

1 **Daniel Weintraub - Bar #132111**
2 **James R. Selth - Bar #123420**
3 **Elaine V. Nguyen - Bar #256432**
4 **WEINTRAUB & SELTH, APC**
5 **11766 Wilshire Boulevard, Suite 1170**
6 **Los Angeles, CA 90025**
7 **Telephone: (310) 207-1494**
8 **Facsimile: (310) 442-0660**
9 **Email: elaine@wsrlaw.net**

10 [Proposed] Attorneys for Debtor
11 and Debtor-in-Possession, ESSENTIAL LIVING FOODS, INC.

12 **UNITED STATES BANKRUPTCY COURT**
13 **CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION**

14 In re:
15 ESSENTIAL LIVING FOODS, INC.

16 Case No.: 2:16-bk-25844-RK
17 Chapter 11

18 Debtor and Debtor-In-Possession.

19 **DEBTOR'S MOTION FOR ORDER**

- 20 **1. APPROVING THE SALE OF**
21 **SUBSTANTIALLY ALL ASSETS OF**
22 **THE ESTATE FREE AND CLEAR OF**
23 **LIENS, CLAIMS, INTEREST AND**
24 **ENCUMBRANCES PURSUANT TO 11**
25 **U.S.C. §363(B)(1) AND (F)(2); AND**
26 **2. AUTHORIZING ASSUMPTION AND**
27 **ASSIGNMENT OF CERTAIN**
28 **UNEXPIRED LEASES AND**
EXECUTORY CONTRACTS

MEMORANDUM OF POINTS AND
AUTHORITIES; DECLARATION OF
KIPP STRODEN IN SUPPORT THEREOF

Hearing

Date: January 10, 2017
Time: 3:00 p.m.
Place: 255 E. Temple Street
Los Angeles, CA 90012
Courtroom 1675

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Otto Preminger Films, Ltd. v. Qintex Entm't., Inc. (In re Qintex Entm't, Inc.), 950 F.2d 1492, 1495 (9th Cir. 1991); *see also*, In re Anchor Exploration Co., 30 B.R. 802, 808 (Bankr. N.D. Okla. 1983) 16

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Titusville Country Club v. Pennbank (In re Titusville Country Club), 128 B.R. 396, 399 (Bankr. W.D. Pa. 1991); *see also*, In re Walter, 83 B.R. at 19-20 17

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1 **TO THE HONORABLE ROBERT N. KWAN, UNITED STATES BANKRUPTCY**
2 **JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE AND ALL OTHER**
3 **INTERESTED PARTIES:**

4 Essential Living Foods, Inc., a Florida corporation and the debtor and debtor in
5 possession herein ("Debtor" or "ELF") in the above captioned Chapter 11 case (the "Case"),
6 hereby moves the Court for an Order ("Sale Order") approving the *Debtor's Motion for Order*
7 *Approving the Sale of Substantially All Assets of the Estate Free and Clear of Liens, Claims,*
8 *Interests, and Encumbrances Pursuant to 11 U.S.C. § 363(b)(1) and (f)(2)* ("Motion").
9

10 This Motion is brought pursuant to 11 U.S.C. §§ 363 (b)(1) and (f)(2) on the grounds
11 that the Debtor has determined that it is in the best interest of the estate and its creditors to seek
12 a sale of substantially all of the Debtor's assets and property ("Assets") to Terraholdings, LLC
13 ("Terraholdings" or "Buyer"), or such party that is the prevailing bidder at the auction (the
14 "Sale"). The Debtor believes that such a sale provides the best opportunity for maximizing the
15 value of the estate. To maximize the value received for the Assets and manage the sale process,
16 the Debtor has implemented certain sale procedures ("Sale Procedures"), which were approved
17 by an order of this Court entered on December 28, 2016 [Docket #49]

18 The Debtor has negotiated a sale which if consummated will result in full payment to
19 senior secured creditor Gerber Finance, Inc. ("Gerber"), and a distribution to unsecured
20 creditors. Based upon discussions among the principals, it is believed that the junior secured
21 lienholders Scorpion Group, LLC ("Scorpion") and Vered Private Equity, LLC ("Vered") will
22 consent to the sale and agree to be treated as a general unsecured creditor and shall participate in
23 any distributions made to general unsecured creditors from the Purchase Price on a *pro rata*
24 basis based upon the amounts of their claims.
25
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1 Because Debtor has little operating capital and almost no equity in its assets, if the sale
2 is not approved within a short period of time, operations will completely stop, the Debtor's
3 relationships with health food stores and grocery stores such as Whole Foods Market, Inc.
4 ("Whole Foods") and Costco Wholesale Corporation ("Costco") will deteriorate, with
5 customers leaving the brand. If this happens, there will be nothing to sell.
6

7 The Motion is based upon the Sale Procedures, the Notice of Motion filed concurrently
8 herewith, the *Notice of Sale of Estate Property* filed with the Clerk of the Court, the
9 Memorandum of Points and Authorities and Declaration of Kipp Stroden ("Stroden
10 Declaration") attached hereto and all pleadings, papers and records on file with the Court and
11 other evidence and argument, oral or documentary, as may be presented to the Court at the time
12 of the hearing on the within Motion.
13

14 **PLEASE TAKE FURTHER NOTICE** that if you wish to object to or oppose the relief
15 sought by the Motion, you must appear at the hearing scheduled by the Court and file and serve
16 any responsive pleading on Debtor's attorney no later than **January 6, 2017**. Pursuant to Local
17 Bankruptcy Rule 9013-1(h), papers not timely filed and served may be deemed by the court to
18 be consent to the granting or denial of the motion, as the case may be.
19

20 **WHEREFORE**, the Debtor respectfully requests that the Court enter an order:

- 21
- 22 1. Approving the Motion and authorizing, pursuant to a sale order in substantially
23 the form attached to the Stroden Declaration as **Exhibit "1"** ("Sale Order"), the
24 sale of the Assets as defined herein to Buyer or to a bidder with a higher, better
25 or otherwise best bid for the Property (which such highest and best bidder may
26 be Buyer or a qualified third party overbidder, and is hereinafter referred to as
27 the "Successful Bidder"), pursuant to the terms of that certain Asset Purchase
28

1 Agreement (“Purchase Agreement”) attached as **Exhibit “2”** to the Stroden
2 Declaration, or if not to Buyer pursuant to its existing bid, then to an overbidder
3 pursuant to terms that are substantially similar to the Purchase Agreement;

4
5 2. Authorizing, with appropriate findings as set forth in the Sale Order, the sale of
6 the Property to the Successful Bidder, free and clear of all claims, liens, security
7 interests, charges, encumbrances, adverse interests of any kind and all other
8 liabilities, including, without limitation, successor liabilities pursuant to Section
9 363 of the Bankruptcy Code;

10
11 3. Finding that the Successful Bidder has acted in good faith and is entitled to the
12 protections of 11 U.S.C. §363(m);

13 4. With appropriate findings of the Court regarding the adequacy of notice to
14 creditors and parties in interest relating to the within Motion;

15 5. Waiving the fourteen (14) day stay of order provided in Rules 6004(h) and
16 6006(d) of the Federal Rules of Bankruptcy Procedure; and

17
18 6. Granting such other and further relief as the Court deems just and appropriate.
19

20 Dated: December 30, 2016

WEINTRAUB & SELTH, APC

21
22 By /s/ Elaine V. Nguyen
23 Daniel J. Weintraub
24 James R. Selth
25 Elaine V. Nguyen
26 [Proposed] Attorneys for Debtor and
27 Debtor-in-Possession,
28 ESSENTIAL LIVING FOODS, INC.

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I.**

3 **INTRODUCTION**

4
5 ELF hereby moves this Court for an order authorizing the Debtor to sell substantially all
6 of its assets to Terraholdings, LLC ("Terraholdings" or "Buyer"), in accordance with the terms
7 of the *Asset Purchase Agreement* attached to the Stroden Declaration as **Exhibit "2"** (the
8 "Purchase Agreement"). The Debtor has been marketing its assets for sale since December
9 2015 and the purchase price of up to \$1,500,000 ("Purchase Price") represents the highest and
10 best offer received by the Debtor. The Purchase Price represents fair consideration for the
11 estate and puts the estate in a position to pay senior secured creditor Gerber Finance, Inc. in full,
12 with a distribution to general unsecured creditors as explained below.
13
14

15 The Debtor has limited cash and no post-petition financing to continue its operations in
16 chapter 11 and the estate and its creditors will suffer immediate and irreparable harm in the
17 event the sale is not approved and closed expeditiously. Thus, unless a sale is expeditiously
18 consummated, the business will be forced into liquidation, resulting in a massive deterioration
19 in the value of the business, a loss of jobs, and the loss of any recovery for unsecured creditors.
20

21 **II.**

22 **FACTUAL BACKGROUND**

23 **A. Jurisdiction**

24
25 On December 1, 2016 ("Petition Date"), the Debtor commenced the instant bankruptcy
26 case ("Bankruptcy Case") by filing an emergency petition under Chapter 11 of the United States
27 Bankruptcy Code, 11 U.S.C. § 101 *et seq.* ("Bankruptcy Code"). The Debtor continues its
28

1 business operations as a debtor in possession pursuant to Sections 1107 and 1108 of the
2 Bankruptcy Code. The Court has jurisdiction over this case under 28 U.S.C. §§ 157 and 1334.
3 These matters constitute core proceedings under 28 U.S.C. § 157(b)(2)(A) and (O).
4

5 **B. History of the Debtor**

6 Incorporated in 2004, ELF, is a benefit corporation¹ that sells sustainably sourced
7 organic superfoods², sourced from small farms around the world with concentrations in
8 Ecuador, Peru and Indonesia. Beon Holdings, Inc., is ELF's parent company and does not own
9 any assets other than its interest in ELF.
10

11 ELF's mission is to support sustainable agricultural practices and support meaningful
12 farm development. ELF is a member of "1% of the Planet", an organization whose members
13 donate at least 1% of their annual net revenues to environmental organizations worldwide.
14 ELF's primary products include goji berries, golden berries, maca, raw cocoa, smoothie blends,
15 trail mixes, supplements and other organic superfoods and snacks. ELF sells its products in
16 health food stores and grocery stores across the country, including Costco and Whole Foods.
17

18 Currently, ELF has a co-manufacturing facility in Commerce, a third-party logistics
19 warehouse in Los Angeles and several warehouses. ELF has eight (8) full time employees,
20 consisting of an account manager, sales staff, warehouse and logistics manager, food and safety
21 manager and administrative staff. Kipp Stroden is the Debtor's Chief Executive Officer.
22

23
24 ¹ In the United States, a benefit corporation is a type of for-profit corporate entity, authorized by
25 30 U.S. states and the District of Columbia that includes positive impact on society, workers, the
26 community and the environment in addition to profit as its legally defined goals. Benefit
27 corporations differ from traditional C corporations in purpose, accountability, and transparency,
28 but not in taxation.

² Foods high in nutritional value and usually also high in anti-oxidants.

1
2 **C. The Debtor's Lienholders**

3 As set forth below and the UCC Report attached to the Stroden Declaration as **Exhibit**
4 **"3"**, the Debtor's secured creditors are:

- 5
- 6 1. **Gerber:** The Debtor and Gerber entered into that certain Loan and Security
7 Agreement dated June 10, 2015 ("Gerber Loan") whereby Gerber made loans and
8 advances to the Debtor. As of the Petition Date, the amounts due under the Gerber
9 Loan had an unpaid principal balance of approximately \$1,085,000. Gerber asserts
10 that the amounts due under the Gerber Loan are secured by a perfected blanket lien
11 on all or substantially all the Debtor's assets by the loan documents and a UCC-1
12 Financing Statement filed on June 9, 2015, as Document No. 201504081097.
 - 13 2. **Scorpion:** The Debtor and Scorpion entered into that certain Secured Convertible
14 Promissory Note dated November 17, 2014 ("Scorpion Loan") whereby Scorpion
15 loaned the Debtor the principal amount of \$25,000.00 to the Debtor. Scorpion
16 asserts that the amounts due under the Scorpion Loan are secured by a blanket lien
17 on all or substantially all the Debtor's assets by the loan documents and a UCC-1
18 Financing Statement filed on August 6, 2014 as Document No. 201401959227.
 - 19 3. **Vered:** The Debtor and Vered entered into that certain Secured ("Vered Loan")
20 whereby Vered loaned the Debtor the principal amount of \$400,000.00 to the
21 Debtor. Vered asserts that the amounts due under the Vered Loan are secured by a
22 blanket lien on all or substantially all of the Debtor's assets by virtue of a UCC-1
23 Financing Statement filed on November 19, 2014 as Document No. 201402611763.
 - 24 4. **Equipment Financing Lenders:**
25
26
27
28

- 1 a. RLC Funding A Division of Navitas Lease Corp (“RLC”). RLC’s claim is
2 secured by claim is secured by certain equipment of the Debtor. The Debtor
3 is behind one pre-petition payment of \$1,571.24. Attached to the Stodden
4 Declaration as **Exhibit “4”** is a true and correct copy of the RLC Finance
5 Agreement. RLC will be brought current at Closing from the Purchase Price
6 and the Finance Agreement assigned to the Buyer.
7
8 b. CIT Finance, LLC/ Summit Funding Group (“Summit”). Summit’s claim is
9 secured by certain equipment of the Debtor. The Debtor is behind one pre-
10 petition payment of \$2,634.24. Attached to the Stodden Declaration as
11 **Exhibit “5”** is a true and correct copy of the Summit Lease Agreement No.
12 105119. Summit will be brought current at Closing from the Purchase Price
13 and Lease Agreement No. 105119 assigned to the Buyer.
14
15 c. Wells Fargo Bank N.A. (“WFB”): WFB has a lien on a fork lift, which has
16 been paid in full.
17

18 RLC and Summit are hereinafter referred to as the “Equipment Finance Lenders”.

19 **D. Debtor’s Marketing Efforts**

20 The Debtor believes that an orderly, going concern sale of the Assets will maximize the
21 value of its estate for the benefit of creditors and other interest parties and is therefore preferable
22 to any effort to dispose of the Assets on a piecemeal basis, which will yield significantly less
23 than a sale of the company.
24

25 On December 28, 2015, ELF engaged Mirus Securities, Inc. (“Mirus”), a financial
26 advisory and investment banking firm in order to provide services in connection with (1) a
27 possible private placement of equity; and (2) a possible sale of at least a substantial amount of
28

1 the assets or the capital stock. For the past year, the Debtor has been actively marketing the sale
2 of the company and engaged in discussions with several potential purchasers of the company.
3 Mirus has solicited over 50 angel investors and approximately 120 institutional investors. The
4 majority of these angels and institutions rejected the investment opportunity based on the debt
5 load of the company and a lawsuit pending from Pegasus Capital advisors (a previous investor).
6

7 Throughout the summer and fall of 2016, Mirus and the Debtor engaged in discussions
8 for a possible sale with Sentry Financial, Better Body Foods, Healthy Brands Collective, The
9 Hecht Family Office, and a Hollywood celebrity. While these individuals/entities made serious
10 expressions of interests, none signed a written offer or paid a deposit.
11

12 Post-petition, the Debtor was introduced to Terraholdings by Tylor Gage, the CEO of
13 Runa beverage company, a company that is unrelated to the Debtor company. Terraholdings is
14 not an insider of the Debtor, and the Debtor has no prior relationship with Terraholdings or its
15 CEO, David Bermeo.
16

17 Terraholdings is the only prospective buyer that has signed an asset purchase agreement,
18 and paid a deposit towards the consummation of a sale. On December 15, 2016, Terraholdings
19 executed an *Offer To Purchase Assets of Essential Living Foods, Inc.*, ("Terraholdings Offer") a
20 copy of which is attached hereto as **Exhibit "6"** to the Stroden Declaration. On December 22,
21 2016, the parties entered into a Purchase Agreement, a copy of which is attached as **Exhibit "2"**
22 to the Stroden Declaration. The Purchase Agreement is the only signed offer for the Assets,
23 pays senior secured Gerber in full, and is the highest best price the Debtor has received thus far.
24 On December 15, 2016, Terraholdings paid an initial deposit of \$50,000 ("Deposit") to Debtor's
25 counsel trust account pending the Closing.
26
27

28 The Debtor will continue to market a sale of the company until the Sale Hearing.

1 Pursuant to the Purchase Agreement, in the event an overbid occurs and Terraholdings is not the
2 ultimate purchaser of the Assets, Terraholdings will receive a break-up fee in an amount of 4%
3 of the Purchase Price.
4

5 **III.**

6 **PROPOSED SALE**

7 **A. Purchase Price**

8 As set forth in the Purchase Agreement, and subject to approval of the Bankruptcy Court
9 and overbids, Buyer has offered to purchase the Assets in an amount not higher than One
10 Million Five Hundred Thousand Dollars (\$1,500,000) (the "Purchase Price"), which shall be
11 allocated as follows:
12

- 13 - The amount owed by the Debtor to its senior lender, Gerber which is estimated
14 by the Debtor to be approximately \$1,123,570.68 plus reasonable legal fees and
15 other expenses (the "Gerber Payoff Amount"), shall be paid in full from the
16 Purchase Price.
17
- 18 - Based upon prior negotiations, it is believed that the junior secured lienholders
19 Scorpion Group, LLC ("Scorpion") and Vered Private Equity, LLC ("Vered")
20 will consent to the Sale and agree to be treated as general unsecured creditors
21 and shall participate in any distributions made to general unsecured creditors
22 from the Purchase Price on a *pro rata* basis based upon the amounts of their
23 claims.
24
- 25 - The Cure Payments required to be made to assume and assign certain leases of
26 real property, leases of personal property and/or executory contracts to which the
27 Debtor is a party which Buyer desires to assume, up to the sum of \$25,000, shall
28

1 be paid from the Purchase Price. In the event that the total amount of the Cure
2 Payments exceeds \$25,000, the Buyer shall be responsible for the payment of the
3 excess amount of the Cure Payments (over \$25,000).

- 4
5 - The balance of the Purchase Price remaining after payment of the Gerber Payoff
6 Amount and the Cure Payments (up to the sum of \$25,000) shall be allocated to
7 pay the Debtor's administrative and general unsecured creditors.

8 On December 15, 2016, Buyer wired a Deposit of \$50,000, to Weintraub & Selth's
9 attorney client trust account pending the Closing (as defined below). If the transaction shall
10 close as contemplated, the Deposit shall be credited to the Purchase Price at Closing. If the
11 transaction does not close for any reason other than the malfeasance of Buyer, the deposit shall
12 be returned to the Buyer forthwith.

13
14 **B. The Terms of the Proposed Sale**

15 The following is a summary of the proposed material terms of the sale of the Property to
16 Buyer pursuant to the Purchase Agreement. To the extent of any inconsistency, the Purchase
17 Agreement controls:
18

19 1. **ASSETS.** Buyer shall purchase all tangible and intangible assets belonging to
20 the Debtor and/or in which the Debtor has any interest, or some lesser portion thereof as
21 Buyer may designate in its sole discretion, including, without limitation, the Debtor's
22 inventory, accounts receivable, cash, prepayments and deposits, customer purchase
23 orders, product formulas and blends, know-how, company name, trade names, domain
24 names, social media accounts, trademarks and other intellectual property held by the
25 Debtor and its parent company, Beon Holdings, Inc., contract rights (but none of the
26 Debtor's outstanding liabilities thereunder), furniture, fixtures and equipment, fixed
27 assets, books and records of the Debtor, and all claims and causes of action belonging to
28 the Debtor and its bankruptcy estate, including, without limitation, all causes of action

1 arising under Chapter 5 of the Bankruptcy Code, free and clear of all liens, claims,
2 interests and encumbrances.

3 2. **ASSUMED CONTRACTS.** Buyer may, in its sole discretion, designate certain
4 leases of real property, leases of personal property and/or executory contracts to which
5 the Debtor is a party which Buyer desires to assume (collectively, "Assumed
6 Contracts"). In the event that Buyer designates one or more Assumed Contracts, Debtor
7 shall seek approval from the Bankruptcy Court to assume and assign to Buyer such
8 Assumed Contracts pursuant to 11 U.S.C. § 365, and to determine the amount of any
9 "cure" payments required to be made in connection with the assumption of such
10 Assumed Contracts ("Cure Payments"), so that the assumption and assignment of the
11 Assumed Contracts to Buyer can be effectuated at or prior to the Closing Date. At any
12 time prior to the Closing Date, Buyer may, in its sole discretion and for any reason
13 whatsoever, remove an Assumed Contract from the list of Assumed Contracts to be
14 assumed by the Debtor and assigned to Buyer.

15 3. **EXCLUDED LIABILITIES.** Notwithstanding anything herein to the contrary,
16 and other than the liabilities and obligations arising from the Assumed Contracts after
17 the Closing Date, the Parties expressly acknowledge and agree that the Assets shall be
18 sold to Buyer, free and clear of all liens, claims, interests and encumbrances, and Buyer
19 shall not assume, be obligated to pay, perform or otherwise discharge or in any other
20 manner be liable or responsible for any liabilities, indebtedness, and obligations of the
21 Debtor, whether existing on the Closing Date or arising thereafter.

22 4. **CLOSING.** Subject to the terms and conditions hereof, the closing of the sale of
23 Assets contemplated by this Agreement (the "Closing") shall take place at a location and
24 on a date and time mutually agreed upon by the Parties; provided, however, that the date
25 of the Closing (the "Closing Date") shall not be later than January 13, 2017, or such later
26 date as the Parties may agree. If the Closing cannot or does not occur by January 13,
27 2017, or such later date agreed to by the Parties, Buyer shall be relieved of its
28 obligations under the terms of this Agreement, shall not be required to proceed with the
purchase of the Assets, and shall be entitled to the prompt return of the full amount of
the Deposit. The Closing shall be effective for economic and accounting purposes as of

1 5:00 p.m. (Pacific time) on the Closing Date and may be conducted electronically if
2 agreed to by the Parties.

3 5. **TRANSFER OF TITLE.** Following the entry of the Sale Order and on or
4 before the Closing, the Debtor shall execute and deliver a bill of sale with respect to the
5 Assets and all such other good and sufficient instruments of sale, transfer and
6 conveyance consistent with the terms and provisions of this Agreement, which forms
7 shall be provided by Buyer and reasonably acceptable to the Debtor. Title to and
8 possession of the Assets shall immediately pass to Buyer upon the Closing, on the
9 Closing Date.

10 **IV.**

11 **THE PROPOSED SALE SHOULD BE APPROVED**

12 **PURSUANT TO 11 U.S.C. §363(b)(1) AND 11 U.S.C. §363(f)**

13 A review of the applicable cases interpreting Sections 363(b)(1) and (f) of the
14 Bankruptcy Code and, in light of the aforementioned facts, indicates that a sound basis exists
15 for Court approval of this sale.

16 **A. The Sale Should be Approved Under Section 363(b)(1)**

17 Section 363(b)(1) of the Bankruptcy Code empowers a debtor in possession to “sell . . .
18 other than in the ordinary course of business, property of the estate.” 11 U.S.C. §363(b)(1). The
19 authority to sell assets conferred upon a debtor by Section 363(b)(1) “include[s] a sale of
20 substantially all the assets of an estate.” Otto Preminger Films, Ltd. v. Qintex Entm't., Inc. (In
21 re Qintex Entm't, Inc.), 950 F.2d 1492, 1495 (9th Cir. 1991); *see also*, In re Anchor Exploration
22 Co., 30 B.R. 802, 808 (Bankr. N.D. Okla. 1983) (court should have wide latitude to approve
23 sale under Section 363(b)). A bankruptcy court's power to authorize a sale under Section 363(b)
24 is to be exercised at the court's discretion. In re WPRV-TV, 983 F.2d 336, 340 (1st Cir. 1993),
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1 New Haven Radio, Inc. v. Meister (In re Martin-Trigona), 760 F.2d 1334, 1346 (2d Cir. 1985),
2 Committee of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1069
3 (2d Cir. 1983); Stephens Indus., Inc. v. McClung, 789 F.2d 386, 390-91 (6th Cir. 1986).

4
5 In the Ninth Circuit, “cause” exists for authorizing a sale of estate assets if it is in the
6 best interest of the estate and a business justification exists for authorizing the sale. In re
7 Huntington, Ltd., 654 F.2d 578 (9th Cir. 1981); In re Walter, 83 B.R. 14, 19-20 (9th Cir. B.A.P.
8 1988).

9
10 In evaluating the propriety of a sale of property of the estate, courts have evaluated
11 whether: (1) there be a sound business reason for the sale; (2) accurate and reasonable notice of
12 the sale be given to interested parties; (3) the price to be paid is adequate i.e., fair and
13 reasonable; and (4) the parties to the sale have acted in good faith. Titusville Country Club v.
14 Pennbank (In re Titusville Country Club), 128 B.R. 396, 399 (Bankr. W.D. Pa. 1991); see also,
15 In re Walter, 83 B.R. at 19-20.

16
17 An examination of each of the above four factors shows that the sale as proposed herein
18 should be approved.

19 1. Sound Business Justification.

20 The Ninth Circuit Bankruptcy Appellate Panel in Walter v. Sunwest Bank (In re
21 Walter), 83 B.R. 14,19 (9th Cir. B.A.P. 1988) adopted a flexible case-by-case test to determine
22 whether the business purpose for a proposed sale justifies disposition of property of the estate
23 under Bankruptcy Code section 363(b) as follows:
24

25 Whether the proffered business justification is sufficient depends on the case. As the
26 Second Circuit held in Lionel, the bankruptcy judge should consider all salient factors
27 pertaining to the proceeding and, accordingly, act to further the diverse interests of the
28 debtor, creditors and equity holders, alike. He might, for example, look to such relevant
factors as the proportionate value of the asset to the estate as a whole, the amount of

1 elapsed time since the filing, the likelihood that a plan of reorganization will be
2 proposed and confirmed in the near future, the effect of the proposed disposition on
3 future plans of reorganization, the proceeds to be obtained from the disposition vis-a-vis
4 any appraisals of the property, which of the alternatives of use, sale or lease the proposal
5 envisions and, most importantly perhaps, whether the asset is increasing or decreasing in
6 value. This list is not intended to be exclusive, but merely to provide guidance to the
7 bankruptcy judge.

8 In re Walter, 83 B.R. at 19-20, citing In re Continental Air Lines, Inc. 780 F.2d 1223, 1226 (5th
9 Cir. 1986).

10 The facts of this case support the Debtor's business decision to consummate a sale and is
11 in the best interest of the Debtor's creditors. The Debtor does not have sufficient operating
12 capital or post-petition financing to continue its operations. In addition, the Debtor's cash
13 collateral authority with senior secured lender Gerber expires on July 10, 2017. The *Stipulated*
14 *Order For Use Of Cash Collateral From December 26, 2016 Through January 10, 2017 And*
15 *Order Thereon* [Docket # 48] ("Cash Collateral Order") provides that:

16 On or before December 16, 2016, presentment of a binding letter of intent
17 which provides for full payment to Lender on account of the Pre-Petition
18 Indebtedness or is otherwise acceptable to Lender in its sole and absolute
19 discretion, and **which provides for a sale approved pursuant to Section**
20 **363 of the Bankruptcy Code to close no later than January 10, 2017;**
21 provided, however, that Lender may extend either deadline in its sole and
22 absolute discretion in writing;

23 See Cash Collateral Order Section 15.k. [*emphasis added*]

24 Thus, the Debtor must consummate a sale by January 10th, otherwise the Debtor will
25 have no cash or cash collateral with which to continue its operations and will need to, lay off its
26 employees, and shut its doors and sell its assets on a piecemeal basis. No creditor other than
27 Gerber will receive anything from a liquidation of the Debtor's assets.

28 In contrast, the sale as proposed herein will pay Gerber in full, with a distribution to
general unsecured creditors. Thus, the Debtor submits that the sale is justified by a sound
business purpose.

1 2. Accurate and Reasonable Notice.

2 Pursuant to §363(b)(1), a debtor in possession must give notice of any sale of property
3 of the estate. Transactions not in the ordinary course of business are generally governed by
4 Federal Rule of Bankruptcy Procedure 6004. Rule 6004(a) refers, in turn, to Rule 2002(a),
5 which requires a twenty-one (21) day notice period for any “proposed use, sale, or lease of
6 property of the estate other than in the ordinary course of business, unless the court for cause
7 shown, shortens the time...” FRBP 2002(a).
8

9 Concurrently herewith, the Debtor is mailing notice to all creditors and parties in interest
10 of the proposed sale. On December 21, 2016, Debtor filed a *Notice Of Motion And Motion For*
11 *Order (1) Approving Sale Procedures For The Sale Of Estate Property (2) Setting A Hearing*
12 *On Motion For Sale Of Assets Of Estate* (“Sale Procedures Motion”), which requested a sale
13 hearing of January 10, 2016, which is less than 21 days’ notice and was granted by the Court.
14

15 Thus, the Debtor has satisfied the notice requirements.

16 3. Adequate Price.

17 On December 28, 2015, ELF engaged Mirus Securities, Inc., a financial advisory and
18 investment banking firm in order to provide services in connection with (1) a possible private
19 placement of equity; and 2) a possible sale of at least a substantial amount of the assets of the
20 capital stock. For the past year, the Debtor has been actively marketing the sale of the company
21 and engaged in discussions with several potential purchasers of the company.
22

23 Despite several serious expressions of interest, Terraholdings is the only prospective
24 buyer that has signed an asset purchase agreement, and paid a deposit towards the
25 consummation of a sale. Concurrently with the filing of this Motion, the Debtor is filing and
26 serving to all creditors and parties a Notice of Sale of Estate Property and has filed a Sales
27
28

1 Procedures Motion, so that the sale is subject to overbid. Overbidding, will increase the
2 likelihood that the estate will receive the highest and best price for the Assets.

3 4. Good Faith.

4 Finally, the Sale is proposed in good faith. The “good faith” requirement focuses
5 principally on the element of special treatment of a debtor’s insiders in the sale transaction.
6 Industrial Valley Refrig. And Air Cond. Supplies, Inc, 77 B.R. 15, 21 (Bankr. E.D. Pa. 1987).

7 Here, the Buyer is not an insider or affiliate of the Debtor, and the negotiations between the
8 Buyer and Debtor regarding the proposed Sale were at arms-length and no collusion was
9 involved. Neither the Debtor, nor the Debtor’s CEO Kipp Strodden have a prior relationship
10 with Terraholdings or its CEO David Bermeo. The Purchase Agreement was extensively
11 negotiated by all parties and all of the sale proceeds will go to pay creditors. .

12 **B. The Motion Should Be Granted Under 11 U.S.C. Section 363(f)**

13 Section 363(f) of the Bankruptcy Code describes the circumstances under which a
14 debtor in possession may sell property of the estate free and clear of any interest of third parties
15 in such property. Section 363(f) provides, in pertinent part:

16 The trustee may sell property under subsection (b) or (c) of this section free and
17 clear of any interest in such property of an entity other than the estate, only if—

- 18 (1) applicable nonbankruptcy law permits sale of such property free and clear of such
19 interest;
20 (2) such entity consents;
21 (3) such interest is a lien and the price at which such property is to be sold is greater than
22 the aggregate value of all liens on such property;
23 (4) such interest is in bona fide dispute; or
24 (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money
25 satisfaction of such interest.

26 11 U.S.C. §363(f).
27
28

1 Section 363(f) of the Bankruptcy Code was drafted in the disjunctive. Thus, a debtor
2 need only meet the provisions of one of the five subsections of section 363(f) in order for a sale
3 of property to be free and clear of all liens, claims and interests.

4 The parties asserting an interest in the Debtor's assets are as follows:

5
6 1. Senior Lender Gerber.

7 Gerber will be paid in full at the Closing of the sale unless there is a dispute as to
8 Gerber's secured claim, in which case Gerber's lien will attach to the proceeds pending
9 resolution of the claim.

10
11 2. Junior Lienholders Scorpion, Vered and the Equipment Finance Lenders.

12 To the extent any Scorpion, Vered and the Equipment Finance Lenders affirmatively
13 consent or fail to object to this Motion, section 363 (f)(2) permits the sale free and clear of
14 Liens. In re Eliot, 94 B.R. 343,345 (E.D.Pa.1988). In the Eliot case, the bankruptcy court
15 approved the sale by a trustee of certain real property that was subject to a mortgage in favor of
16 Citibank. Citibank had received notice of the sale, but did not timely file an objection to the
17 sale. After the sale occurred, Citicorp filed a motion to set aside the sale, which was handled by
18 the bankruptcy court as an adversary proceeding. The bankruptcy court dismissed the
19 complaint to set aside the sale, and Citicorp appealed the ruling. The district court affirmed the
20 dismissal, and, in so doing, stated:

21
22 ... if any of the five conditions of § 363(f) are met, the Trustee has the authority to
23 conduct the sale free and clear of all liens.

24 In this case, the authority for the sale can be found in 11 U.S.C. § 363(f)(2). That section
25 allows the Trustee to sell the property free and clear of all liens because Citicorp
26 consented to the sale. **Citicorp consented to the sale by failing to make any timely
objection after receiving notice of the sale.** Citicorp contends that implied consent is
27 insufficient to satisfy the consent requirement of § 363(f)(2). I disagree.
28

1 In re Elliot, 94 B.R. 343, 345, 1988 U.S. Dist. LEXIS 14495, *5 (E.D. Pa. 1988) [*emphasis*
2 *added*].

3
4 In its ruling, the Eliot court relied on In re Gabel, 61 B.R. 661 (Bankr. W.D.La.1985),
5 which held that implied consent is sufficient to authorize a sale under §363(f)(2). See also, In re
6 Ex-Cel Concrete Company, Inc. 178 B.R. 198, 203 (9th Cir. BAP 1995) (“The issue here is
7 whether there was consent or non-opposition by Citicorp”); FutureSource LLC v. Reuters Ltd.,
8 312 F.3d 281, 285 (7th Cir. 2002) (Lack of objection, provided, of course, there is notice,
9 counts as “consent,” for purposes of section of the Bankruptcy Code permitting an interest in
10 estate property to be extinguished by a bankruptcy sale if there is consent by the interest
11 holder).

12
13
14 All of the parties that assert a security interest in the Assets will receive notice of the
15 proposed sale and will have an opportunity to respond to this Motion. Moreover, if any other
16 individual or entity believes that it has a security interest in the Assets, it will have an
17 opportunity to assert a claim in response to this Motion. Therefore, based upon the authority set
18 forth above, the Debtor requests that the Court approve the Sale free and clear of all liens,
19 claims, encumbrances and/or interests of any parties who may assert such liens, claims,
20 encumbrances and/or interests against the Assets and who do not file a timely objection to the
21 proposed sale by deeming all such parties to have consented to the proposed sale pursuant to
22 Section 363(f)(2) of the Bankruptcy Code.

23
24 //

25
26 //

27
28 //

V.

ASSUMPTION AND ASSIGNMENT OF UNEXPIRED LEASES

AND EXECUTORY CONTRACTS

The Purchase Agreement requires that the Debtor assume and assign certain executory contracts and unexpired leases in which the Buyer desires to assume. Buyer desires to assume the two (2) leases with the Equipment Finance Lenders: the RLC Finance Agreement and Summit Lease Agreement No. 105119 (“Equipment Leases”). Each lease is behind one pre-petition payment for a total cure amount of \$4,205.48 (“Cure Amount”).

Bankruptcy Code Section 365(a) and 1107(a) authorize a debtor in possession, “subject to the Court’s approval...[to] assume or reject any executory contract or unexpired lease of the debtor.” A debtor in possession may assume or reject executory contracts for the benefit of the estate.

Pursuant to Bankruptcy Code section 365(b)(1), assumption of executory contracts and unexpired leases requires a debtor to: (a) cure any existing defaults under such agreements; (b) compensate all non-debtor parties to such agreements for any actual pecuniary loss resulting from defaults; and (c) provide adequate assurance of future performance under the contract or lease. 11 U.S.C. § 365(b)(1).

Under section 365(f) of the Bankruptcy Code, a debtor, after assuming a contract may assign its rights under the contract to a third party. 11 U.S.C. §365(f). In re Crow Winthrop Operating Partnership, 241 F.3d 1121, 1124 (9th Cir. 2001) (finding that section 365(f) permits the assignment of contracts by debtors notwithstanding de facto anti-assignment clauses so as to permit debtors from realizing the full value of their assets).

1 Here, the Buyer desires to assume the equipment leases. The Purchase Agreement
2 provides for a reserve of \$25,000 in order to cure any unexpired leases and executory contracts.
3 The Debtor is only behind one pre-petition payment to each of the Equipment Finance Lenders,
4 which totals \$4,205.48. Since the Buyer desires to assume the equipment leases, it is an
5 appropriate exercise of the Debtor's business judgment to seek to assume and assign those
6 executory contracts and unexpired leases to facilitate the Debtor's efforts to maximize the value
7 of the estate for its creditors through this sale transaction. The Debtor submits that the notice
8 provisions and objection deadline for counterparties to raise objections to the assumption and
9 assignment of the leases, are adequate to protect the rights of the nondebtor counterparties to the
10 executory contracts and unexpired leases. Furthermore, the Equipment Leases that will be
11 assumed and assigned will be cured in full. Thus, the Debtor requests authority to assume and
12 assign any unexpired lease or executory contract that the Buyer so designates.
13
14
15

16 **VI.**

17 **THE COURT HAS THE DISCRETION TO AND SHOULD WAIVE THE**
18 **FOURTEEN-DAY PERIOD FOR THE EFFECTIVENESS OF A SALE ORDER**
19

20 Rule 6004(h) of the Federal Rules of Bankruptcy Procedure provides: "An order
21 authorizing the use, sale, or lease of property other than cash collateral is stayed until the
22 expiration of 14 days after entry of the order, unless the court orders otherwise." Fed. R. Bankr.
23 P. 6004(h).
24

25 The court can eliminate or reduce the 14-day stay period upon a showing that there is a
26 sufficient business need to necessitate an immediate closing within the 14-day period and the
27 interests of any objecting party, taking into account the likelihood of success on appeal, are
28

1 sufficiently protected. 10-6004 Collier on Bankruptcy P 6004.11. In Yamaha Motor Corp.,
2 USA v. Perry Hollow Mgmt. Co., Inc. (In re Perry Hollow Mgmt. Co., Inc.), 297 F.3d 34, 41
3 (1st Cir. 2002), the court affirmed the bankruptcy court's decision to waive the waiting period of
4 Rule 6004(g) (now (h)). The appellate court found that the bankruptcy court acted properly
5 within its discretion to waive the stay where the evidence at the hearing established that the sale
6 price was reasonable, the buyer was ready to complete the sale the next day and there would be
7 a charge for storage if there were a delay.
8

9 Similarly, in Hower v. Molding Sys. Eng'g Corp., 445 F.3d 935, 938 (7th Cir. 2006) ,
10 the court affirmed the elimination of the stay where the debtor was down to its last five dollars,
11 had dozens of employees who needed to be paid and a purchaser who made \$250,000 available
12 to keep operations going. In In re Nature Leisure Times, LLC, 59 C.B.C.2d 121, 2007 Bankr.
13 LEXIS 4333 (Bankr. E.D. Tex. Dec. 19, 2007), the court noted that it was appropriate to
14 eliminate the waiting period under Rule 6004(h) because the estate had negative cash flow and
15 the trustee should not be required to continue to operate the estate with third party moneys.
16
17

18 Similarly, here the need to proceed sooner with the sale outweighs any objecting party's
19 interests. The Debtor does not have sufficient cash or cash collateral use to continue operations
20 and any delay will cause harm to the Debtor's ability to maintain its relationships with its
21 customers. A deterioration of the Debtor's relationships with its customers will impact the
22 value of the company and severely prejudice all creditors. This weighs in favor of allowing the
23 transaction contemplated by the Purchase Agreement to close as soon as possible. Accordingly,
24 the Debtor request that the Court order that the sale may be effectuated immediately upon entry
25 of the order.
26

27 //

VII.

CONCLUSION

WHEREFORE, the Debtor respectfully requests that the Court enter an order:

1. Approving the Motion and authorizing, pursuant to a sale order in substantially the form attached to the Stroden Declaration as **Exhibit “1”** (“Sale Order”), the sale of the Assets as defined herein to Buyer or to a bidder with a higher, better or otherwise best bid for the Assets (which such highest and best bidder may be Buyer or a qualified third party overbidder, and is hereinafter referred to as the “Successful Bidder”), pursuant to the terms of that certain Asset Purchase Agreement attached as **Exhibit “2”** to the Stroden Declaration, or if not to Buyer pursuant to its existing bid, then to an overbidder pursuant to terms that are substantially similar to the Purchase Agreement;
2. Authorizing, with appropriate findings as set forth in the Sale Order, the sale of the Assets to the Successful Bidder, free and clear of all claims, liens, security interests, charges, encumbrances, adverse interests of any kind and all other liabilities, including, without limitation, successor liabilities pursuant to Section 363 of the Bankruptcy Code;
3. Finding that the Successful Bidder has acted in good faith and is entitled to the protections of 11 U.S.C. §363(m);
4. With appropriate findings of the Court regarding the adequacy of notice to creditors and parties in interest relating to the within Motion;
5. Waiving the fourteen (14) day stay of order provided in Rules 6004(h) and 6006(d) of the Federal Rules of Bankruptcy Procedure; and

//

//

1 6. Granting such other and further relief as the Court deems just and appropriate.
2

3 Dated: December 30, 2016
4

WEINTRAUB & SELTH, APC

5 By /s/ Elaine V. Nguyen
6 Daniel J. Weintraub
7 James R. Selth
8 Elaine V. Nguyen
9 [Proposed] Attorneys for Debtor and
Debtor-in-Possession,
ESSENTIAL LIVING FOODS, INC.
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DECLARATION OF KIPP STRODEN

I, KIPP STRODEN, declare as follows:

1. I am an individual over the age of eighteen and am the Chief Executive Officer of Essential Living Foods, Inc., a Florida corporation and the debtor and debtor in possession herein ("Debtor" or "ELF"). Each of the facts contained in this declaration is based on my personal knowledge and books and records of the Debtor kept in the ordinary course. If called as a witness, I could and would competently testify thereto.

2. On December 1, 2016 ("Petition Date"), ELF commenced the instant bankruptcy case ("Case") by filing an emergency petition under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.* ("Bankruptcy Code").

3. Attached hereto as **Exhibit "1"** is a proposed Sale Order.

4. Attached hereto as **Exhibit "2"** is the Asset Purchase Agreement between the Debtor and Terraholdings.

5. Attached hereto as **Exhibit "3"** is a UCC report, which reflects all the Debtor's secured creditors.

6. Attached hereto as **Exhibit "4"** is a true and correct copy of the Finance Agreement between the Debtor and RLC.

7. Attached hereto as **Exhibit "5"** is a true and correct copy of the Lease Agreement No. 105119 between the Debtor and Summit Funding Group.

8. Attached hereto as **Exhibit "6"** is the *Offer To Purchase Assets of Essential Living Foods, Inc.* from Terraholdings.

History of the Debtor

9. Incorporated in 2004, ELF, is a benefit corporation that sells sustainably sourced

1 organic superfoods, sourced from small farms around the world with concentrations in
2 Ecuador, Peru and Indonesia. Beon Holdings, Inc., is ELF's parent company and does not own
3 any assets other than its interest in ELF.

4
5 10. ELF's mission is to support sustainable agricultural practices and support
6 meaningful farm development. ELF is a member of "1% of the Planet", an organization whose
7 members donate at least 1% of their annual net revenues to environmental organizations
8 worldwide. ELF's primary products include goji berries, golden berries, maca, raw cocoa,
9 smoothie blends, trail mixes, supplements and other organic superfoods and snacks. ELF sells
10 its products in health food stores and grocery stores across the country, including Costco and
11 Whole Foods.

12
13 11. Currently, ELF has a co-manufacturing facility in Commerce, a third-party
14 logistics warehouse in Los Angeles and several warehouses. ELF has eight (8) full time
15 employees, consisting of an account manager, sales staff, warehouse and logistics manager,
16 food and safety manager and administrative staff.

17 **Precipitation of Bankruptcy Filing**

18
19 12. The company began to experience financial difficulty when a predatory investor,
20 Pegasus Capital Advisors ("Pegasus"), attempted a hostile takeover of the company in 2013,
21 including commencing a lawsuit in the Supreme Court of the State of New York, County of
22 New York Index No. 653523/15 entitled Pegasus Strategic Partners, LLC et. al v. Kipp L.
23 Stroden et. al. Pegasus has agreed to dismiss the lawsuit and is in the process of doing so.
24 While the lawsuit will be dismissed shortly, the effect of the lawsuit has been damaging to
25 ELF's ability to raise capital and caused ELF to begin falling behind on its payables.
26

27
28 13. These activities placed a drain on ELF's resources and on June 10, 2015,

1 desperate for cash, ELF entered into a Loan and Security Agreement dated June 10, 2015 with
2 Gerber (“Gerber Loan”), whereby ELF borrowed against its accounts receivables at high
3 interest rates and fees. As of the Petition Date, the amounts due under the Gerber Loan had an
4 unpaid principal balance of approximately \$1,085,000.
5

6 14. For the past 11 months, ELF has been actively marketing the company and was
7 close to consummating a sale pursuant to an assignment for benefit of creditors (“ABC”), just
8 weeks before this case was filed. However, the ABC fell through when the buyer elected to
9 cancel the sale. The Debtor has had other expressions of interests from prospective buyers.
10 However due to Gerber’s collection activities and the Debtor’s inability to pay Gerber other
11 than through a sale, the Debtor was forced to seek bankruptcy relief to preserve the going-
12 concern value of its business so that the Debtor could continue its negotiations with buyers.
13

14 **The Debtor’s Lienholders**

15 15. The Debtor’s secured creditors are:

- 16
- 17 a. **Gerber:** The Debtor and Gerber entered into that certain Loan and Security
18 Agreement dated June 10, 2015 (“Gerber Loan”) whereby Gerber made loans
19 and advances to the Debtor. As of the Petition Date, the amounts due under
20 the Gerber Loan had an unpaid principal balance of approximately
21 \$1,085,000. Gerber asserts that the amounts due under the Gerber Loan are
22 secured by a perfected blanket lien on all or substantially all the Debtor’s
23 assets by the loan documents and a UCC-1 Financing Statement filed on June
24 9, 2015, as Document No. 201504081097.
25
- 26 b. **Scorpion:** The Debtor and Scorpion entered into that certain Secured
27 Convertible Promissory Note dated November 17, 2014 (“Scorpion Loan”)
28

1 whereby Scorpion loaned the Debtor the principal amount of \$25,000.00 to
2 the Debtor. Scorpion asserts that the amounts due under the Scorpion Loan
3 are secured by a blanket lien on all or substantially all the Debtor's assets by
4 the loan documents and a UCC-1 Financing Statement filed on August 6,
5 2014 as Document No. 201401959227.
6

7 c. **Vered:** The Debtor and Vered entered into that certain Secured ("Vered
8 Loan") whereby Vered loaned the Debtor the principal amount of
9 \$400,000.00 to the Debtor. Vered asserts that the amounts due under the
10 Vered Loan are secured by a blanket lien on all or substantially all of the
11 Debtor's assets by virtue of a UCC-1 Financing Statement filed on
12 November 19, 2014 as Document No. 201402611763.
13

14 16. **Equipment Financing Lenders:**

- 15 a. RLC Funding A Division of Navitas Lease Corp ("RLC"). RLC's claim is
16 secured by claim is secured by certain equipment of the Debtor. The Debtor
17 is behind one pre-petition payment of \$1,571.24.
18 b. CIT Finance LLC/ Summit Funding Group ("CIT"). CIT's claim is secured
19 by certain equipment of the Debtor. The Debtor is behind one pre-petition
20 payment of \$2,634.24.
21 c. Wells Fargo Bank N.A. ("WFB"): WFB has a lien on a fork lift, which has
22 been paid in full.
23 24

25 **Marketing Efforts and Background of Purchaser**

26 17. I believe that an orderly, going concern sale of the Property will maximize the
27 value of the company for the benefit of creditors and other interest parties and is therefore
28

1 preferable to any effort to dispose of the Property on a piecemeal basis, which will yield
2 significantly less than a sale of the company.

3 18. On December 28, 2015, ELF engaged Mirus Securities, Inc. (“Mirus”), a financial
4 advisory and investment banking firm in order to provide services in connection with (1) a
5 possible private placement of equity; and (2) a possible sale of at least a substantial amount of
6 the assets or the capital stock. For the past year, I have been actively marketing the sale of the
7 company and engaged in discussions with several potential purchasers of the company. Mirus
8 has solicited over 50 angel investors and approximately 120 institutional investors. The majority
9 of these angels and institutions rejected the investment opportunity based on the debt load of the
10 company and a lawsuit pending from Pegasus Capital advisors (a previous investor).
11

12
13 19. Throughout the summer and fall of 2016, Mirus and I engaged in discussions for
14 a possible sale with Sentry Financial, Better Body Foods, Healthy Brands Collective, The Hecht
15 Family Office, and a Hollywood celebrity. While these individuals/entities made serious
16 expressions of interests, none signed a written offer or paid a deposit.
17

18 20. Post-petition, the Debtor was introduced to Terraholdings by Tylor Gage, the
19 CEO of Runa beverage company, a company that is unrelated to the Debtor company.
20 Terraholdings is not an insider of the Debtor, and the Debtor has no prior relationship with
21 Terraholdings or its CEO, David Bermeo.
22

23 21. I also have no prior relationship with Terraholdings and David Bermeo.

24 22. Terraholdings is the only prospective buyer that has signed an asset purchase
25 agreement, and paid a deposit towards the consummation of a sale. On December 15, 2016,
26 Terraholdings executed an *Offer To Purchase Assets of Essential Living Foods, Inc.*,
27 (“Terraholdings Offer”) a copy of which is attached hereto as **Exhibit “4”**. The Purchase
28

1 Agreement is the only signed offer for the Assets, pays senior secured Gerber in full, and is the
2 highest best price the Debtor has received thus far. On December 15, 2016, Terraholdings paid
3 an initial deposit of \$50,000 deposit to Weintraub & Selth's trust account pending the Closing.
4

5 23. The Debtor will continue to market a sale of the company until the Sale Hearing.

6 24. I believe that such a sale will provide the best opportunity for maximizing the
7 value of the estate, and the only way in which unsecured creditors will receive a distribution.
8 The company has very little operating capital with which to fulfill its purchase orders and
9 continue operations, thus unless a sale is approved within a short period of time, operations will
10 completely stop and the value of the company will crater.
11

12 25. In addition, the Debtor's cash collateral authority with senior secured lender
13 Gerber expires on July 10, 2017. Thus, the Debtor must consummate a sale by January 10th,
14 otherwise the Debtor will have no cash or cash collateral with which to continue its operations
15 and will need to, lay off its employees, and shut its doors and sell its assets on a piecemeal
16 basis. No creditor other than Gerber will receive anything from a liquidation of the Debtor's
17 assets.
18

19 I declare under penalty of perjury that the foregoing is true and correct. Executed this
20 30th day of December 2016, at Los Angeles, California.
21

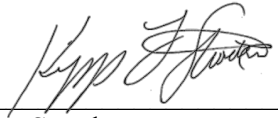
22 
23 _____
Kipp Stroden
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EXHIBIT 1

1 **Daniel J. Weintraub - Bar #132111**
2 **James R. Selth - Bar #123420**
3 **Elaine V. Nguyen - Bar #256432**
4 **WEINTRAUB & SELTH, APC**
5 **11766 Wilshire Boulevard, Suite 1170**
6 **Los Angeles, CA 90025**
7 **Telephone: (310) 207-1494**
8 **Facsimile: (310) 442-0660**
9 **Email: elaine@wsrlaw.net**

10 [Proposed] Attorneys for Debtor
11 and Debtor-in-Possession, ESSENTIAL LIVING FOODS, INC.

12 **UNITED STATES BANKRUPTCY COURT**
13 **CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION**

14 In re)
15) Case No. 2:16-bk-25844-RK
16)
17) Chapter 11
18)
19) **ORDER GRANTING DEBTOR’S**
20) **MOTION FOR ORDER**
21) **1. APPROVING THE SALE OF**
22) **SUBSTANTIALLY ALL ASSETS OF**
23) **THE ESTATE FREE AND CLEAR**
24) **OF LIENS, CLAIMS, INTEREST**
25) **AND ENCUMBRANCES**
26) **PURSUANT TO 11 U.S.C. §363(B)(1)**
27) **AND (F)(2); AND**
28) **2. AUTHORIZING ASSUMPTION**
) **AND ASSIGNMENT OF CERTAIN**
) **UNEXPIRED LEASES AND**
) **EXECUTORY CONTRACTS**
) Hearing
) Date: January 10, 2017
) Time: 3:00 p.m.
) Place: 255 E. Temple Street
) Los Angeles, CA 90012
) Courtroom 1675

Debtor and Debtor-In-Possession.

1 **IN SAID DISTRICT, AT THE TIME AND PLACE ASCRIBED ABOVE:**

2
3 The Court held a hearing (the "Sale Hearing")¹ to consider *DEBTOR'S MOTION FOR*
4 *ORDER 1. APPROVING THE SALE OF SUBSTANTIALLY ALL ASSETS OF THE ESTATE*
5 *FREE AND CLEAR OF LIENS, CLAIMS, INTEREST AND ENCUMBRANCES PURSUANT TO*
6 *11 U.S.C. §363(B)(1) AND (F)(2); AND 2. AUTHORIZING ASSUMPTION AND ASSIGNMENT*
7 *OF CERTAIN UNEXPIRED LEASES AND EXECUTORY CONTRACTS* (the "Sale Motion")
8 filed by Essential Living Foods, Inc., a Florida corporation and the debtor and debtor in
9 possession herein ("Debtor" or "ELF"), pursuant to 11 U.S.C. §§ 363 (b)(1) and (f)(2), and Rules
10 2002, 6004, 9013 and 9014 of the Federal Rules of Bankruptcy Procedures (the "Bankruptcy
11 Rules"), for the entry of an order authorizing and approving the sale of substantially all of the
12 Debtor's assets ("Assets") free and clear of all liens, claims, and encumbrances pursuant to that
13 certain Asset Purchase Agreement by and between the Debtor and Terraholdings, LLC
14 ("Terraholdings" or "Buyer"), or to a bidder with a higher, better or otherwise best bid for the
15 Assets (which such highest and best bidder may be Buyer or a qualified third party overbidder,
16 and is hereinafter referred to as the "Successful Bidder").
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19 The Court having reviewed and considered the Sale Motion, and all briefs, evidence and
20 declarations filed in support of the Sale Motion; and determining that the relief requested in the
21 Sale Motion and the approval of the Sale to the Successful Bidder of the Assets as identified in
22 the Asset Purchase Agreement is in the best interests of the Debtor, the Debtor's estate, creditors,
23 and other parties-in-interest herein,
24
25
26

27 _____
28 ¹ All capitalized terms used, unless otherwise defined herein, shall have the meanings set forth in the
Sale Motion or in the Asset Purchase Agreement.

1 **IT IS HEREBY FOUND AND DETERMINED:**

2 A. The Court has jurisdiction to consider the Sale Motion and the relief requested
3 therein and to enter this Order pursuant to 28 U.S.C. §§ 157 and 1334, and this is a core
4 proceeding pursuant to 28 U.S.C. § 157(b)(2).

5 B. As evidenced by the proof of service and declarations filed with the Court, proper,
6 timely, adequate, and sufficient notice of the Sale Motion, the Auction, and the Sale Hearing has
7 been provided by serving (i) the Office of the United States Trustee; (ii) Buyer; (iii) all creditors of
8 the Estate; (iv) all entities who had filed a request for electronic service of papers in the case; and
9 (v) all parties identified after reasonable inquiry as contract counterparties to the Estate; and by
10 follow-up communications with potential bidders.

11 C. Such notice was good and sufficient, reasonably calculated to all potentially
12 interested parties, and appropriate for all purposes under the particular circumstances of this case
13 and no other or further notice of the Sale Motion, this Order, the Asset Purchase Agreement, or the
14 Sale Hearing is required.

15 D. A reasonable opportunity to object or be heard with respect to the Sale Motion and
16 the relief requested therein has been afforded to all interested parties and entities.

17 E. Through a competitive sale process open to the public in which the Debtor sought
18 higher and better offers for the Assets through notice of the Sale Motion and the Auction, the
19 Debtor and its professionals afforded potential purchasers a full, fair, and reasonable opportunity
20 to make a higher and better offer to purchase the Assets. The Debtor conducted an Auction in
21 accordance with the bid procedures ("Bid Procedures") approved by an order of this Court entered
22 on December 28, 2016 [Docket #49]; and the Successful Bidder was determined by the Debtor to
23 have submitted the highest and/or otherwise best bid at the Auction for the assets that are the
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1 subject of the Asset Purchase Agreement, which are more fully described in the Asset Purchase
2 Agreement.

3 F. The terms and conditions of the Asset Purchase Agreement, including but not
4 limited to the total consideration, are fair and reasonable. The aggregate consideration provided by
5 the Successful Bidder for the Assets pursuant to the Asset Purchase Agreement (i) is fair and
6 reasonable, (ii) is the highest and best offer for the Assets, (iii) will provide a greater recovery for
7 the Debtor's creditors than would be provided by any other practical, available alternative, and (iv)
8 constitutes reasonably equivalent value and fair consideration.

10 G. The Debtor has advanced sound and sufficient business justification, and it is a
11 reasonable exercise of its business judgment to enter into the Asset Purchase Agreement.

12 H. The Debtor has full power and authority to execute the Asset Purchase Agreement
13 and all other documents contemplated thereby, and the Debtor has duly and validly authorized the
14 sale of the Assets. Other than this Order, no consents or approvals are required for the Debtor or
15 the Successful Bidder to consummate the Asset Purchase Agreement.

17 I. The consummation of the Asset Purchase Agreement is properly authorized under
18 all applicable provisions of the Bankruptcy Code, including, without limitation, sections 105 and
19 363 of the Bankruptcy Code, and all of the applicable provisions of such sections have been
20 complied with in respect of the Asset Purchase Agreement.

22 J. The Debtor may sell the Assets free and clear of all liabilities of any kind or
23 nature whatsoever because one or more of the standards set forth in section 363(f)(1)-(5) of the
24 Bankruptcy Code has been satisfied.

25 K. The Asset Purchase Agreement must be approved and consummated promptly in
26 order to prevent the Estate from becoming administratively insolvent. Time is of the essence in
27
28

1 closing the Asset Purchase Agreement, and the Debtor and the Successful Bidder intend to close
2 the Asset Purchase Agreement as soon as possible.

3 **ACCORDINGLY, THE COURT HEREBY ORDERS THAT:**

4 1. The findings of fact set forth above and the conclusions of law stated herein shall
5 constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052,
6 made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any finding
7 of fact later shall be determined to be a conclusion of law, it shall be so deemed, and to the extent
8 any conclusion of law later shall be determined to be a finding of fact, it shall be so deemed.

9
10 2. The Sale Motion is **GRANTED** in its entirety.

11 3. The Asset Purchase Agreement and each of the agreements, documents, exhibits,
12 and instruments executed in connection therewith are approved in their entirety pursuant to
13 sections 105 and 363 of the Bankruptcy Code.
14

15 **TRANSFER OF THE ASSETS FREE AND CLEAR**

16 4. Pursuant to 11 U.S.C. §§ 363 (b)(1) and (f)(2), the Debtor and the Successful
17 Bidder are each hereby authorized and directed to (i) enter into, (ii) execute, and (iii) take all
18 actions and execute all documents reasonably necessary or appropriate to effectuate any
19 obligations under the Asset and Purchase Agreement and to transfer the Assets free and clear of all
20 liens, claims, interests, and encumbrances, to the Successful Bidder and to execute and deliver
21 such other documents and take such other actions as are necessary to effectuate the transactions
22 contemplated by the Asset Purchase Agreement.
23

24 5. Except as otherwise specifically provided in the Asset Purchase Agreement, the
25 sale of the Assets to Successful Bidder pursuant to this Order and the Asset Purchase Agreement
26 will vest the Successful Bidder with good title to the Assets, free and clear of all liabilities,
27 including all liens, pledges, mortgages, deeds of trust, security interests, conditional sales, royalty
28

1 rights or agreements, or other title retention agreements, debts, obligations, demands, judgments,
2 claims (as that term is defined in section 101(5) of the Bankruptcy Code), interests (ownership or
3 other), encumbrances, leases, charges, options, preferential rights, easements, servitudes, transfer
4 restrictions under any shareholder or similar agreement, guaranties, contractual commitments,
5 rights of first offer, rights of first refusal (and other such similar restrictions), rights of setoff,
6 netting, deduction and recoupment, and matters of any kind and nature, whether arising prior to or
7 subsequent to the commencement of this case, whether under any theories of successor or
8 transferee liability and whether imposed by agreement, understanding, law, equity, or otherwise.

9
10 In addition to the other rights and protections afforded by this Order, the sale of the Assets to the
11 Successful Bidder shall entitle Successful Bidder to all of the benefits of a good-faith purchaser
12 who takes the Assets for value in a public foreclosure auction pursuant to California Civil Code.

13
14 6. All persons and entities, including, but not limited to, the Debtor and all (a) holders
15 of the Debtor's indebtedness, (b) debt security holders, (c) equity security holders, (d)
16 governmental, tax, and regulatory authorities, (e) lenders, (f) current and former officers, directors,
17 and employees, (g) insiders of the Debtor (as defined in 11 U.S.C. § 101(31)) and (h) trade and
18 other creditors, holding claims against the Debtor or the Assets (whether legal or equitable,
19 secured or unsecured, matured or unmatured, contingent or noncontingent, senior or
20 subordinated), arising on or before the Closing, or out of, under, in connection with, or in any way
21 relating to, events occurring prior to the Closing, hereby are forever barred, estopped, and
22 permanently enjoined from asserting such claims of any kind and nature against Successful
23 Bidder, its members, affiliates, designees, officers, directors, employees, agents, successors or
24 assigns, financial advisors, legal professionals, or any of their respective properties.

25
26 7. This Order (i) is and shall be effective as a determination that, upon the Closing
27
28

1 Date, in accordance with and as allowed by Sections 105 and 363 of the Bankruptcy Code, all
2 liens, claims, and interests existing as to the Assets prior to the Closing have been unconditionally
3 released, discharged, and terminated in each case as to the Assets; and (ii) is and shall be binding
4 upon and shall govern acts of all entities, including, without limitation, all filing agents, filing
5 officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of
6 deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and
7 local officials, including the United States Patent and Trademark Office, and all other persons and
8 entities who may be required by operation of law, the duties of their office, or contract, to accept,
9 file, register or otherwise record or release any documents or instruments that reflect that
10 Successful Bidder is the owner and/or assignee of the Assets free and clear of all liens, claims, and
11 interests.
12

13
14 8. The Successful Bidder shall not in any way whatsoever be liable or responsible as a
15 successor or otherwise for any claims, liabilities, debts, commitments or obligations (whether
16 known or unknown, disclosed or undisclosed, absolute, contingent, inchoate, fixed or otherwise)
17 of or against the Debtor or its operations, or any claims, liabilities, debts, commitments or
18 obligations in any way whatsoever relating to or arising from the Assets or the Debtor's
19 ownership, use or control of the Assets on or prior to the Closing, or any such claims, liabilities,
20 debts, commitments or obligations that in any way whatsoever relate to the Assets during periods
21 on or prior to the Closing or that are to be observed, paid, discharged or performed on or prior to
22 the Closing, or any such liabilities calculable by reference to the Debtor or its assets or operations,
23 or relating to the Debtor's continuing conditions existing on or prior to the Closing, which claims,
24 liabilities, debts, commitments and obligations are hereby extinguished insofar as they may give
25 rise to such liability, without regard to whether the claimant asserting any such claims, liabilities,
26 debts, commitments or obligations has delivered a release thereof.
27
28

1 **ASSUMPTION AND ASSIGNMENT OF UNEXPIRED LEASES AND ASSIGNED**
2 **CONTRACTS**

3 9. Pursuant to sections 105(a) and 365 of the Bankruptcy Code, and subject to and
4 conditioned upon the Closing of the Sale, the Debtor's assumption and assignment to the
5 Successful Bidder of (i) Lease Agreement No. 105119 and (ii) the RLC Finance Agreement
6 ("Equipment Leases") is hereby approved.
7

8 10. Subject to the payment of \$4,205.48 ("Cure Amount") upon Closing, the Debtor is
9 authorized to execute and deliver to the Successful Bidder such documents or other instruments as
10 may be necessary to assign and transfer the equipment leases to the Successful Bidder.

11 11. The payment of the Cure Amount shall (a) effect a cure of all defaults existing
12 under the Equipment Leases as of the Closing Date; and (b) compensate for any pecuniary loss to
13 such non-Debtor party resulting from such default. After the payment of the relevant Cure
14 Amount, neither the Debtor nor the Successful Bidder shall have any further liabilities to the
15 counterparties to the Equipment Leases other than the Successful Bidder's obligations under the
16 Equipment Leases that accrue and become due and payable on or after the Closing Date.
17

18 12. The Equipment Leases shall be transferred to, and remain in full force and effect
19 for the benefit of, the Successful Bidder in accordance with their respective terms, notwithstanding
20 any provision in any such lease/contract that prohibits, restricts, or conditions such assignment or
21 transfer.
22

23 13. The Successful Bidder is able to provide adequate assurance of future performance
24 under the Equipment Leases within the meaning of sections 365(b)(1)(C), 365(b)(3) (to the extent
25 applicable), and 365(f)(2)(B) of the Bankruptcy Code.
26
27
28

EXHIBIT 2

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into as of December 22, 2016 by and between Essential Living Foods, Inc. (the "Debtor"), as the debtor and debtor in possession in the Chapter 11 bankruptcy case bearing the case number 2:16-bk-25844-RK (the "Bankruptcy Case") before the United States Bankruptcy Court for the Central District of California, Los Angeles Division, United States Bankruptcy Judge Robert N. Kwan presiding (the "Bankruptcy Court"), and Terraholdings, LLC or its designee ("Buyer"). The Debtor and Buyer are together referred to hereinafter as the "Parties," and individually, as a "Party."

WHEREAS, the Debtor is in the business of manufacturing and distributing superfoods and superfood blends principally through grocery stores, health food stores, private label customers, and the Debtor's website;

WHEREAS, on December 1, 2016, the Debtor filed a Voluntary Petition under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the Bankruptcy Court, thereby commencing the Bankruptcy Case;

WHEREAS, the Debtor is continuing to manage its financial affairs as a debtor and debtor in possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, Buyer wishes to purchase, and the Debtor wishes to sell, transfer, convey, assign and deliver to Buyer, all of the Assets (as hereinafter defined), free and clear of liens, claims, interests and encumbrances, and upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the Assets will be sold pursuant to a Sale Order (as hereinafter defined) of the Bankruptcy Court approving such sale under Section 363 of the Bankruptcy Code; and

WHEREAS, the obligations of the Parties under this Agreement are conditioned upon, among other things, the approval of the Bankruptcy Court in accordance with the terms hereof.

NOW THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

1. ASSETS. Buyer shall purchase all tangible and intangible assets belonging to the Debtor and/or in which the Debtor has any interest, or some lesser portion thereof as Buyer may designate in its sole discretion, including, without limitation, the Debtor's inventory, accounts receivable, cash, prepayments and deposits, customer purchase orders, product formulas and blends, know-how, company name, trade names, domain names, social media accounts, trademarks and other intellectual property held by the Debtor and its parent

company, Beon Holdings, Inc., contract rights (but none of the Debtor's outstanding liabilities thereunder), furniture, fixtures and equipment, fixed assets, books and records of the Debtor, and all claims and causes of action belonging to the Debtor and its bankruptcy estate, including, without limitation, all causes of action arising under Chapter 5 of the Bankruptcy Code (collectively, the "Assets"), free and clear of all liens, claims, interests and encumbrances.

2. ASSUMED CONTRACTS. Buyer may, in its sole discretion, designate certain leases of real property, leases of personal property and/or executory contracts to which the Debtor is a party which Buyer desires to assume (collectively, "Assumed Contracts"). In the event that Buyer designates one or more Assumed Contracts, Debtor shall seek approval from the Bankruptcy Court to assume and assign to Buyer such Assumed Contracts pursuant to 11 U.S.C. § 365, and to determine the amount of any "cure" payments required to be made in connection with the assumption of such Assumed Contracts ("Cure Payments"), so that the assumption and assignment of the Assumed Contracts to Buyer can be effectuated at or prior to the Closing Date. At any time prior to the Closing Date, Buyer may, in its sole discretion and for any reason whatsoever, remove an Assumed Contract from the list of Assumed Contracts to be assumed by the Debtor and assigned to Buyer.

3. EXCLUDED LIABILITIES. Notwithstanding anything herein to the contrary, and other than the liabilities and obligations arising from the Assumed Contracts after the Closing Date, the Parties expressly acknowledge and agree that the Assets shall be sold to Buyer, free and clear of all liens, claims, interests and encumbrances, and Buyer shall not assume, be obligated to pay, perform or otherwise discharge or in any other manner be liable or responsible for any liabilities, indebtedness, and obligations of the Debtor, whether existing on the Closing Date or arising thereafter.

4. PURCHASE PRICE. The purchase price for the Assets shall be an amount not higher than One Million Five Hundred Thousand Dollars (\$1,500,000) (the "Purchase Price"), which shall be allocated as follows:

a. The amount owed by the Debtor to its senior lender, Gerber Finance, Inc. ("Gerber"), which is estimated by the Debtor to be approximately \$1,123,570.68 plus reasonable legal fees and other expenses (the "Gerber Payoff Amount"), shall be paid in full from the Purchase Price.

b. Creditors other than Gerber who hold junior liens against the Assets of the Debtor (or some portion thereof), who the Buyer is informed have consented to the sale of the Assets under the terms and conditions set forth in this Agreement, shall not receive payment from the Purchase Price on account of such liens but shall participate in any distributions made to general unsecured creditors from the Purchase Price on a *pro rata* basis based upon the amounts of their claims.

c. The Cure Payments required to be made to assume and assign the Assumed Contracts, up to the sum of \$25,000, shall be paid from the Purchase Price. In the event that the total amount of the Cure Payments exceeds \$25,000, the Buyer

shall be responsible for the payment of the excess amount of the Cure Payments (over \$25,000).

d. The balance of the Purchase Price remaining after payment of the Gerber Payoff Amount and the Cure Payments (up to the sum of \$25,000) shall be allocated to pay the Debtor's administrative and general unsecured creditors.

5. DEPOSIT. Concurrently with the execution and delivery of this Agreement by Buyer and the Debtor, Buyer shall deliver a deposit in the sum of Fifty Thousand Dollars (\$50,000) (the "Deposit") by cashier's check or a wire transfer payment, which Deposit shall be held in a client trust account maintained by counsel for the Debtor, pending the Closing. If the sale of the Assets to Buyer does not close for any reason other than the malfeasance of Buyer, the full amount of the Deposit shall be promptly returned to Buyer.

6. PAYMENT OF PURCHASE PRICE. The balance of the Purchase Price, minus the amount of the Deposit, shall be paid to the Debtor by Buyer in immediately available funds at the Closing.

7. OVERBID PROCEDURES; BREAKUP FEE. The Parties agree that the sale of the Assets shall be subject to overbid, in accordance with overbid procedures mutually agreed to by the Parties (the "Overbid Procedures"), subject to the approval of the Bankruptcy Court. In the event that there are any qualified overbids for the Assets and an auction is conducted, and the winning bidder of the Assets following such auction is a party other than Buyer, Buyer shall be entitled to the payment of a breakup fee equal to four percent (4%) of the Purchase Price (the "Breakup Fee") from the proceeds of the sale of the Assets on or about the Closing. The Breakup Fee is a material provision of Buyer's offer to purchase the Assets and, in the event that the Bankruptcy Court does not approve the Breakup Fee, Buyer may, in its sole discretion, withdraw its offer to purchase the Assets and terminate this Agreement without further notice. If the Bankruptcy Court does not approve the Breakup Fee and the Buyer withdraws its offer to purchase the Assets and terminates this Agreement, the full amount of the Deposit shall be promptly returned to Buyer.

8. DUE DILIGENCE. The obligation of Buyer to proceed with the purchase of the Assets in accordance with the terms and conditions set forth in this Agreement is subject to and conditioned upon the Buyer's completion of its due diligence and satisfaction with the results thereof, provided that such due diligence is completed on or before December 27, 2016. If Buyer is not satisfied with the results of its due diligence, at any time on or before December 27, 2016, Buyer may, in its sole discretion, withdraw its offer to purchase the Assets and terminate this Agreement. In the event Buyer withdraws its offer to purchase the Assets and terminates this Agreement based upon the results of its due diligence on or before December 27, 2016, the full amount of the Deposit shall be promptly returned to Buyer.

9. APPROVAL BY THE BANKRUPTCY COURT. The effectiveness of this Agreement is subject to the Bankruptcy Court's approval of this Agreement by entry of an order, in a form acceptable to Buyer, which approves the sale of, and authorizes the Debtor to enter into this Agreement to sell, the Assets to Buyer or a successful overbidder, free and clear of

liens, claims, interests and encumbrances (the "Sale Order"). The Sale Order shall expressly provide that Buyer is a good faith purchaser of the Assets within the meaning of 11 U.S.C. § 363(m) and that Buyer shall not be deemed a successor to the Debtor as a result of its purchase of the Assets.

10. TERMINATION. Without further written approval by Buyer, to the extent this Agreement is not approved by the entry of the Sale Order by the Bankruptcy Court on or before January 11, 2017, or such later date as the Parties may agree to, this Agreement shall expire and automatically terminate in accordance with its terms.

11. CLOSING. Subject to the terms and conditions hereof, the closing of the sale of Assets contemplated by this Agreement (the "Closing") shall take place at a location and on a date and time mutually agreed upon by the Parties; *provided, however*, that the date of the Closing (the "Closing Date") shall not be later than January 13, 2017, or such later date as the Parties may agree. If the Closing cannot or does not occur by January 13, 2017, or such later date agreed to by the Parties, Buyer shall be relieved of its obligations under the terms of this Agreement, shall not be required to proceed with the purchase of the Assets, and shall be entitled to the prompt return of the full amount of the Deposit. The Closing shall be effective for economic and accounting purposes as of 5:00 p.m. (Pacific time) on the Closing Date and may be conducted electronically if agreed to by the Parties.

12. TRANSFER OF TITLE. Following the entry of the Sale Order and on or before the Closing, the Debtor shall execute and deliver a bill of sale with respect to the Assets and all such other good and sufficient instruments of sale, transfer and conveyance consistent with the terms and provisions of this Agreement, which forms shall be provided by Buyer and reasonably acceptable to the Debtor. Title to and possession of the Assets shall immediately pass to Buyer upon the Closing, on the Closing Date.

13. REPRESENTATIONS AND WARRANTIES: Each of the Parties to this Agreement represents, warrants, and agrees as to itself as follows:

a. Each Party hereto represents that he, she or it has full authority and capacity to execute this Agreement on its own behalf.

b. Neither Party (nor any officer, agent, employee, representative, or attorney of or for any party) has made any statement or representation to any other Party regarding any fact relied upon in entering into this Agreement, and each Party does not rely upon any statement, representation or promise of any other Party (or of any officer, agent, employee, representative, or attorney for the other Party), in executing this Agreement, except as expressly stated in this Agreement.

c. Each Party to this Agreement has made such investigation of the facts pertaining to this Agreement and of all the matters pertaining thereto as it deems necessary.

d. Each Party has read this Agreement and understands the contents hereof.

e. The Parties will execute all such further and additional documents as shall be reasonable, convenient, necessary or desirable to carry out the provisions of this Agreement.

f. Each term of this Agreement is contractual and not merely a recital.

14. MISCELLANEOUS

a. This Agreement shall be deemed to have been executed and delivered within the State of California, and the rights and obligations of the Parties hereunder shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

b. This Agreement is the entire Agreement between the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This Agreement may be amended only by an agreement in writing.

c. Each Party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any Party.

d. In the event of litigation relating to this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees.

e. This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart (including facsimile signatures) shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to both Parties.

f. The Parties hereto agree that the Bankruptcy Court shall have sole and exclusive jurisdiction, sitting without a jury, to hear and determine and disputes that arise under or on account of this Agreement.

g. If any of the provisions of this Agreement are held by the court of competent jurisdiction to be invalid, void or otherwise unenforceable, the remaining provisions shall nonetheless continue in full force and effect without being impaired or invalidated in any way.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed by its duly authorized representative as of the day and year first written above.

ESSENTIAL LIVING FOODS, INC.,
Debtor and Debtor in Possession

By: 
Name: Kipp Stroden
Its: Chief Executive Officer

TERRAHOLDINGS, LLC,
Buyer

By: _____
Name: David A. Bermeo
Its: President

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed by its duly authorized representative as of the day and year first written above.

ESSENTIAL LIVING FOODS, INC.,
Debtor and Debtor in Possession

By: _____
Name: Kipp Stroden
Its: Chief Executive Officer

TERRAHOLDINGS, LLC,
Buyer



By: _____
Name: David A. Bermeo
Its: President

EXHIBIT 3

2020 HURLEY WAY, SUITE 350
SACRAMENTO, CA 95825
www.clasinfo.com



800.952.5696
TEL: 916.564.7800
FAX: 916.564.7900

SEARCH REPORT	
ACCOUNT NUMBER: 4312 CONTACT: ELAINE NGUYEN COMPANY: WEINTRAUB & SELTH, APC CLIENT REFERENCE NUMBER: 346201	JOB NUMBER: 290225 DATE: 11/15/2016 PAGE 1 OF 2 SERVICE REP: SANDI LARSEN/RF

ENTITY NAME: ESSENTIAL LIVING FOODS

JURISDICTION: FLORIDA	TYPE OF SEARCH: UCC, TAX LIENS, JUDGMENTS
------------------------------	--

UCC FILINGS Thru: 11/09/2016

DOCUMENT NUMBER:	201504081097
FILE DATE:	06/09/2015
SECURED PARTY:	GERBER FINANCE, INC.
DOCUMENT NUMBER:	201401959227
FILE DATE:	08/06/2014
SECURED PARTY:	SCORPION GROUP LLC
UCC-3 FILING(S):	AMENDMENT FILED 11/19/2014; DOCUMENT NUMBER 201402611763
DOCUMENT NUMBER:	201309529645
FILE DATE:	07/30/2013
SECURED PARTY:	CIT FINANCE LLC
UCC-3 FILING(S):	ASSIGNMENT FILED 01/09/2014; DOCUMENT NUMBER 201400524545
DOCUMENT NUMBER:	201308729780
FILE DATE:	03/29/2013
SECURED PARTY:	RLC FUNDING A DIVISION OF NAVITAS LEASE CORP.

2020 HURLEY WAY, SUITE 350
SACRAMENTO, CA 95825
www.clasinfo.com



800.952.5696
TEL: 916.564.7800
FAX: 916.564.7900

SEARCH REPORT

ACCOUNT NUMBER: 4312
CONTACT: ELAINE NGUYEN
COMPANY: WEINTRAUB & SELTH, APC
CLIENT REFERENCE NUMBER: 346201

JOB NUMBER: 290225
DATE: 11/15/2016
PAGE 2 OF 2
SERVICE REP: SANDI LARSEN/RF

ENTITY NAME: ESSENTIAL LIVING FOODS

UCC FILINGS CONTINUED

DOCUMENT NUMBER: **201206847725**
FILE DATE: **05/31/2012**
SECURED PARTY: **WELLS FARGO BANK, N.A.**

DOCUMENT NUMBER: **201104384815**
FILE DATE: **04/08/2011**
SECURED PARTY: **SCORPION GROUP, LLC**
UCC-3 FILING(S): **TERMINATION FILED 07/18/2013; DOCUMENT NUMBER 201309457385**

DOCUMENT NUMBER: **200808513735**
FILE DATE: **06/12/2008**
SECURED PARTY: **RUDOLF STEINER FOUNDATION**
UCC-3 FILING(S): **CONTINUATION FILED 04/16/2013; DOCUMENT NUMBER 201308849735**
AMENDMENT FILED 05/29/2014; DOCUMENT NUMBER 201401514942
TERMINATION FILED 06/15/2015; DOCUMENT NUMBER 201504140743

TAX LIENS Thru: 11/14/2016

NOTHING ON FILE

2020 HURLEY WAY, SUITE 350
SACRAMENTO, CA 95825
www.clasinfo.com



800.952.5696
TEL: 916.564.7800
FAX: 916.564.7900

SEARCH REPORT

ACCOUNT NUMBER: 4312
CONTACT: ELAINE NGUYEN
COMPANY: WEINTRAUB & SELTH, APC
CLIENT REFERENCE NUMBER: 346201

JOB NUMBER: 290225
DATE: 11/15/2016
PAGE 3 OF 2
SERVICE REP: SANDI LARSEN/RF

ENTITY NAME: ESSENTIAL LIVING FOODS

JUDGMENTS Thru: 11/10/2016

NOTHING ON FILE

PLEASE NOTE:
COPIES ENCLOSED.

THE ABOVE TAX LIEN SEARCH REFLECTS FEDERAL TAX LIENS ON FILE WITH THE FLORIDA DEPARTMENT OF STATE.

**STATE OF FLORIDA UNIFORM COMMERCIAL CODE
FINANCING STATEMENT FORM**

Florida Secured Transaction Registry

FILED

2015 Jun 09 10:53 AM

***** 201504081097 *****

A. NAME & DAYTIME PHONE NUMBER OF CONTACT PERSON
 CT LIEN SOLUTIONS; 8003313282
 Email SOSACK@UCCDIRECT.COM

B. SEND ACKNOWLEDGEMENT TO:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (1a OR 1b) - Do Not Abbreviate or Combine Names

1a. ORGANIZATION'S NAME ESSENTIAL LIVING FOODS, INC.				
1b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS Line One 3550 HAYDEN AVE		This space not available.		
MAILING ADDRESS Line Two	CITY CULVER CITY	STATE CA	POSTAL CODE 90232	COUNTRY US

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (2a OR 2b) - Do Not Abbreviate or Combine Names

2a. ORGANIZATION'S NAME				
2b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS Line One		This space not available.		
MAILING ADDRESS Line Two	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - INSERT ONLY ONE SECURED PARTY NAME (3a OR 3b)

3a. ORGANIZATION'S NAME GERBER FINANCE INC.				
3b. INDIVIDUAL'S SURNAME		FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS Line One 400 MADISON AVE		This space not available.		
MAILING ADDRESS Line Two SUITE 800	CITY NEW YORK	STATE NY	POSTAL CODE 10022	COUNTRY US

4. This FINANCING STATEMENT covers the following collateral:

ALL ASSETS OF DEBTOR NOW OWNED OR HEREAFTER ACQUIRED OR ARISING AND WHEREVER LOCATED.

5. ALTERNATE DESIGNATION (If applicable)

<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOR
<input type="checkbox"/> AG LIEN	<input type="checkbox"/> NON-UCC FILING	<input type="checkbox"/> SELLER/BUYER

6. Florida DOCUMENTARY STAMP TAX - YOU ARE REQUIRED TO CHECK EXACTLY ONE BOX

All documentary stamps due and payable or to become due and payable pursuant to s. 201.22 F.S., have been paid.
 Florida Documentary Stamp Tax is not required.

7. OPTIONAL FILER REFERENCE DATA 48380438

**STATE OF FLORIDA UNIFORM COMMERCIAL CODE
FINANCING STATEMENT FORM**

A. NAME & DAYTIME PHONE NUMBER OF CONTACT PERSON
Peter Werner, Esq. 415-883-2172 pwerner@cooley.com

B. Email Address

C. SEND ACKNOWLEDGEMENT TO:
Name Peter Werner, Esq.
Address Cooley, LLP
Address 101 California Street, 8th Floor
City/State/Zip San Francisco, CA 94111-5800

FLORIDA SECURED TRANSACTION REGISTRY

FILED

2014 Aug 06 10:10 AM

***** 201401959227 *****

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (1a OR 1b) - Do Not Abbreviate or Combine Names

1.a ORGANIZATION'S NAME
BeOn Holdings, Inc.

1.b INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

1.c MAILING ADDRESS Line One
3550 Hayden Avenue

This space not available.

MAILING ADDRESS Line Two	CITY Culver City	STATE CA	POSTAL CODE 90232	COUNTRY USA
---------------------------------	----------------------------	--------------------	-----------------------------	-----------------------

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (2a OR 2b) - Do Not Abbreviate or Combine Names

2.a ORGANIZATION'S NAME
Essential Living Foods, Inc.

2.b INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

2.c MAILING ADDRESS Line One
3550 Hayden Avenue

This space not available.

MAILING ADDRESS Line Two	CITY Culver City	STATE CA	POSTAL CODE 90232	COUNTRY USA
---------------------------------	----------------------------	--------------------	-----------------------------	-----------------------

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - INSERT ONLY ONE SECURED PARTY (3a OR 3b)

3.a ORGANIZATION'S NAME
Vered Private Equity LLC

3.b INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

3.c MAILING ADDRESS Line One
3555 Timmons Lane, Suite 800

This space not available.

MAILING ADDRESS Line Two	CITY Houston	STATE Texas	POSTAL CODE 77027	COUNTRY USA
---------------------------------	------------------------	-----------------------	-----------------------------	-----------------------

4. This FINANCING STATEMENT covers the following collateral:

All of the Debtors' assets and property, including without limitation, Debtors' cash, cash equivalents, accounts, accounts receivable, deposit accounts, inventory, equipment, goods, documents, instruments (including, without limitation, promissory notes), contract rights, general intangibles (including, without limitation, payment intangibles and an absolute right to license on terms no less favorable than those currently in effect by such Debtors), chattel paper, supporting obligation property (real or personal), investment property (including, without limitation, all equity interests owned by such Debtors), letter-of-credit rights, trademarks, trademark applications, tradenames, patents, patent applications, copyrights, copyright applications and other intellectual property in which such Debtors now has or hereafter may acquire any right, title or interest, all proceeds and products thereof (including, without limitation, proceeds of insurance) and all additions, accession and substitutions thereto or therefor (collectively "Collateral"). All items of Collateral which are defined in the UCC shall have the meanings set forth in the UCC.

5. ALTERNATE DESIGNATION (if applicable)

<input type="checkbox"/> LESSOR/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOR
<input type="checkbox"/> AG LIEN	<input type="checkbox"/> NON-UCC FILING	<input type="checkbox"/> SELLER/BUYER

6. Florida DOCUMENTARY STAMP TAX - YOU ARE REQUIRED TO CHECK EXACTLY ONE BOX. . .

All documentary stamps due and payable or to become due and payable pursuant to s. 201.22 F.S., have been paid.

Florida Documentary Stamp Tax is not required.

7. OPTIONAL FILER REFERENCE DATA

**STATE OF FLORIDA UNIFORM COMMERCIAL CODE
FINANCING STATEMENT AMENDMENT FORM**

A. NAME & DAYTIME PHONE NUMBER OF CONTACT PERSON	
Email Address	
B. SEND ACKNOWLEDGEMENT TO:	
Name	
Address	
Address	
City/State/Zip	

FLORIDA SECURED TRANSACTION REGISTRY

FILED

2014 Nov 19 04:29 PM

***** 201402611763 *****

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 201401959227 Filed 08/08/2014	1b. <input type="checkbox"/> This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.
--	--

2. CURRENT RECORD INFORMATION - DEBTOR NAME - INSERT ONLY ONE DEBTOR NAME (2a OR 2b)

2a. ORGANIZATION'S NAME Essential Living Foods, Inc.			
2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

3. CURRENT RECORD INFORMATION - SECURED PARTY NAME - INSERT ONLY ONE SECURED PARTY NAME (3a OR 3b)

3a. ORGANIZATION'S NAME Vered Private Equity LLC			
3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

4. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

5. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

6. **ASSIGNMENT** Full or Partial: Give name of assignee in item 9a or 9b and address of assignee in item 9c; and also give name of assignor in item 11.

7. **AMENDMENT (PARTY INFORMATION):** This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 8 and/or 9.

CHANGE name and/or address; Give current record name in item 8a or 8b; Also give new name (if name change) in item 9a or 9b and/or new address (if address change) in item 9c. **DELETE** name; Give record name to be deleted in item 8a or 8b. **ADD** name; Complete item 9a or 9b, and 9c.

8. CURRENT RECORD INFORMATION - INSERT ONLY ONE NAME (8a OR 8b) - Do Not Abbreviate or Combine Names

8a. ORGANIZATION'S NAME			
8b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

9. CHANGED (NEW) OR ADDED INFORMATION: - INSERT ONLY ONE NAME (9a OR 9b) - Do Not Abbreviate or Combine Names

9a. ORGANIZATION'S NAME Scorpion Group LLC			
9b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
9c. MAILING ADDRESS Line One 3555 Timmons Lane, Suite 800		This space not available.	
MAILING ADDRESS Line Two	CITY Houston	STATE TX	POSTAL CODE 77027
			COUNTRY USA

10. **AMENDMENT (COLLATERAL CHANGE):** check only one box.
Describe collateral DELETE or ADD, or give entire RESTATE collateral description, or describe collateral ASSIGN collateral

11. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor, which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

11a. ORGANIZATION'S NAME Vered Private Equity LLC			
11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

12. **OPTIONAL FILER REFERENCE DATA** Florida Secretary of State (314425-101)



FLORIDA SECURED TRANSACTION REGISTRY

FILED

2013 Jul 30 10:17 AM

***** 201309529645 *****

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) Phone: (800) 331-3282 Fax: (818) 662-4141	
B. E-MAIL CONTACT AT FILER (optional) CLS-CTLS_Glendale_Customer_Service@wolterskluwer.com	
C. SEND ACKNOWLEDGMENT TO: (Name and Address) 10225 - SUMMIT FUNDING GROUP	
CT Lien Solutions P.O. Box 29071 Glendale, CA 91209-9071	39173051 FLFL

File with: Department of State, FL

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME Essential Living Foods, Inc.				
OR	1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 3550 Hayden Avenue		CITY Culver City	STATE CA	POSTAL CODE 90232-2413
COUNTRY USA				

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
COUNTRY				

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME Summit Funding Group, Inc.				
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 4680 Parkway Drive, Suite 300		CITY Mason	STATE OH	POSTAL CODE 45040
COUNTRY USA				

4. COLLATERAL: This financing statement covers the following collateral:
All equipment leased by Summit Funding Group, Inc. ("Lessor") to Essential Living Foods, Inc. ("Debtor/Lessee") pursuant to Lease Agreement No. 105119 between Lessor and Debtor/Lessee. This UCC filing is intended to be for informational and precautionary purposes only, and give notice of Lessor's ownership of the equipment and the existence of a True Lease. If any of the transactions contemplated under this Lease are deemed to be other than a True Lease, then it is the intention of the parties that Lessor has a properly perfected security interest under the Uniform Commercial Code in the goods subject to the Lease.

All documentary stamps due and payable or to become due and payable pursuant to s. 201.22, F.S., have been paid

Florida documentary stamp tax is not required

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licenser

8. OPTIONAL FILER REFERENCE DATA:
39173051 LEASE #105118



FLORIDA SECURED TRANSACTION REGISTRY

FILED

2014 Jan 09 12:07 PM

***** 201400524545 *****

UCC FINANCING STATEMENT AMENDMENT
FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) Phone: (800) 331-3282 Fax: (818) 882-4141	
B. E-MAIL CONTACT AT FILER (optional) CLS-CTLS_Glendale_Customer_Service@wolterakluwer.com	
C. SEND ACKNOWLEDGMENT TO: (Name and Address) 10225 - SUMMIT	
CT Lien Solutions P.O. Box 29071 Glendale, CA 91209-9071	41281251 FLFL

File with: Department of State, FL

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER 201309529645 7/30/2013 SS FL	1b. <input type="checkbox"/> This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS File: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in Item 13
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2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement

3. **ASSIGNMENT (full or partial):** Provide name of Assignee in Item 7a or 7b, and address of Assignee in Item 7a and name of Assignor in Item 9
For partial assignment, complete Items 7 and 9 and also indicate affected collateral in Item 8

4. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

5. **PARTY INFORMATION CHANGE:**
Check one of these two boxes: Debtor or Secured Party of record
AND Check one of these three boxes to:
CHANGE name and/or address: Complete Item 6a or 6b; and Item 7a or 7b and Item 7c
ADD name: Complete Item 7a or 7b, and Item 7c
DELETE name: Give record name to be deleted in Item 6a or 6b

6. **CURRENT RECORD INFORMATION:** Complete for Party Information Changes - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME				
OR	6b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

7. **CHANGED OR ADDED INFORMATION:** Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

7a. ORGANIZATION'S NAME CIT Finance LLC				
OR	7b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

7c. MAILING ADDRESS 10201 Centurion Parkway North	CITY Jacksonville	STATE FL	POSTAL CODE 32268	COUNTRY USA
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8. **COLLATERAL CHANGE:** Also check one of these four boxes: ADD collateral DELETE collateral RESTATE covered collateral ASSIGN collateral
Indicate collateral:
All of the equipment and personal property and all modification and additions thereto and replacements and substitutions therefor, in whole or in part including the insurance and proceeds thereof, under Lease Agreement No. 105119 between Summit Funding Group, Inc., as Lessor and Essential Living Foods, Inc., as Lessee.

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:** Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)
If this is an Amendment authorized by a DEBTOR, check here and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME Summit Funding Group, Inc.				
OR	9b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

10. **OPTIONAL FILER REFERENCE DATA:** Debtor Name: Essential Living Foods, Inc.
41281251 LEASE #105119

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS (front and back) CAREFULLY

FLORIDA SECURED TRANSACTION REGISTRY

FILED

2013 Mar 29 10:09 AM

***** 201308729780 *****

A. NAME & PHONE OF CONTACT AT FILER [optional] Phone:(800) 331-3282 Fax: (818) 662-4141	
B. SEND ACKNOWLEDGEMENT TO: (Name and Address)	24680 RLC FUNDING,A
CT Lien Solutions	37513102
P.O. Box 29071	FLFL
Glendale, CA 91209-9071	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME Essential Living Foods, Inc.				
OR				
1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 8050 SW 116th Street		CITY Miami	STATE FL	POSTAL CODE 33158
1d. SEE INSTRUCTIONS		ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION CORPORATION	1f. JURISDICTION OF ORGANIZATION FL
			1g. ORGANIZATIONAL ID #, if any P04000181674	<input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
2d. SEE INSTRUCTIONS		ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION
			2g. ORGANIZATIONAL ID #, if any	<input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S /P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME RLC Funding a division of Navitas Lease Corp.				
OR				
3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS 814 Highway A1A North Suite 205		CITY Ponte Vedra Beach	STATE FL	POSTAL CODE 32082
				COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:

See Attached Schedule

All documentary stamps due and payable or to become due and payable pursuant to s. 201.22.F.S. have been paid

Florida documentary stamp tax is not required

5. ALTERNATIVE DESIGNATION (if applicable) LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable).

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

37513102

16621

12/04/2006 18:15 8172204940

PAGE 09

SCHEDULE "A" EQUIPMENT
For the Lease or Finance Agreement Between:

Lessor/Secured Party: RLC Funding, a Division of Navitas Lease Corp. and,

Lessee/Debtor: Essential Living Foods, Inc.

Location: 3650 Hayden Ave. CULVER CITY, CA 90232

Vendor	Quantity	Type, Make, Model Number & Included Accessories	Serial #
Domino Amjet, Inc.	1	Domino A-Series I-Tech Configured as:	
		Domino A Series A320i with Touchscreen; Printhead Assembly, Standard, 3M	
		Mains Lense Assembly (USA) A series; Core Cabinet A320i STD;	
		60 Micron Nozzle Assembly; Assy Basic Printer Stand; Floor Mount Kit;	
		I-Tech 2BK0001 Fast Dry Black Ink; Make-Up for Use with 2BK0001 (pack of 4)	
		Wash, WL-200 1 LT EA; Photoelectric Communication Sensor with Lumberg	
		Encoder Kit D+ BCP7;	
C/K International Group	1	Supersealer SB20 Bag Sealer, Stainless Steel Base and Motorized Pedestal Assy	
	1	Model 88Y-100 Conveyor	
All Fill, Inc.	1	All Fill Model B-350E Semi Automatic Filler	24883
	1	All Fill Model ISC Inlined Screw Conveyor	3006000
Marion Mixers Inc.	1	Marion Mixer Model 6PS-2436	98080

This Equipment Schedule is attached and made part of the above referenced Agreement and constitutes a true and accurate description of the Equipment and/or other collateral.


Kipp Stroden
CEO
03/25/2013
 Signature Print Name Title Date

**STATE OF FLORIDA UNIFORM COMMERCIAL CODE
FINANCING STATEMENT FORM**

FLORIDA SECURED TRANSACTION REGISTRY

FILED

2012 May 31 10:44 AM

***** 201206847725 *****

A. NAME & DAYTIME PHONE NUMBER OF CONTACT PERSON Corporation Service Company 1-800-858-5284	
B. SEND ACKNOWLEDGMENT TO:	
Name	67182404 - 361130
Address	Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703
Address	Springfield, IL 62703
City/State/Zip	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (1a OR 1b) - Do Not Abbreviate or Combine Names

1a. ORGANIZATION'S NAME ESSENTIAL LIVING FOODS, INC.				
1b. INDIVIDUAL'S LAST NAME		FIRST NAME		SUFFIX
1c. MAILING ADDRESS 922 Colorado Ave		CITY Santa Monica	STATE CA	POSTAL CODE 90401 COUNTRY USA
1d. TAX ID#	REQUIRED ADD'L INFO RE: ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION Corp.	1f. JURISDICTION OF ORGANIZATION FL	1g. ORGANIZATIONAL ID# P04000161674 <input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (2a OR 2b) - Do Not Abbreviate or Combine Names

2a. ORGANIZATION'S NAME				
2b. INDIVIDUAL'S LAST NAME		FIRST NAME		SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE COUNTRY
2d. TAX ID#	REQUIRED ADD'L INFO RE: ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID# <input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - INSERT ONLY ONE SECURED PARTY NAME (3a OR 3b)

3a. ORGANIZATION'S NAME Wells Fargo Bank, N.A.				
3b. INDIVIDUAL'S LAST NAME		FIRST NAME		SUFFIX
3c. MAILING ADDRESS 300 Tri-State International Ste 400		CITY Lincolnshire	STATE IL	POSTAL CODE 60069 COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:

The equipment described below and all equipment parts, accessories, substitutions, additions, accessions and replacements thereto and thereof, now or hereafter installed in, affixed to, or used in conjunction therewith and the proceeds thereof, together with all installment payments, insurance proceeds, other proceeds and payments due and to become due arising from or relating to said equipment.
Used 2002 Hyster H35XM Forklift S/N E001H1939Z.

5. ALTERNATE DESIGNATION (if applicable)	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR
	AG. LIEN	NON-UCC FILING	SELLER/BUYER

6. Florida DOCUMENTARY STAMP TAX - YOU ARE REQUIRED TO CHECK EXACTLY ONE BOX

<input type="checkbox"/>	All documentary stamps due and payable or to become due and payable pursuant to s. 201.22 F.S., have been paid.
<input checked="" type="checkbox"/>	Florida Documentary Stamp Tax is not required.

7. OPTIONAL FILER REFERENCE DATA

dcjs

**STATE OF FLORIDA UNIFORM COMMERCIAL CODE
FINANCING STATEMENT FORM**

A. NAME & DAYTIME PHONE NUMBER OF CONTACT PERSON	
IRENE LINARES	(415) 561-6183
B. SEND ACKNOWLEDGEMENT TO:	
Name IRENE LINARES	
Address 1002A OREILLY AVENUE	
Address SAN FRANCISCO	
City/State/Zip CA 94129	

FLORIDA SECURED TRANSACTION REGISTRY

FILED

2008 Jun 12 AM 12:00

***** 200808513735 *****
THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (1a OR 1b) - Do Not Abbreviate or Combine Names

1a. ORGANIZATION'S NAME ESSENTIAL LIVING FOODS, INC.				
1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS 922 COLORADO AVENUE		CITY SANTA MONICA	STATE CA	POSTAL CODE 90401
1d. TAX ID#	REQUIRED ADD'L INFO RE: ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION CORPORATION	1f. JURISDICTION OF ORGANIZATION FLORIDA	1g. ORGANIZATIONAL ID# 203942660 <input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - INSERT ONLY ONE DEBTOR NAME (2a OR 2b) - Do Not Abbreviate or Combine Names

2a. ORGANIZATION'S NAME				
2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
2d. TAX ID#	REQUIRED ADD'L INFO RE: ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID# <input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - INSERT ONLY ONE SECURED PARTY NAME (3a OR 3b)

3a. ORGANIZATION'S NAME RUDOLF STRINER FOUNDATION, INC.				
3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS 1002A OREILLY AVENUE		CITY SAN FRANCISCO	STATE CA	POSTAL CODE 94129
				COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:

ACCOUNTS RECEIVABLE AND INVENTORY

5. ALTERNATE DESIGNATION (if applicable)

<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOR
<input type="checkbox"/> AG. LIEN	<input type="checkbox"/> NON-UCC FILING	<input type="checkbox"/> SELLER/BUYER

6. Florida DOCUMENTARY STAMP TAX - YOU ARE REQUIRED TO CHECK EXACTLY ONE BOX

All documentary stamps due and payable or to become due and payable pursuant to s. 201.22 F.S., have been paid.

Florida Documentary Stamp Tax is not required.

7. OPTIONAL FILER REFERENCE DATA

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
 Corporation Service Company 1-800-858-5294

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

75162844 - 372720

Corporation Service Company
 801 Adlai Stevenson Drive
 Springfield, IL 62703

Filed In: Florida (S.O.S.)

FLORIDA SECURED TRANSACTION REGISTRY

FILED

2013 Apr 16 10:37 AM

***** 201308849735 *****

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
 200808513735 08/12/2008

1b. This FINANCING STATEMENT AMENDMENT is to be filed for record (or recorded) in the REAL ESTATE RECORDS.

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.
 Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party.
 DELETE name: Give record name to be deleted in item 6a or 6b.
 ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g if applicable.

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME Essential Living Foods, Inc.

OR

6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME RSF Social Enterprise, Inc.

OR

7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS 1002 O'Reilly Avenue CITY San Francisco STATE CA POSTAL CODE 94129 COUNTRY USA

7d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 7e. TYPE OF ORGANIZATION Other 7f. JURISDICTION OF ORGANIZATION FL 7g. ORGANIZATIONAL ID #, if any NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.
 Describe collateral deleted or added, or give entire revised collateral description, or describe collateral assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME RSF Social Enterprise, Inc.

OR

9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA Debtor: Essential Living Foods, Inc.

pej6 75162844

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) Corporation Service Company 1-800-858-5294	
B. E-MAIL CONTACT AT FILER (optional) SPRFiling@csinfo.com	
C. SEND ACKNOWLEDGMENT TO: (Name and Address)	
<input type="checkbox"/> 87156196 - 372720 Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703	Filed In: Florida (S.O.S.)

FLORIDA SECURED TRANSACTION REGISTRY

FILED

2014 May 29 10:51 AM

***** 201401514942 *****

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER 200808613735 06/12/2008	1b. <input type="checkbox"/> This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Filer, attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13.
--	--

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement

3. **ASSIGNMENT (full or partial):** Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9. For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 8.

4. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

5. **PARTY INFORMATION CHANGE:**
 Check one of these two boxes: Debtor or Secured Party of record. **AND** Check one of these three boxes to: CHANGE name and/or address: Complete item 6a or 6b; **and** item 7a or 7b **and** item 7c. ADD name: Complete item 7a or 7b, **and** item 7c. DELETE name: Give record name to be deleted in item 6a or 6b.

6. **CURRENT RECORD INFORMATION:** Complete for Party Information Change - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME: Essential Living Foods, Inc.				
OR	6b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

7. **CHANGED OR ADDED INFORMATION:** Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

7a. ORGANIZATION'S NAME				
OR	7b. INDIVIDUAL'S SURNAME		INDIVIDUAL'S FIRST PERSONAL NAME	
INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)				SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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8. **COLLATERAL CHANGE:** Also check one of these four boxes: ADD collateral DELETE collateral RESTATE covered collateral ASSIGN collateral

Injuncto collateral:
 All of the personal property of Debtor including, without limitation, cash, cash equivalents, accounts, accounts receivable, deposit accounts, inventory, equipment, goods, documents, instruments (including, without limitation, promissory notes), contract rights, general intangibles (including, without limitation, payment intangibles and an absolute right to license on terms no less favorable than those currently in effect by Debtor), chattel paper, supporting obligations, property (real or personal), investment property (including, without limitation, all equity interests owned by Debtor), letter-of-credit rights, trademarks, trademark applications, tradenames, patents, patent applications, copyrights, copyright

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:** Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment). If this is an Amendment authorized by a DEBTOR, check here and provide name of authorizing Debtor.

9a. ORGANIZATION'S NAME: RSF Social Enterprise, Inc.				
OR	9b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

10. **OPTIONAL FILER REFERENCE DATA:** Debtor: Essential Living Foods, Inc. -5982

87156196
 Corporation Service Company
 2711 Centerville Rd, Ste. 400
 Wilmington, DE 19806

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS

11. INITIAL FINANCING STATEMENT FILE NUMBER: Same as Item 1a on Amendment form 200808513735 06/12/2008	
12. NAME OF PARTY AUTHORIZING THIS AMENDMENT: Same as Item 9 on Amendment form	
12a. ORGANIZATION'S NAME RSF Social Enterprise, Inc.	
OR	
12b. INDIVIDUAL'S SURNAME	
FIRST PERSONAL NAME	
ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

13. Name of DEBTOR on related financing statement (Name of a current Debtor of record required for indexing purposes only in some filing offices - see Instruction Item 13): Provide only one Debtor name (13a or 13b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); see instructions if name does not fit

13a. ORGANIZATION'S NAME			
OR	13b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)
			SUFFIX

14. ADDITIONAL SPACE FOR ITEM 8 (Collateral):

applications and other intellectual property in which Debtor now has or hereafter may acquire any right, title or interest, all proceeds and products thereof (including, without limitation, proceeds of insurance) and all additions, accessions and substitutions thereto or therefor.

15. This FINANCING STATEMENT AMENDMENT: <input type="checkbox"/> covers timber to be cut <input type="checkbox"/> covers as-extracted collateral <input type="checkbox"/> is filed as a fixture filing	17. Description of real estate:
16. Name and address of a RECORD OWNER of real estate described in item 17 (if Debtor does not have a record interest):	

18. MISCELLANEOUS:

UCC FINANCING STATEMENT AMENDMENT
FOLLOW INSTRUCTIONS

FLORIDA SECURED TRANSACTION REGISTRY

FILED

2015 Jun 15 10:45 AM

***** 201504140743 *****

A. NAME & PHONE OF CONTACT AT FILER (optional) Corporation Service Company 1-800-858-5294	
B. E-MAIL CONTACT AT FILER (optional) SPRFiling@cscinfo.com	
C. SEND ACKNOWLEDGMENT TO: (Name and Address)	
100728315 - 386070 Corporation Service Company 801 Adlai Stevenson Drive Springfield, IL 62703	Filed in: Florida (S.O.S.)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER 200808513735 06/12/2008	1b. <input type="checkbox"/> This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13
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2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement

3. **ASSIGNMENT** (full or partial): Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9
For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 8

4. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

5. **PARTY INFORMATION CHANGE:**
Check one of these two boxes: Debtor or Secured Party of record
AND Check one of these three boxes to: CHANGE name and/or address: Complete item 6a or 6b; and item 7a or 7b and item 7c ADD name: Complete item 7a or 7b, and item 7c DELETE name: Give record name to be deleted in item 6a or 6b

6. **CURRENT RECORD INFORMATION:** Complete for Party Information Change - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME Essential Living Foods, Inc.				
OR	6b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

7. **CHANGED OR ADDED INFORMATION:** Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

7a. ORGANIZATION'S NAME				
OR	7b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

8. **COLLATERAL CHANGE:** Also check one of these four boxes: ADD collateral DELETE collateral RESTATE covered collateral ASSIGN collateral
Indicate collateral:

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:** Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment)
If this is an Amendment authorized by a DEBTOR, check here and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME RSF Social Enterprise, Inc.				
OR	9b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

10. OPTIONAL FILER REFERENCE DATA: Debtor: Essential Living Foods, Inc.

M46 100728315

EXHIBIT 4

SECURED PARTY: (hereinafter referred to as "us" or "we")
 121 Executive Center Drive • Ste 108 • Columbia, SC 29210
 Ph: 803.666.8245 • Fax: 803.728.0190 • www.rlcfinancing.com



Agreement Number: _____ **FINANCE AGREEMENT**

DEBTOR (hereinafter "you" or "your") Full Legal Name: **Essential Living Foods, Inc.**

3550 Hayden Ave Culver City **CA** **90232** **Los Angeles** (310) 319-1655
 Address City State Zip County Phone Federal Tax ID

COLLATERAL LOCATION (if other than above): _____

TERMS AND CONDITIONS - PLEASE READ CAREFULLY BEFORE SIGNING			
DESCRIPTION OF COLLATERAL See attached Schedule for Collateral) (Vendor is not an agent of Secured Party nor is Vendor authorized to waive or alter any terms of this Agreement.)	TERM IN MONTHS MONTHLY PAYMENT	60 \$ 1671.24	First Payment \$ 1671.24 Security Deposit 1671.24 Other 726.00 INITIAL AMOUNT DUE OF \$ 3881.00
	AMOUNT FINANCED	\$ 68,344.39	

FINANCE AGREEMENT: You want to acquire the above described Collateral from your Vendor(s), and you have asked us to finance the purchase price plus any applicable tax (Amount Financed). This finance agreement (the Agreement) will be binding and non-cancelable when we pay your Vendor and the Term will begin on that date. You agree to begin the Agreement immediately if you authorize us to pay some or all of your Vendor's invoices prior to delivery of the Collateral. We may charge you a reasonable fee to cover documentation and investigation costs. This Agreement is **NON-CANCELLABLE FOR THE ENTIRE AGREEMENT TERM, YOU UNDERSTAND THAT WE ARE FINANCING THE COLLATERAL BASED ON YOUR UNCONDITIONAL ACCEPTANCE OF IT AND YOUR PROMISE TO PAY US UNDER THE TERMS OF THIS AGREEMENT, WITHOUT SET-OFFS, EVEN IF THE COLLATERAL IS NOT DELIVERED, DOES NOT WORK PROPERLY OR IS DAMAGED FOR ANY REASON, INCLUDING REASONS THAT ARE NOT YOUR FAULT.** If any amount payable to us is not paid when due, you will pay us a "late charge" equal to: 1) the greater of fifteen (\$15) cents for each dollar overdue or twenty-five (\$25.00) dollars; or 2) the highest lawful charge, whichever is less. You agree to pay a fee of fifty (\$50.00) dollars if any check or ACH is dishonored or returned. We may adjust the monthly payment above to finance any taxes due at inception of the Agreement or if the actual cost of the Collateral is less than 10% higher or lower than the amount that the payment was based upon. You hereby authorize us to either insert or correct the Agreement number, serial numbers, models numbers, signature date, and your name. The Security Deposit will not bear interest, may be commingled with our other assets, and may be applied to any amount you owe us at any time.

NO WARRANTY: We are financing the Collateral for you AS IS. We do not manufacture the Collateral and are not related to the Vendor. You selected the Collateral and the Vendor based on your own judgment. You may contact the Vendor for a statement of the warranties, if any, that the Vendor or manufacturer is providing. **WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.** You agree to settle any dispute you may have regarding performance of the Collateral directly with the manufacturer or Vendor.

COLLATERAL USE AND REPAIR: You agree to use the Collateral for business purposes only, will keep it in good working condition and not move it from its initial location without our consent. You are solely responsible for any damages or losses to the Collateral. We are not responsible for, and you will indemnify us against, any claims, losses or damages, including attorney's fees, related to your use or possession of the Collateral. **IN NO EVENT SHALL WE BE RESPONSIBLE FOR ANY CONSEQUENTIAL OR INDIRECT DAMAGES.**

OWNERSHIP, TITLE, UCC'S AND TAXES: Except for any software covered by this Agreement, you are the owner of the Collateral and have title to it. You hereby grant us a security interest in the Collateral to secure your performance under this Agreement and you authorize us to execute and file on your behalf, and at your cost, Uniform Commercial Code (UCC) financing statement(s) to show our interest in the Collateral. You will pay when due all taxes and fees relating to the Collateral and this Agreement.

WAIVER OF ARTICLE 2A RIGHTS: You agree that this Agreement is a "Finance Agreement" as that term is defined in Article 2A of the UCC. You hereby agree to waive any and all rights and remedies granted to you by Sections 2A-507 through 2A-522 of the UCC, including the right to reject or revoke acceptance of the Collateral.

SOFTWARE: Except as provided in this paragraph, all references to "Collateral" in this Agreement includes the software. We do not have title to any software referenced in this Agreement or installed on the Collateral and cannot transfer it to you at any time. We are not

responsible for the software or the obligations by either you or the licensor under any license agreement for the software.

RISK OF LOSS AND INSURANCE: You agree to maintain comprehensive liability insurance acceptable to us. You also will keep the Collateral insured against loss or damage for an amount not less than the replacement cost and name us as loss payee. Proof of such insurance must be provided to us at Agreement inception and thereafter upon our written request. If you fail to timely provide such proof to us, we may, but are not obligated to, obtain property loss insurance to protect our interests in the Collateral. If we secure insurance in the form and amounts that we deem reasonable, you agree that: 1) you will reimburse the premium which may be higher than a premium that you might pay if you obtained the insurance, 2) the premium may include a profit to us and/or one of our affiliates through an investment in reinsurance or otherwise, and 3) we will not name you as an insured party and your interests may not be fully protected. Any insurance proceeds received for Collateral loss or damage will be applied, at our option, to repair or replace the Collateral, or to the remaining payments due or that become due under this Agreement, plus our booked residual both discounted at 3%.

DEFAULT: If you do not pay any sum by its due date, or you breach any other term of this Agreement or any other agreement with us, then you will be in default of this Agreement. If you default, we may require that you pay: 1) all past due amounts under this Agreement; and 2) all future amounts owed for the unexpired term, discounted at the rate of four (4%) percent per annum. Upon a default, we may also choose to repossess the Collateral. We can also use any and all remedies available to us under the UCC or any other law. You agree to pay all the costs and expenses, including attorney's fees and any collection agency costs, we incur in any dispute related to this Agreement or the Collateral. You also agree to pay interest on all past due amounts, from the due date until paid, at the lower of one and one-half (1.5%) percent per month or the highest lawful rate.

ASSIGNMENT: You have no right to sell, transfer, assign or lease the Collateral or this Agreement. We may sell, assign or transfer this Agreement or our rights in the Collateral without notice to you. You agree that if we sell, assign or transfer this Agreement, the new owner will have all of our rights, but none of our obligations (all of which will continue to be performed by us). You agree not to assert against any new owner any claim, defense or set-off that you may have against us.

MISCELLANEOUS: You agree that: 1) this Agreement is the entire agreement between us and supersedes any purchase order you issue, 2) any change must be in writing and signed by each party, 3) any fees specified in this Agreement may contain a reasonable profit component and, 4) if any amount we charge you exceeds the maximum amount allowable under applicable law, then you agree any excess amount charged will be refunded to you. The original of this Agreement shall be that copy which bears your electronic, facsimile or original signature, and which bears our original or authorized stamped signature. **THIS AGREEMENT AND ANY CLAIM RELATED TO IT SHALL BE GOVERNED BY THE LAWS OF SOUTH CAROLINA (IN WHICH WE HAVE OFFICES) AND WILL BE ADJUDICATED IN THE FEDERAL OR STATE COURTS OF THAT STATE. YOU CONSENT TO PERSONAL JURISDICTION IN SOUTH CAROLINA COURTS. IF WE ASSIGN THIS AGREEMENT, THEN YOU CONSENT TO THE LAWS AND COURTS OF THE STATE WHERE THE ASSIGNEE'S CORPORATE HEADQUARTERS IS LOCATED AND CONSENT TO PERSONAL JURISDICTION AND THE COURTS OF THAT STATE. EACH PARTY WAIVES ANY RIGHT TO A TRIAL BY JURY AND TRANSFER OF VENUE.**

I AM AUTHORIZED TO SIGN THIS AGREEMENT ON BEHALF OF DEBTOR (As stated Above):
 X _____ Date Signed: 03/25/2013
 (Signature)
 Print Name & Title: **Kipp Stroden, CEO**

SECURED PARTY: RLC FUNDING, A DIVISION OF NAVITAS LEASE CORP.
 By: _____ Date Accepted: _____
 (Signature)

UNCONDITIONAL GUARANTY: The signor(s) below personally, jointly, severally, and unconditionally guarantee(s) that the Debtor will timely perform all payment and other obligations under this Agreement and any other obligation to us. The signor(s) below also waives any notification that the Debtor is in default and consents to any extensions or modifications granted to the Debtor. In the event of default, the undersigned will immediately pay all sums due under the terms of this Agreement without requiring Secured Party to proceed against Debtor, any other party, the Collateral, or any other agreement that the Debtor has with us. The signor(s) below consent(s) to personal jurisdiction, forum, choice of law and jury trial and transfer of venue waiver as stated in the "Miscellaneous" paragraph above and agrees to pay all costs and expenses, including attorney's fees, incurred by Secured Party related to this guaranty. The signor(s) authorize(s) us and/or our assignee(s) to obtain credit reports to service the Agreement.

Individuality X _____ **Individuality X** _____
 Print Name: _____ Print Name: _____
Individuality X _____ **Individuality X** _____
 Print Name: _____ Print Name: _____

SCHEDULE "A" EQUIPMENT
For the Lease or Finance Agreement Between:

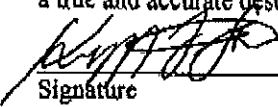
Lessor/Secured Party: RLC Funding, a Division of Navitas Lease Corp. and,

Lessee/Debtor: Essential Living Foods, Inc.

Location: 3550 Hayden Ave., CULVER CITY, CA 90232

Vendor	Quantity	Type, Make, Model-Number & Included Accessories	Serial #
Domino Amjet, Inc.	1	Domino A-Series I-Tech Configured as:	
		Domino A Series A320i with Touchscreen; Printhead Assembly, Standard, 3M	
		Main Lease Assembly (USA) A series; Core Cabinet A320i STD;	
		60 Micron Nozzle Assembly; Assy Basic Printer Stand; Floor Mount Kit;	
		I-Tech 2BK0091 Fast Dry Black Ink; Make-Up for Use with 2BK0091 (pack of 4)	
		Wash, WL-200 1 LT EA; Photoelectric Communication Sensor with Lumberg	
		Encoder Kit D+ BCP7;	
O/K International Group	1	Supersoalor SB20 Bag Sealer, Stainless Steel; Base and Motorized Pedestal Assy	
	1	Model BBY-100 Conveyor	
All Fill, Inc.	1	All Fill Model B-350E Semi Automatic Filler	24653
	1	All Fill Model ISC Inclined Screw Conveyor	300688C
Marion Mixers Inc.	1	Marion Mixer Model SPS-2436	98089

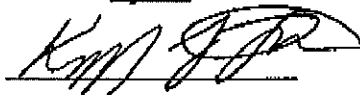
This Equipment Schedule is attached and made part of the above referenced Agreement and constitutes a true and accurate description of the Equipment and/or other collateral.


Kipp Stroden
CEO
03/25/2013
 Signature Print Name Title Date

CERTIFICATE OF AUTHORIZATION

The undersigned hereby certifies that he is the (check box) Secretary (if Obligor is corporation)
 Managing/General Partner (if Obligor is a partnership) Managing Member (if Obligor is a limited liability
company) of Essential Living Foods, Inc., a Corporation
organized under the laws of the state of CA (the "Obligor") and hereby agrees and certifies that:

- (1) it is in the Obligor's best interest and in its ordinary course of business to borrow funds from RLC Funding, a Division of Navitas Lease Corp. (the "Creditor") pursuant to one or more master agreements, finance agreements, lease contracts, loans, installment sales contracts, promissory notes, security agreements or other financial accommodations or documents ("Documents") with the Creditor and to pledge and mortgage assets of the Obligor subject only to such limitations (if any) as are specifically set forth below and will hold the Creditor harmless from any losses from failure of such authority;
- (2) each of the officers, partners or members of the Obligor, whose name and signature appear below, or the duly elected or appointed successor of any or all of them, be and he hereby is authorized and empowered in the name and on behalf of the Obligor to enter into, execute and deliver the Documents, the execution and delivery by such officer of such Documents being conclusive evidence that all terms thereof are accepted and that such action is hereby authorized, ratified, confirmed and approved;
- (3) each such officer, partner or member of the Obligor is hereby authorized to do and perform all other acts and deeds that may be requisite or necessary to carry fully into effect the foregoing; and
- (4) The Creditor is authorized to rely upon the aforesaid authorization and certification until receipt by it of written notice of any change, which changes of whatever nature shall not be effective as to the Creditor to the extent that it has theretofore relied upon the aforesaid authorization and certification in the above form

<u>Name</u>	<u>Title and/or Ownership Status</u> <i>(e.g. President, Partner or Member)</i>	<u>Signature</u>
<u>Kipp Stroden</u>	<u>CEO</u>	
_____	_____	_____
_____	_____	_____

I FURTHER CERTIFY on this 25 day of March, 2013 that the duly elected officers, partners or members of the Obligor named in Section 4 above continue to hold their respective offices and/or partnership or membership status.

By: 

Its: _____

ACH AUTHORIZATION

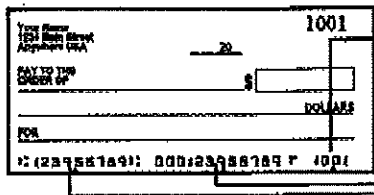
(AUTHORIZATION TO DEBIT AND CREDIT ACCOUNT BY ACH)

Customer Name: Essential Living Foods, Inc.
 Contract Number: _____

In connection with the above referenced contract(s) ("Contract"), Customer(s) hereby authorize, RLC Funding, a Division of Navitas Lease Corp. AND/OR ITS AGENTS, SUCCESSORS AND ASSIGNS (collectively, "Company"), to initiate ACH credit and/or debit entries, and if necessary, adjust any credit and/or debit entries made in error to the account described below ("Account") at the financial institution named below ("Bank"). The authorization provided herein (this "Authorization") is intended to encompass all amounts due and to become due under the above Contract, including current and past due periodic payments, miscellaneous charges, taxes and late charges. This Authorization shall not be limited or deemed waived, nor shall Company assume any liability, if for any reason Company delays debiting the Account for amounts due under the Contract. **FOR ADMINISTRATIVE PURPOSES, ALL DEBIT AND CREDIT ENTRIES SHALL APPEAR ON THE ACCOUNT AS BEING INITIATED BY THE COMPANY OR ITS ASSIGNEE.**

BANK NAME: Bank of America ABA/ROUTING NUMBER: 121 000 358
 BRANCH: _____ ACCOUNT NAME: Essential Living Foods
 CITY: Santa Monica BANK PHONE: _____
 STATE: CA ZIP: 90401 ACCOUNT NUMBER: 000218569597

(ATTACH A VOIDED CHECK ON THE ABOVE ACCOUNT)



The check number is on the top and bottom right of the check - we do not need the check number.
 Account Number is the middle group of 12 numbers on the bottom of your check.
 Routing Number is the group of 9 numbers on the bottom left of your check. (Verification with your bank is necessary in order not to incur any fees for inaccurate information)

Customer certifies that all information set forth above is true and correct. Customer agrees to give Company not less than twenty (20) days advance written notification of any termination or change in this Authorization, which shall remain in full force and effect until Company has received such written notification from Customer.

Customer hereby acknowledges and agrees that the financial accommodations and periodic payments under the Contract have been agreed to by Company upon the condition that Company will be able to realize cost savings by administering the Contract using ACH debit and credit entries as authorized herein. If, for any reason, this Authorization is terminated or suspended or the Company is unable to administer the Contract by ACH debit and credit entries as authorized herein, Customer agrees that the periodic payments under the Contract may be assessed a service fee of fifteen dollars (\$15.00) per payment until Company's ability to administer the Contract by ACH debit and credit entries as authorized herein has been restored to the reasonable satisfaction of Company.

Signature: X [Signature]
 Print Name: Kipp Stroden
 Title: CEO
 Date: 03/25/2013
 Phone Number: (310) 319 1555
 E-mail Address: _____

Customer Billing Contact Information
 (if different from information on left):
 Name: Manuela Phillips
 Title: Accounting Manager
 Phone Number: (310) 319 1555 x 191
 E-mail Address: accounting@essentiallivingfoods.com

THE PERSON SIGNING ABOVE AFFIRMS THAT HE/SHE IS A DULY AUTHORIZED CORPORATE OFFICER OR OFFICIAL, PARTNER OR PROPRIETOR OF THE ABOVE NAMED CUSTOMER.

Pay Proceeds Direction

Finance Agreement #: _____

Secured Party: RLC Funding, A Division of Navitas Lease Corp. and,
 Debtor: Essential Living Foods, Inc.

By signature below, you as signatory for Debtor authorize and direct us as the Secured Party to make disbursement(s) of the amount financed and acknowledge that when such disbursements are made and all other obligations under the terms and conditions of the Finance Agreement shall commence and,

1. You hereby irrevocably instruct us to disburse the proceeds in the respective amounts to the payees designated below. The balance of the amount financed, if any, will be disbursed to Debtor.
2. Disbursement by us in accordance with the foregoing instructions shall be and constitute payment and delivery to, and receipt by you, of any and all of such proceeds of the amount financed.
3. The Collateral has been delivered and is acceptable to you OR, the Collateral has not been delivered, but you hereby authorize us to make payment to your Vendor(s) in order to initiate the delivery. You further confirm that once a disbursement is made, none of Debtor's obligations under the Finance Agreement shall be subject to claims, defenses, or setoffs in the event the Collateral is not delivered or is not satisfactory in all respects.

Amount to disburse:	Funds Payable to Payee and/or Debtor:
\$ <u>10,748.29</u>	Payee name: <u>Domino Amjet, Inc</u>
\$ <u>14,570.00</u>	Payee name: <u>OK International Group</u>
\$ <u>30,526.00</u>	Payee name: <u>All Fill, Inc.</u>
\$ <u>12,500.00</u>	Payee name: <u>Marlon Mixers, Inc.</u>
\$ _____	Payee name: _____
\$ _____	Payee name: _____
\$ _____	Payee name: _____

Kipp Stueden
 Signature Print Name Title Date 03/25/2013

Cell Phone: _____ Email: _____

I hereby authorize, in my absence, Lambert Van Hulst to orally verify my permission to disburse funds.

EXHIBIT 5



INVOICE

INVOICE DATE: July 16, 2013
AGREEMENT NUMBER: 13/3645

Essential Living Foods, Inc.
3550 Hayden Ave
Culver City, CA 90232

Remit To:
Southern California Leasing, Inc.
180 E. Main Street Suite 204
Tustin, CA 92780

INVOICE DETAILS

CHARGE DESCRIPTION	BALANCE DUE
Advance Payment	\$2,634.24
Security Deposit	\$0.00
Document Processing	\$465.00
*Site Inspection	\$0.00
Pre-Funding Fee	\$0.00
Title Vehicle Processing	\$0.00
*Florida Documentation Stamp Fee	\$0.00
*Lien Search	\$0.00
Documentation Fee Coupon	(-\$100.00)
Total:	\$2,999.24

*You may be billed the actual cost for this charge if incurred.

***Please Write Check from Business Checking Account*.**

***Please make TWO separate checks:
\$2,784.24 payable to Summit Funding Group Inc
And \$215.00 payable to Southern California Leasing, Inc.**

***Thank you for giving us the opportunity to service your leasing needs.**

LEASE AGREEMENT NO. 105119

LESSEE INFORMATION				
Lessee Legal Name				Phone
Essential Living Foods, Inc.				(310) 319-1555
DBA (if any)				Entity Type
				Corporation
Address				State of Organization
3550 Hayden Avenue				Florida
City	County	State	Zip	Federal ID #
Culver City	Los Angeles	CA	90232-2413	20-1942680

EQUIPMENT DESCRIPTION							
Qty	Manufacturer	Model	Description	Location Address	City	State	Zip
1			Filler Model SHA-600-CW	3550 Hayden Avenue	Culver City	CA	90232-2413
1			Level Control	3550 Hayden Avenue	Culver City	CA	90232-2413
1			Foot Switch	3550 Hayden Avenue	Culver City	CA	90232-2413
1			Bulk Product Feeder	3550 Hayden Avenue	Culver City	CA	90232-2413
1			24" dia. Unscrambling Table	3550 Hayden Avenue	Culver City	CA	90232-2413
1			24" dia. Accumulation Table	3550 Hayden Avenue	Culver City	CA	90232-2413
1			Freight	3550 Hayden Avenue	Culver City	CA	90232-2413

TERM AND PAYMENT SCHEDULE				
Term	Frequency	No. of Payments	Payment Amount	Purchase Option
48	Monthly	48	\$2,634.24 (Includes Applicable Taxes)	AT THE EXPIRATION OF THIS LEASE YOU WILL PURCHASE THE EQUIPMENT FOR \$1.00.
SIMULTANEOUSLY WITH THE EXECUTION AND DELIVERY OF THIS LEASE, YOU AGREE TO PAY 1 LEASE PAYMENT(S) IN ADVANCE AND DELIVER A CHECK IN THE AMOUNT OF \$2,784.24. IF MORE THAN ONE LEASE PAYMENT IS REQUIRED IN ADVANCE, THE AMOUNT IN EXCESS OF SUCH PAYMENT (LESS APPLICABLE TAX ASSOCIATED WITH THE FIRST PAYMENT) WILL BE HELD AS SECURITY UNTIL ALL OBLIGATIONS UNDER THIS LEASE ARE SATISFIED. IF YOU ARE TAX EXEMPT PLEASE ATTACH CERTIFICATE AND WRITE YOUR TAX EXEMPT #				

Throughout this Lease the words "we," "our," and "us" refer to the Lessor, Summit Funding Group, Inc. The words "you" and "your" refer to the Lessee indicated above. If more than one person or entity is listed as a Lessee in this Agreement, each such person or entity is and will be jointly and severally liable for all representations, warranties, covenants, agreements, obligations, and liabilities under this Agreement, the documents and agreements relating hereto, and the amendments and supplements hereto and thereto. You agree to lease the equipment described above ("Equipment") and agree to the terms and conditions of this Lease Agreement ("Lease").

1. **LEASE PAYMENTS:** You agree to pay us the Lease payments set forth in the payment schedule above. We may adjust your Lease payment upward or downward by no more than 15% if the invoiced costs are different than the amount we used to calculate the estimated Lease payments shown above. Your obligation to pay the Lease payments and all of your other obligations herein are absolute and unconditional and are not subject to any abatement, set-off, defense, or counterclaim for any reason whatsoever. The Commencement Date shall be the date indicated as the Date of Equipment Delivery and Installation in the Delivery and Acceptance Certificate ("Commencement Date") and the Base Rent Commencement Date shall be the first day of the month following the Commencement Date (or, if the Commencement Date is the first day of a month, that date) ("Base Rent Commencement Date"). If the Commencement Date is before the Base Rent Commencement Date, you agree to pay us interim rent in an amount equal to 1/30th of the monthly (or 1/90th if quarterly) Lease payment set forth above for each day from the Commencement Date to the Base Rent Commencement Date. This interim rent payment will be included with the first invoice sent by us to you. The first Lease payment will be due on the Base Rent Commencement Date, and all remaining Lease payments will be due on the first day of each subsequent month (or such other time period specified above).

2. **DELIVERY, INSTALLATION AND ACCEPTANCE:** You are responsible for arranging the delivery of the Equipment. The Lease term will commence when the Equipment is delivered and installed. Unless you notify us otherwise in writing within 7 days of installation, you unconditionally accept the Equipment. We may require you to provide us a signed delivery and acceptance certificate.

3. **EQUIPMENT LOCATION USE AND REPAIR:** You will maintain and use the Equipment only at the location shown above for commercial use only. You agree the Equipment is not for personal, home or consumer use. You agree that the Equipment cannot be moved from that location without our advance written approval. You are responsible for maintaining the Equipment in good repair, condition, and in proper working order, except for normal wear and tear. You are responsible for protecting the Equipment from damage or any kind of loss whatsoever and will continue to make Lease payments if any damage or loss occurs, even if the Equipment is completely destroyed.

4. **INDEMNIFICATION:** We are not responsible for any losses or damages caused by the installation or use of the Equipment, or from any other kind of loss while you are in possession of the Equipment. You will indemnify and hold harmless us and our shareholders, members, partners, directors, managers, officers, employees, and agents, and will reimburse us and them for any loss, liability, claim, damage, diminution of value, or expense, including, but not limited to, defense and investigation costs and attorneys' fees and expenses, whether or not involving a third-party claim, arising from or related to your use of the Equipment or breach of any representation, warranty, covenant, or obligation made by you hereunder or in any other certificate, document, writing, or instrument relating to your lease of the Equipment.

5. **LEASE EXPIRATION AND RENEWAL:** Unless you notify us in writing at least 90 days, but not more than 150 days, prior to the expiration of the Lease, or any renewal term, of your intention to return the Equipment to us or to exercise the purchase option indicated above, this Lease will automatically renew for successive 180 day periods at the same monthly Lease payment amount until you either exercise the purchase option or provide us with notice of your intention to return the Equipment to us. If you exercise a fair market value purchase option, you agree to purchase all, but not less than all, of the Equipment at its fair market value. If you elect to return the Equipment to us, it must be returned to the location that we designate within 10 days of the expiration of the initial term or renewal term. Your obligation to pay rent will continue until the Equipment is returned to our designated return location. The Equipment is to be returned in good working condition, excepting normal wear and tear. You agree to pay repair charges incurred by us. You are responsible for all expenses incurred in returning the Equipment to us.

Notwithstanding any other provision herein, this Section 5 does not apply if the Purchase Option listed above is either (a) \$1.00 buyout or (b) \$101.00 buyout.

6. **LATE FEES AND COLLECTION CHARGES:** If any Lease payment or other amount payable to us is not paid within 10 days of its due date, you agree to pay us a late charge of the greater of 10% of the amount which is late or \$10.00, or if less, the maximum amount allowable under applicable law. You also agree to pay us \$35.00 for each check returned for insufficient funds.

7. **NO WARRANTY:** The Equipment is being leased to you "AS IS." You acknowledge that we do not manufacture the Equipment and that you have selected the Equipment and the supplier based on your own judgment. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THE EQUIPMENT THAT IS THE SUBJECT OF THIS LEASE. WE SHALL NOT BE RESPONSIBLE FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES. WE SHALL NOT BE LIABLE FOR ANY LOSS OR INJURY TO YOU OR TO ANY THIRD PERSON OR PROPERTY, INCLUDING, BUT NOT LIMITED TO, DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR SPECIAL DAMAGES CAUSED BY THE USE, OWNERSHIP, LEASE OR POSSESSION OF THE

EQUIPMENT. You agree to continue making Lease payments to us under this Lease, regardless of any claims you may have against the manufacturer or supplier. We transfer to you for the term of this Lease any warranties made by the manufacturer or the supplier. No representation or warranty by the manufacturer or supplier is binding on us nor shall breach of such warranty relieve you of your obligations to us as provided herein.

8. INSURANCE: During the term of this Lease, you will procure and maintain at your expense property insurance for the full replacement value of the Equipment and public liability insurance in an amount acceptable to us covering any personal injury, death or third-party property damage arising out of or relating to the use or operation of the Equipment. You will provide us evidence of such insurance when requested and will name us as loss payee and as an additional insured. If you do not provide us with such evidence, we may at our option either purchase such insurance and add such insurance costs to the amounts due from you under this Lease or charge you a monthly administrative fee of \$8.75 for our costs in identifying, monitoring, and otherwise administering such deficiency. We reserve the right to increase such monthly charge in the event that our costs for providing such services increase. If we purchase such insurance on your behalf, it shall not relieve you of any obligations which you may have under this Lease or release you from any claims we may have against you.

9. OWNERSHIP, TAXES AND UCC'S: We are the owner of the Equipment and you shall have no interest in the Equipment other than as a Lessee hereunder. You will pay, when due, all taxes, fines, penalties, and other amounts (collectively, "Charges") relating to your use or our ownership of the Equipment under this Lease. Your Lease payments do not include any applicable taxes. We will include any applicable taxes and fees, and invoice you for those Charges. You agree to pay the Charges in addition to your payments. If we pay any Charges on your behalf, you will pay us on demand the amount we have paid on your behalf plus a reasonable administrative fee to be determined in our sole and absolute discretion. You authorize us to sign and record UCC financing statements on your behalf to indicate our interest in the Equipment. You agree to pay us a processing fee of the greater of either \$150.00 or 0.1% of the total of Equipment invoices, which amount shall be paid together with your first Lease payment, to cover, among other things, our expenses in processing this Lease and filing documents prescribed by the Uniform Commercial Code or other laws associated with the Equipment.

10. DEFAULT: The term "Event of Default" shall mean any one or more of the following: (1) you do not pay your Lease payment or any other amount payable to us by its due date; or (2) you voluntarily or involuntarily commence any action for relief seeking bankruptcy, insolvency, reorganization or relief from debtors; or (3) you seek appointment of receiver, custodian or similar official for your assets or making a general assignment for the benefit of your creditors; or (4) you discontinue normal business operations for a period greater than 10 days; or (5) the Equipment becomes subject to any lien not created or caused to be created by us or our assignees; or (6) you breach any other term or condition of this Lease. Upon the occurrence of an Event of Default, you shall be deemed to be in default under any other agreement you may have entered into with us or any of our affiliates. If you default, we may require you to do any combination of the following: (1) immediately pay the present value of the remaining unpaid balance of the Lease plus the residual value of the Equipment, if any, discounted at an annual rate of 2%, as determined by us in our sole discretion; and (2) promptly return all of the Equipment or allow us to peaceably repossess the Equipment. In the event that you do not meet these requirements should a default occur, we are permitted to use any and all remedies available to us under the Uniform Commercial Code or any other applicable law. If it is necessary for us to take possession of the Equipment, you agree to pay the cost of repossession and you agree to pay us our reasonable attorneys' fees and costs associated with any legal action we undertake in the event of your default. Additionally, if you default, we may retain any security deposits to insure your performance under this Lease. At the termination of this Lease, if you are not in default, any security deposit will be refunded to you without interest.

11. ASSIGNMENT; SUCCESSORS AND ASSIGNS: YOU MAY NOT SELL, TRANSFER, ASSIGN, OR SUBLEASE THE EQUIPMENT OR THIS LEASE. We may sell, assign, or transfer this Lease or our rights in the Equipment without notice to you. If we sell, assign, or transfer this Lease, the new owner will have the same rights or benefits we have now. You agree that the rights of the new owner will not be subject to any claim, defense, or setoff that you may have against us. Subject to the preceding sentences, this Lease will apply to, be binding in all respects upon, and inure to the benefit of the heirs, successors, and permitted assigns of the parties.

12. ARTICLE 2A RIGHTS AND REMEDIES: You agree that this Lease is a "finance lease" as that term is defined in Article 2A of the Uniform Commercial Code ("UCC"). You hereby agree to waive any and all rights and remedies granted to you by Sections 2A-508 through 2A-522 of the UCC.

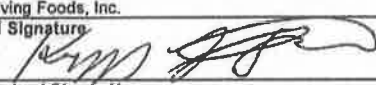
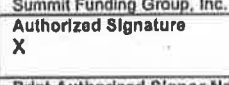
13. ABSOLUTE OBLIGATION: YOUR OBLIGATION TO PAY THE LEASE PAYMENTS AND OTHER AMOUNTS AND ALL OF YOUR OTHER OBLIGATIONS HEREUNDER SHALL BE ABSOLUTE AND UNCONDITIONAL AND ARE NOT SUBJECT TO ANY ABATEMENT, SET-OFF, DEFENSE, OR COUNTERCLAIM FOR ANY REASON WHATSOEVER. You agree that the terms and conditions contained in this Lease make up the entire agreement between you and us regarding the lease of the Equipment. Any change in any of the terms and conditions of this Lease must be in writing and signed by us. You agree that any delay or failure to enforce our rights under this Lease does not prevent us from enforcing any such rights at a later time. All of our rights and indemnities will survive the termination of this Lease.

14. ENTIRE AGREEMENT: This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and incorporates all representations made in connection with negotiation of the same. The terms hereof may not be terminated, amended, supplemented, or modified orally, but only by an instrument duly authorized by each of the parties hereto.

15. FAXED AND COPIED DOCUMENTS: A facsimile copy of the Lease with facsimile signatures may be treated as an original and will be admissible as evidence of the Lease between the parties. Notwithstanding any other provision herein, you will deliver to us your originally signed counterpart of this Agreement no later than one day after your execution hereof.

16. SEVERABILITY: If any term or provision of this Lease is found to be invalid or unenforceable, the remainder of the lease shall not be affected thereby.

17. CHOICE OF LAW; WAIVER OF TRIAL BY JURY; JURISDICTION: THIS LEASE IS GOVERNED BY, ENFORCED IN AND INTERPRETED ACCORDING TO THE LAWS OF THE STATE OF OHIO. YOU CONSENT TO JURISDICTION IN THE STATE OR FEDERAL COURTS OF THE STATE OF OHIO. YOU EXPRESSLY WAIVE THE RIGHT TO TRIAL BY JURY.

Summit Funding Group, Inc. and Lessee, through their respective authorized officers, have set their hands to this Agreement on the dates indicated below.			
LESSEE SIGNATURE		LESSOR SIGNATURE Accepted at Cincinnati, Ohio	
Lessee Legal Name Essential Living Foods, Inc.		Lessor Legal Name Summit Funding Group, Inc.	
Authorized Signature X 		Authorized Signature X 	
Print Authorized Signor Name Klipp Stroden		Print Authorized Signor Name	
Authorized Signor Title CEO	Dated 7/18/13	Authorized Signor Title	Dated

PROGRESS PAYMENT ADDENDUM

The undersigned Lessee under Lease Agreement No. 105119 (the "Lease") does hereby request and irrevocably authorize Lessor to advance certain progress payments (as set forth below) to the supplier(s) of the following Items of Equipment and the undersigned Lessee covenants and agrees that, immediately upon delivery of such Items of Equipment to Lessee, it will inspect and irrevocably accept same under and pursuant to the Lease.

The undersigned Lessee does hereby further covenant and agree that such acceptance by it shall constitute its certification that the foregoing Items of Equipment are in good order and condition, and conform to the specifications, requirements and standards applicable thereto. Lessee agrees to deliver to Lessor, when and as requested by Lessor, Delivery and Acceptance evidencing Lessee's unconditional acceptance of the Equipment.

The undersigned does hereby further certify that as of the date hereof (i) Lessee is not in default under the Lease, and (ii) the representations and warranties made by Lessee pursuant to or under the Lease are true and correct on the date hereof.

The undersigned acknowledges that, if the referenced Lease has not been executed prior to the date(s) of acceptance by Lessee of the foregoing Items of Equipment, (i) the Equipment will be grouped at a future date with other equipment under such Lease, and (ii) until such time as the Lease is so executed, this Progress Payment Addendum shall be deemed a "Lease" for all purposes.

EQUIPMENT:

Qty	Manufacturer	Model	Description	Location Address	City	State	Zip
1			Filler Model SHA-800-CW	3550 Hayden Avenue	Culver City	CA	90232-2413
1			Level Control	3550 Hayden Avenue	Culver City	CA	90232-2413
1			Foot Switch	3550 Hayden Avenue	Culver City	CA	90232-2413
1			Bulk Product Feeder	3550 Hayden Avenue	Culver City	CA	90232-2413
1			24" dia. Unacrambling Table	3550 Hayden Avenue	Culver City	CA	90232-2413
1			24" dia. Accumulation Table	3550 Hayden Avenue	Culver City	CA	90232-2413
1			Freight	3550 Hayden Avenue	Culver City	CA	90232-2413

INTERIM RENT: In consideration of Lessor's agreement to make the Progress Payments described below, the undersigned Lessee hereby agrees to pay Interim Rent until the Commencement Date as follows and notwithstanding that the Equipment has not yet been delivered to or accepted by Lessee: \$40.10 per day, from and including date deposit (referenced below) is paid by Lessor to Commencement Date. Such Interim Rent payment obligations are absolute, unconditional, non-cancellable and not subject to setoff or defense.

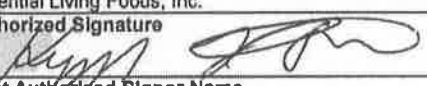
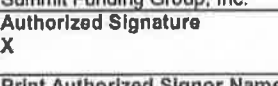
LEASE TERM: The initial term of the Lease for the Equipment shall be 60 Monthly from the Commencement Date.

MONTHLY RENTAL OF PROGRESS PAYMENT: \$1,202.85

PROGRESS PAYMENTS: A deposit of \$46,680.00 will be paid by Lessor to supplier prior to Equipment Installation. In the event of Lessee's failure to accept all of the Equipment within 60 days of the date of this Addendum (or such later Acceptance Date as Lessor may approve in writing), regardless of the reason for such non-acceptance, or in the event of any other Event of Default by Lessee under the Lease prior to Lessee's acceptance of the Equipment, Lessee shall, immediately upon (and in any event no later than 10 days after) Lessor's request, pay to Lessor an amount equal to the sum of all progress payments theretofore made by Lessor to the supplier hereunder together with all Interim Rent then outstanding and accruing to the date of such payment to Lessor and Lessee shall simultaneously assume (and be deemed to have assumed) all obligations of Lessor to the supplier with respect to the Equipment (including any remaining payment obligations) and Lessee shall thereupon also be entitled to exercise for its own benefit all rights of Lessor against the supplier with respect to the Equipment. Lessee agrees that, in any event and without limiting the foregoing, it will hold Lessor harmless from and against any and all claims by the supplier arising out of Lessee's failure or refusal to accept any of the Equipment.

Except as specifically modified by this Addendum, all terms and conditions contained in the Lease shall remain in full force and effect.

IN WITNESS WHEREOF the parties hereto have caused this Addendum to be executed by their duly authorized representatives.

LESSEE SIGNATURE		LESSOR SIGNATURE	
Lessee Legal Name Essential Living Foods, Inc.		Lessor Legal Name Summit Funding Group, Inc.	
Authorized Signature X 		Authorized Signature X 	
Print Authorized Signor Name Kipp Stroden		Print Authorized Signor Name	
Authorized Signor Title CEO	Dated 7/18/13	Authorized Signor Title	Dated

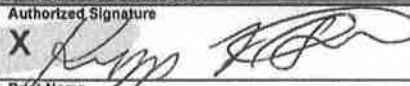



DELIVERY AND ACCEPTANCE CERTIFICATE

LESSEE INFORMATION			
Lessee Legal Name			
Essential Living Foods, Inc.			
DBA (if any)			
Address			
3550 Hayden Avenue			
City	County	State	Zip
Culver City	Los Angeles	CA	90232-2413

On behalf of Lessee, I hereby certify that all of the equipment and other property (collectively, "Equipment") referred to in the Lease Agreement ("Lease") by and between Lessee and Summit Funding Group, Inc. ("Lessor") has been delivered to and been received by Lessee at the location(s) set forth in the Lease, that all installation or other work necessary prior to the use thereof has been examined by the Lessee and is in good operating order and condition and is in all respects satisfactory to Lessee, and that the Equipment is accepted by the Lessee for all purposes under the Lease. Lessee represents and warrants that the Date of Equipment Delivery and Installation set forth below and Billing Address set forth above, as well as the Equipment location set forth in the Lease, are correct. By its execution and delivery of this Delivery and Acceptance Certificate, Lessee hereby reaffirms all of the representations, warranties, and covenants contained in the Lease as of the date hereof, and further represents and warrants to Lessor that no Event of Default, and no event or condition which with notice or the passage of time or both would constitute an Event of Default, has occurred and is continuing as of the date hereof. Lessee further certifies to Lessor that Lessee has selected the Equipment and has received and approved the purchase order, purchase agreement or supply contract under which the Equipment will be acquired for all purposes of the Lease. A facsimile copy of the Delivery and Acceptance Certificate with facsimile signatures may be treated as an original and will be admissible as evidence of the delivery and acceptance.

ACCORDINGLY, I AUTHORIZE LESSOR TO PURCHASE THE EQUIPMENT.

DO NOT SIGN THIS DELIVERY AND ACCEPTANCE CERTIFICATE UNTIL YOU HAVE RECEIVED THE EQUIPMENT

LESSEE SIGNATURE	
Authorized Signature X 	Date <input type="text"/> Delivery and Installation <input type="text"/>
Print Name Kipp Stroden	 
Title CEO	
For Lessor Use Only	
Name of person verifying Delivery and Acceptance of Equipment:	
Signature of Employee who made telephone verification:	
Date of Telephone Verification:	

THE ABOVE SIGNATORY AFFIRMS THAT HE/SHE IS A DULY AUTHORIZED CORPORATE OFFICER OR OFFICIAL, PARTNER OR PROPRIETOR OF THE ABOVE NAMED LESSEE.



PROFORMA INVOICE

All-Fill Inc.
418 Creamery Way
Exton, Pa. 19341
610-524-7350

Invoice Number : 13-255
Customer Code: ELFI
Date: 7/16/13

Bill To:
Summit Funding Group, Inc.
4680 Parkway Drive, Suite 300
Mason, OH 45040

Ship To:
Essential Living Foods, Inc.
3550 Hayden Avenue
Culver City, CA 90232

Attn: Lambert Van Hulst
310-319-1555

Contact: Lynda Andrian (Southern CA Lease)
Telephone: 714-573-9804

Salesman	Purchase Order No.	Ship Via.	F.O.B.	Terms
10	TBA	Motor Freight	Exton	50% with PO/50% due prior to shipping

Quantity	Description	Unit Price	Amount
One	All-Fill Model SHA-600-CW		\$61,650.00
One	Level Control		\$1,325.00
One	Footswitch		\$1,750.00
One	Bulk Product Feeder		\$14,245.00
One	24" Dia. Rotary Unscrambling Table		\$6,925.00
One	24" Dia. Rotary Accumulation Table		\$6,395.00
	Total		\$92,290.00
	Discount		-\$1,790.00
	Total Price		\$90,500.00
	Estimated Freight Cost (Load to Ride)		\$2,860.00
	Complete System Price		\$93,360.00

All-Fill, Inc.
418 Creamery Way
Exton, PA 19341
610.524.7350 p
www.all-fill.com

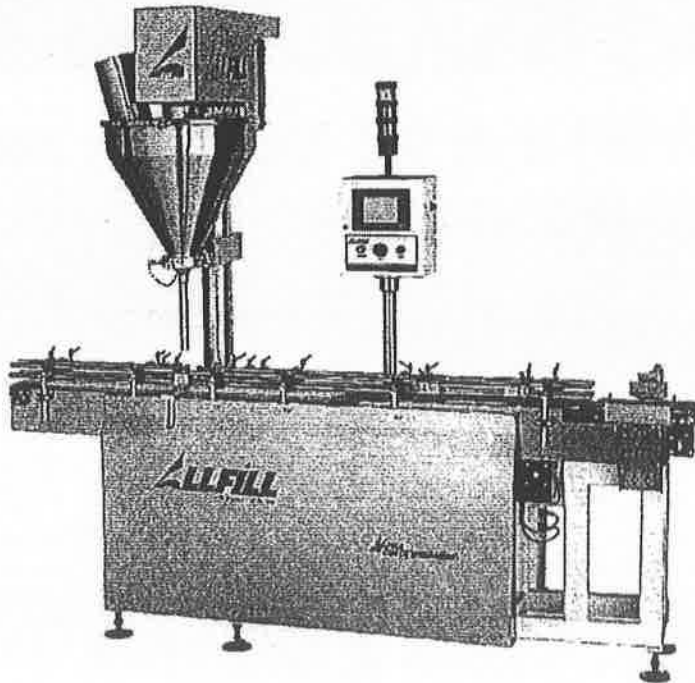
Page 1 of 13



SUBMITTED FOR CONSIDERATION TO:

Mr. Lambert Van Hulst
ESSENTIAL LIVING FOODS
3550 Hayden Ave
Culver City, CA
90232

310-319-1555



Date: July 3, 2013
Quote Number: 13-RA-0135R2

Model: SHA-600-CW

Quote Type: Budgetary
Prepared By: Raymond D. Arra

Local Representative: Mike Bruhns
Phone Number: 310-546-4249



July 15, 2013

Essential Living Foods
3550 Hayden Avenue
Culver City, CA 90232

Hello Brian, Lambert, Jason, Manuela:

Southern California Leasing is pleased to present the following regarding the term information about your lease.

Vendors:
All Fill

Proposed Equipment Cost : \$ 90,500.00
Ship : \$ 2,860.00
Tax : \$ 8,145.00

Total Lease Amount: \$ 101,505.00

Your payment selection is as follows:

Payment

48 months \$ 2,626.07

Advance: 1 payment

We will need this form to be returned before we can proceed with this approval. Please circle payment selection sign below and fax back to Southern California Leasing, Inc. along with a copy of a check made payable to Southern California Leasing for \$465.00 for the non-refundable processing fee.

Signature: _____

A handwritten signature in black ink, appearing to be "K. Lambert", written over a horizontal line.

Date: 7/18/13

All-Fill, Inc.
 418 Creamery Way
 Exton, PA 19341
 610.524.7350 p
 www.all-fill.com

MACHINE SPECIFICATIONS

Documentation	One set - operating instructions, installation and maintenance procedures, electrical schematics and wiring diagrams, parts list.
Weight	TBD
Line Height	36" +/- 2"
Direction of Travel	LEFT TO RIGHT
Electrical Requirements	208/220/440 volt; 3 Phase; 60 Hertz
Control Requirements	110 Volt; 1 Phase; 60 Hertz (transformer provided)
Pneumatic Requirements	DNA

PROPOSAL PRICING

System Details	Description	Qty	Unit Price	Ext. Price
FILLER MODEL	SHA-600-CW	1	\$ 61,650.00	\$61,650.00
FILLER OPTIONS	1. Level Control	1	\$ 1,325.00	\$ 1,325.00
	5. Foot Switch	1	\$ 1,750.00	\$ 1,750.00
ADDITIONAL EQUIPMENT	6. Bulk Product Feeder	1	\$ 14,245.00	\$ 14,245.00
	7. 24" dia. Unscrambling Table	1	\$ 6,925.00	\$ 6,925.00
	8. 24" dia. Accumulation Table	1	\$ 6,395.00	\$ 6,395.00
TOTAL				\$92,290.00
DISCOUNT				-\$1,790.00
COMPLETE NET PRICE				\$90,500.00
F.O.B. EXTON, PA				

Note: The prices given in this quotation are subject to confirmation pending the receipt of sample product and containers for evaluation. Pricing includes domestic crating.



Raymond D. Arra
 July 3, 2013

All-Fill, Inc.
 418 Creamery Way
 Exton, PA 19341
 610.524.7350 p
 www.all-fill.com

TERMS OF PROPOSAL

<p>Payment</p>	<p>Make Purchase Order to: All-Fill, Inc.</p> <p>All payments remit to:</p> <p>All-Fill, Inc. 418 Creamery Way Exton, PA 19341</p> <p>50% down payment with order – billed to customer 50% upon receipt of invoice and prior to machine shipment</p> <p>These payment terms are contingent on approved credit. All-Fill reserves the right to modify these terms at any time. Taxes (if applicable) are extra.</p> <p>Bank Information: M&T Bank 10 North High St. West Chester, PA 19380</p> <p>Contact: Tom J. DiFilippo 610-430-2215 Acct#: 400-2721-1763 ABA#: 031 901 929 Swift Code: MANTUS33 Iban Code – N/A</p>
<p>Delivery</p>	<p>8 - 10 weeks after receipt of purchase order, down payment and clarification of all details pertaining to the application(s) with which the equipment will be used.</p> <p>No work will commence until all design details are clarified, receipt of purchase order, and/or required deposit. Fabrication may be delayed if compliance with payment terms or supply of technical information has not been met.</p> <p>In the event that approval drawings are deemed necessary, formal approval is required prior to commencement of fabrication. At All-Fill's option, approval drawings shall be supplied</p>
<p>Transport/Shipping</p>	<p>F.O.B. All-Fill manufacturing facility in Exton, Pennsylvania 19341. Freight to be billed separately.</p>
<p>Validity</p>	<p>This quote is valid for (30) thirty days from submit date of last revision on record at All-Fill, Inc.</p>



07/23/2013

To: Southern California Leasing, Inc.

This Letter confirms our intent to purchase all the equipment's, leased with Southern California Leasing, Inc., on the expiration of our leases.

Feel free to contact us if you have any question.

Sincerely ,

A handwritten signature in black ink, appearing to read "Lambert M. van Hulst", is written over a horizontal dashed line.

**Lambert M. van Hulst
COO
Essential Living Foods, Inc.
3550 Hayden Ave.
Culver City, CA 90232
Office: 310-319-1555 ext 115**

EXHIBIT 6

OFFER TO PURCHASE ASSETS
of Essential Living Foods, Inc

I. Background

a) Essential Living Foods, Inc. ("ELF" or "Debtor") manufactures and distributes superfoods and superfood blends principally through grocery stores, private label customers, and its website. ELF purchases its ingredients in bulk directly from farmers and packages them through co-packers for wholesale and retail distribution. ELF has filed a Chapter 11 bankruptcy case in the Central District of California, Los Angeles Division (the "Bankruptcy Court"), being Case No.2:16 bk – 25844-RK on December 1, 2016 (the "Case").

b) Terraholdings, LLC ("Terraholdings" or "Buyer") desires to purchase free and clear of all liens, encumbrances and charges all of the assets of ELF (to be defined herein) for the sum of not more than One Million Five Hundred dollars (\$1,500,000) (the "Purchase Price"), to be allocated in the following manner:

1. Senior Lender: Gerber Finance, Inc. ("Gerber") approximately \$1,123,570.68 (plus allowed reasonable legal fees and other expenses) not to exceed the total amount of \$1,200,000. If the amount owing to Gerber exceeds the sum of \$1,200,000, the amount payable to general unsecured creditors shall be reduced proportionately.
2. Junior Lien Holders: Buyer is informed that Junior Lienholders consent to the sale of the Assets free and clear of their liens and agree to be treated as general unsecured creditors.
3. Administrative and general unsecured creditors – \$300,000, subject to the adjustment set forth in #1 above..

KLS



II. Purchase of Assets

Buyer will form an entity (Newco) to purchase all of the assets of ELF (collectively, "Assets") generally described by category as: all tangible and intangible assets including the company name and including product formulas and blends, certain contracts and purchase orders with customers, know-how, trade names, trademarks of ELF and of Beon Holdings (parent of Debtor), non-obsolete inventory, prepayments, cash on hand, accounts receivable, and fixed assets. The definitive asset purchase agreement

KLS

("Purchase Agreement") to be entered into by the parties will contain a detailed description of the Assets.

III. No Assumption of Liabilities

Newco will NOT assume any liabilities of ELF ("Liabilities"), and consummation of the purchase shall be conditioned on the entry of an order of the Bankruptcy Court approving the sale of the Assets free and clear of all liens, encumbrances and charges in form and substance satisfactory to Buyer.

IV. The Purchase Agreement

The purchase shall be made pursuant to a definitive Purchase Agreement containing the usual terms, conditions, warranties and representations that apply to a sale by a debtor in possession.

V. Closing

(a) Conditions Precedent: The obligation to proceed with the proposed purchase is subject to (i) completion of due diligence (the results of which must be acceptable to Buyer in its sole discretion); and (ii) execution of the aforesaid Purchase Agreement on terms and conditions consistent herewith and acceptable to Buyer in its sole discretion.

KLS

(b) Closing Date

The Closing shall take place immediately upon entry of an order of the Bankruptcy Court approving the sale to Buyer, assuming no stay is in place, which shall be in a form acceptable to Buyer, but in any event not later than January 13, 2017



VI. Payment

The total price to be paid for the Assets shall be payable as follows:

a) \$ 50,000 shall be paid as an initial deposit upon the acceptance of this offer and held in a trust account of counsel to the Debtor pending the Closing. If the transaction shall close as contemplated, the deposit shall be credited to the Purchase Price at Closing. If the transaction shall not close

for any reason other than the malfeasance of Buyer, the deposit shall be returned to the Buyer forthwith.


b) Assuming the completion of the transaction as contemplated herein and in compliance with the provisions of the Purchase Agreement as it shall be executed by the Parties, the balance of the purchase price of up to \$1,450,000 shall be paid to Debtor at Closing.

KLS VII. Bid Procedures and Breakup Fee

Within five (5) business days after the execution of this Offer by both parties, ELF shall file a motion with the Bankruptcy Court seeking the approval of this Offer and the approval of bid procedures and a breakup fee (the "Bid Procedures Motion"):

In the Bid Procedures Motion, ELF shall seek Bankruptcy Court approval for a Break-Up Fee equal to 4% of the Purchase Price ("Break-Up Fee"). The Break-Up Fee, if approved by the Bankruptcy Court, shall be paid to Buyer if it is not ultimately the successful purchaser of the Assets due to a qualified over-bidder successfully overbidding for the purchase of the Assets from the Seller at the sale hearing. This Break-Up Fee is a material provision of this Offer, and Buyer shall not be required to proceed to Close if the Bankruptcy Court denies ELF's request for a Break-Up Fee.

VIII. Miscellaneous

 (i) **Due Diligence:** Due diligence shall be completed by Buyer within 5 business days of the acceptance of this Offer.

(ii) **Expenses:** Each party will assume and pay for all out-of-pocket fees and expenses incurred by such party in connection with the preparation, execution and performance of the Purchase Agreement and related documents and matters to accomplish the Closing.

VIII. Key Personnel

At Closing, Buyer (through Newco) may extend employment offers to certain key employees of ELF to be formalized and executed prior to Closing. Buyer shall be under no obligation to retain any employees of the Debtor. Salaries, incentive arrangements, and specific roles and titles will be determined imminently after Closing. The employment agreements will

contain, inter alia, standard non-competition, intellectual property, confidentiality, non-solicitation, and no conflict of interest provisions and will be terminable by either party thereto upon thirty (30) days prior notice.

IX. Governing Law/Dispute Resolution

All matters affecting this Agreement, including the negotiation and validity thereof, shall be governed by, and interpreted and construed in accordance with, the laws of the State of California applicable to contracts executed in and to be performed in that State. It is agreed that any dispute between the Parties arising out of or in any way touching upon the subject matter of (or negotiation of) this Agreement shall be resolved by the Bankruptcy Court overseeing the Case.

(X) Termination

This Offer must be signed and returned to the Buyer by ELF not later than 5:00 p.m. PDT within 48 hours of its delivery to ELF; otherwise it will automatically terminate (unless it is extended in writing by the Parties). If so signed and returned, the initial deposit shall be delivered to counsel for ELF to be held in its trust account within 5 business days.

This Offer supersedes and replaces all prior offers that may have been made or discussed between Buyer and ELF, whether or not signed.

IN WITNESS WHEREOF, the undersigned has duly executed this Offer as of December 18, 2016.

Terraholdings, LLC

By: 

David A. Bermeo

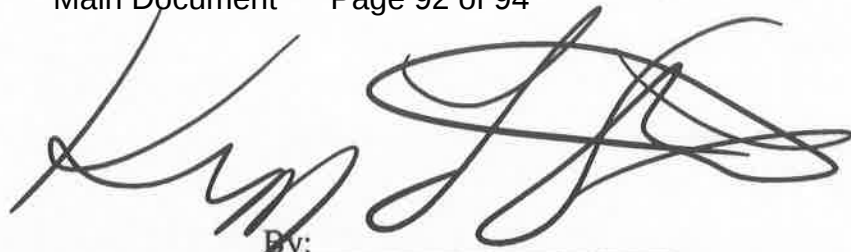
Its: President

The above Offer is hereby accepted, subject to Bankruptcy Court approval:

Date: December 19, 2016

th

Essential Living Foods, Inc.

A handwritten signature in black ink, consisting of several loops and flourishes, positioned above a horizontal line.

By: _____

Its **CEO** _____

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

11766 Wilshire Blvd., Ste. 1170, Los Angeles, CA 90025

A true and correct copy of the foregoing document entitled (*specify*): **DEBTOR'S MOTION FOR ORDER**

- 1. APPROVING THE SALE OF SUBSTANTIALLY ALL ASSETS OF THE ESTATE FREE AND CLEAR OF LIENS, CLAIMS, INTEREST AND ENCUMBRANCES PURSUANT TO 11 U.S.C. §363(B)(1) AND (F)(2); AND**
- 2. AUTHORIZING ASSUMPTION AND ASSIGNMENT OF CERTAIN UNEXPIRED LEASES AND EXECUTORY CONTRACTS; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATION OF KIPP STRODEN IN SUPPORT THEREOF**

will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **December 30, 2016**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Martin J Brill** mjb@lnbrb.com
- **Kenneth G Lau** kenneth.g.lau@usdoj.gov
- **Elaine Nguyen** elaine@wsrlaw.net, melissa@wsrlaw.net;vinnet@ecf.inforuptcy.com
- **Juliet Y Oh** jyo@lnbrb.com, jyo@lnbrb.com
- **Scott H Olson** solson@vedderprice.com, ecfdocket@vedderprice.com;jcano@vedderprice.com,jparker@vedderprice.com
- **Melanie Scott** melanie.scott@usdoj.gov
- **James R Selth** jim@wsrlaw.net, jselth@yahoo.com;melissa@wsrlaw.net;vinnet@ecf.inforuptcy.com
- **United States Trustee (LA)** ustpregion16.la.ecf@usdoj.gov
- **Daniel J Weintraub** dan@wsrlaw.net, melissa@wsrlaw.net;vinnet@ecf.inforuptcy.com

2. SERVED BY UNITED STATES MAIL:

On (*date*) **December 30, 2016**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Secured Creditors:

Gerber Finance, Inc.

Scott H. Olson--- 275 Battery Street, Suite 2464 San Francisco, CA 94111
William H. Thorsness-- Vedder Price P.C. 222 North LaSalle Street Chicago, IL 60601

Gerber Finance Inc.
488 Madison Avenue, FL 800
New York, NY 10022-5728

Vered Private Equity, LLC and Scorpion Group, LLC

Eric Walker | Perkins Coie LLP
131 S. Dearborn, Street Suite 1700
Chicago, IL 60603-5559

Scorpion Group LLC

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

101 California Street, Suite 1025
San Francisco, CA 94111-6106

Scorpion Group LLC
3555 Timmons Lane, Suite 800
Houston, TX 77027
Vered Private Equity LLC
101 California Street, Suite 1025
San Francisco, CA 94111-6106

Vered Private Equity LLC
3555 Timmons Lane, Suite 800
Houston, TX 77027

Equipment Financing Lenders:

CIT Finance LLC/ Summit Funding Group, Inc.
10201 Centurion Parkway North
Jacksonville, FL 32256

Summit Funding Group, Inc.
4680 Parkway Drive, Suite 300
Mason, OH 45040

RLC Funding A Division of Navitas Lease Corp
814 Highway A1A North, Suite 205
Ponte Vedra Beach, FL 32082

Wells Fargo Bank N.A.
300 Tri-State International, Ste. 400
Lincolnshire, IL 60069

RSF Social Enterprise, Inc.
1002 O'Reilly Avenue
San Francisco, CA 94129

Rudolf Striner Foundation
1002A O'Reilly Avenue
San Francisco, CA 94129

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) **December 30, 2016**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Personal delivery to Chambers of Hon. Robert N. Kwan, United States Bankruptcy Court, Los Angeles Division

Counsel for Vered Private Equity, LLC and Scorpion Group, LLC: Eric Walker, Perkins Coie, LLP Email: EWalker@perkinscoie.com

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

12/30/2016
Date

Melissa Layne
Printed Name

/s/ Melissa Layne
Signature