IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
America's Gardening Resource, Inc., *et al.*	Case No. 25-11180 (BLS)
Debtors.[1]	(Joint Administration Requested)

DECLARATION OF DAVID M. BAKER IN SUPPORT
OF CHAPTER 11 PETITIONS AND FIRST DAY PLEADINGS

I, David M. Baker, pursuant to 28 U.S.C. § 1746, declare under penalty of perjury that the following is true and correct to the best of my knowledge.

1. I, David M. Baker, am over 21 years of age and am competent to testify to the matters set forth herein. I am the Managing Partner of Aurora Management Partners Inc., a Georgia corporation ("AMP"). AMP is a financial consulting and advisory firm that specializes in providing crisis and turnaround management consulting to distressed companies. On or about May 14, 2025, AMP was engaged by America's Gardening Resource, Inc., on behalf of itself and its affiliates in the above-captioned cases (collectively, the "Company," or the "Debtors") to serve as the Chief Restructuring Officer and to provide certain financial and business advisory services. Since AMP's engagement, I have been actively involved in evaluating the Debtors' liquidity, cash management system, financial forecasting, and contingency planning. In my capacity as CRO, I am intimately familiar with the day-to-day operations of the Debtors, their businesses and financial affairs, and books and records.

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: America's Gardening Resource, Inc. (9604); Gardener's Home LLC (0498); Serac Corporation (9800); IGH, Inc. (9336); Innovative Gardening Solutions, Inc. (3325). The location of the Debtors' corporate headquarters and the Debtors' service address in these chapter 11 cases is 128 Intervale Road, Burlington, Vermont 05401.

2. I am a graduate of the University of North Carolina at Chapel Hill with a degree in accounting. I have over forty (40) years of diversified business experience in restructuring, financial management, and accounting. I have extensive experience in the development of reorganization plans, creditor negotiations, business plan preparation and long-term forecasting, developing and implementing cost reduction programs, and financial management of public and privately held companies. I have advised companies, boards, investors, and lender groups, and have served in interim management roles and led assignment in numerous districts.

3. Except as otherwise noted, all facts set forth in this Declaration are based on my personal knowledge, my discussions with members of the Debtors' senior management, my review of relevant documents or—based on my experience and knowledge of the Debtors' operations and financial conditions—my opinion. In making this Declaration, I have relied, in part, on information and materials that the Debtors' personnel and advisors have gathered, prepared, verified, and provided to me in each case under my ultimate supervision, at my direction and/or for my benefit in preparing this Declaration. If I were called to testify as a witness in this matter, I would testify competently to the facts set forth herein.

4. To minimize any disruption to the Debtors' operations and to ensure a smooth transition into chapter 11, the Debtors intend to request various types of relief in "first day" applications and motions (as more thoroughly described below, the "First Day Pleadings") in connection with the chapter 11 cases (the "Chapter 11 Cases").[2] I submit this Declaration in support of the Debtors' (a) voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") and (b) First Day Pleadings.

[2] Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the applicable First Day Pleadings, as applicable.

5. This Declaration is divided into two parts. Part I provides background information about the Debtors, their business operations, their corporate and capital structure, and the circumstances surrounding the commencement of the Chapter 11 Cases. Part II sets forth the relevant facts in support of each of the First Day Pleadings.

PART I—BACKGROUND

A. The Chapter 11 Filings.

6. On the date hereof (the "Petition Date"), each Debtor filed a voluntary petition in this Court for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to manage and operate their business as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

B. The Debtors.

7. America's Gardening Resource, Inc. ("AGR") is incorporated in the State of Delaware and is owned as an Employee Stock Ownership Plan ("ESOP"). The Trustee of the ESOP is James Zollo, of ESOP Trust Company. Together with its Debtor affiliates, the Company, commonly known by its trade name, "Gardener's Supply," is a multi-channel marketer of gardening products and equipment, as well as live goods for gardeners throughout the United States. The Company also manufactures its own products, which are sold as part of its retail line. The Debtors operate their business from their headquarters in Burlington, Vermont, as well as several garden, warehouse, and retail facilities located across Vermont, New Hampshire, and Massachusetts.

8. AGR is the proposed lead-Debtor in these Chapter 11 Cases and is the parent company of each of the other Debtors: Gardener's Home LLC ("Gardener's Home"); Serac Corporation ("Serac"); IGH Inc. ("IGH"); and Innovative Gardening Solutions, Inc. ("IGS").

9. AGR is primary operating company for the Debtors' direct-to-consumer business, which consists of quality garden tools, composters and soil improvement products, seed starting supplies, organic fertilizers and natural pest controls, containers, raised beds, garden furniture, water-saving irrigation products, power equipment, garden ornamentation, and indoor flowering holiday gifts, among many other products.

10. IGS operates the Debtors' main retail, catalog, and internet businesses (www.gardeners.com), including for purposes of the direct-to-consumer products described above.

11. Serac is the Debtors' manufacturing entity and produces approximately 150 of the products the Debtors offer. Serac performs light manufacturing and assembly of unique company products, which are shipped from the Serac facility.

12. IGH is an inactive, wholly-owned subsidiary of AGR that previously operated the Debtors' wholesale division.

13. Gardener's Home owns the Debtors' headquarters which houses the Company's back office, corporate functions, and customer service operations. The property was purchased in 1984.

C. The Debtors' Business.

14. The Debtors' business is highly cyclical because the Debtors primarily offer garden supply products. The Debtors enjoy the "garden season" between March and June of each year, and the "holiday season" between November and December. Between these two "hot" seasons, the Debtors historically funded their businesses with a line of credit through the Bank of America, as further described below.

15. During and immediately following the COVID-19 Pandemic (the "<u>Pandemic</u>"), the Debtors experienced significant sales and growth. As a result, the Debtors sales throughout the

course of 2020, 2021, and 2022 were higher than anticipated. As a result of these increased sales, particularly in fiscal years 2021 and 2022, the stock price valuation skyrocketed.

16. As an ESOP, this valuation inured to the benefit of the Debtors' employees—the shareholders. At the same time, several employees with significant tenure retired from their employ with the Debtors, thereby requiring the Debtors to fund the ESOP plan, stock appreciation plan, and warrant plan in order to pay the retirees. A drawback to an ESOP-owned company is that they incorporate higher than typical annual reporting, compliance, valuation, and audit costs. The retirement payments, though set to be paid over five (5) years, caused significant liquidity issues for the Debtors at the time and for its future projections to pay out the retirement obligations in coming years.

17. In fiscal years 2023 and 2024, the Debtors' sales returned to normal. On the heels of this, the Company also invested in numerous one-time systems and process improvements, including an Enterprise Resource System ("ERP"), which was cost approximately $500,000 to implement, but is expected to ultimately bring cost savings through business wide efficiencies. These additions did not go smoothly because the new systems and processes, and the implementation of the ERP resulted in customer fulfillment issues, which collectively depressed revenue by $5.0 to $10.0 million. The trailing result of these issues was an overleveraged balance sheet.

18. Total revenue in 2021 was $110.3 million; in 2022 was $105.4 million; in 2023 was $89.6 million; and in 2024 was $71.5 million.

D. The Debtors' Corporate Structure.

19. AGR is the direct parent company of each of the other Debtors, with none of the other Debtors owning an equity stake in each of the others. The equity is owned by the ESOP

Trust, as described above. The Board of Directors is comprised of Rebecca Gray, the CEO, and two independent directors.

E. The Debtors' Prepetition Debt and Capital Structure.

20. The following description of the Debtors' capital structure is for informational purposes only and is qualified in its entirety by reference to the documents setting forth the specific terms of such obligations and their respective related agreements.

i. Secured Debt

21. As of the Petition Date, the Debtors have approximately $8.2 million of funded secured debt obligations and approximately $4.0 million of cash on hand. The following table depicts the Debtors' prepetition capital structure, exclusive of accrued but unpaid cash interest and fees:

Debt Instrument	Maturity	Outstanding Amount
Bank of America ("**BofA**") LOC Loan (principal, interest and fees)	June 29, 2025	$4,421,223.61
BofA Equipment Loan (principal, interest and fees)	January 27, 2028	$616,089.92
Northfield Savings Bank		$3,168,930.26
Total Funded Debt:	$8,206,243.79	

The BofA LOC Loan

22. American Gardening Resources, Inc, Serac, Corporation, IGH, Inc. and Innovative Gardening Solutions, Inc. (collectively, the "BofA Borrowers") entered into a certain Amended and Restated Loan Agreement dated as of June 30, 2020, between the LOC Lender and BofA Borrowers (together with any prior amendments and/or modifications thereto, the "LOC Loan Agreement"), pursuant to which the LOC Lender made a line of credit loan to BofA Borrowers in the original maximum principal amount of $7,000,000.00 (the "LOC Loan"), as further evidenced

by a certain Promissory Note dated February 9, 2023, in the original amount of $7,000,000.00 (together with any prior amendments and/or modifications thereto, the "LOC Note").[3]

23. The LOC Loan Agreement amended and restated a prior Loan Agreement between America's Gardening Resource, Inc., Dutch Gardens, Inc., Flower Power Fundraising Inc., Serac, Corporation, Innovative Gardening Solutions, Inc., and the LOC Lender (together with any subsequent amendments and/or modifications thereto, the "Prior LOC Agreement").

24. In connection with the Prior Agreement, (i) BofA Borrowers each executed and delivered to the LOC Lender a Security Agreement dated as of June 29, 2007, and (ii) IGH executed and delivered to LOC Lender a Security Agreement dated as of April 25, 2014 (collectively, the "Borrower Security Agreements") granting the LOC Lender a security interest in and lien on substantially all of BofA Borrowers' business assets as further described therein ("BofA Borrower Collateral"), which BofA Borrower Security Agreements were ratified and affirmed in a certain Ratification of Security Agreements dated as of June 30, 2020 (the

[3] The LOC Loan Agreement was amended by (i) a certain Amendment No. 1 to Amended and Restated Loan Agreement dated as of December 18, 2020 ("Amend. No. 1"), (ii) a certain Amendment No. 2 to Amended and Restated Loan Agreement dated as of May 28, 2021 ("Amend. No. 2"), (iii) a certain Amendment No. 3 to Amended and Restated Loan Agreement dated as of October 20, 2021 ("Amend. No. 3"), (iv) a certain Amendment No. 4 to Amended and Restated Loan Agreement dated as of September 13, 2022 ("Amend. No. 4"), and (v) a certain Amendment No. 5 to Amended and Restated Loan Agreement dated as of February 9, 2023 ("Amend. No. 5" and, together with Amend. No. 1, Amend. No. 2, Amend. No. 3, and Amend. No. 4, the "LOC Amendments").

"Ratification"), and remain in effect and continue to secure the LOC Loan Agreement and the LOC Loan.

25. The LOC Lender perfected its liens against the BofA Borrower Collateral by filing UCC financing statements and various continuations with the Delaware Secretary of State and the Vermont Secretary of State.[4]

26. Gardener's Home, as guarantor, executed and delivered to LOC Lender a Continuing and Unconditional Guaranty dated as of October 16, 2024 (the "Gardener's Home Guaranty"), pursuant to which Guarantor guarantied BofA Borrowers' obligations to the LOC Lender pursuant to the LOC Loan Agreement.

27. To secure the Gardener's Home Guaranty, Gardener's Home executed and delivered to the LOC Lender a Mortgage, Security Agreement, Assignment of Rents and Fixture Filing, dated as of October 16, 2024, and recorded with the Clerk of Chittenden County on November 26, 2024, in Book 1763, Page 233 (the "Mortgage") granting Bank a second priority lien on and security interest in the real property owned by Guarantor and located at 128 Intervale Road, Burlington, Vermont 05401 (the "Intervale Property").

28. The LOC Loan Agreement, the LOC Note, the LOC Amendments, the BofA Borrower Security Agreements, the Ratification, the Gardener's Home Guaranty, the Mortgage,

[4] Specifically, the LOC Lender filed (a) an initial UCC Financing Statement against AGR with the Delaware Secretary of State (the "DE Recording Office") on June 26, 2007 (No 20072434255), which was amended and continued by UCC Amendments filed on December 16, 2009 (No. 20094021678), August 30, 2010 (No. 20103032954), January 4, 2012 (No. 20120038838), January 3, 2017 (No. 20170030962), and December 29, 2021 (No. 20210680636), (b) an initial UCC Financing Statement against IGH with the Vermont Secretary of State, Corporations/UCC Division (the "VT Recording Office") on April 28, 2014 (No. 14-268807), which was continued by UCC Amendments filed on November 1, 2018 and November 2, 2023, (c) an initial UCC Financing Statement against IGS with the VT Recording Offices on June 27, 2007 (No. 07-210093), which was amended and continued by UCC Amendments filed on December 17, 2009, April 6, 2012, January 3, 2017, and December 30, 2021, and (d) an initial UCC Financing Statement against Serac with the VT Recording Office on June, 27, 2007 (No. 07-210092), which was amended and continued by UCC Amendments filed on December 17, 2009, April 6, 2012, January 3, 2017, and December 30, 2021.

and any other documents executed by any Obligor in connection with the LOC Loan shall be referred to collectively herein as the "LOC Loan Documents."

The BofA Equipment Loans

29. On or about December 8, 2009, AGR and Equipment Lender separately entered into a Master Loan and Security Agreement Number 20661-70000 (as amended, supplemented, restated, extended and/or renewed, the "Equipment Loan Agreement").

30. Pursuant to the Equipment Loan Agreement, the Equipment Lender and America's Gardening Resource subsequently entered into (i) a certain Equipment Security Note Number 70004 dated as of January 26, 2023 ("Equipment Note"), pursuant to which Equipment Lender made an equipment loan to America's Gardening Resource in the original principal amount of $1,039,059.08 (the "Equipment Loan") secured by specific equipment identified in the Equipment Note (the "Equipment") and the rents, profits and proceeds thereof (together with the Equipment, the "Equipment Collateral").

31. The Equipment Loan Agreement, the Equipment Note, and any other documents executed by any of the Debtors in connection with the Equipment Loans shall be referred to collectively herein as the "Equipment Loan Documents".

32. The Equipment Lender perfected its liens against the Equipment Collateral by filing UCC financing statements and various continuations with the Delaware Secretary of State.[5]

[5] Specifically, the Equipment Lender filed (a) a UCC Financing Statement against AGR with respect to the Equipment with the DE Recording Office on January 27, 2023 (No. 20230715010), (b) a UCC Financing Statement against Serac with respect to the Equipment with the VT Recording Office on January 30, 2023 (No. 23-418418), and (c) a UCC Financing Statement against IGS and Serac with the VT Recording Office on December 17, 2009 (No. 09-231107).

The BofA Credit Card Loan

33. In addition to the LOC Loan Agreement and the Equipment Loan Agreement, America's Gardening Resource and BofA entered into a Corporate Card Services Agreement, dated April 30, 2019 (the "Card Agreement" and, together with the LOC Loan Agreement and Equipment Loan Agreement, the "BofA Loan Agreements"), pursuant to which BofA provided AGR with a revolving credit card loan with a current maximum principal amount of $1,500,000, which is contemporaneously being reduced to a maximum principal amount of $750,000 (the "Credit Card Loan" and, together with the LOC Loan and the Equipment Loans, the "BofA Loans").

34. The Card Agreement, together with any related or ancillary documents pertaining thereto shall be referred to collectively as the "Credit Card Loan Documents".

35. The LOC Loan Documents, the Equipment Loan Documents and the Credit Card Loan Documents shall be referred to collectively herein as the "BofA Loan Documents".

36. As of the Petition Date June 20, 2025, BofA Borrowers indebtedness to BofA totaled $5,148,190.70, consisting of (I) (A) principal on the LOC Loan of $4,400,000, (B) accrued and unpaid interest on the LOC Loan of $21,190.28, and (C) Bank fees and other charges due to the LOC Lender pursuant to the LOC Loan Agreement of $33.33, and (D) unreimbursed attorneys' fees and cost incurred by BofA in connection with the LOC Loan (collectively, the "LOC Prepetition Indebtedness"), (II) (A) principal on the Equipment Loans of $597,671.94, (B) accrued and unpaid interest on the Equipment Loans of $2,480.06, (C) Bank fees and other charges due to the Equipment Lender pursuant to the Equipment Loan Agreement and the Notes in the amount of $15,937.92, and (D) unreimbursed attorneys' fees and cost incurred by BofA in connection with the Equipment Loans (the "Equipment Loan Prepetition Indebtedness"), (III) billed and unpaid charges under the Credit Card Agreement of $110,867.17 (the "Prepetition Card Indebtedness"

69614/0002-50162569v1

and, together with the LOC Prepetition Indebtedness and the Equipment Loan Prepetition Indebtedness, the "Prepetition BofA Indebtedness").

37. The LOC Prepetition Indebtedness is secured by first priority liens on substantially all of the Borrowers' assets, including the Cash Collateral, and a second priority lien on the Intervale Property (the "Prepetition LOC Liens").

38. The Equipment Loans are secured by a first priority lien on the Equipment and a second priority lien on substantially all of Borrowers' assets (the "Prepetition Equipment Liens" and, together with the Prepetition LOC Liens, the "Prepetition BofA Liens").

39. The Prepetition BofA Liens (I) are valid, binding, enforceable, and perfected liens in the Borrower Collateral, the Intervale Property, and the Equipment Collateral (collectively, the "Prepetition BofA Collateral"), (II) were granted to BofA for fair consideration and reasonably equivalent value, and (III) are not subject to avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law.

40. The value of the BofA Collateral exceeds the amount of the Prepetition BofA Indebtedness based on the purchase price for the Debtors' assets set forth in the Stalking Horse Agreement, to wit, $9,000,000.00 (subject to adjustments).

Northfield Saving Bank

41. As of the Petition Date, America's Gardening Resource, Inc and Gardener's Home, LLC's (the "NSB Borrowers") indebtedness to NSB totaled $3,168,930.26, consisting of (I) (A) principal on an initial Commercial Real Estate Term Loan ("CREM I") dated December 19, 2017 of $1,094,295.29, (B) accrued and unpaid interest on the CREM I of $7,310.50, and (C) fees and other charges due to NSB pursuant to the CREM I Loan Agreement of $552.66, and (D) unreimbursed attorneys' fees and cost incurred by NSB in connection with the CREM I

(collectively, the "CREM I Prepetition Indebtedness"), (II) (A) principal on an initial second Commercial Real Estate Term Loan ("CREM II") dated December 19, 2017 of $790,354.15, (B) accrued and unpaid interest on the CREM II of $5,280.01, and (C) fees and other charges due to NSB pursuant to the CREM II Loan Agreement of $326.93, and (D) unreimbursed attorneys' fees and cost incurred by NSB in connection with the CREM II (collectively, the "CREM II Prepetition Indebtedness"), (III) (A) principal on a third Commercial Real Estate Term Loan ("CREM III") dated February 2, 2020 of $399,633.97, (B) accrued and unpaid interest on the CREM III of $2,163.35, and (C) fees and other charges due to NSB pursuant to the CREM III Loan Agreement of $160.03, and (D) unreimbursed attorneys' fees and cost incurred by NSB in connection with the CREM III (collectively, the "CREM III Prepetition Indebtedness"), (IV) principal on a fourth Commercial Real Estate Term Loan ("CREM IV") dated December 19, 2023 of $409,270.26, (B) accrued and unpaid interest on the CREM IV of $4,721.95, and (C) fees and other charges due to NSB pursuant to the CREM IV Loan Agreement of $157.87, and (D) unreimbursed attorneys' fees and cost incurred by NSB in connection with the CREM IV (collectively, the "CREM IV Prepetition Indebtedness"), and (V) (A) principal on a fifth Commercial Real Estate Term Loan ("CREM V") dated April 26, 2024 of $449,397.98, (B) accrued and unpaid interest on the CREM V of $5,047.24, and (C) fees and other charges due to NSB pursuant to the CREM V Loan Agreement of $258.07, and (D) unreimbursed attorneys' fees and cost incurred by NSB in connection with the CREM V (collectively, the "CREM V Prepetition Indebtedness" and, together with the CREM I Prepetition Indebtedness, the CREM II Prepetition Indebtedness, the CREM III Prepetition Indebtedness and the CREM IV Prepetition Indebtedness, the "NSB Prepetition Indebtedness").

42. The NSB Prepetition Indebtedness is secured by first priority lien on the Intervale Property and subordinate liens on substantially all of the Debtors' assets, including the Cash Collateral, (the "NSB Prepetition Liens").

43. The NSB Prepetition Liens (I) are valid, binding, enforceable, and perfected liens in the Intervale Property and collateral (together, the "NSB Prepetition Collateral"), (II) were granted to NSB for fair consideration and reasonably equivalent value, and (III) are not subject to avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law.

44. The NSB Prepetition Indebtedness constitutes legal, valid and binding obligations of the NSB Borrowers, enforceable in accordance with the terms of the applicable NSB loan documents. No setoffs, recoupments, offsets, defenses or counterclaims to any of the NSB Prepetition Indebtedness exist and no portion of the NSB Prepetition Indebtedness or any payments made to or for the benefit of the NSB are subject to avoidance, recharacterization, recovery, subordination, attack, offset, counterclaim, defense or "claim" (as defined in the Bankruptcy Code) of any kind pursuant to the Bankruptcy Code or applicable non-bankruptcy law.

The BofA Forbearance Agreements

45. The BofA Borrowers failed to comply with the Fixed Charge Coverage Ratio Covenant set forth in Section 7.5 of the LOC Loan Agreement for the period ending September 30, 2023, and December 31, 2023, each of which constituted an event of default pursuant to Section 8.12 of the LOC Loan Agreement, the "LOC Loan Defaults"). The LOC Loan Defaults each constituted an Event of Default pursuant to Section 10(8) of the Equipment Loan Agreement, the "Equipment Loan Cross-Default" and, together with the LOC Loan Default, the "Specified Defaults").

46. As a result of the Specified Defaults, the BofA Borrowers and BofA entered into a certain Forbearance Agreement dated as of April 25, 2024 (the "First Forbearance Agreement"), pursuant to which, among other things, LOC Lender agreed to forbear from enforcing its rights under the LOC Loan Agreements until September 30, 2024, on the terms and conditions set forth in the First Forbearance Agreement.

47. Thereafter, the BofA Borrowers and the LOC Lender entered into a certain Second Forbearance Agreement dated as of July 1, 2024 (the "Second Forbearance Agreement"), pursuant to which the LOC Lender agreed to temporarily increase the commitment amount of the LOC Loan and to continue to forbear from enforcing its rights under the LOC Loan Agreements until September 30, 2024, on the terms and conditions set forth in the Second Forbearance Agreement.

48. Thereafter, BofA and the BofA Borrowers entered into a Third Forbearance Agreement and Loan Agreement Modification dated as of October 16, 2024 (the "Third Forbearance Agreement"), pursuant to which BofA agreed to continue to forbear from enforcing its rights under the LOC Agreement, the Equipment Loan Agreement and the Card Agreement until June 30, 2025, on the terms and conditions set forth in the Third Forbearance Agreement.[6]

49. Among the conditions of the Third Forbearance Agreement was Gardener's Home executing and delivering to the LOC Lender, the Gardener's Home Guaranty and the Mortgage. Based on the Debtors' projections and lack of liquidity, the Debtors could not pay off the amounts owed under the Third Forbearance Agreement before the expiration date on June 29, 2025.

[6] Importantly, the LOC Agreement matures by its own terms as of June 29, 2025.

ii. Equity

50. In 1999, the ESOP was initiated and, in 2009, the Company became 100% employee-owned through the ESOP program. Annually, the ESOP repurchases shares from retirees and redistributes them based on tenure and performance, or redeems them into treasury, yet the Company still funds these repurchases. The Debtors, through America's Gardening Resource, ("AGR") can distribute payouts through a five-year installment note following retirement, disability, or death; and/or a five-year installment note following retirement, disability, or death, and five-year installment note on the sixth year following termination for other reasons.

iii. Cash Position

51. As of the Petition Date, the Debtors have approximately $4.0 million in cash and cash equivalents. Accordingly, the Debtors have approximately $4.0 million of available cash on hand with which to operate their business. In addition, as of the Petition Date, the Debtors have approximately $200,000.00 of professional retainer amounts to assist in funding these Chapter 11 Cases.

F. Events Leading to Chapter 11 Cases and Decision to Restructure.

52. As previously mentioned, sales waned following the Pandemic. In third quarter of 2023, AGR fell out of compliance with BofA due to underperformance against its demand plan for the 2023 season and higher-than-planned operating expenses. At the same time, AGR was undergoing a critical transition to a new Enterprise Resource System ("ERP") to eliminate the inefficiencies and costs associated with maintaining two separate systems, as the Debtors had previously done. In November 2023, AGR launched a new platform on NetSuite, transitioning to a new cloud-based website, and adopting Braintree as its payment processor.

53. However, the implementation of the Debtors' new Warehouse Management System ("WMS") presented challenges for the Debtors' fulfillment team, resulting in significant delays

during peak season. Over 60% of customer orders in May 2024 were delayed by 15–30 days, negatively impacting marketing effectiveness and customer retention metrics.

54. The Debtors made changes to their training and leadership teams in July 2024 to address the ongoing issues. At that time, AGR was operating under a forbearance agreement with BofA on account of the Debtors' financial shortfalls under the LOC Loan.

55. Despite these changes, due to continued market softness and seasonal underperformance, AGR was unable to exit the LOC Loan in the second quarter of 2024, a key requirement of the LOC Loan. This led to a third forbearance agreement, which expires on June 29, 2025.

56. Upon reviewing the Company's long-term financials, BofA elected to pull the Company's access under the LOC Loan. Their review highlighted that cash generated during the Pandemic surge—when AGR's ESOP-fueled share price tripled—was primarily paid out as equity to shareholders. Since then, business performance has declined to pre-Pandemic levels—or lower—resulting in diminished cash reserves and increased financial strain.

57. In response to these and other ongoing operational and financial challenges, the Company undertook a series of strategic actions aimed at stabilizing the businesses and positioning the Company for long-term sustainability. These efforts focused on both cost containment and revenue improvement, including:

(a) **Expense Reduction**: Implementation of targeted cost-cutting measures, including significant reductions in staffing, to right-size operations and align expenses with current revenue levels.

(b) **Marketing Enhancement**: A new external marketing firm was engaged to improve customer acquisition, retention, and overall brand performance.

(c) **Logistics Optimization**: Shipping contracts were renegotiated to reduce costs and improve delivery efficiency.

(d) **SKU rationalization**: Targeting the Company's assortment of drivers of demand and cutting unprofitable assortment

(e) **Capital Strategy**: Recognizing the business was undercapitalized, leadership initiated a process to explore opportunities for bringing in new capital to strengthen the financial foundation and support future growth.

58. Despite these measures, it became clear to the Company's management, that—in order to right-size the Company and ensure that its creditors and other stakeholders were able to maximize value—was to engage in a sale process, whether in in or outside of chapter 11.

G. Prepetition Marketing Process and Goal for Chapter 11.

59. In an effort to maximize value to stakeholders, the Company engaged Tower Partners, LLC ("Tower Partners") as its investment banker on December 17, 2024 in order to market for sale all of the Company's assets. Tower Partners conducted a robust prepetition marketing and sale process. Tower Partners' efforts included contacting, through their proprietary database and industry connections, 1,115 financial and strategic potential purchasers. Specifically, Tower Partners contacted 180 potential strategic purchasers and 879 potential financial purchasers, as well as 56 lenders. As a result, 51 separate non-disclosure agreements were executed, resulting in 8 indications of interest being signed. Three (3) letters of intent were submitted but just one asset purchase agreement, resulting in the ultimate selection of Gardens Alive, Inc.[7] as the stalking

[7] A Bidding Procedures and Sale Motion will be submitted contemporaneously with the filing of these Chapter 11 Cases are commenced.

horse purchaser for purposes of entering into chapter 11 with the ultimate goal of conducting a sale under section 363(b) of the Bankruptcy Code for all or substantially all of the Debtors' assets.

PART II—FIRST DAY PLEADINGS[8]

A. Administrative and Procedural First Day Pleadings.

i. Motion of the Debtors and Debtors-In-Possession for Entry of An Order (i) Directing Joint Administration of Chapter 11 Cases and (ii) Granting Related Relief (the "Joint Administration Motion").

60. I believe that joint administration of these cases will avoid the unnecessary time and expense of duplicative motions, applications, orders and other pleadings, and related notices, that otherwise would need to be filed in each separate case absent joint administration. I believe that joint administration will save considerable time and expense for the Debtors, the Clerk of the Court, the U.S. Trustee and other parties in interest, which will, in turn, result in substantial savings for the Debtors' estates.

61. I believe that joint administration would not adversely affect any creditors' rights because the Debtors' motion requests only the administrative consolidation of these cases for procedural purposes. It does not seek substantive consolidation of the Debtors' estates. Accordingly, I believe that joint administration of the Chapter 11 Cases is in the best interests of the Debtors, their estates, and all other parties in interest and should be granted in all respects.

62. As such, I submit that the relief requested in the Joint Administration Motion should be approved.

ii. Motion of the Debtors and Debtors-In-Possession for An Order Authorizing Debtor to (i) File a Consolidated List of the Debtors' Thirty Largest Creditors, (ii) Prepare a Consolidated Lit of Creditors in lieu of Submitting a Separate Mailing Matrix for Each Debtor, (iii) Granting Relate Relief (the "Consolidated Creditor Motion").

[8] Capitalized terms used but not defined herein have the meanings ascribed to them in the applicable First Day Pleading.

63. I believe that allowing the Debtors to maintain a single consolidated list of creditors ,in lieu of preparing and filing a separate creditor matrix for each Debtor, is warranted in these Chapter 11 Cases. Requiring the Debtors to segregate and convert their records to a Debtor-specific creditor matrix format would be unnecessarily burdensome and may result in duplicative mailings. In contrast, authorizing the Debtors to maintain a consolidated Creditor List, rather than preparing and filing a separate creditor matrix for each Debtor, will maximize efficiency and accuracy and will reduce costs. Consolidation will increase efficiency and decrease the administrative burden on their respective estates by reducing the need for duplicative mailings of required notices to parties in interest.

64. As such, I submit that the relief requested in the Consolidated Creditor Motion should be approved.

B. Operational First Day Pleadings.

iii. Motion of the Debtors and Debtors-In-Possession for Entry of Interim and Final Orders (i) Authorizing Continued (a) Use of Existing Cash Management System, Bank Accounts and Business Forms and Payment of Related Prepetition Obligations and (b) Performance of Intercompany Transactions in the Ordinary Course of Business, (ii) Granting Limited Waiver of Section 345(b) Deposit and Investment Requirements, and (iii) Granting Related Relief (the "Cash Management Motion").

69614/0002-50162569v1

65. In the ordinary course of business, the Debtors utilize an integrated, centralized cash management system typical of businesses of this nature and comparable to the centralized cash management systems used by other similarly sized companies to collect, concentrate, and disburse funds generated by its operations (the "Cash Management System"). The Cash Management System is tailored to meet the Debtors' operating needs. The Cash Management System enables the Debtors to efficiently collect and disburse cash generated by their businesses, pay their financial obligations, centrally control and monitor corporate funds and available cash, reduce administrative expenses, and efficiently obtain accurate account balances and other financial data. It is critical that the Cash Management System remain intact to ensure seamless continuation of operations and uninterrupted collection of revenues.

66. The Debtors' Cash Management System is comprised of eleven (11) bank accounts (the "Bank Accounts") with Bank of America, Northfield Savings Bank, and Mascoma Bank (the "Banks")—three accounts with Bank of America (one main operating account (the "Main Operating Account"), one checking account for the Debtors' Hadley, MA retail location (the "Hadley BoA Checking Account"), and one checking account for the Debtors' Greenland retail location (the "Greenland BoA Checking Account" and, together with the Hadley Checking Account, the "BoA Retail Checking Accounts")); one (1) deposit account with Mascoma Bank (the "Mascoma Account"); and seven (7) accounts with Northfield Savings Bank ("NSB")—one local deposit account for Gardener's Supply (the "NSB Main Account"), one deposit account for the Debtors' Williston, VT retail location (the "Williston NSB Account"), one deposit account for the Debtors' Burlington, VT retail location (the "Burlington NSB Account"), one account for Serac Corporation (the "Serac NSB Account"), one account for Gardener's Home LLC (the "Gardener's Home NSB Account"), one deposit account for the Debtors' Shelburne, VT retail location (the

"Shelburne NSB Account" and, together with the Williston NSB Account, the Burlington NSB Account, and the Gardener's Home NSB Account, the "NSB Secondary Accounts"), and one account for the Debtors' Employee Stock Ownership Plan (the "ESOP NSB Account"). A schedule of the Debtors' Bank Accounts is attached hereto as to the Cash Management Motion.

67. The Main Operating Account is the primary disbursement account used by the Debtors in the ordinary course of business. It is funded by transfers from the Debtors' other accounts and is used to pay, among other things, accounts payable, employee wages and benefits, insurance premiums, shipping charges, and other obligations via checks, ACH transfers, and wires. Funds deposited into the various Bank of America, NSB, and Mascoma accounts generally flow to the Main Operating Accounts through a series of daily sweeps and accounting-initiated ACH transfers, as described below.

68. The BofA Retail Checking Accounts are used to collect cash and check deposits—including deposits associated with World Pay, American Express, and other credit card transactions—from the Debtors' Hadley and Greenland retail locations. Associated merchant fees for those electronic transactions are deducted before funds are swept. The BofA Retail Checking Accounts automatically sweep their remaining balances into the Main Operating Account on a daily basis and do not serve a disbursement function.

69. The Mascoma Account is a local depository account maintained by the Debtors for their Lebanon, NH store. This account receives cash and check deposits from the store, along with daily deposits from World Pay, American Express, and other credit card sales. The Mascoma Account pays merchant fees associated with these credit card transactions directly, and the Debtors' accounting team periodically initiates transfers to move the remaining funds to the NSB

Main Account, described below. The Mascoma Account is not linked to the Cash Management System by an automated sweep.

70. The NSB Main Account is the Debtors' primary deposit account at Northfield Savings Bank. Funds flow into the NSB Main Account from two primary sources: (i) daily automatic sweeps from the NSB Secondary Accounts; and, (ii) manual transfers initiated from the Mascoma Account. The Debtors' accounting team then initiates manual transfers from the NSB Main Account to the Main Operating Account to fund disbursements made in the ordinary course.

71. The NSB Secondary Accounts consist of several location-specific and purpose-specific deposit accounts. Those accounts, and their functions, are described below:

(a) the Williston NSB Account is a zero balance account that collect cash, check, and credit card deposits from the Williston, VT retail store and pays associated merchant fees;

(b) the Burlington NSB Account operates similarly, but also collects World Pay, Shopify, and American Express deposits, as well as other miscellaneous accounts receivable;

(c) the Shelburne NSB Account is limited to World Pay deposits and does not collect any cash or check receipts. Payments of associated merchant fees are made from the account;

(d) the Gardener's Home NSB Account, which relates to Gardener's Home LLC (one of the Debtors, and an owner of the Debtors' headquarters), is a zero-balance account used to issue paper checks for property taxes, rent, and related expenses. This account does not collect deposits and is instead funded as needed from the NSB Main Account; and,

(e) the Serac NSB Account is the account associated with Serac Corporation. This account collects miscellaneous deposits from Serac Corporation and is also used to issue accounts payable checks to vendors. In addition, Paycom, the Debtors' third-party payroll processor, initiates ACH debits from the Serac NSB Account for payroll-related transactions.

72. All of the NSB Secondary Accounts automatically sweep their balances into the NSB Main Account each business day.

73. Finally, the ESOP NSB Account is a standalone account that was used solely in connection with the Debtors' Employee Stock Ownership Plan. It is not linked by automatic sweep or transfer to any of the other Bank Accounts. Deposits into the ESOP NSB Account were previously initiated by wire from the Main Operating Account as directed by the Debtors' third-party plan administrator, and disbursements to participants were similarly made via wire. However, as a result of the Debtors' current financial condition, such payments and deposits have ceased. Interest earned in the ESOP NSB Account remains in the account.

74. A flowchart demonstrating the movement of funds through the Cash Management System, broken down by those Bank Accounts, is attached as Exhibit D to the Cash Management Motion.

75. As described above, the Cash Management System is designed to effectuate, among other things, the collection of revenue from customers, pay operating expenses and reimbursements, and meet payroll obligations. The majority of the transactions through the Bank Accounts are automated clearinghouse ("ACH") or other electronic fund transfers.

76. The Cash Management System is primarily overseen by Beth Bailey, the Debtors' Controller, and David Evans, the Debtors' Assistant Controller. Although some of the Cash Management System is automated, these employees monitor the Bank Accounts and manage the collection and disbursement of funds, along with assistance from Quinn Valence, the Debtors' Accounts Payable Coordinator, and Amanda Root, the Debtors' Accounts Receivable Coordinator.

77. The Cash Management System is vital to the Debtor's ability to continue to access cash and maintain uninterrupted business operations. Given the critical functions that the Bank Accounts serve with respect to multiple aspects of the Debtors' business, it would be difficult, time

consuming and potentially disruptive for the Debtors to have to open new accounts and establish a new cash management system.

78. The Debtors submit that permitting them to maintain their current Cash Management System is in the best interest of the estates because it would preserve the Debtors' ability to satisfy postpetition obligations, maintain their relationships with customers, and preserve the value afforded to Debtors.

(a) Intercompany Transactions.

79. Historically, the Debtors engaged in intercompany transactions by and among each other (the "Intercompany Transactions"), resulting in intercompany receivables and payables (the "Intercompany Claims") that were recorded and reconciled. During these cases, the Debtors may continue the Intercompany Transactions in the ordinary course under section 363(c)(1) of the Bankruptcy Code. Out of an abundance of caution, the Debtors seek express authority, but not direction, to engage in the Intercompany Transactions post-petition. Consistent with their prepetition practice, the Debtors will maintain records of all transfers and account for all of the Intercompany Transactions.

80. In addition, the Debtors request that the postpetition Intercompany Claims be granted administrative expense priority status, subject and junior to any claims, including adequate protection and cash collateral, each, if applicable, granted in connection with the use of cash collateral in accordance with any interim and final orders, as applicable, approving the use of cash collateral.

(b) Corporate Credit Cards.

81. In the ordinary course of business, the Debtors utilize a corporate credit card program (the "Corporate Credit Card System") serviced by FNBO and Bank of America (the "Credit Card Servicers") to facilitate the payment of ordinary course business expenses. The

Debtors maintain (i) a credit card program serviced by FNBO (the "FNBO Cards"), which are issued to 19 employees for use in connection with authorized business-related expenditures, including travel, marketing, and incidental operational needs, and (ii) a credit card issued by Bank of America (the "BOA Card" and, together with the FNBO Cards, the "Corporate Credit Cards"), which is primarily used for marketing-related expenses and to pay certain vendors that require payment by credit card.

82. Credit limits on the FNBO Cards range from approximately $2,000 to 40,000, depending on the employee's role. The credit limit on the BOA Card is $750,000.

83. The Debtors remit payment on account of the Corporate Credit Cards on a monthly basis.

84. The Debtors submit that permitting them to maintain their current Corporate Credit Card System is in the best interest of the estates because it would preserve the Debtors' ability to satisfy postpetition obligations, maintain their relationships with vendors that require payment by credit card, and preserve the value afforded to the Debtors. Any disruption in the Corporate Credit Card System could materially impair the Debtors' operations.

(c) Business Forms

85. The Debtors use various Business Forms, such as checks, invoices and letterhead, in the ordinary course of business. Because the Business Forms were used prepetition, they do not reference the Debtors' current status as debtors in possession. Nonetheless, most parties doing business with the Debtors will be aware of the Debtors' status as debtors in possession as a result of the publicity surrounding the Chapter 11 Cases and the notice of commencement served on parties-in-interest. For this reason, the Debtors request that they be authorized to use existing

checks, deposit slips, and related forms without placing the label "debtor-in-possession" on each such form until such a time as their existing stocks are depleted.

(d) Bank Fees

86. The Debtors incur periodic service charges and other fees related to the Cash Management System (collectively, the "Bank Fees"). As of the Petition Date, the Debtors estimate that they owe approximately $4,000 in prepetition Bank Fees. The Debtors request authority, but not direction, to pay any prepetition Bank Fees for prepetition transactions that are charged postpetition and to continue to pay the Bank Fees in the ordinary course on a postpetition basis.

87. As such, I submit that the relief requested in the Cash Management Motion should be approved.

v. Motion of the Debtors and Debtors-In-Possession for Entry of Interim and Final Orders (i) Authorizing the Debtors to (a) Pay Prepetition Wages, Salaries and Other Compensation, and Reimbursable Expenses and (b) Continue Employee Benefits Programs, and (ii) Granting Related Relief (the "Employee Wages Motion").

88. As described more fully in the Employee Wages Motion, the continuation of the compensation (both in the form of salary and wages and benefit programs) for the Debtors' Employees is critical to the Debtors' continued operations and restructuring strategy. The relief requested in the Employee Wages Motion is complicated and voluminous, and, therefore, not set forth there in full. However, I believe that if the relief requested were not granted, and the employees not paid their earned wages the Company not permitted to continue honoring its benefits programs, that significant harm would occur to the Company. The Company's employees are one of its greatest assets, and payment of the Compensation and Benefits (as defined in the Employee Wages Motion) is necessary to avoid material disruption to the Company's ordinary-course operations. Without the relief requested in the Employee Wages Motions, I believe it is

likely that many employees would resign, which would jeopardize the operations of the Company and the success of these Chapter 11 Cases.

89. As such, I submit that the relief requested in the Employe Wages Motion should be approved.

vi. Motion of the Debtors and Debtors-In-Possession for Entry of Interim and Final Orders (i) Approving Debtors' Proposed Form of Adequate Assurance of Payment, (ii) Establishing Procedures for Resolving Objections by Utility Companies, (iii) Prohibiting Utility Companies from Altering, Refusing or Discontinuing Service, and (iv) Granting Related Relief (the "Utilities Motion").

90. As more fully described in the Utilities Motion, the Debtors obtain electric, telecommunications, and other similar utility services (the "Utility Services") from a variety of utility providers (the "Utility Companies"), a list of which is attached as an exhibit to the Utilities Motion (the "Utilities Services List"). I believe that uninterrupted Utility Services are essential to the Debtors' ongoing operations and the success of the Chapter 11 Cases. Should any Utility Company alter, refuse, or discontinue service, even briefly, the Debtors' business operations could be severely disrupted. The Debtors operate a complex business with significant operations across several states. Interruption of the Utility Services provided at any of their locations would disrupt necessary communication and coordination between the Debtors' employees, vendors, customers, and various regulatory authorities, and would prevent the provision of necessary support to these same parties. I believe that any such disruption would jeopardize the Debtors' ability to manage their restructuring efforts. As a result, it is essential that the Utility Services continue uninterrupted during the Chapter 11 Cases.

91. I believe that there are no material defaults or significant arrearages with respect to the undisputed invoices for prepetition Utility Services. On average, prior to the Petition Date, the Debtors spent approximately $65,458.83 each month on account of the Utility Services. Thus, I

believe that the proposed $32,729.44 utility deposit is appropriate and adequately protects the Utility Companies.

92. I believe and am advised that the Adequate Assurance Procedures (as defined in the Utilities Motion) are necessary to the success of the Debtors' Chapter 11 Cases because if such procedures are not approved, the Debtors could be forced to address numerous requests by Utility Companies for adequate assurance in a disorganized manner during the critical first weeks of the Chapter 11 Cases. Discontinuation of Utility Service could disrupt operations and jeopardize the Debtors' restructuring efforts and, ultimately, the value of the Debtors' estates and stakeholders' recoveries.

93. Based on the foregoing, I believe that the relief requested in the Utilities Motion would ensure the continuation of the Debtors' businesses at this critical juncture as the Debtors transition into chapter 11. Furthermore, I believe that the relief requested provides the Utility Companies with a fair and orderly procedure for determining requests for additional adequate assurance.

94. As such, I submit that the relief requested in the Utilities Motion should be approved.

vii. Motion of the Debtors and Debtors-In-Possession For Entry of Interim and Final Orders (i) Authorizing Debtors to Pay Certain Prepetition Shipping Charges, (ii) Authorizing Banks to Honor and Process Checks and Electronic Transfer Requests Related Thereto, and (iii) Granting Related Relief (the "Shippers Motion").

95. The Debtors are seeking authorization to pay certain undisputed, liquidated, prepetition claims of certain domestic common carriers, movers, shippers, truckers, and logistics management companies (the "Shippers"), who provide vital services to the Debtors to address their

shipping needs, and in each case who may assert or may seek to assert mechanics' and other possessory liens against the Debtors' property.

96. In the ordinary course of their business, the Debtors depend on the Shippers to transport or deliver goods, materials, equipment, and other property related to the Debtors' operations (the "Materials").

97. The Debtors pay the Shippers in arrears and, therefore, may be liable to the Shippers for certain prepetition amounts. The Debtors' possible failure to pay any such fees may entitle the Shippers to assert a lien, attempt to maintain possession of the Debtors' property, and/or fail to deliver the Debtors' property as and when due in the ordinary course of business. Likewise, the Debtors' possible failure to pay any such amounts may entitle any Shippers to assert a lien or attempt to take possession of the Debtors' property. Furthermore, applicable non-bankruptcy law may permit a Shipper to attach a lien on the goods in its possession, which lien secures the charges or expenses incurred in connection with the transportation or storage of such goods.[9] As a result, certain Shippers may refuse to deliver or release property in their possession or control before the prepetition amounts owed to them by the Debtors (the "Shipping Claims") have been satisfied and their liens redeemed. To continue using the Shippers' transportation services, and to continue to have access to the Materials held or controlled thereby, the Debtors request authority to pay any such Shipping Claims in the ordinary course of business on a postpetition basis.

98. As such, I submit that the relief requested in the Shippers Motion should be approved.

[9] By the Shippers Motion, the Debtors do not concede that any liens (contractual, common law, statutory, or otherwise) described in the Shippers Motion, or otherwise, are valid, and the Debtors expressly reserve the right to contest the extent, validity, and perfection of any and all such liens, and to seek avoidance thereof.

iv. Motion of the Debtors and Debtors-In-Possession for Entry of Interim and Final Orders (i) Authorizing the Debtors' Use of Cash Collateral, (ii) Granting Adequate Protection to Prepetition Secured Parties, (iii) Modifying the Automatic Stay, (iv) Scheduling a Final Hearing, and (v) Granting Related Relief (the "<u>Cash Collateral Motion</u>").

99. As a result of extensive negotiations, the Debtors have obtained the consent of the Prepetition Secured Parties for use of cash collateral on an interim basis, as more fully set forth in the Cash Collateral Motion, and pursuant to an agreed upon Budget. As consideration for the use of cash collateral, the Debtors have agreed to provide adequate protection in the form of replacement liens, superpriority claims, financial reporting, and interest payments, subject to the sale milestones and termination events.

100. As such, I submit that the relief requested in the Cash Collateral Motion should be approved.

v. Motion of the Debtors and Debtors-In-Possession for Entry of (i) an Order (a) Authorizing and Approving Bidding Procedures in Connection with the Sale of Substantially All of the Debtors' Assets, (b) Approving the Debtors' Entry into Stalking Horse Agreement and Related Bidding Procedures, (c) Scheduling the Auction and Sale Hearing, (d) Approving the Form and Manner of Notice thereof, and (e) Granting Related Relief; and (ii) an Order (a) Approving the Sale of Substantially All of the Debtors' Assets Free and Clear of All Encumbrances; and (b) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases (the "<u>Bidding Procedures and Sale Motion</u>").

101. Following the extensive prepetition marketing process described above, the Debtors consulted with their professionals and, after extensive arms'-length negotiations, entered into an asset purchase agreement (the "<u>Stalking Horse Agreement</u>") with Gardens Alive, Inc. as the buyer (the "<u>Stalking Horse Bidder</u>"), with the ultimate goal of conducting a sale under section 363(b) of the Bankruptcy Code. The Stalking Horse Agreement contemplates the sale to the Stalking Horse Bidder of substantially all of the Debtors' assets, free and clear of liens, for a

Purchase Price (as defined in the Stalking Horse Agreement) of $9,000,000.00 (subject to adjustments).

102. The Bidding Procedures and Sale Motion seeks, among other things, to establish Bidding Procedures (as defined therein) to provide a formal framework for the Sale, including scheduling an Auction and Sale hearing. The Bidding Procedures have been structured to elicit value-maximizing bids for the Debtors' Assets by facilitating an open and competitive Sale while taking into account the pressing need for the Debtors to sell their Assets as quickly as possible.

103. The Bidding Procedures and Sale Motion further seeks authorization from the Court to enter into, and perform under, the Stalking Horse Agreement, subject to higher and better bids, and approval of a Break-Up Fee for the Stalking Horse Bidder of 4% of the purchase price of the Stalking Horse Agreement, payable only if a purchaser other than the Stalking Horse Bidder is deemed the Successful Bidder, pursuant to the Bidding Procedures Order.

104. I believe that that the relief sought in the Bidding Procedures and Sale Motion will maximize the value of the Debtors' assets and is in the best interests of the Debtors' creditors and estates. As such, I submit that the relief requested in the Bidding Procedures and Sale Motion should be approved.

Conclusion

105. The foregoing describes the Debtors' business and capital structure, the factors that precipitated the commencement of the Chapter 11 Cases, and the proposed path for the Debtors' restructuring. The provisions of the Bankruptcy Code will assist the Debtors in implementing this strategy, with the goal of maximizing value for their constituents.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: June 20, 2025
Charlotte, NC

By: *_/s/ David M. Baker_*
Name: David M. Baker
Title: Chief Restructuring Officer
America's Gardening Resource, Inc., et al., *Debtors and Debtors-In-Possession*

69614/0002-50162569v1