



No. S-245481  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36

AND

IN THE MATTER OF THE *COOPERATIVE ASSOCIATION ACT*, S.B.C. 1999, C 28

AND

IN THE MATTER OF BC TREE FRUITS COOPERATIVE, BC TREE FRUITS INDUSTRIES  
LIMITED AND GROWERS SUPPLY COMPANY LIMITED

PETITIONERS

**PRE-FILING REPORT OF THE PROPOSED MONITOR**

**ALVAREZ & MARSAL CANADA INC.**

**AUGUST 12, 2024**



ALVAREZ & MARSAL

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## 1.0 INTRODUCTION

1.1 On August 12, 2024, BC Tree Fruits Cooperative (“**BCTFC**”), BC Tree Fruit Industries Limited (“**BCTF Industries**”) and Growers Supply Company Limited (“**GSC**”, together with BCTFC and BCTF Industries, the “**BCTF Group**” or the “**Petitioners**”) filed materials with this Honourable Court initiating proceedings and seeking an initial order (“**Initial Order**”) under the provisions of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (“**CCAA**”). Among other things, the proposed Initial Order would:

- a) stay all proceedings against the BCTF Group until August 23, 2024 or such earlier date as the Court may order;
- b) appoint Alvarez & Marsal Canada Inc. (“**A&M**” or the “**Proposed Monitor**”) as Monitor with enhanced powers to, among other things, manage the operations of the BCTF Group and sell assets of the BCTFC Group; and
- c) create an Administration Charge, an Interim Lender’s Charge, and a D&O Charge (subsequently defined) over the property of the Petitioners.

1.2 Further information regarding the CCAA Proceedings, including the Initial Order, affidavits, reports of the Monitor and all other Court-filed documents and notices will be available on the Monitor’s website at [www.alvarezandmarsal.com/bctreefruits](http://www.alvarezandmarsal.com/bctreefruits) (the “**Monitor’s Website**”).

## 2.0 PURPOSE OF REPORT

2.1 This report (the “**Pre-filing Report**”) has been prepared by A&M in contemplation of its appointment as Monitor in the CCAA proceedings to provide information to this Honourable Court in respect of the following:

- a) A&M’s qualifications to act as Monitor;
- b) the BCTF Group’s cash flow projection (the “**Cash Flow Forecast**”) prepared in accordance with section 23(1)(b) of the CCAA for the period from August 5 to November 3, 2024 (the “**Forecast Period**”);
- c) the proposed Interim Financing (as defined below);
- a) the proposed powers of the Monitor; and
- d) the Court ordered charges to be sought as part of the application for the Initial Order.

2.2 This Pre-Filing Report should be read in conjunction with Affidavit #1 of Douglas Pankiw sworn on August 11, 2024 (the “**First Pankiw Affidavit**”) and the other materials filed in support of the BCTF Group’s application for the Initial Order (collectively, the “**Filed Materials**”), as

background information contained in the Filed Materials has not been included herein to avoid unnecessary duplication.

### **3.0 TERMS OF REFERENCE**

3.1 In preparing this report, A&M has necessarily relied upon unaudited financial and other information supplied, and representations made to it, by certain senior management of the BCTF Group (“**Management**”). Although this information has been subject to review, A&M has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information prepared by Management, or otherwise provided by the Petitioners. Accordingly, A&M expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in this report, or otherwise used to prepare this report.

3.2 Certain of the information referred to in this report consists of financial forecasts and/or projections prepared by Management. An examination or review of financial forecasts and projections and procedures as outlined by the Chartered Professional Accountants of Canada has not been performed. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from those forecasts and/or projected and the variations could be significant.

3.3 Unless otherwise stated, all monetary amounts contained in this Pre-Filing Report are expressed in Canadian dollars.

### **4.0 QUALIFICATIONS OF A&M TO ACT AS MONITOR**

4.1 A&M is a licensed trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada).

4.2 A&M is not, and has never been:

- a) a director, officer or employee of any member of the BCTF Group;
- b) related to the BCTF Group, or to any director or officer of the BCTF Group;
- c) the auditor, accountant or legal counsel, or a partner or an employee of the auditor, accountant or legal counsel, of the BCTF Group;
- d) the trustee under a trust indenture issued by the BCTF Group or, to the best of its knowledge, any person related to the BCTF Group, or the holder of a power of attorney under an act constituting a hypothec within the meaning of the *Civil Code of Quebec* that is granted by the BCTF Group or, to the best of its knowledge, any person related to the BCTF Group; or

e) to the best of its knowledge, related to the trustee, or the holder of a power of attorney, referred to in paragraph (d),

and, accordingly, A&M is of the view that the restrictions as to who may be appointed as a Monitor under section 11.7(2) of the CCAA do not preclude A&M from acting as such for the BCTF Group.

4.3 Alvarez & Marsal Canada ULC, an affiliate of A&M, was previously engaged on December 22, 2023, as financial advisor to the BCTF Group.

4.4 A&M has consented to act as Monitor in these proceedings should this Honourable Court grant the Initial Order. A copy of A&M's consent to act as Monitor is attached hereto as Appendix "A".

## **5.0 CCAA CASH FLOW FORECAST**

5.1 For the purposes of section 10(2)(a) of the CCAA, Management has prepared a cash flow projection for the BCTF Group on a weekly basis for the Forecast Period, using the probable and hypothetical assumptions set out in the notes to the Cash Flow Forecast. A copy of the Cash Flow Forecast along with its notes, assumptions and Management representation letter are attached hereto as Appendix "B". The Cash Flow Forecast is summarized below:

<b>BC Tree Fruits Cooperative</b>	
<b>Cash Flow Forecast</b>	
<b>For the period August 5 - November 3, 2024</b>	
<i>(C\$000s)</i>	
	<b>Total</b>
<b>Receipts</b>	
AR collections and sales	\$ 5,964
Bin Sales	725
<b>Total Receipts</b>	<u>6,689</u>
<b>Disbursements</b>	
Payroll, benefits and payroll taxes	1,510
Board Payments	29
Utilities/telephone/internet	211
Other general and administrative costs	744
GST/PST	183
Contingency	120
<b>Total Disbursements</b>	<u>2,798</u>
<b>Operating Cash Flows</b>	<b>3,891</b>
<b>CCAA disbursements</b>	
Professional fees	1,185
DIP fees and interest (if any)	58
<b>Total CCAA disbursements</b>	<u>1,243</u>
<b>Net Cash Flow</b>	<b>2,648</b>
<b>CIBC overdraft - opening</b>	(22,076)
Collections	2,742
Collections - GSC paydown of BCTF overdraft	3,055
<b>CIBC overdraft - closing</b>	<b>(16,279)</b>
<b>CIBC loan - opening</b>	(28,749)
GSC - Collections	892
Repayment	-
<b>CIBC loans - closing</b>	<b>(27,857)</b>
<b>CIBC - DIP - opening</b>	-
Draws	(4,041)
<b>CIBC DIP - closing</b>	<b>(4,041)</b>
<b>Total CIBC debt</b>	<b>(48,177)</b>

5.2 The Cash Flow Forecast projects that the BCTF Group will experience a net cash inflow of approximately \$2.6 million over the Forecast Period and is based on the following key assumptions:

- a) during the Forecast Period, the BCTF Group will continue to collect outstanding accounts receivable and generate cash flow from retail sales at the GSC stores;
- b) given the tree fruit industry's demand for bins for fruit storage, BCTFC expects to sell a portion of its owned bins to growers in order ensure there is sufficient supply of bins for the current season;
- c) total operating disbursements are forecast to be \$2.8 million, consisting of payroll for the reduced workforce, payments to the board of directors, utilities, rent for leased premises, and government remittances;

- d) professional fees are forecast to be approximately \$1.2 million during the Forecast Period and include the Petitioners' counsel, the Monitor and its counsel, and CIBC's counsel and financial advisor; and
- e) the BCTF Group is forecast to draw approximately \$4.0 million by way of Interim Financing during the Forecast Period (subsequently discussed).

5.3 The Proposed Monitor's review of the Cash Flow Forecast consisted of inquiries, analytical procedures, and discussions related to information provided to it by Management. Since hypothetical assumptions need not be supported, the procedures with respect to them were limited to evaluating whether they were consistent with the purposes of the Cash Flow Forecast. The Proposed Monitor also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the Cash Flow Forecast.

5.4 Based on the Proposed Monitor's review of the Cash Flow Forecast, nothing has come to its attention that causes A&M to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
- b) as at the date of this Pre-Filing Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Petitioners or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
- c) the Cash Flow Forecast does not reflect the probable and hypothetical assumptions.

5.5 Since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Proposed Monitor expresses no assurance as to whether the Cash Flow Forecast will be accurate. The Proposed Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by us in preparing this report.

5.6 The Cash Flow Forecast has been prepared solely for the purpose described in Note 1 to the Cash Flow Forecast, and readers are cautioned that it may not be appropriate for other purposes.

## **6.0 INTERIM FINANCING**

6.1 To provide the liquidity needed to fund the operations of the BCTF Group during the CCAA proceedings, the Petitioners are seeking authorization to borrow funds by way of interim financing in the form of a revolving credit facility (the "**Interim Financing**"). The proposed Initial Order

also provides for the creation of a court-ordered charge (the “**Interim Lender’s Charge**”) to secure advances made under the Interim Financing.

- 6.2 On August 12, 2024, the Petitioners and Canadian Imperial Bank of Commerce (“**CIBC**”), the BCTF Group’s senior secured lender, agreed to the terms of the Interim Financing Term Sheet. The Interim Financing Term Sheet (unsigned) is attached hereto as Appendix “C”.
- 6.3 Select material terms have been set out in the Petition filed by the Petitioners and are not repeated in their entirety herein; however, summarized below are the materials terms of the Interim Financing Term Sheet:

<b>Interim Financing - Summary of Key Terms</b>	
Interim Lender	CIBC
Borrowers	BC Tree Fruits Cooperative, BC Tree Fruits Industries Limited and Growers Supply Company Limited
Maximum Principal Amount	\$4.05 million
Interest Rate	9.95% per annum compounded weekly
Permitted Use of Funds	Interim Financing advances are to be used in accordance with the applicable approved cash flow forecast with availability not to exceed the Petitioners’ operating cash flow requirements as set out in the applicable approved cash flow forecast
Maturity Date	<p>Earlier of:</p> <ul style="list-style-type: none"> <li>(i) November 30, 2024 (or such later date as the Interim Lender in its sole and absolute discretion may agree to in writing with the Borrowers, acting reasonably);</li> <li>(ii) the date on which (i) the stay of proceedings under the CCAA proceedings is lifted without the consent of the Interim Lender, or (ii) the CCAA proceedings are terminated for any reason;</li> <li>(iii) the implementation of a plan of compromise or arrangement within the CCAA proceedings which has been approved by the requisite majorities of the Borrowers’ creditors and by an order entered by the Court; or</li> <li>(iv) the conversion of the CCAA proceedings into a proceeding under the <i>Bankruptcy and Insolvency Act</i> (Canada) (the “<b>BIA</b>”) or into a receivership under the BIA or applicable provincial statute; and</li> </ul>

<b>Interim Financing - Summary of Key Terms</b>	
	(v) the occurrence of an Event of Default (as defined in the Interim Financing Term Sheet).
Interim Lender's Charge	The Petitioners must seek and obtain the Interim Lender's Charge in favour of CIBC in respect of all of the Petitioners' property as part of the Initial Order, with such charge having priority to all other charges and security interests other than the Administration Charge.
Reporting requirements	<ul style="list-style-type: none"> <li>- weekly update of the rolling 13-week cash flow forecast; and</li> <li>- weekly cash flow variance reporting and variance testing.</li> </ul>
Affirmative covenants in relation to SISP	<ul style="list-style-type: none"> <li>- the Petitioners shall obtain from the Court a sale and investment solicitation process ("SISP") approval order in a form satisfactory to CIBC, in its sole and absolute discretion, within ten (10) days of the granting of the Initial Order; and</li> <li>- the Petitioners shall enter into a binding term sheet for the sale of the business and property GSC by no later than September 15, 2024, which may be extended by and at the discretion of the Monitor, subject to approval by CIBC, in its sole discretion, failing which the Borrowers shall forthwith take immediate steps to cease and shut down the business and operations of GSC.</li> </ul>

- 6.4 Under the Interim Financing Term Sheet, all receipts and deposits from the Borrowers' operations, real and personal property sales and other activities post-filing are to be applied against the pre-filing indebtedness of the Borrowers to CIBC. Post-filing operating and other costs of the Petitioners will be funded as required by advances from the Interim Financing. The result is that the Petitioners' existing, pre-filing CIBC indebtedness will be repaid from post-filing receipts, while expenses will be paid from the Interim Financing.
- 6.5 The Interim Financing Term Sheet expressly provides that the Interim Financing cannot be used to pay any pre-filing obligations owing to CIBC and the proposed Interim Lender's Charge does not secure any obligation that existed prior to the date of filing.
- 6.6 The Proposed Monitor was involved in the discussions and negotiations around the terms of the proposed Interim Financing and is of the view that the Interim Financing as available under the Interim Financing Term Sheet reflects market terms and is necessary to provide the requisite financial support for the BCTF Group during the CCAA Proceedings.

6.7 The Proposed Monitor is supportive of the Petitioners' application for an order authorizing it to borrow up to \$1.165 million by way of the Interim Financing, which, according to the Cash Flow Forecast, will ensure the Petitioners' have sufficient funds to operate over the first 10 days of the CCAA proceedings. The Monitor understands that the Petitioners will seek to increase the amount they are authorized to borrow by way of Interim Financing at the comeback hearing.

## **7.0 PROPOSED POWERS OF THE MONITOR**

7.1 The proposed Initial Order contemplates the granting of enhanced powers to the Monitor to exercise control over the business and property of the BCTF Group, to manage, operate, and carry on the business of the BCTF Group and to sell the assets of the BCTF Group, all in accordance with the terms of the Initial Order.

7.2 The Proposed Monitor has reviewed the proposed Monitor's enhanced powers as stipulated in the draft Initial Order and is satisfied that it is able to exercise such powers in accordance with its authority and duties under the proposed Initial Order and the CCAA.

## **8.0 PROPOSED COURT-ORDERED CHARGES**

8.1 The proposed Initial Order contemplates the creation of the following three Court-ordered charges having the following priorities:

- a) first – Administration Charge (to the maximum amount of \$250,000);
- b) second – Interim Lender's Charge; and
- c) fourth – D&O Charge (to the maximum amount of \$350,000) which will be subordinate to the pre-filing CIBC indebtedness.

### Administration Charge

8.2 The proposed Initial Order provides for a charge in the amount of \$250,000 in favour of the Monitor, counsel to the Monitor and counsel to the Petitioners, as security for the payment of professional fees and disbursements (the "**Administration Charge**") incurred both before and after the making of the Initial Order in respect of the CCAA Proceedings.

8.3 The Monitor has worked with the BCTF Group to estimate the quantum of the Administration Charge and is satisfied that it is reasonable in the circumstances and sufficient to provide adequate protection to the professional advisors to the Petitioners over the first 10 days of the CCAA proceedings. It is anticipated that the Petitioners will seek to increase the Administration Charge on the comeback hearing.

#### Interim Lender's Charge

- 8.4 As contemplated by the Interim Financing Term Sheet, the proposed Initial Order provides for the creation of a court-ordered security interest, lien and charge over all of the assets and undertakings of the Petitioners to secure the obligations of the Petitioners under the Interim Financing Term Sheet (the “**Interim Lender's Charge**”). The Interim Lender's Charge is proposed to rank in priority to all liens and charges, other than the Administration Charge.
- 8.5 The Proposed Monitor has already expressed the view that the Interim Financing is necessary, and is similarly of the view that the proposed Interim Lender's Charge is appropriate. The arrangement provides a necessary and timely financing solution which affords the Petitioners the opportunity to implement a sales process, and it does not appear that there will be any material financial prejudice to other BCTF Group stakeholders as a result of the proposed financing or Interim Lender's Charge.
- 8.6 The Proposed Monitor is supportive of the creation of the proposed Interim Lender's Charge to secure anticipated advances under the Interim Financing facility over the first 10 days of the CCAA proceedings.

#### D&O Charge

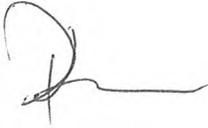
- 8.7 The proposed Initial Order also provides for a charge (the “**D&O Charge**”) of \$350,000 in favour of the directors and officers of the BCTF Group as security for the Petitioners' obligation to indemnify their directors and officers for any obligations and liabilities that they may incur as a result of holding such positions after commencement of the CCAA proceedings.
- 8.8 The D&O Charge is intended to be available only to the extent the directors and officers are not covered under existing insurance or to the extent coverage is insufficient to cover such claims.
- 8.9 It is the Proposed Monitor's view that the continued support and services of the directors and officers of the Petitioners during the CCAA Proceedings would be beneficial to the Petitioners' efforts to preserve value and maximize recoveries for stakeholders through completion of the CCAA proceedings. The Proposed Monitor has reviewed the underlying assumptions upon which the Petitioners have based the estimate of the potential liability in respect of the directors' statutory obligations and is of the view that the D&O Charge is reasonable in relation to the quantum of the estimated potential liability and is appropriate in the circumstances.

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All of which is respectfully submitted to this Honourable Court this 12<sup>th</sup> day of August, 2024.

**Alvarez & Marsal Canada Inc.,**  
in its capacity as Proposed Monitor of  
BC Tree Fruits Cooperative,  
BC Tree Fruit Industries Limited and Growers Supply Company Limited

  
Per: Anthony Tillman  
Senior Vice President

  
Per: Pinky Law  
Vice President

**Appendix A – A&M’s Consent to Act as Monitor**

No. \_\_\_\_\_  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,

R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *COOPERATIVE ASSOCIATION ACT*, S.B.C. 1999, C 28

AND

IN THE MATTER OF BC TREE FRUITS COOPERATIVE, BC TREE FRUITS INDUSTRIES  
LIMITED and GROWERS SUPPLY COMPANY LIMITED

PETITIONERS

**CONSENT TO ACT**

Alvarez & Marsal Canada Inc. consents to act as the Monitor of the Petitioners pursuant to the *Companies' Creditors Arrangement Act*.

Date at Vancouver, British Columbia, this 8<sup>th</sup> day of August, 2024.

**ALVAREZ & MARSAL CANADA INC.**



Per: Anthony Tillman  
Senior Vice President

**Appendix B – CCAA Cash Flow Forecast for the Period from August 5 to November 3, 2024**

BC Tree Fruits Cooperative  
 Consolidated 13 Week Cash Flow Forecast for the period August 5 - November 3, 2024  
 (C3000s)

Week	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Total
Week Ending	11-Aug	18-Aug	25-Aug	1-Sep	8-Sep	15-Sep	22-Sep	29-Sep	6-Oct	13-Oct	20-Oct	27-Oct	3-Nov	
<b>Receipts</b>														
AR collections and sales	\$ 432	\$ 614	\$ 500	\$ 538	\$ 481	\$ 454	\$ 481	\$ 465	\$ 460	\$ 510	\$ 487	\$ 442	\$ 100	\$ 5,964
Bin Sales	-	-	-	50	75	100	100	100	100	50	50	50	50	725
<b>Total Receipts</b>	<b>432</b>	<b>614</b>	<b>500</b>	<b>588</b>	<b>556</b>	<b>554</b>	<b>581</b>	<b>565</b>	<b>560</b>	<b>560</b>	<b>537</b>	<b>492</b>	<b>150</b>	<b>6,689</b>
<b>Disbursements</b>														
Payroll, benefits and payroll taxes	-	274	-	212	28	234	5	212	79	222	5	212	28	1,510
Board Payments	-	-	-	10	-	-	-	-	10	-	-	-	10	29
Utilities/telephone/internet	-	19	63	0	4	4	12	46	3	6	5	46	2	211
Other general and administrative costs	-	162	38	39	118	37	37	116	40	37	36	36	46	744
GST/PST	-	-	-	70	-	2	-	63	1	-	-	47	-	183
Contingency	-	10	10	10	10	10	10	10	10	10	10	10	10	120
<b>Total Disbursements</b>	<b>-</b>	<b>464</b>	<b>111</b>	<b>341</b>	<b>161</b>	<b>287</b>	<b>65</b>	<b>305</b>	<b>281</b>	<b>279</b>	<b>57</b>	<b>351</b>	<b>96</b>	<b>2,798</b>
<b>Operating Cash Flows</b>	<b>432</b>	<b>150</b>	<b>389</b>	<b>248</b>	<b>395</b>	<b>267</b>	<b>516</b>	<b>260</b>	<b>279</b>	<b>281</b>	<b>480</b>	<b>141</b>	<b>54</b>	<b>3,891</b>
<b>CCAA disbursements</b>														
Professional fees	-	590	-	145	90	70	-	70	30	70	-	120	-	1,185
DIP fees and interest (if any)	-	-	-	-	2	7	-	6	14	14	-	10	19	58
Total CCAA disbursements	-	590	-	145	92	77	-	70	36	84	-	130	19	1,243
<b>Net Cash Flow</b>	<b>432</b>	<b>(440)</b>	<b>389</b>	<b>103</b>	<b>303</b>	<b>190</b>	<b>516</b>	<b>190</b>	<b>242</b>	<b>197</b>	<b>480</b>	<b>11</b>	<b>35</b>	<b>2,648</b>
<b>CIBC overdraft - opening</b>	(22,076)	(21,908)	(21,740)	(21,422)	(20,833)	(20,278)	(19,724)	(19,143)	(18,578)	(18,018)	(17,458)	(16,921)	(16,429)	(22,076)
Collections	168	168	168	218	243	268	268	268	268	218	218	218	50	2,742
Collections - GSC paydown of BCTF overdraft	-	-	150	370	312	286	313	296	292	342	319	274	100	3,055
<b>CIBC overdraft - closing</b>	<b>(21,908)</b>	<b>(21,740)</b>	<b>(21,422)</b>	<b>(20,833)</b>	<b>(20,278)</b>	<b>(19,724)</b>	<b>(19,143)</b>	<b>(18,578)</b>	<b>(18,018)</b>	<b>(17,458)</b>	<b>(16,921)</b>	<b>(16,429)</b>	<b>(16,279)</b>	<b>(16,279)</b>
GSC - Collections	264	264	264	264	264	264	264	264	264	264	264	264	264	2,648
Repayment	-	446	182	-	-	(27,857)	(27,857)	(27,857)	(27,857)	(27,857)	(27,857)	(27,857)	(27,857)	(28,749)
<b>CIBC loan - opening</b>	<b>(28,485)</b>	<b>(28,039)</b>	<b>(27,857)</b>	<b>(28,485)</b>										
Collections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment	-	(1,054)	(1,054)	(1,165)	(1,651)	(1,904)	(2,268)	(2,332)	(2,707)	(3,024)	(3,388)	(3,445)	(3,926)	(27,857)
<b>CIBC loan - closing</b>	<b>(50,393)</b>	<b>(60,833)</b>	<b>(50,444)</b>	<b>(50,341)</b>	<b>(50,039)</b>	<b>(49,849)</b>	<b>(49,332)</b>	<b>(48,742)</b>	<b>(48,300)</b>	<b>(48,704)</b>	<b>(48,223)</b>	<b>(48,212)</b>	<b>(48,177)</b>	<b>(48,177)</b>
<b>CIBC DIP - opening</b>	<b>(50,393)</b>	<b>(50,393)</b>	<b>(50,444)</b>	<b>(50,341)</b>	<b>(50,039)</b>	<b>(49,849)</b>	<b>(49,332)</b>	<b>(48,742)</b>	<b>(48,300)</b>	<b>(48,704)</b>	<b>(48,223)</b>	<b>(48,212)</b>	<b>(48,177)</b>	<b>(48,177)</b>
Draws	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment	-	(1,054)	(1,165)	(1,651)	(1,904)	(2,268)	(2,332)	(2,707)	(3,024)	(3,388)	(3,445)	(3,926)	(4,041)	(4,041)
<b>Total CIBC debt</b>	<b>(50,393)</b>	<b>(60,833)</b>	<b>(50,444)</b>	<b>(50,341)</b>	<b>(50,039)</b>	<b>(49,849)</b>	<b>(49,332)</b>	<b>(48,742)</b>	<b>(48,300)</b>	<b>(48,704)</b>	<b>(48,223)</b>	<b>(48,212)</b>	<b>(48,177)</b>	<b>(48,177)</b>

**BC Tree Fruits Cooperative, et al  
Notes to the CCAA Cash Flow Forecast  
For the period August 5 - November 3, 2024**

- 1 The cash flow statement (the "CCAA Cash Flow Forecast") has been prepared by management ("Management") of British Columbia Tree Fruits Cooperative, to set out the liquidity requirements of the BC Tree Fruits Cooperative ("BCTFC") and Growers Supply Company Limited ("GSC", together with BCTFC, the "BCTF Group") during the *Companies' Creditors Arrangement Act* proceedings (the "CCAA Proceedings"), assuming the CCAA Proceedings commence on or around August 13, 2024.  
  
The CCAA Cash Flow Forecast is presented on a weekly basis from August 5 to November 3, 2024 (the "Period") and represents Management's best estimate of the expected results of operations during the Period. Readers are cautioned that since the estimates are based on future events and conditions that are not ascertainable, the actual results achieved will vary, even if the assumptions materialize, and such variations may be material. There are no representations, warranties or other assurances that any of the estimates, forecasts, or projections will be realized. The projections are based upon certain estimates and assumptions discussed below and may be amended from time to time during the CCAA Proceedings. Upon such amendments, Management will update its cash flow forecast accordingly as included herein.  
  
Unless otherwise noted, the CCAA Cash Flow Forecast is presented in Canadian dollars.
- 2 AR collections are forecast based on current accounts receivables balance, collectibility by category (trade, peddlers and others) and averaged over 13 weeks. Forecast sales are calculated based on GSC's weekly sales estimate (70% of revenue earned in the corresponding week in 2023).
- 3 Given the tree fruit industry's demand for bins, BCTFC expects to sell certain owned bins to growers in order ensure there is sufficient supply of bins for the current season.
- 4 Payroll, benefits and payroll taxes includes payments to the BCTF Group's employees, group benefits and payroll taxes. Management has reduced headcount at BCTFC from over 130 employees to 30 as at July 29, 2024, and headcount is expected to reduce to 17 by the week ending August 11, 2024. For GSC, it is assumed that operations at all locations will continue uninterrupted with all payroll tax remittances kept current during the CCAA Proceedings.
- 5 BCTF board payments represents monthly payment totaling \$10,000 payable to BCTFC's 10 board members.
- 6 Utilities and sales, general and administration ("SG&A") expenses, including telephone and internet, employees' expenses, sales taxes, credit card processing fees, repairs and maintenance and shipping/delivery for GSC and BCTF (cidery sale), are forecast to be paid in the ordinary course of business during the CCAA Proceedings.  
  
Included in SG&A are rent payments for GSC, which are forecast based on actual payments terms assuming operations and production continue uninterrupted at all leased locations during the Period.

**BC Tree Fruits Cooperative, et al  
Notes to the CCAA Cash Flow Forecast  
For the period August 5 - November 3, 2024**

- 7 Restructuring professional fees have been forecast based on projected costs of professional services firms relating to the CCAA Proceedings and include the BCTF Group's legal counsel, the Monitor and its legal counsel, and CIBC's legal counsel and financial advisor.
- 8 Pursuant to the Interim Financing Term Sheet, interim financing is expected to be provided by CIBC under a roll-up arrangement, where post-CCAA receipts will be applied to the CIBC overdraft, and post-CCAA required disbursements will be funded by CIBC as interim financing. Interest is calculated at 9.95% p.a. as stipulated in the Interim Financing Term Sheet.

**Appendix C – Interim Financing Term Sheet**

## INTERIM FINANCING TERM SHEET

**Dated: As of August 12, 2024**

**WHEREAS** the Borrowers (as defined below) are parties to various financing arrangements with Canadian Imperial Bank of Commerce ("**CIBC**" or the "**Interim Lender**" as defined below, as the context dictates), as lender;

**AND WHEREAS** the Borrowers require and CIBC is willing to provide it with loans to fund the Borrowers restructuring efforts pursuant to debtor-in-possession financing in the context of insolvency proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") (the "**CCAA Proceedings**") under the jurisdiction of the Supreme Court of British Columbia (the "**Court**");

**AND WHEREAS**, subject to the terms and conditions contained herein (this "**Agreement**"), the parties hereto have agreed to the terms and conditions set out below;

**NOW THEREFORE**, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

1. **DEFINITIONS** Capitalized terms used but not otherwise defined herein shall have the meanings given to them on **Schedule "A"** hereto.
2. **BORROWERS** BC Tree Fruits Cooperative, BC Tree Fruits Industries Limited and Growers Supply Company Limited (collectively, the "**Borrowers**" and each a "**Borrower**").
3. **GUARANTORS** Each Borrower hereby jointly and severally guarantees (in such capacity the Borrowers are the "**Guarantors**" and each a "**Guarantor**") the full payment and performance of all Obligations of the Borrowers under or in connection with the Interim Facility.
4. **INTERIM LENDER** Canadian Imperial Bank of Commerce (in its capacity as lender under the Interim Facility, the "**Interim Lender**").
5. **JOINT AND SEVERAL** Each of the Borrowers agree, acknowledge and confirm that, at their specific request, the Interim Facility has been made available to all of them, and, in each case, that each individual Borrower's ability to drawdown the full amount available for Interim Advances under the Interim Facility is not restricted, except as specifically provided for in this Agreement. All covenants, agreements and obligations of the Borrowers contained in this Agreement relating to or in connection with the Interim Facility shall be joint and several covenants, agreements and obligations of each of the Borrowers as co-borrowers, and each of the Borrowers shall be jointly and severally liable for and obligated to repay all Obligations under the Interim Facility, in each case without the necessity of restating the words "jointly and severally" or "joint and several" in respect thereof. Such joint and several liability is independent of the duties, obligations and liabilities of each other Borrower. Each of the Borrowers waives all benefits of discussion and division among the Borrowers, and each of the Borrowers acknowledges and confirms that the Interim Lender

shall have no obligation to pursue any other Borrower, as the case may be, or any Guarantor for all or any part of the Obligations under the Interim Facility before it can recover all such Obligations from it. Each Borrower acknowledges and confirms that it is fully responsible for all such Obligations even though it may not have requested a single Interim Advance.

Each Borrower's liability for payment of the Interim Facility shall be a primary obligation, shall be absolute and unconditional, and shall constitute full recourse obligations of each of the Borrowers, enforceable against each of them to the full extent of their respective assets and properties. Each of the Borrowers expressly waives any right to require the Interim Lender to marshal assets in favour of any Borrower or any other Person or to proceed against any other Borrower or any collateral provided by any Person, and agrees that the Interim Lender may proceed against any Borrower or any collateral in such order as it shall determine in its sole and absolute discretion. To the extent permitted by law, any release or discharge, by operation of law, of any Borrower from the performance or observance of any obligation, covenant or agreement contained in this Agreement shall not diminish or impair the liability of any other Borrower in any respect. Each of the Borrowers unconditionally and irrevocably waives each and every defense, right to discharge, compensation and setoff of any nature which, by statute or under principles of suretyship, guaranty or otherwise, would operate to impair or diminish in any way the obligation of any Borrower under this Agreement, and acknowledges that such waiver is by this reference incorporated into each security agreement, collateral assignment, pledge and/or other document from each Borrower now or later securing the Interim Facility, and acknowledges that as of the date of this Agreement no such defense or setoff exists. Each of the Borrowers waives any and all rights (whether by subrogation, indemnity, reimbursement, or otherwise) to recover from any other Borrower any amounts paid or the value of any Property given by such Borrower pursuant to this Agreement or otherwise until the Interim Facility is irrevocably paid in full in cash.

**6. BORROWER'S  
GUARANTEE**

To the maximum extent permitted by Applicable Law and to the extent that a Borrower is deemed a guarantor, each Borrower unconditionally and absolutely, guarantees payment when due, whether by stated maturity, demand, acceleration or otherwise, of the Obligations and all existing and future indebtedness owing hereunder or in connection with the Interim Facility owed by each other Borrower and expressly waives any and all defenses now or hereafter arising or asserted by reason of (a) any extension, modification, forbearance, compromise, settlement or variation of any of the terms of the Obligations and the said indebtedness, (b) the discharge or release of any liability of any other Borrower or any other Person now or hereafter liable on the Obligations

and the said indebtedness, by reason of bankruptcy or insolvency laws or otherwise, (c) the acceptance or release by the Interim Lender of any collateral, security or other guaranty from any Borrower or any other Person, or any settlement, compromise or extension with respect to any such collateral, security or other guaranty, (d) the avoidance, invalidity or unenforceability of any collateral, security or other guaranty from any Borrower or any other Person, (e) any failure to give any notice, demand, notice of dishonor, protest, presentment or non-payment, or any other notice, (f) any failure to comply with any Applicable Law in connection with any enforcement of any right or remedy against any collateral, security or other guaranty from any Borrower or any other Person, or (g) any action or inaction of the Interim Lender in any insolvency proceeding involving any Borrower or any other Person.

**7. INTERIM FACILITY**

A non-revolving loan (the "**Interim Facility**") up to the maximum principal amount of \$4,050,000 (the "**Maximum Amount**") including an initial advance in an amount of \$1,165,000 (the "**Initial Advance**").

**8. CURRENCY**

The currency of the Interim Facility shall be Canadian Dollars.

**9. MATURITY DATE**

Unless accelerated by an Event of Default, the Interim Facility shall be paid in full in cash on the date (the "**Maturity Date**") which is the earliest of:

- (a) November 30, 2024 (or such later date as the Interim Lender in its sole and absolute discretion may agree to in writing with the Borrowers, acting reasonably);
- (b) the date on which (i) the stay of proceedings under the CCAA Proceedings is lifted without the consent of the Interim Lender, or (ii) the CCAA Proceedings are terminated for any reason;
- (c) the implementation of a plan of compromise or arrangement within the CCAA Proceedings (a "**Plan**") which has been approved by the requisite majorities of the Obligors' creditors and by an order entered by the Court; or
- (d) the conversion of the CCAA Proceedings into a proceeding under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") or into a receivership under the BIA or applicable provincial statute.

The Maturity Date shall be accelerated upon the occurrence of an Event of Default.

The Interim Lender's commitment in respect of the Interim Facility shall expire on the Maturity Date and all amounts outstanding under the Interim Facility including but not limited to accrued Interest, Legal Fees, and the costs and expenses

provided for in paragraph 14 of this Agreement (collectively, the "**Obligations**") shall be repaid in full on the Maturity Date without the Interim Lender being required to make demand upon the Borrowers or to give notice that the Interim Facility has expired and the Obligations are due and payable.

The Obligors shall be at liberty to repay the Interim Facility in full with no penalty prior to the Maturity Date.

## 10. AVAILABILITY

Subject to the terms and conditions set forth in this Agreement, the Initial Order and the Restated Initial Order, the Interim Lender will make loans (the "**Interim Advances**"), to the Borrowers under the Interim Facility in an aggregate principal amount not to exceed the Maximum Amount, as follows:

- (a) Initial Advance: subject to the conditions precedent provisions hereunder under Section 16, upon the issuance of the Initial Order by the Court and the appointment of Alvarez & Marsal Canada Inc. ("**A&M**") as Monitor therein, the amount of the Initial Advance, or such other lesser amount as may be approved by the Initial Order, will be advanced by the Interim Lender to the Borrowers, for the purpose of financing the Borrowers' operating requirements and restructuring costs in accordance with the Initial Cash Flow Projections.
- (b) Subsequent Advances: subject to the conditions precedent provisions under Section 17, and except as may be otherwise agreed in writing by the Monitor and the Interim Lender, any further Interim Advances under the Interim Facility (each an "**Additional Advance**") shall be made available to the Borrowers, by the Interim Lender until the Maturity Date in accordance with the then applicable Cash Flow Projections approved by the Interim Lender in its sole and absolute discretion, from time to time, subject to duly issued orders of the Court.

Unless otherwise agreed to in writing in advance by the Interim Lender in its sole and absolute direction, each Additional Advance shall be made by the Interim Lender to the Borrowers as soon as practicable (and in any event within five (5) Business Days) after delivery to the Interim Lender of a drawdown certificate in the form attached as **Schedule "B"** executed by the Monitor for and on behalf of the Borrowers along with any other information the Interim Lender determines is necessary in its sole and absolute discretion.

## 11. ACCOUNT

All Interim Advances shall be deposited into a new CIBC account in the name of the Monitor, whereby all payments prior to issuance are to be reviewed and approved by the Monitor, and withdrawn to pay contemplated expenses under

the then applicable Cash Flow Projections and otherwise in accordance with the terms hereof.

**12. USE OF PROCEEDS AND  
CASH FLOW PROJECTIONS**

The Initial Advance under the Interim Facility shall be used in accordance with the 13-week cash flow projections attached herewith as **Schedule "C"** (the "**Initial Cash Flow Projections**"), which have been prepared by the Borrowers, with the assistance of the Monitor. The Initial Cash Flow Projections set forth expected receipts and all the operating and capital expenditures to be made during each calendar week and in the aggregate for the period covered by the Initial Cash Flow Projections. The Initial Cash Flow Projections together with the Revised Cash Flow Projections (as defined below) shall hereinafter be referred to in the aggregate as the "**Cash Flow Projections**" and individually as a "**Cash Flow Projection**".

On Wednesday of each week (or, if an applicable Wednesday is not a Business Day, the following Business Day) by 5:00 p.m. (PST), commencing on the Wednesday of the calendar week following the date of the Restated Initial Order, the Borrowers shall deliver to the Interim Lender and its financial advisor PricewaterhouseCoopers Inc. (the "**Financial Advisor**"), a variance calculation (the "**Cash Flow Variance Report**") showing (a) actual cash receipts and actual expenditures for each line item and net cash flow in the Cash Flow Projections covering the previous week and comparing the foregoing amounts with the budgeted cash receipts and budgeted expenditures and net cash flow, respectively, set forth in the Cash Flow Projections for such line item during such one week period, and (b) cumulative actual cash receipts (the "**Cumulative Actual Cash Receipts**") and cumulative actual expenditures (the "**Cumulative Actual Cash Expenditures**") for each line item in the Cash Flow Projections since the beginning of the period covered by the Cash Flow Projections and comparing the foregoing amounts with the cumulative budgeted cash receipts (the "**Cumulative Budgeted Cash Receipts**") and cumulative budgeted expenditures (the "**Cumulative Budgeted Cash Expenditures**") and net cash flow, respectively, set forth in the Cash Flow projections for such line items.

The Cash Flow Variance Report shall include reasonably detailed written explanations for any material budget-to actual variances during the relevant weekly or cumulative period for each variable line-item of the Cash Flow Projections. The Cash Flow Variance Report is to be discussed promptly with the Interim Lender and its Financial Advisors, as requested by the Lender

The Obligors shall ensure that when measured as of each Variance Testing Date, the following cash flow test (the "**Cash Flow Test**") of the Cash Flow Projections is met:

- (a) for each relevant weekly period in the Cash Flow Projections, the Cumulative Actual Receipts calculated for such week shall not be less than 90% of the Cumulative Budgeted Receipts for the period ending for such week;
- (b) for each relevant weekly period in the Cash Flow Projections, the Cumulative Actual Expenditures calculated for such week shall not be more than 10% greater than the Cumulative Budgeted Expenditures for the period ending such week;
- (c) an update and extension to the Cash Flow Projections (the "**Revised Cash Flow Projections**") for the period commencing from the end of the previous week through and including thirteen weeks thereafter, which shall be in form and detail consistent with the Initial Cash Flow Projections and be subject to the approval of the Interim Lender in its sole and absolute discretion.

Each Revised Cash Flow Projection shall be in form and substance acceptable to the Interim Lender, acting in its sole and absolute discretion, and shall be approved by the Interim Lender in writing.

Where the Monitor, by and on behalf of the Obligors, requests the amendment of any then applicable Cash Flow Projection any such amendment shall be in form and substance acceptable to the Interim Lender in its sole and absolute discretion and approved by the Interim Lender in writing.

Any Additional Advances shall be used in accordance with the then applicable Cash Flow Projection, in each case, to fund working capital and general corporate needs of the Obligors during, and costs and expenses incurred by the Obligors in connection with, the CCAA Proceedings.

No proceeds of the Interim Advances may be used (a) for any purpose other than in accordance with the Cash Flow Projections except with the prior written consent of the Interim Lender, acting in its sole and absolute discretion; or (b) to pay any pre-filing indebtedness owing by the Borrowers to CIBC. For greater certainty, all receipts and deposits from the Borrowers' operations, real and personal property sales and other activities post-filing shall be applied against the pre-filing indebtedness of the Borrowers owed to CIBC.

### 13. INTEREST RATE

Interest ("**Interest**") on the principal outstanding amount of the Interim Advances (including the compounded interest referenced below) from the date each such Interim Advance is

made (or, in the case of the compounded interest referenced below, the date that such interest is compounded), both before and after maturity, demand, default, or judgment until payment in full at a rate of 9.95% per annum, compounded and calculated weekly, shall accrue and be paid in accordance with the Cash Flow Projections.

All interest shall be calculated on the basis of a 365-day (or 366 day, as applicable) year, in each case for the actual number of days elapsed in the period during which it accrues.

All payments under or in respect of the Interim Facility shall be made free and clear of any withholding, set-off or other deduction.

If any provision hereof or the Interim Credit Documentation would obligate the Obligors to make any payment of interest or other amount payable to the Interim Lender in an amount or calculated at a rate which would be prohibited by law or would result in receipt by the Interim Lender of interest at a criminal rate (as construed under the *Criminal Code* (Canada)) then, notwithstanding that provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by the Interim Lender of interest at a criminal rate.

#### 14. COSTS AND EXPENSES

The Borrowers shall pay, on a bi-weekly basis or as otherwise agreed with the Interim Lender in its sole and absolute discretion, all reasonable and documented costs and expenses of the Interim Lender, and all reasonable and documented fees, expenses and disbursements of outside counsel, (on a solicitor and own client, and full indemnity, basis) appraisers, field auditors, and any financial consultant, related to or in connection with the CCAA Proceedings, including, without limitation, reasonable and documented costs and expenses incurred by the Interim Lender in connection with the enforcement of any of the rights and remedies available hereunder.

#### 15. SECURITY

All Obligations of the Obligors under or in connection with the Interim Facility and any of the Interim Credit Documentation shall be secured by a Court Ordered Charge on all present and after-acquired personal and real, tangible or intangible property of the Obligors, in each case of any kind or nature whatsoever and wheresoever situated (the "**Interim Lender's Charge**") without the need for any further loan or security documentation or any filings or registrations in any public register or system.

#### 16. CONDITIONS PRECEDENT TO THE DISBURSEMENT OF INITIAL ADVANCE

The Interim Lender's obligation to make the Initial Advance hereunder is subject to, and conditional upon, the satisfaction of all of the following conditions precedent:

- (a) The Borrowers' application for the issuance of an initial order under the CCAA (in form and substance satisfactory to the Interim Lender, acting reasonably, the "**Initial Order**") shall have been brought before the Court no later than August 13, 2024;
- (b) the form of Initial Order shall be in form and substance satisfactory to the Interim Lender, in its sole and absolute discretion;
- (c) A&M shall have been appointed as the Monitor pursuant to the Initial Order with expanded powers to allow the Monitor to, among other matters: (i) take any and all actions and steps to manage, operate, carry on the Business and liquidate the Property; and (ii) preserve, protect and exercise control over the Property, or any parts thereof;
- (d) the Initial Order (i) shall have been issued by the Court authorizing and approving the Initial Advance under the Interim Facility and granting the Interim Lender's Charge in respect of the Initial Advance, and (ii) shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect adversely affecting the Interim Lender, unless otherwise agreed by the Interim Lender, acting reasonably;
- (e) except to the extent not permitted by the CCAA, the Interim Lender's Charge shall have priority over all Liens granted by the Obligors against any of the undertakings, property or assets of the Obligors (collectively, the "**Property**") except for an administration charge on the Property in an aggregate amount not to exceed \$250,000 under the Initial Order, which amount shall be increased to \$500,000 under the Restated Initial Order (the "**Administration Charge**"); and
- (f) the Initial Cash Flow Projections shall be acceptable to the Interim Lender, in its sole and absolute discretion.

**17. CONDITIONS PRECEDENT TO THE DISBURSEMENT OF INTERIM ADVANCES (OTHER THAN THE INITIAL ADVANCE)**

The Interim Lender's obligation to make any Additional Advances hereunder is subject to, and conditional upon, the satisfaction of all of the following conditions precedent:

- (a) an order amending and restating the Initial Order, in form and substance acceptable to the Interim Lender, in its sole and absolute discretion, shall have been issued by the Court authorizing and approving the increase to the Interim Facility and an increase to the Interim Lender's Charge (the "**Restated Initial Order**") and the Restated Initial Order shall be in full force and effect and shall have not been stayed, reversed, vacated, rescinded, modified or amended in any respect adversely affecting

the Interim Lender, unless otherwise agreed by the Interim Lender, acting reasonably;

- (b) the Interim Lender's Charge shall have priority over all Liens granted by the Obligors against any of the undertaking, property or assets of the Obligors except for the Administration Charge;
- (c) all amounts requested for a particular Additional Advance shall be consistent with the Revised Cash Flow Projections for the applicable period, or otherwise expressly agreed by the Interim Lender in advance; and
- (d) no Default or Event of Default shall have occurred and be continuing.

Each of the Obligors agrees to indemnify and hold harmless the Interim Lender, its officers, directors, employees, representatives, advisors, solicitors and agents (collectively, the "**Indemnified Persons**") from and against any and all actions, lawsuits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or suited against or involve any of the Indemnified Persons as a result of, in connection with or in any way related to the Interim Facility, this Agreement, or the Interim Credit Documentation, except to the extent that such actions, lawsuits, proceedings, claims, losses, damages, liabilities or expenses result from the gross negligence or willful misconduct of such Indemnified Persons.

**18. AFFIRMATIVE COVENANTS** Each of the Obligors covenants and agrees to do the following:

- (a) comply with the then applicable Cash Flow Projections, and their reporting and other obligations to deliver financial information to the Interim Lender hereunder; provided that, such reporting and financial information shall be prepared and delivered by the Monitor, for and on behalf of the Obligors;
- (b) obtain from the Court a sale and investment solicitation process approval order with respect to the Borrowers' business and property in a form satisfactory to the Interim Lender, in its sole and absolute discretion, within ten (10) days of the granting of the Initial Order;
- (c) enter into a binding term sheet for the sale of the business and property of Growers Supply Company Limited by no later than September 15, 2024, which may be extended by and at the discretion of the Monitor, subject to approval by the Interim Lender, in its sole discretion, failing which the Obligors shall forthwith take

immediate steps to cease and shut down the business and operations of Growers Supply Company Limited;

- (d) allow the Interim Lender, its designated representatives and financial advisors full access to the operations, books and records of the Obligors on reasonable notice and during normal business hours and cause management thereof to fully cooperate with any advisors to the Interim Lender;
- (e) use the proceeds of the Interim Facility only for the purposes set out herein;
- (f) comply with the provisions of the Court orders made in the CCAA Proceedings;
- (g) provide the Interim Lender with draft copies of all motions, applications, proposed orders or other material or documents that any of them intends to file within the CCAA Proceedings at least three (3) days prior to any service of such materials or, where it is not practically possible to do so at least three days prior to any such service, as soon as possible prior to such service;
- (h) maintain all licenses required for the operation of their business in good standing;
- (i) ensure any Court orders sought or supported by the Borrowers are issued in the CCAA Proceedings shall be in a form satisfactory to the Interim Lender, in its sole and absolute discretion;
- (j) use all reasonable efforts to keep the Interim Lender apprised on a timely basis of all developments with respect to the business and affairs of the Obligors and with respect any such sale and investment solicitation process;
- (k) deliver to the Interim Lender the First Updated Cash Flow Projection in advance of the granting of the Restated Initial Order and thereafter each successive replacement Updated Cash Flow Projection immediately upon expiry of the First Updated Cash Flow Projection and each replacement thereof, as the case may be;
- (l) maintain all insurance with respect to the Property in existence as of the date hereof;
- (m) forthwith notify the Interim Lender of any event or circumstance that, with the passage of time, may constitute an Event of Default;
- (n) forthwith notify the Interim Lender of the occurrence of any Event of Default, or of any event or circumstance

that may constitute a Material Adverse Change from the then applicable Cash Flow Projections;

- (o) comply in all respects with all Applicable Laws, including (i) conducting its business operations in each jurisdiction in which each such business is being carried on, and (ii) paying when due its obligations for payroll, employee source deductions, sales taxes, and value added taxes; and
- (p) comply in all material respects with their obligations under the Interim Credit Documentation.

## 19. NEGATIVE COVENANTS

Each of the Obligors covenants and agrees not to do the following, other than with the prior written consent of the Interim Lender acting in its sole and unfettered discretion:

- (a) sell, assign, transfer, lease or otherwise dispose of all or any part of its assets, tangible or intangible, outside the ordinary course of business, except as permitted under the Initial Order or Restated Initial Order, or pursuant to any sale and investment solicitation process approved in the CCAA Proceedings;
- (b) make any payment of principal or interest in respect of existing (pre-filing date) indebtedness except as contemplated by the then applicable Cash Flow Projections or as approved by both the Monitor and the Interim Lender or permitted under the Initial Order or Restated Initial Order, or declare or pay any dividends;
- (c) create or permit to exist indebtedness for borrowed money other than existing (pre-filing date) debt, debt contemplated by the Interim Facility and post-filing trade payables incurred in the ordinary course of business;
- (d) create or permit to exist any Liens on any of the Property other than Permitted Liens;
- (e) enter into or agree to enter into any investments (other than cash equivalents) or acquisitions of any kind, direct or indirect, in any business;
- (f) assume or otherwise agree to be bound by any contingent liabilities or provide any guarantee or financial assistance to any Person;
- (g) transfer, distribute, lend or otherwise provide any funds (whether arising from Interim Advances or otherwise) to any Affiliate unless such Affiliate is an Obligor;
- (h) enter into any amalgamation, reorganization, liquidation, dissolution, winding-up, merger or other transaction or series of transactions whereby, directly or indirectly, all

or any significant portion of the undertaking, property or assets of any Obligor would become the property of any other Person or Persons unless authorized by the Interim Lender;

- (i) other than the Court Ordered Charges, seek or support an application to provide a charge upon any Property without the prior consent of the Interim Lender;
- (j) amend or seek to amend the Initial Order or the Restated Initial Order;
- (k) terminate or repudiate any agreement with the Interim Lender, solely in its capacity as lender under the Interim Facility;
- (l) seek or obtain any order from the Court that materially adversely affects the Interim Lender, except with the prior written consent of the Interim Lender acting in its sole and absolute discretion; and
- (m) disclaim any lease or agreement pursuant to section 32 of the CCAA, which is material to the business and operations of the Borrowers.

## 20. EVENTS OF DEFAULT

The occurrence of any one or more of the following events shall constitute an event of default ("**Event of Default**") under this Agreement:

- (a) failure of the Borrowers to pay principal or interest when due under this Agreement or any other Interim Credit Documentation;
- (b) any other breach by any Obligor in the observance or performance of any provision, covenant (affirmative or negative) or agreement contained in this Agreement, provided, that, in the case of a breach of any affirmative covenant, such breach remains unremedied for longer than three (3) Business Days following receipt of notice thereof;
- (c) if the Monitor is not appointed pursuant to the Initial Order or the Restated Initial Order on such terms and with such powers and responsibilities as are acceptable to the Interim Lender in its sole and absolute discretion;
- (d) if A&M ceases to serve as Monitor;
- (e) if the Borrowers fail to cooperate with the Monitor once appointed;
- (f) (i) any order shall be entered reversing, amending, varying, supplementing, staying, vacating or otherwise modifying in any respect in a manner materially affecting

the Interim Lender without the prior written consent of the Interim Lender, (ii) either the Initial Order or the Restated Initial Order shall cease to be in full force and effect in a manner that has a material adverse effect on the interests of the Interim Lender, or (iii) any Borrower shall fail to comply in any material respect that has an adverse effect on the interests of the Interim Lender with any order granted by the Court in the CCAA Proceedings;

- (g) this Agreement or any other Interim Credit Documentation shall cease to be effective or shall be contested by an Obligor;
- (h) any order is issued by the Court (or any other court of competent jurisdiction) that materially adversely affects the Interim Lender;
- (i) the CCAA Proceedings are terminated or converted to bankruptcy proceeding or any order is granted by the Court (or any court of competent jurisdiction) granting relief from the stay of proceedings during the CCAA Proceedings (as extended from time to time until the Maturity Date), unless agreed by the Interim Lender, acting reasonably;
- (j) any Plan is filed or sanctioned by the Court in a form and in substance that is not acceptable to the Interim Lender if such Plan does not either provide for the repayment of the obligations, in their entirety, including compounded interest added to the principal, under the Interim Facility in full by the Maturity Date;
- (k) any of the Obligors makes any material payments of any kind not permitted by this Agreement, the then applicable Cash Flow Projections or any order of the Court;
- (l) borrowings under the Interim Facility exceed the Maximum Amount;
- (m) any update in the Revised Cash Flow Projections or Cash Flow Variance Report contemplates or forecasts an adverse change or changes from the then existing Cash Flow Projections and such change(s) constitute a Material Adverse Change, or any update in the Revised Cash Flow Projections or any Cash Flow Variance Report forecasts that borrowings under the Interim Facility will exceed the Maximum Amount at any time (unless and until the Interim Lender consents to increase the Maximum Amount, which shall be in the Interim Lender's sole and absolute discretion, or the Obligors do not meet the Cash Flow Test at any time; and/or

- (n) the occurrence of a Material Adverse Change.

**21. REMEDIES**

Upon the occurrence and continuance of an Event of Default, subject to the Interim Credit Documentation, the Interim Lender may, upon written notice to the Borrowers and the Monitor:

- (a) terminate the Interim Facility;
- (b) on prior written notice to the Obligors and the service list of no less than three (3) Business Days, apply to the Court for the appointment of an interim receiver or a receiver and manager of the Property or for the appointment of a trustee in bankruptcy of the Obligors;
- (c) exercise the powers and rights of a secured party under any legislation; and
- (d) exercise all such other rights and remedies under the Interim Credit Documentation and Orders of the Court in the CCAA Proceedings.

**22. INTERIM LENDER APPROVALS**

All consents of the Interim Lender hereunder shall be in its sole and absolute discretion and shall be in writing. Any consent, approval, instruction or other expression of the Interim Lender to be delivered in writing may be delivered by any written instrument, including by way of electronic mail.

**23. FURTHER ASSURANCES**

The Obligors shall at their expense, from time to time, execute and deliver, or cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the Interim Lender may reasonably request for the purpose of giving effect to this Agreement and the Interim Lender's Charge, perfecting, protecting and maintaining the Liens created by the Interim Lender's Charge or establishing compliance with the representations, warranties and conditions of this Agreement or any other Interim Credit Documentation.

**24. ENTIRE AGREEMENT**

This Agreement, including the Schedules hereto and the Interim Credit Documentation, constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this Agreement and any of the other Interim Credit Documentation, this Agreement shall govern. Neither this Agreement nor any other Interim Credit Documentation, nor any terms hereof or thereof, may be amended, unless such amendment is in writing signed by the Obligors and the Interim Lender.

**25. AMENDMENTS, WAIVERS, ETC.**

No waiver or delay on the part of the Interim Lender in exercising any right or privilege hereunder or under any other Interim Credit Documentation will operate as a waiver hereof

or thereof unless made in writing and signed by an authorized officer of the Interim Lender. Any consent to be provided by the Interim Lender shall be granted or withheld solely in its capacity, and having regard to its interests, as Interim Lender.

**26. ASSIGNMENT**

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. The Obligors may not assign their rights and obligations under this Agreement without the written consent of the Interim Lender. The Interim Lender's rights and obligations under this Agreement are fully assignable, to an Affiliate of the Interim Lender without the consent of (but with prior notice to) the Obligors. In addition, the Interim Lender's rights and obligations under this Agreement are assignable, with the consent of the Obligors, acting reasonably, before an Event of Default to any other entity, and are freely assignable, without the consent of the Obligors (but with prior notice to), after an Event of Default has occurred and is continuing. Each of the Obligors hereby consents to the disclosure of any confidential information in respect of the Borrowers to any potential assignee provided such potential assignee agrees in writing to keep such information confidential. A copy of all notices delivered pursuant to this section shall be delivered promptly to the Monitor.

**27. SEVERABILITY**

Any provision in any Interim Credit Documentation which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

**28. COUNTERPARTS AND  
FACSIMILE SIGNATURES**

This Agreement may be executed in any number of counterparts and by facsimile or e-mail transmission, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Any party may execute this Agreement by signing any counterpart of it.

**29. NOTICES**

Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the person as set forth below:

**In the case of the Obligors:**

Norton Rose Fulbright Canada LLP  
400 3rd Avenue SW, Suite 3700  
Calgary, Alberta T2P 4H2

Attention: Howard A. Gorman, KC/Candace Formosa  
Email: [howard.gorman@nortonrosefulbright.com](mailto:howard.gorman@nortonrosefulbright.com) and  
[candace.formosa@nortonrosefulbright.com](mailto:candace.formosa@nortonrosefulbright.com)

**In the case of the Monitor:**

Alvarez & Marsal Canada Inc.  
925 W. Georgia Street Unit 902  
Vancouver BC V6C 3L2

Attention: Anthony Tillman/Pinky Law  
Email: [atillman@alvarezandmarsal.com](mailto:atillman@alvarezandmarsal.com) and  
[pinky.law@alvarezandmarsal.com](mailto:pinky.law@alvarezandmarsal.com)

with a copy to the Monitor's counsel:

Fasken Martineau DuMoulin LLP  
550 Burrard Street Suite 2900,  
Vancouver, BC V6C 0A3  
Attention: Kibben Jackson/Lisa Hiebert  
Email : [kjackson@fasken.com](mailto:kjackson@fasken.com) and [lhiebert@fasken.com](mailto:lhiebert@fasken.com)

**In the case of the Interim Lender:**

Blake, Cassels & Graydon LLP  
#3500 – 1133 Melville Street  
Vancouver, BC V6E 4E5

Attention: Peter Rubin/Peter Bychawski  
Email: [peter.rubin@blakes.com](mailto:peter.rubin@blakes.com) and  
[peter.bychawski@blakes.com](mailto:peter.bychawski@blakes.com)

**30. GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each of the Obligors irrevocably submits to the non-exclusive courts of the Province of British Columbia, waives any objections on the ground of venue or forum *non conveniens* or any similar grounds, and consents to service of process by mail or in any other manner permitted by relevant law.

**31. NO LIABILITY**

In carrying out the terms of this Agreement and the other Interim Credit Documentation and in taking any action or inaction hereunder or thereunder on its own behalf or for and on behalf of the Obligors (including, for certainty, in executing this Agreement and any other Interim Credit Documentation for and on behalf of the Obligors), (i) the Monitor shall benefit from all the protections given to it by the CCAA, including the Initial Order, the Restated Initial Order and any other Order in the CCAA Proceedings, and as an officer of the Court, including the stay of proceedings granted in the CCAA Proceedings, in its favour; and (ii) the Monitor shall incur no liability or obligation whatsoever, including with respect to any losses, claims, damages, indemnities or other liabilities or obligations, of any nature or kind, to any Person, except to the extent the foregoing directly result from the gross negligence

or wilful misconduct on its part. No reference to "Obligor" herein shall be interpreted to include the Monitor, in its personal or corporate capacity.

**[REMAINDER OF PAGE INTENTIONALLY BLANK]**

IN WITNESS HEREOF, the parties hereby execute this Agreement as of the date first written above.

**BC TREE FRUITS COOPERATIVE,  
BC TREE FRUITS INDUSTRIES LIMITED  
and  
GROWERS SUPPLY COMPANY LIMITED**

\_\_\_\_\_  
Name: Doug Pankiw  
Title: Interim Chief Executive Officer  
and Chief Financial Officer

**Alvarez & Marsal Canada Inc., as proposed  
Monitor, hereby consents to this Interim  
Financing Term Sheet**

**By Alvarez and Marsal Canada Inc., solely in  
its capacity as proposed Court-appointed  
Monitor of each of the Borrowers and not in  
its personal or corporate capacity**

By: \_\_\_\_\_  
Name: Anthony Tillman  
Title: Managing Director

**CANADIAN IMPERIAL BANK  
OF COMMERCE**

By: \_\_\_\_\_  
Name: Supriya Sarin  
Title: Senior Director, Special Loans

## SCHEDULE "A"

### Additional Definitions

**"Affiliate"** means, in respect of any Person at any date, (a) any corporation, company, limited liability company, association, joint venture or other business entity of which securities, membership interests or other ownership interests representing fifty percent (50%) or more of the voting power of all equity interests are owned or held, directly or indirectly, by such Person, (b) any partnership, limited liability company or joint venture wherein the general partner, managing partner or operator is, directly or indirectly, such Person, or (c) any other Person that is otherwise directly or indirectly controlled by such Person.

**"Applicable Laws"** means all federal, provincial, municipal and local laws, statutes, regulations, codes, acts, permits, licenses, ordinances, orders, by-laws, guidelines, notices, protocols, policies, directions and rules and regulations, including those of any governmental or other public authority, which may now, or at any time hereafter, govern, be applicable to or enforceable against or in respect of the Obligors, the operation of their business or their property, as the case may be.

**"Business Day"** means a day on which banks in Vancouver, British Columbia are open for business.

**"Cash from Operations"** has the meaning given to such line item in the Cash Flow Projections.

**"Court Ordered Charges"** means the Administration Charge and the Interim Lender's Charge.

**"Default"** means any Event of Default or any condition or event which, after notice or lapse of time or both, would constitute an Event of Default.

**"Interim Credit Documentation"** means this Agreement, the orders of the Court approving it and any other definitive documentation in respect of the Interim Facility that are in form and substance satisfactory to the Interim Lender.

**"Legal Fees"** means all reasonable and documented legal fees of the Interim Lender on a solicitor and own client, and fully indemnity, basis in connection with any and all tasks related to this Agreement, the orders of the Court, the Interim Facility or the Interim Credit Documentation.

**"Liens"** means all mortgages, pledges, charges, encumbrances, hypothecs, liens, and security interests of any kind or nature whatsoever other than Permitted Liens.

**"Material Adverse Change"** means any event, circumstance, occurrence or change which results, or which would reasonably be expected to result, in a material adverse change in:

- (a) the ability of any Obligors to perform any material obligation under this Agreement and any other Interim Credit Documentation or any order of the Court within the CCAA proceedings, or the ability of any of the Obligors to carry out a Plan;
- (b) the validity, enforceability, or priority of any of the Interim Lender's Charge or the CIBC Liens or the material rights or remedies intended or purported to be granted to the Interim Lender and CIBC under or pursuant to such Interim Lender's Charge and Liens; or
- (c) the business, operations, assets, condition (financial or otherwise) or results of operations of any of the Obligors.

**"Monitor"** means Alvarez & Marsal Canada Inc.

**“Net Cash Flow from Period”** has the meaning given to such line item in the Cash Flow Projections.

**“Obligors”** means the Borrowers and the Guarantors.

**“Permitted Liens”** means (i) the Court Ordered Charges, (ii) Liens filed by CIBC, and (iii) Liens filed prior to the granting of the Initial Order.

**“Person”** means an individual, partnership, corporation (including a business trust), joint venture, limited liability company or other entity, or governmental authority.

**“Plan”** means the implementation of a plan of compromise or arrangement within the CCAA proceedings which has been approved by the requisite majorities of the Borrowers’ creditors and by order entered by the Court and by the Interim Lender.

**“Variance Testing Date”** means, collectively, the second Wednesday occurring after the granting of the Restated Initial Order and each Wednesday thereafter.

## SCHEDULE "B"

### Form of Draw Down Certificate

TO: Canadian Imperial Bank of Commerce, as Interim Lender

FROM: BC Tree Fruits Cooperative  
BC Tree Fruits Industries Limited  
Growers Supply Company Limited

as Borrowers

DATE: ●, 2024

1. This request is delivered to you, as Interim Lender, in connection with a request for an Additional Advance pursuant to the Interim Financing Term Sheet made as of August 8, 2024 among the Borrowers and the Interim Lender, as amended, supplemented, restated or replaced from time to time (the "**Term Sheet**"). All defined terms used, but not otherwise defined in this certificate shall have the respective meanings set forth in the Term Sheet, unless the context requires otherwise.

2. The Borrowers hereby request an Additional Advance as follows in respect of the week commencing on ●, 2024:

Aggregate amount of Advance: \$●

#### Description of intended use of the proceeds of Additional Advance: ●

3. To the best of the Monitor's knowledge, all of the representations and warranties of the Obligors set forth in the Term Sheet are true and accurate in all respects as at the date hereof, as though made on and as of the date hereof.

4. To the best of the Monitor's knowledge, all of the covenants of the Obligors contained in the Term Sheet and all other terms and conditions contained in the Term Sheet to be complied with by the Obligors, not properly waived in writing by the Interim Lender, have been fully complied with.

5. To the best of the Monitor's knowledge, no Default or Event of Default has occurred nor will any such event occur as a result of the Additional Advance hereby requested.

**BC TREE FRUITS COOPERATIVE  
BC TREE FRUITS INDUSTRIES LIMITED  
GROWERS SUPPLY COMPANY LIMITED**

**By Alvarez & Marsal Canada Inc., solely in its capacity as Court-appointed Monitor of each of the above and not in its personal or corporate capacity, pursuant to the authority granted by the Initial Order of the Supreme Court of British Columbia dated August \_\_\_\_, 2024, as it may be amended**

---

Name:

Title:

**SCHEDULE "C"**

**Initial Cash Flow Projections**

(see attached)

BC Tree Fruits Cooperative  
 Consolidated 13 Week Cash Flow Forecast for the period August 5 - November 3, 2024  
 (C3000s)

Week	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Total
Week Ending	11-Aug	18-Aug	25-Aug	1-Sep	8-Sep	15-Sep	22-Sep	29-Sep	6-Oct	13-Oct	20-Oct	27-Oct	3-Nov	
<b>Receipts</b>														
AR collections and sales	\$ 432	\$ 614	\$ 500	\$ 538	\$ 481	\$ 454	\$ 481	\$ 465	\$ 460	\$ 510	\$ 487	\$ 442	\$ 100	\$ 5,964
Bin Sales	-	-	-	50	75	100	100	100	100	50	50	50	50	725
<b>Total Receipts</b>	<b>432</b>	<b>614</b>	<b>500</b>	<b>588</b>	<b>556</b>	<b>554</b>	<b>581</b>	<b>565</b>	<b>560</b>	<b>560</b>	<b>537</b>	<b>492</b>	<b>150</b>	<b>6,689</b>
<b>Disbursements</b>														
Payroll, benefits and payroll taxes	-	274	-	212	28	234	5	212	79	222	5	212	28	1,510
Board Payments	-	-	-	10	-	-	-	-	10	-	-	-	10	29
Utilities/telephone/internet	-	19	63	0	4	4	12	46	3	6	5	46	2	211
Other general and administrative costs	-	162	38	39	118	37	37	37	116	40	37	36	46	744
GST/PST	-	-	-	70	-	2	-	-	63	1	-	47	-	183
Contingency	-	10	10	10	10	10	10	10	10	10	10	10	10	120
<b>Total Disbursements</b>	<b>-</b>	<b>464</b>	<b>111</b>	<b>341</b>	<b>161</b>	<b>287</b>	<b>65</b>	<b>305</b>	<b>281</b>	<b>279</b>	<b>57</b>	<b>351</b>	<b>96</b>	<b>2,798</b>
<b>Operating Cash Flows</b>	<b>432</b>	<b>150</b>	<b>389</b>	<b>248</b>	<b>395</b>	<b>267</b>	<b>516</b>	<b>260</b>	<b>279</b>	<b>281</b>	<b>480</b>	<b>141</b>	<b>54</b>	<b>3,891</b>
<b>CCAA disbursements</b>														
Professional fees	-	590	-	145	90	70	-	70	30	70	-	120	-	1,185
DJP fees and interest (if any)	-	-	-	-	2	7	-	-	6	14	-	10	19	58
<b>Total CCAA disbursements</b>	<b>-</b>	<b>590</b>	<b>-</b>	<b>145</b>	<b>92</b>	<b>77</b>	<b>-</b>	<b>70</b>	<b>36</b>	<b>84</b>	<b>-</b>	<b>130</b>	<b>19</b>	<b>1,243</b>
<b>Net Cash Flow</b>	<b>432</b>	<b>(440)</b>	<b>389</b>	<b>103</b>	<b>303</b>	<b>190</b>	<b>516</b>	<b>190</b>	<b>242</b>	<b>197</b>	<b>480</b>	<b>11</b>	<b>35</b>	<b>2,648</b>
<b>CIBC overdraft - opening</b>	(22,076)	(21,908)	(21,740)	(21,422)	(20,833)	(20,278)	(19,724)	(19,143)	(18,578)	(18,018)	(17,458)	(16,921)	(16,429)	(22,076)
Collections	168	168	168	218	243	268	268	268	268	218	218	218	50	2,742
Collections - GSC paydown of BCTF overdraft	-	-	150	370	312	286	313	296	292	342	319	274	100	3,055
<b>CIBC overdraft - closing</b>	<b>(21,908)</b>	<b>(21,740)</b>	<b>(21,422)</b>	<b>(20,833)</b>	<b>(20,278)</b>	<b>(19,724)</b>	<b>(19,143)</b>	<b>(18,578)</b>	<b>(18,018)</b>	<b>(17,458)</b>	<b>(16,921)</b>	<b>(16,429)</b>	<b>(16,279)</b>	<b>(16,279)</b>
CIBC loan - opening	(28,749)	(28,485)	(28,039)	(27,857)	(27,857)	(27,857)	(27,857)	(27,857)	(27,857)	(27,857)	(27,857)	(27,857)	(27,857)	(28,749)
GSC - Collections	264	446	182	-	-	-	-	-	-	-	-	-	-	892
Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>CIBC loans - closing</b>	<b>(28,485)</b>	<b>(28,039)</b>	<b>(27,857)</b>											
<b>CIBC - DIP - opening</b>	-	-	(1,054)	(1,165)	(1,651)	(1,904)	(2,268)	(2,332)	(2,707)	(3,024)	(3,388)	(3,445)	(3,926)	-
Draws	-	-	(1,054)	(486)	(253)	(364)	(65)	(375)	(318)	(363)	(57)	(481)	(115)	(4,041)
Repayment	-	-	(111)	-	-	-	-	-	-	-	-	-	-	-
<b>CIBC DIP - closing</b>	<b>-</b>	<b>(1,054)</b>	<b>(1,165)</b>	<b>(1,651)</b>	<b>(1,904)</b>	<b>(2,268)</b>	<b>(2,332)</b>	<b>(2,707)</b>	<b>(3,024)</b>	<b>(3,388)</b>	<b>(3,445)</b>	<b>(3,926)</b>	<b>(4,041)</b>	<b>(4,041)</b>
<b>Total CIBC debt</b>	<b>(50,393)</b>	<b>(50,833)</b>	<b>(50,444)</b>	<b>(50,341)</b>	<b>(50,039)</b>	<b>(49,849)</b>	<b>(49,332)</b>	<b>(49,142)</b>	<b>(49,900)</b>	<b>(48,704)</b>	<b>(48,223)</b>	<b>(48,212)</b>	<b>(48,177)</b>	<b>(48,177)</b>

**BC Tree Fruits Cooperative, et al  
Notes to the CCAA Cash Flow Forecast  
For the period August 5 - November 3, 2024**

- 1 The cash flow statement (the "CCAA Cash Flow Forecast") has been prepared by management ("Management") of British Columbia Tree Fruits Cooperative, to set out the liquidity requirements of the BC Tree Fruits Cooperative ("BCTFC") and Growers Supply Company Limited ("GSC", together with BCTFC, the "BCTF Group") during the *Companies' Creditors Arrangement Act* proceedings (the "CCAA Proceedings"), assuming the CCAA Proceedings commence on or around August 13, 2024.  
  
The CCAA Cash Flow Forecast is presented on a weekly basis from August 5 to November 3, 2024 (the "Period") and represents Management's best estimate of the expected results of operations during the Period. Readers are cautioned that since the estimates are based on future events and conditions that are not ascertainable, the actual results achieved will vary, even if the assumptions materialize, and such variations may be material. There are no representations, warranties or other assurances that any of the estimates, forecasts, or projections will be realized. The projections are based upon certain estimates and assumptions discussed below and may be amended from time to time during the CCAA Proceedings. Upon such amendments, Management will update its cash flow forecast accordingly as included herein.  
  
Unless otherwise noted, the CCAA Cash Flow Forecast is presented in Canadian dollars.
- 2 AR collections are forecast based on current accounts receivables balance, collectibility by category (trade, peddlers and others) and averaged over 13 weeks. Forecast sales are calculated based on GSC's weekly sales estimate (70% of revenue earned in the corresponding week in 2023).
- 3 Given the tree fruit industry's demand for bins, BCTFC expects to sell certain owned bins to growers in order ensure there is sufficient supply of bins for the current season.
- 4 Payroll, benefits and payroll taxes includes payments to the BCTF Group's employees, group benefits and payroll taxes. Management has reduced headcount at BCTFC from over 130 employees to 30 as at July 29, 2024, and headcount is expected to reduce to 17 by the week ending August 11, 2024. For GSC, it is assumed that operations at all locations will continue uninterrupted with all payroll tax remittances kept current during the CCAA Proceedings.
- 5 BCTF board payments represents monthly payment totaling \$10,000 payable to BCTFC's 10 board members.
- 6 Utilities and sales, general and administration ("SG&A") expenses, including telephone and internet, employees' expenses, sales taxes, credit card processing fees, repairs and maintenance and shipping/delivery for GSC and BCTF (cidery sale), are forecast to be paid in the ordinary course of business during the CCAA Proceedings.  
  
Included in SG&A are rent payments for GSC, which are forecast based on actual payments terms assuming operations and production continue uninterrupted at all leased locations during the Period.

**BC Tree Fruits Cooperative, et al  
Notes to the CCAA Cash Flow Forecast  
For the period August 5 - November 3, 2024**

- 7 Restructuring professional fees have been forecast based on projected costs of professional services firms relating to the CCAA Proceedings and include the BCTF Group's legal counsel, the Monitor and its legal counsel, and CIBC's legal counsel and financial advisor.
- 8 Pursuant to the Interim Financing Term Sheet, interim financing is expected to be provided by CIBC under a roll-up arrangement, where post-CCAA receipts will be applied to the CIBC overdraft, and post-CCAA required disbursements will be funded by CIBC as interim financing. Interest is calculated at 9.95% p.a. as stipulated in the Interim Financing Term Sheet.