENTS DURING THE CHAPTER 11 CASE**

**4.1. First Day Orders.** On or shortly after the Petition Date, the Bankruptcy Court entered orders granting the Debtor relief necessary to help stabilize its day-to-day business operations. The orders permitted the Debtor to continue business operations with minimum disruption and to ease the strain on its relationships with its employees and other parties. Included among the orders entered by the Bankruptcy Court were orders authorizing Premier to pay certain prepetition wages, salaries, and employee benefits, reject leases and contracts, use cash collateral and borrowing.

**4.2. Termination of Floor Plan Financing.** Northpoint terminated the Debtor floor plan program effective as of the Petition Date. The Debtor solicited new floor plan financing but quickly learned there was no financing available for a manufacturer operating in chapter 11 proceedings.

As of the Petition Date the contingent, unliquidated exposure to the floor plan lenders was: Wells Fargo - \$5,344,563.563; Wells Fargo Canada - \$1,512,311.80; and Northpoint - \$1,866,296.39.

As of January 3, 2018 the contingent, unliquidated exposure to the floor plan lenders was reduced to Wells Fargo - \$1,514,543.00; Wells Fargo Canada - \$643,190.08 and Northpoint - \$352,861.14.

The Debtor anticipates that the Reorganized Debtor will recover the \$1,000,000 deposited to secure the Wells Fargo LOC and the \$41,000 Northpoint Deposit. Termination of the Wells Fargo LOC and return of the \$1 million Midwest Bank Deposit will occur no later than December 31, 2019.

**4.3. DIP Loan.** By Bankruptcy Court Order dated July 11, 2017 Trusek was authorized to make the \$2,000,000 DIP Loan to support Debtor operations. The DIP Loan is secured by a lien junior in priority to ABN Bank in inventory, accounts, equipment and general intangibles, a lien in the Midwest Deposit and is entitled to chapter 11 administrative expense priority in the event of Plan confirmation or chapter 7 liquidation.

**4.4. Post-Filing Operating Performance.** Following the DIP Loan cash infusion the Debtor was able to significantly increase boat production and sales. The Debtor has generated sufficient revenue from the Petition Date through December 31, 2017 to operate cash flow positive after payment of budgeted expenses including professional fees and interest on the outstanding \$9.4 million of secured debt.

The Debtor will continue to build and ship boats to order through Plan confirmation and has sufficient boat orders from its dealer network to produce and perform to its cash budget through Plan confirmation.

**4.5. Retention of Counsel.** By Order dated July 21, 2017 Ravich Meyer Kirkman McGrath Nauman & Tansey, P.A. was retained to represent the Debtor.

**4.6. Retention of Financial Consultant.** By Order dated July 26, 2017 GuideSource was retained as financial consultant to the Debtor.

**4.7. Cash Collateral.** By Order dated July 11, 2017 the Debtor was authorized to use the cash collateral to pay budgeted administrative expenses through October 28, 2017. By Order dated October 19, 2017 the Debtor was authorized to continue its use of cash collateral to pay budgeted administrative expenses through February 3, 2018. The Debtor filed a motion to extend use of cash collateral through a March 16, 2018 Effective Date (Docket No. 200).

**4.8. Rejection of Sales Contracts.** The Debtor determined that the services of the seven independent sales representatives were no longer necessary as employees of the Reorganized Debtor will provide sales and marketing support services to the dealer network. By Order dated June 23, 2017 the Court authorized the Debtor to reject the Sales Contracts.

**4.9. Rejection of New Ulm Lease.** By Order dated June 23, 2017 the Court authorized the Debtor to reject the New Ulm Lease. Hallberg has filed a rejection claim in the amount of \$233,121.38.

**4.10. Assumption of Warranty Claims.** By Order dated June 23, 2017 the Debtor was authorized to honor and pay pending dealer claims for parts and service costs incurred to perform customer boat repairs under Debtor warranties. Specifically, the Debtor was authorized to issue dealers with warranty claims credits against new boat purchases not to exceed \$5,000 per boat. As of the Petition Date unpaid warranty claims were \$139,000. As of January 1, 2018 pending warranty claims totaled \$115,000.

**4.11. Appointment of Committee.** On June 27, 2017 the Office of the United States Trustee filed an appointment of committee of unsecured creditors in the case ("Committee"). On July 26, 2017 the Committee was amended to add additional creditors. The Committee is comprised of Wallace Carlson Printing, Infinity Woven Products, LLC, MNStar Technologies,

Inc., Lippert Components and The Weitz Company. By Order dated July 21, 2017 the Court approved Committee retention of the law firm of Fafinski, Mark & Johnson, P.A.

**4.12. Retention of Financial Consultant to Committee.** By Order dated August 25, 2017 BGA Management, LLC dba Alliance Management was retained as financial consultant to the Committee.

**4.13. Rejection of Hallberg Building B BC and C Leases.** By Order dated August 31, 2017 the Court authorized the Debtor to reject the Hallberg Leases for B, BC and C, Wyoming, Minnesota buildings.

**4.14. Retention of Special Counsel.** By Order dated September 15, 2017 Shumaker & Sieffert, P.A. was retained as special counsel to the Debtor to maintain and prosecute certain patents and pending patents owned by the Debtor.

**4.15. Post-Petition Sales and Marketing Efforts.** The Debtor received 26 confidentiality agreements. Through December 31, 2017 the Debtor has maintained a data room with financial, operations, sales, and other information customarily necessary for prospective buyers to make offer on a business. The Debtor established a \$10,000,000 minimum bid requirement approximately equal to the total secured debt and lease cure costs. The Debtor received three contingent offers, one at less than the minimum bid and two with contingencies the Debtor could not satisfy.

**4.16. Bar Dates for Filing Proofs of Claim.** The Bankruptcy Court set a deadline of October 18, 2017 for holders of claims other than Governmental Units to file proofs of claim. October 18, 2017 was set as the deadline for Governmental Units to file proofs of claim.

**4.17. Financial Results.** A summary of financial performance of the Debtor for 2011 through 2016 and year-to-date 2017 are attached hereto as **Exhibit 1.**

**4.18. Termination of Chief Financial Officer.** On August 25, 2017 the Debtor terminated its Chief Financial Officer, Wendell Pederson. The Debtor later hired a Controller, Kari Booth, to manage the accounting department, internal bookkeeping and financial reporting.

**4.19. Dowco Supply Agreement.** The Debtor and Dowco have reached agreement respecting assumption of an Amended and Restated Supply Agreement as of the Effective Date. Dowco supplies the Debtor with pontoon seating, rotomolded parts, thermoformed parts, canvas and replacement furniture. In summary, the Debtor and Dowco have agreed:

(a) Dowco shall have a Class 16 unsecured claim in the amount of \$1,212,500 and consent to assumption without payment of any cure costs;

(b) Dowco shall have an Allowed Class 6 secured claim in the amount of \$287,500 secured by the Dowco Lien in the Tooling; and

(c) The Debtor shall have the right to terminate the Amended and Restated Supply Agreement after 1 year upon not less than 6 months notice in consideration for payment of a termination fee.

The impact of payment of a termination fee on Class 16 distributions is noted in Exhibit 2.

## V. SUMMARY OF THE PLAN AND MEANS FOR ITS EXECUTION

**5.1. Summary.** As of the Effective Date Trusek will make the Equity Contribution in exchange for the New Equity and assume control of the business of the Reorganized Debtor. The Reorganized Debtor will continue to manufacture and sell the Premier line of pontoon boats in the ordinary course and will perform its obligations to creditors under the Plan.

**5.2. Revesting of Property.** On the Effective Date, all property of the Debtor shall vest in the Reorganized Debtor, free and clear of all claims, interests, liens, charges or other encumbrances, except as otherwise provided in the Plan.

**5.3. Ownership of the Reorganized Debtor.** On the Effective Date the Reorganized Debtor will issue 100 Shares of common stock representing 100% of the equity in the Reorganized Debtor to Trusek in exchange for a \$1,000,000 cash contribution, the conversion of the \$500,000 Trusek Prepetition Note to equity and the Trusek guaranty of the ABN senior debt.

**5.4. Governance of the Reorganized Debtor.** As of the Effective Date Trusek will elect a board of directors. The board of directors of the Reorganized Debtor shall consist of the following director: Terry Astleford.

**5.5. Management of the Reorganized Debtor, Executive Compensation.** Richard Gallagher shall be appointed by the board of directors as the Interim Chief Executive Officer as of the Effective Date. Trusek and GuideSource are continuing to interview prospective CEO/COO candidates and anticipate one or more additional officers may be hired within 6 months following the Effective Date. Mr. Gallagher's annual compensation will be \$300,000. His employment agreement will be included in the Plan Supplement.

**5.6. Conversion of Sub S to C Corp Tax Treatment.** As of the Effective Date the Reorganized Debtor will not elect subchapter S tax treatment and will operate as a C Corp for tax purposes.

**5.7. Rejection of Dealer Agreements.** As of the Effective date the Dealer Agreements will be rejected. The Reorganized Debtor will offer dealers the opportunity to enter into a New Dealer Agreement in the sole discretion of the Reorganized Debtor.

**5.8. Assumption of Warranty Claims.** As of the Effective date the Reorganized Debtor will assume all manufacturer warranties made to dealers and customers through the date of Plan confirmation.

**5.9. Assumption of Boat Repurchase Obligation.** As of the Effective Date the Reorganized Debtor will assume the Debtor repurchase obligations owing Wells Fargo, Wells Fargo Canada and Northpoint under the Wells Repurchase Agreements and Northpoint Repurchase Agreement.

**5.10. Retention of GuideSource.** The Reorganized Debtor will continue to employ GuideSource as a financial advisor to assist in management transition and to oversee and assist

management in all aspects of financial reporting, cash management and other such services as the Debtor and GuideSource may agree.

**5.11. Organizational Documents.** As of the Effective Date the Articles of Incorporation and Bylaws will be cancelled and the board of the Reorganized Debtor will adopt the Amended and Restated Articles of Incorporation and Bylaws.

**5.12. Insider Ownership and Management.** The Plan provides for cancellation of all Equity Interests and the issuance of 100% of the New Equity to Trusek. No Debtor Insider will serve as an officer or director of the Reorganized Debtor. No insider will have a contractual right to acquire equity in the Reorganized Debtor.

**5.13. Insider Retention.** Trusek desires to retain Lori Melbostad, Robert Menne, Jr. and Betty Menne as employees of the Reorganized Debtor for a minimum term of one year subject to the terms and conditions of the Insider Employment Agreements which will be included in the Plan Supplement. A summary of the economic terms of the Insider Employment Agreements is set forth below:

Lori Melbostad

Position: Senior Vice President

Annual Salary \$144,000.00

Bonus compensation formula 3% of earnings before income tax profits in excess of Plan financial projections.

Benefits description Company provided automobile and participation in employee benefits program.

3 year non compete in pontoon industry, provided the non compete shall terminate if Ms. Melbostad is terminated after year 1 without cause.

Robert Menne, Jr.

Position: Ambassador, Dealer Relations

Annual Salary \$85,800.00

Bonus compensation formula 1% of earnings before income tax profits in excess of Plan financial projections.

Benefits description Automobile allowance and participation in employee benefits program.

3 year non compete in pontoon industry

Betty Menne

Position: Ambassador, Dealer Relations

Annual Salary \$61,600.00

Bonus compensation formula 1% of earnings before income tax profits in excess of Plan financial projections.

Benefits description Automobile allowance and participation in employee benefits program.

3 year non compete in pontoon industry

**Exhibit 5** sets forth by name, job description and compensation additional insiders to be employed by the Reorganized Debtor as hourly rate employees.

**5.14. ABN Replacement Guaranty.** As of the Effective Date Trusek, shall execute a corporate guaranty of all Plan obligations owing ABN secured by a pledge of the New Equity. The ABN Loan Documents, including the Trusek guaranty, will be included in the Plan Supplement. Robert Menne, Jr and Betty Menne have also agreed to execute amended guaranties of the ABN Class 2 Allowed claim copies of which will be included in the Plan Supplement.

**5.15. Hallberg Lease - Wyoming Manufacturing Facility Lease.** The Debtor, Trusek and Hallberg are engaged in negotiations respecting the terms of an amended and restated two year lease on substantially the same terms as the Hallberg Lease. The Reorganized Debtor will have the right in its discretion to remain in the Wyoming facilities through March 2022. The amended and restated lease will be included in the Plan Supplement.

**5.16. Fiberglass Shop Lease.** The Debtor, Trusek and I Limited are engaged in negotiations respecting the terms of an amended and restated lease on substantially the same terms as the Fiberglass Shop Lease. The amended and restated lease will be included in the Plan Supplement. The Reorganized Debtor will have the right in its discretion to remain in the Fiberglass Shop Lease premises through March 2022. The amended and restated lease will be included in the Plan Supplement.

**5.17. Dismissal of Adversary Proceeding.** No later than the Effective Date, the Committee shall take all necessary action to dismiss with prejudice Adversary Proceeding 17-3139. All claims asserted therein shall be deemed dismissed with prejudice as of the Effective Date.

**5.18. Compensation and Benefit Programs.** All employment and severance practices and policies, employment agreements or understandings, and all compensation and benefit plans, policies, and programs of the Debtor applicable to its directors, officers, managers and employees who served as directors, officers, managers and/or employees before or after the Petition Date, if any, including, without limitation, all savings plans, health care plans, severance benefit plans, incentive plans, workers' compensation programs and life, disability and other insurance plans, are treated as executory contracts under the Plan and are hereby assumed as of the Effective Date pursuant to sections 365 and 1123(b)(2) of the Bankruptcy Code in accordance with Article 9 of the Plan.

The Debtor will reject its 401(k) plan and related plan administrative agreement. The Reorganized Debtor will adopt a new 401(k) plan as soon as practicable after the Effective Date.

**5.19. Feasibility of the Plan.** Premier has completed its 2018 - 2023 business plan and related projections. A copy of the projections is attached hereto as **Exhibit 2**. The projections demonstrate that the Debtor will be capable of performing its obligations under the Plan.



## VI. CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

**6.1. Claims and Equity Interests Classified.** For purposes of organization, voting, and all Plan confirmation matters, except as otherwise provided herein, all claims (except for Administrative Claims and priority tax claims) and all equity interests shall be classified as set forth in Section 2.3 of the Plan.

**6.2. Administrative Claims and Priority Tax Claims.** As provided by Section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and priority tax claims against Debtor or its bankruptcy estate shall not be classified for purposes of voting or receiving distributions under the Plan. Rather, all such claims shall be treated separately as unclassified claims on the terms set forth in Article 5 of the Plan. The Debtor is unaware of any priority tax claims and estimates the claims at zero. The Debtor pays for raw materials, parts and furniture in advance or on delivery. The Debtor is current in payment of administrative liabilities except for budgeted, accrued and unapproved professional fees and wage and salary accrual in the ordinary course. The Debtor estimates that accrued and unpaid administrative liabilities as of a March 1, 2018 will be \$664,798.00.

**6.3. Claim Classification.** The Plan classifies the claims as follows:

(a) Class 1 – Priority non-tax claims. The claims are comprised solely of employee unpaid vacation accrual in the approximate amount of \$218,700.00 and unpaid wage priority claims of independent sales representatives in the approximate amount of \$18,583.63.

(b) Class 2 – Allowed secured claim of ABN in the original principal amount of \$6,491,041.66 as of the Petition Date, plus interest, fees and costs, secured by a first priority lien in all of the Debtor's assets, including but not limited to inventory, chattel paper, accounts, contract rights, equipment, general intangibles, furniture, fixtures, machinery, instruments, the Midwest Deposit, and all proceeds, replacements, and records of the foregoing. The Class 2 claim is also entitled to administrative expense priority under the Plan and in a chapter 7 liquidation senior in priority to all other administrative claims.

(c) Class 3 - Allowed claim of Trusek for the Trusek Prepetition Note in the amount of \$500,000, exclusive of any claim for attorney's fees and costs, and secured by a lien in all Debtor assets junior in priority to the ABN liens.

(d) Class 4 - Allowed claim of Trusek in the amount of \$2,000,000 secured by a lien in all Debtor assets, including the Midwest Deposit, junior in priority to the ABN liens. The Class 4 claim represents the unpaid principal balance of the DIP Loan and is entitled to administrative priority under the Plan and in chapter 7 liquidation, junior in priority to the ABN administrative priority claim. The DIP Loan, including any claim for attorney's fees and costs, must be paid in cash on the Effective Date unless Trusek otherwise agrees.

(e) Class 5 – Allowed claim of Columbus Auto in the amount of \$28,371.36 secured by a statutory lien in the Tractor and Trailer.

(f) Class 6 – Allowed claim of Dowco in the amount of \$287,500 secured by the Dowco Lien in the Tooling.

(g) Class 7 – Allowed claim of FMC in the amount of \$27,934.53, less interest payments received after the Petition Date, secured by a lien 2015 Ford F-350.

(h) Class 8 – Allowed claim of FMC in the amount of \$32,496.55, less interest payments received after the Petition Date, secured by a lien 2015 Ford Explorer.

(i) Class 9 – Allowed claim of Midwest Bank in the amount of \$1,000,000 secured by a lien in the Midwest Deposit.

(j) Class 10 – Contingent and unliquidated claim of Northpoint filed as Claim No. 89 in the amount of \$538,000 secured by a lien in the Northpoint Deposit (\$41,072.50).

(k) Class 11 – The Allowed Sunrise Secured Claim in the amount of \$141,000.

(l) Class 12 – Allowed claim of TD Auto in the amount of \$21,820.27, less interest payments received after the Petition Date, secured by a lien 2014 Chevrolet Traverse.

(m) Class 13 – Contingent and unliquidated claim of Wells Fargo Canada filed as Claim No. 82 in the amount of \$837,982.56 supported by the Wells Fargo LOC.

(n) Class 14 – Contingent and unliquidated claim of Wells Fargo filed as Claim No. 81 in the amount of \$1,894,976.96 supported by the Wells Fargo LOC.

(o) Class 15 – Allowed claim of WFEF in the amount of \$198,238.87 secured by a lien in specific equipment.

(p) Class 16 – A reconciliation of the scheduled and filed unsecured claims totaling approximately \$8,107,665.00, including rejection claims arising from sales representative, equipment lease, and real estate leases. The Debtor estimates that total allowed Class 16 claims will be in the range of \$8,000,000 to \$8,500,000.

(q) Class 17 – All equity interests. The prepetition equity interests held by Menne family and Hallberg family trusts representing 100% of the issued and outstanding common stock of the Debtor.

## **VII. IDENTIFICATION OF IMPAIRED CLASSES OF CLAIMS AND EQUITY INTERESTS**

**7.1. Unimpaired Classes of Claims and Equity Interests.** Classes 1 and 11 are not impaired under the Plan.

**7.2. Impaired Classes of Claims.** All classes of claims and interests are impaired under the Plan except Classes 1 and 11.

## VIII. TREATMENT OF CLAIMS AND EQUITY INTERESTS UNDER THE PLAN

**8.1. Administrative Claims.** Each holder of an Allowed Administrative Claim (except any such holder that agrees to different treatment) shall receive the full amount of such claim, in cash, on the Distribution Date; provided, however, that Allowed Administrative Claims representing postpetition liabilities incurred in the ordinary course of business by the Debtor shall be paid by the Reorganized Debtor in accordance with the terms and conditions of the particular transactions relating to such liabilities and any agreements relating thereto.

**8.2. Priority Tax Claims.** The holder of an Allowed priority tax claim, in full satisfaction of its claim, shall receive payment of that claim in 16 equal quarterly installments (representing payment of the claim plus interest at the applicable federal rate of 2% per annum) commencing April 1, 2018 and continuing on the first day of each consecutive calendar quarter thereafter until a total of 16 payments have been made. The Debtor is presently unaware of any tax claims.

**8.3. United States Trustee Fees.** Fees payable by Debtor under 28 U.S.C. § 1930 will continue to be paid until the case is closed, dismissed or converted. In addition, following confirmation, the Debtor will timely pay all fees incurred pursuant to 28 U.S.C. §§1930(a)(6) and will file with the Court and serve on the U.S. Trustee a quarterly financial report in the prescribed format, for each quarter or part thereof that the case remains open. The Debtor is current in payment of U.S. Trustee fees.

**8.4. Class 1 – Priority Non-Tax Claims.** Class 1 consists of all priority non-tax claims.

**Treatment.** The Debtor has no priority non-tax claims except accrued and unused vacation pay of approximately \$218,700.00 and priority wage claims of approximately \$18,583.63. All holders of such claims who remain employees of the Debtor will receive payment by continuing to receive such vacation pay in the ordinary course of business. To the extent that such holders are no longer employed by Debtor, each holder of a priority non-tax claim against Debtor shall receive on the Distribution Date (i) the amount of such holder's Allowed claim in one cash payment, not to exceed \$12,850 in the case of wages, salaries and commissions; or (ii) such other treatment as may be agreed upon in writing by Debtor and such holder.

**8.5. Class 2 – ABN.** Class 2 consists of Allowed Claim No. 54 filed by ABN. Claim No. 54, exclusive of any claim for attorney's fees and costs, shall be allowed in the amount of \$6,491,041.66.

**Treatment.** ABN's Allowed Class 2 secured claim shall be treated as follows:

(i) ABN and the Reorganized Debtor shall execute new and/or amended loan documents in a form acceptable to ABN and included in the Plan Supplement, provided for the following terms:

a. The "715 Loan" shall be amended and restated to provide (x) a principal amount of \$6,073,487.00, plus any unpaid interest, fees,

and costs from January 1, 2018 to the Effective Date, (y) an interest rate of prime plus 1.5% and a default interest rate of prime plus 6.5%, and (z) monthly payments of principal and interest amortized over an eight (8) year period and maturing on the third anniversary of the Effective Date.

- b. The “714 Loan” shall be amended and restated to provide (x) a principal amount of \$412,835.37, plus any unpaid interest, fees, and costs from January 1, 2018 to the Effective Date, (y) an interest rate of 4.5% and a default interest rate of 9.5%, and (z) monthly payments of principal and interest amortized over a five (5) year period and maturing on the third anniversary of the Effective Date.
- c. The “Credit Card Loan” shall be amended and restated to provide (x) a principal amount of \$144,342.85, plus any unpaid interest, fees, and costs from January 1, 2018 to the Effective Date, (y) an interest rate of 6.9% and a default interest rate of 11.9%, and (z) monthly payments of principal and interest amortized over a three (3) year period and maturing on the third anniversary of the Effective Date.

(ii) ABN shall retain and shall be deemed to be granted a first priority security interest in all assets of the Reorganized Debtor, including but not limited to inventory, chattel paper, accounts, contract rights, equipment, general intangibles, furniture, fixtures, machinery, instruments, the Midwest Deposit, and all proceeds, replacements, and records of the foregoing. The Reorganized Debtor shall execute a new and/or amended security agreement and other related documents in a form acceptable to ABN and included in the Plan Supplement.

(iii) Upon satisfaction of the Debtor Repurchase Obligations to Wells Fargo and Wells Fargo Canada and termination of the Wells Fargo LOC, the Reorganized Debtor shall deliver the Midwest Deposit to ABN for application to the principal balance owing on the “715 Loan”.

**8.6. Class 3 – Trusek.** Class 3 consists of Allowed Claim No. 92 filed by Trusek for the Trusek Prepetition Note in the amount of \$500,000, exclusive of any claim for attorney’s fees and costs, and secured by a lien in all Debtor assets junior in priority to the ABN liens.

**Treatment.** The Trusek Prepetition Note shall be converted to New Equity as of the Effective Date and the Trusek Prepetition Note cancelled.

**8.7. Class 4 – Trusek.** Class 4 consists of Allowed claim of Trusek for the DIP Loan in the amount of \$2,000,000, exclusive of any claim for attorney’s fees and costs. The Class 4 claim represents the unpaid principal balance of the DIP Loan and is entitled to administrative priority under the Plan or in chapter 7 liquidation.

**Treatment.** The Trusek DIP Loan shall be amortized and paid over 120 months. Interest shall accrue at the rate of 10% per annum. Trusek shall receive monthly interest only payments each in the amount of \$16,666.67 commencing on the first day of the first

calendar month following the Effective Date. Trusek shall retain its lien in all assets of the Debtor, including its lien in the Midwest Deposit, junior in priority to the ABN liens. The DIP Loan and security documents shall remain in full force and effect. Notwithstanding anything to the contrary herein, Trusek shall execute a subordination agreement on or before the Effective Date in a form acceptable to ABN and included in the Plan Supplement, providing for lien subordination, and providing for payment subordination in the event of a payment default or acceleration under ABN's loans.

**8.8. Class 5 – Columbus Auto.** Class 5 consists of Allowed claim of Columbus Auto in the amount of \$28,371.36 secured by a statutory lien in the Tractor and Trailer.

**Treatment.** In satisfaction of its Allowed Class 5 claim Columbus Auto shall receive on the Effective Date a cash payment in the amount of \$28,371.36 provided Columbus Auto has released the Tractor and Trailer to the Debtor.

**8.9. Class 6 – Dowco.** The Dowco Secured Claim shall be Allowed in the amount of \$287,500 and secured by the Dowco Lien in the Tooling. Dowco shall have an Allowed Class 16 general unsecured claim in the amount of \$1,212,500.

**Treatment.** The Dowco Secured Claim shall be amortized and paid over 36 months. Interest shall accrue at the rate of 4% per annum. Dowco shall receive 36 equal monthly payments of principal and interest in the amount of \$8,488.15 commencing on the first day of the first calendar month following the Effective Date. Dowco shall retain the Dowco Lien pending satisfaction of the Dowco Secured Claim. The Debtor shall assume the Amended and Restated Dowco Supply Agreement as of the Effective Date. Dowco shall have an Allowed Class 16 general unsecured claim in the amount of \$1,212,500 in lieu of payment of any cure cost.

**8.10. Class 7 – FMC.** Class 7 consists of Allowed Claim No. 1 filed by FMC. Claim No. 1, inclusive of any claim for attorney's fees and costs, shall be allowed in the amount of \$27,934.53, less interest payments received after the Petition Date.

**Treatment.** In full payment of its Allowed Class 7 claim, the holder shall continue to receive monthly payments of principal and interest at the non-default rate in the amount of \$681.33 per the terms of the prepetition loan documents. The claim, inclusive of any attorney's fees, shall be paid in full on or before the December 25, 2020 maturity date. The claim may be prepaid at any time without penalty. The claim shall continue to be secured by the collateral securing the claim on the Petition Date.

**8.11. Class 8 – FMC.** Class 8 consists of Allowed Claim No. 2 filed by FMC. Claim No. 2, inclusive of any claim for attorney's fees and costs, shall be allowed in the amount of \$32,496.55.

**Treatment.** In full payment of its Allowed Class 8 claim, the holder shall continue to receive monthly payments of principal and interest at the non-default rate in the amount of \$1,009.90 per the terms of the prepetition loan documents. The claim, inclusive of any attorney's fees, shall be paid in full on or before the May 31, 2020 maturity date. The claim may be prepaid at any time without penalty. The claim shall continue to be secured by the collateral securing the claim on the Petition Date.

**8.12. Class 9 – Midwest Bank.** Class 9 consists of Allowed claim of Midwest Bank in the amount of \$1,000,000 secured by the Midwest Deposit. Following termination of the Wells Fargo LOC without liability to Midwest Bank, the Midwest Bank Deposit shall be returned to the Reorganized Debtor.

**Treatment.** Midwest Bank shall retain the Midwest Deposit until the Wells Fargo LOC is terminated without liability to Midwest Bank. Thereafter, Midwest Bank shall return the Midwest Deposit to the Reorganized Debtor.

**8.13. Class 10 – Northpoint.** Class 10 consists of contingent and unliquidated Claim No. 89 of Northpoint in the amount of \$538,000. The Debtor has historically repurchased less than 1 boat per year on revenues in excess of \$50,000,000. The Debtor anticipates that its unliquidated, contingent liability under the Northpoint Repurchase Agreement will expire on or about December 31, 2019 without liability.

**Treatment.** Claim Number 89 shall be disallowed. The Reorganized Debtor shall assume any boat purchase obligations arising under the Northpoint Repurchase Agreement. Northpoint shall retain its lien and interest in the Northpoint Deposit to secure boat repurchase obligations. Upon expiration of repurchase obligations without liability to Northpoint, Northpoint shall cause the Northpoint Deposit to be returned to the Reorganized Debtor.

**8.14. Class 11 – Sunrise.** Class 11 consists of Allowed Claim No. 63 of Sunrise in the amount of \$192,362.89. The Sunrise Secured Claim consisting of that portion of Claim No. 63 secured by Fiberglass Molds shall be allowed in the amount of \$141,000.

**Treatment.** In satisfaction of the Sunrise Secured Claim, the Debtor shall surrender all right, title and interest in the Fiberglass Molds as of the Effective Date. The balance of the Allowed Class 11 Claim owing Sunrise shall be treated as a Class 16 general unsecured claim.

**8.15. Class 12 – TD Auto.** Class 12 consists of Claim No. 23 filed by TD Auto and secured by the TD Auto Collateral. Claim No. 23 shall be Allowed in the amount of \$21,820.27, less interest payments received after the Petition Date.

**Treatment.** In satisfaction of the TD Auto claim the Debtor surrenders all right, title and interest in the TD Auto Collateral.

**8.16. Class 13 – Wells Fargo Canada.** Class 13 consists of the contingent and unliquidated Claim No. 82 filed by Wells Fargo Canada in the amount of \$837,982.56. The Debtor has historically repurchased less than 1 boat per year on revenues in excess of \$50,000,000. The Debtor anticipates that its contingent liability under the Wells Fargo Repurchase Agreements will expire on or about December 31, 2019 without liability.

**Treatment.** Claim Number 13 shall be allowed in the amount of \$30,840.47 representing unpaid prepetition interest. The Reorganized Debtor shall assume any boat purchase obligations arising under the Wells Fargo Repurchase Agreements. The Debtor acknowledges that the Wells Fargo LOC will continue to support the Debtor's obligations under the Repurchase Agreements. Upon expiration of repurchase obligations without

liability to Wells Fargo Canada or Wells Fargo, Wells Fargo Canada shall cause the Wells Fargo LOC to be terminated.

**8.17. Class 14 – Wells Fargo.** Class 14 consists of the contingent and unliquidated Claim No. 81 filed by Wells Fargo in the amount of \$1,894,976.96. The Debtor has historically repurchased less than 1 boat per year on revenues in excess of \$50,000,000. The Debtor anticipates that its contingent liability under the Wells Fargo Repurchase Agreements will expire on or about December 31, 2019 without liability.

**Treatment.** Claim Number 81 shall be allowed in the amount of \$4,650.77 representing unpaid prepetition interest. The Reorganized Debtor shall assume any boat purchase obligations arising under the Wells Fargo Repurchase Agreements. The Debtor acknowledges that the Wells Fargo LOC will continue to support the Debtor's obligations under the Repurchase Agreements. Upon expiration of repurchase obligations without liability to Wells Fargo or Wells Fargo Canada, Wells Fargo shall cause the Wells Fargo LOC to be terminated.

**8.18. Class 15 – WFEF.** Class 15 consists of the Claim No. 80 filed by WFEF and secured by a first priority purchase money lien in certain equipment. Claim No. 80, exclusive of any claim for attorney's fees and costs, shall be allowed in the amount of \$198,238.87.

**Treatment.** In full payment of its Allowed Class 15 claim, the holder shall continue to receive monthly payments of principal and interest at the non-default rate each in the amount of \$2,936.61 and \$920.83 per the terms of the prepetition loan documents. The claim, exclusive of any attorney's fees, shall be paid in full on or before the March 6, 2021 and March 25, 2019 maturity dates. The claim may be prepaid at any time without penalty. The claim shall continue to be secured by the equipment collateral securing the claim on the Petition Date.

**8.19. Class 16 – General Unsecured Claims.** The Debtor estimates that allowed unsecured claims, including contract rejection claims, will total between approximately \$8,000,000 and \$8,500,000. The Reorganized Debtor will make five Annual Earnings Distributions each in the amount of 10% of the Reorganized Debtor's Earnings. Holders of Allowed Class 16 claims will receive a Pro Rata share of each Annual Earnings Distribution. The Minimum Earnings Distribution payable to Class 16 creditors over five years is \$1,050,000. Earnings Distributions shall not exceed, the Earnings Distribution Cap of \$3,550,000. The Reorganized Debtor projects a total recovery of approximately \$1,481,000<sup>9</sup> which represents a 17.4% recovery on \$8,500,000. Should the Debtor exceed projections and achieve the Earnings Distribution Cap creditor recovery would be 41.7% on \$8,500,000 of Allowed Class 16 claims.

**Treatment.** The holders of Allowed Class 16 claims shall receive a Pro Rata Share of Annual Earnings Distributions on the Plan Distribution Dates, subject to the Minimum Earnings Distribution and the Earnings Distribution Cap.

Subject to the Earnings Distribution Cap, upon the closing of the Sale Transaction the Reorganized Debtor shall distribute Pro Rata to the holders of Allowed Class 16 claims a final distribution equal to the greater of (1) 10% of (the Sale Transaction proceeds less the unpaid Secured Debt less equipment lease balances); or (2) the unpaid balance of the

Minimum Annual Distribution. The final distribution shall be made within 7 business day of the closing of the Sale Transaction.

**8.20. Class 17 – Equity Interests.** Class 17 consists of all equity interests consisting of 100% of the issued and outstanding common stock of the Debtor all of which is held by Menne and Hallberg trusts.

**Treatment.** All Class 17 equity interests in Debtor shall be cancelled and the holders of Class 17 equity interests shall receive nothing under the Plan.

## **IX. ACCEPTANCE OR REJECTION OF PLAN;**

### **EFFECT OF REJECTION BY ONE OR MORE CLASSES OF CLAIMS**

**9.1. Classes Entitled to Vote.** Each impaired class of claims shall be entitled to vote to accept or reject the Plan. All unimpaired classes shall not be entitled to vote to accept or to reject the Plan. Classes 1 and 11 are unimpaired. All other Classes are impaired. Class 17 is deemed to have rejected the Plan.

**9.2. Class Acceptance Requirement.** A class of claims shall have accepted the Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed claims of such class that vote on the Plan.

**9.3. Cramdown.** The Debtors request that the Bankruptcy Court confirm the Plan in accordance with Section 1129(b) of the Bankruptcy Code.

## **X. ALTERNATIVES TO THE PLAN**

The only meaningful alternative to the Plan is a conversion to a chapter 7 liquidation under the Bankruptcy Code. Attached as **Exhibit 3** is Debtor's analysis of the treatment of its creditors in a Chapter 7 case. The treatment provided by the Plan is substantially better for all creditors as there is no recovery for unsecured creditors in liquidation.

## **XI. FRAUDULENT CONVEYANCES AND OTHER CAUSES OF ACTION**

Pursuant to Section 547 of the Bankruptcy Code, a debtor in possession may avoid as a preference a transfer of property made by the debtor to or for the benefit of a creditor on account of an antecedent debt while the debtor was insolvent, if that creditor received more than it would have received in a liquidation of the debtor under Chapter 7 of the Bankruptcy Code had the payment not been made and if the payment was made (i) within ninety (90) days before the date that the bankruptcy case commenced, or, (ii) if the creditor is an "insider" as defined in the Bankruptcy Code, within one year before the commencement of the bankruptcy case. A debtor is presumed to have been insolvent during the ninety (90) days preceding the commencement of its bankruptcy case. The power to avoid preferences is subject to a number of exceptions set forth in



Section 547 of the Bankruptcy Code, including one exception applicable to the payment of obligations in the ordinary course of business on ordinary business terms. Furthermore, if the transferee extended credit subsequent to the transfer (and prior to the commencement of the bankruptcy case) for which the transferee was not repaid, such extension constitutes an offset against any otherwise recoverable transfer of property. If a transfer is recovered by the debtor, the transferee obtains a general unsecured claim against the debtor to the extent of the recovery.

Pursuant to Section 548 of the Bankruptcy Code, a debtor in possession may avoid a fraudulent transfer of property, including the granting of a security interest in property, made while the debtor was insolvent or which rendered the debtor insolvent, if the debtor received less than reasonably equivalent value in exchange for such property and if the transfer was made within one (1) year before the commencement of the bankruptcy case. Pursuant to Section 544 of the Bankruptcy Code, a debtor in possession may avoid a transfer of property that is avoidable under applicable non-bankruptcy law. Section 544 of the Bankruptcy Code enables a debtor to apply applicable state laws, including fraudulent conveyance laws, to avoid a transfer of property.

The Debtor and GuideSource have reviewed the books and records of the Debtor and prepared a summary and analysis of potential avoidance claims under 11 U.S.C. § 547. The gross amount of payments made to creditors and insiders who received greater than \$6,000 in aggregate payments during the applicable preference periods totaled \$8,330,174. Because the Debtor was forced to pay cash in advance for all materials during the 8 month period preceding the Petition Date and to pay between \$1.10 and \$1.25 for a \$1.00 of product the Debtor's books and records confirm that the payments made to creditors and insiders on account of antecedent debts, net of the value of new part and product deliveries received in consideration for the payments, was \$1,232,456.

**Insider Transactions.** The Debtor and GuideSource examined the books, records and tax returns of the Debtor and interviewed officers respecting the 6 year history of insider transactions. Based upon the examination GuideSource prepared a summary and analysis of insider transactions from June, 2011 through the Petition Date. The estimated value of insider claims before deductions for costs of enforcement and collection is \$140,439.11.

In 2014 the Menne family shareholders and Hallberg family shareholders engaged in extensive state court litigation. During the course of the consolidated actions a special litigation committee (SRC) was appointed pursuant to applicable law. The SRC examined all alleged wrongdoing and insider transactions through June 2015 and by a report issued in June, 2015 found that excessive formula based bonuses paid to Robert and Betty Menne based upon erroneous earnings calculations had been corrected and repaid in full. The SRC also found that the Debtor was reimbursed for prior Debtor payment of life insurance premiums under a policy for which the Debtor was not a beneficiary.

RSM US LLP audited the Debtor financial statements from 1992 through 2015. There was no 2016 audit. RSM performed a business valuation of the Debtor dated April 23, 2015 with a valuation date of November 30, 2014 and concluded the going concern value of the Debtor was approximately \$4,000,000 in excess of company liabilities as of November 2014. Assuming the Debtor was solvent as of December 31, 2014 the estimated value of avoidable transfers made to insiders, without reduction for defenses, enforcement costs or risk of collection and after recovery of the boats identified below is \$0.00.

The Plan provides that the Reorganized Debtor will retain avoidance actions and claims against Insiders. The Reorganized Debtor will waive all claims arising under 11 U.S.C. § 547 against all vendors. The waiver shall be in satisfaction of any possessory lien in estate property or claim arising under 11 U.S.C. § 503(b)(9) and shall be effective upon release of estate property at the request of the Reorganized Debtor. All avoidance claims against Samuel, Son & Co. shall be deemed waived upon confirmation of the Plan pursuant to the terms of the Stipulation dated January \_\_, 2018. The Debtor estimates 503(b)(9) claims to be \$0.00.

The waiver and release of claims against all Insiders, as that term is defined in the Bankruptcy Code, shall be effective and conditioned upon (1) execution of the Insider Employment Agreements by Lori Melbostad, Robert Menne, Jr. and Betty Menne; and (2) the return of the following three pontoon boats in the possession of insiders: (i) 2017 – 290 Grand Majestic, 10’ wide w/ BRP Gen 2 E250 (sold to Bob and Betty Menne); (ii) 2015 – 221 Explorer w/ 200 Suzuki (sold to Bob and Betty Menne); and (iii) 2017 – 290 Grand Majestic RF, 10’ wide (Sold to Strait Productions without motor). The waiver and release of the Reorganized Debtor claims against any insider, however and whenever arising, shall not be binding upon a trustee appointed in a chapter 7 case commenced by or against the Reorganized Debtor for any reason including a failure to consummate the Plan.

## **XII. TAX CONSEQUENCES**

The Debtor is not expected to suffer adverse tax consequences as a result of the Plan. The Debtor is not qualified to advise creditors of the specific respective tax impact on each of them as a result of treatment provided in the Plan and therefore makes no representation as to that. While the Debtor does not believe the Plan will have a tax impact on claim holders, each creditor is urged to consult with a tax advisor as to such matters.

## **XIII. ASSUMPTION AND REJECTION OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**13.1 Assumption/Rejection.** Any executory contract or unexpired lease that has not been expressly assumed by the Debtor with the Bankruptcy Court's approval on or prior to the Confirmation Date shall, as of the Confirmation Date (subject to the occurrence of the Effective Date), be deemed to have been rejected by the Debtor unless there is pending before the Bankruptcy Court on the Confirmation Date a motion by the Debtor to assume such executory contract or unexpired lease.

(a) Cure. In the event of a dispute regarding (i) the amount of any cure payments under the contract or lease to be assumed, (ii) the ability of the Debtor to provide adequate assurance of future performance under the contract or lease to be assumed, or (iii) any other matter pertaining to assumption, the cure payments required by Section 365(b)(1) of the Bankruptcy Code shall be made in accordance with the entry of a Final Order resolving the dispute and approving assumption.

(b) Damages Upon Rejection. The Bankruptcy Court shall determine the dollar amount, if any, of any claim seeking damages by reason of the rejection of any executory contract or unexpired lease; provided, however, that a Proof of Claim is filed with the Bankruptcy Court asserting that claim before thirty (30) calendar days following the Confirmation Date. To the extent any such claim is allowed by the Bankruptcy Court by Final Order, such claim shall become, and shall be treated for all purposes under the Plan as, an allowed unsecured claim, and the holder thereof shall receive distributions as a holder of an allowed claim in Class 16 pursuant to the Plan. The Plan shall constitute notice to persons that may assert a claim for damages from the rejection of an executory contract or unexpired lease of the bar date for filing a Proof of Claim in connection therewith; provided, however, that the Debtor shall have no obligation to notify such persons that the Confirmation Date has occurred.

(c) The Debtor's Intention. At the present time, the Debtor intends to assume the contracts and leases identified on Exhibit 6 attached hereto. A final decision with respect to whether the Debtor will assume or reject the other contracts and leases has not yet been made.

(d) Dealer Agreements. **Dealer Agreements are rejected as of the Effective Date. Dealers will receive a New Dealer Agreement for review and execution in the Reorganized Debtor's discretion. The Debtor estimates claims arising from rejection of Dealer Agreements at zero because (1) substantially all Dealers will receive New Dealer Agreements; (2) no dealer filed a claim for damages arising under a Dealer Agreement; (3) the Reorganized Debtor is assuming all Dealer and customer warranty claims; and (4) substantially all Dealers are operating without a written Dealer Agreement.**

(e) Repurchase Obligations. **The Reorganized Debtor assumes as of the Effective Date pontoon repurchase obligations arising under the Northpoint Repurchase Agreement and the Wells Fargo and Wells Fargo Canada Repurchase Agreements.**

(f) Warranty Claims. **The Reorganized Debtor is assuming all manufacturing warranties to dealers and customers made through the Plan Confirmation Date pursuant to Article 7.8 of the Plan.**

#### XIV. CONCLUSION

It is important that creditors exercise their rights to vote for the acceptance or rejection of the Plan. Debtor requests that each holder of a claim in each class complete the ballot and vote to accept the proposed Plan.

[SEE SEPARATE SIGNATURE PAGE]

Dated: January 22, 2018

PREMIER MARINE, INC.

By *Lori J. Mulholland*  
Its president

**EXHIBIT 1  
TO  
DISCLOSURE STATEMENT**

**Premier Marine Inc  
Case Number 17-32006  
Prior Period Performance**

All Figures in Millions

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Prelim 1-Jan-17 31-Oct-17
Revenue	48.827	63.365	81.143	86.554	59.585	58.406	26.897
COGS	42.702	59.340	75.588	77.618	58.011	53.449	24.583
Gross Margin	6.125	4.025	5.555	8.936	1.574	4.957	2.314
Operating Expense	5.003	4.785	5.455	7.541	6.194	6.570	5.544
Operating Income	1.122	(0.760)	0.100	1.395	(4.620)	(1.613)	(3.230)
Other Income & Expense	(0.245)	(0.341)	(0.551)	(0.485)	(0.268)	-	0.722
Net Income	0.877	(1.101)	(0.451)	0.910	(4.888)	(1.613)	(2.508)

## EXHIBIT 2 TO DISCLOSURE STATEMENT

Premier Marine Inc  
Case Number 17-32006  
Pro-Forma Income Statement

	2018 FY	2019 FY	2020 FY
2000 <b>Revenue</b>			
2010 Product Sales	34,750,000	46,406,975	50,119,533
2020 <b>Cost of Goods Sold</b>			
2030 Materials	16,506,250	22,043,314	23,806,780
2040 Direct Labor	6,602,500	8,993,672	9,907,429
2050 Freight	1,112,000	1,499,873	1,636,062
2060 Floorplan Interest	270,000	360,572	389,418
2070 Overhead	-	-	-
2080 <b>Total COGS</b>	<u>24,490,750</u>	<u>32,897,432</u>	<u>35,739,689</u>
2090			
2100 <b>Gross Margin</b>	10,259,250	13,509,544	14,379,844
2110			
2120 <b>Operating Expense</b>			
2130 Utilities/telecom	590,000	795,796	868,054
2140 Benefits	954,775	1,370,686	1,591,366
2150 Other Expenses	46,000	54,540	55,085
2160 Rent/Building Payment	800,259	969,913	979,612
2170 Software Fees	39,000	54,540	55,085
2180 Insurance	452,681	548,649	554,136
2190 Indirect Labor	2,016,569	2,243,891	2,288,769
2200 Officer Wages	355,000	382,500	390,150
2210 Payroll SG & A	1,970,338	2,411,694	2,459,928
2220 Interest on ABN Loans	314,181	336,700	228,503
2230 Interest on Other Existing Loans	1,488	1,173	464
2240 Interest on Replacement Financing	-	-	-
2250 Interest on DIP Financing	166,667	200,000	200,000
2260 Lease Payments	140,930	169,116	169,116

**Premier Marine Inc**  
**Case Number 17-32006**  
**Pro-Forma Income Statement**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>FY</b>	<b>FY</b>	<b>FY</b>
2270 G & A	313,481	379,939	383,739
2280 Legal, Accounting, and Professional Fees	352,900	439,332	342,725
2290 Depreciation	<u>519,720</u>	<u>702,235</u>	<u>845,093</u>
2300 <b>Total Operating Expense</b>	9,033,988	11,060,705	11,411,826
2310			
2320 <b>Net Income Before Taxes</b>	<u><u>1,225,262</u></u>	<u><u>2,448,838</u></u>	<u><u>2,968,018</u></u>
2330			
2340 <b>Income Tax</b>			
2350 Federal Income Tax	281,404	514,256	623,284
2360 State Income Tax	<u>110,274</u>	<u>220,395</u>	<u>267,122</u>
2370 <b>Total Income Tax</b>	391,678	734,651	890,406
2380			
2390 <b>Net Income After Tax</b>	<u><u>833,584</u></u>	<u><u>1,714,187</u></u>	<u><u>2,077,613</u></u>
2400			
2410			
2420			

**Premier Marine Inc**  
**Case Number 17-32006**  
**Pro-Forma Income Statement**

	<u>2021</u> FY	<u>2022</u> FY	<u>2023</u> FY
2000 <b>Revenue</b>			
2010 Product Sales	54,129,096	58,459,424	63,136,177
2020 <b>Cost of Goods Sold</b>			
2030 Materials	25,711,324	27,768,231	29,989,690
2040 Direct Labor	10,914,024	12,022,888	13,244,414
2050 Freight	1,784,616	1,946,660	2,123,416
2060 Floorplan Interest	420,571	454,217	490,554
2070 Overhead	-	-	-
2080 <b>Total COGS</b>	<u>38,830,535</u>	<u>42,191,996</u>	<u>45,848,075</u>
2090			
2100 <b>Gross Margin</b>	15,298,561	16,267,428	17,288,103
2110			
2120 <b>Operating Expense</b>			
2130 Utilities/telecom	946,874	1,032,850	1,126,633
2140 Benefits	1,847,576	2,145,036	2,490,387
2150 Other Expenses	55,636	56,193	56,755
2160 Rent/Building Payment	989,409	999,303	1,009,296
2170 Software Fees	55,636	56,193	56,755
2180 Insurance	559,677	565,274	570,926
2190 Indirect Labor	2,334,544	2,381,235	2,428,860
2200 Officer Wages	397,953	405,912	414,030
2210 Payroll SG & A	2,509,127	2,559,309	2,610,495
2220 Interest on ABN Loans	33,000	-	-
2230 Interest on Other Existing Loans	5	-	-
2240 Interest on Replacement Financing	141,549	149,850	(303,684)
2250 Interest on DIP Financing	190,096	157,311	120,387
2260 Lease Payments	169,116	169,116	169,116



**Premier Marine Inc**  
**Case Number 17-32006**  
**Pro-Forma Income Statement**

	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>FY</b>	<b>FY</b>	<b>FY</b>
2270 G & A	387,576	391,452	395,366
2280 Legal, Accounting, and Professional Fees	346,152	349,614	353,110
2290 Depreciation	<u>1,037,950</u>	<u>1,252,235</u>	<u>1,466,521</u>
2300 <b>Total Operating Expense</b>	12,001,876	12,670,882	12,964,953
2310			
2320 <b>Net Income Before Taxes</b>	<u><u>3,296,684</u></u>	<u><u>3,596,546</u></u>	<u><u>4,323,150</u></u>
2330			
2340 <b>Income Tax</b>			
2350 Federal Income Tax	692,304	755,275	907,861
2360 State Income Tax	<u>296,702</u>	<u>323,689</u>	<u>389,083</u>
2370 <b>Total Income Tax</b>	989,005	1,078,964	1,296,945
2380			
2390 <b>Net Income After Tax</b>	<u><u>2,307,679</u></u>	<u><u>2,517,582</u></u>	<u><u>3,026,205</u></u>
2400			
2410			
2420			

Premier Marine Inc  
Case Number 17-32006  
Pro-Forma Cash Flow

	Creditor Class	At Effective Date	2018 FY
3000		369,117	898,507
3010			
3020		-	1,225,262
3030			
<b>Effective Date Cash Activities</b>			
3040		1,000,000	-
3050	Class 1	(44,097)	-
3060		(135,798)	-
3070		(54,843)	-
3080	Class 5	(28,372)	-
3090			-
3100		(137,500)	-
3110		(70,000)	-
3120			
3130		(470,610)	
<b>Ordinary Course Cash Disbursements</b>			
3140			
3150			
3160	Class 2	-	(798,143)
3170	Class 2		(76,965)
3180	Class 2		(44,503)
3190	Class 7		(6,813)
3200	Class 8		(10,179)
3205	Class 15		(38,574)
3210			-
3220	Class 6		(84,882)
3230	Class 16		
3250	Class 4	-	(166,667)
3260		-	(1,226,726)
3270			
<b>Add-Backs to Cash Flow</b>			
3290			
3300		-	519,720
3310			482,336
3320		-	1,002,056
3330			
3340			(550,000)
3350			
3360			(391,678)
3370			
3380		529,390	58,914
3390			
3400		898,507	957,421
3410			
3420		(500,000)	(510,000)
3430			
3440		398,507	447,421
3450			

Premier Marine Inc  
Case Number 17-32006  
Pro-Forma Cash Flow

	2019 FY	2020 FY
3000 <b>Starting Cash</b>	957,421	1,196,091
3010		
3020 <b>Net Income Before Taxes</b>	2,448,838	2,968,018
3030		
<b>Effective Date Cash Activities</b>		
3040 Cash Contribution on Effective Date		
3050 Payment of Class 1 - Priority Non-Tax Claims		
3060 Payment of Real Estate Lease Cures		
3070 Payment of Equipment Lease Cures		
3080 Payment to Columbus Auto		
3090 omitted		
3100 Payment of Accrued Debtor and Committee Professional Fees		
3110 Payment of Accrued Unsecured Creditor Committee Prof. Fees		
3120		
3130 <b>Net Effective Date Cash Activities</b>		
<b>Ordinary Course Cash Disbursements</b>		
3140		
3150		
3160 American Bank of the North Loan x715 (P&I)	(1,957,772)	(957,772)
3170 American Bank of the North Loan x714 (P&I)	(92,358)	(92,358)
3180 American Bank of the North Loan Credit Card (P&I)	(53,404)	(53,404)
3190 Ford Motor Credit - 1092 (P&I)	(8,176)	(8,176)
3200 Ford Motor Credit - 2411 (P&I)	(12,215)	(12,215)
3205 WFEF	(39,843)	(35,239)
3210 Replacement Financing (P&I)	-	
3220 Dowco Secured Payment (P&I)	(101,858)	(101,858)
3230 Payments to Unsecured Creditors	(250,000)	(244,884)
3250 DIP Loan (P&I)	(200,000)	(200,000)
3260 <b>Total Ordinary Course Cash Disbursements</b>	(2,715,626)	(1,705,906)
3270		
<b>Add-Backs to Cash Flow</b>		
3280		
3290 Release of Midwest Bank LOC and Release of CD	1,000,000	
3300 Depreciation	702,235	845,093
3310 Interest Expensed on Income Statement	537,874	428,967
3320 <b>Total Cash Flow Add-Backs</b>	2,240,109	1,274,060
3330		
3340 Capital Expenditures	(1,000,000)	(1,350,000)
3350		
3360 Income Tax	(734,651)	(890,406)
3370		
3380 <b>Net Cash Flow</b>	238,670	295,767
3390		
3400 <b>Ending Cash</b>	1,196,091	1,491,858
3410		
3420 <b>Cash Reserves to Support Operations &amp; Potential Relocation</b>	(520,200)	(530,604)
3430		
3440 <b>Cash in Excess of Reserves</b>	675,891	961,254
3450		

Premier Marine Inc  
Case Number 17-32006  
Pro-Forma Cash Flow

	<b>2021</b>	<b>2022</b>
	<b>FY</b>	<b>FY</b>
3000 <b>Starting Cash</b>	1,491,858	2,261,188
3010		
3020 <b>Net Income Before Taxes</b>	3,296,684	3,596,546
3030		
<b>Effective Date Cash Activities</b>		
3040 Cash Contribution on Effective Date		
3050 Payment of Class 1 - Priority Non-Tax Claims		
3060 Payment of Real Estate Lease Cures		
3070 Payment of Equipment Lease Cures		
3080 Payment to Columbus Auto		
3090 omitted		
3100 Payment of Accrued Debtor and Committee Professional Fees		
3110 Payment of Accrued Unsecured Creditor Committee Prof. Fees		
3120		
3130 <b>Net Effective Date Cash Activities</b>		
<b>Ordinary Course Cash Disbursements</b>		
3140		
3150		
3160 American Bank of the North Loan x715 (P&I)	(3,215,747)	-
3170 American Bank of the North Loan x714 (P&I)	(191,725)	-
3180 American Bank of the North Loan Credit Card (P&I)	(8,901)	-
3190 Ford Motor Credit - 1092 (P&I)	(4,769)	-
3200 Ford Motor Credit - 2411 (P&I)	(1,018)	-
3205 WFEF	(14,683)	-
3210 Replacement Financing (P&I)	2,767,946	(557,405)
3220 Dowco Secured Payment (P&I)	(16,976)	-
3230 Payments to Unsecured Creditors	(296,802)	(329,668)
3250 DIP Loan (P&I)	(458,274)	(509,929)
3260 <b>Total Ordinary Course Cash Disbursements</b>	(1,440,949)	(1,397,003)
3270		
<b>Add-Backs to Cash Flow</b>		
3280		
3290 Release of Midwest Bank LOC and Release of CD		
3300 Depreciation	1,037,950	1,252,235
3310 Interest Expensed on Income Statement	364,651	307,161
3320 <b>Total Cash Flow Add-Backs</b>	1,402,600	1,559,397
3330		
3340 Capital Expenditures	(1,500,000)	(1,500,000)
3350		
3360 Income Tax	(989,005)	(1,078,964)
3370		
3380 <b>Net Cash Flow</b>	<u>769,330</u>	<u>1,179,976</u>
3390		
3400 <b>Ending Cash</b>	<u>2,261,188</u>	<u>3,441,164</u>
3410		
3420 <b>Cash Reserves to Support Operations &amp; Potential Relocation</b>	(541,216)	(552,040)
3430		
3440 <b>Cash in Excess of Reserves</b>	<u>1,719,972</u>	<u>2,889,123</u>
3450		

**Premier Marine Inc**  
**Case Number 17-32006**  
**Pro-Forma Cash Flow**

	<b>2023</b>
	<b>FY</b>
3000 <b>Starting Cash</b>	3,441,164
3010	
3020 <b>Net Income Before Taxes</b>	4,323,150
3030	
<b>Effective Date Cash Activities</b>	
3040 Cash Contribution on Effective Date	
3050 Payment of Class 1 - Priority Non-Tax Claims	
3060 Payment of Real Estate Lease Cures	
3070 Payment of Equipment Lease Cures	
3080 Payment to Columbus Auto	
3090 omitted	
3100 Payment of Accrued Debtor and Committee Professional Fees	
3110 Payment of Accrued Unsecured Creditor Committee Prof. Fees	
3120	
3130 <b>Net Effective Date Cash Activities</b>	
<b>Ordinary Course Cash Disbursements</b>	
3140	
3150	
3160 American Bank of the North Loan x715 (P&I)	-
3170 American Bank of the North Loan x714 (P&I)	
3180 American Bank of the North Loan Credit Card (P&I)	-
3190 Ford Motor Credit - 1092 (P&I)	6,813
3200 Ford Motor Credit - 2411 (P&I)	-
3205 WFEF	
3210 Replacement Financing (P&I)	(557,405)
3220 Dowco Secured Payment (P&I)	
3230 Payments to Unsecured Creditors	(359,655)
3250 DIP Loan (P&I)	(509,929)
3260 <b>Total Ordinary Course Cash Disbursements</b>	(1,420,176)
3270	
<b>Add-Backs to Cash Flow</b>	
3280	
3290 Release of Midwest Bank LOC and Release of CD	
3300 Depreciation	1,466,521
3310 Interest Expensed on Income Statement	(183,296)
3320 <b>Total Cash Flow Add-Backs</b>	1,283,225
3330	
3340 Capital Expenditures	(1,500,000)
3350	
3360 Income Tax	(1,296,945)
3370	
3380 <b>Net Cash Flow</b>	<u>1,389,254</u>
3390	
3400 <b>Ending Cash</b>	<u>4,830,418</u>
3410	
3420 <b>Cash Reserves to Support Operations &amp; Potential Relocation</b>	(563,081)
3430	
3440 <b>Cash in Excess of Reserves</b>	<u>4,267,337</u>
3450	

**Premier Marine Inc**  
**Case Number 17-32006**  
**Pro-Forma Cash Flow**  
**Year 2018 by Month**

	<b>Creditor</b>	<b>At Effective Date</b>	<b>2018</b>
	<b>Class</b>		<b>March</b>
8000 <b>Starting Cash</b>		369,117	886,850
8010			
8020 <b>Net Income Before Taxes</b>		-	122,526
8030			
8040 <b>Effective Date Cash Activities</b>			
8050 Cash Contribution on Effective Date		1,000,000	
8060 Payment of Class 1 - Priority Non-Tax Claims	Class 1	(44,097)	
8070 Payment of Real Estate Lease Cures		(135,798)	
8080 Payment of Equipment Lease Cures		(66,500)	
8090 Payment to Columbus Auto	Class 5	(28,372)	
8100 omitted			
8110 Payment of Accrued Debtor and Committee Professional Fees		(137,500)	
8120 Payment of Accrued Unsecured Creditor Committee Prof. Fees		(70,000)	
8130			
8140 <b>Net Effective Date Cash Activities</b>		<u>(482,267)</u>	
8150			
8160 <b>Ordinary Course Cash Disbursements</b>			
8170			
8180 American Bank of the North Loan x715 (P&I)	Class 2	-	(79,814)
8190 American Bank of the North Loan x714 (P&I)	Class 2		(7,696)
8200 American Bank of the North Loan Credit Card (P&I)	Class 2		(4,450)
8210 Ford Motor Credit - 1092 (P&I)	Class 7		(681)
8220 Ford Motor Credit - 2411 (P&I)	Class 8		(1,018)
3205 WFEF	Class 15		(3,857)
8230 Replacement Financing (P&I)			
8240 Dowco Secured Payment (P&I)	Class 6		(8,488)
8250 Payments to Unsecured Creditors	Class 16		
8270 DIP Loan (P&I)	Class 4	-	(16,667)
8280 <b>Total Ordinary Course Cash Disbursements</b>		<u>-</u>	<u>(122,673)</u>
8290			
8300 <b>Add-Backs to Cash Flow</b>			
8310 Release of Midwest Bank LOC and Release of CD			
8320 Depreciation		-	51,972
8330 Interest Expensed on Income Statement			48,234
8340 <b>Total Cash Flow Add-Backs</b>		<u>-</u>	<u>100,206</u>
8350			
8360 Capital Expenditures			(150,000)
8370			
8380 Income Tax			
8390			
8400 <b>Net Cash Flow</b>		<u>517,733</u>	<u>(49,941)</u>
8410			
8420 <b>Ending Cash</b>		<u>886,850</u>	<u>836,909</u>
8430			

**Premier Marine Inc**  
**Case Number 17-32006**  
**Pro-Forma Cash Flow**  
**Year 2018 by Month**

	<u>2018</u>	<u>2018</u>
	<u>April</u>	<u>May</u>
8000 <b>Starting Cash</b>	836,909	892,524
8010		
8020 <b>Net Income Before Taxes</b>	122,526	122,526
8030		
8040 <b>Effective Date Cash Activities</b>		
8050 Cash Contribution on Effective Date		
8060 Payment of Class 1 - Priority Non-Tax Claims		
8070 Payment of Real Estate Lease Cures		
8080 Payment of Equipment Lease Cures		
8090 Payment to Columbus Auto		
8100 omitted		
8110 Payment of Accrued Debtor and Committee Professional Fees		
8120 Payment of Accrued Unsecured Creditor Committee Prof. Fee:		
8130		
8140 <b>Net Effective Date Cash Activities</b>		
8150		
8160 <b>Ordinary Course Cash Disbursements</b>		
8170		
8180 American Bank of the North Loan x715 (P&I)	(79,814)	(79,814)
8190 American Bank of the North Loan x714 (P&I)	(7,696)	(7,696)
8200 American Bank of the North Loan Credit Card (P&I)	(4,450)	(4,450)
8210 Ford Motor Credit - 1092 (P&I)	(681)	(681)
8220 Ford Motor Credit - 2411 (P&I)	(1,018)	(1,018)
3205 WFEF	(3,857)	(3,857)
8230 Replacement Financing (P&I)		
8240 Dowco Secured Payment (P&I)	(8,488)	(8,488)
8250 Payments to Unsecured Creditors		
8270 DIP Loan (P&I)	<u>(16,667)</u>	<u>(16,667)</u>
8280 <b>Total Ordinary Course Cash Disbursements</b>	(122,673)	(122,673)
8290		
8300 <b>Add-Backs to Cash Flow</b>		
8310 Release of Midwest Bank LOC and Release of CD		
8320 Depreciation	51,972	51,972
8330 Interest Expensed on Income Statement	48,234	48,234
8340 <b>Total Cash Flow Add-Backs</b>	100,206	100,206
8350		
8360 Capital Expenditures	(44,444)	(44,444)
8370		
8380 Income Tax		
8390		
8400 <b>Net Cash Flow</b>	<u>55,615</u>	<u>55,615</u>
8410		
8420 <b>Ending Cash</b>	<u>892,524</u>	<u>948,138</u>
8430		

**Premier Marine Inc**  
**Case Number 17-32006**  
**Pro-Forma Cash Flow**  
**Year 2018 by Month**

	<u>2018</u>	<u>2018</u>
	<u>June</u>	<u>July</u>
8000 <b>Starting Cash</b>	948,138	1,003,753
8010		
8020 <b>Net Income Before Taxes</b>	122,526	122,526
8030		
8040 <b>Effective Date Cash Activities</b>		
8050 Cash Contribution on Effective Date		-
8060 Payment of Class 1 - Priority Non-Tax Claims		
8070 Payment of Real Estate Lease Cures		-
8080 Payment of Equipment Lease Cures		-
8090 Payment to Columbus Auto		-
8100 omitted		-
8110 Payment of Accrued Debtor and Committee Professional Fees		
8120 Payment of Accrued Unsecured Creditor Committee Prof. Fee:		-
8130		
8140 <b>Net Effective Date Cash Activities</b>		
8150		
8160 <b>Ordinary Course Cash Disbursements</b>		
8170		
8180 American Bank of the North Loan x715 (P&I)	(79,814)	(79,814)
8190 American Bank of the North Loan x714 (P&I)	(7,696)	(7,696)
8200 American Bank of the North Loan Credit Card (P&I)	(4,450)	(4,450)
8210 Ford Motor Credit - 1092 (P&I)	(681)	(681)
8220 Ford Motor Credit - 2411 (P&I)	(1,018)	(1,018)
3205 WFEF	(3,857)	(3,857)
8230 Replacement Financing (P&I)		
8240 Dowco Secured Payment (P&I)	(8,488)	(8,488)
8250 Payments to Unsecured Creditors		
8270 DIP Loan (P&I)	<u>(16,667)</u>	<u>(16,667)</u>
8280 <b>Total Ordinary Course Cash Disbursements</b>	(122,673)	(122,673)
8290		
8300 <b>Add-Backs to Cash Flow</b>		
8310 Release of Midwest Bank LOC and Release of CD		
8320 Depreciation	51,972	51,972
8330 Interest Expensed on Income Statement	48,234	48,234
8340 <b>Total Cash Flow Add-Backs</b>	100,206	100,206
8350		
8360 Capital Expenditures	(44,444)	(44,444)
8370		
8380 Income Tax		(195,839)
8390		
8400 <b>Net Cash Flow</b>	<u>55,615</u>	<u>(140,224)</u>
8410		
8420 <b>Ending Cash</b>	<u>1,003,753</u>	<u>863,529</u>
8430		



**Premier Marine Inc**  
**Case Number 17-32006**  
**Pro-Forma Cash Flow**  
**Year 2018 by Month**

	<u>2018</u> <u>August</u>	<u>2018</u> <u>September</u>
8000 <b>Starting Cash</b>	863,529	919,144
8010		
8020 <b>Net Income Before Taxes</b>	122,526	122,526
8030		
8040 <b>Effective Date Cash Activities</b>		
8050 Cash Contribution on Effective Date		
8060 Payment of Class 1 - Priority Non-Tax Claims		
8070 Payment of Real Estate Lease Cures		
8080 Payment of Equipment Lease Cures		
8090 Payment to Columbus Auto		
8100 omitted		
8110 Payment of Accrued Debtor and Committee Professional Fees		
8120 Payment of Accrued Unsecured Creditor Committee Prof. Fee:		
8130		
8140 <b>Net Effective Date Cash Activities</b>		
8150		
8160 <b>Ordinary Course Cash Disbursements</b>		
8170		
8180 American Bank of the North Loan x715 (P&I)	(79,814)	(79,814)
8190 American Bank of the North Loan x714 (P&I)	(7,696)	(7,696)
8200 American Bank of the North Loan Credit Card (P&I)	(4,450)	(4,450)
8210 Ford Motor Credit - 1092 (P&I)	(681)	(681)
8220 Ford Motor Credit - 2411 (P&I)	(1,018)	(1,018)
3205 WFEF	(3,857)	(3,857)
8230 Replacement Financing (P&I)		
8240 Dowco Secured Payment (P&I)	(8,488)	(8,488)
8250 Payments to Unsecured Creditors		
8270 DIP Loan (P&I)	(16,667)	(16,667)
8280 <b>Total Ordinary Course Cash Disbursements</b>	<u>(122,673)</u>	<u>(122,673)</u>
8290		
8300 <b>Add-Backs to Cash Flow</b>		
8310 Release of Midwest Bank LOC and Release of CD		
8320 Depreciation	51,972	51,972
8330 Interest Expensed on Income Statement	48,234	48,234
8340 <b>Total Cash Flow Add-Backs</b>	100,206	100,206
8350		
8360 Capital Expenditures	(44,444)	(44,444)
8370		
8380 Income Tax		
8390		
8400 <b>Net Cash Flow</b>	<u>55,615</u>	<u>55,615</u>
8410		
8420 <b>Ending Cash</b>	<u>919,144</u>	<u>974,758</u>
8430		

**Premier Marine Inc**  
**Case Number 17-32006**  
**Pro-Forma Cash Flow**  
**Year 2018 by Month**

	<u>2018</u>	<u>2018</u>
	<u>October</u>	<u>November</u>
8000 <b>Starting Cash</b>	974,758	834,534
8010		
8020 <b>Net Income Before Taxes</b>	122,526	122,526
8030		
8040 <b>Effective Date Cash Activities</b>		
8050 Cash Contribution on Effective Date		
8060 Payment of Class 1 - Priority Non-Tax Claims		
8070 Payment of Real Estate Lease Cures		
8080 Payment of Equipment Lease Cures		
8090 Payment to Columbus Auto		
8100 omitted		
8110 Payment of Accrued Debtor and Committee Professional Fees		
8120 Payment of Accrued Unsecured Creditor Committee Prof. Fee:		
8130		
8140 <b>Net Effective Date Cash Activities</b>		
8150		
8160 <b>Ordinary Course Cash Disbursements</b>		
8170		
8180 American Bank of the North Loan x715 (P&I)	(79,814)	(79,814)
8190 American Bank of the North Loan x714 (P&I)	(7,696)	(7,696)
8200 American Bank of the North Loan Credit Card (P&I)	(4,450)	(4,450)
8210 Ford Motor Credit - 1092 (P&I)	(681)	(681)
8220 Ford Motor Credit - 2411 (P&I)	(1,018)	(1,018)
3205 WFEF	(3,857)	(3,857)
8230 Replacement Financing (P&I)		
8240 Dowco Secured Payment (P&I)	(8,488)	(8,488)
8250 Payments to Unsecured Creditors		
8270 DIP Loan (P&I)	<u>(16,667)</u>	<u>(16,667)</u>
8280 <b>Total Ordinary Course Cash Disbursements</b>	(122,673)	(122,673)
8290		
8300 <b>Add-Backs to Cash Flow</b>		
8310 Release of Midwest Bank LOC and Release of CD		
8320 Depreciation	51,972	51,972
8330 Interest Expensed on Income Statement	48,234	48,234
8340 <b>Total Cash Flow Add-Backs</b>	100,206	100,206
8350		
8360 Capital Expenditures	(44,444)	(44,444)
8370		
8380 Income Tax	(195,839)	-
8390		
8400 <b>Net Cash Flow</b>	<u>(140,224)</u>	<u>55,615</u>
8410		
8420 <b>Ending Cash</b>	<u>834,534</u>	<u>890,149</u>
8430		

**Premier Marine Inc**  
**Case Number 17-32006**  
**Pro-Forma Cash Flow**  
**Year 2018 by Month**

		<b>2018</b>
		<b>December</b>
8000	<b>Starting Cash</b>	<u>890,149</u>
8010		
8020	<b>Net Income Before Taxes</b>	122,526
8030		
8040	<b>Effective Date Cash Activities</b>	
8050	Cash Contribution on Effective Date	
8060	Payment of Class 1 - Priority Non-Tax Claims	
8070	Payment of Real Estate Lease Cures	
8080	Payment of Equipment Lease Cures	
8090	Payment to Columbus Auto	
8100	omitted	
8110	Payment of Accrued Debtor and Committee Professional Fees	
8120	Payment of Accrued Unsecured Creditor Committee Prof. Fee:	
8130		
8140	<b>Net Effective Date Cash Activities</b>	
8150		
8160	<b>Ordinary Course Cash Disbursements</b>	
8170		
8180	American Bank of the North Loan x715 (P&I)	(79,814)
8190	American Bank of the North Loan x714 (P&I)	(7,696)
8200	American Bank of the North Loan Credit Card (P&I)	(4,450)
8210	Ford Motor Credit - 1092 (P&I)	(681)
8220	Ford Motor Credit - 2411 (P&I)	(1,018)
3205	WFEF	(3,857)
8230	Replacement Financing (P&I)	
8240	Dowco Secured Payment (P&I)	(8,488)
8250	Payments to Unsecured Creditors	
8270	DIP Loan (P&I)	<u>(16,667)</u>
8280	<b>Total Ordinary Course Cash Disbursements</b>	(122,673)
8290		
8300	<b>Add-Backs to Cash Flow</b>	
8310	Release of Midwest Bank LOC and Release of CD	
8320	Depreciation	51,972
8330	Interest Expensed on Income Statement	48,234
8340	<b>Total Cash Flow Add-Backs</b>	100,206
8350		
8360	Capital Expenditures	(44,444)
8370		
8380	Income Tax	-
8390		
8400	<b>Net Cash Flow</b>	<u><u>55,615</u></u>
8410		
8420	<b>Ending Cash</b>	<u><u>945,764</u></u>
8430		

Premier Marine Inc  
Case Number 17-32006  
Pro-Forma Balance Sheet

	Effective Date	2018 FYE
4000	<b>Assets</b>	
4010	<b>Current Assets</b>	
4020	Cash & Equivalent 898,507	957,421
4030	Accounts Receivable 575,178	621,192
4040	Certificate of Deposit 1,000,000	1,000,000
4050	Inventory 8,674,485	9,021,464
4060	Prepays, Deposits & Reserves 1,067,953	1,067,953
4070	<b>Total Current Assets</b> 12,216,123	12,668,030
4080		
4090	<b>Fixed Assets</b>	
4100 K	Equipment, Molds, and Dies 4,374,802	4,924,802
4110	Vehicles 1,094,219	1,094,219
4120	Tenant Improvements 705,191	705,191
4130	Office Equip, Cap Leases, other LTA 3,370,186	3,370,186
4140	<Accumulated Depreciation> (8,255,823)	(8,775,543)
4150	<b>Total Fixed Assets</b> 1,288,575	1,318,855
4160		
4170	<b>Total Assets</b> 13,504,698	13,986,885
4180		
4190	<b>Liabilities</b>	
4200	<b>Current Liabilities</b>	
4210	Accounts Payable 17,500	365,113
4220	Payroll and Benefits Liabilities 504,232	549,613
4230	Received Goods w/o Invoices 87,504	95,379
4240	Midwest One Letter of Credit 1,000,000	1,000,000
4250	Dscounted Addl WF Contingent Liability 375,000	-
4260	Discounted Other Floorplan Cont. Liab. 150,000	161,250
4270	Other Liabilities 350,000	350,000
4280	<b>Total Current Liabilities</b> 2,484,236	2,521,355
4290		
4300	<b>Long-Term Liabilities</b>	
4310	American Bank Loans 6,630,665	6,025,235
4320	Replacement Financing -	-
4330	Dowco 287,500	202,619
4340	Ch 11 Unsecured Creditor Liability 1,050,000	1,050,000
4350	Ford Motor Credit 60,432	46,498
4360	DIP Loan 2,000,000	2,000,000
4370	<b>Total Long-Term Liabilities</b> 10,028,597	9,324,352
4380		
4390	<b>Total Liabilities</b> 12,512,833	11,845,707
4400		
4410	<b>Equity</b>	
4420 L	Purchased Equity 1,500,000	1,500,000
4430 M	Other Equity (508,135)	641,178
4440	<b>Total Equity</b> 991,865	2,141,178
4450		
4460		

Premier Marine Inc  
Case Number 17-32006  
Pro-Forma Balance Sheet

	2019 FYE	2020 FYE
4000 <b>Assets</b>		
4010 <b>Current Assets</b>		
4020 Cash & Equivalent	1,196,091	1,491,858
4030 Accounts Receivable	670,888	724,559
4040 Certificate of Deposit	-	-
4050 Inventory	9,382,323	9,757,616
4060 Prepays, Deposits & Reserves	<u>1,067,953</u>	<u>1,067,953</u>
4070 <b>Total Current Assets</b>	12,317,254	13,041,985
4080		
4090 <b>Fixed Assets</b>		
4100 K Equipment, Molds, and Dies	5,924,802	7,274,802
4110 Vehicles	1,094,219	1,094,219
4120 Tenant Improvements	705,191	705,191
4130 Office Equip, Cap Leases, other LTA	3,370,186	3,370,186
4140 <Accumulated Depreciation>	<u>(9,477,778)</u>	<u>(10,322,871)</u>
4150 <b>Total Fixed Assets</b>	1,616,620	2,121,527
4160		
4170 <b>Total Assets</b>	<u>13,933,874</u>	<u>15,163,512</u>
4180		
4190 <b>Liabilities</b>		
4200 <b>Current Liabilities</b>		
4210 Accounts Payable	726,202	1,101,248
4220 Payroll and Benefits Liabilities	599,078	652,995
4230 Received Goods w/o Invoices	103,964	113,320
4240 Midwest One Letter of Credit		
4250 Discounted Addl WF Contingent Liability	-	-
4260 Discounted Other Floorplan Cont. Liab.	174,150	188,082
4270 Other Liabilities	<u>350,000</u>	<u>350,000</u>
4280 <b>Total Current Liabilities</b>	1,953,393	2,405,646
4290		
4300 <b>Long-Term Liabilities</b>		
4310 American Bank Loans	4,258,402	3,308,097
4320 Replacement Financing		
4330 Dowco	100,761	(1,097)
4340 Ch 11 Unsecured Creditor Liability	800,000	555,116
4350 Ford Motor Credit	27,337	7,471
4360 DIP Loan	<u>2,000,000</u>	<u>2,000,000</u>
4370 <b>Total Long-Term Liabilities</b>	7,186,500	5,869,587
4380		
4390 <b>Total Liabilities</b>	9,139,894	8,275,233
4400		
4410 <b>Equity</b>		
4420 L Purchased Equity	1,500,000	1,500,000
4430 M Other Equity	<u>3,293,980</u>	<u>5,388,280</u>
4440 <b>Total Equity</b>	<u>4,793,980</u>	<u>6,888,280</u>
4450		
4460		

Premier Marine Inc  
Case Number 17-32006  
Pro-Forma Balance Sheet

	2021 FYE	2022 FYE
4000 <b>Assets</b>		
4010 <b>Current Assets</b>		
4020 Cash & Equivalent	2,261,188	3,441,164
4030 Accounts Receivable	782,523	845,125
4040 Certificate of Deposit	-	-
4050 Inventory	10,147,921	10,553,837
4060 Prepaids, Deposits & Reserves	<u>1,067,953</u>	<u>1,067,953</u>
4070 <b>Total Current Assets</b>	14,259,585	15,908,079
4080		
4090 <b>Fixed Assets</b>		
4100 K Equipment, Molds, and Dies	8,774,802	10,274,802
4110 Vehicles	1,094,219	1,094,219
4120 Tenant Improvements	705,191	705,191
4130 Office Equip, Cap Leases, other LTA	3,370,186	3,370,186
4140 <Accumulated Depreciation>	<u>(11,360,821)</u>	<u>(12,613,056)</u>
4150 <b>Total Fixed Assets</b>	2,583,577	2,831,342
4160		
4170 <b>Total Assets</b>	<u>16,843,162</u>	<u>18,739,421</u>
4180		
4190 <b>Liabilities</b>		
4200 <b>Current Liabilities</b>		
4210 Accounts Payable	1,490,748	1,895,208
4220 Payroll and Benefits Liabilities	711,765	775,823
4230 Received Goods w/o Invoices	123,519	134,636
4240 Midwest One Letter of Credit		
4250 Discounted Addl WF Contingent Liability	-	-
4260 Discounted Other Floorplan Cont. Liab.	203,129	219,379
4270 Other Liabilities	<u>350,000</u>	<u>350,000</u>
4280 <b>Total Current Liabilities</b>	2,879,160	3,375,046
4290		
4300 <b>Long-Term Liabilities</b>		
4310 American Bank Loans	-	-
4320 Replacement Financing	2,909,495	2,536,763
4330 Dowco	(18,073)	-
4340 Ch 11 Unsecured Creditor Liability	258,314	-
4350 Ford Motor Credit	-	-
4360 DIP Loan	1,759,652	<u>1,409,949</u>
4370 <b>Total Long-Term Liabilities</b>	4,909,388	2,536,763
4380		
4390 <b>Total Liabilities</b>	7,788,549	5,911,809
4400		
4410 <b>Equity</b>		
4420 L Purchased Equity	1,500,000	1,500,000
4430 M Other Equity	7,554,614	11,327,612
4440 <b>Total Equity</b>	<u>9,054,614</u>	<u>12,827,612</u>
4450		
4460		

Premier Marine Inc  
Case Number 17-32006  
Pro-Forma Balance Sheet

		<u>2023</u>
		<u>FYE</u>
4000	<b>Assets</b>	
4010	<b>Current Assets</b>	
4020	Cash & Equivalent	4,830,418
4030	Accounts Receivable	912,735
4040	Certificate of Deposit	-
4050	Inventory	10,975,991
4060	Prepays, Deposits & Reserves	<u>1,067,953</u>
4070	<b>Total Current Assets</b>	17,787,097
4080		
4090	<b>Fixed Assets</b>	
4100 K	Equipment, Molds, and Dies	11,774,802
4110	Vehicles	1,094,219
4120	Tenant Improvements	705,191
4130	Office Equip, Cap Leases, other LTA	3,370,186
4140	<Accumulated Depreciation>	<u>(14,079,577)</u>
4150	<b>Total Fixed Assets</b>	2,864,821
4160		
4170	<b>Total Assets</b>	<u>20,651,918</u>
4180		
4190	<b>Liabilities</b>	
4200	<b>Current Liabilities</b>	
4210	Accounts Payable	2,315,148
4220	Payroll and Benefits Liabilities	845,648
4230	Received Goods w/o Invoices	146,753
4240	Midwest One Letter of Credit	
4250	Discounted Addl WF Contingent Liability	-
4260	Discounted Other Floorplan Cont. Liab.	236,929
4270	Other Liabilities	<u>350,000</u>
4280	<b>Total Current Liabilities</b>	3,894,477
4290		
4300	<b>Long-Term Liabilities</b>	
4310	American Bank Loans	-
4320	Replacement Financing	2,108,183
4330	Dowco	-
4340	Ch 11 Unsecured Creditor Liability	-
4350	Ford Motor Credit	-
4360	DIP Loan	<u>-</u>
4370	<b>Total Long-Term Liabilities</b>	2,108,183
4380		
4390	<b>Total Liabilities</b>	6,002,660
4400		
4410	<b>Equity</b>	
4420 L	Purchased Equity	1,500,000
4430 M	Other Equity	13,149,257
4440	<b>Total Equity</b>	<u>14,649,257</u>
4450		
4460		

**Premier Marine Inc**

**Case Number 17-32006**

**Schedule of Secured Lenders**

	<u>Lender</u>	<u>Claim Number</u>	<u>Claim Amount</u>	<u>Plan Payment</u>	<u>Year of Maturity</u>	
5000						
5010	ABN x0714	54-1	412,835	\$7,696.50	Mar-21	4.50%
5020	ABN x0715	54-1	6,073,487	\$79,814.31	Mar-21	6.00%
5030	ABN CC	54-1	144,343	\$4,450.29	Mar-21	6.90%
5040	Trusek DIP	Docket - 86	2,000,000	\$16,666.67	Mar-28	10.00%
5050	FMC - 1092	1-1	27,935	\$681.34	Nov-20	0%
5060	FMC - 2411	2-1	32,497	\$1,017.94	May-20	6.24%
5070	Wells Fargo - 1	80-1	198,239	1,229.00	Feb-20	
5080	Wells Fargo - 2	81-1	1,894,977	-		
5090	Wells Fargo - 3	82-1	837,983	-		
5100						
5110						



Premier Marine Inc  
Case Number 17-32006

Secured Lender Amortization Schedule

<u>Lender</u>		<u>Loan #</u>			
Trusek LLC		DIP Loan			
120	Term		10.00%	Rate	
	<u>Beginning Balance</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>New Balance</u>
0					2,000,000.00
1	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
2	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
3	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
4	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
5	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
6	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
7	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
8	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
9	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
10	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
11	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
12	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
13	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
14	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
15	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
16	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
17	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
18	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
19	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
20	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
21	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
22	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
23	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
24	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
25	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
26	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
27	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
28	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
29	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
30	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
31	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
32	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
33	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
34	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
35	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
36	2,000,000.00	(\$16,666.67)	16,666.67	\$0.00	2,000,000.00
37	2,000,000.00	(\$42,494.09)	16,666.67	(\$25,827.42)	1,974,172.58
38	1,974,172.58	(\$42,494.09)	16,451.44	(\$26,042.65)	1,948,129.93

Premier Marine Inc  
Case Number 17-32006

Secured Lender Amortization Schedule

<u>Lender</u>		<u>Loan #</u>			
Trusek LLC		DIP Loan			
120	Term		10.00%	Rate	
	<u>Beginning Balance</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>New Balance</u>
39	1,948,129.93	(\$42,494.09)	16,234.42	(\$26,259.67)	1,921,870.25
40	1,921,870.25	(\$42,494.09)	16,015.59	(\$26,478.50)	1,895,391.75
41	1,895,391.75	(\$42,494.09)	15,794.93	(\$26,699.16)	1,868,692.59
42	1,868,692.59	(\$42,494.09)	15,572.44	(\$26,921.65)	1,841,770.94
43	1,841,770.94	(\$42,494.09)	15,348.09	(\$27,146.00)	1,814,624.94
44	1,814,624.94	(\$42,494.09)	15,121.87	(\$27,372.21)	1,787,252.73
45	1,787,252.73	(\$42,494.09)	14,893.77	(\$27,600.32)	1,759,652.41
46	1,759,652.41	(\$42,494.09)	14,663.77	(\$27,830.32)	1,731,822.09
47	1,731,822.09	(\$42,494.09)	14,431.85	(\$28,062.24)	1,703,759.85
48	1,703,759.85	(\$42,494.09)	14,198.00	(\$28,296.09)	1,675,463.76
49	1,675,463.76	(\$42,494.09)	13,962.20	(\$28,531.89)	1,646,931.87
50	1,646,931.87	(\$42,494.09)	13,724.43	(\$28,769.66)	1,618,162.21
51	1,618,162.21	(\$42,494.09)	13,484.69	(\$29,009.40)	1,589,152.81
52	1,589,152.81	(\$42,494.09)	13,242.94	(\$29,251.15)	1,559,901.66
53	1,559,901.66	(\$42,494.09)	12,999.18	(\$29,494.91)	1,530,406.75
54	1,530,406.75	(\$42,494.09)	12,753.39	(\$29,740.70)	1,500,666.05
55	1,500,666.05	(\$42,494.09)	12,505.55	(\$29,988.54)	1,470,677.51
56	1,470,677.51	(\$42,494.09)	12,255.65	(\$30,238.44)	1,440,439.07
57	1,440,439.07	(\$42,494.09)	12,003.66	(\$30,490.43)	1,409,948.64
58	1,409,948.64	(\$42,494.09)	11,749.57	(\$30,744.52)	1,379,204.12
59	1,379,204.12	(\$42,494.09)	11,493.37	(\$31,000.72)	1,348,203.40
60	1,348,203.40	(\$42,494.09)	11,235.03	(\$31,259.06)	1,316,944.34
61	1,316,944.34	(\$42,494.09)	10,974.54	(\$31,519.55)	1,285,424.78
62	1,285,424.78	(\$42,494.09)	10,711.87	(\$31,782.22)	1,253,642.57
63	1,253,642.57	(\$42,494.09)	10,447.02	(\$32,047.07)	1,221,595.50
64	1,221,595.50	(\$42,494.09)	10,179.96	(\$32,314.13)	1,189,281.37
65	1,189,281.37	(\$42,494.09)	9,910.68	(\$32,583.41)	1,156,697.96
66	1,156,697.96	(\$42,494.09)	9,639.15	(\$32,854.94)	1,123,843.02
67	1,123,843.02	(\$42,494.09)	9,365.36	(\$33,128.73)	1,090,714.29
68	1,090,714.29	(\$42,494.09)	9,089.29	(\$33,404.80)	1,057,309.49
69	1,057,309.49	(\$42,494.09)	8,810.91	(\$33,683.18)	1,023,626.31
70	1,023,626.31	(\$42,494.09)	8,530.22	(\$33,963.87)	989,662.44
71	989,662.44	(\$42,494.09)	8,247.19	(\$34,246.90)	955,415.54
72	955,415.54	(\$42,494.09)	7,961.80	(\$34,532.29)	920,883.24
73	920,883.24				920,883.24

Premier Marine Inc  
Case Number 17-32006

Secured Lender Amortization Schedule

<u>Lender</u>		<u>Loan #</u>			
FMC		1092			
41	Term	0.00% Rate			
	<u>Beginning Balance</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>New Balance</u>
0					27,935.00
1	27,935.00	(\$681.34)	-	(\$681.34)	27,253.66
2	27,253.66	(\$681.34)	-	(\$681.34)	26,572.32
3	26,572.32	(\$681.34)	-	(\$681.34)	25,890.98
4	25,890.98	(\$681.34)	-	(\$681.34)	25,209.63
5	25,209.63	(\$681.34)	-	(\$681.34)	24,528.29
6	24,528.29	(\$681.34)	-	(\$681.34)	23,846.95
7	23,846.95	(\$681.34)	-	(\$681.34)	23,165.61
8	23,165.61	(\$681.34)	-	(\$681.34)	22,484.27
9	22,484.27	(\$681.34)	-	(\$681.34)	21,802.93
10	21,802.93	(\$681.34)	-	(\$681.34)	21,121.59
11	21,121.59	(\$681.34)	-	(\$681.34)	20,440.24
12	20,440.24	(\$681.34)	-	(\$681.34)	19,758.90
13	19,758.90	(\$681.34)	-	(\$681.34)	19,077.56
14	19,077.56	(\$681.34)	-	(\$681.34)	18,396.22
15	18,396.22	(\$681.34)	-	(\$681.34)	17,714.88
16	17,714.88	(\$681.34)	-	(\$681.34)	17,033.54
17	17,033.54	(\$681.34)	-	(\$681.34)	16,352.20
18	16,352.20	(\$681.34)	-	(\$681.34)	15,670.85
19	15,670.85	(\$681.34)	-	(\$681.34)	14,989.51
20	14,989.51	(\$681.34)	-	(\$681.34)	14,308.17
21	14,308.17	(\$681.34)	-	(\$681.34)	13,626.83
22	13,626.83	(\$681.34)	-	(\$681.34)	12,945.49
23	12,945.49	(\$681.34)	-	(\$681.34)	12,264.15
24	12,264.15	(\$681.34)	-	(\$681.34)	11,582.80
25	11,582.80	(\$681.34)	-	(\$681.34)	10,901.46
26	10,901.46	(\$681.34)	-	(\$681.34)	10,220.12
27	10,220.12	(\$681.34)	-	(\$681.34)	9,538.78
28	9,538.78	(\$681.34)	-	(\$681.34)	8,857.44
29	8,857.44	(\$681.34)	-	(\$681.34)	8,176.10
30	8,176.10	(\$681.34)	-	(\$681.34)	7,494.76
31	7,494.76	(\$681.34)	-	(\$681.34)	6,813.41
32	6,813.41	(\$681.34)	-	(\$681.34)	6,132.07
33	6,132.07	(\$681.34)	-	(\$681.34)	5,450.73
34	5,450.73	(\$681.34)	-	(\$681.34)	4,769.39
35	4,769.39	(\$681.34)	-	(\$681.34)	4,088.05
36	4,088.05	(\$681.34)	-	(\$681.34)	3,406.71
37	3,406.71	(\$681.34)	-	(\$681.34)	2,725.37

38	2,725.37	(\$681.34)	-	(\$681.34)	2,044.02
39	2,044.02	(\$681.34)	-	(\$681.34)	1,362.68
40	1,362.68	(\$681.34)	-	(\$681.34)	681.34
41	681.34	(\$681.34)	-	(\$681.34)	(0.00)
42	(0.00)				

Premier Marine Inc  
Case Number 17-32006

Secured Lender Amortization Schedule

<u>Lender</u>		<u>Loan #</u>			
FMC		2411			
35	Term		6.24%	Rate	
	<u>Beginning Balance</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>New Balance</u>
0					32,497.00
1	32,497.00	(\$1,017.94)	168.98	(\$848.96)	31,648.04
2	31,648.04	(\$1,017.94)	164.57	(\$853.37)	30,794.66
3	30,794.66	(\$1,017.94)	160.13	(\$857.81)	29,936.85
4	29,936.85	(\$1,017.94)	155.67	(\$862.27)	29,074.58
5	29,074.58	(\$1,017.94)	151.19	(\$866.76)	28,207.82
6	28,207.82	(\$1,017.94)	146.68	(\$871.26)	27,336.56
7	27,336.56	(\$1,017.94)	142.15	(\$875.79)	26,460.76
8	26,460.76	(\$1,017.94)	137.60	(\$880.35)	25,580.41
9	25,580.41	(\$1,017.94)	133.02	(\$884.93)	24,695.49
10	24,695.49	(\$1,017.94)	128.42	(\$889.53)	23,805.96
11	23,805.96	(\$1,017.94)	123.79	(\$894.15)	22,911.81
12	22,911.81	(\$1,017.94)	119.14	(\$898.80)	22,013.00
13	22,013.00	(\$1,017.94)	114.47	(\$903.48)	21,109.53
14	21,109.53	(\$1,017.94)	109.77	(\$908.18)	20,201.35
15	20,201.35	(\$1,017.94)	105.05	(\$912.90)	19,288.45
16	19,288.45	(\$1,017.94)	100.30	(\$917.64)	18,370.81
17	18,370.81	(\$1,017.94)	95.53	(\$922.42)	17,448.39
18	17,448.39	(\$1,017.94)	90.73	(\$927.21)	16,521.18
19	16,521.18	(\$1,017.94)	85.91	(\$932.03)	15,589.14
20	15,589.14	(\$1,017.94)	81.06	(\$936.88)	14,652.26
21	14,652.26	(\$1,017.94)	76.19	(\$941.75)	13,710.51
22	13,710.51	(\$1,017.94)	71.29	(\$946.65)	12,763.86
23	12,763.86	(\$1,017.94)	66.37	(\$951.57)	11,812.29
24	11,812.29	(\$1,017.94)	61.42	(\$956.52)	10,855.77
25	10,855.77	(\$1,017.94)	56.45	(\$961.49)	9,894.27
26	9,894.27	(\$1,017.94)	51.45	(\$966.49)	8,927.78
27	8,927.78	(\$1,017.94)	46.42	(\$971.52)	7,956.26
28	7,956.26	(\$1,017.94)	41.37	(\$976.57)	6,979.68
29	6,979.68	(\$1,017.94)	36.29	(\$981.65)	5,998.03
30	5,998.03	(\$1,017.94)	31.19	(\$986.76)	5,011.28
31	5,011.28	(\$1,017.94)	26.06	(\$991.89)	4,019.39
32	4,019.39	(\$1,017.94)	20.90	(\$997.04)	3,022.35
33	3,022.35	(\$1,017.94)	15.72	(\$1,002.23)	2,020.12
34	2,020.12	(\$1,017.94)	10.50	(\$1,007.44)	1,012.68
35	1,012.68	(\$1,017.94)	5.27	(\$1,012.68)	0.00

Premier Marine Inc  
Case Number 17-32006

Secured Lender Amortization Schedule

<u>Lender</u>		<u>Loan #</u>			
American Bank of the North		x0715			
96	Term	6.00% Rate			
	<u>Beginning Balance</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>New Balance</u>
0					6,073,487.00
1	6,073,487.00	(\$79,814.31)	30,367.44	(\$49,446.87)	6,024,040.13
2	6,024,040.13	(\$79,814.31)	30,120.20	(\$49,694.10)	5,974,346.02
3	5,974,346.02	(\$79,814.31)	29,871.73	(\$49,942.58)	5,924,403.45
4	5,924,403.45	(\$79,814.31)	29,622.02	(\$50,192.29)	5,874,211.16
5	5,874,211.16	(\$79,814.31)	29,371.06	(\$50,443.25)	5,823,767.91
6	5,823,767.91	(\$79,814.31)	29,118.84	(\$50,695.47)	5,773,072.45
7	5,773,072.45	(\$79,814.31)	28,865.36	(\$50,948.94)	5,722,123.50
8	5,722,123.50	(\$79,814.31)	28,610.62	(\$51,203.69)	5,670,919.81
9	5,670,919.81	(\$79,814.31)	28,354.60	(\$51,459.71)	5,619,460.11
10	5,619,460.11	(\$79,814.31)	28,097.30	(\$51,717.01)	5,567,743.10
11	5,567,743.10	(\$79,814.31)	27,838.72	(\$51,975.59)	5,515,767.51
12	5,515,767.51	(\$79,814.31)	27,578.84	(\$52,235.47)	5,463,532.04
13	5,463,532.04	(\$79,814.31)	27,317.66	(\$52,496.65)	5,411,035.40
14	5,411,035.40	(\$79,814.31)	27,055.18	(\$52,759.13)	5,358,276.27
15	5,358,276.27	(\$79,814.31)	26,791.38	(\$53,022.92)	5,305,253.35
16	5,305,253.35	(\$79,814.31)	26,526.27	(\$53,288.04)	5,251,965.31
17	5,251,965.31	(\$79,814.31)	26,259.83	(\$53,554.48)	5,198,410.83
18	5,198,410.83	(\$79,814.31)	25,992.05	(\$53,822.25)	5,144,588.58
19	5,144,588.58	(\$79,814.31)	25,722.94	(\$54,091.36)	5,090,497.21
20	5,090,497.21	(\$79,814.31)	25,452.49	(\$54,361.82)	5,036,135.39
21	5,036,135.39	(\$79,814.31)	25,180.68	(\$54,633.63)	4,981,501.77
22	4,981,501.77	(\$1,079,814.31)	24,907.51	(\$1,054,906.80)	3,926,594.97
23	3,926,594.97	(\$79,814.31)	19,632.97	(\$60,181.33)	3,866,413.64
24	3,866,413.64	(\$79,814.31)	19,332.07	(\$60,482.24)	3,805,931.40
25	3,805,931.40	(\$79,814.31)	19,029.66	(\$60,784.65)	3,745,146.75
26	3,745,146.75	(\$79,814.31)	18,725.73	(\$61,088.57)	3,684,058.18
27	3,684,058.18	(\$79,814.31)	18,420.29	(\$61,394.01)	3,622,664.17
28	3,622,664.17	(\$79,814.31)	18,113.32	(\$61,700.98)	3,560,963.18
29	3,560,963.18	(\$79,814.31)	17,804.82	(\$62,009.49)	3,498,953.69
30	3,498,953.69	(\$79,814.31)	17,494.77	(\$62,319.54)	3,436,634.16
31	3,436,634.16	(\$79,814.31)	17,183.17	(\$62,631.13)	3,374,003.02
32	3,374,003.02	(\$79,814.31)	16,870.02	(\$62,944.29)	3,311,058.73
33	3,311,058.73	(\$79,814.31)	16,555.29	(\$63,259.01)	3,247,799.72
34	3,247,799.72	(\$79,814.31)	16,239.00	(\$63,575.31)	3,184,224.41
35	3,184,224.41	(\$79,814.31)	15,921.12	(\$63,893.18)	3,120,331.23
36	3,120,331.23	(\$79,814.31)	15,601.66	(\$64,212.65)	3,056,118.58
37	3,056,118.58	(3,056,118.58)		(\$3,056,118.58)	-

Premier Marine Inc  
Case Number 17-32006

**Secured Lender Amortization Schedule**

<u>Lender</u>		<u>Loan #</u>			
American Bank of the North		x0714			
60	Term	4.50% Rate			
	<u>Beginning Balance</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>New Balance</u>
0					412,835.37
1	412,835.37	(\$7,696.50)	1,548.13	(\$6,148.37)	406,687.00
2	406,687.00	(\$7,696.50)	1,525.08	(\$6,171.42)	400,515.58
3	400,515.58	(\$7,696.50)	1,501.93	(\$6,194.56)	394,321.02
4	394,321.02	(\$7,696.50)	1,478.70	(\$6,217.79)	388,103.23
5	388,103.23	(\$7,696.50)	1,455.39	(\$6,241.11)	381,862.11
6	381,862.11	(\$7,696.50)	1,431.98	(\$6,264.51)	375,597.60
7	375,597.60	(\$7,696.50)	1,408.49	(\$6,288.01)	369,309.59
8	369,309.59	(\$7,696.50)	1,384.91	(\$6,311.59)	362,998.01
9	362,998.01	(\$7,696.50)	1,361.24	(\$6,335.26)	356,662.75
10	356,662.75	(\$7,696.50)	1,337.49	(\$6,359.01)	350,303.74
11	350,303.74	(\$7,696.50)	1,313.64	(\$6,382.86)	343,920.88
12	343,920.88	(\$7,696.50)	1,289.70	(\$6,406.79)	337,514.09
13	337,514.09	(\$7,696.50)	1,265.68	(\$6,430.82)	331,083.27
14	331,083.27	(\$7,696.50)	1,241.56	(\$6,454.94)	324,628.33
15	324,628.33	(\$7,696.50)	1,217.36	(\$6,479.14)	318,149.19
16	318,149.19	(\$7,696.50)	1,193.06	(\$6,503.44)	311,645.75
17	311,645.75	(\$7,696.50)	1,168.67	(\$6,527.83)	305,117.92
18	305,117.92	(\$7,696.50)	1,144.19	(\$6,552.31)	298,565.62
19	298,565.62	(\$7,696.50)	1,119.62	(\$6,576.88)	291,988.74
20	291,988.74	(\$7,696.50)	1,094.96	(\$6,601.54)	285,387.20
21	285,387.20	(\$7,696.50)	1,070.20	(\$6,626.30)	278,760.91
22	278,760.91	(\$7,696.50)	1,045.35	(\$6,651.14)	272,109.76
23	272,109.76	(\$7,696.50)	1,020.41	(\$6,676.09)	265,433.68
24	265,433.68	(\$7,696.50)	995.38	(\$6,701.12)	258,732.55
25	258,732.55	(\$7,696.50)	970.25	(\$6,726.25)	252,006.30
26	252,006.30	(\$7,696.50)	945.02	(\$6,751.47)	245,254.83
27	245,254.83	(\$7,696.50)	919.71	(\$6,776.79)	238,478.04
28	238,478.04	(\$7,696.50)	894.29	(\$6,802.21)	231,675.83
29	231,675.83	(\$7,696.50)	868.78	(\$6,827.71)	224,848.12
30	224,848.12	(\$7,696.50)	843.18	(\$6,853.32)	217,994.80
31	217,994.80	(\$7,696.50)	817.48	(\$6,879.02)	211,115.78
32	211,115.78	(\$7,696.50)	791.68	(\$6,904.81)	204,210.97
33	204,210.97	(\$7,696.50)	765.79	(\$6,930.71)	197,280.26
34	197,280.26	(\$7,696.50)	739.80	(\$6,956.70)	190,323.57
35	190,323.57	(\$7,696.50)	713.71	(\$6,982.78)	183,340.78
36	183,340.78	(\$7,696.50)	687.53	(\$7,008.97)	176,331.81
37	176,331.81	(176,331.81)		(\$176,331.81)	-

Premier Marine Inc  
Case Number 17-32006

Secured Lender Amortization Schedule

<u>Lender</u>		<u>Loan #</u>			
American Bank of the North		Credit Card			
36 Term			6.90% Rate		
	<u>Beginning Balance</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>New Balance</u>
0					144,342.90
1	144,342.90	(\$4,450.29)	829.97	(\$3,620.32)	140,722.58
2	140,722.58	(\$4,450.29)	809.15	(\$3,641.14)	137,081.44
3	137,081.44	(\$4,450.29)	788.22	(\$3,662.07)	133,419.37
4	133,419.37	(\$4,450.29)	767.16	(\$3,683.13)	129,736.23
5	129,736.23	(\$4,450.29)	745.98	(\$3,704.31)	126,031.92
6	126,031.92	(\$4,450.29)	724.68	(\$3,725.61)	122,306.31
7	122,306.31	(\$4,450.29)	703.26	(\$3,747.03)	118,559.28
8	118,559.28	(\$4,450.29)	681.72	(\$3,768.58)	114,790.71
9	114,790.71	(\$4,450.29)	660.05	(\$3,790.25)	111,000.46
10	111,000.46	(\$4,450.29)	638.25	(\$3,812.04)	107,188.42
11	107,188.42	(\$4,450.29)	616.33	(\$3,833.96)	103,354.46
12	103,354.46	(\$4,450.29)	594.29	(\$3,856.00)	99,498.45
13	99,498.45	(\$4,450.29)	572.12	(\$3,878.18)	95,620.28
14	95,620.28	(\$4,450.29)	549.82	(\$3,900.48)	91,719.80
15	91,719.80	(\$4,450.29)	527.39	(\$3,922.90)	87,796.90
16	87,796.90	(\$4,450.29)	504.83	(\$3,945.46)	83,851.44
17	83,851.44	(\$4,450.29)	482.15	(\$3,968.15)	79,883.29
18	79,883.29	(\$4,450.29)	459.33	(\$3,990.96)	75,892.32
19	75,892.32	(\$4,450.29)	436.38	(\$4,013.91)	71,878.41
20	71,878.41	(\$4,450.29)	413.30	(\$4,036.99)	67,841.42
21	67,841.42	(\$4,450.29)	390.09	(\$4,060.20)	63,781.21
22	63,781.21	(\$4,450.29)	366.74	(\$4,083.55)	59,697.66
23	59,697.66	(\$4,450.29)	343.26	(\$4,107.03)	55,590.63
24	55,590.63	(\$4,450.29)	319.65	(\$4,130.65)	51,459.98
25	51,459.98	(\$4,450.29)	295.89	(\$4,154.40)	47,305.59
26	47,305.59	(\$4,450.29)	272.01	(\$4,178.29)	43,127.30
27	43,127.30	(\$4,450.29)	247.98	(\$4,202.31)	38,924.99
28	38,924.99	(\$4,450.29)	223.82	(\$4,226.47)	34,698.52
29	34,698.52	(\$4,450.29)	199.52	(\$4,250.78)	30,447.74
30	30,447.74	(\$4,450.29)	175.07	(\$4,275.22)	26,172.52
31	26,172.52	(\$4,450.29)	150.49	(\$4,299.80)	21,872.72
32	21,872.72	(\$4,450.29)	125.77	(\$4,324.52)	17,548.19
33	17,548.19	(\$4,450.29)	100.90	(\$4,349.39)	13,198.80
34	13,198.80	(\$4,450.29)	75.89	(\$4,374.40)	8,824.40
35	8,824.40	(\$4,450.29)	50.74	(\$4,399.55)	4,424.85
36	4,424.85	(\$4,450.29)	25.44	(\$4,424.85)	0.00



Premier Marine Inc  
Case Number 17-32006

**Secured Lender Amortization Schedule**

<u>Lender</u>		<u>Loan #</u>			
TBD		Take Out Financing for ABN at Baloon			
84	Term		5.50%	Rate	
	<u>Beginning Balance</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>New Balance</u>
0					3,232,450.39
37	3,232,450.39	(\$46,450.45)	14,815.40	(\$31,635.05)	3,200,815.34
38	3,200,815.34	(\$46,450.45)	14,670.40	(\$31,780.05)	3,169,035.29
39	3,169,035.29	(\$46,450.45)	14,524.75	(\$31,925.70)	3,137,109.59
40	3,137,109.59	(\$46,450.45)	14,378.42	(\$32,072.03)	3,105,037.56
41	3,105,037.56	(\$46,450.45)	14,231.42	(\$32,219.03)	3,072,818.53
42	3,072,818.53	(\$46,450.45)	14,083.75	(\$32,366.70)	3,040,451.83
43	3,040,451.83	(\$46,450.45)	13,935.40	(\$32,515.05)	3,007,936.78
44	3,007,936.78	(\$46,450.45)	13,786.38	(\$32,664.07)	2,975,272.71
45	2,975,272.71	(\$46,450.45)	13,636.67	(\$32,813.78)	2,942,458.93
46	2,942,458.93	(\$46,450.45)	13,486.27	(\$32,964.18)	2,909,494.75
47	2,909,494.75	(\$46,450.45)	13,335.18	(\$33,115.27)	2,876,379.48
48	2,876,379.48	(\$46,450.45)	13,183.41	(\$33,267.04)	2,843,112.44
49	2,843,112.44	(\$46,450.45)	13,030.93	(\$33,419.52)	2,809,692.92
50	2,809,692.92	(\$46,450.45)	12,877.76	(\$33,572.69)	2,776,120.23
51	2,776,120.23	(\$46,450.45)	12,723.88	(\$33,726.57)	2,742,393.66
52	2,742,393.66	(\$46,450.45)	12,569.30	(\$33,881.15)	2,708,512.52
53	2,708,512.52	(\$46,450.45)	12,414.02	(\$34,036.43)	2,674,476.08
54	2,674,476.08	(\$46,450.45)	12,258.02	(\$34,192.43)	2,640,283.65
55	2,640,283.65	(\$46,450.45)	12,101.30	(\$34,349.15)	2,605,934.50
56	2,605,934.50	(\$46,450.45)	11,943.87	(\$34,506.58)	2,571,427.92
57	2,571,427.92	(\$46,450.45)	11,785.71	(\$34,664.74)	2,536,763.18
58	2,536,763.18	(\$46,450.45)	11,626.83	(\$34,823.62)	2,501,939.56
59	2,501,939.56	(\$46,450.45)	11,467.22	(\$34,983.23)	2,466,956.33
60	2,466,956.33	(\$46,450.45)	11,306.88	(\$35,143.57)	2,431,812.76
61	2,431,812.76	(\$46,450.45)	11,145.81	(\$35,304.64)	2,396,508.12
62	2,396,508.12	(\$46,450.45)	10,984.00	(\$35,466.45)	2,361,041.67
63	2,361,041.67	(\$46,450.45)	10,821.44	(\$35,629.01)	2,325,412.66
64	2,325,412.66	(\$46,450.45)	10,658.14	(\$35,792.31)	2,289,620.35
65	2,289,620.35	(\$46,450.45)	10,494.09	(\$35,956.36)	2,253,663.99
66	2,253,663.99	(\$46,450.45)	10,329.29	(\$36,121.16)	2,217,542.84
67	2,217,542.84	(\$46,450.45)	10,163.74	(\$36,286.71)	2,181,256.13
68	2,181,256.13	(\$46,450.45)	9,997.42	(\$36,453.03)	2,144,803.10
69	2,144,803.10	(\$46,450.45)	9,830.35	(\$36,620.10)	2,108,183.00
70	2,108,183.00	(\$46,450.45)	9,662.51	(\$36,787.94)	2,071,395.05
71	2,071,395.05	(\$46,450.45)	9,493.89	(\$36,956.56)	2,034,438.50
72	2,034,438.50	(\$46,450.45)	9,324.51	(\$37,125.94)	1,997,312.56
73	1,997,312.56				1,997,312.56

**Premier Marine Inc**  
**Case Number 17-32006**  
**Disclosure Statement and Plan Financial Assumptions**

Liquidation Analysis

- A. Midwest Bank holds a \$1,000,000 certificate of deposit, which is property of the Debtor, as collateral for a letter of credit issued for the benefit of Wells Fargo to secured the Debtor's buy-back obligation on the pre-petition floorplan program. The liquidation analysis assumes the recovery from a subsequent sale of any floorplanned boats required to be repurchased by the Debtor would exceed the repurchased price because of curtailment payments paid by the dealer-obligor between floorplan date and liquidation or buyback date.
- B. Sunrise Fiberglass holds a security interest in certain molds used in the production of the Debtor's product. In the event of liquidation, it is assumed those molds would have no value and would likely be abandoned.
- C. Both American Bank of the North and Trusek purport to have a security interest in the certificate of deposit described in Assumption A above but subordinate to Wells Fargo. For purposes of determination of recovery analysis in liquidation, it is assumed American Bank of the North has a first secured interest in the certificate of deposit.

Pro-Forma Financials

- D. Revenue for 2018, the first year of the plan is forecast to be \$825,000 per week, up from earlier post-petition performance, but reasonable given the burdens placed upon the Debtor while operating in bankruptcy will be removed. Out year sales are slated to grow by 8% annually, an attainable forecast considering year four revenue remains lower than 2016 sales.
- E. Material and cost of COGS sold expenses are projected to grow at a rate 1% faster than revenue growth.
- F. Direct labor expenses are projected to grow at a rate 2% faster than revenue growth.
- G. Operations expenses and overhead is projected to grow at a rate 1% faster than revenue growth.
- H. Primarily due to continued escalation of health insurance benefits costs and a lack of a currently competitive retirement plan, employee benefits expenses are forecast to grow at a rate 7.5% faster than revenue growth.

- I. Cash reserves required for both an operating reserve and a relocation contingency are forecast at \$500,000 and projected need is a 2% increase annually.
- J. Inventory levels, accounts receivable, accounts payable, and accrued expenses are forecast to increase at levels generally expected with revenue increases .
- K. Capital expenditures in years one through four are \$550,000, \$1.0 million, \$1.35 million and \$1.5 million thereafter respectively. These expenditures budgeted include necessary manufacturing equipment, rolling stock upgrades and capitalized repairs, and necessary technology improvements.
- L. The Disclosure Statement and Plan of Reorganization contemplates a refinance of remaining American Bank of the North claims at the end of 2020 (Year 3), at a rate of 5.5%, amortized over 84 months.
- M. Service of secured lender debt is forecast as contemplated in the Disclosure Statement and Plan of Reorganization.
- N. The professional fee budget is necessary and sufficient to procure transitional services after the effective date of the plan, ERP implementation, a vendor audit, market analysis, creative design services, accounting services, financial management, and other legal and professional services as required.
- O. The officer compensation budget includes the cost for interim, and later, permanent officers.
- P. The amended, restate, and assumed supply agreement with Dowco provides for i.) a secured claim of \$287,500 payable in 36 equal monthly installments, ii.) an allowed general unsecured claim of \$1,212,500, iii.) no additional cure costs paid, and iv.) an allowed early termination of the remaining 36 month exclusive agreement by the Debtor not prior to month 12. In the event of termination, an additional fee of \$200,000 is payable to Dowco in the event termination occurs in months 13-18. \$150,000 is payable to Dowco in the event termination occurs in months 19-24. \$100,000 is payable to Dowco in the event termination occurs in months 25-36. Should a termination fee be paid, the fee would lower taxable earnings dollar for dollar and recovery to unsecured creditors in aggregate by 10% of the fee paid.
- Q. Pro-forma plan financials contemplate the contingent, pre-petition, unliquidated buyback exposure for the dealer floorplan program. Prior to the bankruptcy filing, dealers secured inventory financing under the program with both Northpoint and Wells Fargo. As a condition of the program, the Debtor has a repurchase obligation if required by the floorplan lender. These liabilities diminish as boats in dealer inventory are sold and the forecasted reduction in liability is reflected on the pro-forma balance sheet.

- R. Income tax calculations are revised from the previous plan financials to represent the impact of tax reform enacted into law in the Tax Cuts and Jobs Act of 2017.

## EXHIBIT 3 TO DISCLOSURE STATEMENT

Premier Marine Inc  
Case Number 17-32006  
Pro-Forma Liquidation Analysis

Footnote		Book Value	Liquidation Value	
1000	<b>Assets</b>			
1010	<b>Current Assets</b>			
1020	Cash	369,117	100%	369,117
1030	Prepaid Expenses Recoverable in Orderly Shutdown	1,058,082	100%	1,058,082
1040	Accounts Receivable	575,178	100%	575,178
1050	Less AR Collection Expense		1%	(5,752)
1060	Less AR Reserve		5%	(28,759)
1070	Inventory	8,674,485	22%	1,908,387
1080	Less Cost to Liquidate Inventory		12%	(229,006)
1090 A	Certificate of Deposit	1,000,000	100%	1,000,000
1100 B	Less Wells Fargo Buyback Claims		0%	-
1110				
1120	<b>FF&amp;E</b>			
1130	Equipment			2,200,000
1140	Less Selling Fees		12%	(264,000)
1150	Leasehold Improvements & Other FF&E		0%	-
1160				
1170	<b>Intangibles</b>			
1180	Trademarks and Brands			500,000
1190	Web Domains			340,000
1200	Patents			150,000
1210	Intangible Selling Costs		12%	(118,800)
1220				
1230	<b>Total Liquidation Value of Assets Secured by Pre-Petition Creditors</b>			7,454,447
1240				
1250	<b>Recovery by Pre-petition Secured Lenders</b>	Claim Amount		Recovery
1260	Wells Fargo - 1	198,239		150,000     76%
1270	FMC - 1092	27,935		27,935     100%
1280	FMC - 2411	32,497		32,497     100%
1290 E	ABN x0714	412,835		412,835     100%
1300 E	ABN x0715	6,073,487		6,073,487     100%
1310 E	ABN CC	144,343		144,343     100%
1320 D	Sunrise Fiberglass	141,000		-     0%
1330 E	Trusek - Pre-petition	500,000		500,000     100%
1340	<b>Total Recovery by Pre-petition Secured Lenders</b>	7,530,336		7,341,097     97%
1350	<b>Undersecured Portion of Pre-petition Secured Claims</b>			189,239
1360				
1370	<b>Cash from Asset Liquidation Remaining to Pay DIP Loan</b>			113,349
1380				
1390 E	<b>Cash from Certificate of Deposit After Satisfaction of Wells Fargo Contingent Claim</b>			-
1400				
1410		Claim		Recovery
1420	DIP Loan	2,000,000		113,349     6%
1430				
1440	<b>DIP Loan Shortfall Treated as Ch11 Administrative Claim</b>			(1,886,651)
1450				
1460	<b>Liquidation Value of Other Bankruptcy Estate Assets</b>			
1500				
1510	<b>Title 5 Claims</b>			
1520	Preference Claims			1,113,626
1530	Less Recovery Discounts		15%	(167,044)

**Premier Marine Inc**  
**Case Number 17-32006**  
**Pro-Forma Liquidation Analysis**

Footnote				
	1540	Less Costs of Recovery	3%	(33,409)
	1550			
	1560	Insider Claims		140,439
	1570	Less Recovery Discounts		-
	1580	Less Costs of Recovery	3%	(4,213)
	1590			
	1600	<b>Net Collection from Title 5 Claims</b>		<u>1,049,399</u>
	1610			
	1620	<b>Total Estate Assets to Pay Administrative Claims</b>		1,049,399
	1630			
	1640			
	1650	<b>Recovery of Administrative Expenses</b>		
	1660	Chapter 7 trustee fees		31,482
	1670	Other Chapter 7 professional fees		25,000
	1680	Other Chapter 7 expenses		10,000
	1690	<b>Total Chapter 7 Administrative Expense Recovery</b>		66,482
	1700	<b>Remaining Estate Proceeds After Paying Chapter 7 Expenses</b>		<u>982,917</u>
	1710			
	1720	Chapter 11 trailing payroll and benefits liabilities		252,116
	1730	Chapter 11 accounts payable		105,711
	1740	Chapter 11 US Trustee fees		13,000
	1750	Chapter 11 professional fees		243,083
	1760 E	Net DIP Loan Balance After Payment Liened Assets		<u>1,886,651</u>
	1770	<b>Total Chapter 11 Administrative Expense Recovery</b>		<u>2,500,561</u>
	1780			
	1790	<b>Administrative Expense Shortfall</b>		(1,517,643)
	1800			
	1810	<b>Remaining Proceeds to Pay Priority Claims</b>		0
	1820			
	1830	<b>Recovery of Pre-petition Unsecured Claims</b>		
	1840	<b>Total Priority Claim Recovery</b>		<u>0</u>
	1850	<b>Remaining Proceeds to Pay General Unsecured Claims</b>		<u>0</u>
	1860			
	1870	<b>General Unsecured Claims</b>		
	1880	Scheduled General Unsecured Claims		6,333,844
	1890	Plus Unsecured Portion of Secured Claims		189,239
	1900	Plus Additional Claims not Scheduled		4,484,917
	1910	Plus Rejection Claims for Real Estate Leases		745,200
	1920	Plus Rejection Claim for Dowco Contract		4,166,667
	1930	Less Adjustments to Claims		<u>(2,711,095)</u>
	1940	<b>Total General Unsecured Claim Recovery</b>		<u>0</u>
	1950			
	1960	<b>Return to Unsecured Creditors in Liquidation</b>		<u>0</u>
	1970			
	1980	<b>Return to Equityholders in Liquidation</b>		<u>0</u>

**Footnote A** Certificate of deposit held as collateral by Midwest Bank for security of a letter of credit in favor of Wells Fargo to secure Debtor's contractual buyback obligation

**Footnote B** Buyback claims are assumed zero for liquidation purposes

Premier Marine Inc  
Case Number 17-32006  
Pro-Forma Liquidation Analysis

Footnote

**Footnote D** Sunrise's security interest is limited to tooling in the possession of Sunrise and would likely have no value in the event of liquidation

**Footnote E** ABN and Trusek both claim a security interest in the \$1 MM Certificate of Deposit reflected on line 1090 junior to Midwest Bank. Scenario #1 contemplates ABN's security interest extending to the CD. Scenario #2 contemplates ABN has no lien in the CD and Trusek has a security interest in the CD for its DIP loan.

**EXHIBIT 4**

**TO**

**DISCLOSURE STATEMENT**

**[INTENTIONALLY OMITTED]**



## EXHIBIT 5 TO DISCLOSURE STATEMENT

<b>Insider</b>	<b>Relationship</b>	<b>Compensation</b>	<b>Job Summary</b>
Menne, Robert	Shareholder	\$85,800 annually plus bonus	Product Development, Dealer Development, Dealer relations, Boat Shows, Dealer Meeting
Menne, Betty	Shareholder	\$61,600 annually plus bonus	Product Development, Dealer Development, Dealer relations, Boat Shows, Dealer Meeting
Melbostad, Lori	Officer & Daughter of Shareholder	\$144,000 annually plus bonus	President
Melbostad, Steven	Spouse of Officer & Son-in-law of Shareholder	\$67,500 annually	Project Manager and 3D CAD work in Pro/E.
Menne, Michael	Nephew of shareholder & Cousin of Officer	\$75,000 annually	Marketing Manager
Reinertson, Daniel	Nephew of shareholder & Cousin of Officer	\$74,732 Annually	Sales Department, 25 year employee, has worked from the floor level upholstery, to a supervisor, to customer service to sales.
Reinertson, Larry	Brother of Shareholder	\$18.90 per hour	Truck loading (works outside)
Lidberg, Elizabeth	Grand Daughter of Shareholder	\$42,000 annually	Executive assistant / sales & marketing support
Obar, Kayla	Grand Daughter of Shareholder	\$12.00 per hour	PT Clerical if needed (she is a student)
Stenger, Zachary	Grandson of Shareholder	\$15.00 per hour	Sales & Marketing Coordinator
Emily Lidberg	Grand Daughter of Shareholder	\$12 per hour part-time	PT Clerical as needed

**EXHIBIT 6**  
**TO**  
**DISCLOSURE STATEMENT**

**ASSUMPTION OF CONTRACTS**

Dowco	Supply Agreement	Cure Cost: -0-
Farnum	Equipment Lease Agreement	Cure Cost: \$54,842.84
Hallberg Inc	Lease Agreements for Bldg 7 Wyoming, MN Leases	Cure Cost: \$78,842.00
Hallberg Inc	Lease Agreements for Bldgs A,I,J Wyoming, MN Leases	Cure Cost: \$24,551.00
Hallberg Inc	Lease Agreements for Bldgs L, M Wyoming, MN Leases	Cure Cost: \$14,870.00
I Limited LLC	Lease Agreement for 26634 Fallbrook Ave	Cure Cost: \$17,535.00
Wells Fargo Equipment Finance	Equipment Lease Agreement	Cure Cost: -0-