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HONORABLE WHITMAN L. HOLT

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In re

ANDERSON HAY ENTERPRISE, INC.¹

Debtor.

Chapter 11

Case No. 25-02074-WLH11

Jointly Administered

DECLARATION OF STEVE
GORDON IN SUPPORT OF
DEBTORS' FIRST DAY MOTIONS

Steve Gordon declares as follows:

1. I am the Chief Financial Officer of each of the Debtors. I have personal knowledge of the facts set forth herein, and I am otherwise competent to testify to them.

2. Since 1960, the family of companies comprising and informally referred to as Anderson Hay (or simply, the "Company") has set the standard for high-quality,

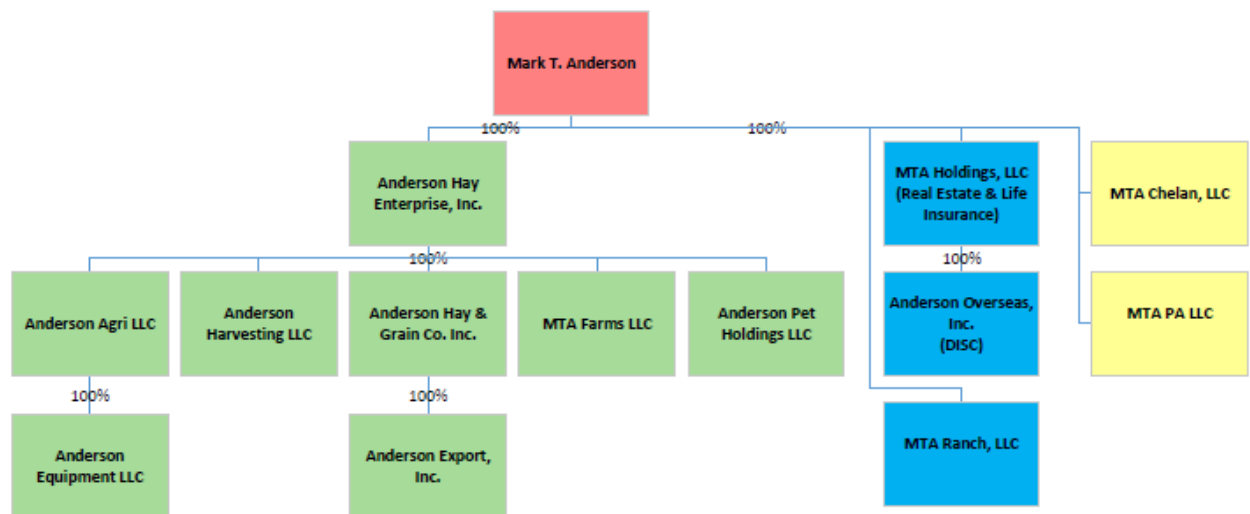
¹ The Debtors are Anderson Hay Enterprise, Inc. ("Enterprise") (Case No. 25-02074); Anderson Hay & Grain Co., Inc. ("AHG") (Case No. 25-02075); Anderson Agri LLC ("Agri") (Case No. 25-02076); M T A Farms LLC ("MTA Farms"), (Case No. 25-02077); Anderson Pet Holdings LLC ("Pet Holdings") (Case No. 25-02078); MTA Ranch, LLC ("MTA Ranch"), (Case No. 25-02080); M T A Holdings, L.L.C. ("MTA Holdings"), (Case No. 25-02079) (collectively, the "Debtors").

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Pacific Northwest-grown forage by supplying a wide variety of hay products and straw to both local and global partners across 30+ countries. The foundation of Anderson Hay's success lies in its longstanding relationships with its customers, growers, suppliers, and employees. From compressed bales to pellets and cubes, every Anderson Hay product is made to deliver reliable nutrition, easy handling, and the kind of confidence that comes from decades of doing it right.

3. In addition to hay production and sales, the Anderson Hay family of companies conducts agricultural services, real estate ownership and leasing, ranching, and a small pet e-commerce line. An organizational chart of the Debtors' enterprise is included below.²



4. The Anderson Hay companies are divided into two interconnected groups that are dependent on each other:

² This organizational chart includes non-debtor entities for completeness. These non-debtor entities are Anderson Harvesting LLC; Anderson Equipment LLC; Anderson Export, Inc.; Anderson Overseas, Inc.; MTA Chelan, LLC; and MTA PA LLC.

- A hay production, processing, and pet-product group centered around Enterprise (the “Enterprise Group”).
- A real estate and ranching group centered around MTA Holdings (the “MTA Holdings Group”)

Although the Enterprise Group and MTA Holdings Group have separate cash systems and operational structures, they are two parts of a single collective enterprise.

THE ENTERPRISE GROUP

5. Enterprise

a. Enterprise is the parent company for the entities involved in hay production, processing, and pet products, functioning as a holding and treasury company wholly owned by Mark T. Anderson. It does not directly engage in operational activities; instead, it has traditionally managed the group's liquidity via zero-balance and sweep accounts, holding surplus cash, booking intercompany receivables and payables, and consolidating tax items and an insurance-captive investment. It is also a co-borrower on financing described below.

b. Enterprise is also obligor on two affiliate notes: (1) approximately \$4.5 million to MTA Holdings at 7.2% fixed, representing proceeds MTA Holdings borrowed from Prudential and lent to Enterprise for additional working capital; and (2) approximately \$1.9 million to Anderson Financial LLC at 6.0% fixed, reflecting funds borrowed against life-insurance value and then transferred to Enterprise.

6. AHG

a. AHG, a wholly owned subsidiary of Enterprise, is the operating arm of the Enterprise Group. AHG purchases, stores, transports, processes, packages, markets, and sells baled hay, pellets, and cubes to livestock owners both domestically

1 and internationally. AHG also offers custom processing and packaging services for third
2 parties, along with limited trucking and container loading and unloading at its Ellensburg
3 facility.

4 b. AHG employs 148 people, comprising 142 full-time and six part-time
5 employees, among them members of the Anderson family. Its revenues are driven
6 primarily by hay sales and related export charges. AHG's expenses include raw material
7 purchases, storage, transportation, processing, general and administrative costs, and
8 interest.

9 c. AHG's balance sheet includes cash from daily export deposits, trade
10 and other receivables, inventory, grower advances, prepaid expenses, long-term deposits,
11 equipment, and right-of-use assets.

12 d. AHG's liabilities include secured financing detailed below, trade
13 payables and accruals, grower payables and lease liabilities. AHG is also obligor on
14 equipment notes totaling approximately \$550,000. AHG is also an obligor on an
15 unsecured note to Robin Anderson in the amount of approximately \$1.27 million, with a
16 variable interest rate based on SOFR.

17 7. Agri. Agri is the field-level agricultural and harvesting entity that contracts
18 with landowners, manages crops and harvesting, purchases hay grown on contracted
19 land, and sells substantially all its product to AHG. Agri also provides custom harvesting
20 services and maintains the equipment and leases needed to support the seasonal harvest.
21 As it relates to the Enterprise Group as a whole, Agri's purpose is to ensure a reliable
22 and cost-effective supply for AHG.
23

1 8. MTA Farms. MTA Farms primarily functions as a land and facility lessor
2 within the Enterprise Group. MTA Farms leases farmland from third-party landowners
3 and subleases it to farmers. It also leases shop and storage space to Agri, as well as a
4 residence to a third party. Additionally, MTA Farms acquires hay seed for resale.

5 9. Pet Holdings. Pet Holdings operates a small-pet consumer line, selling hay-
6 based products, bedding, and toys. Pet Holdings markets and sells its products mainly
7 through Amazon and other online channels. Pet Holdings has no employees; AHG and
8 other Enterprise Group entities provide services for production, packaging, and logistics.
9 Pet Holdings has few tangible assets; its value primarily resides in its brand, online
10 marketplace presence, and customer relationships. Pet Holdings has modest standalone
11 liabilities, mostly consisting of ordinary course payables.

12 **THE MTA HOLDINGS GROUP**

13 10. MTA Holdings

14 a. MTA Holdings serves a similar purpose to Enterprise, focusing on
15 the real estate and ranching aspects of the enterprise. MTA Holdings is a separate entity,
16 owned and managed by Mark T. Anderson, that serves as landlord to AHG and other
17 third-party entities, and sells rock and soil from properties approved for mining.

18 b. MTA Holdings' revenues consist of facility and third-party rental
19 income, rock and soil sales, and interest on notes receivable. MTA Holdings' assets
20 include interest receivables, prepaids, operating real property and equipment, and a
21 \$4.5 million note receivable from Enterprise noted above.

22 c. MTA Holdings' liabilities include trade payables and debt from two
23 Prudential notes described below.

11. MTA Ranch

a. MTA Ranch is a ranching and related services business owned and managed by Mark T. Anderson. MTA Ranch operates a cattle ranch, sells rock and soil from sites owned by MTA Holdings, provides trucking and heavy-equipment services, and owns residential rental properties. All employees in the MTA Holdings Group are employed and paid by MTA Ranch. MTA Ranch is also a co-borrower on the Prudential notes.

b. MTA Ranch's revenues arise from cattle, rock and soil sales, equipment services, and rents. Its assets include accounts receivable, cattle inventory, real property and equipment, breeding stock, and certain recreational assets. MTA Ranch is the maker in connection with certain secured notes, including (i) an note in the approximate amount of \$600,000, payable to the DeWitte Unified Credit Trust, secured by certain real property; (ii) a note payable to Diversified Financial in the approximate balance of \$355,000, secured by irrigation equipment; (iii) a note in the approximate amount of \$123,000 payable to John Deere Credit, secured by farm equipment; and (iv) a note payable to Ally Bank in the approximate amount of \$38,000, secured by a vehicle.

KEY INSIDERS AND INTERCOMPANY RELATIONSHIPS AND TRANSFERS.

12. Key Insiders. Key individuals participate in Anderson Hay. Mark T. Anderson, the sole shareholder of Enterprise and the only member of the MTA Holdings Group entities, is employed by AHG. MTA Ranch employs Carrie Anderson, Mark's wife; and Mark's sons and daughter are each employed by Anderson Hay entities. Robin Anderson (Mark's mother) holds an unsecured note from AHG for about \$1.27 million

1 and receives rent from AHG for a residence in Palm Desert. Additionally, Mark and
2 Carrie Anderson are the mortgagees on the Chelan note described below.

3 13. Structural Intercompany Relationships and Transfers.

4 a. Several structural features of Anderson Hay should also inform the
5 requested first-day relief. First, liquidity and working capital for the Enterprise Group
6 are centralized at Enterprise, with cross-collateralization tying operating assets to real
7 property owned by MTA Holdings Group entities.

8 b. Second, the Debtors' operations depend on the ordinary-course
9 intercompany transactions. Among these, AHG pays rent to MTA Holdings, and AHG
10 provides management services to MTA Holdings for which MTA Holdings pays AHG.
11 MTA Ranch provides trucking and heavy-equipment services to AHG. Agri is paid for
12 grazing by MTA Ranch. MTA Ranch also provides compensated administrative and
13 management services to MTA Holdings.

14 c. Third, Anderson Hay includes formally documented intercompany
15 notes between (1) Enterprise and MTA Holdings, (2) Enterprise and nondebtor Anderson
16 Financial, and (3) MTA Chelan and Mark & Carrie Anderson.

17 **Secured Financing**

18 14. AgWest Farm Credit, PCA ("AgWest")

19 a. Debtors AHG, Enterprise, Agri, Pet Holdings, MTA Farms, and
20 MTA Holdings are parties to that certain *Loan Agreement* dated September 20, 2016, as
21 modified, amended or restated ("AgWest Loan Agreement"); that certain *Note*
22 (*Revolving*) dated November 1, 2024, in the original principal amount of \$25,000,000.00,
23 as modified, amended, or restated ("Note 6240460"); that certain *Third Amended and*

1 *Restated Security Agreement* dated June 30, 2023, whereby the borrower Debtors granted
2 AgWest a secured interest in their assets pursuant to the debt incurred by Note 6240460
3 (the “AgWest Security Agreement”); that certain *Note (Intermediate Term with*
4 *Commitment Period and Multiple Pricing Options)* dated September 8, 2022, in the
5 original principal amount of \$2,500,000.00 (as modified, amended, or restated (“Note
6 6375537,” and together with Note 6240460, the “AgWest Notes”), among other guaranty
7 agreements, deeds of trusts, mortgages, and fixture filings. AgWest’s security interests
8 in the assets of the Debtors are evidenced by a UCC-1 Financing Statement filed
9 September 28, 2016 (Recording No. 2016-272-3509-1), subject to various continuations
10 and amendments.

11 b. The AgWest Notes provide for a revolving credit facility that is
12 purported secured by all machinery and equipment, crops, inventory, accounts receivable
13 and products and proceeds thereof, as well as certain real property in Kittitas and Chelan
14 Counties, Washington, including residential properties and other improvements. As of
15 the Petition Date, the outstanding principal balance of the AgWest Loan Agreement was
16 approximately \$19,999,624.46.

17 c. On March 6, 2025, AgWest issued a notice of default and reservation
18 of rights letter to the Debtors, asserting various monetary defaults. On October 3, 2025,
19 AgWest issued a demand and notice of acceleration to the Debtors.

20 15. PGIM Real Estate Finance, LLC (“PGIM”) Debtors AHG, MTA Holdings,
21 and MTA Ranch are parties to that certain *Loan Agreement* dated December 6, 2021, as
22 modified, amended or restated (“PGIM Loan Agreement”) with respect to (i) PGIM’s
23 Loan No. 717612200 in the original principal amount of \$10,000,000.00 (the “Note 1

1 Loan”); (ii) PGIM’s Loan No. 717612201 in the original principal amount of
2 \$4,000,000.00 (the “Note 2 Loan”); and PGIM’s Loan No. 7171612396 in the original
3 principal amount of \$5,000,000.00 (the “Note 3 Loan” and together with the Note 1 Loan
4 and the Note 2 Loan, the “PGIM Loans”). The PGIM Loans are secured in certain real
5 property assets and fixtures of the Debtors by those certain *Deeds of Trust, Security*
6 *Agreement, and Fixture Filing with Assignment of Rents and Proceeds, Leases and*
7 *Agreements* (the “PGIM Deeds of Trust”), thereby granting PGIM a security interest in,
8 among other things, various parcels of real property of Debtor MTA Holdings located in
9 Kittitas County, Washington and Marion County, Oregon and MTA Ranch located in
10 Kittitas County. As of the Petition Date, the outstanding principal balance of the PGIM
11 Loans was approximately \$15,419,560.00. Among the debtor entities, Agri, AHE, Pet
12 Holdings and MTA Farms are each a guarantor of the PGIM Loans.

13 16. Other Secured Obligations

14 a. Agricultural Liens

15 In light of certain Debtors’ agricultural operations, certain of the Debtors’ assets
16 and property may be subject to liens by operation of applicable non-bankruptcy law, *e.g.*,
17 crop liens and agricultural liens, relating to agricultural activities. AgWest asserts a
18 security interest in various crops of certain Debtors.

19 b. Equipment Liens

20 Numerous parties assert security interests in specific pieces of equipment owned
21 by certain Debtors and have filed UCC-1 financing statements with respect to those
22 interests.

1 **EVENTS LEADING TO BANKRUPTCY**

2 17. Macro-Economic Impacts. A number of significant macro-economic factors
3 have impacted Anderson Hay's operations and financial performance over the last three
4 to five years. These factors have had a negative effect on market demand, the price
5 customers are willing to pay for forage products, and production and processing costs.

6 a. Anderson is primarily an exporter of forage products, with
7 approximately 80% of its revenue coming from foreign sales and with most of its product
8 going to feed dairy cattle in Japan, Korea, and China. The dairy industry globally, and
9 specifically in these three countries, has struggled with the dual impacts of oversupply
10 and low milk prices. For example, after years of significant growth in dairy cattle herds,
11 China has been dramatically culling the number of producing dairy cattle for the last two
12 to three years, thereby reducing the amount of feed needed. In addition, China has been
13 increasing the local production of forage products significantly over the last five years to
14 become more self-sufficient for the feed required by the dairy industry.

15 b. In Japan, in a move to lower the cost of feed for dairy cattle, the
16 Japanese government implemented subsidies to the dairy industry for the use of locally
17 produced forage, again lowering demand for imported products. According to the Hoyt
18 Report, a forage industry newsletter, exports to Japan declined approximately 25% from
19 2022 to 2024. With dairies struggling financially they have also looked to alternative
20 suppliers of forage products and have found the ability to import volumes and lower cost
21 supply from Australia, Europe, and others.

22 c. In addition to the impacts on volumes, prices for exported forage have
23 been under severe pressure over the last three years. The stronger dollar has made US

1 exports more expensive and less competitive in foreign markets. In addition, alternative
2 feeds for dairy cattle, such as corn, soybean meal, and cottonseed, have been plentiful
3 and less expensive over the last few years. Prices have also been under pressure from
4 both supply grown locally in the Company's export markets as well as supply from other
5 countries, especially those with more favorable exchange rates. Also, the US forage
6 export industry, having grown over the last two decades, is now dealing with significant
7 excess capacity and has resorted to price competition as its primary selling mechanism.

8 d. The hay export industry typically fixes prices it pays for raw material
9 during the harvest periods of June to September. Although the cost of raw material
10 fluctuates with prices to customers, there is typically a lag, especially in times of higher
11 volatility. In periods of declining prices for export hay, and without cost hedging
12 mechanisms for this industry, gross margins become squeezed and, in many cases, can
13 turn negative. In spring and summer of 2022, with domestic hay stocks relatively low
14 and competition high, the costs of raw material soared to record levels. At the same time,
15 the US dollar strengthened dramatically and the financial health of dairy farming in our
16 export markets declined. By fall of that year it was clear that export markets could not
17 and would not pay the required prices that corresponded with this excessive cost of raw
18 material. By December of 2022, the prices for export hay had fallen dramatically and
19 the Company took significant losses on its inventory. In addition, over the last couple of
20 years the prices have continued to decline, squeezing margins and leading to lower
21 financial performance overall.

22 e. Along with lower demand and increased pricing pressures, Anderson,
23 along with the entire industry, has felt the impact of rapidly rising costs. In both

1 Washington and Oregon, where the company operates, minimum wages have increased
2 approximately 25% from 2020 to 2025. In addition, over the same period, Washington
3 State, phased in the requirement for overtime pay for agricultural workers, dramatically
4 increasing labor costs for Anderson's seasonal harvest crews. Coming out of Covid and
5 the severe shortages of products it caused, the company saw dramatically higher costs
6 for equipment, such as tractors, semi-trucks, and forklifts, in some cases almost doubling
7 in five to six years. The cost of diesel fuel, which is a significant component of Anderson
8 Hay's costs, has increased by approximately 33% in Washington state from 2020 and
9 2025. Lastly, by its nature, the forage export industry is a high fixed cost business. As
10 volumes have decreased, the fixed costs are spread over fewer units, thereby increasing
11 the cost per unit. Although the company has made significant reductions to fixed costs
12 over the last five years, it has not been able to fully mitigate the impact of higher fixed
13 costs per unit on its financial performance.

14 f. The Company has been actively adjusting to the above industry
15 dynamics and is making significant progress in returning to profitability. There have
16 been large reductions in fixed costs in its plants, harvest operations and general and
17 administrative costs. The company has reduced its overall price risk by lowering
18 volumes in export markets and is focusing on customers that are more consistent and
19 less price sensitive. In addition, it has partnered with both suppliers and customers
20 willing to absorb price risk and fix volumes and margins for the Company. The Company
21 has also been making investments, and significant progress, in increasing its domestic
22 revenues from the US horse market. This market is growing, has less price volatility,
23 higher margins, and less competition than the export market. In addition, Anderson is

1 well positioned with higher volumes of the specific product packaging that is in high
2 demand in this market. The Company has also been adjusting its raw material programs
3 to provide more raw material cost variability along with reduced working capital
4 requirements.

5 g. I am confident it is on the path to return to profitability and as the hay
6 markets strengthen over time will have a much stronger business model going forward.

7 18. AgWest

8 a. AgWest has been actively seeking to exit this credit. The line of
9 credit was set at \$35 million in October 2022 and reduced to \$25 million a year later. In
10 March 2025, AgWest further reduced availability to \$22 million, and to \$15 million in
11 May 2025. The sequential reductions in availability made operations that much more
12 challenging.

13 b. The Company remains current on all monthly payment obligations to
14 AgWest. Despite that the AgWest financing matured on July 1, 2025, the Company has
15 continued to maintain these payments while it sought to negotiate either an extension or
16 forbearance agreement, in either case one that would allow the Company to replace
17 AgWest as its operating lender.

18 **Cash Collateral**

19 19. The Debtors require the immediate use of the Cash Collateral to continue
20 uninterrupted operations for the benefit of their creditors and estates, thereby avoiding
21 immediate and irreparable harm to the business pending a final hearing pursuant to
22 Bankruptcy Rule 4001(b)(2). The Debtors hold no unencumbered funds for operations,
23 are unable at this time to obtain unsecured credit to fund their continued operations, and

1 thus require the use of Cash Collateral to continue operations and to maintain, preserve,
2 and insure their property for the benefit of all secured creditors. The Debtors propose to
3 use Cash Collateral in accordance with the Interim Budget. A copy of the proposed
4 Interim Budget is attached hereto as **Exhibit A**. Specifically, the total collateral base
5 will retain its value, subject to seasonal variability, following the Petition Date. Without
6 use of Cash Collateral, the Debtors will be unable to pay their ongoing operating
7 expenses and will thus be unable to continue ongoing business operations.

8 20. The Debtors propose to provide adequate protection of the Secured
9 Creditors' interests asserted in their Cash Collateral by granting them Replacement Liens
10 in postpetition assets of the same kind, type, and nature as they hold in prepetition
11 collateral, including all proceeds of the Postpetition Collateral, subject only to a carveout
12 for the payment of: (i) allowed fees and expenses of professionals whose appointment
13 and compensation has been approved by this Court; and (ii) all fees due and owing to the
14 Clerk of the Court and the Office of the U.S. Trustee. The Replacement Liens will secure
15 the amount of any diminution in the value of the Secured Creditors' interests in
16 prepetition collateral as a result of the Debtors' use of Cash Collateral.

17 21. The Debtors' Interim Budget contains the projected cash expenses for the
18 period of interim Cash Collateral use and beyond. The Interim Budget tracks the Debtors'
19 working cash collateral base, which secures the Secured Creditors' prepetition liens.

20 22. The Replacement Liens would be in addition to any prepetition liens, which
21 would remain in full force and effect notwithstanding any subsequent conversion or
22 dismissal of this case. The Replacement Liens would be valid, perfected and enforceable
23 security interests and liens on the Debtors' Postpetition Collateral without further filing

1 or recording of any document or instrument or any other action, but only to the extent of
2 Cash Collateral used during the term of the Interim Order and any diminution in value of
3 prepetition collateral, and only to the extent of the enforceability of the respective
4 Secured Creditor's security interests in such prepetition collateral.

5 23. The Debtors will continue to maintain insurance on their assets, the same
6 existing as of the Petition Date.

7 24. As noted above, AgWest is owed approximately \$19,999,624.46. AgWest
8 is oversecured and holds first position liens on certain real property with a total
9 approximate value of \$24,041,500.00, in addition to liens on inventory, accounts
10 receivable, and equipment. PGIM is owed approximately \$15,419,560.00. Likewise,
11 PGIM is oversecured and holds first position liens on certain real property of the Debtors
12 with a total approximate value of \$31,880,000. Accordingly, the Secured Creditors are
13 adequately protected by an equity cushion in property, especially when combined with
14 the other forms of adequate protection provided here.

15 25. The Debtors have insufficient funds to operate unless they use Cash
16 Collateral, as they hold no unencumbered funds and do not have sources of
17 unencumbered funds, and that the present circumstances require the Debtors to use Cash
18 Collateral in order to maintain their ongoing business for the benefit of their estates and
19 creditors. The use of Cash Collateral will allow the Debtors to continue to operate and
20 to preserve all of the assets of the business, thereby allowing creditors the best
21 opportunity to recover on their claims. The Debtors also have an immediate need to use
22 Cash Collateral to maintain, preserve and protect their assets and have provided for
23 adequate protection of the Secured Creditors' interests in the Cash Collateral. For these

1 reasons, the Debtors respectfully request the court authorize the use of Cash Collateral
2 pursuant to the terms of the proposed Interim Order.

3 **Wages**

4 26. AHG has 142 full-time Employees and six part-time Employees for a total
5 of 148 Employees. Agri has 12 full-time Employees. MTA Ranch has four full-time
6 Employees and three part-time Employees for a total of seven Employees. The Employer
7 Debtors have incurred costs and obligations with respect to the Employees that remain
8 unpaid as of the Petition Date because they accrued, either in whole or in part, prior to
9 the Petition Date. The Employer Debtors seek to pay their prepetition obligations to the
10 Employees with respect to those costs and obligations.

11 27. The Employer Debtors pay compensation to their Employees on a weekly
12 basis, with pay periods ending on Fridays. AHG and Agri process payroll through ADP,
13 and MTA Ranch processes its payroll through QuickBooks. The Employer Debtors each
14 process payroll on Thursdays the week following the end of a pay period, unless the
15 payday falls on a holiday, in which case the payroll processing and pay dates will occur
16 one day earlier. The weekly average gross payrolls for the AHG, Agri, and MTA Ranch
17 are \$228,475, \$18,345, and \$8,916, respectively. The next payroll is due to be funded on
18 December 4, 2025, for the pay period of November 22 through November 28, 2025, and
19 the gross payroll (including Payroll Taxes (as defined below)) is not anticipated to exceed
20 the Payroll Obligations.

21 28. It is critical to the continuation of the Debtors' operations and to the
22 Debtors' smooth transition into chapter 11 that payments to their Employees be made in
23 a timely manner. In light of the foregoing, the Employer Debtors seek authority to pay

1 their Payroll Obligations for work performed prior to the Petition Date for the pay period
2 ending November 28, 2025, which includes the prepetition portion of the pay period
3 running from November 22 through November 25, 2025, in accordance with ordinary
4 prepetition practices. In addition, there may be checks issued to Employees for pay
5 periods ending prior to the Petition Date that have not cleared as of the Petition Date and
6 which the Employees will seek to cash or deposit post-petition. No Employee is owed
7 more than \$17,150 for prepetition wages or salary.

8 29. In the ordinary course of their business, the Employer Debtors maintain a
9 tenure-based employee anniversary recognition program. Under the Anniversary
10 Awards Program, Employees receive an annual cash bonus. For the next payroll date, the
11 Employer Debtors are obligated to pay two anniversary awards to two employees. The
12 total combined payment would be \$1,200. Neither bonus under the Anniversary Awards
13 Program will be paid to an insider as defined under § 101(31), nor will such bonus
14 increase the amount owed to more than \$17,150.

15 30. The Employer Debtors are required by law to withhold from the Employees'
16 wages amounts related to federal income taxes, and Social Security and Medicare taxes
17 and to remit the same to the appropriate taxing authorities. The Employer Debtors are
18 required to match from their own funds the Social Security and Medicare taxes and pay,
19 based on a percentage of gross payroll, additional amounts of unemployment insurance
20 and to remit the Payroll Taxes to the Taxing Authorities.

21 31. The Employer Debtors estimate that, on a weekly basis, they remit
22 approximately \$46,170 in Trust Fund Taxes and \$23,534 in Employer Payroll Taxes to
23 the Taxing Authorities. In addition to those Payroll Taxes, the Employer Debtors may

also withhold additional amounts from the Employees' wages pursuant to court orders, other applicable laws, or for other purposes. Any Withheld Amounts are remitted to third parties in the ordinary course of the Employer Debtors' business operations.

32. Part-time, temporary, or seasonal employees are eligible for medical, vision, dental, term life, accidental dismemberment and death, voluntary life and long-term disability insurance plans after 1,500 hours worked and 12 months of employment. Part-time, temporary, or seasonal employees are eligible to participate in the 401k program after working 1,000 hours in a 12-month period. Full-time employees are eligible for all of the benefits offered to part-time, temporary, and seasonal employees on the 1st of the month following a 30-day waiting period from the date of hire.

33. AHG and Agri sponsor benefit plans for their Employees, including medical, dental and vision care through Premera with an aggregate weekly cost of approximately \$8,647. The costs of each plan and the costs covered by the AHG and Agri and their Employees are as follows:

Weekly Employee Benefit Costs	Premera - Medical & Vision "Your Choice" PPO		Premera - Medical & Vision "Your Future" HSA		Premera Dental	
	Employee	Employer	Employee	Employer	Employee	Employer
Employee Only	\$60.90	\$122.35	\$39.32	\$122.35	\$ 3.27	\$4.67
Employee & 1 Child	\$156.19	\$122.35	\$123.39	\$122.35	\$8.03	\$4.67
Employee & 2+ Children	\$258.81	\$122.35	\$213.92	\$122.35	\$14.78	\$4.67
Employee & Spouse	\$284.46	\$122.35	\$236.56	\$122.35	\$12.39	\$4.67
Employee, Spouse & 1 Child	\$379.75	\$122.35	\$320.62	\$122.35	\$17.15	\$4.67
Employee, Spouse & 2+ Children	\$482.38	\$122.35	\$411.16	\$122.35	\$23.90	\$4.67

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34. MTA Ranch offers a benefit plan for its Employees, including medical, dental, and vision care through Premiera, with an aggregate weekly cost of approximately \$3,059, which is included in its withholdings. The costs of each plan and the costs covered by MTA Ranch's Employees are as follows:

Weekly Employee Benefit Costs	"Your Choice" PPO
	Employee
Employee Only	\$60.90
Employee & 1 Child	\$156.19
Employee & 2+ Children	\$258.81
Employee & Spouse	\$284.46
Employee, Spouse & 1 Child	\$379.75
Employee, Spouse & 2+ Children	\$482.38

35. In addition, the Employer Debtors provide life and long-term disability insurance through USABLE Life, and FSA benefits through Navia, with an aggregate weekly cost of approximately \$2,427.

36. The Employer Debtors maintain a 401(k) plan through Fidelity Investments, in which eligible employees are automatically enrolled. The Employer Debtors provide a \$.33 per \$1,000 company match, up to an amount equal to 6% of base compensation, resulting in an aggregate weekly cost of approximately \$3,072.

37. The post-petition stability of the Employer Debtors' workforce is integrally tied to the Employer Debtors' ability to continue to honor their Prepetition Employee Obligations. The support and efforts of the Employer Debtors' workforce are critical to the Debtors' successful reorganization. In addition, payments received from the Employer Debtors are needed to enable the Employees to meet their own financial obligations. As a result, absent an order granting the relief requested in this Motion, the

Employees and their families are likely to suffer personal hardship and serious financial difficulties.

Utilities

38. The Utility Providers listed on Exhibit A to the Utilities Motion provided utility services to the Debtors prior to the Petition Date. The continuation of those utility services is crucial to the Debtors' continued operations and reorganization, and the Debtors may suffer irreparable harm if the relief requested in the Utilities Motion is not granted. The Debtors intend to timely pay all post-petition amounts owed to their Utility Providers.

39. As adequate assurance of future payment to the Utility Providers, the Company proposes to establish and fund a reserve in the amount of \$59,172.77. This amount is equal to approximately two weeks of utility service from all the Debtors' Utility Providers based upon the Debtors' current and historical utility usage and bills. The Utility Reserve established by the Debtors will serve as a cash security deposit to provide adequate assurance of payment for utility services the Utility Providers provide to the Debtors after the Petition Date.

Bank Accounts

40. As of the Petition Date, the Debtors maintained and currently maintain 10 bank accounts (collectively, the "Bank Accounts") as described in the following table:

Account Holder	Bank	Account # (last four)	Account Description	Account Type
Enterprise	Cashmere Valley Bank	7025	Intrafi Account linked to Sweep Account for funds exceeding \$250K	Secondary Sweep Account
Enterprise	Cashmere Valley Bank	7033	Business Interest Checking	Interest

DECLARATION OF STEVE GORDON IN SUPPORT OF
DEBTORS' FIRST DAY MOTIONS – Page 20

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Enterprise	Cashmere Valley Bank	7058	Business Checking	Sweep Account
AHG	Cashmere Valley Bank	5749	Business Checking	Operating
Agri	Cashmere Valley Bank	6720	Business Checking	Operating
MTA Farms	Cashmere Valley Bank	6746	Business Checking	Operating
Pet Holdings	Cashmere Valley Bank	6738	Business Checking	Operating
MTA Ranch	Cashmere Valley Bank	4550	Business Checking	Operating
MTA Holdings	Cashmere Valley Bank	7094	Business Checking	Operating
MTA Holdings	Cashmere Valley Bank	0094	Business Savings	Savings account

41. The Debtors are a large enterprise that depend on the continuity of their cash management system and Bank Accounts to effectuate frequent transactions in the ordinary course of their business. In June 2025, the Debtors transferred all their accounts from Co-Bank to Cashmere Valley Bank.

42. The Enterprise Group utilizes a cash sweep system for business operations. Funds flow into AHG, Agri, MTA Farms, and Pet Holdings through their respective Cashmere Valley Bank Operating Accounts. Funds are then swept daily from each of the Cashmere Valley Bank Operating Accounts to Enterprise's Sweep Account. If payments are drawn from one of the Operating Accounts and funds are insufficient to cover the payment, funds are automatically transferred from the Sweep Account to the appropriate Operating Account to fund the debit.

43. MTA Ranch and MTA Holdings do not participate in the cash sweep system described above. Rather, the accounts for each debtor operate independently and are used as standard business checking and savings accounts.

1 44. The Sweep Account, MTA Holdings' checking and savings accounts, and
2 the MTA Ranch checking account will each exceed \$250,000 daily. However, Cashmere
3 Valley Bank participates in Intrafi³, and any Sweep Account funds in excess of \$250,000
4 are swept into the Secondary Sweep Account. Secondary Sweep Account funds and
5 MTA Holdings account funds exceeding \$250,000 are maintained at other Intrafi-
6 member banks in accounts in amounts less than \$250,000.

7 45. MTA Ranch's checking account will exceed \$250,000 on a daily basis, and
8 MTA Ranch will immediately take the necessary steps with Cashmere Valley Bank to
9 convert the account to an Intrafi account. I expect the MTA Ranch account will be
10 converted to an Intrafi account no later than December 10, 2025.

11 46. The Debtors' cash management system, built around these Bank Accounts,
12 is an integral part of their business operations, and requiring the Debtors to establish a
13 new cash management system would cause unnecessary delay and disruption, making it
14 more difficult for the Debtors to successfully reorganize. This is especially true given
15 the Debtors' operational management structure and the time and energy required to
16 address the usual operational adjustments that accompany a chapter 11 filing, as well as
17 the Debtors' recent transition from Co-Bank to Cashmere Valley Bank.

18 47. Requiring the Debtors to open new bank accounts or obtain new checks
19 would also provide no benefit to the estates or their creditors. Continued use of the
20 Debtors' cash management system, Bank Accounts, and checks will help to ensure a
21 smooth transition into chapter 11 and minimal disruption to the Debtors' operations,
22
23

³ See <https://www.intrafi.com/> for more information.

1 thereby increasing the likelihood that the Debtors will be able to successfully reorganize.

2 48. Requiring the Debtors to undertake the time-consuming and labor-intensive
3 process of establishing new bank accounts and a new cash management system would
4 very likely delay and impede the Debtors' ability to operate without interruption in cash
5 flow and to reorganize effectively.

6 **Motion to Shorten Time**

7 49. The Debtors seek emergency hearings on the following First Day Motions:

- 8 a. Cash Collateral Motion: *Debtors' Emergency Motion for Order*
9 *(1) Authorizing Interim Use of Cash Collateral, (2) Granting*
Adequate Protection, and (3) Setting Final Hearing;
- 10 b. Cash Management Motion: *Debtors' Emergency Motion for*
11 *Order Authorizing Continued Use of Prepetition Cash*
Management System and Prepetition Bank Accounts and Checks;
- 12 c. Utilities Motion: *Debtors' Emergency Motion for Order*
13 *Approving Adequate Assurance to Utilities;*
- 14 d. Wages Motion: *Debtors' Emergency Motion for Authority to Pay*
15 *Prepetition Payroll, Employee Benefits, and Related Expenses;*
16 *and*
- 17 e. Case Management Motion: *Debtors' Emergency Motion for Entry*
18 *of Case Management Order.*

17 (collectively, the "Emergency First Day Motions").

18 50. The Cash Collateral Motion must be heard on an emergency basis to avoid
19 irreparable harm to the Company and its respective estates. Without immediate use of
20 cash collateral, the Debtors will not have the funds necessary to pay their expenses,
21 including its employees, vendors, contractors, overhead and other expenses necessary for
22 the continued operation of the Debtors' business.

1 51. It is critical that the Wages Motion be heard on an emergency basis because
2 the Debtors' ability to continue to honor their prepetition employee obligations is vital to
3 the postpetition stability of the Debtors' workforce. The support and efforts of the
4 Debtors' workforce are critical to the Debtors' successful reorganization. Any delay in
5 payments to employees may irreparably harm employee morale, dedication, and
6 cooperation, and poses a legitimate risk of losing personnel.

7 52. The Debtors request that the Wages Motion be heard on an emergency basis
8 because the Debtors' next pay date is Friday December 5, 2025, and payroll is funded on
9 Thursday December 4, 2025. It is critical to the continuation of the Debtors' operations,
10 and to the Debtors' smooth transition into chapter 11, that payments to their employees
11 are made in a timely manner.

12 53. The Cash Management Motion must be heard on an emergency basis to
13 avoid the irreparable harm of disruption to and termination of the Debtors' operations.
14 The Debtors' uninterrupted ability to continue to use existing cash management systems
15 and prepetition bank accounts and checks in the ordinary course of business is critical to
16 the Debtors' continued operations postpetition.

17 54. The Utilities Motion must be heard on an emergency basis because it is
18 imperative to the Debtors' operations that it continues to receive utility services,
19 unaltered and uninterrupted, in light of the Debtors' provision of adequate assurance to
20 Utility Providers.

21 55. The Case Management motion must be heard on an emergency basis to limit
22 the otherwise significant costs of copying and serving all notices on the approximately
23 480 creditors and parties in interest in these chapter 11 cases.

1 I declare under penalty of perjury that the foregoing information is true and correct
2 to the best of my knowledge, information and belief.

3 SIGNED this 1st day of December, 2025 in Ellensburg, Washington.
4

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6 Steve Gordon
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DECLARATION OF STEVE GORDON IN SUPPORT OF
DEBTORS' FIRST DAY MOTIONS – Page 25

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1 I declare under penalty of perjury that the foregoing information is true and correct
2 to the best of my knowledge, information and belief.

3 SIGNED this 1st day of December, 2025 in Ellensburg, Washington.

4 Signed by:

Steve Gordon

8DD3F44ACFD14CC...
Steve Gordon

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DECLARATION OF STEVE GORDON IN SUPPORT OF
DEBTORS' FIRST DAY MOTIONS – Page 25

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EXHIBIT A

Combined AHE MTAH MTAR																							
Week ending Friday		12/5/2025	12/12/2025	12/19/2025	12/26/2025	1/2/2026	1/9/2026	1/16/2026	1/23/2026	1/30/2026	2/6/2026	2/13/2026	2/20/2026	2/27/2026	3/6/2026	3/13/2026	3/20/2026	3/27/2026	4/3/2026	4/10/2026	4/17/2026	4/24/2026	5/1/2026
Cash Inflows:																							
Hay and related Gross Receipts		1,627,822	1,772,718	1,247,526	1,403,639	1,227,067	1,246,014	1,283,909	1,378,647	1,606,018	1,602,675	1,595,990	1,699,275	1,539,159	1,540,116	1,542,029	1,546,812	1,558,290	1,541,305	1,507,334	1,422,407	1,218,583	1,218,583
Rental and Sublease Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	232,180	-	-	-	-
Management fees and exp reimbursement from MTAH		102,000	-	-	-	51,000	-	-	-	51,000	-	-	-	51,000	-	-	-	51,000	-	-	-	-	51,000
MTAH Product Revenue		2,100	2,100	2,100	2,100	2,100	-	-	-	-	-	-	-	-	-	-	-	-	-	2,431	2,431	2,431	2,431
MTAR Rent Revenue		503,154	163,202	-	135,675	176,647	-	-	135,675	-	176,647	-	-	135,675	176,647	-	-	139,745	176,903	-	-	139,745	168,098
MTAR Ranch Services		1,981	1,981	1,981	1,981	1,981	970	970	970	970	1,402	1,402	1,402	1,402	874	874	874	874	874	2,717	2,717	2,717	2,717
MTAR Cattle Sales		411,151	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Inflows		2,648,209	1,940,001	1,251,607	1,543,395	1,458,795	1,246,984	1,284,879	1,515,292	1,657,988	1,780,725	1,597,392	1,700,677	1,727,237	1,717,637	1,542,903	1,547,686	1,749,909	1,951,262	1,512,481	1,427,555	1,363,476	1,442,828
Cash Outflows:																							
Grower Payables (Raw Materials)		135,014	756,316	378,326	539,439	34,766	371,814	299,056	460,218	792,818	359,375	721,790	850,075	705,959	255,315	651,329	631,112	703,590	369,487	522,481	417,041	329,383	97,765
Trucking		157,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	155,000	140,000	140,000	140,000	140,000
Ocean Freight		115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
Payroll (Includes 401k, payroll taxes)		288,283	288,283	288,283	288,283	288,283	292,489	292,489	292,489	292,489	294,598	294,598	294,598	294,598	291,729	291,729	291,729	291,729	294,939	294,939	294,939	294,939	294,939
WA Workers' Comp Self Insurance		11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Accounting Fees		1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
Bank Fees		240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240
Sales Rep/Broker Commissions		27,374	2,374	2,374	2,374	2,374	27,374	2,374	2,374	2,374	27,374	2,374	2,374	2,374	2,374	2,374	27,374	2,374	2,374	2,374	2,374	2,374	2,374
Contract Labor		15,800	15,800	15,800	15,800	15,800	16,084	16,084	16,084	16,084	15,838	15,838	15,838	15,838	15,749	15,749	15,749	15,749	15,749	18,200	18,200	18,200	18,200
Couriers (FedEx)		500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
EE Benefits (Includes WA State Workers' Comp)		21,465	21,465	21,465	21,465	21,465	21,803	21,803	21,803	21,803	21,770	21,770	21,770	21,770	21,731	21,731	21,731	21,731	21,993	21,993	21,993	21,993	21,993
Fuel		25,531	25,531	25,531	25,531	25,531	25,415	25,415	25,415	25,415	25,629	25,629	25,629	25,629	25,347	25,347	25,347	25,347	25,895	25,895	25,895	25,895	25,895
Insurance		1,390	1,390	1,390	1,390	1,390	1,770	1,770	1,770	1,770	138,146	1,770	1,770	1,770	135,792	1,416	1,416	1,416	44,309	137,423	1,770	1,770	44,663
Inventory & Supplies		45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Leases		52,150	42,001	35,000	35,000	53,462	35,000	35,000	35,000	35,000	51,675	35,000	35,000	35,000	53,462	35,000	35,000	74,618	285,047	35,000	35,000	35,000	35,000
Marketing		2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Misc		69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000
Repairs & Maintenance		46,912	46,912	46,912	46,912	46,912	45,452	45,452	45,452	45,452	46,445	46,445	46,445	46,445	46,441	46,641	46,641	46,641	50,505	50,505	50,505	50,505	50,505
SAAS		10,104	10,104	10,104	10,104	10,104	10,131	10,131	10,131	10,131	10,131	10,131	10,131	10,131	10,105	10,105	10,105	10,105	10,105	10,131	10,131	10,131	10,131
Tarping		-	-	20,000	-	-	-	-	20,000	-	-	-	-	20,000	-	-	-	20,000	-	-	-	20,000	-
Taxes (Primarily B&O, Sales, Property)		15,549	15,549	15,549	15,549	15,549	15,649	15,649	15,649	15,649	15,648	15,648	15,648	15,648	15,520	15,520	15,520	15,520	15,520	15,674	15,674	15,674	15,674
Utilities		25,392	25,392	25,392	25,392	25,392	25,501	25,501	25,501	25,501	25,513	25,513	25,513	25,513	27,039	27,039	27,039	27,039	27,039	25,459	25,459	25,459	25,459
Chemicals & Fertilizer		589	4,589	589	589	589	-	-	-	-	-	-	-	-	41,500	41,500	41,500	41,500	-	443	443	443	443
MTAR Cows & Bulls		-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,500	-	-	-	-	-	-	-
MTAR Cattle Care		1,184	1,184	1,184	1,184	1,184	2,657	2,657	2,657	2,657	5,248	5,248	5,248	5,248	4,752	4,752	4,752	4,752	4,752	7,586	7,586	7,586	7,586
AHG Rent payments to MTA Holdings		494,605	163,202	-	-	168,098	-	-	-	-	168,098	-	-	-	168,098	-	-	-	168,098	-	-	-	168,098
MTAH Corporate Management Fees		102,000	-	-	-	51,000	-	-	-	51,000	-	-	-	51,000	-	-	-	51,000	-	-	-	-	51,000
MTAH Distributions to MTA for Income Taxes		-	-	-	-	-	164,500	-	-	-	-	-	-	-	-	-	-	-	374,000	-	-	-	-
Professional Fund		100,000	-	-	-	100,000	-	-	-	-	100,000	-	-	-	-	-	100,000	-	-	-	-	-	100,000
US Trustee Fees		-	-	-	-	-	-	-	-	-	51,253	-	-	-	-	-	-	-	-	-	161,063	-	-
Total Cash Outflows		1,899,708	1,805,082	1,272,889	1,428,002	1,381,265	1,440,630	1,314,026	1,410,787	1,738,135	1,663,479	1,631,744	1,735,030	1,676,914	1,600,144	1,582,722	1,580,004	1,733,100	1,847,917	1,927,094	1,473,064	1,264,343	1,374,716
Net Change in Cash		748,501	134,919	(21,281)	114,394	77,530	(193,647)	(29,147)	104,505	(80,147)	117,246	(34,353)	(34,353)	50,322	117,493	(39,819)	(32,319)	16,809	103,345	(414,612)	(45,509)	99,133	68,113
Beginning Book Balance		813,441	1,561,942	1,696,861	1,675,580	1,789,973	1,867,504	1,673,857	1,644,710	1,749,215	1,669,068	1,786,314	1,751,961	1,717,609	1,767,931	1,885,425	1,845,606	1,813,287	1,830,096	1,933,442	1,518,829	1,473,320	1,572,453
Ending Book Balance		1,561,942	1,696,861	1,675,580	1,789,973	1,867,504	1,673,857	1,644,710	1,749,215	1,669,068	1,786,314	1,751,961	1,717,609	1,767,931	1,885,425	1,845,606	1,813,287	1,830,096	1,933,442	1,518,829	1,473,320	1,572,453	1,640,566