

FREQUENTLY ASKED QUESTIONS FOR CUSTOMERS

TreeSap Farms, LLC (d/b/a Everde Growers) and its wholly owned subsidiaries (collectively, “Everde”) filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas (the “Court”).

The following information is designed to answer questions that you may have regarding the Chapter 11 bankruptcy process with respect to the filing of Everde’s Chapter 11 proceedings.

1. What is Chapter 11?

Chapter 11 of the U.S. Bankruptcy Code is a legal mechanism for a company to reorganize its financial obligations with legal protection. Chapter 11 provides a way for companies to address certain lending issues to emerge on a more stable financial footing, while keeping operations normal in the process.

2. Why did the Company file for protection under Chapter 11 of the U.S. Bankruptcy Code?

As you may know, in recent months, the Company has faced a number of operational and financial challenges. These challenges include substantial losses related to the Company’s Southern California operations and various financing challenges that were amplified by the seasonal nature of our business operations and cash flows. Although our business initially undertook a number of initiatives that resulted in improved profitability (including considerable profitability turnaround related to our Southern California operations) and positive trends, the Company ultimately did not have the support required from its senior lenders to reduce its debt burdens and related obligations within the timeframe and terms proposed by the Company.

Over a year ago, we began discussions with the Company’s senior lenders regarding various aspects of the Company’s credit facilities in place as of the bankruptcy filing. While these discussions resulted in certain accommodations by the Company’s senior lenders related to the credit facilities and the Company’s obligations under these facilities, such efforts coincided with certain operational changes and efforts (including an attempted turnaround of the Southwest division operations) that ultimately contributed to the filing of bankruptcy cases. Given the challenges faced by the Company, coupled with the positions taken by the Company’s senior lenders in response to potential alternative paths to rehabilitate the Company, discussions with the Company’s senior lenders made it apparent that the only path forward the senior lenders would support was through a bankruptcy. This was largely due to the fact that the senior lenders are only willing to advance additional funding to the Company in a bankruptcy process to address liquidity issues and there are no other sources of liquidity presently available.

3. Does this mean that the Company is going out of business?

No. Chapter 11 is a court-supervised process in the U.S. where companies can restructure their capital position, or sell all of their business, while operations continue in the ordinary course with little to no disruption on account of the bankruptcy. Many well-known companies have used the Chapter 11 process to restructure their balance sheet and have since emerged even stronger, including General Motors and American Airlines, and—in fact—are viewed as industry leaders today.

4. How will the Chapter 11 process affect day-to-day operations?

The Company will continue to operate in the ordinary course, and intends to meet its obligations to vendors and business partners for goods and services provided after the Chapter 11 filing date.

5. Does the Company have sufficient liquidity to meet its obligations?

Yes. In fact, the Company's existing lenders support this action, and have provided special financing specifically to fund the bankruptcy process. While the Chapter 11 process requires the Bankruptcy Court to approve this financing, we fully expect it will be approved.

6. How will the Chapter 11 process impact my supply relationship with the Company?

The Company fully expects to continue providing its products to its customers in the ordinary course of business.

7. How long will the Chapter 11 process take?

There is no way to predict today with certainty how long the process will ultimately take, but we expect the process to take approximately three to four months.

8. Will my contact at the Company remain the same?

Yes. You should continue to communicate with the same point of contacts at the Company.

9. Where can I get updates and additional information about the Company's Chapter 11 process?

Information will be posted on our Noticing Agent's website at www.donlinrecano.com/tsf. The Company will also communicate with you directly if or when there are significant developments to report.