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Honorable Christopher M. Alston
Chapter 11
Hearing Location: Seattle, Rm. 7206
Hearing Date: Friday, March 9, 2018
Hearing Time: 9:30 a.m.
Response Date: March 2, 2018

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7 UNITED STATES BANKRUPTCY COURT
8 WESTERN DISTRICT OF WASHINGTON
9 AT SEATTLE

10 In re:

11 NORTHWEST TERRITORIAL MINT,
12 LLC,

13 Debtor.

Case No. 16-11767-CMA

DECLARATION OF MARK CALVERT IN
SUPPORT OF SALE MOTIONS

14 I, Mark Calvert, declare as follows:

15 1. I am the Chapter 11 Trustee of Northwest Territorial Mint, LLC ("NWTM" or
16 "Debtor") pursuant to the Court's order of appointment dated April 11, 2016. I am over eighteen
17 (18) years of age and I am competent in all ways to testify. Unless otherwise stated, I make the
18 following statements based on my personal knowledge. I submit this Declaration in support of (i)
19 Motion for Order Approving the Sale of Certain of the Debtor's Assets Free and Clear of All Liens,
20 Claims, Interests, and Encumbrances to Medalcraft Mint, Inc. (the "Medalcraft Sale Motion"); and
21 (ii) Motion for Order Approving the Sale of Certain of the Debtor's Assets Free and Clear of All
22 Liens, Claims, Interests, and Encumbrances to Industrial Assets Corp. (the "Industrial Assets Sale
23 Motion").

24 2. I hereby incorporate the information and statements contained in (i) the Declaration
25 of Mark Calvert in Support of Motion for Order Granting Authority to Incur Credit; Approving Bid
26 Procedures; and Approving Breakup Fee (Dkt. No. 1433); and (ii) Declaration of Mark Calvert in

DECLARATION OF MARK CALVERT IN SUPPORT OF
SALE MOTIONS- 1

501038695 v4

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1 Support of Motion for Order Authorizing the Auction and Sale of the Debtor's Equipment, Dies,
2 Tooling, Archives, and Inventory Free and Clear of All Liens, Claims, Interests and Encumbrances
3 (Dkt. No. 1351). As explained in those declarations, I have been forced to shut down the company's
4 operations and liquidate the Debtor's assets.

5 3. While I have sought court approval to sell substantially all of the Debtor's assets at
6 auction, I have engaged in negotiations with multiple potential buyers for the Debtor's assets.
7 Ultimately, I reached two separate agreements for the sale of certain of the Debtor's assets. One
8 agreement is with Medalcraft Mint, Inc. ("Medalcraft") and the other is with Industrial Assets Corp.
9 ("Industrial Assets"). I have sought approval of those agreements in the Medalcraft Sale Motion and
10 the Industrial Assets Sale Motion.

11 4. My agreement with Medalcraft is described in the Asset Purchase Agreement dated
12 January 26, 2018 with Medalcraft (the "Medalcraft APA"). A copy of the Medalcraft APA is
13 attached hereto Exhibit A. The Medalcraft APA provides that Medalcraft will purchase, among other
14 things, the Medallic Art name and website; marketing materials; archives; customer list, sales
15 history, and vendor list; certain company owned dies associated with any customer for which there
16 has been a sale in the last 20 years; tools; and woodworking equipment (the "Medalcraft Assets").
17 The Medalcraft APA also provides that Medalcraft will purchase three pieces of specifically
18 identified equipment. The Medalcraft APA provides for a purchase price of \$700,000. Medalcraft
19 has provided a nonrefundable earnest money deposit in the amount of \$100,000 in connection with
20 the sale.

21 5. The Medalcraft APA was negotiated in good faith, was the result of arms-length
22 negotiations, and is not the result of any collusion or fraud. Furthermore, I believe that the purchase
23 price is fair and reasonable under the circumstances, and that I would be unable to obtain a better
24 price for the Medalcraft Assets within a reasonable amount of time. I have separately filed a Motion
25 for Order Granting Authority to Incur Credit, Approving Bid Procedures for Sale of Assets, and
26 Approving Break Up Fee (the "Bid Procedures Motion") (Dkt. No. 1432). By that Motion, I request

DECLARATION OF MARK CALVERT IN SUPPORT OF
SALE MOTIONS- 2

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1 that the Court approve bid procedures governing the submission of competing offers for the assets I
2 seek to sell to Industrial Assets and Medalcraft (the "Bid Procedures"). Should a qualified higher and
3 better offer be made for the Medalcraft Assets according to the Bid Procedures, I will hold an
4 auction for the Medalcraft Assets in order to maximize the return for the estate.

5 6. I have also entered into an Asset Purchase Agreement dated February 8, 2018 with
6 Industrial Assets (the "Industrial APA"). The assets to be purchased by Industrial Assets (the
7 "Industrial Assets") include the majority of the Debtor's machinery and equipment, and certain
8 automobiles and trucks, as well as related tooling, attachment parts accessories, manuals, and office
9 furniture located in Dayton, Nevada and Green Bay, Wisconsin. Such assets are described in detail
10 in the Industrial APA, a copy of which is attached hereto as Exhibit B. The purchase price under the
11 Industrial APA is \$1,950,000. Industrial Assets has agreed to provide an earnest money deposit in
12 the amount of \$195,000 (the "Earnest Money"), which Industrial Assets has agreed shall be
13 immediately available to the Debtor as an advance upon approval of the Court.

14 7. The Industrial APA was negotiated in good faith, was the result of arms-length
15 negotiations, and is not the result of any collusion or fraud. Furthermore, I believe that the purchase
16 price is fair and reasonable under the circumstances, and that I would be unable to obtain a better
17 price for the Industrial Assets within a reasonable amount of time. Should a qualified higher and
18 better offer be made for the Industrial Assets according to the Bid Procedures, I will hold an auction
19 for the Industrial Assets in order to maximize the return for the estate.

20 8. I believe that the relief I request in connection with the Medalcraft Sale Motion and
21 Industrial Assets Sale Motion is in the best interests of the estate. I respectfully request that the
22 Court approve both motions and authorize me to sell the assets described therein to Medalcraft and
23 Industrial Assets as stalking horse bidders, or to the successful bidder at an auction I conduct
24 according to the Bid Procedures.

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DECLARATION OF MARK CALVERT IN SUPPORT OF
SALE MOTIONS- 3

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1 I declare under the penalty of perjury under the laws of the United States that the foregoing is
2 true and correct to the best of my knowledge.

3 EXECUTED this 15th day of February, 2018, at Seattle, Washington.

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5 */s/ Mark Calvert* _____

6 Mark Calvert
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DECLARATION OF MARK CALVERT IN SUPPORT OF
SALE MOTIONS- 4

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CERTIFICATE OF SERVICE

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The undersigned declares as follows:

That she is a Paralegal in the law firm of K&L Gates LLP, and on February 16, 2018, she caused the foregoing document to be filed electronically through the CM/ECF system which caused Registered Participants to be served by electronic means, as fully reflected on the Notice of Electronic Filing.

Also on February 16, 2018, she caused the foregoing document to be placed in the mail to the Parties at the addresses listed below:

Northwest Territorial Mint LLC
c/o Ross Hansen, Member
P.O. Box 2148
Auburn, WA 98071-2148

I declare under penalty of perjury under the laws of the State of Washington and the United States that the foregoing is true and correct.

Executed on the 16th day of February, 2018 at Seattle, Washington.

/s/ Denise A. Lentz
Denise A. Lentz