UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WISCONSIN

In re:

Door County Environmental Energy LLC,

Debtor.

Case No. 24-26772-beh

Chapter 11

THIRD AMENDED DISCLOSURE STATEMENT FOR THIRD AMENDED CHAPTER 11 PLAN OF REORGANIZATION OF DOOR COUNTY ENVIRONMENTAL ENERGY LLC, DATED AUGUST 22, 2025

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Door County Environmental Energy LLC

THIS IS NOT A SOLICITATION OF ACCEPTANCES OF THE CHAPTER 11 PLAN. ACCEPTANCES MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT AS CONTAINING "ADEQUATE INFORMATION" WITHIN THE MEANING OF SECTION 1125(a) OF THE BANKRUPTCY CODE. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL, BUT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT AND IS SUBJECT TO AMENDMENT.

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DISCLAIMERS

THIS DISCLOSURE STATEMENT WITH THE ANNEXED THIRD AMENDED CHAPTER 11 PLAN, AND RELATED MATERIALS DELIVERED TOGETHER HEREWITH ARE BEING FURNISHED BY THE DEBTOR TO RECORD HOLDERS OF CLAIMS AND EQUITY INTERESTS KNOWN TO THE DEBTOR, PURSUANT TO SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE IN CONNECTION WITH SOLICITATION OF VOTES TO ACCEPT THE CHAPTER 11 PLAN AS DESCRIBED HEREIN.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO MATERIAL CONDITIONS PRECEDENT, SOME OF WHICH MAY NOT BE SATISFIED. SEE "CONDITIONS PRECEDENT TO CONSUMMATION AND EFFECTIVE DATE OF THE PLAN." THERE IS NO ASSURANCE THAT THESE CONDITIONS WILL BE SATISFIED OR WAIVED.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS AGAINST, AND HOLDERS OF EQUITY INTERESTS IN, THE DEBTOR (INCLUDING, WITHOUT LIMITATION, THOSE HOLDERS OF CLAIMS WHICH DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN OR WHICH ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.

ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS THAT ARE ELIGIBLE TO VOTE ON THE PLAN ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

ALL SUMMARIES OF THE PLAN AND OTHER STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN ANNEXED HERETO. IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN OR THE APPLICABLE PLAN DOCUMENTS AND THIS DISCLOSURE STATEMENT, THE TERMS OF THE PLAN OR THE APPLICABLE PLAN DOCUMENTS ARE CONTROLLING. THE SUMMARIES OF THE PLAN AND THE PLAN DOCUMENTS IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO, AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, THE FULL TEXT OF THE PLAN AND THE APPLICABLE PLAN DOCUMENTS, INCLUDING THE DEFINITIONS OF TERMS CONTAINED IN THE PLAN AND SUCH PLAN DOCUMENTS.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF UNLESS OTHERWISE INDICATED, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AT ANY TIME SUBSEQUENT TO THE DATE HEREOF. THE INFORMATION CONTAINED HEREIN IS ACCURATE TO THE BEST OF THE DEBTOR'S ABILITY.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE.

THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, NOR THE ANNEXED PLAN EXCEPT AS EXPRESSLY INDICATED IN THIS DISCLOSURE STATEMENT OR OTHER DOCUMENT RELATED TO THE PLAN.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PARTY IN INTEREST MAKES ANY REPRESENTATION OR WARRANTY REGARDING SUCH DESCRIPTIONS. HOLDERS OF CLAIMS AND/OR EQUITY INTERESTS SHOULD NOT RELY UPON ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OF THE PLAN OTHER THAN THOSE SET FORTH IN THIS DISCLOSURE STATEMENT.

THIS DISCLOSURE STATEMENT WILL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, NOR WILL IT BE CONSTRUED TO CONSTITUTE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTOR.

I. INTRODUCTION

Pursuant to Section 1125 of the United States Bankruptcy Code (the "**Code**"), Door County Environmental Energy LLC, the debtor herein ("**DCEE**" or the "**Debtor**"), by its attorneys, Richman & Richman LLC, submits this second amended disclosure statement ("**Disclosure Statement**"). This Disclosure Statement is intended to provide creditors and parties in interest with an overview of the Third Amended Chapter 11 Plan filed by the Debtor ("**Plan**"). A copy of the Plan is annexed hereto as **Exhibit A** Unless otherwise defined herein, capitalized terms used in this Disclosure Statement have the meanings ascribed to them in the Plan.

The purpose of this Disclosure Statement is to provide "adequate information" for creditors and equity security holders to make an informed judgment about the Plan. This Disclosure Statement was submitted by the Debtor to all of its known creditors and equity security holders to disclose the information the Debtor deems material, important, and necessary for their creditors to arrive at a reasonably informed decision in exercising their right to vote for acceptance of the Plan.

The Plan places the various types of claims – *e.g.*, priority claims, secured claims, unsecured clams, and equity security interests – into separate classes, and provides a proposed treatment for each class. The Plan also provides for the payment of administrative expense claims (which are not classified). The treatment of the classes – including the order in which they will receive distributions – is discussed herein.

Under the Plan, all creditors and interest holders with allowed claims and interests will receive distributions of 100% of their allowed claims and interests, including general unsecured creditors. By contrast, were the Debtor to be liquidated, it is likely that the Debtor's senior secured creditors would receive all of the available net proceeds for distribution, comprising only an estimated 20% of their allowed claims, and no proceeds would be available to make distributions to unsecured creditors or interest holders. The Debtor therefore recommends that all claimants and interest holders accept the Plan.

In sum, the Plan provides detailed information regarding the terms for payment of the Debtor's creditors and other information designed to assist holders of claims and equity interests in determining whether to accept the Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. If you do not have an attorney, you may wish to consult one.**

THE DEBTOR BELIEVES THAT CONFIRMATION AND IMPLEMENTATION OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTOR'S ESTATE, CREDITORS, AND EQUITY HOLDERS AND IS THE BEST MEANS OF PROVIDING FOR THE MOST EXPEDITIOUS PAYMENT OF CREDITOR CLAIMS AND THE PRESERVATION AND ENHANCEMENT OF EQUITY INTERESTS FOR LONGER-TERM INVESTORS. *IF THE PLAN IS NOT APPROVED, ANY ALTERNATIVE PLAN COULD PROVIDE LESS FAVORABLE TREATMENT. IT IS ALSO POSSIBLE THAT IF THE PLAN IS NOT CONFIRMED, THE DEBTOR COULD BE LIQUIDATED, WHICH WOULD LIKELY RESULT IN PAYMENTS ONLY TO THE DEBTOR'S SENIOR SECURED CREDITORS, LEAVING NOTHING FOR OTHER CREDITORS AND EQUITY HOLDERS.* THE DEBTOR THEREFORE RECOMMENDS THAT HOLDERS OF CLAIMS AND INTERESTS ACCEPT THE PLAN.

A. Purpose of This Document

This Disclosure Statement describes:

- The Debtor and significant events during the bankruptcy case.
- Historical information regarding the Debtor and the events leading to its bankruptcy filing.
- How the Plan proposes to treat claims or equity interests of the type you hold (*i.e.,* how your claim or equity interest will be treated if the Plan is confirmed).
- Who can vote on or object to the Plan.
- What factors the Bankruptcy Court will consider when deciding whether to confirm the Plan.
- Why the Debtor believes the Plan is in the best interests of creditors and equity security holders.
- The effect of confirmation of the Plan.

B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing

The Court has not yet confirmed the Plan. This section describes the procedures under which the Plan will or will not be confirmed.

- Time and Place of the Hearing to Confirm the Plan.

The hearing at which the Court will consider confirmation of the Plan will take place on **October 16, 2025 at 10:00 a.m.,** at the United States Bankruptcy Court for the Eastern District of Wisconsin, Courtroom 133, 517 East Wisconsin Avenue, Milwaukee, WI 53202, the Honorable Beth E. Hanan presiding.

- **Deadline for Voting to Accept or Reject the Plan**

Ordinarily claimants are requested to return a ballot to vote to accept or reject a plan. However, where, as here, the Plan provides for reinstatement or payment in full of all allowed claims, the holders of such claims are deemed to have voted to accept the Plan. Thus, no ballots are included with this Disclosure Statement.

- Deadline for Objecting to Confirmation of the Plan

Objections to confirmation of the Plan must be filed with the Court and served upon the Debtor's Counsel and the Office of the United States Trustee, and all other creditors and/or interested parties who have filed notices of appearances and requests for special notice by **October 1, , 2025**.

Objections shall be served on the Debtor's counsel electronically, or at:

Atty. Michael P. Richman
Atty. Claire Ann Richman
Richman & Richman LLC
122 W. Washington Avenue, Suite 850
Madison, WI 53703-8990

On counsel for the United States Trustee ("**UST**") electronically, or at:

Atty. Dillon Ambrose
Office of the United States Trustee
517 E. Wisconsin Avenue, #430
Milwaukee, WI 53202-4510

You must also file with the Court a written objection electronically or at:

Clerk of the U.S. Bankruptcy Court
Room 126, Federal Courthouse
517 E. Wisconsin Avenue
Milwaukee, WI 53202

If you want additional information about the Plan, you should contact Debtor's counsel:

Atty. Michael P. Richman
Atty. Claire Ann Richman
Richman & Richman LLC
122 W. Washington Avenue, Suite 850
Madison, WI 53703-8990
Telephone: 608-630-8990
Facsimile: 608-630-8991
MRichman@RandR.law
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II. BACKGROUND

A. Description and History of the Debtor's Business

DCEE's primary business is the processing of manure through an anaerobic digester, which converts methane to renewable natural gas. DCEE has been in operation since 2022, is a Wisconsin limited liability company with its principal place of business located in Waunakee, Wisconsin, and has its principal place of operations in Sturgeon Bay, Wisconsin.

DCEE's members include Clean AG, LLC, a Wisconsin limited liability company ("**Clean Ag**"), which holds a 40% membership interest in DCEE; and S&S JerseyLand Dairy, LLC ("**JerseyLand**"), which holds a 60% membership interest in DCEE. The members of JerseyLand are Randy Schmidt and Dena Schmidt, who each have a 50% membership interest in JerseyLand. S&S Ag Enterprises, LLC ("**S&S Ag**"), a company owned by the Schmidts, leases to the Debtor the property on which the Debtor's business is conducted. DCEE is primarily managed by Christopher Lenzendorf ("**Lenzendorf**") and Frank Winters ("**Winters**"), who each have a 50% membership interest in Clean Ag. Lenzendorf primarily manages the day-to-day business operations of the Debtor, and as further discussed herein, it is expected that he will continue to do so upon the Debtor's reorganization.

JerseyLand is a large-scale, family operated dairy business with origins dating to the early 1900s. The farm has grown significantly since its humble beginnings and today includes 5,370 milking cows with a total herd size of more than 8,800. The main dairy is located southwest of Sturgeon Bay, Wisconsin, in the Township of Forestville, with three nearby satellite locations for calf raising, animal care, nutrient storage, and logistics. JerseyLand provides 100% of the manure that creates the methane that the Debtor uses to produce natural gas. JerseyLand employs 95 staff who assist with its operations, equipment maintenance, cropping, and animal management, and the dairy produces approximately 388,000 pounds of milk per day. This dairy is the only Concentrated Animal Feeding Operation (CAFO) in Door County and maintains strict compliance with all applicable regulations regarding animals, milk, nutrient by-products, and croplands.

Lenzendorf has a deep and extensive history in agriculture, including growing up in an extended family of farmers. While his parents did not farm, Lenzendorf spent summers working at his grandparents' and uncle's dairy farms. Lenzendorf served in Governor Scott Walker's policy department focusing on agriculture and water quality issues. Lenzendorf was hired as President of Aqua Innovations, LLC ("**Aqua Innovations**"), located in Sharon, Wisconsin, which is a light manufacturing company of nutrient concentration systems for dairy farms. He was instrumental in developing Aqua Innovations' new flagship system NCS, which has become commonplace on large dairies in Wisconsin. While working with Aqua Innovations, Lenzendorf was recruited to work as a consultant for various companies to develop renewable natural gas projects. Lenzendorf resigned from Aqua Innovations to work as an independent consultant with various companies involved in renewable natural gas development. Winters, who is an investor in Aqua Innovations, formed Clean Ag with Lenzendorf in January 2021 with the goal of using Clean Ag as a partnership to develop renewable natural gas projects with Lenzendorf. Also in 2021, Randy Schmidt and Lenzendorf then conceived of the idea of creating DCEE in order to acquire the equipment needed to conduct the business that DCEE now operates. DCEE was established in early 2022, and shortly thereafter purchased the digester from US Venture, Inc. ("**US Venture**" or "**USV**").

Purchase of Digester from US Venture, financed by GAB

The price for purchase of the digester from US Venture was $8,500,000. Under the terms of an Asset Purchase Agreement dated March 31, 2022 between US Venture and DCEE ("**APA**"), DCEE purchased the digester, recirculation blowers, boiler, storage vessels, operations leases, and all associated equipment and permits/licenses ("**Purchased Assets**") associated with the processing of manure to produce raw biogas ("**Purchased Project**") from US Venture.

DCEE also assumed certain liabilities of US Venture, including all liabilities for taxes related to the Purchased Project and taxes for which DCEE was liable pursuant to applicable provisions of the APA; all other liabilities arising out of or relating to DCEE's ownership or operation of the Purchased Project and the Purchased Assets; and any outstanding liabilities owed by US Venture to employees of the Purchased Project.

Payment of the purchase price by DCEE to US Venture was structured as follows pursuant to the APA:

- An initial payment of $3,400,000 at the time of the closing of the sale; and

- The remaining $5,100,000 to be paid by DCEE to US Venture in 10 annual installments of $510,000 commencing on January 1, 2027, and concluding with the final installment payment on January 1, 2036, with such outstanding balanced evidenced by a Promissory Note dated March 31, 2022 between US Venture and DCEE ("**US Venture Note**").

In addition to the US Venture Note, and to secure the full, complete, and proper performance, payment and satisfaction of the US Venture Note, DCEE granted to US Venture a purchase money security interest in the anaerobic digester vessel, boiler, pipeline metering/detectors, above ground piping, control building (housing equipment required for production of biogas), control building electrical (electrical control system that maintains the digester-to-biogas functions and that are related to the control building functions, lighting and plant heating), three Blue Whale 5500 psi compressed natural gas storage vessels, and ancillary equipment used in support of the foregoing project equipment. US Venture perfected its security interest pursuant to the filing of UCC Financing Statement Filing Number 20220419000075-4 filed on April 18, 2022 with the Wisconsin Department of Financial Institutions.

DCEE also obtained financing from German American State Bank ("**GAB**") in the original principal amount of $4,750,000 (the "**GAB Loan**"). The GAB Loan is evidenced by a Promissory Note dated March 31, 2022, as amended, and issued by Debtor to GAB. The GAB Loan was originally due on December 31, 2023, but was extended for a year pursuant to the terms and conditions of a Business Loan Agreement dated December 30, 2023, by and between Debtor and GAB, as amended (as so amended, the "**GAB Extension**").

US Venture agreed to subordinate its security interests, and under certain circumstances to purchase the GAB Loan ("**USV Loan Purchase Obligation**"), pursuant to an Intercreditor Agreement between it (dba U.S. Gain) and GAB, dated December 31, 2022 ("**Intercreditor Agreement**"). The USV Loan Purchase Obligation requires USV to purchase the GAB Loan "if an Event of Default (as defined in the Business Loan Agreement) has occurred and is continuing under the Loan Documents or upon an unsuccessful refinance of the Note by DCEE, whichever occurs first." *Id.*, section 2(d). There is no question that an Event of Default, consisting of DCEE's nonpayment of amounts due GAB, occurred prior to the Petition Date. However, the Debtor understands that USV may assert that such Event of Default does not trigger its Loan Purchase Obligation, because it may contend that such obligation was released when GAB agreed to extend the GAB Loan from 2023 to 2024. USV may seek to have the extension of the GAB Loan characterized as "an unsuccessful refinance of the Note."

Under the Intercreditor Agreement, the collateral pledges to secure the GAB Loan are herein treated as a first priority security in, among other things, (i) a mortgage on Debtor's leasehold interest in the land it leases from S&S AG, pursuant to a Mortgage dated March 31, 2022, by and between DCEE and GAB, which was recorded with the Register of Deeds for Door County, Wisconsin on April 26, 2022, as Document Number 852734 (the "**GAB Mortgage**"); and (ii) a security interest in substantially all other assets of DCEE pursuant to the terms of a Commercial Security Agreement dated March 31, 2022, by and between Debtor and GAB (the "**GAB Security Agreement**"), which security interest was perfected by the filing of a UCC-1 Financing Statement naming Debtor as debtor and Lender as secured party, which was filed with the Wisconsin Department of Financial Institutions on April 5, 2022, as Document Number 20220405000365-1 (the "**GAB UCC**"). Lenzendorf and Winters also both gave personal guarantees of payment of the GAB Loan when it was extended on December 30, 2023.

DCEE's Facility, Equipment, and Operations

DCEE's current biogas facility consists of the 2-million-gallon plug flow anaerobic digester, separation equipment and gas upgrading equipment (collectively, the "**Digester**"). Gas is currently compressed and trucked to an injection point in Denmark, Wisconsin. The current configuration is capable of processing 250 SCFM of biogas. In 2022 JerseyLand finalized an expansion of 1100 additional head of cattle producing an additional 50,000 gallons of manure a day.

As part of the Debtor's operations, Nacelle Logistics, LLC ("**Nacelle Logistics**") and Nacelle Biogas Equipment Funding 2019, LLC ("**Nacelle Biogas**") (together **"Nacelle**" or "**Servicer**"), entered into a Master Services Agreement ("**MSA**") and a Statement of Work No. 1 ("**SOW**") (together, the "**Service Contract**"). Nacelle Biogas owns the gas upgrading and production equipment ("**Gas Upgrading Equipment**") and the SOW includes the payment for use of the Gas Upgrading Equipment. The Service Contract, among other things, requires Nacelle to provide the Gas Upgrading Equipment, and to maintain and operate the Gas Upgrading Equipment at DCEE's facilities for the refinement of the raw biogas to produce the conditioned gas sold by DCEE. Nacelle uses its own tools, equipment, and other similar assets located at DCEE's facility in order to provide these services to DCEE. Pursuant to the Service Contract as amended, DCEE is required to pay Nacelle a monthly service fee in the amount of is $110,000, which is subject to adjustment based on performance, and which covers both the cost of Nacelle's equipment plus the servicing and maintaining of that equipment.

Currently, DCEE is registered to sell its product in the California Low Carbon Fuel Standard (LCFS) market, the Oregon Clean Fuel program (CFS) and the Renewable Fuel Standard (RFS/RIN) market.

Qualification for Clean Fuel Production Tax Credit

DCEE qualifies for the Clean Fuel Production Tax Credit ("**CFPTC**"), which is a federal nonrefundable general business credit for the production and sale of qualifying transportation fuels. Unlike other tax creditors, CFPTC credits may be sold to parties who are seeking to reduce their own tax burden for cash to the producer. The typical buyer for the credits are financial institutions or insurance companies.

The CFPTC was established to encourage the production of cleaner transportation fuels by providing financial incentives for producers to invest in facilities and technologies which reduce greenhouse gas emissions.[1] The fuels are divided into two broad categories: sustainable aviation fuel (SAF) and non-SAF transportation fuel.[2] To claim a CFPTC, a taxpayer must first register as a producer of clean fuel at the time of production, which DCEE timely did. Credits are equal to the product of: 1) the applicable amount per gallon (or gallon equivalent) for any transportation fuel that is produced by the taxpayer at a qualified facility during the taxable year sold by the taxpayer in a qualifying sale, and 2) the emissions factor for such fuel as determined under the IRS Code.[3] Currently biogas fuels are eligible to receive these credits through 2027, however there is current proposed federal legislation (H.R.1 - which has passed the house and is up for consideration in the Senate) which would extend the production tax credits for biofuel through 2031. –

While DCEE qualifies for the CPFTC, it has not as yet sold any of the 2025 credits, which are typically sold after they are generated. By the end of June 2025, DCEE will have two quarters worth of CPFTC. Nacelle questions whether DCEE has accounted for the changes to clean energy tax credits due to provisions in the recent budget reconciliation passed by Congress and signed into law. DCEE, by Lenzendorf has been monitoring and will continue to monitor the changing political landscape with respect to clean energy tax credits, has contacts both in Wisconsin and Washington DC, who keep him informed of such changes, and will make such accommodations as are required in order to continue to monetize its assets and operate its business successfully.

[1] *See* https://www.irs.gov/credits-deductions/clean-fuel-production-credit
[2] *Id*.
[3] *Id*.

Anticipated Upgrades to the Digester

As part of its Plan, within one year of the Effective Date DCEE will complete a transition to a new company to perform the services currently provided by Nacelle, and will in conjunction with such transition reject the Service Contract pursuant to Bankruptcy Code § 365 (d)(2).

DCEE also plans on adding an additional digester and new gas upgrading equipment to be able to process added gas from a farm expansion that occurred several years ago. This expansion has led to the availability of an additional 50,000 gallons of manure per day. DCEE has engineered drawings and site facility drawings complete for this expansion. With additional available gas there will be a significant increase in revenue. Lenzendorf estimates that such an upgrade would have an associated cost of approximately $12 million and would include an additional new anaerobic digester and new gas upgrading equipment. DCEE has registered in the safe harbor program to be able to utilize Investment Tax Credits (ITC), up to 40% of new capital costs and has applied for a USDA digester grant for one million dollars. ITC credits would partially fund the upgrade, as pursuant to the provisions of the Section 45Z Clean Fuel Production Credit, the credits may be sold for cash by DCEE for purchase by other entities seeking to minimize their tax liabilities.

These funds will not be available until the project is complete, so DCEE has engaged with a company that provides financing and bridge financing to complete the upgrades and monetize the ITC credits. DCEE has also engaged with the same company to potentially make loan funds to Lenzendorf (or an entity he may designate) to support an additional $2 million equity investment that would augment cash flow until their CFPTC is monetized. When monetizing ITC or CFPTC credits, interested parties will pay 80 to 90 cents of the actual value of the credit as their incentive to purchase the credits. When forward selling credits, these interested parties will expect to pay less for these credits to offset their risk as the gas has not yet been produced. DCEE is hoping not to have to forward sell any credits because of the larger spread, but is open to it if it helps to secure the financing for the expansion.

Nacelle believes that it will take four to eight months for DCEE to transition to a new service provider. Nacelle also asserts that during this time, because there will be no gas plant on site, the Digester will need to be shut down completely, leaving DCEE unable to generate income during that time.

DCEE disagrees with Nacelle, and does not believe that such a transition will result in downtime that would materially impact its financial performance. So long as the Service Contract remains in effect, DCEE will continue to make required contract payments thereunder. During the transition phase, DCEE expects to continue to maintain and operate the Digester on a daily basis as it does currently, and to continue the relationship between DCEE and American BioEnergy Services, LLC ("**American BioEnergy**"), pursuant to which American BioEnergy provides additional bimonthly maintenance services on the Digester, as well as providing emergency services on an as-needed basis.

DCEE expects to add an additional digester so the current onsite digester may provide seed manure to the new digester, minimizing the typical downtime required when commissioning a new digester. The original digester will continue to produce gas through this entire process. The new gas upgrading equipment is delivered in a containerized system and plugs into existing infrastructure on the site. When developing new biogas sites, the onsite plumbing needed can be time consuming. DCEE has existing infrastructure that can be fitted with the new equipment resulting in only a couple of weeks of commissioning rather than months. There are currently long lead times for gas upgrading equipment. However, DCEE has identified systems and their owners that have already been built and are in storage waiting to be deployed to other projects. These systems may be able to be purchased by DCEE and installed immediately. Thus, the anticipated upgrades are not expected to have any material impact on DCEE's operations and revenues.

Nacelle has expressed concerns about the financial and technical ability of DCEE to build, permit, and profitably operate an additional digester at this time, particularly in light of recent changes to the eligibility requirements and calculations of tax incentives related to investments in clean energy alternatives. DCEE believes that such concerns are unfounded as not only did Lenzendorf complete Digester Operator School in 2023, but DCEE has aligned itself with expert strategic partners in both digester and gas upgrading, which will allow DCEE to continue its operations with very little negative impact.

Additional detailed information on DCEE's proposed project expansion, including background on the expansion and progress of the expansion, is attached hereto and incorporated herein as **Exhibit B**.

Permitting and Regulatory Matters

Lenzendorf has previous experience in issues related to water quality and permitting for Concentrated Animal Feeding Operations ("**CAFO**"), including through his time serving in Governor Scott Walker's policy department. After leaving this position, Lenzendorf assisted the Wisconsin Department of Natural Resources ("**DNR**") with the implementation of a new CAFO discharge department developed to expedite permits for manure management projects, including the discharge permit as required in the Wisconsin Pollutant Discharge Elimination System ("**WPDES**") Permit ("**WPDES Permit**"). Upon confirmation of the Plan, Lenzendorf will be more than able to navigate any permitting and regulatory issues that may arise with respect to the reorganized Debtor. Additionally, DCEE will continue to utilize the services of CI Score Solutions to ensure permits and other regulatory issues are current and addressed. Finally, DCEE does not discharge any materials to the Sturgeon Bay Wastewater Treatment Plant, therefore, the reorganized debtor will not be required to address any permitting or coverage issues related to the plant.

B. Prepetition Litigation Involving the Debtor

DCEE is a defendant in the lawsuit styled as *Foxland Incorporated v. Door County Environmental Energy LLC a/k/a Door County Environmental Energy and S&S JerseyLand Dairy LLC*, Circuit Court of Outagamie County Case Number 24-CV-699 ("**Foxland Lawsuit**"). Foxland Incorporated ("**Foxland**") filed the Foxland Lawsuit on June 26, 2024, seeking a money judgment in the amount of $520,837.52, plus all accrued interest together with all costs and expenses of collection, including reasonable attorneys' fees, against DCEE and co-defendant JerseyLand. Foxland asserts that DCEE and JerseyLand failed to pay Foxland for goods and/or services sold or performed by Foxland to DCEE at DCEE and JerseyLand's request.

DCEE initially failed to file an answer within the prescribed time after being served with the Summons and Complaint. After Foxland filed a Motion for Default Judgment, Lenzendorf engaged counsel on behalf of DCEE and filed an Answer to Foxland's Complaint. The Foxland Litigation has been stayed since the Petition Date. On April 7, 2025, the court held a status conference in the Foxland Litigation and scheduled a future status conference for July 8, 2025. Foxland's claim is treated as an unsecured claim in Debtor's Plan.

C. Events Leading to the Debtor's Chapter 11 Filing

DCEE sought relief under the Bankruptcy Code in order to quickly, efficiently and economically address its substantial debts to GAB, US Venture, and vendors such as Foxland. Additionally, as of the Petition Date, DCEE also owed Nacelle for services provided by Nacelle under the MSA, in the amount of approximately $1.7 million.

To these ends, since the filing of this Chapter 11 Case (the "**Case**"), DCEE, through its principal managers Winters and Lenzendorf, have been devoting substantial time addressing operational challenges, working to increase cash flow, and developing a plan of reorganization.

D. Significant Events During the Bankruptcy Case

i. **Commencement of the Debtor's Case**

DCEE voluntarily filed for protection under Chapter 11 of the Bankruptcy Code on December 19, 2024 (the "**Petition Date**"), commencing the above-captioned case ("**Chapter 11 Case**" or "**Case**"). Since the Petition Date, DCEE remains in possession of its property and is operating its business as a debtor in possession, pursuant to applicable provisions of the United States Bankruptcy Cade ("**Bankruptcy Code**"). No unsecured creditors committee, trustee, or examiner has ever been appointed in this Case.

ii. Employment of the Debtor's Professionals

Employment of Richman & Richman LLC

On January 15, 2025, the Court entered the Order Granting Application of Debtor for Authority to Retain and Employ Richman & Richman LLC as Counsel for the Debtor [Doc 28].

Employment of CliftonLarsonAllen, LLP

On March 19, 2025, the Debtor filed Notice and Application of the Debtor for Authority to Retain and Employ CliftonLarsonAllen LLP as Accountants for the Debtor Effective as of March 19, 2025 [Doc 59]. On April 4, 2025, the Court entered the Order Granting Application of Debtor for Authority to Retain and Employ CliftonLarsonAllen LLP as Accountants for the Debtor Effective as of March 19, 2025 [Doc 68].

iii. Use of Cash Collateral and Adequate Protection

On February 11, 2025, the Debtor filed Debtor's Motion to Approve and Adopt Stipulated Order Authorizing Interim Use of Cash Collateral and Granting Adequate Protection ("**Cash Collateral Motion**") [Doc 34] to approve an agreement on the use of cash collateral it reached with GAB. On March 6, 2025, the Court entered the Stipulated Order Authorizing Interim Use of Cash Collateral and Granting Adequate Protection ("**Interim Cash Collateral Order**") [Doc 50], authorizing the Debtor, on an interim basis, to use cash collateral as provided in the budget attached to the Interim Cash Collateral Order through April 30, 2025 (the "**Interim Period**").

Additionally, pursuant to the Interim Cash Collateral Order, among other provisions, as adequate protection, GAB was granted first position security interests, mortgages and liens (the "**Replacement Liens**") in certain property acquired by Debtor on and after the Petition Date. In addition, GAB was granted an allowed superpriority administrative expense claim in an amount not less than any postpetition diminution in the value of its collateral (the "**Superpriority Claim**").

The Interim Cash Collateral Order also provided (pursuant to an agreement) for DCEE to pay Nacelle $110,000 per month, and that DCEE would make a "catch-up" payment of $262,580 to Nacelle upon entry of the Interim Cash Collateral Order to cover the period of December 19-31, 2024, as well as the monthly payments for January and February 2025. The Interim Cash Collateral Order further provides, in the event of a default by DCEE in any such payments to Nacelle, in the event that GAB receives a Superpriority Claim, Nacelle shall also have a Superpriority Claim that shall be *pari passu* with GAB's Superpriority Claim.

The final hearing on DCEE's use of cash collateral and adequate protection is set for April 22, 2025, and any objections to the entry of a final order on use of cash collateral and adequate protection must be filed by objecting parties on or before April 18, 2025.

iv. **GAB Enforcement of Guaranties/USV Loan Purchase Obligation**

On January 17, 2025, GAB made written demand on US Ventures to exercise the USV Loan Purchase Obligation. The Debtor understands that GAB and US Venture subsequently held negotiations, and that litigation has been commenced in an effort to resolve the demand and asserted obligation. The question whether the USV Loan Purchase Obligation remains binding is discussed above.

On February 7, 2025, GAB made written demand on Winters (one of Debtor's investors and management members) for payment under the Guaranty he provided GAB on December 23, 2023. Believing that litigation to enforce any such Guaranty would be an impediment to the expeditious resolution of this chapter 11 case, and might otherwise be mooted by the Debtor's treatment of the GAB Loan in a chapter 11 plan, the Debtor commenced on February 25, 2025 an adversary proceeding styled as *Door County Environmental Energy LLC v. German American State Bank*, Adv. No. 25-02032-beh ("**GAB Adversary Proceeding**") [*See* GAB Adversary Proceeding, Doc 1], and the accompanying Motion for Entry of a Preliminary Injunction against GAB ("**Motion for Preliminary Injunction**") [*See* GAB Adversary Proceeding, Doc 3] seeking a preliminary injunction, pending chapter 11 plan confirmation, of any threatened Guaranty enforcement litigation.

GAB objected to the preliminary injunction on March 11, 2025 [GAB Adversary Proceeding, Doc 9], and sought dismissal of the adversary proceeding by Motion to Dismiss Complaint for Injunctive Relief, filed on March 19, 2025 ("**Motion to Dismiss GAB Adversary Proceeding**") [GAB Adversary Proceeding, Doc 17]. DCEE replied to GAB's objection to injunctive relief on March 18, 2025 [GAB Adversary Proceeding, Doc 16].

In light of the negotiations between GAB and USV discussed above, and the impending filing of the Plan and this Disclosure Statement, the Debtor then determined that an enforcement action against Winters was not likely to be commenced, and that even if it did, it would not likely interfere with the chapter 11 plan process. Thus, on April 16, 2025, the Debtor discontinued the injunction litigation by filing a Notice of Voluntary Dismissal of Adversary Proceeding [GAB

Adversary Proceeding, Doc 24] and a Notice of Withdrawal of Plaintiff's Motion for Entry of a Preliminary Injunction [GAB Adversary Proceeding, Doc 25].

On May 2, 2025, GAB did subsequently commence a guaranty enforcement action against Winters, styled as *German American State Bank n/k/a Foresight Bank v. Frank M. Winters*, and that action is pending in the State of Illinois, Circuit Court of Stephenson County, as Case Number 2025LA16.

v. **DCEE's Motion to Assume an Unexpired Lease Nonresidential Real Property**

On April 11, 2025, DCEE filed the Debtor's Motion to Assume an Unexpired Lease Nonresidential Real Property ("**Motion to Assume**") [Doc 70], and the Debtor's Motion for Expedited Hearing on (A) Debtor's Motion to Assume an Unexpired Lease Nonresidential Real Property, and (B) in the Alternative for a Brief Extension of the Time to Assume or Reject Lease ("**Motion for Expedited Hearing**") [Doc 73], seeking entry of an order, on an expedited basis, authorizing DCEE to assume its nonresidential real property lease of the Leasehold Interest with S&S AG. At a hearing held on April 16, 2025, the Court granted both Motions [Docs 86 and 87].

vi. **Current and Recent Historical Financial Conditions**

A chart summarizing the Debtor's historical financial performance is attached hereto as **Exhibit C**.

III. THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. Purpose of the Plan of Reorganization

Chapter 11 is the principal business reorganization Chapter of the Bankruptcy Code. Under Chapter 11, a debtor is authorized to reorganize, sell, or liquidate its business for the benefit of its creditors. Chapter 11 provides a debtor with some flexibility, allowing it, subject to oversight, to work to identify the best means of maximizing creditor recoveries. In furtherance of the goals of the Bankruptcy Code, upon the filing of a petition for relief under Chapter 11, section 362 of the Bankruptcy Code provides for an automatic stay of substantially all acts and proceedings against the debtor and its property, including all attempts to collect claims or enforce liens that arose prior to the commencement of the Chapter 11 case.

The consummation of a Chapter 11 plan is typically the principal objective of a Chapter 11 case. A Chapter 11 plan sets forth the mechanism that the Plan proponent has determined is best suited for satisfying creditor claims. A plan will typically separate creditors into "classes" reflecting the fact that some creditors get paid ahead of and differently than others under the Bankruptcy Code, and explains how the debtor or another party will object to claims as needed and ultimately make distributions.

Confirmation of a Chapter 11 plan by the bankruptcy court makes the plan binding upon the debtor, any issuer of securities under the plan, any entity acquiring property under the plan, and any creditor of, or equity holder in, the debtor, whether or not such creditor or equity security holder: (i) is impaired under the plan; (ii) has accepted the plan; (iii) voted against the plan, or (iv) receives or retains any property under the plan.

B. Explanation of Classes of Claims and Equity Interests Generally, and Treatment of Claims and Equity Interests Under the Plan.

The Debtor's proposed Plan provides for treatment and distributions on account of all allowed priority, secured and unsecured claims, and interests. The schedule for payment of these obligations has been designed to provide adequate prospective cash flow to the Debtor to enable it to service its Plan and business obligations. A copy of the Debtor's Plan is attached hereto as **Exhibit A**, and the Debtor's forecast of annual revenues, expenses and income is attached hereto as **Exhibit D**.

The Allowed Claims are identified by Claimant, type, and amount on the Allowed POC chart on **Exhibit E**, attached hereto.

The Debtor's Plan places all Claims and Interests against the Debtor, except (a) Administrative Expense Claims (which are post-petition claims required under Bankruptcy Code § 1129(a)(9) to be paid in full as a condition of Plan confirmation, unless the holder of such claim agrees to different treatment), and (b) statutory fee claims under 28 U.S.C. § 1930, into the Classes set forth below. The Debtor believes that at the time of Plan confirmation, the amount of allowed Administrative Expense Claims that will be required to be paid will be approximately $250,000.

i. **Classes of Allowed Secured Claims.** Allowed Secured Claims, if any, are claims secured by property of the Debtor's bankruptcy estates to the extent allowed as secured claims under section 506 of the Bankruptcy Code. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified separately in a class of like unsecured claims.

CLASS 1 – Secured Claim of GAB. By Agreement between GAB and the Debtor, GAB's aggregate claim amount based upon the Debtor's prepetition indebtedness to it is $4,191,465.20 (the "**POC Amount**"), plus $75,000 in attorneys' fees (the "**GAB Attorneys' Fees**") *plus* post-petition interest through the Effective Date on the POC Amount at a per annum rate equal to

7% (the "Post-Petition Interest"); the POC Amount plus the GAB Attorneys' Fees plus the Post-Petition Interest is referred to herein as, the "**GAB Claim**"). The GAB Claim shall be allowed as a secured claim, and shall be paid in full over five (5) years (60 months), with a per annum interest rate of 7%. Payments of approximately $85,000 (the exact amount to be determined as of the Effective Date by amortizing the GAB Claim over 60 months with a per annum interest rate of 7% as set forth above) shall be made by DCEE monthly, with the first payment due on the first day of the month that begins after the Effective Date. DCEE shall keep one month's payment on reserve with GAB until the GAB Claim is paid in full, and GAB shall retain the liens securing the GAB Claim until such time as the GAB Claim has been paid in full pursuant to the terms of this Plan, at which time GAB shall execute documents reasonably necessary to release all liens or security interests in any and all property securing the GAB Claim.

CLASS 2 – Secured Claim of US Venture. Pursuant to section 1124(2) of the Bankruptcy Code, the Secured Claim of US Venture is reinstated according to the terms of its APA and the US Venture Note. Accordingly, he secured claim of US Venture in the amount of approximately $5.1 million is unimpaired under the Plan, the provisions, including the payment schedules and maturity with respect to such claim are reinstated, and US Venture shall continue to be treated as subordinated to the GAB Claim with respect to the same collateral that secures the GAB Claim. Because Bankruptcy Code § 1124(2) provides that this claim is unimpaired, it is deemed to have voted to accept the Plan.

ii. **Classes of Priority Unsecured Claims.** Certain priority claims that are referred to in sections 507(a) of the Bankruptcy Code are required to be placed in separate classes. The Bankruptcy Code requires that each holder of such a claim receive cash on the Effective Date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment. The Debtor believes that there are no such Priority Unsecured Claims.

iii. **Classes of General Unsecured Claims.** General unsecured claims are not secured by property of the estate and are not entitled to priority under section 507(a) of the Bankruptcy Code.

CLASS 3 – General Unsecured Claims. Class 3 consists of the general unsecured claims of Nacelle in the amount of approximately $1.6 million, Foxland, in the amount of approximately $500,000, and trade debt of approximately $100,000 (or approximately $2.2 million in the aggregate, the final amounts to be agreed or otherwise determined by the Court). These Claims are unimpaired and deemed to vote to accept the Plan.. These Claims shall be paid a 100% dividend, on a pro rata basis, with a per annum interest rate of 7.5%, in monthly payments in the aggregate estimated amount of $68,433.80, over three (3) years, with the first payment due on the first day of the month that begins after the Effective Date, and each monthly payment due on the first day of the same month thereafter, until paid in full.

iv. **CLASS 4 – Equity Interest Holders of the Debtor.** Holders of Equity Security Interests are parties who hold an ownership interest in the Debtor (*i.e.*, the Debtor's owners). For example, in a corporation or a limited liability company, entities or individuals holding stock or membership interests would be considered to be holders of equity interests.

All equity interest holders of the Debtor shall receive new equity interests in the reorganized Debtor equivalent to the interests they held in the Debtor at the Petition Date, and are unimpaired and presumed conclusively to have accepted the Plan, in accordance with Bankruptcy Code § 1126(f).

IV. MEANS OF IMPLEMENTING THE PLAN

A. Funding of the Plan

To effectuate the proposed Plan, DCEE shall continue its operations. DCEE will utilize profits, revenues, and income from its operations, and cash on hand on the Effective Date to fund the proposed Plan. Avoidance Actions

B. Avoidance Actions

Disclosed and identified in DCEE's Statement of Financial Affairs Numbers 3.1 through 3.11 are entities (and amounts paid to each) who received payments from DCEE within 90 days of the Petition Date. *See* Statement of Financial Affairs Nos. 3.1 – 3.11, Doc. 23, pp. 17-18. These are entities against whom actions may potentially be commenced for the recovery of preference payments pursuant to Bankruptcy Code § 547 ("**Preference Actions**"). These entities include GAB; Nacelle; American BioEnergy, who, as previously discussed herein, continues to provide maintenance services to the Digester; and Wisconsin Public Service ("**WPS**"), provider of gas and electricity to DCEE.

DCEE has determined that, based on its analysis of potential Preference Actions, including the existence of applicable affirmative defenses available to the potential defendants, including but not limited to the ordinary course of business defense, contemporaneous exchange for new value, subsequent new value, and other defenses set forth in Section 547(c) of the Bankruptcy Code, such actions are unlikely to yield a net benefit to DCEE's estate after accounting for the costs of litigation. Specifically, DCEE has determined that:

- The costs, uncertainties, and delays associated with prosecuting Preference Actions would likely outweigh any potential recovery;
- The preservation of business relationships with vendors, suppliers, and other trade creditors, particularly with respect to American BioEnergy and WPS, is essential to the Debtor's successful reorganization; and
- The affirmative defenses available to potential defendants create substantial litigation risk.

Nothing in this Section shall be construed to waive, release, or discharge any other Causes of Action that the Debtor or the Reorganized Debtor may hold against any Entity, including but not limited to Claims arising under Chapter 5 of the Bankruptcy Code other than Preference Actions, or Claims arising from fraud, gross negligence, or willful misconduct.

As disclosed in DCEE's Statement of Financial Affairs Number 4 and Number 30, no payments, distributions, or withdrawals credited or given to insiders were made by DCEE within one year of the Petition Date, therefore, there would be no viable causes of action to recover any such amounts. *See* Statement of Financial Affairs Nos. 4, 30, Doc 23, p. 18, 24.

C. Preservation of Rights of Action; Settlement of Claims and Releases

As described in greater detail in the Plan, except as provided in the Plan or in any contract, instrument, release or other agreement entered into or delivered in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code and to the fullest extent possible under applicable law, the Debtor shall retain and may pursue and/or enforce (and shall have the sole right to pursue and/or enforce) any claims, demands, rights, and Causes of Action that the Debtor or Estate may hold against any third party. The Debtor may pursue, or not pursue, such retained claims, demands, rights, or Causes of Action, as it deems appropriate in its own discretion.

D. Closing the Bankruptcy Case.

Upon substantial consummation of the Plan, the Debtor may apply for an order closing the case.

E. Reopening of the Bankruptcy Case.

This Chapter 11 Case may be reopened to administer assets, to grant the Reorganized Debtor other relief, including but not limited to, a discharge, to seek conversion or dismissal upon occurrence of a subsequent material default under the Plan, to hear and resolve any matter or proceeding over which the Court has retained jurisdiction, or for other cause.

F. Executory Contracts and Unexpired Leases

The Plan at Article 4 lists all executory contracts and unexpired leases that the Debtor will assume, and if applicable assign, under the Plan, as amended, including the Renewable Natural Gas Purchase and Sale Agreement between U.S. Venture and DCEE. Article 4 also states the amount of cure obligations the Debtor believes must be paid in full upon the Effective Date when the contracts are assumed. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any.

The Plan also provides, in the case of Nacelle, that the Debtor shall request authority to reject the Master Services Agreement ("**MSA**") and the Statement of Work No. 1 ("**SOW**") (together, the "**Service Contract**") within one year of the Effective Date, in conjunction with the Debtor's transition of the work to a new company. Nacelle argues that rejection of its contract after confirmation is not permitted under the Bankruptcy Code and that accordingly, the Court will not likely approve the Plan. DCEE will request Court approval in conjunction with Plan confirmation hearings to reject the contract up to a year after the Effective Date on the grounds that (a) this is authorized by Bankruptcy Code § 365(d)(2) and applicable precedents, (b) the extension is necessary to mitigate damage to the Debtor and its estate, and (c) the extension is not prejudicial to Nacelle because the Debtor will continue during the extended period to honor the financial obligations of the contract. The Debtor has provided in its Plan that in the event the Court does not authorize the extended rejection date proposed by the Debtor, the rejection of the Service Contract will be treated as a condition of the occurrence of the Effective Date.

If you are a party to any such contract or lease, and you object to the assumption, and if applicable, the assignment, of your unexpired lease or executory contract under the Plan, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier time.

All executory contracts and unexpired leases that are not listed in Article 4 or have not previously been assumed, and if applicable, assigned, or are not the subject of a pending motion to assume, and if applicable, assign, will be rejected under the Plan. Consult your adviser or attorney for more specific information about particular contracts or leases. If you object to the rejection of your contract or lease, you must also file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan.

V. CONFIRMATION REQUIREMENTS AND PROCEDURES

A. Acceptance of the Plan

The Bankruptcy Court will confirm the Plan only if all of the requirements of section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation are that the Plan (i) is accepted by all impaired classes of Claims and Interests entitled to vote for or against the Plan or, if rejected by an impaired class, the Court may confirm the Plan under the so-called "cram down" provisions set forth in section 1129(b) of the Bankruptcy Code if at least one impaired class has accepted the Plan, and that as to an objecting impaired class the Plan "does not discriminate unfairly" and is "fair and equitable" as to such class; and (ii) is in the "best interests" of the holders of Claims and Interests impaired under the Plan.

Under the Bankruptcy Code, acceptance of a Chapter 11 plan by a class of claims occurs when holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the allowed claims of that class that cast ballots for acceptance or rejection of the Chapter 11 plan vote to accept the plan. Under the Bankruptcy Code, acceptance of a Chapter 11 plan by a class of interests occurs when holders of at least two-thirds (2/3) in amount of allowed interests of that class that cast ballots for acceptance or rejection of the Chapter 11 plan, vote to accept the plan. A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code. In this case, as discussed above, all classes are deemed to have voted to accept the Plan, because all classes are unimpaired.

The "unfair discrimination" test applies to classes of claims or interests that are of equal priority and are receiving different treatment under the Plan. A Chapter 11 plan does not discriminate unfairly, within the meaning of the Bankruptcy Code, if the legal rights of a dissenting class are treated in a manner consistent with the treatment of other classes whose legal rights are substantially similar to those of the dissenting class and if no class of claims or interests receives more than it legally is entitled to receive for its claims or interests. The test does not require that the treatment be the same or equivalent, but that such treatment be "fair." In this case, as discussed above, the Debtor has treated all classes the same, as unimpaired. The Debtor believes that the treatment it has proposed for its classes of claims or interests satisfies these tests.

The "fair and equitable" test applies to classes of different priority and status (*e.g.*, secured versus unsecured; claims versus interests). For a rejecting class of secured creditors, among other things, the holders of such claims must retain the liens securing the claims, and receive on account of such claim deferred cash payments totaling at least the value of the holder's interest in the estate's interest in such property. The Debtor believes it has provided such treatment in the Plan. For a rejecting class of unsecured creditors, among other things, the holders of such claims must not receive more than 100% of the allowed amount of the claims in such class and, if they receive less (as proposed in the Plan) the "absolute priority rule" is satisfied (*i.e.*, unless a class of claims of a senior priority are satisfied in full, no junior class can receive or retain any property under the Plan), unless an exception thereto is established as discussed above. As all unsecured creditors are to receive 100% of the allowed amount of their claims, the absolute priority rule is not applicable in this case.

The Debtor thus believes the Plan satisfies the "fair and equitable" requirement with respect to any potential rejecting Class.

IF ALL OTHER CONFIRMATION REQUIREMENTS ARE SATISFIED AT THE CONFIRMATION HEARING, OTHER THAN THE ACCEPTANCE OF ALL IMPAIRED CLASSES, THE PLAN PROPONENTS WILL ASK THE BANKRUPTCY COURT TO RULE UNDER THE CRAMDOWN PROVISIONS THAT THE PLAN MAY NONETHELESS BE CONFIRMED.

B. Who May Object to Confirmation?

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

C. What Is an Allowed Claim?

Only a Holder of a Claim that constitutes an Allowed Claim has the right to vote on the Plan. Generally, a Claim is Allowed if either (l) the Debtor has scheduled the Claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the Creditor has filed a proof of Claim, and unless an objection has been filed to such proof of Claim (or to a scheduled Claim). When a Claim is not allowed, the Creditor holding the Claim cannot vote unless the Court overrules the objection or allows the Claim for voting purposes under Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

D. What Is an Impaired Claim?

As noted above, the Holder of an Allowed Claim or Equity Interest has the right to vote only if it is in a class that is impaired under the Plan. As provided in section 1124 of the Bankruptcy Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

E. Who Is Not Entitled to Vote?

The following types of Creditors are not entitled to vote:

- Holders of Claims that have been disallowed by Court order.
- Holders of Claims in unimpaired classes, if any.
- Holders of Claims who receive no Plan distributions.
- Holders of Administrative Expense Claims.

Even if you are not entitled to vote on the Plan, you still have a right to object to confirmation of the Plan.

F. Best Interests Test

The Bankruptcy Code requires that each holder of an impaired Claim either (i) accept the Plan or (ii) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code. This requirement is customarily referred to as the "best interests" test.

The first step in determining whether the Plan satisfies the best interests test is to determine the dollar amount that would be generated from a hypothetical liquidation of the Debtor's assets and properties in the context of a Chapter 7 liquidation case. The gross amount of cash that would be available for satisfaction of Claims and Interests would be the sum consisting of the proceeds resulting from the disposition of the assets and properties of the Debtor, augmented by the unencumbered cash held by the Debtor at the time of the commencement of the liquidation case.

The next step is to reduce that gross amount by the costs and expenses of liquidation, the proceeds received from the disposition of encumbered assets that would be distributed to the holders of the liens on such assets, and by the payment of such additional administrative expenses and priority claims arising from the use of Chapter 7 for the purposes of liquidation. Any remaining cash would be allocated to unsecured creditors and interest holders in strict priority in accordance with section 726 of the Bankruptcy Code.

The Debtor's costs of liquidation under Chapter 7 would include the fees payable to a trustee in bankruptcy as well as those fees that might be payable to attorneys and other professionals that the trustee might engage. Other liquidation costs include the expenses incurred during the Chapter 11 Case allowed in the Chapter 7 case, such as compensation for attorneys, financial advisors, appraisers, accountants, and other professionals for the Debtor appointed in the Chapter 11 Case, as well as other compensation Claims. Furthermore, additional Claims would arise by reason of the breach or rejection of obligations incurred and leases and executory contracts assumed or entered into by the Debtor during the pendency of the Chapter 11 Case. The foregoing types of Claims, costs, expenses, fees, and such other Claims that may arise in a liquidation case would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay prepetition priority and unsecured Claims, or available for distribution to the holders of Interests.

A Chapter 7 liquidation would likely result (i) in the incurrence of increased costs and expenses arising from fees payable to a trustee in bankruptcy and professional advisors to such trustee, (ii) in an erosion of asset values in the context of forced sales, and (iii) in the substantial increase in Claims that would have to be satisfied on a priority basis or on parity with creditors in the Chapter 11 Case.

The Debtor's Liquidation Analysis is attached hereto as **Exhibit F**. It assumes that in any chapter 7 liquidation the Trustee would be unable to convey the business as a going concern, because it would be unable to assume and assign the existing operational contracts (specifically with US Venture and Nacelle) that are essential to the operation of the business, such that the Debtor would realize only on the relatively small amount of equipment it owns. In this case, because the aggregate Claims of the secured creditors exceed very substantially the likely liquidation value of the Debtor's assets, and remaining creditors would likely receive nothing (or less than provided by the Plan), the Debtor believes that all creditors are receiving amounts under the Plan that are more than the distributions they would obtain in a Chapter 7 case. Under these circumstances, the best interests test clearly is satisfied.

G. Feasibility of the Plan

In connection with confirmation of the Plan, the Bankruptcy Court will have to determine that the Plan is feasible pursuant to section 1129(a)(11) of the Bankruptcy Code, which requires that the confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor, unless such liquidation or reorganization is contemplated in the Plan. Here, the Plan contemplates that continued operations of the Debtor's related entities and revenues from such operations, as well as new capital to be contributed by interest holders, will generate the funds needed to implement the Plan.

The Debtor's forecast of annual revenues, expenses and income, attached hereto as **Exhibit D** shows that Debtor's revenues from operations are sufficient to support the payments contemplated by the Plan.

All assets of the bankruptcy estate shall re-vest in the Debtor upon the Effective Date.

H. Alternatives to the Plan

The Debtor has determined that the Plan is the best path forward for a successful and timely conclusion to this Chapter 11 case. There are, however, potential alternatives to the Plan that include (i) continuation of the Chapter 11 Case, which could lead to the filing of one or more alternative plans of reorganization, whether by the Debtor or other parties in interest, or (ii) liquidation of the Debtor's assets under Chapter 7 of the Bankruptcy Code.

1. **Continuation of the Chapter 11 Case**. If the Plan is not confirmed, the Debtor (or, if the Debtor's exclusive period in which to file a plan of reorganization has expired or is terminated with regard to any other party in interest, such other party in interest) could attempt to formulate a different plan. Such a plan might involve either a reorganization and continuation of the Debtor's business, a sale, or an orderly liquidation of its assets on terms and conditions less favorable to creditors than the Debtor's Plan.

2. **Liquidation under Chapter 7 of the Bankruptcy Code.** If no plan can be confirmed, this case may be converted to a case under Chapter 7 of the Bankruptcy Code in which a trustee would be elected or appointed to liquidate the assets of the Debtor for distribution to its creditors in accordance with the priorities established by the Bankruptcy Code. A Chapter 7 trustee, who is likely to lack the depth of knowledge of the Debtor's financial situation, would be required to invest substantial time and resources to become familiar with this case and investigate the facts underlying the claims filed against the Debtor's estates. As discussed herein, and as will be demonstrated in connection with confirmation of the Plan, the Debtor believes that liquidation under Chapter 7 would not likely produce greater value to stakeholders than those provided for in the Plan because of, among other things, the limited market for the Debtor's assets and the delay resulting from the conversion of the Chapter 11 Case to a case under Chapter 7, the uncertainty that any purchaser could continue to use the services and equipment provided by Nacelle (at a minimum without taking an assignment of the Nacelle Service Contract, which would require the payment to Nacelle of approximately $1.7 million to cure prepetition arrearages), the additional administrative expenses associated with the appointment of a Chapter 7 trustee, including associated professionals' fees, and the loss in value attributable to a liquidation of the Debtor's assets as required by Chapter 7. Further, as stated above, the Debtor believes that in any liquidation under Chapter 7 there will be no recoveries for any stakeholders other than the Secured Creditors.

VI. EFFECT OF CONFIRMATION OF PLAN

A. Release and Discharge of Debtor

Upon the Effective Date and in consideration of the distributions to be made hereunder, except as otherwise expressly provided herein, the Plan provides that each holder (as well as any representatives, trustees, or agents on behalf of each holder) of a Claim or Interest and any affiliate of such holder shall be deemed to have forever waived, released, and discharged the Debtor, to the fullest extent permitted by section 1141 of the Bankruptcy Code, of and from any and all Claims, Interests, rights, and liabilities that arose prior to the Effective Date. Upon the Effective Date, all such Persons shall be forever precluded and enjoined, pursuant to section 524 of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim against or Interest in the Debtor.

B. Exculpation

The Plan provides that upon the Effective Date, the Debtor, its agents, managers, financial advisors, attorneys, accountants, and other professionals, to the maximum extent permitted by applicable law, are released and exculpated from, any Claim, Interest, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, loss, remedy, or liability for any claim arising on or after the Petition Date in connection with or arising out of the administration of this Chapter 11 Case, including, but not limited to, the solicitation of votes for, or confirmation of, the Plan; the funding of the Plan; and other actions taken in furtherance of the Plan from the Petition Date through the Effective Date. The exculpation does not cover claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted gross negligence, actual fraud or willful misconduct, or to any post-Effective Date obligations of the Reorganized Debtor.

C. Injunction

The Plan also provides that, commencing on the Effective Date, except as expressly provided otherwise in the Plan, the holders of all Claims shall be enjoined from asserting against the Debtor and Reorganized Debtor, or its assets and property, any other or further liabilities, liens, obligations or claims, including, but not limited to, all principal and accrued and unpaid interest on the debts of the Debtor, based on any act or omission, transaction, or other activity or security interest, or other agreement of any kind or nature of agreement occurring, arising or existing prior to the Confirmation Date that was or could have been the subject of any claim, whether or not allowed. All legal or other proceedings or actions seeking to establish or enforce liabilities, liens, claims, or obligations of any nature against the Debtor or assets or properties received or retained by the

Reorganized Debtor with respect to debts and obligations, if any, of the estate, arising before the Confirmation Date, shall be permanently stayed and enjoined, except as may otherwise be specifically provided for in this Plan.

D. Binding Effect

The provisions of the Plan, the Confirmation Order, and any associated findings of fact or conclusions of law shall bind the Debtor, any entity acquiring property under the Plan, and any Creditor of the Debtor, whether or not the Claim of such Creditor is Impaired under the Plan and whether or not such Creditor has accepted the Plan.

E. Vesting of Property

Upon the occurrence of the Effective Date subsequent to Confirmation of the Plan all of the estate's property vests in the reorganized Debtor.

F. Preservation of Causes of Action / Reservation of Rights

Nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or the relinquishment of any rights or Causes of Action that the Debtor or the Reorganized Debtor may have or which the Reorganized Debtor may choose to assert on behalf of its estate under any provision of the Bankruptcy Code or any applicable non-bankruptcy law, including, without limitation, (i) any and all Claims against any Person or Entity, to the extent such Person or Entity asserts a crossclaim, counterclaim, and/or Claim for setoff which seeks affirmative relief against the Debtor, the Reorganized Debtor, its officers, directors, or representatives, (ii) the turnover of any property of the Debtor's estate, and (iii) causes of action against current or former directors, officers, professionals, agents, financial advisors, underwriters, lenders, or auditors relating to acts or omissions occurring prior to the Petition Date.

Nothing contained in the Plan or the confirmation order shall be deemed to be a waiver or relinquishment of any cause of action, right of setoff, or other legal or equitable defense which the Debtor had immediately prior to the Petition Date, against or with respect to any claims left unimpaired by the Plan. The Debtor shall have, retain, reserve, and be entitled to assert all such claims, causes of action, rights of setoff, and other legal or equitable defenses which they had immediately prior to the Petition Date fully as if the Chapter 11 Case had not been commenced.

VII. MODIFICATION OF THE PLAN

The Debtor reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, in its sole discretion, to amend or modify the Plan at any time prior to the entry of the Confirmation Order. Upon entry of the Confirmation Order, the Debtor may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan. A Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim of such Holder and the votes of each Class for or against the Plan shall be counted and used in connection with the modified plan of reorganization. The Debtor reserves the right to amend any exhibits or schedules to the Plan, whereupon each such amended exhibit or schedule shall be deemed substituted for the original of such exhibit.

The Debtor also reserves the absolute right, in its sole discretion, to withdraw this Plan at any time prior to the entry of the Confirmation Order by the Bankruptcy Court. Such withdrawal may be effectuated by filing a notice of withdrawal with the Bankruptcy Court and serving such notice on all parties entitled to notice under the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules of the Bankruptcy Court. In the event of such withdrawal, the Plan shall be deemed null and void in its entirety and of no force or effect, and nothing contained therein shall be deemed to constitute a waiver or release of any Claims by or against the Debtor or any other Person or Entity, or to prejudice in any manner the rights of the Debtor or any other Person or Entity in any further proceedings involving the Debtor. The withdrawal of the Plan shall not prejudice the Debtor's right to file a subsequent plan of reorganization or liquidation, nor shall such withdrawal constitute a waiver of any rights, claims, or defenses of the Debtor.

After the Confirmation Date, the Debtor may, under section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies within or among the Plan, the Disclosure Statement, and the Confirmation Order, and to accomplish such matters as may be reasonably necessary to carry out the purposes and intent hereof. A Holder of a Claim or Equity Interest that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment, modification or remedy does not materially and adversely affect the treatment of the Claim or Equity Interest of such Holder hereunder.

VIII. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The Debtor has not sought or obtained rulings from the Internal Revenue Service or any state or local taxing authority with respect to the tax consequences, if any, of the Plan and the transactions contemplated under either of the foregoing. CREDITORS AND EQUITY HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES TO THEM UNDER FEDERAL AND APPLICABLE STATE AND LOCAL TAX LAWS OF THE CONSUMMATION OF THE PLAN.

IX. CERTAIN FACTORS TO BE CONSIDERED

PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, ALL HOLDERS OF ELIGIBLE CLAIMS AND ELIGIBLE EQUITY INTERESTS SHOULD READ AND CAREFULLY CONSIDER THE FACTORS SET FORTH BELOW, AS WELL AS ALL OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT. THESE FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION. ADDITIONAL RISKS AND UNCERTAINTIES NOT PRESENTLY KNOWN TO THE DEBTOR OR THAT IT CURRENTLY DEEMS IMMATERIAL MAY ALSO HARM ITS BUSINESS.

X. RISK FACTORS

Prior to voting on the Plan, each holder of a Claim entitled to vote should carefully consider the risk factors described below, as well as all of the information contained in this Disclosure Statement, including the Exhibits hereto. These risk factors should not, however, be regarded as constituting the only risks involved in connection with the Plan in its implementation. *See* Section VIII for a discussion of certain tax considerations in connection with the Plan.

<u>Risk of Non-Confirmation of the Plan</u>

Even though all Classes are deemed to have accepted the Plan, the Plan may still not be confirmed by the Bankruptcy Court. Section 1129 of the Bankruptcy Code, which sets forth the requirements for Confirmation, requires, among other things: (a) that Confirmation not be followed by a need for further reorganization or liquidation (*i.e.*, that the plan is "feasible"); and (b) that the Plan and the Debtor otherwise comply with the applicable provisions of the Bankruptcy Code. Although the Debtor believes that the Plan will meet all of the applicable requirements, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

<u>Conditions Precedent to the Effectiveness of the Plan</u>

Even if confirmed, the Plan may still not become effective if the conditions to effectiveness of the Plan are not satisfied, or are not duly waived in accordance with the Plan. See the Plan for a description of the conditions to the effectiveness of the Plan.

XI. GENERAL PROVISIONS

A. Definitions and Rules of Construction

The definitions and rules of construction stated in sections 101 and 102 of the

Bankruptcy Code apply when terms defined or construed in the Bankruptcy Code are used in the Plan.

B. Captions and Headings

The article and section headings used in the Plan are for convenience and reference only, and they do not constitute a part of the Plan or in any manner affect the terms, provisions, or interpretations of the Plan.

C. Corporate Governance

The Debtor will reorganize and continue to operate pursuant to the respective pre-bankruptcy operating agreements or other corporate documents governing such operations, including the Operating Agreement of Door County Environmental Energy, LLC dated January 28, 2022 ("**DCEE Operating Agreement**"). Each of the members shall retain their membership interests and it is expected that Lenzendorf will continue to manage the day-to-day operations of DCEE as he has since the inception of DCEE

D. Severability

Should any term or provision in the Plan be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any other term or provision of the Plan; provided, however, that this provision shall not be applied or interpreted so as to defeat the primary purpose of the Plan, which is to restructure the Debtor's obligations to its Creditors according to the treatment afforded to their Claims under the Plan.

E. Governing Law

Except to the extent that the Bankruptcy Code or other provisions of federal law are applicable, the rights and obligations arising under the Plan in any documents, agreements, and instruments executed in connection with the Plan (except to the extent such documents, agreements and instruments designate otherwise) shall be governed by, and construed and enforced in accordance with, the laws of the State of Wisconsin.

F. Successors and Assigns

The rights and obligations of any entity named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of such entity.

(*Signatures appear on the following page.*)

Dated this 22nd day of August, 2025.

RICHMAN & RICHMAN LLC
Attorneys for Debtor
Door County Environmental Energy LLC

/s/ Michael P. Richman

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EXHIBIT A

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WISCONSIN

In re:

Case No. 24-26772-beh

Door County Environmental Energy LLC,

Chapter 11

Debtor.

THIRD AMENDED CHAPTER 11 PLAN OF REORGANIZATION OF DOOR COUNTY ENVIRONMENTAL ENERGY LLC DATED AUGUST 22, 2025

Door County Environmental Energy LLC, the debtor herein ("**DCEE**" or "**Debtor**"), pursuant to 11 U.S.C. § 1121, hereby sets forth the following as its proposed third amended plan of reorganization (the "**Plan**").

ARTICLE 1
DEFINITIONS

For purposes of this Plan, the following terms shall have the respective meanings set forth below:

1.1. "**Administrative Expense Claim**" means a Claim for compensation, charges and/or expenses under Section 503(b) of the Code that is entitled to priority in payment pursuant to Section 507(a)(1) of the Code.

1.2. "**Allowed Claim**" means a claim which is filed timely pursuant to Section 501 of the Bankruptcy Code and/or which is allowed pursuant to Section 502 of the Bankruptcy Code.

1.3. "**Avoidance Actions**" shall mean any claims or causes of action of the Debtor's estate commenced, or that may be commenced, before or after the Effective Date pursuant to Chapter 5 of the Bankruptcy Code, including Sections 544, 545, 547, 548, 549, 550, 551, or 553.

1.4. "**Ballot**" means the form(s) distributed to holders of impaired Claims on which the acceptance or rejection of the Plan is to be indicated.

1.5. "**Bankruptcy Code**" or "**Code**" means Title 11 of the United States Code as it exists, or as may be hereafter amended.

1.6. “**Bankruptcy Rules**” means the Federal Rules of Bankruptcy Procedure which have been promulgated and made effective as of August 1, 1983, together with any amendments and modifications thereto.

1.7. “**Bar Date**” means April 15, 2025.

1.8. “**Business Day**” means any day other than a Saturday, Sunday or a "legal holiday," as defined in Bankruptcy Rule 9006(a).

1.9. “**Case**” means *In re Door County Environmental Energy LLC,* Chapter 11 Case No. 24-26772-beh, captioned above.

1.10. “**Claim**” has the meaning set forth in Section 101(5) of the Bankruptcy Code.

1.11. “**Claimant**” means the holder of a claim.

1.12. “**Class**” means a category of holders of claims or interests which are substantially similar to other claims or interests in such class and which category has been segregated for treatment as part of this Plan pursuant to Section 1222(b) of the Bankruptcy Code.

1.13. “**Confirmation Date**” means the date on which the Confirmation Order is entered by the Court.

1.14. “**Confirmation Order**” means the order of the Court confirming this Plan.

1.15. “**Counterparty**” means a person or entity that is party to an Executory Contract to which the Debtor is also a party.

1.16. “**Court**” means (a) the United States Bankruptcy Court for the Eastern District of Wisconsin (the “**Bankruptcy Court**”), in which the Debtor’s chapter 11 case is pending pursuant to a referral of jurisdiction by the United States District Court for the Eastern District of Wisconsin, (b) any court having competent jurisdiction to enter Final Orders or judgments, conduct *de novo* review of issues and withdraw any portion of the above-captioned proceeding from the Bankruptcy Court, and (c) any court having competent jurisdiction to hear appeals or *certiorari* proceedings from any of the foregoing.

1.17. “**Creditor**” means any person or its assignee that holds a claim against the Debtor for unsecured debts, liabilities, demands, or claims of any character whatsoever, including any under-secured creditors.

1.18. “**Debt**” means liability on a claim.

1.19. “**Debtor**” means Door County Environmental Energy LLC, the Debtor in this Chapter 11 case.

1.20. “**Discharge**” means an order of the Court pursuant to 11 U.S.C. § 1141(d).

1.21. “**Disclosure Statement**” means the disclosure statement relating to the Plan, including, all schedules, supplements, and exhibits thereto, as approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code.

1.22. “**Disclosure Statement Order**” means a Final Order finding that the Disclosure Statement contains adequate information pursuant to Section 1125 of the Bankruptcy Code.

1.23. “**Effective Date**” means the day that is thirty (30) days after the Confirmation Order is entered, however, if the 30th day is a Saturday, Sunday, or legal holiday, then the effective date shall be the next day that is not a Saturday, Sunday, or legal holiday.

1.24. “**Executory Contracts**” has the meaning given in Section 365 of the Code and includes unexpired leases.

1.25. “**Final Order**” means an order or judgment of the Court that has not been stayed and that is no longer subject to appeal, *de novo* review or *certiorari* proceeding, and as to which no appeal, *de novo* review or *certiorari* proceeding is pending.

1.26. “**Impaired**” means, with respect to a Claim or Class of Claims, “impaired” within the meaning of Section 1124 of the Bankruptcy Code.

1.27. “**Lender**” means German American State Bank (“**GAB**”).

1.28. “**Lien**” means a charge against or interest in property to secure payment of a debt or performance of an obligation.

1.29. “**Petition Date**” means April 9, 2024, the date on which the voluntary petition was filed by the Debtor commencing this Case, resulting in the entry of an order for relief.

1.30. “**Plan**” or “**Plan of Reorganization**” means this Plan, all addenda, exhibits, schedules, releases or other attachments hereto, and shall include any subsequent amendments or modifications of this Plan filed either before or after the Confirmation Date.

1.31. “**Priority Claim**” means a Claim, other than an Administrative Expense Claim, entitled to priority under Section 507 of the Code.

1.32. “**Pro Rata**” means the same proportion that an Allowed Claim in a particular class bears to the aggregate amount of all Allowed Claims in such class.

1.33. “**Reorganized Debtor**” means the Debtor, as reorganized, pursuant to and under the Plan, on and after the Effective Date.

1.34. “**Secured Claim**” means a Claim that is secured by a Lien on property in which the Debtor has an interest or an entity in which Debtor is a member has an interest.

1.35. “**Unimpaired**” means, with respect to a Claim or Class of Claims, not “impaired” within the meaning of Section 1124 of the Bankruptcy Code.

1.36. “**Unsecured Claim**” means a Claim that is not secured by a Lien on property in which the Debtor or an entity in which Debtor is a member has an interest.

1.37. Terms not defined in this Plan that are defined in the Code shall have the meanings stated in the Code.

ARTICLE 2
CLASSIFICATION OF CLAIMS AND INTERESTS

The Debtor’s Plan provides for payment of all Allowed Claims that are also Secured Claims, to the extent they are allowed, and Priority Claims, and a distribution to all Allowed Claims that are Unsecured Claims. The amortization on these obligations has generally been extended to provide adequate cash flow and to service debt. The classes of claims designated and treated under the Plan for Allowed Claims are as follows:

2.1 **CLASS 1** – Secured Claim of German American State Bank (“**GAB**”).

2.2 **CLASS 2** – Secured Claim of U.S. Venture, Inc. (“**US Venture**”).

2.3 **CLASS 3** – General Unsecured Claims

2.4 **CLASS 4** – Equity Interests of the Debtor

ARTICLE 3
TREATMENT OF CLAIMS AND INTERESTS

3.1 **Administrative Expense Claims.** Administrative Expense Claims include all costs and expenses of the administration of the Debtor's case allowed under Section 503(b) of the Bankruptcy Code and entitled to priority under Section 507(a)(1) thereof. The Plan provides for payment in full of all allowed administrative expenses on the effective date of the Plan, unless other treatment is specifically set forth in the Plan. Administrative Expense Claims include fees of professionals employed by the Debtor, including attorneys, appraisers, and accountants, and quarterly UST fees (discussed under Statutory Fees below). The Debtor estimates that at the Effective Date of Plan Confirmation, there will be approximately $250,000 in unpaid administrative expense claims comprising professional fees, as well as the contract assumption cure amounts set forth in Article 4 below, that will need to be made.

Statutory Fees. On or before the Effective Date, cash shall be disbursed on account of fees payable under 28 U.S.C. § 1930 in an amount equal to the amount of any such fees. Notwithstanding any other provisions in this Plan to the contrary, the Debtor shall remain obligated to pay fees pursuant to 28 U.S.C. § 1930 until such time as the case is closed, dismissed, or converted to a case under chapter 7 of the Bankruptcy Code.

3.2 **CLASS 1 – Secured Claim of GAB.** GAB's aggregate claim amount based upon the Debtor's prepetition indebtedness to it is $4,191,465.20 (the "**POC Amount**"), plus $75,000 in attorneys' fees (the "**GAB Attorneys' Fees**") *plus* post-petition interest through the Effective Date on the POC Amount at a per annum rate equal to 7% (the "**Post-Petition Interest**"; the POC Amount plus the GAB Attorneys' Fees plus the Post-Petition Interest is referred to herein as, the "**GAB Claim**"). The GAB Claim shall be allowed as a secured claim, and shall be paid in full over five (5) years (60 months), with a per annum interest rate of 7%. Payments of approximately $85,000 (the exact amount to be determined as of the Effective Date by amortizing the GAB Claim over 60 months with a per annum interest rate of 7% as set forth above) shall be made by DCEE monthly, with the first payment due on the first day of the month that begins after the Effective Date. DCEE shall keep one month's payment on reserve with GAB until the GAB Claim is paid in full, and GAB shall retain the liens securing the GAB Claim until such time as the GAB Claim has been paid in full pursuant to the terms of this Plan, at which time GAB shall execute documents reasonably necessary to release all liens or security interests in any and all property securing the GAB Claim.

3.3 **CLASS 2 – Secured Claim of US Venture.** Pursuant to Section 1124(2) of the Bankruptcy Code, the Secured Claim of US Venture is reinstated according to the terms of its APA and the US Venture Note (as defined in the Third Amended Disclosure Statement of August 1, 2025). Accordingly, the secured claim of US Venture in the amount of approximately $5.1 million is unimpaired, the provisions, including the payment schedules and maturity with respect to such Claim are reinstated, and US Venture shall continue to be treated as subordinated to the GAB Claim with respect to the same collateral that secures the GAB Claim. Because Bankruptcy Code § 1124(2) provides that this claim is unimpaired, it is deemed to have voted to accept the Plan.

3.4 **CLASS 3 – General Unsecured Claims.** Class 3 consists of the general unsecured claims of Nacelle Logistics, LLC and Nacelle Biogas Equipment Funding 2019, LLC (collectively, "**Nacelle**") in the amount of approximately $1.7 million; and Foxland Incorporated ("**Foxland**"), in the amount of approximately $500,000, and trade debt of approximately $100,000 (**or** approximately $2.3 million in the aggregate). These Claims are unimpaired and deemed to vote to accept the Plan. These Claims shall be paid a 100% dividend, on a pro rata basis, with a per annum interest rate of 7.5%, in monthly payments in the aggregate estimated amount of $68,433.80, over three (3) years, with the first payment due on the first day of the month that begins after the Effective Date, and each monthly payment due on the first day of the same month thereafter, until paid in full.

3.5 **CLASS 4 – Equity Interests of the Debtor.** All equity interest holders of the Debtor shall retain their equity interests, or receive new equity interests in the reorganized Debtor equivalent to the interests they held in the Debtor at the Petition Date, and are unimpaired.

ARTICLE 4
EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Any and all executory contracts or unexpired leases to which the Debtor was a party as of the Petition Date shall be deemed rejected as of the Effective Date, ***except*** with respect to any contracts assumed with Court authority during the pendency of this chapter 11 case, as well as the following parties' contracts:

4.1 **CI Score Solutions.** The Debtor requests authority to assume the verbal month-to-month consulting contract with CI Score Solutions to ensure compliance with EPA and California Air Resource Board. No amount is required to cure any outstanding defaults under the consulting contract.

4.2 **Nacelle**. The Debtor requests authority to reject the Master Services Agreement ("**MSA**") and the Statement of Work No. 1 ("**SOW**") (together, the "**Service Contract**") between Nacelle and the Debtor within one year of the Effective Date, in conjunction with the Debtor's transition of the work to a new company.

4.3 **S&S JerseyLand Dairy, LLC.** The Debtor requests authority to assume the Feedstock Purchase and Sale Agreement with S&S Jerseyland Dairy, LLC. No amount is required to cure any outstanding defaults under the Feedstock Purchase and Sale Agreement.

4.4 **US Venture.** The Debtor requests authority to assume its Trailer Lease and Trucking Service Agreement with US Venture. No amount is required to cure any outstanding defaults under the Trailer Lease and Trucking Service Agreement.

4.5 **Wisconsin Public Service Corporation** ("**WPS**"). The Debtor requests authority to assume the Interconnect Agreement Between [DCEE] and Wisconsin Public Service Corporation for the installment and use of an on-site injection point for the transmission of the Debtor's natural gas product into the international pipeline. No amount is required to cure any outstanding defaults under the contract.

4.6 **WPS**. The Debtor requests authority to assume the Natural Gas Purchase Agreement between Debtor and WPS. No amount is required to cure any outstanding defaults under the contract.

4.7 **US Venture.** The Debtor requests authority to assume the Renewable Natural Gas Purchase and Sale Agreement between US Venture and DCEE. No amount is required to cure any outstanding defaults under the contract.

ARTICLE 5
IMPLEMENTATION OF THE PLAN

5.1 To effectuate the proposed Plan, the Debtor shall continue its operations. The Debtor will utilize income from its operations, and cash on hand on the Effective Date to fund the proposed Plan.

5.2 The Debtor shall retain all property of the estate, with no transfer of estate property being anticipated at this time except as may be particularly set forth herein. The Debtor reserves its right to sell or transfer any of its property, with the proceeds to be distributed to lien holders according to their priorities.

5.3 Interest on all Allowed Secured Claims as provided in the Plan shall commence upon the Effective Date of the Plan, or as otherwise expressly set forth herein.

5.4 The Debtor may prepay any amount to any Class at any time without penalty.

5.5 No distributions of under $5.00 shall be made by the Debtor, and no payments shall be made on claims under that amount. Any distribution checks which have not been negotiated and cleared six months after their distribution may be cancelled by the Debtor without further liability for that distribution.

5.6 Unless otherwise agreed by the Debtor, all distributions shall be mailed to creditors at the addresses shown on the Debtor's schedules, except those creditors who have filed a Proof of Claim or notice of appearance in this action shall have their distribution checks sent to the address shown on the Proof of Claim if available, and if not, to the address for the notice of appearance. Any creditor may change the address for mailing of the distribution check by written notice to counsel for the Debtor. Any distribution checks properly sent to such addresses which are returned shall become the property of the Debtor without further liability for such distributions.

5.7 Confirmation of this Plan shall not preclude or estop the Debtor from pursing any claims of the estate, including any Avoidance Actions, if any, nor any other clams against any of the Debtor's creditors for offset, except as may be expressly set forth herein.

5.8 The Reorganized Debtor. The Debtor shall emerge from Bankruptcy as the Reorganized Debtor with all of the rights, powers, duties and obligations set forth below.

a) **Vesting of all Property**. Except as expressly provided in this Plan, on the Effective Date, all assets of the Debtor's Bankruptcy Estate shall vest in the Reorganized Debtor.

b) **Governance, Powers and Duties.** On and after the Effective Date, the Reorganized Debtor may operate its businesses and may use, acquire and dispose of property free of any restrictions of the Bankruptcy Code and the Court. The Reorganized Debtor shall also have the powers, duties and obligations set forth in this Plan. On and after the Effective Date, all actions required of the Debtor shall be taken by the Reorganized Debtor, or its designee, in the name of and on behalf of the Debtor and its bankruptcy estate. The Reorganized Debtor shall be authorized to execute documents on behalf of the Debtor and its bankruptcy estate. The duties, responsibilities and obligations of the Reorganized Debtor include, but are not limited to, all matters for which the Court is retaining jurisdiction, including the following:

- Making distributions under the Plan;
- Preparation and filing of tax returns, on behalf of the Debtor, its bankruptcy estate, including the right to request a determination of tax liability as set forth in Section 505 of the Bankruptcy Code;
- Requesting and receiving of W-9 federal tax forms for any party who is entitled to receive a distribution on account of a Claim or Interest;
- Prosecution and resolution of causes of action, if any, including any Avoidance Actions;
- Claims objections and reconciliation;
- Payment of any post-confirmation fees due to the Office of the United States Trustee; and
- The compromise and settlement of Claims, causes of action, and other proceedings and matters.

c) **Attorney Client Privilege to Extend to Reorganized Debtor.** The Reorganized Debtor shall stand in the same position as the Debtor with respect to any rights the Debtor may have to an attorney-client privilege, the work product doctrine, or any other privilege against production, and the Reorganized Debtor shall succeed to all of the Debtor's rights to preserve, assert or waive any such privilege.

d) **Retention of Professionals.** The Reorganized Debtor may retain such attorneys (including special counsel), accountants, advisors, expert witnesses, and other professionals as they shall consider advisable without necessity of approval of the Court. Persons who served as professionals to the Debtor prior to the Effective Date may serve as professionals to the Reorganized Debtor. The fees and expenses of the Reorganized Debtor and professionals retained by them shall be paid by the Reorganized Debtor in the ordinary course of business and without Court review or approval.

e) **Causes of Action Retained and Preserved.** All causes of action that are not otherwise compromised, settled, released or waived pursuant to the terms of this Plan shall be retained by the Reorganized Debtor and preserved. Except as otherwise expressly provided in the Plan, the Reorganized Debtor retains all rights, claims, defenses, setoffs, recoupment and causes of action the Debtor or its estate may have against any third parties, and may pursue and/or enforce such retained rights, claims, defenses or causes of action in accordance with applicable non-bankruptcy law.

f) **Capital Gains Taxes.** Any taxes payable on capital gains realized by the Debtor as a result of the disposition of certain assets under the Plan, or by any person or entity contributing assets to the Debtor under the Plan, shall be paid when and as they become due.

g) **Bar Date and Resolution of Claims.** All holders of contested claims, including unpaid Administrative Claims and professional fees, must file with the Court their final applications for allowance of compensation for services rendered and reimbursement of expenses incurred through the Confirmation Date within thirty (30) days after the Confirmation Date and in accordance with the substantive and procedural requirements in the Bankruptcy Code. The Reorganized Debtor shall be responsible for the resolution of Claims, and shall have standing to object to the allowance of any Claim and to assert and prosecute any counterclaim relative thereto (without prejudice to any right of any other party in interest to do so under applicable law). All such objections and counterclaims shall be filed within twenty-one (21) days after the filing of the claim, or within such further time as may be fixed by the Court.

h) **Unresolved Claims.** If on a date on which payments are made on account of the Allowed Claims of a given class, there exist any Unresolved Claims in such class, the amount of cash distributed to holders of Allowed Claims in that class shall be determined as if all Unresolved Claims were Allowed Claims in the full amount claimed by the holders thereof (or in such lesser amount as the Court determines by Final Order) and the Reorganized Debtor shall, in such circumstances, hold in a separate reserve account the cash that would have been distributed to the holders of the Unresolved Claims for such class if the full amount of their Claims, or such lesser amount as the Court determines, were Allowed Claims on such distribution date. Interest earned on cash in the reserve account shall likewise be added to the balance of the reserve account, which shall be shared pro rata among the Claims of such class in accordance with the terms of this Plan. To the extent that an Unresolved Claim becomes an Allowed Claim after payments are made on account of Allowed Claims in such class, the Reorganized Debtor shall, as soon as practicable thereafter, distribute to the holder of the newly Allowed Claim the amount of cash that such holder would have received to date had its Claim been an Allowed Claim as of the Effective Date. To the extent that all or a portion of any Unresolved Claims are disallowed, as part of the next distribution, the Reorganized Debtor shall distribute to each holder of an Allowed Claim, and reserve for each remaining Unresolved Claims in the same class as such disallowed Claims, a pro rata share of the amount held in reserve for the disallowed portion of the Unresolved Claims.

ARTICLE 6
CONFIRMATION REQUIREMENTS AND PROCEDURES

6.1 **Acceptance of the Plan.** The Bankruptcy Court will confirm the Plan only if all of the requirements of Section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation are that the Plan is accepted by all impaired classes of Claims and Interests entitled to vote for or against the Plan or, if rejected by an impaired class, that the Plan is accepted by at least one impaired class.

IF ALL OTHER CONFIRMATION REQUIREMENTS ARE SATISFIED AT THE CONFIRMATION HEARING, OTHER THAN THE ACCEPTANCE OF ALL IMPAIRED CLASSES, THE PLAN PROPONENTS WILL ASK THE BANKRUPTCY COURT TO RULE THAT THE PLAN MAY BE CONFIRMED ON THE GROUND THAT THE SECTION 1129(b) "CRAMDOWN" REQUIREMENTS HAVE BEEN SATISFIED.

ARTICLE 7
CONDITIONS PRECEDENT TO EFFECTIVENESS OF PLAN

7.1 **Conditions to Confirmation**. The Plan shall not be confirmed unless and until each of the following conditions have occurred or have been waived in writing by the Debtor:

A. The Disclosure Statement Order has been entered by the Bankruptcy Court; and

B. The Bankruptcy Court enters the Confirmation Order in form and substance acceptable to the Debtor.

7.2 **Withdrawal Right**. Notwithstanding anything contained in this Plan to the contrary, the Debtor reserves the absolute right, in its sole discretion, to withdraw this Plan at any time prior to the entry of the Confirmation Order by the Bankruptcy Court. Such withdrawal may be effectuated by filing a notice of withdrawal with the Bankruptcy Court and serving such notice on all parties entitled to notice under the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules of the Bankruptcy Court.

Effect of Withdrawal. In the event of such withdrawal, this Plan shall be deemed null and void in its entirety and of no force or effect, and nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtor or any other Person or Entity, or to prejudice in any manner the rights of the Debtor or any other Person or Entity in any further proceedings involving the Debtor.

No Prejudice. The withdrawal of this Plan shall not prejudice the Debtor's right to file a subsequent plan of reorganization or liquidation, nor shall such withdrawal constitute a waiver of any rights, claims, or defenses of the Debtor.

7.3 **Conditions to Effective Date**.

A. The Debtor must have cash from all available sources sufficient to make all payments required to be made on the Effective Date, unless the recipients of any payment required under the Plan agree in writing to receive a deferred payment.

B. In the event the Court does not extend the time for the Debtor to reject the Nacelle Service Contract to one year following the Effective Date, then it is a condition to the Effective Date that the Nacelle Service Contract must have been rejected pursuant to a motion to be filed by the Debtor under Bankruptcy Code § 365, and court order entered in connection therewith.

ARTICLE 8
EFFECT OF CONFIRMATION OF PLAN

8.1 **Release and Discharge of Debtor.** Except as may otherwise expressly provided in this Plan, the confirmation of this Plan (subject to the occurrence of the Effective Date) will discharge the Debtor from any Claim that arose before the Confirmation Date and any Claim of the kind specified in 11 U.S.C. §§ 502(g), 502(h), or 502(i), whether or not a Proof of Claim is filed or deemed filed, whether or not such Claim is Allowed, and whether or not the Holder of such Claim has voted on this Plan.

a. **Exculpation**. The Debtor, its agents, managers, financial advisors, attorneys, accountants, and other professionals, to the maximum extent permitted by applicable law, are released and exculpated from, any Claim, Interest, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, loss, remedy, or liability for any claim in connection with or arising out of the administration of this Chapter 11 Case from the Petition Date, including, but not limited to, the solicitation of votes for, or confirmation of, the Plan; the funding of the Plan; and other actions taken in furtherance of the Plan up to the Effective Date. The exculpation does not cover claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted gross negligence, actual fraud or willful misconduct, or to any post-Effective Date obligations of the Reorganized Debtor.

b. **Injunction.** Commencing on the Effective Date, except as expressly provided otherwise in this Plan, the holders of all Claims shall be enjoined from asserting against the Debtor and Reorganized Debtor, or its assets and property, any other or further liabilities, liens, obligations or claims, including, but not limited to, all principal and accrued and unpaid interest on the debts of the Debtor, based on any act or omission, transaction, or other activity or security interest, or other agreement of any kind or nature of agreement occurring, arising or existing prior to the Confirmation Date that was or could have been the subject of any claim, whether or not allowed. All legal or other proceedings or actions seeking to establish or enforce liabilities, liens, claims, or obligations of any nature against the Debtor or assets or properties received or retained by the Reorganized Debtor with respect to debts and obligations, if any, of the estate, arising before the Confirmation Date, shall be permanently stayed and enjoined, except as may otherwise be specifically provided for in this Plan.

8.2 **Binding Effect.** The provisions of the Plan, the Confirmation Order, and any associated findings of fact or conclusions of law shall bind the Debtor, any entity acquiring property under the Plans, and any Creditor of the Debtor, whether or not the Claim of such Creditor is Impaired under the Plan and whether or not such Creditor has accepted the Plan.

8.3 **Closing the Bankruptcy Case.** Upon substantial consummation of the Plan, the Debtor may apply for an order closing the case.

8.4 **Reopening of the Bankruptcy Case.** The case may be reopened to administer assets, to grant the Reorganized Debtor other relief, including but not limited to, a discharge, to seek conversion or dismissal upon occurrence of a subsequent material default under the Plan, to hear and resolve any matter or proceeding over which the Court has retained jurisdiction, or for other cause.

ARTICLE 9
MODIFICATION OF THE PLAN

The Debtor reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, in its sole discretion, to amend or modify the Plan at any time prior to the entry of the Confirmation Order. Upon entry of the Confirmation Order, the Debtor may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with Section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan. A Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the

Claim of such Holder and the votes of each Class for or against the Plan shall be counted and used in connection with the modified plan of reorganization. The Debtor reserves the right to amend any exhibits or schedules to the Plan, whereupon each such amended exhibit or schedule shall be deemed substituted for the original of such exhibit.

After the Confirmation Date, the Debtor may, under Section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies within or among the Plan, the Disclosure Statement, and the Confirmation Order, and to accomplish such matters as may be reasonably necessary to carry out the purposes and intent hereof. A Holder of a Claim or Equity Interest that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment, modification or remedy does not materially and adversely affect the treatment of the Claim or Equity Interest of such Holder hereunder.

ARTICLE 10
CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The Debtor has not sought or obtained rulings from the Internal Revenue Service or any state or local taxing authority with respect to the tax consequences, if any, of the Plan and the transactions contemplated under either of the foregoing. **CREDITORS AND EQUITY HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES TO THEM UNDER FEDERAL AND APPLICABLE STATE AND LOCAL TAX LAWS OF THE CONSUMMATION OF THE PLAN.**

ARTICLE 11
RETENTION OF JURISDICTION BY THE COURT

After the Confirmation Date, the Court may retain jurisdiction, and if the case is closed reopen it, for the following purposes, or as otherwise permitted by law:

11.1 **Objections to Claims.** To hear and determine any objections to the allowance of Claims, and requests for the estimation or liquidation of Claims.

11.2 **Fee Applications.** To hear and determine any and all applications for compensation of professional services and disbursements.

11.3 **Avoidance Actions.** To hear and determine any Avoidance Action or other proceedings to set aside (or preserve for the benefit of the Estate) or recover any property under applicable provisions of the Bankruptcy Code or other federal or state law.

11.4 **Recover Estate Assets.** To recover all assets of the Estate, wherever and however located.

11.5 **Pending Matters.** To hear and determine any pending applications, motions, adversary proceedings, and other contested matters not resolved by the Plan.

11.6 **Modification of the Plan.** To modify the Plan to the extent permitted by the Plan and the applicable provisions of Section 1127 of the Bankruptcy Code.

11.7 **Enforcement of Payments, Rights and Interests.** To enforce the terms and provisions of payments, rights and interests required or created by the Plan.

11.8 **Executory Contracts and Unexpired Leases.** To hear and determine all Claims or controversies arising from the assumption or the rejection of any executory contracts or unexpired leases and to consummate their assumption or rejection.

ARTICLE 12
GENERAL PROVISIONS

12.1 **Definitions and Rules of Construction.** The definitions and rules of construction stated in Sections 101 and 102 of the Bankruptcy Code apply when terms defined or construed in the Bankruptcy Code are used in the Plan.

12.2 **Captions and Headings.** The article and section headings used in the Plan are for convenience and reference only, and they do not constitute a part of the Plan or in any manner affect the terms, provisions, or interpretations of the Plan.

12.3 **Severability.** Should any term or provision in the Plan be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any other term or provision of the Plan; provided, however, that this provision shall not be applied or interpreted so as to defeat the primary purpose of the Pan, which is to restructure the Debtor's obligations to its Creditors according to the treatment afforded to their Claims under the Plan.

12.4 **Governing Law.** Except to the extent that the Bankruptcy Code or other provisions of federal law are applicable, the rights and obligations arising under the Plan in any documents, agreements, and instruments executed in connection with the Plan (except to the extent such documents, agreements and instruments designate otherwise) shall be governed by, and construed and enforced in accordance with, the laws of the State of Wisconsin.

12.5 **Successors and Assigns.** The rights and obligations of any entity named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of such entity.

12.6 **Approval of Payments for Certain Services.** All payments made or to be made by the Debtor for services or for costs and expenses in connection with this case, or in connection with the Plan and incident to this case, have been approved by, or are subject to, the approval of the Court, as reasonable.

12.7 **Payment of Quarterly Fees.** All quarterly fees payable under 29 U.S.C. § 1930 shall be paid on or before the Effective Date, as required by 11 U.S.C. § 1129(a)(12). The Reorganized Debtor shall continue to file quarterly fee statements and pay quarterly fees when due until this case is converted, dismissed or closed. The Bankruptcy Court shall retain the jurisdiction necessary to enforce the provisions of this paragraph.

12.8 **No Liquidation or Further Reorganization.** Confirmation of this Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under this Plan.

12.9 **Retirement Benefits.** The Debtor has no retirement benefits which are required to be continued under 11 U.S.C. § 1129(a)(13).

ARTICLE 13
CONCLUSION

The proposed Plan set forth herein reflects the Debtor's best efforts to reorganize in an orderly fashion. The Plan attempts to provide payment to secured creditors equal to the value of their respective collateral, and attempts to provide a substantially greater dividend to unsecured creditors than they are likely to receive if the Debtor liquidated its assets.

This Plan deals fairly and equitably with all of the Debtor's Creditors, and approval of this Plan is in the best interests of the Debtor, its estate, and its Creditors.

[Signatures appear on the following page.]

Dated this 22nd day of August, 2025.

RICHMAN & RICHMAN LLC
Attorneys for Debtor
Door County Environmental Energy LLC

/s/ Michael P. Richman

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EXHIBIT B

DCEE Project Expansion Project Background and Progress

DCEE has requested and received three proposals for the expansion and installation of a second new anaerobic digester and a new biogas upgrading plant (BUP). DCEE has also established strategic partnerships with the necessary subcontractors to ensure timely installation and commissioning of the upgraded equipment. DCEE made down payments in 2024 to ensure eligibility in the Safe Harbor Program, allowing the ability to capture Investment Tax Credits that may be transferred into cash equaling 30-40% of new equipment costs. This Summary will include details and names of sub-contractors but will not include the names of the equipment suppliers to ensure confidentiality. The summary also includes a permitting matrix. DCEE contracted with American Bio Energy (ABE) to assist with procurement and coordination of subcontractors for installation. ABE has selected subcontractors who will comply with the apprenticeship and prevailing wages requirements for attaining the Inflation Reduction Act (IRA) requirements. ***As of August 15, 2025 DCEE has identified BUP equipment that is available for installation immediately. This system is currently being stored and awaiting a timeline for deployment.***

The proposed balance of plant project would include the following;

- Excavation for the digester's concrete pad.
- One electrified and lighted block building 30' x 50' which will house Electrical panels for the mixers,
- HMI Panel for the digester facility,
- O2 generator and related equipment,
- Boilers and related equipment,
- The manure manifold,
- The digestate manifold,
- Sub panels as needed for the above.
- Two 4 MMBTU PK Boilers and related pumps and controls.
- Manifold piping and valves assuming 8" SDR11 HDPE.
- Service road extension which will encircle the new digester.
- Crane services to offload an expected four containers and to set the Resi Shaft.
- Trenching, select backfill, install flowlines, wire, grounding and conduit to integrate digester project with existing utilities and equipment.

In addition to the balance of plant items listed above, the following enhancements to the facility are also included within this proposal;

- DVO digester clean-out, inspect and repair internal components as needed, remove and replace external digester insulation, resealing the digester and returning it to service.
- Provide and install "N-Bio 10" supersack dosing station with 4-ton hopper capacity (15-day capacity), shaker, conveyor and controls to allow for semi-continuous application of N-Bio 10 which will be conveyed into the reception pit.
- Replacement of the existing reception pit pump with correct pump sized for the expected head and flows, allowing manure to be conveyed to the digester on a near continuous rate.

DETAILED SCOPE

1. **$132,000** Excavation for the 120' diameter 2,200,000 gallon digester's base plate was estimated by J Jadin Inc . This includes the cost to excavate, compact, install select fill and drainage for the base plate.

2. **$5,400** Offload digester's specialized equipment. Receive delivery of four containers, maximum weight 38,000 lbs. Trucks to arrive onsite over a two-day period or less.

3. **$255,200** Erect 30' x 50' x 12' Boiler, Manifold and Electrical building. Excavation for this building is to be performed by J Jadin Inc and erection is to be performed by Bill Lorrigan Construction. Included are the costs to excavate, install piping and conduit stub-ups, use select backfill, pour the foundation and pad and erect a block building with a metal

4. **$40,500** Electrify non electrically classified 30'x50' building. DL Agricultural Electric will be Providing and installing 3 phase 300 amp service distribution panel, 120 volt transformer, 120 volt service panel, two exhaust fans, conduits, wire, receptacles, switches and lighting. Additionally, conduits and service/communication wire will be installed for Boilers, O2 generator, and manifold controls. Finally, this cost includes installing soft start panels for mixers, and HMI screen for digester control (to be provided by Digester Supply Company).

5. **$550,000** Provide, install and commission boiler skid. This price was estimated by Tech Vision services to install two 4 MMBTU/hr PK high efficiency boilers and related controls, pumps and piping.

6. **$52,800** Provide, install and commission manure and digestate manifolds. Pricing was estimated by ABE to allow operation of the new digester either upstream and in series with, parallel or standalone (during maintenance events) with the DVO Digester. Four pneumatic control valves and 8" HDPE SDR11 piping was assumed. It is assumed that the existing site manure meter will be relocated into the building and that a photo-eye will be used with the control valves to estimate the manure flows into the New Digester vs. DVO digester (in the event that they are operating in parallel or independently from one another).

7. **$455,800** Trenching, select backfill, conduits, power, communications and piping to install and connect digester equipment. Pricing assumes 550' of trenching with select backfill, 350' of hydro-excavating with select backfill, 540' of grounding cable and 5 ground rods, 2,100' of communications cable and conduit, 1,440' of power cabling and conduit, 590' of 12" HDPE SDR17 Biogas Flow lines from New digester to flare and to existing facility (assumes entry point at facility will be east side of existing biogas facility), 300' of 12" Sch 10 304 SS gas piping and 3 supports, 630' of 2" gas line, 760' of 8" HDPE SDR11 Manure/Digestate piping, 210' of 2" HDPE SDR13 condensate piping from condensate pit to DVO overflow.

8. **$44,000** Extend and install permanent access road. J Jadin Inc is to excavate and install a 500' long permanent service road around the digester which will allow future truck and crane access around the new digester.

9. **$32,000** Provide and install concrete foundation for stairway. Provide and install foundation and three helical piles for the Resi Shaft. Provide and install foundation and three helical piles for the emergency flare.

10. **$629,200** DVO digester cleanout *(price excludes trucking to transport and disposing of solids).* Transfer manure to new digester, remove access panels, install blowers to allow safe working conditions within digester, using bobcat

remove remaining solids, inspect and repair internal components as needed, remove and replace external digester insulation, reseal the digester and return it to service.

11. **$148,500** Provide and install “N-Bio 10” supersack dosing station with 4-ton hopper capacity (15-day capacity), shaker, conveyor and controls to allow for semi-continuous application of N-Bio 10 which will be conveyed into the reception pit.

12. **$66,000** Replacement of the existing reception pit pump with the correct pump sized for the expected head and flows, allowing manure to be conveyed to the digester on a near continuous rate. This new pump will be installed with stainless steel guide rails to allow the pump to be easily serviced for future maintenance activities.

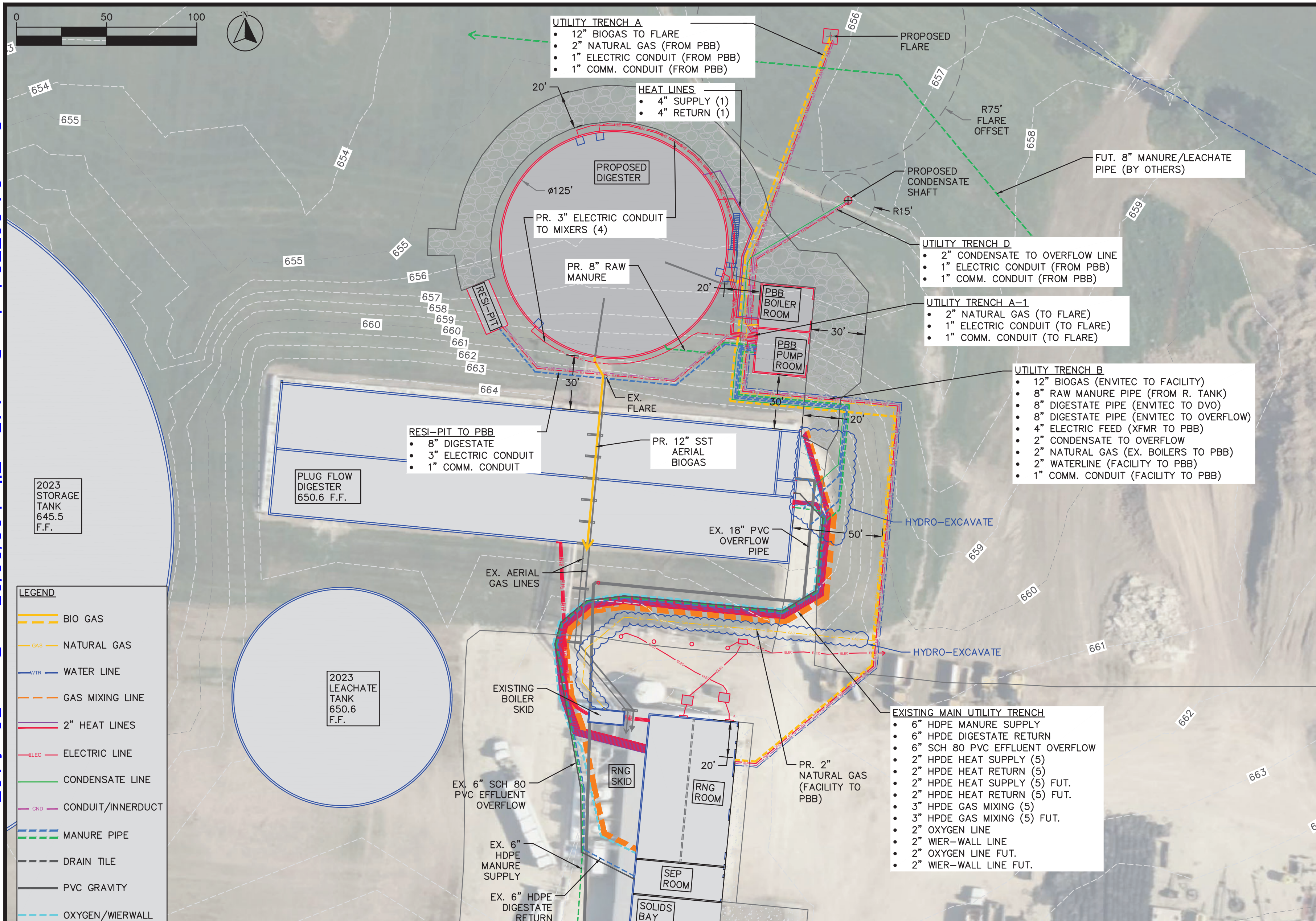
13. **$108,400** Project management and oversite. ABE has bid this project to provide support and coordination and installation of new equipment through commissioning. During which ABE expects to coordinate the activities listed above, be onsite to inspect and oversee tasks as necessary and to work closely with the site owner and equipment suppliers. Additionally, ABE will be working closely with our subcontractors to ensure that their documentation follows the requirements of the IRA program (as discussed above).

14. **$200,000** Allowance. ABE has built into this bid a contingency that can be used as needed to perform tasks which were not included in the scope described above.

15. **$249,100** ABE Profit Margin. ABE is bidding for this project with an 8.40% profit margin.

$2,968,900 is the budgetary estimate for this project. ABE proposes that a 15% ($445,335) mobilization fee would be invoiced at the point major construction activities are initiated, this would be the point that J Jaden Inc begins excavation for the tank pad. As each task listed above becomes substantially complete, the remaining 85% of each of those line items will be invoiced by ABE. Payment will be due, net 30 days, unless other arrangements are made. Items 13, 14 and 15 would be due upon project completion and acceptance. It is expected that activities not expressly contained in the above scope should be discussed prior to the start of work to determine if they are to be included.

QUALIFICATIONS OF THE PROJECT TEAM: - Digester and BUP Company is to act as the project Engineering Procurement and Construction (EPC) contractor. This company has built more than 760 anerobic digester projects to date and currently operates 79 of these anerobic digester projects. This company will also be supplying the digester tank and related specialized components. American BioEnergy Services (ABE) will be contracted by Digeser Company to oversee the installation of the balance of plant. Joel Klose, project manager at ABE has more than 20 years’ experience with agricultural and biogas projects, having been extensively involved with the first two complete mix digester projects in the state of WI. ABE will subcontract Dewey Vanderheiden with DL Agricultural Electric, who will install the required electrical components. Dewey is a master electrician with more than 25 years’ experience developing similar large scale agricultural projects. ABE will also subcontract Brad Legreve of TechVisions and Solutions, who will be installing the boilers and related equipment. Brad is a Steam Fitter by trade, with a Class A State Mechanical Contractor License and an Electrical degree as well as an associate degree in HVAC. Brad has 30+ training certificates from OEMs including the one planned for this project (PK) and has installed 8 similar boiler systems with 16 additional projects in the procurement and construction phase.



REVISIONS:
6-17-24

OVERALL UTILITY LAYOUT
DIGESTER SYSTEM
JERSEYLAND DAIRY
7900 OLD ELM ROAD
STURGEON BAY, WI

DATE: JUNE 2024
DRAWN: DS
CHECKED: CC
APPROVED: DS
DRAWING NAME: Jerseyland Topo.dwg
PROJECT NUMBER: 240010.1

C103

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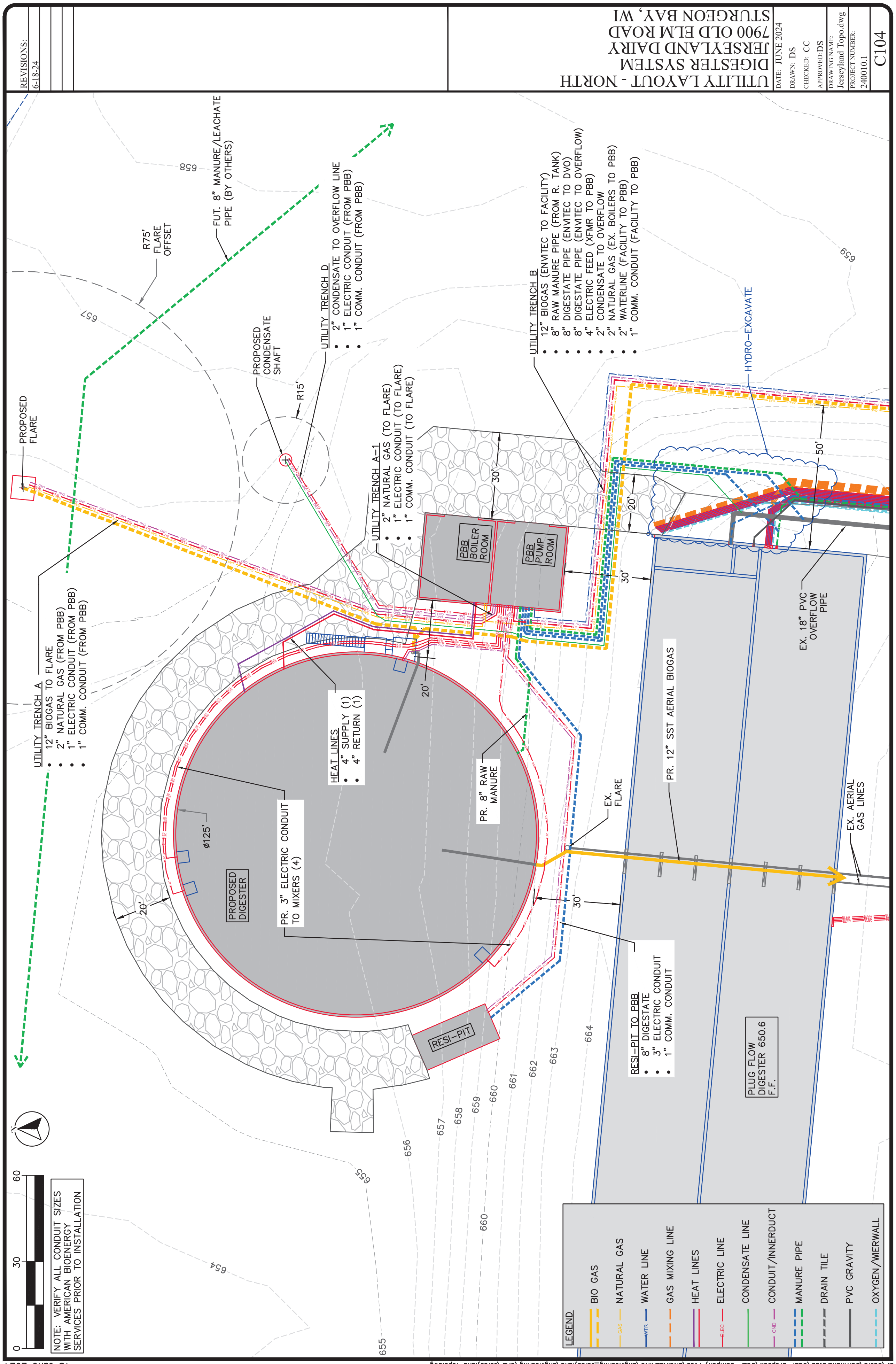
UTILITY LAYOUT - NORTH
DIGESTER SYSTEM
JERSEYLAND DAIRY
7900 OLD ELM ROAD
STURGEON BAY, WI
DATE: JUNE 2024
DRAWN: DS
CHECKED: CC
APPROVED: DS
DRAWING NAME: Jerseyland Topo.dwg
PROJECT NUMBER: 240010.1
C104
REVISIONS:
6-18-24
PROPOSED FLARE
R75' FLARE OFFSET
FUT. 8" MANURE/LEACHATE PIPE (BY OTHERS)
PROPOSED CONDENSATE SHAFT
R15'
UTILITY TRENCH D
• 2" CONDENSATE TO OVERFLOW LINE
• 1" ELECTRIC CONDUIT (FROM PBB)
• 1" COMM. CONDUIT (FROM PBB)
UTILITY TRENCH A-1
• 2" NATURAL GAS (TO FLARE)
• 1" ELECTRIC CONDUIT (TO FLARE)
• 1" COMM. CONDUIT (TO FLARE)
UTILITY TRENCH B
• 12" BIOGAS (ENVITEC TO FACILITY)
• 8" RAW MANURE PIPE (FROM R. TANK)
• 8" DIGESTATE PIPE (ENVITEC TO DVO)
• 8" DIGESTATE PIPE (ENVITEC TO OVERFLOW)
• 4" ELECTRIC FEED (XFMR TO PBB)
• 2" CONDENSATE TO OVERFLOW
• 2" NATURAL GAS (EX. BOILERS TO PBB)
• 2" WATERLINE (FACILITY TO PBB)
• 1" COMM. CONDUIT (FACILITY TO PBB)
HYDRO-EXCAVATE
50'
30'
20'
PBB BOILER ROOM
PBB PUMP ROOM
UTILITY TRENCH A
• 12" BIOGAS TO FLARE
• 2" NATURAL GAS (FROM PBB)
• 1" ELECTRIC CONDUIT (FROM PBB)
• 1" COMM. CONDUIT (FROM PBB)
HEAT LINES
• 4" SUPPLY (1)
• 4" RETURN (1)
EX. 18" PVC OVERFLOW PIPE
PR. 12" SST AERIAL BIOGAS
PR. 8" RAW MANURE
EX. FLARE
EX. AERIAL GAS LINES
Ø125'
PR. 3" ELECTRIC CONDUIT TO MIXERS (4)
PROPOSED DIGESTER
RESI-PIT TO PBB
• 8" DIGESTATE
• 3" ELECTRIC CONDUIT
• 1" COMM. CONDUIT
RESI-PIT
PLUG FLOW DIGESTER 650.6 F.F.
654
655
656
657
658
659
660
661
662
663
664
NOTE: VERIFY ALL CONDUIT SIZES WITH AMERICAN BIOENERGY SERVICES PRIOR TO INSTALLATION
0
30
60
LEGEND
BIO GAS
NATURAL GAS
WATER LINE
GAS MIXING LINE
HEAT LINES
ELECTRIC LINE
CONDENSATE LINE
CONDUIT/INNERDUCT
MANURE PIPE
DRAIN TILE
PVC GRAVITY
OXYGEN/MIERWALL
18 June 2024
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UTILITY LAYOUT - SOUTH
DIGESTER SYSTEM
JERSEYLAND DAIRY
7900 OLD ELM ROAD
STURGEON BAY, WI
DATE: JUNE 2024
DRAWN: DS
CHECKED: CC
APPROVED: DS
DRAWING NAME: Jerseyland Topo.dwg
PROJECT NUMBER: 240010.1
C105
REVISIONS:
6-18-24
UTILITY TRENCH B
• 12" BIOGAS (ENVITEC TO FACILITY)
• 8" RAW MANURE PIPE (FROM R. TANK)
• 8" DIGESTATE PIPE (ENVITEC TO DVO)
• 8" DIGESTATE PIPE (ENVITEC TO OVERFLOW)
• 4" ELECTRIC FEED (XFMR TO PBB)
• 2" CONDENSATE TO OVERFLOW
• 2" NATURAL GAS (EX. BOILERS TO PBB)
• 2" WATERLINE (FACILITY TO PBB)
• 1" COMM. CONDUIT (FACILITY TO PBB)
EXISTING MAIN UTILITY TRENCH
• 6" HDPE MANURE SUPPLY
• 6" HPDE DIGESTATE RETURN
• 6" SCH 80 PVC EFFLUENT OVERFLOW
• 2" HPDE HEAT SUPPLY (5)
• 2" HPDE HEAT RETURN (5)
• 2" HPDE HEAT SUPPLY (5) FUT.
• 2" HPDE HEAT RETURN (5) FUT.
• 3" HPDE GAS MIXING (5)
• 3" HPDE GAS MIXING (5) FUT.
• 2" OXYGEN LINE
• 2" WIER-WALL LINE
• 2" OXYGEN LINE FUT.
• 2" WIER-WALL LINE FUT.
HYDRO-EXCAVATE
HYDRO-EXCAVATE
PBB PUMP ROOM
EX. 18" PVC OVERFLOW PIPE
PR. 12" SST AERIAL BIOGAS
EX. FLARE
EX. AERIAL GAS LINES
RESI-PIT TO PBB
• 8" DIGESTATE
• 3" ELECTRIC CONDUIT
• 1" COMM. CONDUIT
PLUG FLOW DIGESTER 650.6 F.F.
EXISTING BOILER SKID
RNG ROOM
SEP ROOM
RNG SKID
EX. 6" HDPE DIGESTATE RETURN
PR. 2" NATURAL GAS (FACILITY TO PBB)
EX. 6" SCH 80 PVC EFFLUENT OVERFLOW
EX. 6" HDPE MANURE SUPPLY
2023 LEACHATE TANK 650.6 F.F.
50'
20'
30'
20'
30'
659
660
662
663
664
NOTE: VERIFY ALL CONDUIT SIZES WITH AMERICAN BIOENERGY SERVICES PRIOR TO INSTALLATION
0
30
60
LEGEND
BIO GAS
NATURAL GAS
WATER LINE
GAS MIXING LINE
HEAT LINES
ELECTRIC LINE
CONDENSATE LINE
CONDUIT/INNERDUCT
MANURE PIPE
DRAIN TILE
PVC GRAVITY
OXYGEN/WIERWALL
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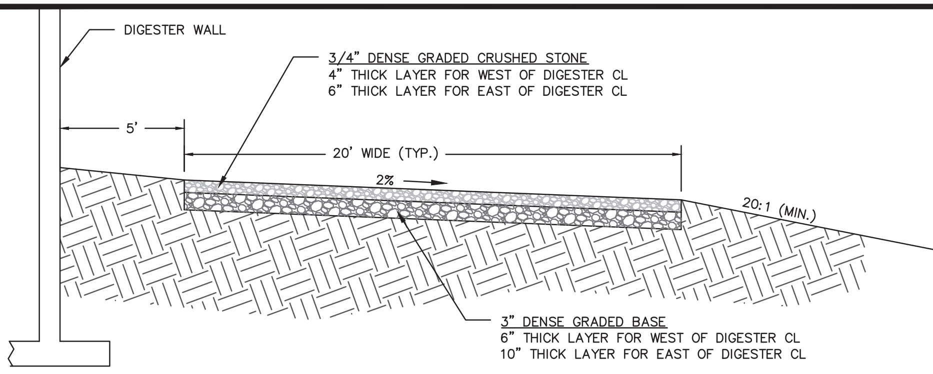
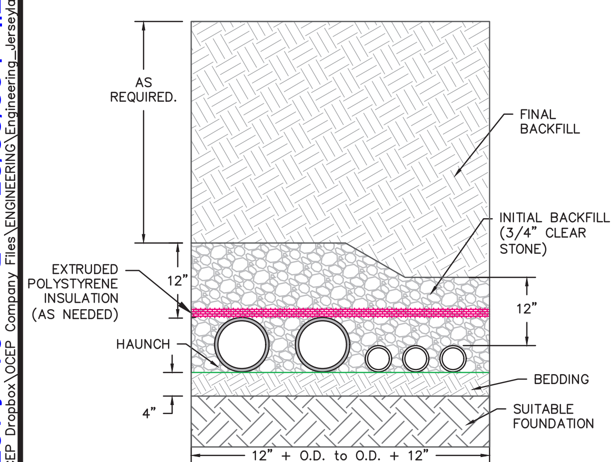


1 ACCESS ROAD
C400 NOT TO SCALE



NOTES:

1. PIPE SYSTEMS SHALL BE INSTALLED IN ACCORDANCE WITH ASTM D2321
2. FOUNDATION: WHERE THE TRENCH BOTTOM IS UNSTABLE, THE CONTRACTOR SHALL EXCAVATE TO A DEPTH REQUIRED AND REPLACE WITH SUITABLE MATERIAL .
3. BEDDING: SUITABLE MATERIAL SHALL BE CLASS III (GM, GC, SM, SC). MINIMUM BEDDING THICKNESS SHALL BE 4".
4. NO PARTICLES LARGER THAN 1 INCH SHALL BE USED IN THE PIPE BEDDING OR BACKFILL.
5. INITIAL BACKFILL: SUITABLE MATERIAL SHALL BE CLASS III IN THE PIPE ZONE EXTENDING NOT LESS THAN 12" ABOVE CROWN OF PIPE.
6. COMPACT EMBEDMENT IN 6 INCH MAXIMUM LAYERS, WORK AROUND PIPE BY HAND TO PROVIDE UNIFORM SUPPORT.
7. UNDER CONCRETE SLAB & BLDG FLOOR, INITIAL & FINAL BACKFILL SHALL BE 3/4" CRUSHED CLEAR STONE.

2 UTILITY PIPE TRENCH
C400 NOT TO SCALE

REVISIONS:
DATE
DATE
DATE
DATE

CIVIL DETAILS
DIGESTER SYSTEM
JERSEYLAND DAIRY
7900 OLD ELM ROAD
STURGEON BAY, WI

DATE: JUNE 2024
DRAWN: DS
CHECKED: CC
APPROVED: DS
DRAWING NAME: Jerseyland Details.dwg
PROJECT NUMBER: 240010.1

C400

DCEE Permitting Matrix

	DCEE Permitting Matrix						DATE:	Sept 27-2024
	DOOR COUNTY - WISCONSIN						REV:	5
Permit Number	Authoruty	Contact	Phone	Email	Permit Needed	Date Applied For	Permit In-Hand (received date)	Notes
n/a	DNR CAFO (Local Rep)	James Salscheider	920-367-3	james.s	WPDES Modifcation			Called and left message on 7-18. Spoke with Jam
0	DNR CAFO Intake	Tabatha Davis	608-712-2	Tabatha				Talked with Tabby on 7-8 about completeness rev
		Tony Salituro	608-444-2	anthony	90-day clock start	7/2/2024	7/19/2024	DS sent additional Envitec safety, QAQC, and ope
1	DNR CAFO Engineering	Bernie Michaud	608-512-2	bernard	CAFO Plan Approval	7/2/2024	9/18/2024	DS spoke to Bernie in March 2024. DS/BM create
2	DNR EC				WRAPP	8/19/2024	8/27/2024	Need wetland delineation in-hand to proceed (co
3	COUNTY LCD	Tim Dahl	920-495-5	tdahl@	Co Animal Waste	7/18/2024	7/30/2024	Called initially on 7-2. Spoke again on 7-17, trans
4	COUNTY ZONING	Jeff Kussow	920-746-2	jkussow	Reg/Comp Zoning	8/20/2024	9/23/2024	Called and left message on 7-18. DS emailed civi
5					Impervious Surface	8/20/2024	9/23/2024	Needed for both the entire parcel (25% max) and
6					Shoreland Zoning	8/20/2024	9/23/2024	Needed as per Jeff's 7-30 email.
n/a					County EC			Not needed as per Jeff's 7-30 email
n/a					CUP			Not needed as per Jeff's 7-30 email
n/a					Maximum Height			Spoke with Jeff on 7-30, there is an agricultrual ex
n/a					Bldg Permit			Not needed as per Jeff's 7-30 email.
n/a	DATCP				Livestock Siting			Town & County have not implemented livestock s
7	TOWN ZONING	Brett Guilette	920-495-3	brettg.i	Bulding Permit	9/13/2024	9/27/2024	Website states that the Town has adopted County
8	DNR AIR PERMIT	Alyssa Eggert	920-309-0	alyssa.e	ROP-A Modification	Work complete- Need C.L. Sign		Dispersion Modeling Needed. Existing ROP-A in h
9	DNR AIR PERMIT	Alyssa Eggert	920-309-0	alyssa.e	AEI 2022	8/28/2024	8/28/2024	Need to receive emmisions data from CI Solution
10	DNR AIR PERMIT	Alyssa Eggert	920-309-0	alyssa.e	AEI 2023	8/27/2024	8/27/2024	Still need cert signature from Chris (COMPLETE)
11	DNR WETLAND EXE	Chad Fradette	920-615-0	chad@	Artificial Exemption	8/5/2024	8/27/2024	Evergreen was authorized to do this work on 6-28
12	ARMY CORPS	Chad Fradette	920-615-0	chad@	RGP (Self Cert.)	Chad will do this when needed		From Chad: digester project meets the utility defi
n/a	ARMY CORPS	Chad Fradette	920-615-0	chad@	AJD			An army Corps AJD will be submitted for the feed
In-Hand						Not Needed	Not Needed	Changed from prior week
						Submittal Dat	Applied For	
						Submittal Date Locked In	In-Hand	

EXHIBIT C

Door County Envirnmental Energy Historical

Yearly Actual

	Actual - YE		
Revenue	2022	2023	2024
Total DekaTherm	41,040	62,018	62,000
Price Per Dekatherm	$ 6.53	$ 2.44	$ 2.02
Natural Gas Sales	$ 2,154,939	$ 3,305,182	$ 3,184,644
Production Tax Credit			
Contract Revenue			
Other Income		$ 47,653	
CI Score			
Total Revenue	$ 2,154,939	$ 3,352,834	$ 3,184,644

Expenses

	2022	2023	2024
Equipment Repair & Maintenance	$ 211,714	$ 240,871	$ 68,103
Accounting	$ 2,403	$ 27,894	$ 14,204
Nacelle Lease	$ 1,134,000	$ 1,380,000	$ 1,398,000
Loan Payment/GAB			$ 776,117
Liability Insurance	$ 50,398	$ 102,419	$ 74,671
Utilites	$ 142,626	$ 426,067	$ 300,540
Trailer Lease		$ 132,000	$ 154,000
Freight	$ 139,887	$ 235,703	$ 350,372
Injection Costs	$ 70,068	$ 85,070	$ 99,156
Tax on Trailer/Transportation	$ 5,445	$ 7,260	$ 8,470
Professional Services		$ 30,875	$ 60,000
Attorney Expense	$ 9,014	$ 9,157	$ 29,128
Service Contracts			
WPS Repayment From Gas Sales			
H2S Cleanout/Sulfa Fix			
Int./Amort./Depr.	$ 957,561	$ 1,379,754	
Other Expenses	$ 8,221	$ 89,675	$ 76,853
Total Expenses	$ 2,731,336	$ 4,146,745	$ 3,409,613
EBITDA	$ 386,608	$ 593,103	$ 559,618

EXHIBIT D

PRO FORMA (With NO AD Tank Expansion Project)

DCEE LLC
7900 Old elm Rd
Sturgeon Bay, WI
Phone: (608) 886-6368

DATE PREPARED	08/01/2025
START YEAR	2025
END YEAR	2031

Loan/Grant/Credit Amount	2025	2026
Anerobic Tank + Upgrader CapEx		$0
REAP Grants	$ -	
IRA Credit (monetized in April 2026)	$ -	

REVENUE	2025	2026	2027	2028	2029	2030	2031
Current Market + Comodity Revenue	$3,947,337	$ 3,947,337	$ 3,947,337	$ 3,947,337	$ 3,947,337	$ 3,947,337	$ 3,947,337
Additional Expansion Voluntary Market + Comodity R	$ -	$ -					
Revenue from REAP grant	$ -	$ -		$ -	$ -	$ -	$ -
Current Project Production Tax Credit Revenue	$657,792	$ 1,035,980	$ 1,035,980	$ 1,035,980	$ 1,035,980		
Additional Expansion Project Production Tax Credit Re)		$ -		$ -	$ -	$ -	$ -
Existing Loan Costs		$ (1,020,000)	$ (1,020,000)	$ (1,020,000)	$ (1,020,000)	$ (1,020,000)	
Distribution to unsecurerd Creditors*		$ (821,205)	$ (821,205)	$ (821,205)			
IRA Credit (assumed monitized up front to pay loan fe	$ -		$ -	$ -	$ -	$ -	$ -
Existing Plant O&M Expenses	$ (1,900,000)	$ (1,900,000)	$ (1,900,000)	$ (1,900,000)	$ (1,900,000)	$ (1,900,000)	$ (1,900,000)
Additional Administrative costs							$ -
US Gain Payments $255K (2026 - 2040) + $510K (2027 -	$ -	$ (255,000)	$ (765,000)	$ (765,000)	$ (765,000)	$ (765,000)	$ (765,000)
Admin Expenses		$ -	$ -	$ -	$ -	$ -	$ -
Value By Equity Contribution							
NET INCOME BEFORE TAXES	**$2,705,130**	**$ 987,112**	**$ 477,112**	**$ 477,112**	**$ 1,298,317**	**$ 262,337**	**$ 1,282,337**

*loan amount to unsecured creditors $2,200,000 at prime 7.5% for 36 mos.

Depreciation	2025	2026	2027	2028	2029	2030	2031
Upgrade Depreciation (10Year Life)							
Current Asset Depreciation	$ 69,976	$ 69,976	$ 69,976	$ 69,976	$ 69,976	$ 69,976	$ 69,976
TAXABLE INCOME*	**$ 2,635,154**	**$ 917,136**	**$ 407,136**	**$ 407,136**	**$ 1,228,341**	**$ 192,361**	**$ 1,212,361**

Cash Flow	2025	2026	2027	2028	2029	2030	2031
Net Income Before Taxes	$2,705,130	$987,112	$477,112	$477,112	$1,298,317	$262,337	$1,282,337
		$ -		$ -	$ -	$ -	$ -
Total	**$2,705,130**	**$987,112**	**$477,112**	**$477,112**	**$1,298,317**	**$262,337**	**$1,282,337**

*DCEE is structured as an LLC type S, thus all tax liability belongs to the members.

EXHIBIT E

All Known Claims Against the Debtor Door County Environmental Energy, LLC

Creditor Name	Plan Class	Sch D Amount (Secured Claims)	Sch E Amount (Priority Unsecured Claims)	Sch F Amount (General Unsecured Claims)	Cntngnt	Unlqdtd	Dsptd	POC No.	POC Amount	Secured/Unsecured	Priority/General	Sec Claims per POC	Priority Uns Claims per POC	General Uns Claims per POC	Allowed Secured	Allowed Priority	Allowed General Unsecured	Disallowed Claims
German American State Bank	Class 1	$ 4,393,441.28	$ -	$ -				5	$ 4,191,465.20	Secured		$ -	$ -	$ -	$ 4,191,465.20	$ -	$ -	$ -
Subtotal	Class 1	$ 4,393,441.28	$ -	$ -					$ 4,191,465.20			$ -	$ -	$ -	$ 4,191,465.20	$ -	$ -	$ -

Creditor Name	Plan Class	Sch D Amount (Secured Claims)	Sch E Amount (Priority Unsecured Claims)	Sch F Amount (General Unsecured Claims)	Cntngnt	Unlqdtd	Dsptd	POC No.	POC Amount	Secured/Unsecured	Priority/General	Sec Claims per POC	Priority Uns Claims per POC	General Uns Claims per POC	Allowed Secured	Allowed Priority	Allowed General Unsecured	Disallowed Claims
US Venture	Class 2	$ 4,000,000.00	$ -	$ -				4	$ 5,100,000.00	Secured		$ 5,100,000.00	$ -	$ -	$ 5,100,000.00	$ -	$ -	$ -
Subtotal	Class 2	$ 4,000,000.00	$ -	$ -					$ 5,100,000.00			$ 5,100,000.00	$ -	$ -	$ 5,100,000.00	$ -	$ -	$ -

Creditor Name	Plan Class	Sch D Amount (Secured Claims)	Sch E Amount (Priority Unsecured Claims)	Sch F Amount (General Unsecured Claims)	Cntngnt	Unlqdtd	Dsptd	POC No.	POC Amount	Secured/Unsecured	Priority/General	Sec Claims per POC	Priority Uns Claims per POC	General Uns Claims per POC	Allowed Secured	Allowed Priority	Allowed General Unsecured	Disallowed Claims
Foxland Incorporated	Class 3	$ -	$ -	$ 491,687.40				1	$ 542,321.02	Unsecured		$ -	$ -	$ -	$ -	$ -	$ 542,321.02	$ -
Nacelle Logistics, LLC	Class 3	$ -	$ -	$ 585,125.36			X	2	$ 753,070.06	Unsecured		$ -	$ -	$ -	$ -	$ -	$ 621,066.07	$ -
Nacelle Biogas Equipment Funding 2019 LLC	Class 3	$ -	$ -	$ 1,087,000.00			X	3	$ 1,161,904.18	Unsecured		$ -	$ -	$ -	$ -	$ -	$ 1,067,500.00	$ -
Nacelle LLC	Class 3		$ -	$ 116,500.00			X		$0.00	Unsecured	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal	Class 3	$ -	$ -	$ 2,280,312.76					$ 2,457,295.26			$ -	$ -	$ -	$ -	$ -	$ 2,230,887.09	$ -

Creditor Name	Plan Class	Sch D Amount (Secured Claims)	Sch E Amount (Priority Unsecured Claims)	Sch F Amount (General Unsecured Claims)	Cntngnt	Unlqdtd	Dsptd	POC No.	POC Amount	Secured/Unsecured	Priority/General	Sec Claims per POC	Priority Uns Claims per POC	General Uns Claims per POC	Allowed Secured	Allowed Priority	Allowed General Unsecured	Disallowed Claims
American BioEnergy Services, LLC	Class 4	$ -	$ -	$ 21,291.97					$0.00	Unsecured	General	$ -	$ -	$ -	$ -	$ -	$0.00	$ 21,291.97
SulfaFix Media LLC	Class 4	$ -	$ -	$ 25,344.00			X		$0.00	Unsecured	General	$ -	$ -	$ -	$ -	$ -	$0.00	$ 25,344.00
Wisconsin Public Service	Class 4	$ -	$ -	$ 33,698.97					$ 26,572.90	Unsecured	General	$ -	$ -	$ -	$ -	$ -		$ 26,572.90
Subtotal	Class 4	$ -	$ -	$ 80,334.94					$ 26,572.90			$ -	$ -	$ -	$ -	$ -	$ -	$ 73,208.87

	Plan Class	Sch D Amount (Secured Claims)	Sch E Amount (Priority	Sch F Amount (General Unsecured					POC Amount			Sec Claims per POC	Priority Uns Claims per POC	General Uns Claims per POC	Allowed Secured	Allowed Priority	Allowed General Unsecured	Disallowed Claims
Totals		$ 8,393,441.28	$ -	$ 2,360,647.70					$ 11,775,333.36			$ 5,100,000.00	$ -	$ -	$ 9,291,465.20	$ -	$ 2,230,887.09	$ 73,208.87

EXHIBIT F

Door County Environmental Energy
Liquidation Analysis

		Amount
Liquidation Value of Assets:		
	Business Property	$2,000,000.00
	Other Assets	$100,000.00
	Total Assets:	**$2,100,000.00**
Less Administrative and Priority Claims:		
	Unpaid Chapter 11 Administrative Expenses	$250,000.00
	Chapter 7 Trustee - Administrative Fees	$90,500.00
	Chapter 7 Trustee - Professional Fees	$50,000.00
	Class 4 Priority Unsecured Claims	$0.00
	Total Administrative and Priority Claims:	**$390,500.00**
Amount Available for Secured Lenders:		**$1,800,000.00**
Estimated Secured Claims		$9,400,000.00
Percentage Distribution in Hypothetical Chapter 7		**19.00%**
Amount Available for Unsecured Creditors:		**$0.00**
Estimated Unsecured Claims		$0.00
Percentage Distribution in Hypothetical Chapter 7		**0.00%**

RED-LINE OF THIRD AMENDED DISCLOSURE STATEMENT

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WISCONSIN

In re:

Door County Environmental Energy LLC,

Debtor.

Case No. 24-26772-beh

Chapter 11

~~SECOND~~ THIRD AMENDED DISCLOSURE STATEMENT FOR ~~SECOND~~ THIRD AMENDED CHAPTER 11 PLAN OF REORGANIZATION OF DOOR COUNTY ENVIRONMENTAL ENERGY LLC, DATED AUGUST 22~~1~~, 2025

RICHMAN & RICHMAN LLC
Michael P. Richman
Claire Ann Richman
Eliza M. Reyes
122 West Washington Avenue, Suite 850
Madison, WI 53703
Tel: (608) 630-8990; Fax (608) 609-8991
MRichman@RandR.law
CRichman@RandR.law
EReyes@RandR.law

Door County Environmental Energy LLC

THIS IS NOT A SOLICITATION OF ACCEPTANCES OF THE CHAPTER 11 PLAN. ACCEPTANCES MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT AS CONTAINING "ADEQUATE INFORMATION" WITHIN THE MEANING OF SECTION 1125(a) OF THE BANKRUPTCY CODE. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL, BUT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT AND IS SUBJECT TO AMENDMENT.

TABLE OF CONTENTS

DISCLAIMERS

THIS DISCLOSURE STATEMENT WITH THE ANNEXED THIRD AMENDED CHAPTER 11 PLAN, AND RELATED MATERIALS DELIVERED TOGETHER HEREWITH ARE BEING FURNISHED BY THE DEBTOR TO RECORD HOLDERS OF CLAIMS AND EQUITY INTERESTS KNOWN TO THE DEBTOR, PURSUANT TO SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE IN CONNECTION WITH SOLICITATION OF VOTES TO ACCEPT THE CHAPTER 11 PLAN AS DESCRIBED HEREIN.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO MATERIAL CONDITIONS PRECEDENT, SOME OF WHICH MAY NOT BE SATISFIED. SEE "CONDITIONS PRECEDENT TO CONSUMMATION AND EFFECTIVE DATE OF THE PLAN." THERE IS NO ASSURANCE THAT THESE CONDITIONS WILL BE SATISFIED OR WAIVED.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS AGAINST, AND HOLDERS OF EQUITY INTERESTS IN, THE DEBTOR (INCLUDING, WITHOUT LIMITATION, THOSE HOLDERS OF CLAIMS WHICH DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN OR WHICH ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.

ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS THAT ARE ELIGIBLE TO VOTE ON THE PLAN ARE ADVISED AND ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

ALL SUMMARIES OF THE PLAN AND OTHER STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN ANNEXED HERETO. IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN OR THE APPLICABLE PLAN DOCUMENTS AND THIS DISCLOSURE STATEMENT, THE TERMS OF THE PLAN OR THE APPLICABLE PLAN DOCUMENTS ARE CONTROLLING. THE SUMMARIES OF THE PLAN AND THE PLAN DOCUMENTS IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO, AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, THE FULL TEXT OF THE PLAN AND THE APPLICABLE PLAN DOCUMENTS, INCLUDING THE DEFINITIONS OF TERMS CONTAINED IN THE PLAN AND SUCH PLAN DOCUMENTS.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF UNLESS OTHERWISE INDICATED, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AT ANY TIME SUBSEQUENT TO THE DATE HEREOF. THE INFORMATION CONTAINED HEREIN IS ACCURATE TO THE BEST OF THE DEBTOR'S ABILITY.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE.

THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, NOR THE ANNEXED PLAN EXCEPT AS EXPRESSLY INDICATED IN THIS DISCLOSURE STATEMENT OR OTHER DOCUMENT RELATED TO THE PLAN.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES OF THE PLAN AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE PLAN. NO PARTY IN INTEREST MAKES ANY REPRESENTATION OR WARRANTY REGARDING SUCH DESCRIPTIONS. HOLDERS OF CLAIMS AND/OR EQUITY INTERESTS SHOULD NOT RELY UPON ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OF THE PLAN OTHER THAN THOSE SET FORTH IN THIS DISCLOSURE STATEMENT.

THIS DISCLOSURE STATEMENT WILL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, NOR WILL IT BE CONSTRUED TO CONSTITUTE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTOR.

I. INTRODUCTION

Pursuant to Section 1125 of the United States Bankruptcy Code (the "**Code**"), Door County Environmental Energy LLC, the debtor herein ("**DCEE**" or the "**Debtor**"), by its attorneys, Richman & Richman LLC, submits this second amended disclosure statement ("**Disclosure Statement**"). This Disclosure Statement is intended to provide creditors and parties in interest with an overview of the Third Amended Chapter 11 Plan filed by the Debtor ("**Plan**"). A copy of the Plan is annexed hereto as **Exhibit A**.~~-~~ Unless otherwise defined herein, capitalized terms used in this Disclosure Statement have the meanings ascribed to them in the Plan.

The purpose of this Disclosure Statement is to provide "adequate information" for creditors and equity security holders to make an informed judgment about the Plan. This Disclosure Statement was submitted by the Debtor to all of its known creditors and equity security holders to disclose the information the Debtor deems material, important, and necessary for their creditors to arrive at a reasonably informed decision in exercising their right to vote for acceptance of the Plan.

The Plan places the various types of claims – *e.g.*, priority claims, secured claims, unsecured clams, and equity security interests – into separate classes, and provides a proposed treatment for each class. The Plan also provides for the payment of administrative expense claims (which are not classified). The treatment of the classes – including the order in which they will receive distributions – is discussed herein.

Under the Plan, all creditors and interest holders with allowed claims and interests will receive distributions of 100% of their allowed claims and interests, including general unsecured creditors. By contrast, were the Debtor to be liquidated, it is likely that the Debtor's senior secured creditors would receive all of the available net proceeds for distribution, comprising only an estimated 20% of their allowed claims, and no proceeds would be available to make distributions to unsecured creditors or interest holders. The Debtor therefore recommends that all claimants and interest holders accept the Plan.

In sum, the Plan provides detailed information regarding the terms for payment of the Debtor's creditors and other information designed to assist holders of claims and equity interests in determining whether to accept the Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. If you do not have an attorney, you may wish to consult one.**

THE DEBTOR BELIEVES THAT CONFIRMATION AND IMPLEMENTATION OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTOR'S ESTATE, CREDITORS, AND EQUITY HOLDERS AND IS THE BEST MEANS OF PROVIDING FOR THE MOST EXPEDITIOUS PAYMENT OF CREDITOR CLAIMS AND THE PRESERVATION AND ENHANCEMENT OF EQUITY INTERESTS FOR LONGER-TERM INVESTORS. ***IF THE PLAN IS NOT APPROVED, ANY ALTERNATIVE PLAN COULD PROVIDE LESS FAVORABLE TREATMENT. IT IS ALSO POSSIBLE THAT IF THE PLAN IS NOT CONFIRMED, THE DEBTOR COULD BE LIQUIDATED, WHICH WOULD LIKELY RESULT IN PAYMENTS ONLY TO THE DEBTOR'S SENIOR SECURED CREDITORS, LEAVING NOTHING FOR OTHER CREDITORS AND EQUITY HOLDERS.*** **<u>THE DEBTOR THEREFORE RECOMMENDS THAT HOLDERS OF CLAIMS AND INTERESTS ACCEPT THE PLAN.</u>**

A. Purpose of This Document

This Disclosure Statement describes:

- The Debtor and significant events during the bankruptcy case.
- Historical information regarding the Debtor and the events leading to its bankruptcy filing.
- How the Plan proposes to treat claims or equity interests of the type you hold (*i.e.,* how your claim or equity interest will be treated if the Plan is confirmed).
- Who can vote on or object to the Plan.
- What factors the Bankruptcy Court will consider when deciding whether to confirm the Plan.
- Why the Debtor believes the Plan is in the best interests of creditors and equity security holders.
- The effect of confirmation of the Plan.

B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing

The Court has not yet confirmed the Plan. This section describes the procedures under which the Plan will or will not be confirmed.

- Time and Place of the Hearing to Confirm the Plan.

The hearing at which the Court will consider confirmation of the Plan will take place on **October 16, ~~[date],~~ 2025~~,~~ at 10:00~~[time]~~ ~~[~~a~~]~~. ~~/~~m.,** at the United States Bankruptcy Court for the Eastern District of Wisconsin, Courtroom 133, 517 East Wisconsin Avenue, Milwaukee, WI 53202, the Honorable Beth E. Hanan presiding.

- **Deadline for Voting to Accept or Reject the Plan**

Ordinarily claimants are requested to return a ballot to vote to accept or reject a plan. However, where, as here, the Plan provides for reinstatement or payment in full of all allowed claims, the holders of such claims are deemed to have voted to accept the Plan. Thus, no ballots are included with this Disclosure Statement.

- Deadline for Objecting to Confirmation of the Plan

Objections to confirmation of the Plan must be filed with the Court and served upon the Debtor's Counsel and the Office of the United States Trustee, and all other creditors and/or interested parties who have filed notices of appearances and requests for special notice by **October 1, ~~[date]~~, 2025**.

Objections shall be served on the Debtor's counsel electronically, or at:

Atty. Michael P. Richman
Atty. Claire Ann Richman
Richman & Richman LLC
122 W. Washington Avenue, Suite 850
Madison, WI 53703-8990

On counsel for the United States Trustee ("**UST**") electronically, or at:

Atty. Dillon Ambrose
Office of the United States Trustee
517 E. Wisconsin Avenue, #430
Milwaukee, WI 53202-4510

You must also file with the Court a written objection electronically or at:

Clerk of the U.S. Bankruptcy Court
Room 126, Federal Courthouse
517 E. Wisconsin Avenue
Milwaukee, WI 53202

If you want additional information about the Plan, you should contact Debtor's counsel:

Atty. Michael P. Richman
Atty. Claire Ann Richman
Richman & Richman LLC
122 W. Washington Avenue, Suite 850
Madison, WI 53703-8990
Telephone: 608-630-8990
Facsimile: 608-630-8991
MRichman@RandR.law
CRichman@RandR.law

II. BACKGROUND

A. Description and History of the Debtor's Business

DCEE's primary business is the processing of manure through an anaerobic digester, which converts methane to renewable natural gas. DCEE has been in operation since 2022, is a Wisconsin limited liability company with its principal place of business located in Waunakee, Wisconsin, and has its principal place of operations in Sturgeon Bay, Wisconsin.

DCEE's members include Clean AG, LLC, a Wisconsin limited liability company ("**Clean Ag**"), which holds a 40% membership interest in DCEE; and S&S JerseyLand Dairy, LLC ("**JerseyLand**"), which holds a 60% membership interest in DCEE. The members of JerseyLand are Randy Schmidt and Dena Schmidt, who each have a 50% membership interest in JerseyLand. S&S Ag Enterprises, LLC ("**S&S Ag**"), a company owned by the Schmidts, leases to the Debtor the property on which the Debtor's business is conducted. DCEE is primarily managed by Christopher Lenzendorf ("**Lenzendorf**") and Frank Winters ("**Winters**"), who each have a 50% membership interest in Clean Ag. Lenzendorf primarily manages the day-to-day business operations of the Debtor, and as further discussed herein, it is expected that he will continue to do so upon the Debtor's reorganization.

JerseyLand is a large-scale, family operated dairy business with origins dating to the early 1900s. The farm has grown significantly since its humble beginnings and today includes 5,370 milking cows with a total herd size of more than 8,800. The main dairy is located southwest of Sturgeon Bay, Wisconsin, in the Township of Forestville, with three nearby satellite locations for calf raising, animal care, nutrient storage, and logistics. JerseyLand provides 100% of the manure that creates the methane that the Debtor uses to produce natural gas. JerseyLand employs 95 staff who assist with its operations, equipment maintenance, cropping, and animal management, and the dairy produces approximately 388,000 pounds of milk per day. This dairy is the only Concentrated Animal Feeding Operation (CAFO) in Door County and maintains strict compliance with all applicable regulations regarding animals, milk, nutrient by-products, and croplands.

Lenzendorf has a deep and extensive history in agriculture, including growing up in an extended family of farmers. While his parents did not farm, Lenzendorf spent summers working at his grandparents' and uncle's dairy farms. Lenzendorf served in Governor Scott Walker's policy department focusing on agriculture and water quality issues. Lenzendorf was hired as President of Aqua Innovations, LLC ("**Aqua Innovations**"), located in Sharon, Wisconsin, which is a light manufacturing company of nutrient concentration systems for dairy farms. He was instrumental in developing Aqua Innovations' new flagship system NCS, which has become commonplace on large dairies in Wisconsin. While working with Aqua Innovations, Lenzendorf was recruited to work as a consultant for various companies to develop renewable natural gas projects. Lenzendorf resigned from Aqua Innovations to work as an independent consultant with various companies involved in renewable natural gas development. Winters, who is an investor in Aqua Innovations, formed Clean Ag with Lenzendorf in January 2021 with the goal of using Clean Ag as a partnership to develop renewable natural gas projects with Lenzendorf. Also in 2021, Randy Schmidt and Lenzendorf then conceived of the idea of creating DCEE in order to acquire the equipment needed to conduct the business that DCEE now operates. DCEE was established in early 2022, and shortly thereafter purchased the digester from US Venture, Inc. ("**US Venture**" or "**USV**").

<u>Purchase of Digester from US Venture, financed by GAB</u>

The price for purchase of the digester from US Venture was $8,500,000. Under the terms of an Asset Purchase Agreement dated March 31, 2022 between US Venture and DCEE ("**APA**"), DCEE purchased the digester, recirculation blowers, boiler, storage vessels, operations leases, and all associated equipment and permits/licenses ("**Purchased Assets**") associated with the processing of manure to produce raw biogas ("**Purchased Project**") from US Venture.

DCEE also assumed certain liabilities of US Venture, including all liabilities for taxes related to the Purchased Project and taxes for which DCEE was liable pursuant to applicable provisions of the APA; all other liabilities arising out of or relating to DCEE's ownership or operation of the Purchased Project and the Purchased Assets; and any outstanding liabilities owed by US Venture to employees of the Purchased Project.

Payment of the purchase price by DCEE to US Venture was structured as follows pursuant to the APA:

- An initial payment of $3,400,000 at the time of the closing of the sale; and

- The remaining $5,100,000 to be paid by DCEE to US Venture in 10 annual installments of $510,000 commencing on January 1, 2027, and concluding with the final installment payment on January 1, 2036, with such outstanding balanced evidenced by a Promissory Note dated March 31, 2022 between US Venture and DCEE ("**US Venture Note**").

In addition to the US Venture Note, and to secure the full, complete, and proper performance, payment and satisfaction of the US Venture Note, DCEE granted to US Venture a purchase money security interest in the anaerobic digester vessel, boiler, pipeline metering/detectors, above ground piping, control building (housing equipment required for production of biogas), control building electrical (electrical control system that maintains the digester-to-biogas functions and that are related to the control building functions, lighting and plant heating), three Blue Whale 5500 psi compressed natural gas storage vessels, and ancillary equipment used in support of the foregoing project equipment. US Venture perfected its security interest pursuant to the filing of UCC Financing Statement Filing Number 20220419000075-4 filed on April 18, 2022 with the Wisconsin Department of Financial Institutions.

DCEE also obtained financing from German American State Bank ("**GAB**") in the original principal amount of $4,750,000 (the "**GAB Loan**"). The GAB Loan is evidenced by a Promissory Note dated March 31, 2022, as amended, and issued by Debtor to GAB. The GAB Loan was originally due on December 31, 2023, but was extended for a year pursuant to the terms and conditions of a Business Loan Agreement dated December 30, 2023, by and between Debtor and GAB, as amended (as so amended, the "**GAB Extension**").

US Venture agreed to subordinate its security interests, and under certain circumstances to purchase the GAB Loan ("**USV Loan Purchase Obligation**"), pursuant to an Intercreditor Agreement between it (dba U.S. Gain) and GAB, dated December 31, 2022 ("**Intercreditor Agreement**"). The USV Loan Purchase Obligation requires USV to purchase the GAB Loan "if an Event of Default (as defined in the Business Loan Agreement) has occurred and is continuing under the Loan Documents or upon an unsuccessful refinance of the Note by DCEE, whichever occurs first." *Id*., section 2(d). There is no question that an Event of Default, consisting of DCEE's nonpayment of amounts due GAB, occurred prior to the Petition Date. However, the Debtor understands that USV may assert that such Event of Default does not trigger its Loan Purchase Obligation, because it may contend that such obligation was released when GAB agreed to extend the GAB Loan from 2023 to 2024. USV may seek to have the extension of the GAB Loan characterized as "an unsuccessful refinance of the Note."

Under the Intercreditor Agreement, the collateral pledges to secure the GAB Loan are herein treated as a first priority security in, among other things, (i) a mortgage on Debtor's leasehold interest in the land it leases from S&S AG, pursuant to a Mortgage dated March 31, 2022, by and between DCEE and GAB, which was recorded with the Register of Deeds for Door County, Wisconsin on April 26, 2022, as Document Number 852734 (the "**GAB Mortgage**"); and (ii) a security interest in substantially all other assets of DCEE pursuant to the terms of a Commercial Security Agreement dated March 31, 2022, by and between Debtor and GAB (the "**GAB Security Agreement**"), which security interest was perfected by the filing of a UCC-1 Financing Statement naming Debtor as debtor and Lender as secured party, which was filed with the Wisconsin Department of Financial Institutions on April 5, 2022, as Document Number 20220405000365-1 (the "**GAB UCC**"). Lenzendorf and Winters also both gave personal guarantees of payment of the GAB Loan when it was extended on December 30, 2023.

DCEE's Facility, Equipment, and Operations

DCEE's current biogas facility consists of the 2-million-gallon plug flow anaerobic digester, separation equipment and gas upgrading equipment (collectively, the "**Digester**"). Gas is currently compressed and trucked to an injection point in Denmark, Wisconsin. The current configuration is capable of processing 250 SCFM of biogas. In 2022 JerseyLand finalized an expansion of 1100 additional head of cattle producing an additional 50,000 gallons of manure a day.

As part of the Debtor's operations, Nacelle Logistics, LLC ("**Nacelle Logistics**") and Nacelle Biogas Equipment Funding 2019, LLC ("**Nacelle Biogas**") (together **"Nacelle**" or "**Servicer**"), entered into a Master Services Agreement ("**MSA**") and a Statement of Work No. 1 ("**SOW**") (together, the "**Service Contract**"). Nacelle Biogas owns the gas upgrading and production equipment ("**Gas Upgrading Equipment**") and the SOW includes the payment for use of the Gas Upgrading Equipment. The Service Contract, among other things, requires Nacelle to provide the Gas Upgrading Equipment, and to maintain and operate the Gas Upgrading Equipment at DCEE's facilities for the refinement of the raw biogas to produce the conditioned gas sold by DCEE. Nacelle uses its own tools, equipment, and other similar assets located at DCEE's facility in order to provide these services to DCEE. Pursuant to the Service Contract as amended, DCEE is required to pay Nacelle a monthly service fee in the amount of is $110,000, which is subject to adjustment based on performance, and which covers both the cost of Nacelle's equipment plus the servicing and maintaining of that equipment.

~~As part of its Plan, within one year of the Effective Date DCEE will complete a transition to a new company to perform such services, and will in conjunction with such transition reject the Service Contract pursuant to Bankruptcy Code § 365 (d)(2). Nacelle believes that it will take four to eight months for DCEE to transition to a new service provider. Nacelle also asserts that during this time, because there will be no gas plant on site, the Digester will need to be shut down completely, leaving DCEE unable to generate income during that time.~~

~~DCEE disagrees with Nacelle. So long as the Service Contract remains in effect, DCEE will continue to make required contract payments thereunder. During the transition phase, DCEE expects to continue to maintain and operate the Digester on a daily basis as it does currently, and to continue the relationship between DCEE and American BioEnergy Services, LLC ("**American BioEnergy**"), pursuant to which American BioEnergy provides additional bimonthly maintenance services on the Digester, as well as providing emergency services on an as-needed basis.~~

Currently, DCEE is registered to sell its product in the California Low Carbon Fuel Standard (LCFS) market, the Oregon Clean Fuel program (CFS) and the Renewable Fuel Standard (RFS/RIN) market.

Qualification for Clean Fuel Production Tax Credit

DCEE qualifies for the Clean Fuel Production Tax Credit ("**CFPTC**"), which is a federal nonrefundable general business credit for the production and sale of qualifying transportation fuels. Unlike other tax creditors, CFPTC credits may be sold to parties who are seeking to reduce their own tax burden for cash to the producer. The typical buyer for the credits are financial institutions or insurance companies.

The CFPTC was established to encourage the production of cleaner transportation fuels by providing financial incentives for producers to invest in facilities and technologies which reduce greenhouse gas emissions.[1] The fuels are divided into two broad categories: sustainable aviation fuel (SAF) and non-SAF transportation fuel.[2] To claim a CFPTC, a taxpayer must first register as a producer of clean fuel at the time of production, which DCEE timely did. Credits are equal to the product of: 1) the applicable amount per gallon (or gallon equivalent) for any transportation fuel that is produced by the taxpayer at a qualified facility during the taxable year sold by the taxpayer in a qualifying sale, and 2) the emissions factor for such fuel as determined under the IRS Code.[3] Currently biogas fuels are eligible to receive these credits through 2027, however there is current proposed federal

[1] *See* https://www.irs.gov/credits-deductions/clean-fuel-production-credit
[2] *Id*.
[3] *Id*.

legislation (H.R.1 - which has passed the house and is up for consideration in the Senate) which would extend the production tax credits for biofuel through 2031. –

While DCEE qualifies for the CPFTC, it has not as yet sold any of the 2025 credits, which are typically sold after they are generated. By the end of June 2025, DCEE will have two quarters worth of CPFTC. Nacelle questions whether DCEE has accounted for the changes to clean energy tax credits due to provisions in the recent budget reconciliation passed by Congress and signed into law. DCEE, by Lenzendorf has been monitoring and will continue to monitor the changing political landscape with respect to clean energy tax credits, has contacts both in Wisconsin and Washington DC, who keep him informed of such changes, and will make such accommodations as are required in order to continue to monetize its assets and operate its business successfully.

Anticipated Upgrades to the Digester

As part of its Plan, within one year of the Effective Date DCEE will complete a transition to a new company to perform ~~such~~ the services currently provided by Nacelle, and will in conjunction with such transition reject the Service Contract pursuant to Bankruptcy Code § 365 (d)(2). ~~Nacelle believes that it will take four to eight months for DCEE to transition to a new service provider. Nacelle also asserts that during this time, because there will be no gas plant on site, the Digester will need to be shut down completely, leaving DCEE unable to generate income during that time.~~

~~DCEE disagrees with Nacelle. So long as the Service Contract remains in effect, DCEE will continue to make required contract payments thereunder. During the transition phase, DCEE expects to continue to maintain and operate the Digester on a daily basis as it does currently, and to continue the relationship between DCEE and American BioEnergy Services, LLC ("**American BioEnergy**"), pursuant to which American BioEnergy provides additional bimonthly maintenance services on the Digester, as well as providing emergency services on an as-needed basis.~~

DCEE also plans on adding an additional digester and new gas upgrading equipment to be able to process added gas from a farm expansion that occurred several years ago. This expansion has led to the availability of an additional 50,000 gallons of manure per day. DCEE has engineered drawings and site facility drawings complete for this expansion. With additional available gas there will be a significant increase in revenue. Lenzendorf estimates that such an upgrade would have an associated cost of approximately $12 million and would include an additional new anaerobic digester and new gas upgrading equipment. DCEE has registered in the safe harbor program to be able to utilize Investment Tax Credits (ITC), up to 40% of new capital costs and has applied for a USDA digester grant for one million dollars.

ITC credits would partially fund the upgrade, as pursuant to the provisions of the Section 45Z Clean Fuel Production Credit, the credits may be sold for cash by DCEE for purchase by other entities seeking to minimize their tax liabilities.

These funds will not be available until the project is complete, so DCEE has engaged with a company that provides financing and bridge financing to complete the upgrades and monetize the ITC credits. DCEE has also engaged with the same company to potentially make loan funds to Lenzendorf (or an entity he may designate) to support an additional $2 million equity investment that would augment cash flow until their CFPTC is monetized. When monetizing ITC or CFPTC credits, interested parties will pay 80 to 90 cents of the actual value of the credit as their incentive to purchase the credits. When forward selling credits, these interested parties will expect to pay less for these credits to offset their risk as the gas has not yet been produced. DCEE is hoping not to have to forward sell any credits because of the larger spread, but is open to it if it helps to secure the financing for the expansion.

Nacelle believes that it will take four to eight months for DCEE to transition to a new service provider. Nacelle also asserts that during this time, because there will be no gas plant on site, the Digester will need to be shut down completely, leaving DCEE unable to generate income during that time.

DCEE disagrees with Nacelle, and does not believe that such a transition will result in downtime that would materially impact its financial performance. So long as the Service Contract remains in effect, DCEE will continue to make required contract payments thereunder. During the transition phase, DCEE expects to continue to maintain and operate the Digester on a daily basis as it does currently, and to continue the relationship between DCEE and American BioEnergy Services, LLC ("**American BioEnergy**"), pursuant to which American BioEnergy provides additional bimonthly maintenance services on the Digester, as well as providing emergency services on an as-needed basis.

DCEE expects to add an additional digester so the current onsite digester may provide seed manure to the new digester, minimizing the typical downtime required when commissioning a new digester. The original digester will continue to produce gas through this entire process. The new gas upgrading equipment is delivered in a containerized system and plugs into existing infrastructure on the site. When developing new biogas sites, the onsite plumbing needed can be time consuming. DCEE has existing infrastructure that can be fitted with the new equipment resulting in only a couple of weeks of commissioning rather than months. There are currently long lead times for gas upgrading equipment. However, DCEE has identified systems and their owners that have already been built and are in storage waiting to be deployed to other projects. These systems may be able to be purchased by DCEE and installed immediately. Thus, the anticipated upgrades are not expected to have any material impact on DCEE's operations and revenues.

Nacelle has expressed concerns about the financial and technical ability of DCEE to build, permit, and profitably operate an additional digester at this time, particularly in light of recent changes to the eligibility requirements and calculations of tax incentives related to investments in clean energy alternatives. DCEE believes that such concerns are unfounded as not only did Lenzendorf complete Digester Operator School in 2023, but DCEE has aligned itself with expert strategic partners in both digester and gas upgrading, which will allow DCEE to continue its operations with very little negative impact.

Additional ~~D~~detailed information on DCEE's proposed project expansion, including background on the expansion and progress of the expansion, is attached hereto and incorporated herein as **Exhibit B**.

Permitting and Regulatory Matters

Lenzendorf has previous experience in issues related to water quality and permitting for Concentrated Animal Feeding Operations ("**CAFO**"), including through his time serving in Governor Scott Walker's policy department. After leaving this position, Lenzendorf assisted the Wisconsin Department of Natural Resources ("**DNR**") with the implementation of a new CAFO discharge department developed to expedite permits for manure management projects, including the discharge permit as required in the Wisconsin Pollutant Discharge Elimination System ("**WPDES**") Permit ("**WPDES Permit**"). Upon confirmation of the Plan, Lenzendorf will be more than able to navigate any permitting and regulatory issues that may arise with respect to the reorganized Debtor. Additionally, DCEE will continue to utilize the services of CI Score Solutions to ensure permits and other regulatory issues are current and addressed. Finally, DCEE does not discharge any materials to the Sturgeon Bay Wastewater Treatment Plant, therefore, the reorganized debtor will not be required to address any permitting or coverage issues related to the plant.

B. Prepetition Litigation Involving the Debtor

DCEE is a defendant in the lawsuit styled as *Foxland Incorporated v. Door County Environmental Energy LLC a/k/a Door County Environmental Energy and S&S JerseyLand Dairy LLC*, Circuit Court of Outagamie County Case Number 24-CV-699 ("**Foxland Lawsuit**"). Foxland Incorporated ("**Foxland**") filed the Foxland Lawsuit on June 26, 2024, seeking a money judgment in the amount of $520,837.52, plus all accrued interest together with all costs and expenses of collection, including reasonable attorneys' fees, against DCEE and co-defendant JerseyLand. Foxland asserts that DCEE and JerseyLand failed to pay Foxland for goods and/or services sold or performed by Foxland to DCEE at DCEE and JerseyLand's request.

DCEE initially failed to file an answer within the prescribed time after being served with the Summons and Complaint. After Foxland filed a Motion for Default Judgment, Lenzendorf engaged counsel on behalf of DCEE and filed an Answer to Foxland's Complaint. The Foxland Litigation has been stayed since the Petition Date. On April 7, 2025, the court held a status conference in the Foxland Litigation and scheduled a future status conference for July 8, 2025. Foxland's claim is treated as an unsecured claim in Debtor's Plan.

C. Events Leading to the Debtor's Chapter 11 Filing

DCEE sought relief under the Bankruptcy Code in order to quickly, efficiently and economically address its substantial debts to GAB, US Venture, and vendors such as Foxland. Additionally, as of the Petition Date, DCEE also owed Nacelle for services provided by Nacelle under the MSA, in the amount of approximately $1.7 million.

To these ends, since the filing of this Chapter 11 Case (the "**Case**"), DCEE, through its principal managers Winters and Lenzendorf, have been devoting substantial time addressing operational challenges, working to increase cash flow, and developing a plan of reorganization.

D. Significant Events During the Bankruptcy Case

i. Commencement of the Debtor's Case

DCEE voluntarily filed for protection under Chapter 11 of the Bankruptcy Code on December 19, 2024 (the "**Petition Date**"), commencing the above-captioned case ("**Chapter 11 Case**" or "**Case**"). Since the Petition Date, DCEE remains in possession of its property and is operating its business as a debtor in possession, pursuant to applicable provisions of the United States Bankruptcy Cade ("**Bankruptcy Code**"). No unsecured creditors committee, trustee, or examiner has ever been appointed in this Case.

ii. Employment of the Debtor's Professionals

Employment of Richman & Richman LLC

On January 15, 2025, the Court entered the Order Granting Application of Debtor for Authority to Retain and Employ Richman & Richman LLC as Counsel for the Debtor [Doc 28].

Employment of CliftonLarsonAllen, LLP

On March 19, 2025, the Debtor filed Notice and Application of the Debtor for Authority to Retain and Employ CliftonLarsonAllen LLP as Accountants for the Debtor Effective as of March 19, 2025 [Doc 59]. On April 4, 2025, the Court entered the Order Granting Application of Debtor for Authority to Retain and Employ CliftonLarsonAllen LLP as Accountants for the Debtor Effective as of March 19, 2025 [Doc 68].

iii. Use of Cash Collateral and Adequate Protection

On February 11, 2025, the Debtor filed Debtor's Motion to Approve and Adopt Stipulated Order Authorizing Interim Use of Cash Collateral and Granting Adequate Protection ("**Cash Collateral Motion**") [Doc 34] to approve an agreement on the use of cash collateral it reached with GAB. On March 6, 2025, the Court entered the Stipulated Order Authorizing Interim Use of Cash Collateral and Granting Adequate Protection ("**Interim Cash Collateral Order**") [Doc 50], authorizing the Debtor, on an interim basis, to use cash collateral as provided in the budget attached to the Interim Cash Collateral Order through April 30, 2025 (the "**Interim Period**").

Additionally, pursuant to the Interim Cash Collateral Order, among other provisions, as adequate protection, GAB was granted first position security interests, mortgages and liens (the "**Replacement Liens**") in certain property acquired by Debtor on and after the Petition Date. In addition, GAB was granted an allowed superpriority administrative expense claim in an amount not less than any postpetition diminution in the value of its collateral (the "**Superpriority Claim**").

The Interim Cash Collateral Order also provided (pursuant to an agreement) for DCEE to pay Nacelle $110,000 per month, and that DCEE would make a "catch-up" payment of $262,580 to Nacelle upon entry of the Interim Cash Collateral Order to cover the period of December 19-31, 2024, as well as the monthly payments for January and February 2025. The Interim Cash Collateral Order further provides, in the event of a default by DCEE in any such payments to Nacelle, in the event that GAB receives a Superpriority Claim, Nacelle shall also have a Superpriority Claim that shall be *pari passu* with GAB's Superpriority Claim.

The final hearing on DCEE's use of cash collateral and adequate protection is set for April 22, 2025, and any objections to the entry of a final order on use of cash collateral and adequate protection must be filed by objecting parties on or before April 18, 2025.

iv. GAB Enforcement of Guaranties/USV Loan Purchase Obligation

On January 17, 2025, GAB made written demand on US Ventures to exercise the USV Loan Purchase Obligation. The Debtor understands that GAB and US Venture subsequently held negotiations, and that litigation has been commenced in an effort to resolve the demand and asserted obligation. The question whether the USV Loan Purchase Obligation remains binding is discussed above.

On February 7, 2025, GAB made written demand on Winters (one of Debtor's investors and management members) for payment under the Guaranty he provided GAB on December 23, 2023. Believing that litigation to enforce any such Guaranty would be an impediment to the expeditious resolution of this chapter 11 case, and might otherwise be mooted by the Debtor's treatment of the GAB Loan in a chapter 11 plan, the Debtor commenced on February 25, 2025 an adversary proceeding styled as *Door County Environmental Energy LLC v. German American State Bank*, Adv. No. 25-02032-beh ("**GAB Adversary Proceeding**") [*See* GAB Adversary Proceeding, Doc 1], and the accompanying Motion for Entry of a Preliminary Injunction against GAB ("**Motion for Preliminary Injunction**") [*See* GAB Adversary Proceeding, Doc 3] seeking a preliminary injunction, pending chapter 11 plan confirmation, of any threatened Guaranty enforcement litigation.

GAB objected to the preliminary injunction on March 11, 2025 [GAB Adversary Proceeding, Doc 9], and sought dismissal of the adversary proceeding by Motion to Dismiss Complaint for Injunctive Relief, filed on March 19, 2025 ("**Motion to Dismiss GAB Adversary Proceeding**") [GAB Adversary Proceeding, Doc 17]. DCEE replied to GAB's objection to injunctive relief on March 18, 2025 [GAB Adversary Proceeding, Doc 16].

In light of the negotiations between GAB and USV discussed above, and the impending filing of the Plan and this Disclosure Statement, the Debtor then determined that an enforcement action against Winters was not likely to be commenced, and that even if it did, it would not likely interfere with the chapter 11 plan process. Thus, on April 16, 2025, the Debtor discontinued the injunction litigation by filing a Notice of Voluntary Dismissal of Adversary Proceeding [GAB Adversary Proceeding, Doc 24] and a Notice of Withdrawal of Plaintiff's Motion for Entry of a Preliminary Injunction [GAB Adversary Proceeding, Doc 25].

On May 2, 2025, GAB did subsequently commence a guaranty enforcement action against Winters, styled as *German American State Bank n/k/a Foresight Bank v. Frank M. Winters*, and that action is pending in the State of Illinois, Circuit Court of Stephenson County, as Case Number 2025LA16.

v. **DCEE's Motion to Assume an Unexpired Lease Nonresidential Real Property**

On April 11, 2025, DCEE filed the Debtor's Motion to Assume an Unexpired Lease Nonresidential Real Property ("**Motion to Assume**") [Doc 70], and the Debtor's Motion for Expedited Hearing on (A) Debtor's Motion to Assume an Unexpired Lease Nonresidential Real Property, and (B) in the Alternative for a Brief Extension of the Time to Assume or Reject Lease ("**Motion for Expedited Hearing**") [Doc 73], seeking entry of an order, on an expedited basis, authorizing DCEE to assume its nonresidential real property lease of the Leasehold Interest with S&S AG. At a hearing held on April 16, 2025, the Court granted both Motions [Docs 86 and 87].

vi. **Current and Recent Historical Financial Conditions**

A chart summarizing the Debtor's historical financial performance is attached hereto as **Exhibit ~~B~~C**.

III. THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. Purpose of the Plan of Reorganization

Chapter 11 is the principal business reorganization Chapter of the Bankruptcy Code. Under Chapter 11, a debtor is authorized to reorganize, sell, or liquidate its business for the benefit of its creditors. Chapter 11 provides a debtor with some flexibility, allowing it, subject to oversight, to work to identify the best means of maximizing creditor recoveries. In furtherance of the goals of the Bankruptcy Code, upon the filing of a petition for relief under Chapter 11, section 362 of the Bankruptcy Code provides for an automatic stay of substantially all acts and proceedings against the debtor and its property, including all attempts to collect claims or enforce liens that arose prior to the commencement of the Chapter 11 case.

The consummation of a Chapter 11 plan is typically the principal objective of a Chapter 11 case. A Chapter 11 plan sets forth the mechanism that the Plan proponent has determined is best suited for satisfying creditor claims. A plan will typically separate creditors into "classes" reflecting the fact that some creditors get paid ahead of and differently than others under the Bankruptcy Code, and explains how the debtor or another party will object to claims as needed and ultimately make distributions.

Confirmation of a Chapter 11 plan by the bankruptcy court makes the plan binding upon the debtor, any issuer of securities under the plan, any entity acquiring property under the plan, and any creditor of, or equity holder in, the debtor, whether or not such creditor or equity security holder: (i) is impaired under the plan; (ii) has accepted the plan; (iii) voted against the plan, or (iv) receives or retains any property under the plan.

B. Explanation of Classes of Claims and Equity Interests Generally, and Treatment of Claims and Equity Interests Under the Plan.

The Debtor's proposed Plan provides for treatment and distributions on account of all allowed priority, secured and unsecured claims, and interests. The schedule for payment of these obligations has been designed to provide adequate prospective cash flow to the Debtor to enable it to service its Plan and business obligations. A copy of the Debtor's Plan is attached hereto as **Exhibit A**, and the Debtor's forecast of annual revenues, expenses and income is attached hereto as **Exhibit ~~C~~D**.

The Allowed Claims are identified by Claimant, type, and amount on the Allowed POC chart on **Exhibit ~~D~~E**, attached hereto.

The Debtor's Plan places all Claims and Interests against the Debtor, except (a) Administrative Expense Claims (which are post-petition claims required under Bankruptcy Code § 1129(a)(9) to be paid in full as a condition of Plan confirmation, unless the holder of such claim agrees to different treatment), and (b) statutory fee claims under 28 U.S.C. § 1930, into the Classes set forth below. The Debtor believes that at the time of Plan confirmation, the amount of allowed Administrative Expense Claims that will be required to be paid will be approximately $250,000.

i. **Classes of Allowed Secured Claims.** Allowed Secured Claims, if any, are claims secured by property of the Debtor's bankruptcy estates to the extent allowed as secured claims under section 506 of the Bankruptcy Code. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified separately in a class of like unsecured claims.

CLASS 1 – Secured Claim of GAB. By Agreement between GAB and the Debtor, GAB's aggregate claim amount based upon the Debtor's prepetition indebtedness to it is $4,191,465.20 (the "**POC Amount**"), plus $75,000 in attorneys' fees (the "**GAB Attorneys' Fees**") *plus* post-petition interest through the Effective Date on the POC Amount at a per annum rate equal to 7% (the "**Post-Petition Interest**"); the POC Amount plus the GAB Attorneys' Fees plus the Post-Petition Interest is referred to herein as, the "**GAB Claim**"). The GAB Claim shall be allowed as a secured claim, and shall be paid in full over five (5) years (60 months), with a per annum interest rate of 7%. Payments of approximately $85,000 (the exact amount to be determined as of the Effective Date by amortizing the GAB Claim over 60 months with a per annum interest rate of 7% as set forth above) shall be made by DCEE monthly, with the first payment due on the first day of the month that begins after the Effective Date. DCEE shall keep one month's payment on reserve with GAB until the GAB Claim is paid in full, and GAB shall retain the liens securing the GAB Claim until such time as the GAB Claim has been paid in full pursuant to the terms of this Plan, at which time GAB shall execute documents reasonably necessary to release all liens or security interests in any and all property securing the GAB Claim.

CLASS 2 – Secured Claim of US Venture. Pursuant to section 1124(2) of the Bankruptcy Code, the Secured Claim of US Venture is reinstated according to the terms of its APA and the US Venture Note. Accordingly, he secured claim of US Venture in the amount of approximately $5.1 million is unimpaired under the Plan, the provisions, including the payment schedules and maturity with respect to such claim are reinstated, and US Venture shall continue to be treated as subordinated to the GAB Claim with respect to the same collateral that secures the GAB Claim. Because Bankruptcy Code § 1124(2) provides that this claim is unimpaired, it is deemed to have voted to accept the Plan.

ii. **Classes of Priority Unsecured Claims.** Certain priority claims that are referred to in sections 507(a) of the Bankruptcy Code are required to be placed in separate classes. The Bankruptcy Code requires that each holder of such a claim receive cash on the Effective Date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment. The Debtor believes that there are no such Priority Unsecured Claims.

iii. **Classes of General Unsecured Claims.** General unsecured claims are not secured by property of the estate and are not entitled to priority under section 507(a) of the Bankruptcy Code.

CLASS 3 – General Unsecured Claims. Class 3 consists of the general unsecured claims of Nacelle in the amount of approximately $1.6 million, Foxland, in the amount of approximately $500,000, and trade debt of approximately $100,000 (or approximately $2.2 million in the aggregate, the final amounts to be agreed or otherwise determined by the Court). These Claims are unimpaired and deemed to vote to accept the Plan. ~~unimpaired and deemed to vote to accept the Plan~~. These Claims shall be paid a 100% dividend, on a pro rata basis, with a per annum interest rate of 7.5%, in monthly payments in the aggregate estimated amount of $68,433.80, over three (3) years, with the first payment due on the first day of the month that begins after the Effective Date, and each monthly payment due on the first day of the same month thereafter, until paid in full.

iv. **CLASS 4 – Equity Interest Holders of the Debtor.** Holders of Equity Security Interests are parties who hold an ownership interest in the Debtor (*i.e.*, the Debtor's owners). For example, in a corporation or a limited liability company, entities or individuals holding stock or membership interests would be considered to be holders of equity interests.

All equity interest holders of the Debtor shall receive new equity interests in the reorganized Debtor equivalent to the interests they held in the Debtor at the Petition Date, and are unimpaired and presumed conclusively to have accepted the Plan, in accordance with Bankruptcy Code § 1126(f).

IV. MEANS OF IMPLEMENTING THE PLAN

A. Funding of the Plan

To effectuate the proposed Plan, DCEE shall continue its operations. DCEE will utilize profits, revenues, and income from its operations, and cash on hand on the Effective Date to fund the proposed Plan. Avoidance Actions

B. Avoidance Actions

Disclosed and identified in DCEE's Statement of Financial Affairs Numbers 3.1 through 3.11 are entities (and amounts paid to each) who received payments from DCEE within 90 days of the Petition Date. *See* Statement of Financial Affairs Nos. 3.1 – 3.11, Doc. 23, pp. 17-18. These are entities against whom actions may potentially be commenced for the recovery of preference payments pursuant to Bankruptcy Code § 547 ("**Preference Actions**"). These entities include GAB; Nacelle; American BioEnergy, who, as previously discussed herein, continues to provide maintenance services to the Digester; and Wisconsin Public Service ("**WPS**"), provider of gas and electricity to DCEE.

DCEE has determined that, based on its analysis of potential Preference Actions, including the existence of applicable affirmative defenses available to the potential defendants, including but not limited to the ordinary course of business defense, contemporaneous exchange for new value, subsequent new value, and other defenses set forth in Section 547(c) of the Bankruptcy Code, such actions are unlikely to yield a net benefit to DCEE's estate after accounting for the costs of litigation. Specifically, DCEE has determined that:

- The costs, uncertainties, and delays associated with prosecuting Preference Actions would likely outweigh any potential recovery;

- The preservation of business relationships with vendors, suppliers, and other trade creditors, particularly with respect to American BioEnergy and WPS, is essential to the Debtor's successful reorganization; and
- The affirmative defenses available to potential defendants create substantial litigation risk.

Nothing in this Section shall be construed to waive, release, or discharge any other Causes of Action that the Debtor or the Reorganized Debtor may hold against any Entity, including but not limited to Claims arising under Chapter 5 of the Bankruptcy Code other than Preference Actions, or Claims arising from fraud, gross negligence, or willful misconduct.

As disclosed in DCEE's Statement of Financial Affairs Number 4 and Number 30, no payments, distributions, or withdrawals credited or given to insiders were made by DCEE within one yar of the Petition Date, therefore, there would be no viable causes of action to recover any such amounts. *See* Statement of Financial Affairs Nos. 4, 30, Doc 23, p. 18, 24.

C. Preservation of Rights of Action; Settlement of Claims and Releases

As described in greater detail in the Plan, except as provided in the Plan or in any contract, instrument, release or other agreement entered into or delivered in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code and to the fullest extent possible under applicable law, the Debtor shall retain and may pursue and/or enforce (and shall have the sole right to pursue and/or enforce) any claims, demands, rights, and Causes of Action that the Debtor or Estate may hold against any third party. The Debtor may pursue, or not pursue, such retained claims, demands, rights, or Causes of Action, as it deems appropriate in its own discretion.

D. Closing the Bankruptcy Case.

Upon substantial consummation of the Plan, the Debtor may apply for an order closing the case.

E. Reopening of the Bankruptcy Case.

This Chapter 11 Case may be reopened to administer assets, to grant the Reorganized Debtor other relief, including but not limited to, a discharge, to seek conversion or dismissal upon occurrence of a subsequent material default under the Plan, to hear and resolve any matter or proceeding over which the Court has retained jurisdiction, or for other cause.

F. Executory Contracts and Unexpired Leases

The Plan at Article 4 lists all executory contracts and unexpired leases that the Debtor will assume, and if applicable assign, under the Plan, as amended, including the Renewable Natural Gas Purchase and Sale Agreement between U.S. Venture and DCEE. Article 4 also states the amount of cure obligations the Debtor believes must be paid in full upon the Effective Date when the contracts are assumed. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any.

The Plan also provides, in the case of Nacelle, that the Debtor shall request authority to reject the Master Services Agreement ("**MSA**") and the Statement of Work No. 1 ("**SOW**") (together, the "**Service Contract**") within one year of the Effective Date, in conjunction with the Debtor's transition of the work to a new company. Nacelle argues that rejection of its contract after confirmation is not permitted under the Bankruptcy Code and that accordingly, the Court will not likely approve the Plan. DCEE will request Court approval in conjunction with Plan confirmation hearings to reject the contract up to a year after the Effective Date on the grounds that (a) this is authorized by Bankruptcy Code § 365(d)(2) and applicable precedents, (b) the extension is necessary to mitigate damage to the Debtor and its estate, and (c) the extension is not prejudicial to Nacelle because the Debtor will continue during the extended period to honor the financial obligations of the contract. The Debtor has provided in its Plan that in the event the Court does not authorize the extended rejection date proposed by the Debtor, the rejection of the Service Contract will be treated as a condition of the occurrence of the Effective Date.

If you are a party to any such contract or lease, and you object to the assumption, and if applicable, the assignment, of your unexpired lease or executory contract under the Plan, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier time.

All executory contracts and unexpired leases that are not listed in Article 4 or have not previously been assumed, and if applicable, assigned, or are not the subject of a pending motion to assume, and if applicable, assign, will be rejected under the Plan. Consult your adviser or attorney for more specific information about particular contracts or leases. If you object to the rejection of your contract or lease, you must also file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan.

V. CONFIRMATION REQUIREMENTS AND PROCEDURES

A. Acceptance of the Plan

The Bankruptcy Court will confirm the Plan only if all of the requirements of section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation are that the Plan (i) is accepted by all impaired classes of Claims and Interests entitled to vote for or against the Plan or, if rejected by an impaired class, the Court may confirm the Plan under the so-called "cram down" provisions set forth in section 1129(b) of the Bankruptcy Code if at least one impaired class has accepted the Plan, and that as to an objecting impaired class the Plan "does not discriminate unfairly" and is "fair and equitable" as to such class; and (ii) is in the "best interests" of the holders of Claims and Interests impaired under the Plan.

Under the Bankruptcy Code, acceptance of a Chapter 11 plan by a class of claims occurs when holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the allowed claims of that class that cast ballots for acceptance or rejection of the Chapter 11 plan vote to accept the plan. Under the Bankruptcy Code, acceptance of a Chapter 11 plan by a class of interests occurs when holders of at least two-thirds (2/3) in amount of allowed interests of that class that cast ballots for acceptance or rejection of the Chapter 11 plan, vote to accept the plan. A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code. In this case, as discussed above, all classes are deemed to have voted to accept the Plan, because all classes are unimpaired.

The "unfair discrimination" test applies to classes of claims or interests that are of equal priority and are receiving different treatment under the Plan. A Chapter 11 plan does not discriminate unfairly, within the meaning of the Bankruptcy Code, if the legal rights of a dissenting class are treated in a manner consistent with the treatment of other classes whose legal rights are substantially similar to those of the dissenting class and if no class of claims or interests receives more than it legally is entitled to receive for its claims or interests. The test does not require that the treatment be the same or equivalent, but that such treatment be "fair." In this case, as discussed above, the Debtor has treated all classes the same, as unimpaired. The Debtor believes that the treatment it has proposed for its classes of claims or interests satisfies these tests.

The "fair and equitable" test applies to classes of different priority and status (*e.g.*, secured versus unsecured; claims versus interests). For a rejecting class of secured creditors, among other things, the holders of such claims must retain the liens securing the claims, and receive on account of such claim deferred cash payments totaling at least the value of the holder's interest in the estate's interest in such property. The Debtor believes it has provided such treatment in the Plan. For a rejecting class of unsecured creditors, among other things, the holders of such claims must not receive more than 100% of the allowed amount of the claims in such class and, if they receive less (as proposed in the Plan) the "absolute priority rule" is satisfied (*i.e.*, unless a class of claims of a senior priority are satisfied in full, no junior class can receive or retain any property under the Plan), unless an exception thereto is established as discussed above. As all unsecured creditors are to receive 100% of the allowed amount of their claims, the absolute priority rule is not applicable in this case.

The Debtor thus believes the Plan satisfies the "fair and equitable" requirement with respect to any potential rejecting Class.

IF ALL OTHER CONFIRMATION REQUIREMENTS ARE SATISFIED AT THE CONFIRMATION HEARING, OTHER THAN THE ACCEPTANCE OF ALL IMPAIRED CLASSES, THE PLAN PROPONENTS WILL ASK THE BANKRUPTCY COURT TO RULE UNDER THE CRAMDOWN PROVISIONS THAT THE PLAN MAY NONETHELESS BE CONFIRMED.

B. Who May Object to Confirmation?

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

C. What Is an Allowed Claim?

Only a Holder of a Claim that constitutes an Allowed Claim has the right to vote on the Plan. Generally, a Claim is Allowed if either (l) the Debtor has scheduled the Claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the Creditor has filed a proof of Claim, and unless an objection has been filed to such proof of Claim (or to a scheduled Claim). When a Claim is not allowed, the Creditor holding the Claim cannot vote unless the Court overrules the objection or allows the Claim for voting purposes under Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

D. What Is an Impaired Claim?

As noted above, the Holder of an Allowed Claim or Equity Interest has the right to vote only if it is in a class that is impaired under the Plan. As provided in section 1124 of the Bankruptcy Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

E. Who Is Not Entitled to Vote?

The following types of Creditors are not entitled to vote:

- Holders of Claims that have been disallowed by Court order.
- Holders of Claims in unimpaired classes, if any.
- Holders of Claims who receive no Plan distributions.
- Holders of Administrative Expense Claims.

Even if you are not entitled to vote on the Plan, you still have a right to object to confirmation of the Plan.

F. Best Interests Test

The Bankruptcy Code requires that each holder of an impaired Claim either (i) accept the Plan or (ii) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code. This requirement is customarily referred to as the "best interests" test.

The first step in determining whether the Plan satisfies the best interests test is to determine the dollar amount that would be generated from a hypothetical liquidation of the Debtor's assets and properties in the context of a Chapter 7 liquidation case. The gross amount of cash that would be available for satisfaction of Claims and Interests would be the sum consisting of the proceeds resulting from the disposition of the assets and properties of the Debtor, augmented by the unencumbered cash held by the Debtor at the time of the commencement of the liquidation case.

The next step is to reduce that gross amount by the costs and expenses of liquidation, the proceeds received from the disposition of encumbered assets that would be distributed to the holders of the liens on such assets, and by the payment of such additional administrative expenses and priority claims arising from the use of Chapter 7 for the purposes of liquidation. Any remaining cash would be allocated to unsecured creditors and interest holders in strict priority in accordance with section 726 of the Bankruptcy Code.

The Debtor's costs of liquidation under Chapter 7 would include the fees payable to a trustee in bankruptcy as well as those fees that might be payable to attorneys and other professionals that the trustee might engage. Other liquidation costs include the expenses incurred during the Chapter 11 Case allowed in the Chapter 7 case, such as compensation for attorneys, financial advisors, appraisers, accountants, and other professionals for the Debtor appointed in the Chapter 11 Case, as well as other compensation Claims. Furthermore, additional Claims would arise by reason of the breach or rejection of obligations incurred and leases and executory contracts assumed or entered into by the Debtor during the pendency of the Chapter 11 Case. The foregoing types of Claims, costs, expenses, fees, and such other Claims that may arise in a liquidation case would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay prepetition priority and unsecured Claims, or available for distribution to the holders of Interests.

A Chapter 7 liquidation would likely result (i) in the incurrence of increased costs and expenses arising from fees payable to a trustee in bankruptcy and professional advisors to such trustee, (ii) in an erosion of asset values in the context of forced sales, and (iii) in the substantial increase in Claims that would have to be satisfied on a priority basis or on parity with creditors in the Chapter 11 Case.

The Debtor's Liquidation Analysis is attached hereto as Exhibit F~~E~~. It assumes that in any chapter 7 liquidation the Trustee would be unable to convey the business as a going concern, because it would be unable to assume and assign the existing operational contracts (specifically with US Venture and Nacelle) that are essential to the operation of the business, such that the Debtor would realize only on the relatively small amount of equipment it owns. In this case, because the aggregate Claims of the secured creditors exceed very substantially the likely liquidation value of the Debtor's assets, and remaining creditors would likely receive nothing (or less than provided by the Plan), the Debtor believes that all creditors are receiving amounts under the Plan that are more than the distributions they would obtain in a Chapter 7 case. Under these circumstances, the best interests test clearly is satisfied.

G. Feasibility of the Plan

In connection with confirmation of the Plan, the Bankruptcy Court will have to determine that the Plan is feasible pursuant to section 1129(a)(11) of the Bankruptcy Code, which requires that the confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor, unless such liquidation or reorganization is contemplated in the Plan. Here, the Plan contemplates that continued operations of the Debtor's related entities and revenues from such operations, as well as new capital to be contributed by interest holders, will generate the funds needed to implement the Plan.

The Debtor's forecast of annual revenues, expenses and income, attached hereto as **Exhibit ~~C~~D** shows that Debtor's revenues from operations are sufficient to support the payments contemplated by the Plan.

All assets of the bankruptcy estate shall re-vest in the Debtor upon the Effective Date.

H. Alternatives to the Plan

The Debtor has determined that the Plan is the best path forward for a successful and timely conclusion to this Chapter 11 case. There are, however, potential alternatives to the Plan that include (i) continuation of the Chapter 11 Case, which could lead to the filing of one or more alternative plans of reorganization, whether by the Debtor or other parties in interest, or (ii) liquidation of the Debtor's assets under Chapter 7 of the Bankruptcy Code.

1. **Continuation of the Chapter 11 Case**. If the Plan is not confirmed, the Debtor (or, if the Debtor's exclusive period in which to file a plan of reorganization has expired or is terminated with regard to any other party in interest, such other party in interest) could attempt to formulate a different plan. Such a plan might involve either a reorganization and continuation of the Debtor's business, a sale, or an orderly liquidation of its assets on terms and conditions less favorable to creditors than the Debtor's Plan.

2. **Liquidation under Chapter 7 of the Bankruptcy Code.** If no plan can be confirmed, this case may be converted to a case under Chapter 7 of the Bankruptcy Code in which a trustee would be elected or appointed to liquidate the assets of the Debtor for distribution to its creditors in accordance with the priorities established by the Bankruptcy Code. A Chapter 7 trustee, who is likely to lack the depth of knowledge of the Debtor's financial situation, would be required to invest substantial time and resources to become familiar with this case and investigate the facts underlying the claims filed against the Debtor's estates. As discussed herein, and as will be demonstrated in connection with confirmation of the Plan, the Debtor believes that liquidation under Chapter 7 would not likely produce greater value to stakeholders than those provided for in the Plan because of, among other things, the limited market for the Debtor's assets and the delay resulting from the conversion of the Chapter 11 Case to a case under Chapter 7, the uncertainty that any purchaser could continue to use the services and equipment provided by Nacelle (at a minimum without taking an assignment of the Nacelle Service Contract, which would require the payment to Nacelle of approximately $1.7 million to cure prepetition arrearages), the additional administrative expenses associated with the appointment of a Chapter 7 trustee, including associated professionals' fees, and the loss in value attributable to a liquidation of the Debtor's assets as required by Chapter 7. Further, as stated above, the Debtor believes that in any liquidation under Chapter 7 there will be no recoveries for any stakeholders other than the Secured Creditors.

VI. EFFECT OF CONFIRMATION OF PLAN

A. Release and Discharge of Debtor

Upon the Effective Date and in consideration of the distributions to be made hereunder, except as otherwise expressly provided herein, the Plan provides that each holder (as well as any representatives, trustees, or agents on behalf of each holder) of a Claim or Interest and any affiliate of such holder shall be deemed to have forever waived, released, and discharged the Debtor, to the fullest extent permitted by section 1141 of the Bankruptcy Code, of and from any and all Claims, Interests, rights, and liabilities that arose prior to the Effective Date. Upon the Effective Date, all such Persons shall be forever precluded and enjoined, pursuant to section 524 of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim against or Interest in the Debtor.

B. Exculpation

The Plan provides that upon the Effective Date, the Debtor, its agents, managers, financial advisors, attorneys, accountants, and other professionals, to the maximum extent permitted by applicable law, are released and exculpated from, any Claim, Interest, obligation, suit, judgment, damage, demand, debt, right, Cause of Action, loss, remedy, or liability for any claim arising on or after the Petition Date in connection with or arising out of the administration of this Chapter 11 Case, including, but not limited to, the solicitation of votes for, or confirmation of, the Plan; the funding of the Plan; and other actions taken in furtherance of the Plan from the Petition Date through the Effective Date. The exculpation does not cover claims related to any act or omission that is determined in a Final Order by a court of competent jurisdiction to have constituted gross negligence, actual fraud or willful misconduct, or to any post-Effective Date obligations of the Reorganized Debtor.

C. Injunction

The Plan also provides that, commencing on the Effective Date, except as expressly provided otherwise in the Plan, the holders of all Claims shall be enjoined from asserting against the Debtor and Reorganized Debtor, or its assets and property, any other or further liabilities, liens, obligations or claims, including, but not limited to, all principal and accrued and unpaid interest on the debts of the Debtor, based on any act or omission, transaction, or other activity or security interest, or other agreement of any kind or nature of agreement occurring, arising or existing prior to the Confirmation Date that was or could have been the subject of any claim, whether or not allowed. All legal or other proceedings or actions seeking to establish or enforce liabilities, liens, claims, or obligations of any nature against the Debtor or assets or properties received or retained by the

Reorganized Debtor with respect to debts and obligations, if any, of the estate, arising before the Confirmation Date, shall be permanently stayed and enjoined, except as may otherwise be specifically provided for in this Plan.

D. Binding Effect

The provisions of the Plan, the Confirmation Order, and any associated findings of fact or conclusions of law shall bind the Debtor, any entity acquiring property under the Plan, and any Creditor of the Debtor, whether or not the Claim of such Creditor is Impaired under the Plan and whether or not such Creditor has accepted the Plan.

E. Vesting of Property

Upon the occurrence of the Effective Date subsequent to Confirmation of the Plan all of the estate's property vests in the reorganized Debtor.

F. Preservation of Causes of Action / Reservation of Rights

Nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or the relinquishment of any rights or Causes of Action that the Debtor or the Reorganized Debtor may have or which the Reorganized Debtor may choose to assert on behalf of its estate under any provision of the Bankruptcy Code or any applicable non-bankruptcy law, including, without limitation, (i) any and all Claims against any Person or Entity, to the extent such Person or Entity asserts a crossclaim, counterclaim, and/or Claim for setoff which seeks affirmative relief against the Debtor, the Reorganized Debtor, its officers, directors, or representatives, (ii) the turnover of any property of the Debtor's estate, and (iii) causes of action against current or former directors, officers, professionals, agents, financial advisors, underwriters, lenders, or auditors relating to acts or omissions occurring prior to the Petition Date.

Nothing contained in the Plan or the confirmation order shall be deemed to be a waiver or relinquishment of any cause of action, right of setoff, or other legal or equitable defense which the Debtor had immediately prior to the Petition Date, against or with respect to any claims left unimpaired by the Plan. The Debtor shall have, retain, reserve, and be entitled to assert all such claims, causes of action, rights of setoff, and other legal or equitable defenses which they had immediately prior to the Petition Date fully as if the Chapter 11 Case had not been commenced.

VII. MODIFICATION OF THE PLAN

The Debtor reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, in its sole discretion, to amend or modify the Plan at any time prior to the entry of the Confirmation Order. Upon entry of the Confirmation Order, the Debtor may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan. A Holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim of such Holder and the votes of each Class for or against the Plan shall be counted and used in connection with the modified plan of reorganization. The Debtor reserves the right to amend any exhibits or schedules to the Plan, whereupon each such amended exhibit or schedule shall be deemed substituted for the original of such exhibit.

The Debtor also reserves the absolute right, in its sole discretion, to withdraw this Plan at any time prior to the entry of the Confirmation Order by the Bankruptcy Court. Such withdrawal may be effectuated by filing a notice of withdrawal with the Bankruptcy Court and serving such notice on all parties entitled to notice under the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules of the Bankruptcy Court. In the event of such withdrawal, the Plan shall be deemed null and void in its entirety and of no force or effect, and nothing contained therein shall be deemed to constitute a waiver or release of any Claims by or against the Debtor or any other Person or Entity, or to prejudice in any manner the rights of the Debtor or any other Person or Entity in any further proceedings involving the Debtor. The withdrawal of the Plan shall not prejudice the Debtor's right to file a subsequent plan of reorganization or liquidation, nor shall such withdrawal constitute a waiver of any rights, claims, or defenses of the Debtor.

After the Confirmation Date, the Debtor may, under section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies within or among the Plan, the Disclosure Statement, and the Confirmation Order, and to accomplish such matters as may be reasonably necessary to carry out the purposes and intent hereof. A Holder of a Claim or Equity Interest that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment, modification or remedy does not materially and adversely affect the treatment of the Claim or Equity Interest of such Holder hereunder.

VIII. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The Debtor has not sought or obtained rulings from the Internal Revenue Service or any state or local taxing authority with respect to the tax consequences, if any, of the Plan and the transactions contemplated under either of the foregoing. CREDITORS AND EQUITY HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES TO THEM UNDER FEDERAL AND APPLICABLE STATE AND LOCAL TAX LAWS OF THE CONSUMMATION OF THE PLAN.

IX. CERTAIN FACTORS TO BE CONSIDERED

PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN, ALL HOLDERS OF ELIGIBLE CLAIMS AND ELIGIBLE EQUITY INTERESTS SHOULD READ AND CAREFULLY CONSIDER THE FACTORS SET FORTH BELOW, AS WELL AS ALL OTHER INFORMATION SET FORTH OR OTHERWISE REFERENCED IN THIS DISCLOSURE STATEMENT. THESE FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION. ADDITIONAL RISKS AND UNCERTAINTIES NOT PRESENTLY KNOWN TO THE DEBTOR OR THAT IT CURRENTLY DEEMS IMMATERIAL MAY ALSO HARM ITS BUSINESS.

X. RISK FACTORS

Prior to voting on the Plan, each holder of a Claim entitled to vote should carefully consider the risk factors described below, as well as all of the information contained in this Disclosure Statement, including the Exhibits hereto. These risk factors should not, however, be regarded as constituting the only risks involved in connection with the Plan in its implementation. *See* Section VIII for a discussion of certain tax considerations in connection with the Plan.

<u>Risk of Non-Confirmation of the Plan</u>

Even though all Classes are deemed to have accepted the Plan, the Plan may still not be confirmed by the Bankruptcy Court. Section 1129 of the Bankruptcy Code, which sets forth the requirements for Confirmation, requires, among other things: (a) that Confirmation not be followed by a need for further reorganization or liquidation (*i.e.*, that the plan is "feasible"); and (b) that the Plan and the Debtor otherwise comply with the applicable provisions of the Bankruptcy Code. Although the Debtor believes that the Plan will meet all of the applicable requirements, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

<u>Conditions Precedent to the Effectiveness of the Plan</u>

Even if confirmed, the Plan may still not become effective if the conditions to effectiveness of the Plan are not satisfied, or are not duly waived in accordance with the Plan. See the Plan for a description of the conditions to the effectiveness of the Plan.

XI. GENERAL PROVISIONS

A. Definitions and Rules of Construction

The definitions and rules of construction stated in sections 101 and 102 of the

Bankruptcy Code apply when terms defined or construed in the Bankruptcy Code are used in the Plan.

B. Captions and Headings

The article and section headings used in the Plan are for convenience and reference only, and they do not constitute a part of the Plan or in any manner affect the terms, provisions, or interpretations of the Plan.

C. Corporate Governance

The Debtor will reorganize and continue to operate pursuant to the respective pre-bankruptcy operating agreements or other corporate documents governing such operations, including the Operating Agreement of Door County Environmental Energy, LLC dated January 28, 2022 ("**DCEE Operating Agreement**"). Each of the members shall retain their membership interests and it is expected that Lenzendorf will continue to manage the day-to-day operations of DCEE as he has since the inception of DCEE

D. Severability

Should any term or provision in the Plan be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any other term or provision of the Plan; provided, however, that this provision shall not be applied or interpreted so as to defeat the primary purpose of the Plan, which is to restructure the Debtor's obligations to its Creditors according to the treatment afforded to their Claims under the Plan.

E. Governing Law

Except to the extent that the Bankruptcy Code or other provisions of federal law are applicable, the rights and obligations arising under the Plan in any documents, agreements, and instruments executed in connection with the Plan (except to the extent such documents, agreements and instruments designate otherwise) shall be governed by, and construed and enforced in accordance with, the laws of the State of Wisconsin.

F. Successors and Assigns

The rights and obligations of any entity named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of such entity.

(*Signatures appear on the following page.*)

Dated this 22nd~~1st~~ day of August, 2025.

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