UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WISCONSIN

In re:

CRANBERRY GROWERS COOPERATIVE (d/b/a CranGrow)

Debtor.

Case No. 17-13318-cjf

Chapter 11

DISCLOSURE STATEMENT FOR DEBTOR'S CHAPTER 11 PLAN OF REORGANIZATION DATED DECEMBER 8, 2017

TABLE OF CONTENTS

Page

THIS DISCLOSURE STATEMENT HAS NOT YET BEEN APPROVED BY THE COURT

This proposed disclosure statement (the "**Disclosure Statement**") is not a solicitation of acceptance or rejection of the Plan (which is described and defined in this document). Acceptances or rejections may not be solicited until the Bankruptcy Court has approved this Disclosure Statement under Bankruptcy Code § 1125.

SUMMARY OF TREATMENT AND ESTIMATED DISTRIBUTIONS UNDER THE PLAN

The following table briefly summarizes the classification and treatment of classified claims and interests under the *Debtor's Chapter 11 Plan of Reorganization Dated December 8, 2017*, as it may be amended or modified (the "**Plan**"), submitted by Cranberry Growers Cooperative ("**CranGrow**" or the "**Debtor**").

Class of Claims/Interests	Impairment; Entitlement to Vote	Treatment	Estimated Distribution on Allowed Claims
Administrative Expense Claims	No; No	Except to the extent that any holder agrees to a different, less favorable treatment, the holder of an Allowed Administrative Expense Claim that has not been paid shall receive on account of such Claim, Cash in the amount of such Allowed Administrative Expense Claim on the later of the Effective Date or the date such Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable; provided, however, that any Allowed Administrative Expense Claims representing liabilities incurred in the ordinary course of business, consistent with past practice, by the Estate shall be paid in full and performed by Reorganized CranGrow, in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to such transactions.	100%
Professional Fee Claims	No; No	Any Person seeking an award by the Bankruptcy Court of a Professional Fee Claim shall (a) file its final application for allowance of such Claim by no later than the date that is the first Business Day that is 30 days after the Effective Date or such other date as may be established by the Bankruptcy Court; and (b) to the extent such entity has not already been paid in full on account of such Claim, be paid in full and in Cash in the amounts Allowed upon the date the order granting such award becomes a Final Order. Reorganized CranGrow shall be authorized to pay compensation for professional services rendered and reimburse expenses incurred after the Effective Date in the ordinary course of business	100%

Class of Claims/Interests	Impairment; Entitlement to Vote	Treatment	Estimated Distribution on Allowed Claims
		and without Bankruptcy Court approval.	
Priority Tax Claims	No; No	Except to the extent that a holder of an Allowed Priority Tax Claim has been paid by the Estate prior to the Effective Date or agrees to less favorable treatment, each holder of an Allowed Priority Tax Claim shall receive at the sole option of Reorganized CranGrow, (a) Cash in an amount equal to such Allowed Priority Tax Claim on the later of the Effective Date or the date such Priority Tax Claim becomes an Allowed Priority Tax Claim, or as soon thereafter as is practicable; or (b) equal Cash payments to be made initially on the Effective Date or as soon thereafter as is practicable and semi-annually thereafter in an amount equal to such Allowed Priority Tax Claim, together with interest at a fixed annual rate determined under applicable non-bankruptcy law pursuant to Bankruptcy Code section 511, over a period from the Effective Date through the fifth (5th) anniversary date after the Petition Date; provided, however, that (x) no holder of an Allowed Priority Tax Claim shall be treated in a manner less favorable than any Allowed General Unsecured Claim or any Allowed Participating Member Claim and (y) such election shall be without prejudice to the right of Reorganized CranGrow to prepay such Allowed Priority Tax Claim in full or in part without penalty.	100%
United States Trustee Fees	No No	To the extent that any fees are due to the United States Trustee pursuant to 28 U.S.C. § 1930 on the Effective Date, such fees shall be paid by the Debtor or Reorganized CranGrow, as the case may be, to the United States Trustee in full, in Cash, within thirty (30) days after the Effective Date. Any fees which become due to the United States Trustee following the Effective Date shall be paid by Reorganized CranGrow when such fees are due and payable. In addition, Reorganized CranGrow shall file post-confirmation quarterly reports in conformity with the United States Trustee guidelines, until entry of an order closing or converting the Chapter 11 Case.	100%
Real Property Taxes		Any real property taxes which are Allowed Administrative Expense Claims pursuant to section 503(b)(1)(B)(i) of the Bankruptcy Code shall either be paid when last due without penalty under applicable state law, or, if the holder of such Claim consents, the holder shall retain any Lien afforded under applicable state law and the legal,	100% or retention of lien

Class of Claims/Interests	Impairment; Entitlement to Vote	Treatment	Estimated Distribution on Allowed Claims
		equitable, and contractual rights of such holder shall be left unaltered by the Plan. The holder's vote in favor of the Plan or its failure to object to confirmation of the Plan shall be deemed to be such a consent.	
Class 1: Priority Non-Tax Claims	No; No	Except to the extent that the holder of an Allowed Priority Non-Tax Claim agrees to less favorable treatment or has been paid on account of such Claim prior to the Effective Date, on the later of the Effective Date or the date such Priority Non-Tax Claim becomes Allowed, or as soon thereafter as is practicable, each holder, if any, shall be paid by Reorganized CranGrow in Cash in an amount equal to the Allowed amount of such Priority Non-Tax Claim.	100%
Class 2: Secured Claim of CoBank	Yes; Yes	The Secured Claim of CoBank shall be Allowed in the amount of the CoBank Pre-Petition Indebtedness. Pursuant to Section 1129(b)(2)(A)(i), CoBank shall retain all Liens, security interests and other encumbrances affecting property of the Debtor and Reorganized CranGrow granted in favor of CoBank prior to the Effective Date to the extent of the Allowed Secured Claim of CoBank. Except to the extent that (a) CoBank has agreed to a less favorable treatment of its Allowed Secured Claim, (b) CoBank has been paid on account of such Secured Claim prior to the Effective Date, or (c) any Exit Facility Documents provide otherwise, the Co-Bank Pre-Petition Indebtedness shall be paid in accordance with the terms set forth on Exhibit B to the Plan. For avoidance of doubt, except as otherwise expressly stated in section 5.5 of the Plan or otherwise agreed by CoBank, including, without limitation, with respect to any Exit Facility, nothing in the Plan shall alter the CoBank DIP Financing Order and the CoBank Loan Documents, and the liens granted thereunder, which shall remain in full force and effect, and the CoBank DIP Financing Claim shall be paid in accordance with the CoBank DIP Financing Order and any applicable provisions of the CoBank Loan Documents. Notwithstanding anything to the contrary in the CoBank Loan Documents, CoBank shall forbear from exercising any and all of its rights under the Guarantee Agreements as to the guarantors under such agreements who vote in favor of the Plan and otherwise comply with any applicable terms on Exhibit B to the Plan, so long as the Debtor and Reorganized CranGrow do not	100% of Pre-Petition Indebtedness

Class of Claims/Interests	Impairment; Entitlement to Vote	Treatment	Estimated Distribution on Allowed Claims
		default or otherwise fail to satisfy any condition or obligation affecting CoBank under the Plan, including, without limitation, payment of the Allowed Secured Claim of CoBank in Class 2 under the Plan, subject to any other applicable conditions of any Exit Facility Documents. The foregoing is in full and final satisfaction, compromise, settlement and release of the Allowed Secured CoBank Claim.	
Class 3: Other Secured Claims	No; No	Each holder of an Allowed Secured Claim other than the Secured Claim of CoBank, to the extent there are any such Claims, shall receive on the Effective Date or as soon thereafter as is practicable, at Reorganized CranGrow's option: (a) reinstatement and unimpairment of its Allowed Claim in accordance with section 1124(2) of the Bankruptcy Code, (b) the net proceeds from the sale of its collateral at the time of such sale or as soon as is practicable thereafter, up to the unpaid Allowed amount of such Claim and to the same extent, priority and validity of the lien securing such Allowed Claim; (c) the return of its collateral; or (d) such other less favorable treatment as may be agreed to with Reorganized CranGrow.	100% of value of collateral
Class 4: General Unsecured Claims	Yes; Yes	Except to the extent that the holder of an Allowed General Unsecured Claim agrees to less favorable treatment or has been paid on account of such General Unsecured Claim prior to the Effective Date, as soon as is practicable in the reasonable discretion of Reorganized CranGrow after the establishment of the General Unsecured Recovery Reserve, each holder of an Allowed General Unsecured Claim shall be paid in Cash its Pro Rata share of Cash from the General Unsecured Recovery Reserve, pursuant to one or more Distributions until the depletion of the General Unsecured Recovery Reserve or payment in full.	3.8%
Class 5: Patron Member Claims	Yes; Yes	Except to the extent that the holder of an Allowed Patron Member Claim agrees to less favorable treatment or has been paid on account of such Allowed Patron Member Claim prior to the Effective Date, as soon as is practicable in the reasonable discretion of Reorganized CranGrow after the completion of the sale of the 2015 and 2016 cranberry crop in the possession of the Debtor or Reorganized CranGrow and the establishment of the Patron Member Claims Reserve, each holder of an Allowed Patron	3.1%

Class of Claims/Interests	Impairment; Entitlement to Vote	Treatment	Estimated Distribution on Allowed Claims
		Member Claim shall be paid in Cash, its Pro Rata share of Cash from the Patron Member Claims Reserve, if any, pursuant to one or more Distributions until the depletion of the Patron Member Claims Reserve or payment in full.	
Class 6: Non-Patron Preferred Shareholder Interests	Yes; No	On the Effective Date, all Interests and all Preferred Shares of Non-Patron Preferred Shareholders shall be cancelled. No Non-Patron Preferred Shareholder shall receive or retain any property under the Plan on account of the Interest of such Non-Patron Preferred Shareholder.	0%
Class 7: Patron Member Interests	Yes; No	On the Effective Date, all Interests and common stock of Patron Members shall be cancelled. No Patron Member shall receive or retain any property under the Plan on account of the Interest of such Patron Member, including, without limitation, any redemptions, dividends, patronage refund and unit retainage.	0%

The foregoing provides a summary only of the Plan. Creditors, holders of Patron Member Interests and other parties in interest should review the entirety of this Disclosure Statement and the Plan for a more thorough discussion of the Chapter 11 Case and the proposed treatment of Claims and Patron Member Interests.

I. INTRODUCTION

The Debtor submits this disclosure statement (the "**Disclosure Statement**") pursuant to section 1125 of title 11 of the United States Code (the "**Bankruptcy Code**") in connection with the solicitation of acceptances and rejections with respect to the Plan, a copy of which is attached as **Exhibit 1** hereto. The Plan incorporates, without limitation, all exhibits, supplements, appendices, and schedules thereto, either in their present form or as the same may be altered, amended, or modified from time to time, or added. Unless otherwise defined herein, all capitalized terms contained herein have the meanings ascribed to them in the Plan.

The purpose of this Disclosure Statement is to set forth information (i) regarding the history of the Debtor, its business, and the Chapter 11 Case; (ii) concerning the Plan and alternatives to the Plan; (iii) advising holders of Claims and Patron Member Interests of their rights under the Plan; (iv) assisting the holders of Claims in making an informed judgment as to whether they should vote to accept or reject the Plan; and (v) assisting the Bankruptcy Court in determining whether the Plan complies with the provisions of chapter 11 of the Bankruptcy Code and should be confirmed.

All holders of Claims and Interests are advised and encouraged to read this Disclosure Statement and the Plan in their entirety and to consult with counsel and business and tax advisors. The Plan summary in this Disclosure Statement is qualified in its entirety by the Plan and the exhibits and schedules attached to the Plan and this Disclosure Statement. The statements contained in this

Disclosure Statement are made only as of the date hereof. There can be no assurance that the statements will be correct at any later time.

This Disclosure Statement has been prepared, approved, and distributed in accordance with section 1125 of the Bankruptcy Code, and Bankruptcy Rule 3016(b), and not necessarily in accordance with federal or state securities laws or other non-bankruptcy law. Further, any financial information contained in this Disclosure Statement was not prepared with a view toward compliance with the guidelines established by the American Institute of Certified Public Accountants, the practices recognized to be in accordance with generally accepted accounting principles, or the rules and regulations of the Securities and Exchange Commission regarding projections. Furthermore, no financial information in this document has been reviewed or audited by the Debtor's independent accountants.

A Ballot for the acceptance or rejection of the Plan is enclosed with the Disclosure Statement submitted to the holders of Claims that the Debtor believes may be entitled to vote to accept or reject the Plan.

This Disclosure Statement is not and may not be construed as an admission of any fact or liability, stipulation, or waiver in contested matters, adversary proceedings, or other actions or threatened actions, but rather as a statement made in settlement negotiations. This Disclosure Statement shall not be admissible in any non-bankruptcy proceeding nor shall it be construed to be conclusive advice on the tax, securities, or other legal effects of the Plan as to holders of claims against, or equity interests in, the Debtor.

No solicitation of votes to accept the Plan may be made except pursuant to section 1125 of the Bankruptcy Code. No representations concerning the Debtor or the value of the Debtor's property has been authorized by the Bankruptcy Court other than as set forth in this Disclosure Statement. Any information, representations, or inducements made to obtain acceptance of the Plan, which are other than or inconsistent with the information contained in this Disclosure Statement and in the Plan, should not be relied upon by any holder of a Claim entitled to vote on the Plan.

A. HOLDERS OF CLAIMS ENTITLED TO VOTE

Pursuant to section 1126 of the Bankruptcy Code, only holders of allowed claims or interests that are (i) "impaired" by a plan of reorganization; and (ii) entitled to receive a distribution under such plan are entitled to vote to accept or reject a proposed plan. Under section 1126(f) of the Bankruptcy Code, classes of claims or interests in which the holders of claims or interests are unimpaired under a chapter 11 plan are deemed to have accepted the plan and are not entitled to vote to accept or reject the plan. Section 1126(g) of the Bankruptcy Code provides that classes of claims or interests in which the holders of claims or interests are impaired under a chapter 11 plan such that they do not receive or retain property on account of their claims or interests are deemed to have rejected the plan and are not entitled to vote to accept or reject the plan.

Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "impaired" under the Plan unless (i) the Plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof; or (ii) notwithstanding any legal right to an accelerated payment of such claim or interest, the Plan, among other things, cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default. Claims in Classes 2

(Secured Claim of CoBank), 4 (General Unsecured Claims) and 5 (Patron Member Claims) are impaired under the Plan, and Claims in such Classes will receive Distributions under the Plan to the extent not otherwise waived. As a result, holders of Allowed Claims in those Classes are entitled to vote to accept or reject the Plan.

Holders of Claims in Classes 1 (Priority Non-Tax Claims) and 3 (Other Secured Claims) are unimpaired by the Plan. As a result, holders of Claims in those Classes are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

Holders of Interests in Class 6 (Non-Patron Preferred Shareholder Interests) and Class 7 (Patron Member Interests) are impaired under the Plan and will not receive or retain any property under the Plan on account of their respective Interests. As a result, holders of Interests in those Classes are conclusively presumed to have rejected the Plan.

Section 1126(c) of the Bankruptcy Code defines "acceptance" of a plan by a class of claims as acceptance by creditors in that class that hold at least two-thirds in dollar amount and more than one-half in number of the claims that cast ballots for acceptance or rejection of the plan.

In this case, if a Class of Claims entitled to vote on the Plan rejects the Plan, the Debtor reserves the right to amend the Plan or request confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code or both. Section 1129(b) of the Bankruptcy Code (commonly known as "cram down") permits the confirmation of a chapter 11 plan notwithstanding the rejection of a plan by one or more impaired classes of claims or member interests. Under that section, a plan may be confirmed by a bankruptcy court if it does not "discriminate unfairly" and is "fair and equitable" with respect to each rejecting class.

THE DEBTOR SUBMITS THAT THE PLAN PROVIDES CREDITORS AND INTEREST HOLDERS WITH THE BEST POSSIBLE OUTCOME UNDER THE CIRCUMSTANCES AND THE GREATEST OPPORTUNITY FOR THE DEBTOR TO SUCCESSFULLY EMERGE FROM CHAPTER 11 ON TERMS THAT PROVIDE FOR FAIR AND REASONABLE TREATMENT OF ALL PARTIES IN INTEREST. THE DEBTOR STRONGLY RECOMMENDS THAT YOU VOTE TO ACCEPT THE PLAN.

Holders of Claims or Interests may obtain a copy of the Disclosure Statement and the Plan by contacting the Voting Agent at Donlin, Recano & Company, Inc. at: tel.: 212-771-1128, email DRCVote@donlinrecano.com, or by visiting: https://www.donlinrecano.com/Clients/cgc/Index.

B. VOTING PROCEDURES

If you are entitled to vote to accept or reject the Plan, a Ballot is enclosed for the purposes of voting on the Plan. If you hold Claims in more than one Class and you are entitled to vote Claims in more than one Class, you will receive separate Ballots, showing the additional Classes in which you are entitled to vote; you should mark your Ballot accordingly. Ballots should be returned to:

Donlin, Recano & Company, Inc.
Attn: Voting Department
P.O. Box 192016
Blythebourne Station,
Brooklyn, NY 11219

TO BE COUNTED, YOUR BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED BY NO LATER THAN [•], 2017, THE VOTING DEADLINE. ANY EXECUTED BALLOT RECEIVED THAT DOES NOT INDICATE EITHER AN ACCEPTANCE OR A REJECTION OF THE PLAN SHALL NOT BE COUNTED.

Do not return any other documents with your Ballot.

If you are a holder of a Claim entitled to vote on the Plan and you did not receive a Ballot, received a damaged Ballot, or lost your Ballot, please contact the Voting Agent Donlin, Recano & Company, Inc. at: tel.: 212-771-1128, email DRCVote@donlinrecano.com, or by visiting: https://www.donlinrecano.com/Clients/cgc/Index. If you have any questions concerning the Disclosure Statement, the Plan, or the procedures for voting on the Plan, please contact the Debtor's counsel, Thomas Hwang, at hwang.thomas@dorsey.com or (650) 843-2757.

C. CONFIRMATION HEARING AND DEADLINE FOR OBJECTIONS

Section 1128 of the Bankruptcy Code requires the Bankruptcy Court to hold a hearing on confirmation of the Plan. Based upon the Bankruptcy Court's most recent ruling, the Confirmation Hearing will be held on [•], 2018, at [•] a.m./p.m. (Central Time) before the Honorable Catherine J. Furay, United States Bankruptcy Court for the Western District of Wisconsin, 120 North Henry Street, Room 340, Madison, Wisconsin 53703-2559. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan, must be in writing and must be filed with the Bankruptcy Court and served upon Debtor's counsel, Annette Jarvis, Dorsey & Whitney LLP, 111 S. Main Street, Suite 2100, Salt Lake City, UT 84111-2176, so they are received by Debtor's counsel no later than [•], 2018. The Confirmation Hearing may be adjourned from time to time without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

II. OVERVIEW OF THE PLAN

The Plan proposed by the Debtor provides for the continued operation of CranGrow. The Debtor is commencing the process to solicit and propose its Plan after extensive negotiations with major constituencies. The terms of the Plan are the result of the Debtor's extensive good-faith negotiations with major constituencies, including the Debtor's Patron Members as well as with the Debtor's secured lender CoBank. The Debtor is in negotiations with, and believes at this time that, a majority of the Patron Members, CoBank and Graceland will support the Plan. On October 11, 2017, the Office of the United States Trustee appointed the Committee in this Chapter 11 Case. The Debtor is actively engaged in negotiations with the Committee regarding the terms of the Plan, and the treatment to unsecured Claims under the Plan represents the latest offer from the Debtor to the Committee. The Debtor will continue to engage the Committee in discussions and hopes to resolve any issues that the Committee may have prior to the hearing on this Disclosure Statement.

As summarized above, the Plan provides for treatment to secured creditors other than CoBank and distributions to unsecured creditors that are equal to if not greater than what they would receive if the Debtor were to be liquidated. The Debtor submits that the most likely alternative to the Plan is conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code, and correspondingly, the potential for CoBank's Secured Claim to consume a substantial portion, if not all, of the proceeds derived from the liquidation of the Estate's assets to the detriment of all other creditors, as well as the potential for lengthy, uncertain and costly litigation among certain parties.

As set forth in the liquidation analysis attached hereto as **Exhibit 2**, in the event the Estate were to be liquidated in a chapter 7 case, unsecured creditors would not receive anything.

This Disclosure Statement includes projections, attached hereto as **Exhibit 3**, demonstrating the Debtor's ability to perform the Plan. As detailed therein, CranGrow estimates that the Allowed Secured Claims of CoBank, Allowed Other Secured Claims, Allowed Priority Non-Tax Claims, Allowed Priority Non-Tax Claims and Allowed Administrative Expense Claims will be paid in full, and that Allowed General Unsecured Claims will receive a Pro Rata share of available Cash. CranGrow has utilized what it believes are conservative revenue projections based on current revenues, performance over the past several quarters, and projections for future operations.

The Debtor is seeking to obtain Bankruptcy Court approval of the Plan. Section 1125 of the Bankruptcy Code requires that the Debtor prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the Plan. This Disclosure Statement has been submitted in accordance with such requirements. **The Debtor urges all holders of Claims entitled to vote on the Plan to vote in favor of the Plan.**

A. SUMMARY OF CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

The classification and treatment of unclassified Claims and classified Claims and Interests are set forth in Articles III and IV of the Plan and summarized in the table commencing on the first page of this Disclosure Statement. In addition, the treatment of Claims related to the assumption or rejection of executory contracts and unexpired leases is set forth in Article VIII of the Plan and discussed in section V-D below and is summarized as follows:

Allowed Claims arising out of executory contracts or unexpired leases that are being assumed or assumed and assigned under the Plan, as set forth in the Plan Supplement, are not classified. Rather, except as may otherwise be agreed to by the parties, within sixty (60) days after the Effective Date, Reorganized CranGrow, shall Cure any and all undisputed defaults under the executory contracts and unexpired leases by paying the Cure amount set forth in the Plan Supplement or as otherwise determined by the Bankruptcy Court or agreed to by the parties. All disputed defaults that are required to be Cured shall be Cured either within sixty (60) days of the entry of a Final Order determining the amount, if any, of the Estate's liability with respect thereto, or as may otherwise be agreed to by the parties. The Debtor reserves the right, however, after the date of this Disclosure Statement but on or prior to the Confirmation Date, to amend the Plan to delete any executory contract or unexpired lease to the list of executory contracts or unexpired leases designated for assumption in the Plan Supplement, in which event such executory contract or unexpired lease shall be deemed to be, respectively, rejected or assumed.

Any Claims that may arise from the rejection of executory contracts or unexpired leases pursuant to the Plan will be treated as General Unsecured Claims. As such, **to preserve its voting rights in the event that an executory contract or unexpired lease is ultimately rejected, any party to an executory contract or unexpired lease that believes it may have a claim relating to such executory contract or unexpired lease if the contract or lease were to be rejected should submit a Ballot in accordance with the voting procedures set forth herein whether or not such contract or lease is currently listed in the Plan Supplement.** For avoidance of doubt, the Debtor will send a Ballot to all parties to executory contracts or unexpired leases, including those that are currently contemplated to be assumed as set forth in the Plan Supplement. The Ballot will only be counted as a vote on the Plan if it is submitted in accordance with the voting procedures and if the

executory contract or unexpired lease is not designated for assumption in the Plan Supplement as of the Confirmation Date, and is therefore an executory contract or unexpired lease that will be deemed rejected as of the Effective Date.

Rejection Claims arising out of the rejection of an executory contract or unexpired lease pursuant to the Plan must be filed with the Bankruptcy Court and served upon Reorganized CranGrow on or before the Rejection Claims Bar Date which is, with the exception of any bar date which already has been established by Bankruptcy Court order, the earlier of: (a) thirty (30) days following the Effective Date; or (b) with respect to an executory contract or unexpired lease rejected before the Confirmation Date pursuant to a Final Order, thirty (30) days following the entry of such Final Order. All such Claims not filed within such time shall be forever barred from assertion against the Estate, or Reorganized CranGrow and its property, and are disallowed in full, released and discharged.

B. MEANS OF IMPLEMENTATION

The growing cycle of cranberries is from the spring until the winter. Typically, the cranberry harvest begins in late September and is finished by early November. Patron Members commenced harvesting their 2017 crop during the week of the Petition Date. Since the Petition Date, Patron Members have delivered approximately 21,000,000 pounds of raw cranberries to the Debtor. Time is of the essence for the Debtor to recapitalize and reorganize, confirm a chapter 11 plan and then expediently emerge from bankruptcy.

The Plan provides for CranGrow to continue to operate but with new business partners and a new financial and membership structure, while incorporating certain features which will ensure the Plan is feasible, will enable Reorganized CranGrow to operate post-confirmation and will maximize the likelihood of continued success and growth. Such features include, among other things, the following, each of which are described below: (1) entry into the Graceland Agreements, which will provide a new revenue stream and an ability to leverage the marketing and sales resources of Graceland, (2) the contribution of new value by Participating Patron Members, in the form of the Patron Member Contributions, (3) the restructuring of CranGrow's membership and capital structure through the entry into New Patron Member Agreements, issuance of new common stock and the execution of new bylaws, (4) the restructuring of the Debtor's Pre-Petition Secured Obligations owed to CoBank, and (5) assumption of certain valuable executory contracts and unexpired leases, including the Freezer Agreement, and the valuable rights thereunder. As set forth in the Plan, the Effective Date is conditioned on, among other things, the Debtor's receipt of elections from Patron Members and Potential Patron Members to be Participating Patron Members who, in aggregate, will be able to deliver at minimum, 20 million pounds of cranberries annually commencing in 2018.

- *Entry into the Graceland Agreements*

The Debtor and Graceland have agreed to collaborate in an exciting new business partnership that CranGrow expects will result in the growth and success of the cooperative going forward, and constitutes a core foundation for CranGrow's reorganization. Reorganized CranGrow will operate on a more limited basis with its staff running the cooperative, including managing grower relations and harvest logistics, as Graceland rents and operates the Warrens Facility and associated equipment. Reorganized CranGrow will also work with Graceland to provide shared services.

The Plan requests the Bankruptcy Court's approval and authorization for Reorganized CranGrow to enter into the Graceland Agreements which are comprised of the Graceland Services

Agreement, the Graceland Facility Lease Agreement, the Graceland Equipment Lease Agreement, the Graceland Supply Agreement and any other documents necessary to facilitate these agreements and the transactions thereunder, the essential terms of which are set forth on the Term Sheet attached as **Exhibit 4** hereto (which is Exhibit A to the Plan) and remain subject to definitive documentation to be filed with the Plan Supplement. As of the date of this Disclosure Statement, the Debtor and Graceland have substantially completed negotiating and drafting the terms of the Graceland Agreements, and the Debtor anticipates that the parties will be prepared to execute the Graceland Agreements on or around the Confirmation Hearing. In any event, the effectiveness of the Plan is conditioned on the execution by the Debtor and Graceland and the approval by the Bankruptcy Court, of the Graceland Agreements.

Prior to the Petition Date, CranGrow and Graceland entered into the Graceland Pre-Petition Services Agreement effective as of August 10, 2017, establishing the foundation for the partnership, which will be superseded by the Graceland Agreements. In furtherance of the Graceland Pre-Petition Services Agreement, Cranberry Creek Cranberries, Inc., a purchaser designated by Graceland, entered into a certain *2017 Crop Raw Cranberry Purchase Agreement* effective November 21, 2017, with the Debtor to pre-pay $1 million for the 4,000,000 pounds of 2017 crop supplied by Patron Members, which amount has been distributed to Patron Members, Pro Rata based on their deliveries of 2017 crop cranberries. Upon the Effective Date of the Plan, and pursuant to the implementation of the Graceland Agreements, among other things, (1) Graceland will lease and operate the production facility of CranGrow for a five-year term with an option to extend the lease on specified conditions for a period of three five-year extensions; (2) Graceland will lease CranGrow's equipment for a five-year term, with a five-year extension option on specified conditions, with an option to buy the leased equipment at the end of the five-year extension term for the sum of $10.00; (3) Participating Patron Members will receive a minimum base price from Graceland for their cranberry crops delivered to CranGrow and purchased by Graceland under the Supply Agreement for crop year 2018 and thereafter, determined on a sliding scale, with a sharing of upside if market prices for dried sweetened cranberries increase or profitability of the operations at the production facility improves net of cash requirements of the business; (4) Graceland will purchase all of the Debtor's existing non-GMO inventory at a purchase price of $1.12 per pound, and non-cranberry raw materials at Debtor's cost and non-cranberry non-GMO finished goods inventory (juice and juice concentrate at $15.00 per gallon; (5) Graceland will hire the majority of CranGrow's employees; (6) Graceland will apply to Farm Credit Leasing, an affiliate of CoBank, to obtain up to $1.5 million in financing for a water treatment facility to be constructed at the Warrens Facility; and (7) Reorganized CranGrow, exclusively, except to the extent it is unable to fulfill Graceland's processing needs, will supply all of the raw cranberries to be processed by Graceland at the Warrens Facility for a term mirroring the facility lease term, with a "take or pay" purchase obligation by Graceland for a minimum quantity sufficient to satisfy Reorganized CranGrow's operating debt financing obligations. Graceland will also have the option, in the event of the insolvency of Reorganized CranGrow during the facility lease term, to purchase all of the equity interests of Reorganized CranGrow at a purchase price of 100% of the net fair market value of the cooperative.

The Graceland Agreements all are tied to the terms and obligations of the indebtedness owed to CoBank including any Exit Financing, ensuring that Reorganized CranGrow can service such obligations. The Graceland Agreements will result in a large lump sum payment on or around the closing of the transaction from the sale of the Debtor's finished goods inventory (including sweetened dried cranberries and concentrate), WIP inventory, and various mechanical and raw materials. The Debtor estimates the proceeds will approximate $1,750,000. In addition the Debtor will receive three monthly revenue streams going forward – one from the lease of the Warrens

Facility, one from the lease of equipment and one from the net revenue (net of storage and other administrative costs and fees paid to growers) received from the sale of raw cranberry inventory of approximately three to four million pounds per month, which revenue would fluctuate but could approximate, based on current production levels, $50,000 per month for the first two years, and then $135,000 per month thereafter, without including certain amounts that will be paid against the CoBank term loan facility after the second year (which will be vary based on performance), as presently contemplated with respect to the potential Exit Facility described below. The revenue from the lease of the equipment will service 85% of the indebtedness owed under the CoBank Term Note, with revenue received from the lease of the facility to service 15% of the indebtedness owed under the CoBank Term Note, together with the proceeds received at closing. Amounts received from Graceland under the Supply Agreement, net of amounts paid to growers, will be used to service the other indebtedness owed under the CoBank Revolving Note under any Exit Facility with CoBank, in addition to enabling Reorganized CranGrow to operate post-Effective Date and to continue business with its growers and suppliers.

The Debtor with Graceland and the input of CoBank, have carefully negotiated and structured the terms of the Graceland Agreements vis-à-vis the amount of product, inventory and materials in the Debtor's possession, the value of the Debtor's equipment and the Warrens Facility, and the supply of raw cranberries to be received from Participating Patron Members going forward, among other factors, to ensure that the entire transaction is viable in view of the indebtedness owed to CoBank, the Distributions to be made under the Plan, and the cost of operations of Reorganized CranGrow going forward. Additional details of the Graceland Agreements are set forth in Term Sheet attached hereto as **Exhibit 4** (which is also Exhibit A to the Plan) and in the agreements themselves which will be attached to the Plan Supplement. Further, the projections attached as **Exhibit 3** hereto demonstrate how the revenue and proceeds received under the Graceland Agreements will be used to fund operations and distributions under the Plan. In sum, the Graceland Agreements embody the business partnership between Graceland and CranGrow, and are the core of the Plan and Reorganized CranGrow's success in moving forward.

- *Participating Patron Members*

In addition to the Graceland Agreements, the Plan also embodies resolutions with and concessions from certain Patron Members who have agreed to be Participating Patron Members under the Plan. The importance of the willingness of these Patron Members to participate in the Plan and continue with Reorganized CranGrow under its terms cannot be understated. Undeniably, the Debtor's Patron Members are the lifeblood of the cooperative. Without the Patron Members – who grow and supply the cranberries that are the center of CranGrow's operations, CranGrow simply could not exist. Their involvement is integral for the execution of the Plan and the reorganization of the Debtor. Indeed, Graceland would not be willing to enter into the Graceland Agreements without the commitment from current Patron Members to becoming Participating Patron Members.

Based on its discussions with numerous Patron Members, the Debtor anticipates at this time that at least 25 will elect and will qualify to become Participating Patron Members. In this regard, the Debtor expects to enter into written agreements with current Patron Members to memorialize their commitments, and the Debtor will set forth the terms and number of such commitments in the Plan Supplement. The effectiveness of the Plan is conditioned on agreements from Participating Patron Members to supply an aggregate minimum of 20 million pounds of cranberries in 2018; thus, the Plan will not become effective unless and until the Debtor receives, in its business judgment, commitments from the requisite number of Patron Members to execute the terms of the Plan. The Debtor has already received that amount from Patron Members contributing their 2017 crop, many of

whom the Debtor anticipates will elect to become Participating Patron Members. At any rate, based on its discussions with numerous current Patron Members whom the Debtor believes will be Participating Patron Members, there are already commitments to meet the 20 million pound threshold and to operate and support Reorganized CranGrow under the terms of the Plan. Furthermore, in addition to current Patron Members, the Plan provides for other growers – Prospective Patron Members - who meet certain criteria to become Participating Patron Members of Reorganized CranGrow, thereby affording an opportunity for new membership and more capital in Reorganized CranGrow.

Significantly, in addition to their agreement to continue to grow and supply product for the Debtor and then Reorganized CranGrow, the Participating Patron Members will contribute new value under the Plan, in exchange for new equity in Reorganized CranGrow, through the Participating Patron Member Contributions comprised of: (a) the contribution of $1 per barrel of the Participating Patron Member's Administrative Expense Claim for delivery of its 2017 crop for the initial capitalization of Reorganized CranGrow, together with the contribution of $1 per barrel by each Participating Patron Member for delivery of its crop from each subsequent year of 2018, 2019, 2010 and 2021; (b) the supply by each Participating Patron Member of such Participating Patron Member's 2017 cranberry crop and subsequent years' crop to Graceland in accordance with the terms of the Graceland Supply Agreement and (c) the support of the Plan, including (i) the funding of the General Unsecured Recovery Reserve and the Patron Member Claims Reserve for Distributions on account of General Unsecured Claims and Patron Member Claims, respectively, and (ii) the commitment to capitalize Reorganized CranGrow sufficiently to service the debt incurred under the Exit Facility to benefit unsecured creditors. Through this contributed value, the Participating Patron Members will facilitate the mechanics of the Graceland Support Agreement on the terms agreed on with Graceland, will provide for working capital for Reorganized CranGrow and will increase the pool of Cash available for potential payments on account of General Unsecured Claims. The Participating Patron Member Contributions and the agreement of the Participating Patron Members to supply their product to the Debtor and to Reorganized CranGrow, therefore, are a unique and integral component of the Plan. In consideration for their substantial contributions, all Avoidance Actions, if any, against Participating Patron Members are released under the Plan.

- *Restructuring of the Debtor's Membership*

In consideration for the Participating Patron Member Contributions and in view of the changes to the company's business operations in connection with the transactions with Graceland pursuant to the Plan, the Debtor's Bylaws will be amended and restated, and then adopted by Reorganized CranGrow, and Reorganized CranGrow will issue new common stock and will enter into New Patron Member Agreements and Delivery Agreements with the Participating Patron Members. All existing Patron Membership Agreements will be terminated. To the extent they constitute executory contracts and permissible under applicable law, all existing Patron Membership Agreements and any similar agreements with Non-Patron Preferred Shareholders will also be rejected, except as otherwise provided in the Plan or in the Plan Supplement. Corresponding to the foregoing, all Interests in the Debtor will be cancelled. As a result, Reorganized CranGrow will emerge with a new membership structure comprised only of Participating Patron Members holding new interests, who will be the backbone of the novel business structure and business partnership with Graceland going forward.

Participating Patron Members will be required to deliver cranberries to the cooperative and enter into a Delivery Agreement substantially in the form attached to the Plan Supplement, under which Reorganized CranGrow will procure its cranberry requirements from its Members, in

proportion to shares of common stock owned. Under the Delivery Agreements, among other things, Members will receive the minimum base price for their cranberries delivered to Reorganized CranGrow based on a sliding scale established under the Graceland Agreements in lieu of a static amount based on net proceeds received by the cooperative, with respect to 2018 crop fruit and subsequent crop years. The Delivery Agreements will serve to protect the cooperative's interests by insuring an adequate supply of cranberries for the lessee/tenant of the Warrens Facility pursuant to the exclusive Graceland Supply Agreement. They also will serve to protect each Member by insuring his or her right to market cranberries from a specified number of acres with the cooperative on a patronage basis. Under its new structure, Reorganized CranGrow will not have any non-patron Members, and Participating Patron Members will be entitled to deliver cranberries to the cooperative on a patronage basis in proportion to share of common stock owned, on a one barrel per share basis.

- *Restructuring of Secured Indebtedness to CoBank*

Agreements with Graceland and the Participating Patron Members will facilitate and enable Reorganized CranGrow service its debt to CoBank, from payments received under the Graceland Agreements as well as the sale of cranberry crops delivered by Participating Patron Members. The Plan provides for treatment on the Secured Claim of CoBank in Class 3 that will permit Reorganized CranGrow to pay down the CoBank Pre-Petition Indebtedness in an orderly, sensible manner in accordance with the Debtor's post-confirmation business projections, while having ample liquidity and operating capital to continue to meet its obligations and grow its business. The Plan also provides for either an Exit Facility through an amendment and extension on the CoBank DIP Facility to further facilitate the emergence and success of Reorganized CranGrow. So long as the Debtor and Reorganized CranGrow do not default or otherwise fail to satisfy any condition or obligation affecting CoBank under the Plan, CoBank will forbear exercising any of its rights under the Guarantee Agreements against certain Persons who guaranteed the Debtor's obligations under the CoBank Loan Documents and who vote in favor of the Plan and otherwise comply with any applicable terms on Exhibit B to the Plan, subject to any other applicable conditions in any Exit Facility Documents.

The Debtor has engaged in negotiations with CoBank with respect to an Exit Facility that would amend the Debtor's payment obligations under the CoBank DIP Facility, the terms of which constitute the treatment accorded to the Secured Claim of CoBank in Class 2 under the Plan and are set forth on the term sheet attached as **Exhibit 5** hereto (which is also Exhibit B to the Plan). As described therein, it is expected that the Exit Facility will result in senior secured credit facilities consisting of a revolving credit facility (the "**Revolving Facility**") and two term loan facilities (each, a "**Term Facility**"). The Revolving Facility will mature on December 31, 2018, at which time it will be paid in full unless the Reorganized Debtor negotiates an extension with CoBank. It will be in an aggregate principal amount calculated based on the outstanding principal balance due under the CoBank Revolving Note (presently estimated around $8,800,000), less the application of certain payments on the Effective Date, with additional reductions based on anticipated payments from the proceeds of the sale of the Debtor's inventory. Interest will be calculated at a floating rate per annum equal to the one-month LIBOR plus 4.00% and paid monthly. The first Term Facility will mature on February 20, 2028, with payments on principal to be made in monthly installments in the amount of $83,333 per month commencing on the second anniversary of the closing date of the Exit Facility. It will be in an aggregate principal amount equal to $8,000,000, consisting of $8,000,000 of the principal balance outstanding under the CoBank Term Note, with interest calculated at a rate per annum equal to 5.00% and paid monthly. The second Term Facility will initially mature on February 20, 2023, but the Debtor will have the option to extend, in the absence of default, until February 20,

2028, at market rates as then determined by CoBank and subject to scheduled quarterly payments of interest during the extension. Payments of interest and principal on the second Term Facility will commence on the second anniversary of the closing date of the Exit Facility and will be paid from fifty percent of the "Excess Cash Flow" of Graceland (as will be defined in the Exit Facility Documents), to be remitted to CoBank. It will be in an aggregate principal amount equal to the outstanding principal balance under the CoBank Term Note, less $8,000,000 (presently estimated to be around $5,700,000). During the initial five-year term, interest will be calculated at a floating rate per annum equal to the one-month LIBOR or, potentially at a fixed rate based on an interest rate swap arrangement, through the initial maturity date. Interest will accrue at market rates as then determined by CoBank in its sole discretion during the term of the extension and be payable quarterly. The foregoing remains subject to credit approval by CoBank and further negotiation and documentation among CoBank, the Debtor and Graceland. If consummated, the terms of the Exit Facility could modify the treatment of the DIP Financing Claim and CoBank's Secured Claim in Class 2 under the Plan. The Plan Supplement will include a summary of any Exit Facility Documents to the extent they are materially different from the terms set forth on Exhibit B to the Plan.

- *Sources of Consideration for Plan Distributions*

Under the Plan, Distributions to holders of General Unsecured Claims will be paid from the General Unsecured Recovery Reserve which will be funded by Reorganized CranGrow through $100,000 of the proceeds of the Reorganized CranGrow Indebtedness.

In addition, Distributions to holders of Patron Member Claims will be paid from the Patron Member Claims Reserve which will be funded by Reorganized CranGrow, specifically through (i) $100,000 of the proceeds of the Reorganized CranGrow Indebtedness, and (ii) the allocation of any remaining proceeds from the sale of the 2015 and 2016 crop in the possession of the Debtor or Reorganized CranGrow, net of operational expenses and all amounts to be paid to service the Pre-Petition Indebtedness under the CoBank Revolving Note in accordance with the terms of the Plan; **however, the Debtor estimates that the net remaining proceeds will be nominal in amount, if not $0.00**.

The Debtor presently estimates that holders of Allowed General Unsecured Claims in Class 4 will receive a Distribution of 3.8% and holders of Allowed Patron Member Claims in Class 5 will receive a Distribution of 3.1% under the Plan.

- *Assumption of Executory Contracts and Unexpired Leases*

The Plan provides for Reorganized CranGrow to assume certain executory contracts and unexpired leases, which will be further identified in the Plan Supplement but which include (a) the Freezer Agreement and (b) that certain Real Estate Lease effective as of January 20, 2016, with Castle Rock Cranberry Bogs, LLC, or its assigns, and Warrens Cold Storage, LLC. These contracts are integral to the continued operation of the cooperative as they provide, for example, for the storage and freezer space to preserve and maintain the quality of the cranberry products, in addition to an option to purchase the freezer located at the Warrens Facility.

III. GENERAL INFORMATION

A. OVERVIEW OF CHAPTER 11

Under chapter 11 of the Bankruptcy Code, a party in interest may propose to reorganize or liquidate a debtor's business and assets subject to the provisions of the Bankruptcy Code.

In general, a chapter 11 plan (i) divides claims and interests into separate classes; (i) specifies the consideration that each class is to receive under the plan; and (iii) contains other provisions necessary to implement the plan. Under the Bankruptcy Code, "claims" and "interests," rather than "creditors" and "shareholders," are classified because creditors and shareholders may hold claims and interests in more than one class. Under section 1124 of the Bankruptcy Code, a class of claims is "impaired" under a plan unless the plan (a) leaves unaltered the legal, equitable, and contractual rights of each holder of a claim in that class; or (b) to the extent defaults exist, provides for the Cure of existing defaults, reinstatement of the maturity of claims in that class, compensates each holder of a claim for any damages incurred as a result of reasonable reliance upon the default, and does not otherwise alter the legal, equitable or contractual rights of each holder of a claim in that class.

The confirmation of a plan is a principal objective of a chapter 11 case. A chapter 11 plan sets forth the means for satisfying claims against and interests in a debtor and, if appropriate, the future conduct of the debtor's business, the sale of the debtor's assets, and/or the liquidation of the debtor's remaining assets. Confirmation of a plan by a bankruptcy court binds the debtor, any person acquiring property under the plan, and any creditor or member interest holder of a debtor to the terms and provisions of the plan as of the effective date of the plan.

B. GENERAL BACKGROUND OF THE DEBTOR

1. The Debtor's Membership and Business

Organized in Wisconsin in January 2015, CranGrow is an unincorporated cooperative association operating out of its facility in Warrens, Wisconsin. It stores and processes cranberry products, and then sells the products. Among other things, CranGrow's 100% traceable, high quality products include sliced sweetened dried cranberries, whole sweetened dried cranberries, concentrates of certain sugar contents and cranberry seed pomace. As of the Petition Date, CranGrow had approximately 61 employees.

CranGrow's lifeblood is its Patron Members, consisting of 31 cranberry growers who clean and supply cranberries to the cooperative. CranGrow is unique in that its Patron Members grow the fruit themselves, overseeing and managing operations at cranberry marshes of all sizes throughout the region, most of which have been family-owned and operated for generations. As such, CranGrow's Patron Members are cranberry experts that take pride in producing superior cranberry crops of the highest quality.

Each Patron Member is a party with CranGrow to a Patron Membership Agreement that delineates the obligations and rights, including obligations related to supply and delivery of cranberries and rights to patronage refunds and other disbursements, with respect to the cooperative. The Debtor's membership also includes Non-Patron Preferred Shareholders, each of whom do not conduct patronage with the cooperative but own preferred stock under investments in the cooperative. Certain Patron Members and Non-Patron Preferred Shareholders have executed guarantees with respect to the CoBank Pre-Petition Indebtedness.

In August 2016, CranGrow completed the Warrens Facility, a state-of-the-art cranberry processing facility which became fully operational in January 2017, to expand and facilitate its production of a variety of cranberry products. Since its inception, CranGrow has developed into the second largest cranberry cooperative in the world. It has established relationships with a broad range of customers globally, including in North America, South America, Europe, Asia and Australia.

2. Organization and Management

The Debtor operates pursuant to a set of Bylaws, rules and other Cooperative Governance Documents. The Debtor's Board of Directors is comprised of eight members, each of whom have substantial experience in the cranberry industry: Dr. Frederick Prehn, Linda Prehn, Vicki Nemitz, Chuck Dillon, Kurt Rutlin, Mark Pergande, Jerry Rezin and Ray J. Hableman. Prior to the Petition Date, there were three additional members. Of those, Gary Jensen was terminated from his position in March 2017 after the discord between he and CranGrow commenced, ultimately leading to his commencement of the Jensen Action, and it became clear that he could not serve in the best interests of CranGrow. The other two members resigned prior to the Petition Date, although they both supported the commencement of the Chapter 11 Case, the business partnership with Graceland and the restructuring of CranGrow contemplated under the Plan.

The Debtor's Chief Executive Officer is Jim Reed who will remain with the Debtor as needed by the Debtor, likely through the Effective Date of the Plan. The Debtor's Chief Operating Officer, Patrick Zirnhelt, left in November 2017, but he is continuing to provide part-time consulting services. As a resource in lieu of Mr. Zirnhelt and in connection with the transactions embodied by the Graceland Agreements, a representative from Graceland has acted as a resource for the cooperative's operations in lieu of Mr. Zirnhelt. It is anticipated that the remaining officers and current Board members will continue with the Debtor at least through the conclusion of the Debtor's Chapter 11 Case.

In addition, Winston Mar, partner and managing director of the Debtor's restructuring advisors, SierraConstellation Partners ("**Sierra**"), has assumed the role of the Debtor's Chief Restructuring Officer. CranGrow initially entered into an engagement agreement with Sierra in June 2017 to provide restructuring services. Since then, Mr. Mar worked with CranGrow to evaluate its options and develop strategies to return CranGrow to financial health. On September 23, 2017, the Debtor entered into an engagement agreement with Sierra to provide services with respect to the Chapter 11 Case, including employing Mr. Mar as the Chief Restructuring Officer.

The Bankruptcy Court has approved the Debtor's employment of Sierra during the Chapter 11 Case. Pursuant to its engagement agreement, Sierra has agreed to, among other things, (a) provide personnel to assist the Debtor in connection with the Chapter 11 Case and the proposed restructuring, (b) provide oversight and assistance with the preparation of financial information for distribution to creditors and others, including, but not limited to, cash flow projections and budgets, cash receipts and disbursements analysis of various asset and liability accounts, and analysis of proposed transactions, (c) communicate with the Debtor's lender directly regarding financial performance, strategy, and/or other topics relevant to the scope of this assignment, (d) evaluate and make recommendations in connection with strategic alternatives as needed to maximize the value of the Debtor, (e) evaluate the cash flow generation capabilities of the Debtor for valuation maximization opportunities, (f) provide oversight and assistance in connection with communications and negotiations with constituents including trade vendors, investors and other critical constituents to the successful execution of the Debtor's near-term business plan, and (g) perform such other services as requested or directed by the Debtor.

As of the Petition Date, Sierra incurred approximately $535,984.06 to the Debtor in pre-petition fees which was paid from retainers held by Sierra, applied before the Petition Date. As with all of the Debtor's professionals, Sierra's compensation during the Chapter 11 Case will be subject to Bankruptcy Court approval under the relevant provisions of the Bankruptcy Code.

3. Assets and Liabilities

The majority of the Debtor's assets is comprised of equipment related to its cranberry processing operations at the Warrens Facility, its accounts receivable and its inventory. The Debtor's Schedules estimate the aggregate value of the Debtor's assets as of the Petition Date around $31.2 million, including approximately $1.26 million in accounts receivables and $7.3 million in inventory, including cranberry product, raw materials and supplies. As listed in its Schedule D, the Debtor estimates that the real property and equipment at the Warrens Facility securing the CoBank Prepetition Indebtedness approximates $15.4 million.

The Debtor's finances, including its assets and liabilities, are set forth in its Monthly Operating Report for the month ending October 2017 [Dkt. No. 137], a copy of which is attached hereto as **Exhibit 6**.

4. Debt Structure

a. CoBank Pre-Petition Indebtedness

To construct the Warrens Facility and obtain working capital, the Debtor entered into a financing arrangement with CoBank, to obtain a term loan and revolving facility. The CoBank Pre-Petition Indebtedness comprises the greater majority of the Debtor's secured debt and is based on all pre-petition obligations of under the *Credit Agreement* dated as of February 11, 2016 (as amended by the *Amendment to Credit Agreement* dated as of February 15, 2017, the *Amendment to Credit Agreement* dated as of June 2, 2017, and the *Forbearance Agreement and Third Amendment to Credit Agreement* dated as of August 17, 2017), the CoBank Revolving Note, the CoBank Term Note and a *Security Agreement* dated February 11, 2017. As of the Petition Date, CranGrow owed CoBank approximately $8,100,000 under the CoBank Revolving Note and $13,700,000 under the CoBank Term Note. The CoBank Pre-Petition Indebtedness is secured by a security interest and lien in all or substantially all of the Debtor's real and personal property, except to the extent the Lender partially released its liens in a freezer facility pursuant to that certain Mortgage Partial Release dated as of June 24, 2016, by and between the Lender and Farm Credit Leasing Services Corporation.

b. Farm Credit Leasing Services Corporation

The Debtor is a party to that certain *Lease Agreement* with Farm Credit Leasing Services Corporation, dated as of September 19, 2016, pursuant to which the Debtor leases wooden crates and related storage equipment for its cranberry products. In the ordinary course of its business, the Debtor also entered into a similar lease agreement on or around September 25, 2017. Prior to the Petition Date, Farm Credit Leasing Services Corporation filed a UCC-1 financing statement which states that it is "filed for precautionary purposes only" and that the assets described are owned by it under a true lease and not a lease intended as security. The Debtor has not fully evaluated the nature of the Lease Agreement underlying the alleged lien; however, the Debtor does not believe that it was indebted to Farm Credit Leasing Services Corporation as of the Petition Date. To the extent that Farm Credit Leasing Services Corporation holds a Secured Claim against the Debtor, such Claim shall be accorded the treatment in Class 3 under the Plan.

c. Possessory Liens

The Debtor stores its cranberry products in various warehousing facilities throughout the United States owned and managed by various entities. The Debtor believes that certain of these entities assert alleged possessory liens against the inventory in their storage, purportedly in accordance with applicable state law. These facilities include CH Robinson, Inc. - Feroly Bros, Martin Warehousing LLC, WR Cold Storage, Midwest Cold Storage, Central Storage & Warehouse, SWS Logistics and Genesis Commodities Group c/o Refrig-it Warehouse. WR Cold Storage, Midwest Cold Storage, Central Storage & Warehouse and SWS Logistics each are parties to separate Bailee Agreements with the Debtor and CoBank, wherein each acknowledge CoBank's senior security interests and agree to hold the Debtor's warehoused property as a bailee, subject to CoBank's instructions. The Debtor believes that it may be indebted as of the Petition Date to only certain of these warehousing entities as follows: Midwest Cold Storage (in the amount of $1,735.50), C.H. Robinson Worldwide, Inc. ($14,183.90), Central Storage & Warehouse ($15,689.71) and SWS Logistics ($7,106.00). To the extent any of these entities hold Secured Claims against the Debtor, such Claims shall be accorded the treatment in Class 3 under the Plan, subject to CoBank's rights including its rights under any bailee agreement.

d. Administrative Expense Claims

Under the Plan, Administrative Expense Claims include "any right to payment constituting a cost or expense of administration of the Estate under sections 503(b), 507(b), or 1114(e)(2) of the Bankruptcy Code…" Two claimants have filed Administrative Expense Claims during the Chapter 11 Case. Aramark Uniform and Career Apparel LLC filed Claim No. 00008, a portion of which includes an Administrative Expense Claim in the amount of $1,158.16 based on alleged unpaid post-petition invoices. W. W. Grainger Inc. filed Claim No. 00018, a portion of which includes an Administrative Expense Claim in the amount of $16,552.26 based on section 503(b)(9) of the Bankruptcy Code and $21,845.74 based on a "secured" reclamation claim. The Debtor has not yet evaluated the viability of such Claims so they remain subject to the Debtor's review and, if appropriate, dispute. The Debtor does, however, estimate that there could be in excess of $500,000 of potential Administrative Expense Claims based on section 503(b)(9) of the Bankruptcy Code or reclamation rights asserted by the Debtor's suppliers.

In addition, under the terms of their respective Patron Membership Agreements, the Debtor's Patron Members possess Administrative Expense Claims based on the delivery of 2017 cranberry crop. The amounts owed will be determined after the 2017 crop is processed which will not occur until after the projected Confirmation Date in 2018 and will be paid in the ordinary course of Reorganized CranGrow's business. The Debtor has accounted for these payments in the Projections set forth on **Exhibit 3** hereto. Patron Members who become Participating Patron Members will forego collection of $1.00 per barrel of their Administrative Expense Claims as part of the Participating Patron Member Contributions.

e. Priority Claims

The Debtor believes that it is current with all of its tax obligations and therefore does not believe that any governmental authorities hold Priority Tax Claims. The body of priority Claims are Priority Non-Tax Claims held by the Debtor's employees, based largely on wages, accrued paid time off ("**PTO**") and expense reimbursements, which the Debtor estimates aggregate to approximately $83,600. However, pursuant to the Bankruptcy Court's *Order Authorizing Payment Of Pre-Petition Wages, Salaries, And Related Obligations And Taxes* [Dkt. No. 42] entered in the Chapter 11 Case,

the Debtor was authorized to continue certain of its employee programs and practices, and to pay pre-petition wages and PTO, and the Debtor has made payments pursuant to that Order. Notably, under the Graceland Support Agreement, the Debtor will terminate and Graceland will hire certain employees and assume any existing obligations related to their employment.

f. Unsecured Claims

The Debtor's body of unsecured claims are largely comprised of amounts owed to vendors and suppliers, which constitute General Unsecured Claims in Class 4 of the Plan, and amounts owed to Patron Members for their 2016 crop, which constitute Patron Member Claims in Class 5. The Debtor estimates that these Claims aggregate to approximately $1,147,000 and $3,210,000, respectively. In addition, the plaintiffs in the Jensen Action seek damages in the amount of at minimum $1,470,476, which Claim, to the extent Allowed, would receive treatment in Class 4. The Debtor, however, disputes any such Claim based on the Jensen Action. In addition, if the Plan is confirmed, any such Claim would be reduced by the Cure payments made by Reorganized CranGrow in connection with the assumption of certain agreements on which the Jensen Action is based.

C. SIGNIFICANT EVENTS LEADING TO THE CHAPTER 11 CASE

Since beginning the construction of the Warrens Facility, CranGrow encountered financial hardship due to a confluence of factors. First, the construction costs of the Warrens Facility were $5.7 million above budget. Second, the cranberry industry has experienced an oversupply of cranberries in addition to an excess in processing capacity. This resulted in driving down prices from CranGrow's initial forecast model for the Warrens Facility, representing a reduction of approximately $8.6 million of expected value annually. Third, CranGrow has been operating at a suboptimal level due to its underutilization of the Warrens Facility. Liquidity constraints caused by both higher capital needs than projected and limited sales forced CranGrow to operate at lower production levels, leading to limited overhead absorption (i.e., higher production costs per pound of product).

In addition, various unanticipated events further contributed to CranGrow's difficulties. For example, on August 8, 2017, CranGrow received a citation from the Occupational Safety and Health Administration ("**OSHA**") for various violations. In resolution of the matter, CranGrow corrected these violations and entered into a settlement agreement with OSHA which reduced the penalty amounts, ultimately resulting in an $85,000 fine, payable in four installments of $21,151, of which the remaining are due in December 2017, March 2018 and June 2018, which will constitute a General Unsecured Claim under the Plan.

In addition, in April 2017, two former employees each filed complaints with OSHA against the Debtor, alleging unlawful retaliatory practices under the whistleblower provisions of the Occupational Safety and Health Act. These matters are presently stayed; however, the Debtor intends to defend against them and believes that the liability, if any, that could arise from the claims will not exceed $150,000 and would constitute a General Unsecured Claim in the Chapter 11 Case.

Also, on July 26, 2017, one of CranGrow's former Members, Gary Jensen, commenced the Jensen Action against CranGrow in the State of Wisconsin Circuit Court, Monroe County alleging breach of contract claims and seeking approximately $1.5 million in damages, of which $694,000 is based on alleged distributions owed on account of Preferred Shares. CranGrow has vigorously disputed the validity of the claims made in the Jensen Action. However, under the Plan, the Debtor presently anticipates assuming the Freezer Agreement on which the remaining alleged damages

approximating $777,000 are based. The Debtor has since paid approximately $463,000 under the Freezer Agreement and will continue to make payments in accordance with the terms of the agreement. The Debtor believes that the amounts demanded in the Jensen Action are substantially overstated. At any rate, if the Plan is confirmed, any Cure amounts owed thereunder will be determined, whether by agreement or by the Bankruptcy Court, and paid and will decrease the amount of damages sought in the Jensen Action. The Debtor has accounted for the potential need to pay such Cure amounts and expects that it will have sufficient cash to do so and to meet its other obligations and capital needs as provided under the Plan.

Combined, the foregoing factors threatened CranGrow's financial stability and ongoing operations. CranGrow became unable to service its obligations under the Credit Agreement. CoBank sent a letter to CranGrow declaring certain provisions of the Credit Agreement to be in default and reserving its rights to exercise rights and remedies.

CranGrow engaged with CoBank in a discussion of its financial position and to collaborate on a potential restructuring of its debt obligations. In connection with those discussions, on August 17, 2017, CoBank and CranGrow entered into that certain *Forbearance Agreement And Third Amendment To Credit Agreement* pursuant to which CoBank agreed to forbear exercising its remedies under the Loan Agreement on account of anticipated and existing defaults through September 30, 2017, and provided CranGrow additional liquidity to fund operations.

In need of capital to fund ongoing business initiatives and needing to deleverage its balance sheet, CranGrow engaged Sierra to assist in restructuring the cooperative. Among other things, Sierra assisted CranGrow in engaging and negotiating with Graceland to provide marketing and sales services for CranGrow's products, culminating in the Graceland Pre-Petition Services Agreement and establishing the foundation for the partnership with Graceland. The relationship with Graceland quickly benefited the cooperative as sales improved significantly. As of the Petition Date, Graceland had generated approximately $2.0 million of firm orders. After the Petition Date, the Debtor has steadily increased its processing of product, processing 28,000 barrels in October 2017. Also during that month, it shipped 54 loads of sweetened dried cranberries and sold $2.5 million of sweetened dried cranberries, substantially exceeding its forecasts, and at a higher than forecasted rate. In addition, by the end of the month, the Debtor had received orders to purchase substantially all of its non-GMO sweetened dried cranberries and expects to complete the sale of its sweetened dried cranberry inventory by the end of 2017.

With the guidance of Sierra, CranGrow explored a number of options to restructure its operations; however, the numerous factors impeding the company's growth proved to be delimiting. With the expiration of the forbearance agreement with CoBank on the horizon and after considering a wide range of alternatives, CranGrow and its board made the decision that commencing the Chapter 11 Case would provide the best means to meet its long-term financial stability needs, support its operations, and fulfill its commitment to suppliers and customers going forward.

IV. THE CHAPTER 11 CASE

As discussed above, the cranberry harvest season provides an exceedingly limited time frame for the Debtor to confirm the Plan so it may restructure its financial obligations and membership structure, assume certain executory contracts and unexpired leases, and consummate the Graceland Agreements to establish the foundation for its new business model based on its partnership with Graceland. Due to the exigent circumstances, the Debtor has filed the Plan and this Disclosure Statement at the onset of the Chapter 11 Case, and there have not been many significant

developments. The following is a brief description of some of the events that have occurred during the Chapter 11 Case or that the Debtor anticipates may occur. This review is not exhaustive; the Debtor refers interested parties to the Debtor's docket maintained at: https://www.donlinrecano.com/Clients/cgc/Dockets and the documents set forth therein for each filing in the Chapter 11 Case.

A. PETITION DATE

On September 25, 2017, the Debtor filed its chapter 11 voluntary petition for relief in the Bankruptcy Court.

B. EMPLOYMENT OF PROFESSIONALS

On October 13, 2017, the Debtor filed applications to employ the following professionals: Dorsey & Whitney LLP, as bankruptcy counsel, Sierra and Mr. Mar, as restructuring advisors and Chief Restructuring Officer, Michael Best & Friedrich LLP as local counsel, and Donlin, Recano & Company, Inc. as claims, noticing and solicitation agent. On November 14, 2017, the Debtor files an application to employ CliftonLarsonAllen LLP as accountant.

The Bankruptcy Court entered orders [Dkt. Nos. 112 and 114, respectively] on October 27, 2017, approving the Debtor's retention of Dorsey & Whitney and Michael Best & Friedrich; entered an order [Dkt. No. 115] on October 30, 2017, approving the employment of Donlin, Recano & Company, Inc.; entered an order [Dkt. No. 118] on November 1, 2017, approving the Debtor's retention of Sierra; and entered an order [Dkt. No. 136] on November 22, 2017, approving the Debtor's retention of CliftonLarsonAllen LLP.

In addition, on October 24, 2017, the Committee filed an application to employ Goldstein & McClintock LLLP as its counsel, which application was approved by the Bankruptcy Court pursuant to its order [Dkt. No. 129] entered on November 14, 2017.

C. SCHEDULES AND STATEMENT OF FINANCIAL AFFAIRS

The Debtor filed its Schedules [Dkt. No. 70] and Statement of Financial Affairs [Dkt. No. 71] on October 10, 2017. The Debtor filed amendments to Schedules D, E/F and G [Dkt. No. 119] on November 6, 2017.

D. THE § 341 MEETING OF CREDITORS

The initial meeting of creditors pursuant to section 341 of the Bankruptcy Code was conducted on October 17, 2017, and has concluded.

E. OFFICIAL COMMITTEE OF UNSECURED CREDITORS

The Committee was formed on October 11, 2017, and consists of the following creditors: North Star Container, LLC; Tournant Inc.; and Brickl Bros., Inc.

F. FIRST DAY MOTIONS

On September 26, 2017, the Debtor filed various "first day" motions which are described as follows:

- *Motion For Interim And Final Orders (I) Authorizing But Not Directing Payment Of Pre-Petition Wages, Salaries, And Related Obligations And Taxes; And (II) Scheduling A Final Hearing To Consider Entry Of A Final Order [Dkt. No. 8]*.

This motion requests authority to continue employee programs and practices, and to pay certain pre-petition employee-related obligations. The Bankruptcy Court granted this motion on an interim basis on September 27, 2017.

- *Debtor's Motion For Interim And Final Orders (1) Prohibiting Debtor's Utility Providers From Altering, Refusing, Or Discontinuing Service; And (2) Deeming Debtor's Utility Providers Are Adequately Assured Of Future Payment Utilities Motion. [Dkt. No. 7]*

This motion requests an order requiring utilities to continue to provide utility services to the Debtor, subject to the provision of adequate assurance of payment. The Bankruptcy Court granted this motion on an interim basis on September 27, 2017, subject to the filing of any objections on or before October 15, 2017. Because no objections were filed, the Bankruptcy Court's order approving this motion became final.

- *Debtor's Motion Pursuant To 11 U.S.C. §§ 105(A) And 363(B) And Fed. R. Bankr. P. 6003 And 6004 For Interim And Final Orders Authorizing The Debtor To Maintain Existing Insurance Policies And Agreements Relating Thereto And Pay All Related Obligations [Dkt. No. 9]*

This motion requests authority to continue its insurance policies and to make payment obligations thereunder. The Bankruptcy Court granted this motion on September 27, 2017.

- *First Day Motion For Entry Of Interim Order (I) Authorizing Postpetition Debtor-In-Possession Financing, And As Part Of The Motion, Granting Super-Priority Claims To The Dip Lender, (II) Authorizing Interim And Final Approval Of The Use Of Cash Collateral, (III) Granting Adequate Protection To The Prepetition Secured Lender, And (IV) Scheduling An Interim Hearing On An Emergency Basis, And A Final Hearing On The Motion [Dkt. No. 10]*

This motion requests authority to use cash collateral and to enter into the CoBank DIP Facility in order to borrow funds on a post-petition basis to continue its operations. The Bankruptcy Court granted this motion on an interim basis on September 27, 2017, and subsequently granted it on a final basis pursuant to the CoBank DIP Financing Order entered on October 27, 2017.

- *Debtor's Motion For An Order Compelling Warrens Cold Storage, LLC And Its Representatives To Comply With The Automatic Stay [Dkt. No. 13]*

This motion requests an order compelling performance by the counterparty to the Freezer Agreement, to ensure that the Debtor's access to freezer storage for its cranberries is uninhibited. The Bankruptcy Court has adjourned the hearing on this motion to December 20, 2017.

G. CONTINUING OPERATIONS

Since the Petition Date, while fulfilling its obligations in administering its Chapter 11 Case, the Debtor has continued its daily operations in the ordinary course of its business. For example, the Debtor has continued to receive and store cranberry product from its Patron Members and perform

under the terms of the Graceland Pre-Petition Services Agreement, and in furtherance of such agreement, the Debtor entered into a certain *2017 Crop Raw Cranberry Purchase Agreement* effective November 21, 2017, with Cranberry Creek Cranberries, Inc., a purchaser designated by Graceland. In addition, the Debtor has entered into an equipment lease agreement with Farm Credit Leasing Services Corporation for bin storage and has paid nominal secured claim amounts ($600.00) to Refrig-It Warehouse, to facilitate shipment of product on the inventory in its possession. The Debtor will continue operations through confirmation of the Plan, emerging as Reorganized CranGrow, while maintaining its goodwill and its commitment to providing great quality products to its customers.

V. THE CHAPTER 11 PLAN

The Plan is attached as **Exhibit 1** hereto and forms a part of this Disclosure Statement. Statements as to the rationale underlying the treatment of Claims and Interests under the Plan and the description of the Debtor's business and financial affairs are not intended to, and shall not, waive, compromise or limit any rights, claims or causes of action or bind any persons in the event the Plan is not confirmed. Following are summaries of certain provisions of the Plan.

A. IMPLEMENTATION OF THE PLAN

1. Continuation of Operations

The Debtor will continue to exist after the Effective Date as Reorganized CranGrow, with all the powers available to such legal entity, in accordance with applicable law not inconsistent with the Plan. Following the Effective Date and subject to the applicable terms and conditions of the Plan, the Graceland Agreements, any Exit Facility, the CoBank Loan Documents, and any existing orders of the Bankruptcy Court, Reorganized CranGrow will continue the Debtor's present business, shall continue to operate as Reorganized CranGrow, and may obtain credit, issue member interests, incur debt, grant security interests and liens, and otherwise acquire and dispose of assets pursuant to applicable corporate law. Reorganized CranGrow will be permitted to continue and to exercise its rights under any contracts or leases entered into by the Debtor after the Petition Date, on the terms and conditions set forth therein, including, without limitation, any and all lease agreements for bin storage with Farm Credit Leasing Services Corporation and the *2017 Crop Raw Cranberry Purchase Agreement* effective November 21, 2017, with Cranberry Creek Cranberries, Inc., and the Debtor's entry into and execution of any such contracts or leases prior to the Effective Date will be approved to the extent permissible under the Bankruptcy Code. Reorganized CranGrow will be free of any restriction imposed by the Bankruptcy Court, the Bankruptcy Code and the Bankruptcy Rules, other than the obligations set forth in the Plan. Reorganized CranGrow will use Cash on hand, Cash generated from its operations and Cash derived from the Participating Patron Member Contributions and the Graceland Agreements to perform its obligations under the Plan.

2. Participating Patron Member Election

Patron Members and Prospective Patron Members who desire to be Participating Patron Members must complete, execute and deliver by the Participating Patron Member Election Deadline an irrevocable written election to be a Participating Patron Member, together with any requisite documentation and deposits, in the form to be provided by the Debtor or its designee. To be a Participating Patron Member, a Patron Member or Prospective Patron Member (a) must be capable of (in the Debtor's sole discretion) supplying, and must agree to supply, at least enough cranberries per calendar year so that in aggregate with other Participating Patron Members, 20 million pounds will

be delivered, (b) must be capable of (in the Debtor's sole discretion) fulfilling and must agree to provide the Participating Patron Member Contributions, and (c) must be approved by the Debtor's Board of Directors to be a Participating Patron Member. The Debtor may reasonably request financial or other applicable documentation, data or assurances to determine the ability of such Patron Member or Prospective Patron Member to satisfy the conditions to be a Participating Patron Member. Furthermore, each Participating Patron Member's Patron Membership Agreement, if any, will be terminated and, to the extent applicable, rejected, and each Participating Patron Member must execute New Patron Member Agreements. In exchange, Reorganized CranGrow shall issue a Participating Patron Member Interest in Reorganized GranGrow to each Participating Patron Member in the form of shares of common stock, in accordance with the applicable bylaws of Reorganized CranGrow and each applicable New Patron Member Agreement.

3. New Membership Structure

On the Effective Date, (a) the Debtor's Cooperative Governance Documents, as may be amended and restated at the discretion of the Debtor to comply with the requirements of the Plan, the membership structure of Reorganized CranGrow on the Effective Date and any applicable law, will constitute the cooperative governance documents of Reorganized CranGrow; (b) any currently-existing Patron Membership Agreements of the Participating Patron Members will be terminated and, to the extent possible under applicable law, rejected; (c) Reorganized CranGrow will be permitted to amend and restate its cooperative governance documents in accordance with applicable law without further Bankruptcy Court approval; (d) Reorganized CranGrow will enter into New Patron Member Agreements and Delivery Agreements with each Participating Patron Member; and (e) the Participating Patron Members will be the patron members of Reorganized CranGrow subject to and in accordance with the terms and conditions of the Plan, the bylaws of Reorganized CranGrow, applicable Cooperative Governance Documents (as may be amended and restated) and applicable New Patron Member Agreements. As of the Effective date, the only members of Reorganized CranGrow will be the Participating Patron Members comprised of the Debtor's Patron Members and Prospective Patron Members who qualify and elect to be Participating Patron Members under the Plan, and there will not be any Non-Patron Preferred Shareholders of Reorganized CranGrow. For avoidance of doubt, Reorganized CranGrow will be permitted to execute and enter into New Patron Member Agreements with the Participating Patron Members without need for further Bankruptcy Court approval.

4. Issuance of Common Stock

The issuance of the Reorganized CranGrow common stock will be authorized without the need for any further corporate action and without any further action by the Board of Directors of Reorganized CranGrow; provided, however, that such issuance will be made in accordance with the bylaws of Reorganized CranGrow. All shares of Reorganized CranGrow common stock issued pursuant to the Plan will be duly authorized and validly issued. Each distribution and issuance of the Reorganized CranGrow common stock under the Plan will be governed by the terms and conditions set forth in the Plan and in the instruments evidencing or relating to such distribution or issuance.

5. CoBank DIP Facility and Exit Financing

Except as otherwise provided in the Plan or otherwise ordered by the Bankruptcy Court, any CoBank DIP Financing Claim will be paid in accordance with the CoBank DIP Financing Order and the applicable terms of the CoBank Loan Documents. Any payment on account of the CoBank DIP

Financing Claim that is applied to the Pre-Petition Indebtedness will be deducted from the Allowed amount of the CoBank Secured Claim in Class 2.

The Debtor is permitted to engage in negotiations with CoBank related to exit financing, including any amendments to the terms of the CoBank DIP Facility and modifications to the treatment accorded to the Secured Claim of CoBank in Class 2, and will be authorized to enter into any Exit Facility Documents in connection therewith as of the Effective Date, without need for further Bankruptcy Court approval; provided, however, that any Exit Facility must not materially, adversely impact Reorganized CranGrow's ability to consummate the provisions of the Plan or the treatment accorded to Claims in Classes 1, 3, 4 and 5.

As described above, the Debtor presently is in negotiations with CoBank related to exit financing with regard to an amendment and extension "Maturity Date" and other terms under the CoBank DIP Facility, all a summarized on the term sheet attached to the Plan as Exhibit B. A summary of terms of any Exit Facility Documents to the extent they are materially different from the terms set forth on Exhibit B to the Plan will be included in the Plan Supplement.

6. Continuing Effect and Performance of Existing Orders

The Bankruptcy Court has entered various orders, including the CoBank DIP Financing Order, during the pendency of the Chapter 11 Case which will remain in effect notwithstanding confirmation of the Plan, and Reorganized CranGrow will continue to carry out the matters provided for under such orders, as applicable. The Debtor reserves the right to move the Bankruptcy Court to rule on and resolve any issues related to these orders. Nothing in the Plan or this Disclosure Statement is intended to conflict with or derogate from the provisions of the CoBank DIP Financing Order, the CoBank Loan Documents and any liens securing the CoBank Pre-Petition Indebtedness. In the event that any provision of the Plan or this Disclosure Statement conflicts with the CoBank DIP Financing Order, the CoBank DIP Financing Order, as applicable, will control.

7. Implementation

The Debtor, through the Effective Date, and Reorganized CranGrow on or after the Effective Date, the Participating Patron Members, and Graceland will be authorized and directed to take all necessary steps, and perform all necessary acts, to consummate the terms and conditions of the Plan.

8. Cooperative Governance

Upon the Effective Date and without any further action required by the directors or members of the Debtor or Reorganized CranGrow, the Debtor's Cooperative Governance Documents, as may be amended and restated at the discretion of the Debtor, will constitute the cooperative governance documents of Reorganized CranGrow; *provided, however*, that, if required and to the extent applicable, such Cooperative Governance Documents will be amended and restated as of the Effective Date to comply with the requirements of the Plan, the membership structure of Reorganized CranGrow on the Effective Date and any applicable law including Section 1123(a)(6) of the Bankruptcy Code. To the extent possible under applicable law, the Debtor's Cooperative Governance Documents, as may be amended and restated at the discretion of the Debtor, will be assumed by Reorganized CranGrow with no Cure amount being due. On and after the Effective Date, Reorganized CranGrow may amend and restate its cooperative governance documents as permitted by applicable law without further Bankruptcy Court approval. For avoidance of doubt,

Reorganized CranGrow shall be permitted to execute and enter into new bylaws without need for further Bankruptcy Court approval.

9. Management

Upon the occurrence of the Effective Date, Reorganized CranGrow will be operated by substantially the same personnel that operated the Debtor prior to the Confirmation Date, subject to such changes that may be made based upon and in accordance with the Cooperative Governance Agreements after the Effective Date, and such individuals will be identified in the Plan Supplement. After the Effective Date, Reorganized CranGrow may retain or terminate any employees, subject to implementation of the Graceland Agreements under which some employees may be hired by Graceland, or otherwise modify its management structure as it, in its business judgment, deems necessary, provided that any such change(s) will not affect its ability to satisfy the obligations of Reorganized CranGrow under the Plan.

10. Board of Directors

On the Effective Date, the Board of Directors of Reorganized CranGrow will consist of the same individuals that served on the Board of Directors prior to the Confirmation Date, subject to the following: (a) the current Chairman, Dr. Frederick Prehn, will step down and be replaced by Chuck Dillon, (b) the three open positions will be replaced by representatives from three large grower-Patron Members, one of which will be Bill Hatch from Cranberry Creek Cranberries, Inc., and two others who will be identified in the Plan Supplement together with any other such changes to the Board constitution that may be made based upon and in accordance with the Cooperative Governance Agreements as of the Effective Date. After the Effective Date, Reorganized CranGrow may reconstitute its Board of Directors in any way that is consistent with applicable law.

11. Graceland Agreements

On the Effective Date, Reorganized CranGrow and Graceland will enter into (a) the Graceland Facility Lease Agreement, (b) the Graceland Equipment Lease Agreement, (c) the Graceland Supply Agreement, (d) the Graceland Services Agreement and (e) any other documents necessary to facilitate these agreements and the transactions thereunder. Entry of the Confirmation Order will constitute authorization of such actions and a finding that such actions in respect to the Graceland Agreements, and the transactions contemplated thereunder, by the Debtor and Reorganized CranGrow with Graceland are the result of the reasonable exercise of the Debtor's business judgment and are in the best interests of the Debtor and the Estate

B. PLAN PROVISIONS GOVERNING DISTRIBUTIONS

1. Making of Distributions

Reorganized CranGrow will act as disbursing agent and make the Distributions required to be made in respect of the Allowed Claims under the Plan. Except as may be otherwise provided in the Plan or the Confirmation Order, any distribution required by the Plan to be made on the Effective Date will be deemed made on the Effective Date if made on the Effective Date or as soon thereafter as is practicable, but in no event later than the later to occur of: (a) thirty (30) days after the Effective Date; or (b) the date upon which any other conditions to distribution with respect to a particular Allowed Claim will have been satisfied.

2. Class 4; General Unsecured Recovery Reserve

As soon as reasonably practicable after the Effective Date and the establishment of any Exit Facility, Reorganized CranGrow will establish a segregated interest-bearing bank account which will serve as the General Unsecured Recovery Reserve for the purpose of holding Cash in trust for Distributions to holders of Claims in Class 4 under the Plan. The funds in the General Unsecured Recovery Reserve (a) will be comprised of $100,000 of the proceeds of the Reorganized CranGrow Indebtedness; (b) will not be deemed property of the Debtor or Reorganized CranGrow; (c) will be held in trust to fund Pro Rata Distributions on account of Allowed Claims in Class 4 under the Plan; and (d) will not be encumbered by any Liens, claims or encumbrances in any way.

3. Class 5; Patron Member Claims Reserve.

As soon as reasonably practicable after the Effective Date and the sale of the 2015 and 2016 cranberry crop in the possession of the Debtor or Reorganized CranGrow, Reorganized CranGrow will establish the Patron Member Claims Reserve for the purpose of holding Cash in trust for Distributions to holders of Claims in Class 5 under the Plan. The funds in the Patron Member Claims Reserve (a) will be comprised of (i) $100,000 of the proceeds of the Reorganized CranGrow Indebtedness and (ii) the allocation of any remaining proceeds from the sale of the 2015 and 2016 crop in the possession of the Debtor or Reorganized CranGrow, net of operational expenses and all amounts to be paid to service the Pre-Petition Indebtedness under the CoBank Revolving Note in accordance with the terms of the Plan; (b) will not be deemed property of the Debtor or Reorganized CranGrow; (c) will be held in trust to fund Pro Rata Distributions on account of Allowed Claims in Class 5 under the Plan; and (d) will not be encumbered by any Liens, claims or encumbrances in any way.

4. Reservation for Funding of Disputed Claims.

Reorganized CranGrow will reserve (a) with respect to each Disputed Claim in Class 4 and Class 5 that is liquidated, the Pro Rata proportion of all Cash allocated for Distribution on account of such Disputed Claim based upon the face amount of each such Disputed Claim, or such lesser amount as may be agreed to in writing by the holder of the Disputed Claim and Reorganized CranGrow or as may be determined by the Bankruptcy Court, as applicable, or (b) with respect to each Disputed Claim that is unliquidated (including any unliquidated fees, penalties, charges or other similar amounts), such amounts as will be sufficient, as either (i) determined by Final Order of the Bankruptcy Court upon motion of the Reorganized CranGrow seeking a determination as to the appropriate amount to reserve, or (ii) agreed to in writing by the holder of the Claim and Reorganized CranGrow as the maximum amount that could be owed in the event the Claim were ultimately Allowed. Any Distribution that is not made after the initial Distribution from the General Unsecured Recovery Reserve or the Patron Member Claims Reserve, as applicable, that would have been entitled to receive that Distribution is not an Allowed Claim on such date, will be made in accordance with section 7.4 of the Plan.

5. Delivery of Distributions

Subject to Bankruptcy Rule 9010, all distributions to any holder of an Allowed Claim will be made at the address of such holder as set forth on the Schedules filed with the Bankruptcy Court or on the books and records of the Debtor or its agents, as applicable, unless the Debtor or, after the Effective Date, Reorganized CranGrow has been notified in writing of a change of address, including, without limitation, by the filing of a proof of Claim by such holder that contains an

address for such holder different than the address of such holder as set forth on the Schedules. Payment will be made to the holder of the Allowed Claim unless the holder of such Allowed Claim has directed Reorganized CranGrow to make payment to a third party through the filing of a proof of Claim instructing that payment be made to a third party thereon.

6. Holding of Undeliverable Distributions

If any Distribution to any holder of a Claim is returned to Reorganized CranGrow as undeliverable, no further Distributions will be made to such holder unless and until Reorganized CranGrow is notified, in writing, of such holder's then-current address. Undeliverable Distributions will remain in the possession of Reorganized CranGrow, and, as applicable, in the General Unsecured Recovery Reserve or the Patron Member Claims Reserve, until such time as a Distribution becomes deliverable. All Entities ultimately receiving undeliverable Cash will not be entitled to any interest or other accruals of any kind. Nothing contained in the Plan will require Reorganized CranGrow as the case may be, to attempt to locate any holder of an Allowed Claim.

7. Failure to Claim Undeliverable Distributions

On or around ninety (90) days from the Effective Date, Reorganized CranGrow will file a list with the Bankruptcy Court setting forth the names of those Entities for which Distributions have been made hereunder and have been returned as undeliverable as of the date thereof. Any holder of an Allowed Claim that does not assert its rights pursuant to the Plan to receive a Distribution within one-hundred and twenty (120) days from and after the Effective Date will have its entitlement to any undeliverable Distribution discharged and will be forever barred from asserting any entitlement pursuant to the Plan against Reorganized CranGrow or the property of Reorganized CranGrow. In such case, any consideration held for Distribution on account of such Claim will revert to Reorganized CranGrow, and, as applicable, the General Unsecured Recovery Reserve or the Patron Member Claims Reserve.

8. Manner of Payment Under the Plan

Any Plan Distribution to be made in Cash under the Plan will be made by check drawn on a domestic bank or by wire transfer from a domestic bank. Cash payments to foreign creditors may be made, at the option of Reorganized CranGrow, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

9. Fractional Plan Distributions

Notwithstanding anything to the contrary contained **herein**, no Plan distributions of fractions of dollars will be made. Fractions of dollars will be rounded to the nearest whole unit, with any amount equal to or less than one-half dollar to be rounded down.

10. De Minimis Distributions

No distribution of less than Twenty-Five Dollars ($25) need be made to any holder of an Allowed Claim. Such undistributed amount may be retained by Reorganized CranGrow to be distributed at the time of final distributions to holders of such Allowed Claims in accordance with the Plan, but only to the extent that the aggregate final distribution on account of such Allowed Claim would equal or exceed Ten Dollars ($10).

11. Maximum Distribution

In no event will any holder of any Allowed Claim receive distributions under the Plan in excess of the Allowed amount of such Claim.

C. PROVISIONS FOR TREATMENT OF DISPUTED CLAIMS

1. Objections to Claims; Prosecution of Disputed Claims

Unless otherwise ordered by the Bankruptcy Court, objections to Claims must be filed on or before the later of 60 days following (a) the Effective Date or (b) the applicable Claims Bar Date for such Claim. The Court may enter an order extending this deadline for cause shown.

2. Estimation of Claims

Unless otherwise limited by an order of the Bankruptcy Court, after the Effective Date, Reorganized CranGrow may at any time request the Bankruptcy Court to estimate for final distribution purposes any contingent, unliquidated, or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Claim had previously been subject to any objection, and the Bankruptcy Court will retain jurisdiction to consider any request to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. Unless otherwise provided in an order of the Bankruptcy Court, in the event that the Bankruptcy Court estimates any contingent, unliquidated, or Disputed Claim, the estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court; provided, however, that, if the estimate constitutes the maximum limitation on such Claim, Reorganized CranGrow may elect to pursue supplemental proceedings to object to any ultimate allowance of such Claim; and, provided, further, that the foregoing is not intended to limit the rights granted by section 502(j) of the Bankruptcy Code. All of the aforementioned Claims objection, estimation, and resolution procedures are cumulative and not necessarily exclusive of one another.

3. Contingent Claims

Until otherwise determined to be an Allowed Claim or a disallowed Claim, all contingent Claims including, without limitation, Claims for reimbursement or contribution or Claims asserted based on a right of subrogation under Bankruptcy Code section 509 will be treated as Disputed and valued at $0.00 for all purposes under the Plan.

4. Allowance of Disputed Claims

At such time as a Disputed Claim becomes an Allowed Claim, Reorganized CranGrow will distribute to the holder thereof the Distributions, if any, to which such holder is then entitled under the Plan. Such Distribution, if any, will be made as soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing such Disputed Claim becomes a Final Order but in no event more than sixty (60) days thereafter. For the avoidance of doubt, if any portion of a Claim or Administrative Expense Claim is Disputed, no payment or Distribution provided under the Plan will be made on account of the undisputed portion of such Claim or Administrative Expense Claim unless and until the Disputed portion becomes Allowed, is disallowed by Final Order, or is otherwise resolved.

5. Settlement of Objections to Claims After Effective Date

From and after the Effective Date, Reorganized CranGrow may litigate to judgment, propose settlements of, or withdraw objections to, all pending or filed Disputed Claims, and Reorganized CranGrow may settle or compromise any Disputed Claim without, without a hearing and without approval of the Bankruptcy Court.

6. Interest

To the extent that a Disputed Claim becomes an Allowed Claim after the Effective Date, the holder of such Claim will not be entitled to any interest thereon

D. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

1. Assumption and Assignment of Executory Contracts and Unexpired Leases

On the Effective Date, and except as otherwise provided by the Plan, pursuant to sections 365(a), 365(b), 363(f), and 1123(b)(2) of the Bankruptcy Code, Reorganized CranGrow will assume all executory contracts and unexpired leases specifically designated on an exhibit to the Plan Supplement which exhibit may be amended in accordance with the Plan and will include, without limitation, the following: (a) the Freezer Agreement and (b) that certain Real Estate Lease effective as of January 20, 2016, with Castle Rock Cranberry Bogs, LLC, or its assigns, and Warrens Cold Storage, LLC. Notwithstanding the foregoing, the Debtor will be permitted to add or remove, and reserves its rights to add or remove, all executory contracts and unexpired leases designated for assumption in the Plan Supplement. The listing of a document in the Plan Supplement will not and does not constitute an admission by the Debtor that such document is an executory contract or an unexpired lease or that the Estate or the Debtor has any liability thereunder. Except as may otherwise be agreed to by the parties, within sixty (60) days after the Effective Date, Reorganized CranGrow will Cure any and all undisputed defaults under the executory contracts and unexpired leases designated in the Plan Supplement by paying the Cure amount set forth therein or as otherwise determined by the Bankruptcy Court or agreed to by the parties. All disputed defaults that are required to be Cured will be Cured either within sixty (60) days of the entry of a Final Order determining the amount, if any, of the Estate's liability with respect thereto, or as may otherwise be agreed to by the parties. In the event that a Cure is determined by the Bankruptcy Court to be in an amount that, in Reorganized CranGrow's judgment renders assumption of the applicable executory contract or unexpired lease to be improvident, then Reorganized CranGrow will have the right to reject such contract or lease upon written notice to the counterparty, and the counterparty will have thirty (30) days from the date of such notice to file any Rejection Claim.

2. Rejection of Executory Contracts and Unexpired Leases

Pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, all executory contracts and unexpired leases that exist between the Debtor or the Estate and any Person or Entity are rejected as of the Effective Date, except for any executory contract or unexpired lease (a) that has been assumed pursuant to an order of the Bankruptcy Court entered prior to the Effective Date and for which the motion was filed prior to the Confirmation Date; (b) as to which a motion for approval of the assumption or rejection of such executory contract or unexpired lease has been filed prior to the Confirmation Date; or (c) that is specifically designated on specifically designated on an exhibit to the Plan Supplement; provided, however, that the Debtor may, on or prior to the Confirmation Date,

to amend the Plan to delete any executory contract or unexpired lease from the exhibit to the Plan Supplement or add any executory contract or unexpired lease to the exhibit to the Plan Supplement, in which event such executory contract(s) or unexpired lease(s) are, respectively, rejected or assumed; provided further, however, that the respective party or parties to such executory contract(s) will be given notice of such amendment and will be provided an opportunity to object to such amendment. For avoidance of doubt, the Patron Membership Agreement of each Patron Member and any similar agreement with each Non-Patron Preferred Shareholders, except as otherwise provided in the Plan or in the Plan Supplement, to the extent it constitutes an executory contract and permissible under applicable law, will be rejected on the Effective Date.

3. Approval of Assumption and Assignment and Rejection of Executory Contracts and Unexpired Leases

Entry of the Confirmation Order will, subject to and upon the occurrence of the Effective Date, constitute the approval, pursuant to sections 365(a), 365(f) and 1123(b)(2) of the Bankruptcy Code, (a) of the assumption and assignment of the executory contracts and unexpired leases assumed or assumed and assigned pursuant to the Plan; and (b) of the rejection of the executory contracts and unexpired leases rejected pursuant to the Plan; provided, however, to the extent any provision of an executory contract or unexpired lease to be assumed under the Plan limits the Debtor's ability to assume or assume and assign such executory contract or unexpired lease, the effectiveness of such provision will be limited or nullified to the full extent provided in section 365(f) of the Bankruptcy Code. Unless otherwise indicated, all assumptions or rejections of executory contracts and unexpired leases in the Plan are effective as of the Effective Date.

4. Objections

Any party wishing to object to the assumption or assumption and assignment of any executory contract or unexpired lease hereunder, including any proposed Cure, if any, set forth in the applicable exhibit to the Plan Supplement, must file an objection with the Bankruptcy Court by the deadline to object to Confirmation of the Plan and such dispute will be resolved by the Bankruptcy Court. **Any counterparty that does not object to the assumption or the proposed Cure, if any, set forth in the applicable exhibit to the Plan Supplement, of its executory contract or unexpired lease under the Plan by the deadline established in section 8.4 of the Plan will be deemed to have consented to such assumption or Cure and any Claim for Cure, for compensation, adequate assurance, adequate assurance of future performance, or other right, issue, or Claim under section 365 of the Bankruptcy Code, are fully satisfied, released, and discharged and forever barred from assertion and will not be enforceable against Reorganized CranGrow without the need for any objection by Reorganized CranGrow, or further notice to or action, order or approval of the Bankruptcy Court or any other entity, and any Claim for Cure for compensation, adequate assurance, adequate assurance of future performance, or other right, issue, or Claim under section 365 of the Bankruptcy Code, are fully satisfied, released and discharged upon payment of the amount, if any, listed on the applicable exhibit to the Plan Supplement, notwithstanding anything included in the Schedules or in any proof of claim to the contrary; provided, however, that nothing will prevent Reorganized CranGrow from paying any Cure amount despite the failure of the relevant counterparty to timely file such request or objection for payment of such Cure. Reorganized CranGrow also may settle any Cure without further notice to or action, order or approval of the Bankruptcy Court or any other entity.**

5. Rejection Claims

Any Rejection Claim will be classified as a General Unsecured Claim. For avoidance of doubt, any assertion of any rights, including rights to payment, arising out of or related to the ownership of Interests granted under a Patron Membership Agreement, Non-Patron Shareholder agreement or any other contract that are rejected will not be a Rejection Claim.

Rejection Claims arising out of the rejection of an executory contract or unexpired lease pursuant to the Plan must be filed with the Bankruptcy Court and served upon Reorganized CranGrow on or before the Rejection Claims Bar Date which is, with the exception of any bar date which already has been established by Bankruptcy Court order, the earlier of: (a) thirty (30) days following the Effective Date; or (b) with respect to an executory contract or unexpired lease rejected before the Confirmation Date pursuant to a Final Order, thirty (30) days following the entry of such Final Order. All such Claims not filed within such time will be forever barred from assertion against the Estate, or Reorganized CranGrow and its property, and will be disallowed in full, released and discharged.

E. CONTINUED EXISTENCE OF THE ESTATE

The Debtor will continue to serve as the representative of the Estate, and the Estate will continue in existence from and after the Confirmation Date and until the Effective Date. On and after the Effective Date, Reorganized CranGrow will be the Estate representative until all payments and distributions to the holders of Allowed Claims have been made under the Plan and a final decree pursuant to Rule 3022 of the Bankruptcy Rules is entered. From and after the Confirmation Date, the Estate will remain in existence and the Debtor until the Effective Date, or Reorganized CranGrow thereafter, will administer the Estate in accordance with the provisions of the Plan, the Bankruptcy Code and the Bankruptcy Rules.

From and after the Confirmation Date until the Effective Date, the Debtor's professionals will receive such compensation as may be approved by the Debtor. The Debtor will be entitled to retain legal counsel and such other professionals as authorized by the Court to complete the retained matters, the fees and expenses of which will be entitled to payment, in the manner authorized herein as Administrative Expense Claims. Such fees and expenses will be paid monthly after invoices are submitted to the Debtor. Any objection to the payment of such fees and expenses by the Debtor must be made in writing within thirty (30) days after the invoices are submitted to the Debtor. If a timely objection to such fees and expenses are made, a hearing on that portion of the fees and expenses subject to the objection will be held before the Bankruptcy Court, and the fees and expenses subject to the objection will be paid only in the amount allowed by the Court, and that portion which is not subject to the objection will be paid by the Debtor. Reorganized CranGrow may retain the Debtor's professionals to address matters arising from or relating to the Plan.

The fee and expense review procedures set forth above are separate and apart from the fee and expense review procedures that may be performed by the United States Trustee. From and after the Effective Date, Reorganized CranGrow may retain and compensate professionals it deems appropriate and necessary to carry out Reorganized CranGrow's obligations under the Plan without Bankruptcy Court approval.

F. EFFECTIVENESS OF THE PLAN

1. Conditions Precedent to the Confirmation of the Plan

The following are conditions precedent to the Confirmation of the Plan:

a. ***Disclosure Statement Order***. The Bankruptcy Court shall have entered the Disclosure Statement Order.

b. ***Confirmation Order***. The Bankruptcy Court shall have entered a Confirmation Order providing, among other things, approval and authorization for Reorganized CranGrow to enter into the Graceland Agreements, and to consummate the transactions provided thereunder.

c. ***Forms of Orders***. The Confirmation Order, the Plan, and the Disclosure Statement Order, and the documents in connection therewith, each shall be in form and substance reasonably satisfactory to the Debtor, the Participating Patron Members and Graceland.

2. Conditions Precedent to the Effective Date of the Plan

The following are conditions precedent to the Effective Date of the Plan:

a. The Confirmation Order will have been entered and no stay of the Confirmation Order will then be in effect.

b. All authorizations, consents, and approvals determined by Reorganized CranGrow to be necessary to implement the terms of the Plan will have been obtained.

c. The Debtor will have sufficient funds on hand to pay, or otherwise accord the treatment under the Plan, to all Administrative Expense Claims, Priority Non-Tax Claims and Secured Claims in Class 3 that are Allowed or are projected by the Debtor to be Allowable.

d. The Debtor and Graceland will have executed, and the Bankruptcy Court will have approved, Reorganized CranGrow's entry into each of the Graceland Agreements.

e. The Debtor will have received elections from Patron Members and Potential Patron Members to be Participating Patron Members who, in aggregate, will be able to deliver at minimum, 20 million pounds of cranberries annually commencing in 2018.

3. Effect of Non-Occurrence of the Effective Date

If the Effective Date does not occur, the Plan will be null and void and nothing contained in the Plan will: (a) constitute a waiver or release of any pending Causes of Action or Claims against the Debtor or any Interest of any Patron Member or Non-Patron Shareholder; (b) prejudice in any manner the rights of the Debtor or the Patron Members or the Non-Patron Shareholders; or

(c) constitute an admission, acknowledgement, offer, or undertaking of any manner by the Debtor, the Non-Patron Preferred Shareholders or the Patron Members

G. OTHER PLAN PROVISIONS

1. Binding Effect

Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, and to the fullest extent permitted by section 1141 of the Bankruptcy Code, on and after the Effective Date, the provisions of the Plan shall bind any holder of a Claim against, or Interest in, Reorganized CranGrow or the Estate and their respective successors and assigns, whether or not the Claim or Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan.

2. Discharge of Claims and Termination of Interests

To the maximum extent provided by section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims, Patron Member Interests, Non-Patron Shareholder Interests, and Causes of Action of any nature whatsoever, including any guarantees under and any interest accrued on any Claims, Patron Member Interests, Non-Patron Shareholder Interests and Causes of Action from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtor or any of its assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability to the extent such Claims or Interests relate to services performed by employees of the Debtor prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (a) a Proof of Claim or Proof of Interest based upon such debt, right, or Interest is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (b) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (c) the holder of such a Claim or Interest has accepted the Plan. Any default by the Debtor with respect to any Claim or Interest that existed immediately prior to or on account of the filing of the Chapter 11 Case shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the Effective Date occurring.

Pursuant to Bankruptcy Rule 9019 and in consideration for the Distributions and other benefits provided pursuant to the Plan, including, without limitation, the Participating Patron Member Contributions, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtor, its Estate, and holders of Claims and Interests, and is fair, equitable, and reasonable, and has been entered in good faith by all parties thereto.

3. Plan Releases

Without limiting any other applicable provisions of, or releases contained in, the Plan, pursuant to section 1123(b) of the Bankruptcy Code, on and after the Effective Date, to the fullest extent permitted by law, the Debtor, on behalf of itself and Reorganized CranGrow, the Estate and its successors, assigns and any and all Entities who may purport to claim by, through, for or because of them, will, for good and valuable consideration, forever release, waive and discharge all claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims, that they have, had or may have against any Released Party with respect to (x) the Chapter 11 Case, the Debtor or the Estate or (y) the negotiation, consideration, formulation, preparation, dissemination, implementation, Confirmation or consummation of the Plan, the Exhibits, this Disclosure Statement, the Graceland Agreements, the Exit Financing, or any other transactions proposed in connection with the Chapter 11 Case, or any Distributions made under or in connection with the Plan, or any contract, instrument, release or other agreement or document created or entered into or any other act taken or omitted to be taken in connection therewith or in connection with any other obligations arising under the Plan or the obligations assumed hereunder; provided, however, that the foregoing provisions of Section 10.4 of the Plan will not affect (a) the liability of any Released Party that otherwise would result from any act or omission to the extent that act or omission subsequently is determined in a Final Order to have constituted gross negligence or willful misconduct (including fraud), (b) any rights to enforce the Plan or the other contracts, instruments, releases, agreements or documents to be, or previously, entered into or delivered in connection with the Plan, (c) any obligations of any party under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan, (d) except as otherwise expressly set forth in the Plan, any objections by the Debtor to Claims or Interests filed by any Entity against the Debtor and/or the Estate, including rights of setoff, refund or other adjustments, (e) the rights of the Debtor to assert any applicable defenses in litigation or other judicial proceedings, and (f) any claim of the Debtor, including (but not limited to) cross-claims or counterclaims or other Causes of Action against any Persons, arising out of or relating to actions for personal injury, wrongful death, property damage, products liability or similar legal theories of recovery to which the Debtor is a party.

For avoidance of doubt, Avoidance Actions, if any, against any Participating Patron Member and any of the Debtor's Professionals will be waived and released under the Plan.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Plan Releases, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that the Plan Releases are: (a) in exchange for the good and valuable consideration provided by the Released Parties and the Participating Patron Members; (b) a good faith settlement and compromise of the claims released by the Plan Releases; (c) in the best interests of Reorganized CranGrow, the Debtor and its Estate, and all holders of Claims and Patron Member and Non-Patron Shareholder Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; (f) a bar against Reorganized CranGrow or its Estate from asserting any claim or Cause of Action released pursuant to the Plan Releases; and (g) a bar against the prosecution of any Avoidance Action against any Participating Patron Member and any of the Debtor's Professionals.

4. Exculpation

Except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur any liability to any Entity for any prepetition or postpetition act taken or omitted to be taken in connection with, or related to formulating, negotiating, soliciting, preparing, disseminating, confirming, or implementing the Plan, or consummating the Plan, the Disclosure Statement, the Chapter 11 Case or any contract, instrument, release or other agreement, or document created or entered into in connection with the Plan or any other prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtor; provided, that each Exculpated Party shall be entitled to rely upon the advice of counsel concerning his, her or its duties pursuant to, or in connection with, the Plan or any other related document, instrument, or agreement; provided, further, that the foregoing Exculpation shall have no effect on the liability of any Entity that results from any such act or omission that is determined in a Final Order to have constituted gross negligence, bad faith, or willful misconduct.

5. Injunction

Except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or the Confirmation Order, all Entities who have held, hold, or may hold claims, interests, or Liens that have been discharged pursuant to section 10.3 of the Plan, released pursuant to section 10.4 of the Plan, or are subject to Exculpation pursuant to section 10.5 of the Plan will be permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, Reorganized CranGrow, or the Released Parties: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such claims or interests; (c) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such claims or interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such claims or interests unless such Entity has timely asserted such setoff right prior to the Effective Date in a document filed with the Bankruptcy Court explicitly preserving such setoff, and notwithstanding an indication of a claim or interest or otherwise that such Entity asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such claims or interests released or settled pursuant to the Plan.

In addition, under the Plan, CoBank will forbear from exercising any and all of its rights under the Guarantee Agreements as to the guarantors under such agreements who vote in favor of the Plan and otherwise comply with any applicable terms on Exhibit B to the Plan, so long as the Debtor and Reorganized CranGrow do not default or fail to satisfy any condition or obligation affecting CoBank under the Plan, including, without limitation, payment of the Allowed Secured Claim of CoBank in Class 2 under the Plan, subject to any other applicable conditions in any Exit Facility Documents.

6. Preservation of Retained Claims

Except as expressly provided in the Plan, nothing contained in the Plan or the Confirmation Order will waive or relinquish any rights and Retained Claims that the Debtor or the Estate may have under any provision of the Bankruptcy Code or any applicable non-bankruptcy law, including,

without limitation, (a) all Causes of Action and Avoidance Actions (except as to Released Parties, Participating Patron Members and any of the Debtor's Professionals as applicable); (b) any and all claims against any Person or Entity to the extent such Person or Entity asserts a crossclaim, counterclaim, and/or claim for setoff, recoupment, or which seeks any affirmative relief, in any form or manner whatsoever, against Reorganized CranGrow, the Debtor or the Estate, and their respective officers, directors, or representatives; (c) the turnover of any property of the Estate; (d) all claims against current or former insiders, officers, directors, members and employees of the Debtor; (e) all claims against creditors of the Debtor or counterparties to executory contracts or unexpired leases; and (f) all claims for offsets or reimbursements against the Debtor's vendors, suppliers and/or customers. All Retained Claims are preserved for the Debtor, the Estate and Reorganized CranGrow and will continue to remain valid after the Effective Date.

No Person or Entity may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Retained Claim against them as any indication that Reorganized CranGrow will not pursue any and all available Causes of Action against them. Except as expressly provided otherwise in the Plan, the Estate and Reorganized CranGrow, as applicable, expressly reserve all rights to prosecute any and all Causes of Action and Claim objections against any Person or Entity, including, without limitation, all Persons and Entities listed in Item Nos. 3 and 40 of the Debtor's Statement of Financial Affairs and all Persons who are parties in the Jensen Action, and any and all affiliates thereof.

7. Dissolution of Committee

On the later of (a) the Effective Date or (b) such date on which the Committee has satisfied its duties under this Plan, if any, the Committee will be dissolved and the members thereof will be released and discharged from all rights and duties from or related to the Chapter 11 Case.

8. Jurisdiction of Bankruptcy Court

The Bankruptcy Court will retain exclusive jurisdiction of all matters arising under, arising out of, or related to, the Chapter 11 Case and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code.

9. Modification of Plan

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

10. Withdrawal or Revocation

The Debtor may withdraw or revoke the Plan at any time prior to the Confirmation Date. If the Debtor revokes or withdraws the Plan prior to the Confirmation Date, or if the Confirmation Date does not occur, then the Plan is null and void. In such event, nothing contained herein or in the Plan constitutes a waiver or release of any Causes of Action, or Claim by or against the Debtor or the

Estate or any other Person or to prejudice in any manner the rights of the Debtor or any other Person in any further proceedings involving the Debtor.

VI. CERTAIN RISKS AND FACTORS AFFECTING THE DEBTOR

A. RISK OF NON-CONFIRMATION OF THE PLAN

Although the Debtor submits that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion or that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate resolicitation of votes.

B. FAILURE OF CONDITIONS PRECEDENT TO CONFIRMATION OR EFFECTIVENESS OF THE PLAN

The Plan provides for certain conditions that must be satisfied prior to Confirmation of the Plan and for certain other conditions that must be satisfied prior to the Effective Date. As of the date of this Disclosure Statement, there can be no assurance that any or all of the conditions in the Plan will be satisfied. Accordingly, there can be no assurance that the Plan will be confirmed by the Bankruptcy Court, and if the Plan is confirmed, there can be no assurance that the Plan will be consummated.

C. THE DEBTOR'S ACTUAL FINANCIAL RESULTS MAY VARY SIGNIFICANTLY FROM ITS PROJECTIONS

The projections and liquidation analysis included herein reflect numerous assumptions, including the consummation of the Plan. These projections should be viewed in conjunction with a review of these assumptions including the qualifications as set forth therein. The financial projections were prepared by professionals of the Debtor in good faith based upon assumptions believed to be reasonable at the time of preparation. While presented with numerical specificity, the financial projections are based upon a variety of estimates and assumptions subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Debtor. Actual results may vary materially from those presented. The financial projections have not been prepared to comply with the guidelines established with respect to projections by the SEC or the AICPA, have not been audited and are not presented in accordance with GAAP. This Disclosure Statement contains projected financial information that demonstrates the feasibility of the Plan and the ability of the Debtor to continue operations upon emergence from proceedings under the Bankruptcy Code. Such information was prepared for the limited purpose of furnishing holders of all Claims with adequate information to make an informed judgment regarding acceptance of the Plan. None of the projections should be regarded for the purpose of this Disclosure Statement as representations or warranties by the Debtor or any other person as to the accuracy of such information or that any such projections will be realized. The achievement of certain results or other expectations contained in these projections involve known and unknown risks, uncertainties and other factors which may cause actual results, performances or achievements described to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The Debtor does not plan to issue any updates or revisions to those forward-looking statements if or when changes in their expectations, or events, conditions or circumstances on which these statements are based, occur.

D. THE DEBTOR'S REMAINING INDEBTEDNESS MAY IMPAIR ITS FINANCIAL CONDITION AND ITS ABILITY TO GROW AND COMPETE

The Debtor continues to hold substantial secured debt. Although the Debtor anticipates that the Plan will significantly increase its liquidity, it still will have a significant level of debt upon consummation of the Plan. The Debtor's debt has important consequences for its financial condition, including:

- making the Debtor vulnerable to general adverse economic, competitive and industry conditions;
- limiting the Debtor's ability to obtain additional financing to support its operations;
- limiting the Debtor's ability to execute key strategies;
- requiring a portion of the Debtor's cash flow from operations for the payment of principal and interest on its debt and reducing its ability to use its cash flow to fund working capital, capital expenditures, execution of its business strategy, acquisitions, operations and general corporate requirements; and
- limiting the Debtor's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates.

E. THE DEBTOR'S CREDITOR BODY HAS NOT BEEN ESTABLISHED

The process of evaluating and reconciling Claims has not been completed, and outstanding disputes may remain that will need to be litigated or otherwise resolved. Further, the deadlines by which to file Claims, including Administrative Expense Claims and Professional Fee Claims all have not been set. Therefore, substantial, additional Claims could be asserted in the future. In composing the Plan, the Debtor has endeavored to consider what it believes are reasonable possibilities for Distributions to be made to holders of Allowed Claims. However, there can be no certainty that the Debtor's considerations in estimating such possibilities will be accurate and that creditors will receive Distributions as described in in this Disclosure Statement.

F. UNANTICIPATED CONDITIONS

Numerous factors will affect the Debtor and Reorganized CranGrow in unanticipated ways that are impossible to predict. Such factors include changes in general economic, environmental or industry conditions and could result in a number of risks and uncertainties such as, without limitation:

- the high degree of competition in the Debtor's business;
- the susceptibility of the Debtor's business to general economic conditions;
- discovery of unknown contingent liabilities;
- the interest rate environment;
- the ability to grow cranberries;

- the effect of tightened liquidity markets on the Debtor, growers, suppliers and customers; and

- future capital requirements.

VII. CONFIRMATION OF THE PLAN

A. REQUIREMENTS FOR CONFIRMATION OF THE PLAN

1. General Requirements of Section 1129

At the Confirmation Hearing, the Bankruptcy Court will determine whether the following confirmation requirements specified in section 1129 of the Bankruptcy Code have been satisfied:

- The Plan complies with the applicable provisions of the Bankruptcy Code.

- The Debtor has complied with the applicable provisions of the Bankruptcy Code.

- The Plan has been proposed in good faith and not by any means proscribed by law.

- Any payment made or promised by the Debtor or by a Person acquiring property under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Case, or in connection with the Plan and incident to the Chapter 11 Case, has been disclosed to the Bankruptcy Court, and any such payment made before confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable.

- The Debtor has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of Reorganized CranGrow under the Plan (and such is consistent with the interests of creditors and equity security holders and with public policy), and the identity of any insider that will be employed or retained by Reorganized CranGrow and the nature of any compensation for such insider has been disclosed.

- Any governmental regulatory commission with jurisdiction, after confirmation of the applicable Plan, over the rates of the Debtor, as applicable, has approved any rate change provided for in the applicable Plan, or such rate change is expressly conditioned on such approval.

- With respect to each Class of Claims or Interests, each holder of an impaired Claim or impaired Interest either has accepted the Plan or will receive or retain under the Plan on account of such holder's Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount such holder would receive or retain if the Debtor was liquidated on the Effective Date under chapter 7 of the Bankruptcy Code. In addition, should any Class make a valid section 1111(b) election under the Bankruptcy Code, the Plan provides that any Claims in such Class will receive under the Plan on account of such Claims, property of a value, as of the Effective Date of the Plan, that is not less than the value of such holder's interest in the Estate's interest in the property that secures such Claims, in accordance with section 1129(a)(7)(B). See discussion of "Best Interests Test" below.

- Except to the extent the Plan meets the requirements of section 1129(b) of the Bankruptcy Code (discussed below), each Class of Claims or Interests has either accepted the Plan or is not impaired under the Plan.

- Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Claims, if any, of the kind specified in sections 507(a)(1), (2), (3), (4), (5), (6), (7), or (8), are treated in accordance with section 1129(a)(9) of the Bankruptcy Code.

- Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of Reorganized CranGrow under the Plan, unless such liquidation or reorganization is proposed in the Plan. See discussion of feasibility below.

- All fees payable under section 1930 of title 28, as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

- The Debtor has not obligated itself to provide such benefits, if any for the continuation, after the Effective Date, of payment of all "retiree benefits" (as defined in section 1114 of the Bankruptcy Code).

2. Best Interests Tests

The "best interests of creditors" requires that, in order to be confirmed, a plan must be in the best interests of each holder of a claim or interest in an impaired class that has not voted to accept the plan. Accordingly, if an impaired class does not unanimously accept a plan, the best interests test requires that the bankruptcy court find that the plan provides to each non-consenting holder in such impaired class a recovery on account of such holder's claim or interest that has a value at least equal to the value of the distribution that each such holder would receive in a liquidation under chapter 7 of the Bankruptcy Code.

In performing this analysis, the Bankruptcy Court must determine the amount that would be generated from a chapter 7 liquidation of the Debtor's assets after deducting the costs of liquidation. This "liquidation value" would consist primarily of the proceeds from a forced sale of the Debtor's assets by a Chapter 7 trustee.

As a general matter, because the Debtor's management is knowledgeable about the Debtor's products, operations and history, among other things, a reorganization pursuant to the Plan will enable the Debtor to proficiently administer the Plan and maximize value for its creditors in the most cost-effective and sensible manner. On the other hand, a chapter 7 trustee's costs in liquidating the Estate would include the trustee's commissions, the trustee's expenses, fees for counsel and other professionals retained by the trustee, and additional Administrative Expense Claims, including asset disposition expenses, all unpaid expenses incurred by the Debtor in its Chapter 11 Case (such as compensation of professionals) that are allowed in the Chapter 7 case, litigation costs, and claims arising from the operations of the Debtor during the pendency of the Chapter 11 Case. The liquidation itself would likely trigger certain Priority Tax Claims and other Priority Non-Tax Claims that otherwise would be due in the ordinary course of business. These Claims would be paid in full from the liquidation proceeds before the balance would be made available to pay General Unsecured Claims. Furthermore, liquidation would also prompt the rejection of most, if not all, of the Debtor's

executory contracts and unexpired leases, thereby creating an increase in General Unsecured Claims. Most significantly, the amount of liquidation value available to unsecured creditors would be reduced by, first, the Allowed Claims of secured creditors to the .extent of the value of their collateral.

After accounting for all of the foregoing, any remaining net Cash would be allocated to creditors in strict priority in accordance with section 726 of the Bankruptcy Code.

Here, the substantial Claims of CoBank are secured by the Debtor's assets. In addition, without the Plan, there will be no partnership with Graceland, no participation from Patron Members, no Patron Member Contributions, no ability to create a reserve such as the General Unsecured Recovery Reserve or the Patron Member Claims Reserve, no Exit Facility and no ability to service the CoBank DIP Facility and pay the CoBank Pre-Petition Indebtedness. Accordingly, the proceeds from the liquidation of the Debtor's assets would likely be consumed by CoBank and substantial administrative costs even before reaching priority Claims. As shown in the liquidation analysis attached as **Exhibit 2** hereto, unsecured creditors will not recover anything in a chapter 7 liquidation, even when optimistically projecting a high liquidation value. Accordingly, the Debtor believes that general unsecured creditors will fare much better than in a chapter 7 liquidation if the Debtor is permitted to continue its reorganized business operations under the Graceland partnership with a restructured membership base, while monetizing existing inventory in a manner designed to maximize its value, all as contemplated by the Plan.

3. Feasibility

The Bankruptcy Code requires that a debtor demonstrate that confirmation of a plan is not likely to be followed by liquidation or the need for further financial reorganization. Here, this standard requires the Bankruptcy Court to find that Reorganized CranGrow has a reasonable probability of performing its obligations under the Plan, including its obligations under any debt instruments issued or extended under, and contracts entered into in connection with, the Plan.

The Debtor submits that the Plan is feasible. Reorganized CranGrow will be able to perform its obligations, pay off the Secured Claim of CoBank and the CoBank DIP Facility as restructured, and leverage its partnership with Graceland to continue and grow its business operations with sufficient liquidity and capital resources to operate.

The Debtor also submits that the Estate will have enough Cash to pay all Administrative Expense Claims, Professional Fee Claims, Priority Tax Claims, fees due the United States Trustee, any DIP Financing Claim, Real Property Taxes and Priority Non-Tax Claims in full as provided by the Plan and satisfy all other payment obligations under the Plan in accordance with and as required by the Plan.

The feasibility of the Plan is demonstrated by the financial model of Reorganized CranGrow (collectively, the "**Projections**") attached hereto as **Exhibit 3** hereto.

The Projections are based on numerous key assumptions and estimates including those summarized on **Exhibit 3**, and therefore are not necessarily indicative of the future financial condition or results of operations of Reorganized CranGrow, which may vary significantly. To the extent that the assumptions inherent in the Projections are based upon future business decisions and objectives, they are subject to change. In addition, although they are presented with numerical specificity and considered reasonable by the Debtor when taken as a whole, the assumptions and estimates underlying the Projections are subject to significant business, economic and competitive

uncertainties and contingencies, many of which will be beyond the control of Reorganized CranGrow. Accordingly, the Projections are only estimates that are necessarily speculative in nature. It can be expected that some or all of the assumptions in the Projections will not be realized, and that actual results will vary from the Projections, which variations may be material and are likely to increase over time. The Projections should therefore not be regarded as a representation by the Debtor or any other Person that the results set forth in the Projections will be achieved. In light of the foregoing, readers are cautioned not to place undue reliance on the Projections.

B. REQUIREMENTS OF SECTION 1129(B) OF THE BANKRUPTCY CODE

The Bankruptcy Code permits the bankruptcy court to confirm a chapter 11 plan of reorganization over the dissent of any class of claims or interests as long as the standards in section 1129(b) are met. This power to confirm a plan over dissenting classes - often referred to as "cramdown" - is an important part of the reorganization process. It ensures that no single group (or multiple groups) of claims or interests can block a restructuring that otherwise meets the requirements of the Bankruptcy Code and is in the interests of the other constituents in the case.

In the event that any impaired Class of Claims does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the proponent if, as to each impaired Class which has not accepted the Plan, the Plan "does not discriminate unfairly" and is "fair and equitable." Generally, a plan of reorganization "does not discriminate unfairly" against a class if the plan allocates value to that class in a manner consistent with the treatment afforded to other classes with similar legal claims against the debtor. "Fair and equitable" has different meanings for the holders of secured and unsecured claims, and for holders of interests. With respect to a secured claim, "fair and equitable" means either: (a) the impaired secured creditor retains its liens to the extent of its allowed claim and receives deferred cash payments at least equal to the allowed amount of its claim with a present value as of the effective date of the plan at least equal to the value of such creditor's interest in the property securing its liens; (b) property subject to the lien of the impaired secured creditor is sold free and clear of that lien, with that lien attaching to the proceeds of the sale, and such lien proceeds are treated in accordance with clauses (a) or (c) hereof; or (c) the impaired secured creditor realizes the "indubitable equivalent" of its claim under the plan.

With respect to an unsecured claim, "fair and equitable" means either: (a) each impaired unsecured creditor receives or retains property of a value equal to the amount of its allowed claim; or (b) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the plan.

With respect to a class of interests, "fair and equitable" means either: (a) the plan provides that each holder of an interest of such class receive or retain on account of such interest property of a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such interest; or (b) the holder of any interest that is junior to the interests of such class will not receive or retain any property under the plan on account of such junior interest.

In the event that one or more Classes of impaired Claims rejects the Plan, the Debtor requests that the Court confirm the Plan over the rejection by any such dissenting Class pursuant to section 1129(b) of the Bankruptcy Code. In that instance, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired Class of Claims. Here, the classification structure of Claims and

Interests in the Plan is appropriate given the legal character of the Claims and Interests. Moreover, holders of Interests are not receiving or retaining anything on account of their Interests. Thus, the Debtor believes that the Plan will satisfy both the "no unfair discrimination" requirement and the "fair and equitable" requirement should any impaired Class of Claims reject the Plan.

VIII. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

A. LIQUIDATION UNDER CHAPTER 7

If no plan is confirmed, the Chapter 11 Case may be converted to a case under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed to liquidate the Debtor's assets for distribution to creditors in accordance with the priorities set forth in the Bankruptcy Code. It is impossible to predict precisely how the proceeds of the liquidation would be distributed to the respective holders of Claims against or Interests in the Debtor. A discussion of the effects that a chapter 7 liquidation would have on the recovery of holders of Claims and Interests and the Debtor's liquidation analysis are set forth above.

B. ALTERNATIVE PLAN OF REORGANIZATION

If the Plan is not confirmed and/or consummated, other than a liquidation, the other alternative could be for the Debtor or any other party in interest could attempt to formulate a different plan of reorganization. Leading up to the commencement of the Chapter 11 Case and during the course of negotiation of the Plan, the Debtor explored various other alternatives and concluded that the Plan represented the best alternative to protect the interests of creditors and other parties in interest. The Debtor has not changed its conclusions. Furthermore, the Debtor submits that the cost, delay and uncertainty of any alternative to the Plan makes the Plan the best solution for the Estate and its constituents.

IX. TAX CONSIDERATIONS

The treatment of Claims and Interests under the Plan may have important tax implications for creditors and Interest holders. The Debtor has not performed and will not perform any analysis of such tax implications. This Disclosure Statement does not discuss any federal income tax consequences of the Plan to holders of Claims and Interests. The tax effects must be determined separately by each creditor and Interest holder for themselves. The Debtor makes no representations with respect to the tax implications of the Plan. DUE TO A LACK OF DEFINITIVE JUDICIAL OR ADMINISTRATIVE AUTHORITY AND INTERPRETATION, SUBSTANTIAL UNCERTAINTIES EXIST WITH RESPECT TO VARIOUS TAX CONSEQUENCES OF THE PLAN. FOR THE FOREGOING REASONS CREDITORS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS AS TO SPECIFIC TAX CONSEQUENCES (FEDERAL, STATE AND LOCAL) OF THE PLAN.

Each holder of a Claim is hereby notified that: (i) any discussion of U.S. federal tax issues in this Disclosure Statement is not intended or written to be used, and cannot be used, by such holder for the purpose of avoiding penalties that may be imposed on such holder under the Internal Revenue Code; (ii) each such holder should seek advice based on their particular circumstances from an independent tax advisor.

X. CONCLUSION

For all the reasons set forth in this Disclosure Statement, the Debtor submits that confirmation and consummation of the Plan is in the best interests of all creditors. The Debtor urges all creditors entitled to vote on the Plan to vote to accept the Plan and to evidence such acceptance by immediately returning their properly completed Ballots to the appropriate voting agent as set forth on the Ballots within the time stated in the notice served with this Disclosure Statement.

Dated: December 8, 2017

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