Gina Anne Johnnie, WSBA No. 19189
Sherman Sherman Johnnie & Hoyt, LLP
693 Chemeketa St. NE
Salem, OR 97308
Telephone (503) 364-2281
gina@shermlaw.com

Of Attorneys for Creditor Wilbur-Ellis Company LLC

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WASHINGTON

In re BREWSTER HEIGHTS PACKING & ORCHARDS, LP,[1] Debtors.	Chapter 11 Lead Case No. 26-01136 Jointly Administered CREDITOR WILBUR-ELLIS COMPANY LLC'S LIMITED OBJECTION TO THE DEBTORS' MOTION TO APPROVE BID PROCEDURES

Wilbur-Ellis Company LLC ("Wilbur-Ellis"), a partially unsecured-creditor in this bankruptcy,[2] objects to certain portions of the Debtors' Motion for Entry of

[1] The debtors are Brewster Heights Packing & Orchards, LP (Case No. 26-01136); Gebbers Farms Inc. (Case No. 26-01140); Gebbers Orchards, Inc. (Case No. 26-01141); C&M II, LLC (Case No. 26-01137); D&E Storage, LLC (Case No. 26-01138); Eastco, LLC (Case No. 26-01139); GF SA, LLC (Case No. 26-01142); Northco, LLC (Case No. 26-01143); P&G Orchards, LLC (Case No. 26-01144); REPO, LLC (Case No. 26-01145); TJF Properties, LLC (Case No. 26-01146); Westco Orchards, LLC (Case No. 26-01147); and Westco Sales, Inc. (Case No. 26-01148).

[2] Wilbur-Ellis holds a first position crop lien on the 2026 crops for a portion of the amounts

Bid Procedures Order (Doc. 94) ("Motion"). Because the stalking horse bid is artificially low, the breakup fee is too high. Further, the process is on a tight timeline, with an exclusivity period ending on July 1, 2026, giving other bidders very little opportunity to engage in due diligence to determine if an overbid is viable. Moreover, all other potential bidders are not being afforded the same opportunity to assume debt as part of the purchase price, giving other bidders a further disadvantage. This objection is supported by the declaration of Teresa Pfau ("Pfau Dec") filed herewith.

On March 31, 2025, in connection with obtaining financing from Wilbur-Ellis, Debtor Brewster Heights Packing & Orchards, L.P. represented to Wilbur-Ellis that its total assets were worth $441,781,226.00 and its total debt equaled $374,738,978.00, leaving $67,042,248.99 in equity. (Pfau Dec., ¶ 2). In the application, Debtor Brewster Heights Packing & Orchards, L.P., through its then President, represented and warranted that this information was true and complete. (Id). Wilbur-Ellis relied upon Brewster Heights Packing & Orchards, L.P.'s representations in converting 2025 crop input costs from an open account to a longer-term payment arrangement. (Id. at ¶3). The combined Debtors have taken out an additional loan since March 31, 2025, but not $67 Million in additional debt.

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owing to it, but more than 50% of the debt owed by the combined debtors is unsecured. It is currently facing a loss of more than $3.2 Million.

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(See Doc. 10, pages 13 and 14).[3] Further, the drop in the market from March 31, 2026, to now cannot account for the enormity of the valuation difference.

If representations made on March 31, 2025, were true and correct, then the term sheet with Heritage Orchard is artificially and materially low. Its purchase price is $231,300,000.00. (Doc. 94, page 7). If stalking horse bid is not artificially low then the loss in value since March 31, 2025, is almost 50% or $210,481,226.00.[4] While the Debtors explain liquidity issues, they do not explain the dramatic loss in value of their operating businesses over a very short period. Further, it appears that the Debtors may not have reached out to all viable buyers given the objection filed by Borton & Sons, Inc. (See Doc. 51). While Wilbur-Ellis was not shocked that these bankruptcies were filed, it was shocking to learn that the Debtors plan to pay unsecured creditors nothing. (Pfau Dec ¶ 5). Given representations made to it, that it relied upon, there should be sufficient value to pay all creditors, including unsecured creditors, making the current bid procedures highly suspect.

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[3] Brook McGuire, the Chief Financial officer with the combined Debtors attested to a loan with Backstop Ag Capital in the amount of $8 Million obtained March 25, 2026. (Doc. 10, pages 13 and 14). All other loans appear to be prior to March 31, 2025.

[4] There must be some explanation but there is no opportunity to ask until after the time necessary to file an objection to the bid procedures. Given that no schedules are due until July 17, 2026 (Doc 61), and the 341a is not until July 2, 2026 (Doc 60), unsecured creditors have no ability to get an explanation under oath.

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If Heritage Orchard's agreed upon purchase price is artificially and materially low, then there will be other bidders, assuming other bidders have a fair opportunity to complete due diligence, submit bids and are afforded the same opportunities afforded to Heritage Orchard. If Heritage Orchard is out bid, then under these procedures, it will recover actual costs plus 3% of its purchase price ($6,939,000.00). (Doc. 94, page 7). While Wilbur-Ellis has no objection to Heritage Orchard recovering its reasonable and necessary actual expenses, it objects to the size of the breakup fee given the low bid, as well as the bid structure being afforded only to Heritage Orchard. According to the Debtors' Motion, Heritage Orchard is committing $75,000,000.00 of the purchase price but the balance ($156,300,000.00) is assumed debt. Given that Heritage Orchard is not financing the bulk of the purchase price, its breakup fee should be limited to 3% of the cash it is committing to the purchase price, for a total of actual reasonable expenses plus $2,250,000.00. Even that amount is hard to fathom given that the purchase price appears substantially and artificially low.

The ability to assume existing loans, which is not being offered to other qualified bidders, gives Heritage Orchard a significant advantage. Clearly, Heritage Orchard had time to work with existing lenders to gain approval to assume those loans. No other bidder will have the same opportunity, particularly

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with the speed with which this process will move under the Motion. This process gives Heritage Orchard a material competitive advantage over other bidders.

Wilbur-Ellis is concerned about the speed with which this sale will happen, particularly in light of the bid number. The timing in the bid procedures allows another bidder only 36 days to deliver a bid, following the exclusivity period (which expires on July 1, 2026). (Doc. 94, page 13). Granted, other bidders can review documents in a data room but cannot have substantive communications with the Debtors until after July 1, 2026. Doing due diligence on an operating entity that may be worth north of $400 Million should not be artificially fast especially when the unsecured creditors are facing zero recovery.

Frankly, it is inappropriate to have these bid procedures approved before schedules of assets are filed and before the 341a Meeting of Creditors. If the assets listed in the schedules bear out the values provided to Wilbur-Ellis on March 31, 2025, then even the Debtors would agree that Heritage Orchard's bid is artificially and materially low, guaranteeing that either it gets a screaming deal on the operating assets (because it has an unfair competitive advantage) or it recovers an enormous breakup fee, at the expense of unsecured and under-secured creditors.

In addition to these concerns, Wilbur-Ellis has serious concerns about professional fees in this case. For the Debtors alone, the current budget for their attorney fees and costs is $8,545,000.00 with other disclosed fees adding another

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$896,000.00. (Doc 29, page 93). Fees incurred by other professionals have not been fully disclosed or capped. Wilbur-Ellis has been advised that the overall professional fees in the original DIP budget were, at one point, as high as $35 Million. If the DIP fully disclosed all fees and agreed to a cap, then this may be a non-issue. However, given the rush to sell an operating entity at 52.36% of its true and correct value about 15 months ago and given that unsecured and under-secured creditors are expected to collect nothing, Wilbur-Ellis respectfully asks this Court to carefully consider the professional fee issue, as well as the bid process being proposed by the Debtors.

CONCLUSION

For the reasons stated herein, this Court should deny the Debtors' motion and require the Debtors' to set up a process that ensures that other bidders have the same opportunities as the stalking horse bidder. That is the only way these operating businesses will be sold for a fair market value. At the least, the breakup fee should be reduced and professional fees capped so that there is some possibility that sale proceeds will filter down to unsecured and under-secured creditors.

Dated this 18th day of June, 2026.

SHERMAN SHERMAN JOHNNIE & HOYT, LLP

/s/Gina Anne Johnnie

Gina Anne Johnnie, WSBA No. 19189
gina@shermlaw.com
Of Attorneys for Creditor Wilbur-Ellis Company LLC

CERTIFICATE OF SERVICE

I certify that on June 18, 2026, I electronically filed the foregoing document through the CM/ECF system, which caused notifications to be sent to all registered parties in the case who are more fully described on the Notice of Electronic Filing.

SHERMAN SHERMAN JOHNNIE & HOYT, LLP

/s/Gina Anne Johnnie

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