

SO ORDERED.



Dated: January 27, 2016

Madeleine C. Wanslee

Madeleine C. Wanslee, Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re:
INTERNATIONAL TECHNICAL
COATINGS, INC.,

Debtor.

In Proceedings Under Chapter 11

Case No. 2:15-bk-14709-MCW

**FINAL ORDER AUTHORIZING AND
APPROVING THE DEBTOR'S
CONTINUED USE OF CASH
COLLATERAL**

Date of Hearing: December 18, 2015

Time of Hearing: 1:30 p.m.

This matter came before the Court pursuant to the Debtor's *Motion For Interim And Final Use Of Cash Collateral* filed on November 18, 2015 [DE #4] ("Motion") by the above-captioned debtor ("Debtor") in this bankruptcy case. The Court previously entered interim orders approving the Motion. See Orders dated November 20, 2015 [DE No. 26]; December 23, 2015 [DE No. 121] (collectively, "Interim CC Orders"). The Debtor seeks entry of this Order pursuant to the Motion and with the consent of Bank of America, N.A. ("Lender") and the Official Committee of Unsecured Creditors ("Committee"). Based on the Motion and the entire record before the Court,

THE COURT HEREBY FINDS AND CONCLUDES as follows:

A. On November 18, 2015 (the "Petition Date"), the Debtor filed a voluntary petition for relief under chapter 11 of Title 11 of the United States Code ("Bankruptcy Code"), thereby commencing this chapter 11 case ("Bankruptcy Case").

1 B. This Court has jurisdiction over this Bankruptcy Case and the Motion pursuant to
2 28 U.S.C. §§ 157(b) and 1334. The Motion presents a core proceeding as defined in 28 U.S.C. §
3 157(b)(2).

4 C. On or about July 14, 2011, Lender made three loans to the Debtor in the original
5 principal amounts of: (1) \$20,000,000 (“Facility 1 Loan”); (2) \$5,000,000 (“Facility 2 Loan”),
6 and (3) \$3,300,000 (“Facility 3 Loan”).

7 D. On or about August 29, 2012, Lender made a fourth loan to the Debtor in the
8 original principal amount of \$15,000,000 (“Facility 4 Loan”).

9 E. On or about April 17, 2014, Lender made a fifth loan to the Debtor in the original
10 principal amount of \$10,690,000 (“Facility 5 Loan,” and together with the Facility 1 Loan,
11 Facility 2 Loan, Facility 3 Loan, and Facility 4 Loan, the “Loans”).

12 F. The Loans are evidenced by, among other things: (i) that certain Loan Agreement
13 by and between Lender, as lender, and the Debtor, as borrower, dated July 14, 2011 (the “Loan
14 Agreement”); (ii) that certain Amendment No. 1 to Loan Agreement by and between Lender, as
15 lender, and the Debtor, as borrower, dated July 14, 2011 (“First Amendment”); (iii) that certain
16 Amendment No. 2 to Loan Agreement and Consent of Guarantors by and between Lender, as
17 lender, and the Debtor, as borrower, dated August 29, 2012 (“Second Amendment”); and (iv)
18 that certain Amendment No. 3 to Loan Agreement by and between Lender, as lender, and the
19 Debtor, as borrower, dated April 17, 2014 (“Third Amendment”).

20 G. Pursuant to the Third Amendment, the Facility 2 Loan and Facility 4 Loan have
21 been fully paid off utilizing the proceeds of the Facility 5 Loan. (Third Amendment, ¶ 2.11)

22 H. Lender’s senior perfected liens and security interests in and to the Collateral
23 (defined below) are evidenced by, and are more specifically described in: (i) that certain Deed Of
24 Trust, Assignment of Rents, Security Agreement and Fixture Filing dated July 14, 2011, and
25 made by the Debtor, as trustor, in favor of Lender, as beneficiary, and recorded in the Maricopa
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1 County Recorder's Office on July 29, 2011, as Document No. 20110634530 ("Deed Of Trust");
2 (ii) that certain UCC-1 Financing Statement listing the Debtor, as debtor, and Lender, as secured
3 party, filed in the Arizona Secretary of State's Office at Document No. 201116592525 ("Fixture
4 Filing"); (iii) that certain Security Agreement (Multiple Use) dated July 14, 2011, made by the
5 Debtor in favor of Lender ("First Security Agreement"); (iv) that certain Security Agreement
6 (Multiple Use) dated April 17, 2014, made by the Debtor in favor of Lender ("Second Security
7 Agreement"); and (v) that certain Security Agreement (Deposit Account - Specific) dated April
8 17, 2014, made by Thomas Fisher in favor of Lender ("Fisher Security Agreement" and,
9 collectively with the Deed Of Trust, Fixture Filing, First Security Agreement and Second
10 Security Agreement, the "Security Documents").

12 I. Debtor's payment and performance obligations under the Loans are absolutely
13 and unconditionally, jointly and severally guaranteed pursuant to: (i) that certain Continuing and
14 Unconditional Guaranty dated July 14, 2011, made by John L. Caldwell and Joy G. Caldwell in
15 favor of Lender; and (ii) that certain Continuing and Unconditional Guaranty dated July 14,
16 2011, made by Thomas Fisher and Candice N. Fisher ("Fisher") in favor of Lender (together, the
17 "Guaranties")

19 J. The Loan Agreement, First Amendment, Second Amendment, Third Amendment,
20 Security Documents, and Guaranties, and all other documents evidencing and securing the
21 Loans, as amended, supplemented, or otherwise modified prior to the Petition Date, are referred
22 to collectively herein as the "Prepetition Loan and Security Documents."

24 K. The principal, interest, costs, expenses, professional fees, and other amounts
25 owing under the Prepetition Loan and Security Documents are collectively referred to herein as
26 the "Prepetition Indebtedness."

27 L. Subject only to the provisions of Paragraph 11 below, the Debtor's payment and
28 performance obligations under Loans are secured by valid, perfected and unavoidable liens in all

1 real and personal property owned by the Debtors and that certain Lender deposit account opened
2 by Fisher, all to the full extent set forth in the Prepetition Loan and Security Documents
3 (collectively, the “Collateral”).

4 M. Computed as of the Petition Date, Lender calculates the Prepetition Indebtedness
5 in the aggregate amount of at least \$25,668,212.53, broken down as follows:

6 1. With respect to Facility # 1, the Debtor owes Lender the aggregate amount
7 of at least \$14,566,935.93, comprised of: (i) \$14,497,000.00 of unpaid principal; (ii) \$30,476.67
8 of accrued and unpaid non-default interest; (iii) \$39,459.26 of accrued and unpaid default
9 interest; and (iv) certain other recoverable fees (including attorneys’ fees) and costs owing under
10 Facility #1 and related Prepetition Loan and Security Documents. Interest with respect to
11 Facility # 1 continues to accrue from the Petition Date in the per diem amount of \$1,427.80.

12 2. With respect to Facility # 3, the Debtor owes Lender the aggregate amount
13 of at least \$2,625,103.13, comprised of: (i) \$2,612,500.00 of unpaid principal; (ii) \$5,492.19 of
14 accrued and unpaid non-default interest; (iii) \$7,110.94 of accrued and unpaid default interest;
15 and (iv) certain other recoverable fees (including attorneys’ fees) and costs owing under Facility
16 #3 and related Prepetition Loan and Security Documents. Interest with respect to Facility # 3
17 continues to accrue from the Petition Date in the per diem amount of \$258.66.

18 3. With respect to Facility # 5, the Debtor owes Lender the aggregate amount
19 of at least \$8,513,945.10, comprised of: (i) \$8,447,189.83 of unpaid principal; (ii) \$31,012.26 of
20 accrued and unpaid non-default interest; (iii) \$35,743.01 of accrued and unpaid default interest;
21 and (iv) certain other recoverable fees (including attorneys’ fees) and costs owing under Facility
22 #5 and related Prepetition Loan and Security Documents. Interest with respect to Facility # 5
23 continues to accrue from the Petition Date in the per diem amount of \$875.99.

24 N. The Debtor admits it is liable to Lender for the Prepetition Indebtedness relating
25 to the aggregate principal amount of at least \$25,556,689.83, and reserves its rights with respect
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1 to the calculation of accrued and unpaid default and non-default interest. The Debtor shall have
2 until February 3, 2016, to challenge the calculations of accrued and unpaid interest set forth
3 herein. If the Debtor fails to do so, the Debtor shall be deemed to have admitted the amounts of
4 accrued and unpaid default and non-default interest as set forth above in Paragraphs M.1-M.3.

5 O. The Debtor admits that, as security for repayment of the Prepetition Indebtedness,
6 Lender holds valid, perfected, and enforceable liens in all of the Collateral.

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8 P. The Debtor further admits that: (a) all of the amounts owing to Lender pursuant to
9 the Prepetition Loan and Security Documents are due and owing, are legally binding and
10 enforceable obligations of the Debtor, and are not subject to any offset, defense, claims,
11 counterclaims or any other diminution of any type, kind or nature whatsoever; (b) the Prepetition
12 Loan and Security Documents are valid and enforceable against the Debtor in accordance with
13 their terms, are not subject to any offset, defense, claim, counterclaim or diminution of any type,
14 kind or nature whatsoever, and are not subject to avoidance pursuant to applicable state or
15 federal laws; (c) the liens of Lender in, to, and against all of the Collateral are valid, enforceable
16 and properly perfected, and are not subject to avoidance under any state and federal law; and (d)
17 there are no existing claims or causes of action of the Debtor, breaches of contract or other
18 liabilities, whether liquidated or unliquidated, direct or indirect, and whether arising under state
19 or federal law (including the Bankruptcy Code) against Lender, arising from the relationships
20 between the Debtor and Lender.

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22 Q. Subject only to the provisions of Paragraph 11 below, Lender's Collateral
23 includes all cash, cash equivalents, and proceeds thereof, all of which constitutes cash collateral
24 of Lender within the meaning of 11 U.S.C. § 363(a) (the "Cash Collateral"). The Cash Collateral
25 also serves as security for repayment of the Prepetition Indebtedness.

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27 R. The Debtor does not have sufficient available sources of working capital and
28 financing to carry on the operation of its business without the use of Cash Collateral. The ability

1 of the Debtor to pay employees, maintain business relationships with vendors and suppliers,
2 purchase new inventory, and otherwise finance its operations is essential to the Debtor's
3 continued viability; and the Debtor's critical need for use of Cash Collateral is immediate.
4 Without the use of Cash Collateral, the continued operation of the Debtor's business would not
5 be possible, and serious and irreparable harm to the Debtor and its estate would occur.

6 S. The Debtor previously requested that Lender consent to the interim and limited
7 use of Cash Collateral. Lender provided its consent pursuant to the terms of the Interim CC
8 Orders. The Debtor undertook arm's length negotiations with Lender with respect to the Interim
9 CC Orders, and with respect to the additional limited use of Cash Collateral addressed pursuant
10 to the terms of this Order.
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12 T. Lender is willing to allow the Debtor to continue using its Cash Collateral through
13 April 29, 2016, pursuant to the terms and conditions set forth in this Order. The terms and
14 conditions of the proposed use of Cash Collateral pursuant to this Order are fair and reasonable;
15 were negotiated by Lender, the Debtor, and the Committee (the "Parties") in good faith at arm's
16 length, and the Parties otherwise acted in good faith. Lender has not agreed to any further or
17 other use of its Cash Collateral for any other purpose except as set forth in this Order.
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19 U. The Debtor has provided sufficient notice of the Court's initial hearing resulting
20 in the entry of this Order. Sufficient and adequate notice under the circumstances of the Motion
21 and the relief granted in this Order has been given pursuant to Bankruptcy Code §§ 102(1) and
22 363(c), and Bankruptcy Rules 2002 and 4001.
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24 V. Based on the record before this Court, there is good cause for the Court to
25 authorize the Debtor's limited use of Cash Collateral under the terms and conditions stated
26 herein (and not otherwise).
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1 W. Subject only to the provisions of Paragraph 11 below, each of the foregoing
2 findings by the Court will be deemed a finding of fact if, and to the extent, that it contains factual
3 findings and a conclusion of law if, and to the full extent, that it makes legal conclusions.

4 Based upon the foregoing findings and conclusions, and good and sufficient cause
5 appearing therefor,

6 **IT IS HEREBY ORDERED** as follows:

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8 1. Subject only to the provisions of Paragraph 11 below, the paragraphs contained in
9 the foregoing findings and conclusions of this Order are incorporated herein by reference, and
10 the Parties consent and stipulate to the facts and findings contained in such preamble and to the
11 entry of this Order.

12 2. Pursuant to Bankruptcy Code § 363(c), the Debtor shall be, and hereby is,
13 authorized to use the Cash Collateral upon (and only upon) the terms and conditions set forth in
14 this Order.

15 3. Subject only to the provisions of Paragraph 4 below, the Debtor's use of Cash
16 Collateral is limited to payment of the authorized expenses pursuant to the budget attached
17 hereto as Exhibit 1 (the "Budget") and for no other purpose without the prior written consent of
18 Lender. The Debtor is hereby authorized to use the Cash Collateral only to pay the post-petition
19 operating expenses of the Debtor as set forth on the Budget; *provided, however*, in no event will
20 the Debtor, without the express written consent of Lender: (i) prepay any expenses from Cash
21 Collateral in an aggregate amount that exceeds \$10,000, except those expenses specifically
22 provided for in the Budget; or (ii) pay Mr. Caldwell, any family member of Mr. Caldwell, or any
23 affiliate of Mr. Caldwell. Any current rights to payment asserted by Mr. Caldwell or his
24 affiliates are deferred without prejudice to later renewal of said payment rights by Mr. Caldwell
25 or his affiliates, and the rights of all parties to object to or contest any such payment rights
26 asserted by Mr. Caldwell or his affiliates are reserved.
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1 4. Lender is entitled to the payment of ordinary and customary fees due to the
2 Debtor's usage of its bank accounts with Lender, which fees shall be paid by the Debtor in the
3 ordinary course.

4 5. Unless extended further with the written consent of Lender (confirmed by the
5 entry of a further order of this Court), the authorization granted to the Debtor to use Cash
6 Collateral under this Order shall terminate on the date ("Termination Date") that is the *earliest*
7 of: (i) end of business on April 29, 2016; (ii) any later date Lender agrees upon in writing; (iii)
8 the date upon which a chapter 11 or chapter 7 trustee is appointed in the Bankruptcy Case; and
9 (iv) upon the Debtor's breach under any term or provision of this Order. Notwithstanding any
10 such termination, the rights and obligations of the Debtor and the rights, claims, liens, priorities,
11 and other benefits and protections afforded to Lender under this Order shall remain unimpaired
12 and unaffected by any such termination, and shall survive any such termination.

13 6. Notwithstanding anything in section 552 of the Bankruptcy Code to the contrary,
14 Lender shall have, and is hereby granted, a replacement lien on assets acquired by the Debtor
15 after the Petition Date of the same type as the assets on which Lender held a lien on the Petition
16 Date (the "Replacement Liens"). Lender's Replacement Liens shall secure Lender to the extent
17 necessary to adequately protect Lender from any diminution in value of its interests in property
18 of the Debtor's estate as a result of the entry of this Order and the use of Cash Collateral
19 authorized hereby, and shall have the same validity, priority, and enforceability as Lender's
20 liens on the Debtor's assets on the Petition Date. The Replacement Liens shall not, however,
21 attach to the estate's interest in any avoidance action under chapter 5 of the Bankruptcy Code.

22 7. Lender's Replacement Liens shall be, and hereby are, granted in the property
23 referenced in Paragraph 6 above (effective and perfected as of the date of the above-referenced
24 hearing and without the necessity of the execution by the Debtor of any security agreement,
25 pledge agreement, financing statement or any other documents) to the extent necessary to
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1 adequately protect Lender from any diminution in value of its interests in property of the
2 Debtor's estate as a result of the entry of this Order and the use of Cash Collateral authorized
3 hereby.

4 8. To the extent the Replacement Liens granted to Lender hereunder and in the
5 Order do not provide Lender with adequate protection of its interests in the Cash Collateral,
6 Lender shall have a super-priority administrative expense claim under Bankruptcy Code §507(b)
7 as necessary to fully compensate Lender for the use of its Cash Collateral by the Debtor (the
8 "Super-Priority Claims"). The Super-Priority Claims of Lender shall have priority over all
9 administrative expenses incurred in this case of any kind, including such administrative expenses
10 of the kinds specified in, or allowable under, sections 105, 326, 330, 331, 503(b), 506(c), 507(a),
11 507(b) or 726 of the Bankruptcy Code. Subject only to the Carve-Out (defined below), no costs
12 or expenses of administration which have been or may be incurred in these proceedings, any
13 conversion of these proceedings pursuant to section 1112 of the Bankruptcy Code, or in any
14 other proceeding related hereto, and no priority claims are, or will be, prior to or on a parity with
15 the Super-Priority Claims of Lender.
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18 9. The Replacement Liens and Super-Priority Claims granted to Lender pursuant to
19 this Order shall be subject only to the following (collectively, the "Carve-Out"): (a) the payment
20 of allowed fees and expenses for estate professionals retained in the Bankruptcy Cases pursuant
21 to Bankruptcy Code § 327 and the professional fees and expenses for any statutory committee
22 appointed in the Bankruptcy Case, including prepetition retainers of such professionals to which
23 fees and costs will first be applied before using Cash Collateral, in an aggregate amount for all
24 professionals totaling \$200,000 per month (collectively, the "Professional
25 Fees/Reimbursements"), which amount shall be the total monthly amount available for allowed
26 professional fees and disbursements of any kind in the Bankruptcy Case eligible to be paid from
27 Cash Collateral through the Termination Date, but shall not act as a cap or limit upon the Court's
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1 ability to review and allow professionals' fees; and (b) quarterly fees required to be paid
2 pursuant to 28 U.S.C. § 1930(a)(6) (the "UST Fees"); *provided, however*, that the Carve-Out will
3 not be available to pay Professional Fees/Reimbursements incurred in connection with any
4 adversary proceeding or the assertion of any claims or causes of action against Lender, including,
5 without limitation, any avoidance action under chapter 5 of the Bankruptcy Code, any objection
6 or other challenge to the amount, validity or enforceability of any claims or liens of Lender, or
7 formal discovery proceedings (including, but not limited to, document production and
8 examinations pursuant to Bankruptcy Rule 2004) in anticipation thereof; and *provided further*
9 that the Carve-Out will not be available beyond the prepetition retainers if, and to the extent, the
10 Debtor has other unencumbered or less than fully encumbered assets from which Professional
11 Fees/Disbursements and UST Fees can be paid.
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13 10. None of the Cash Collateral subject to liens in favor of Lender (notwithstanding
14 the Carve-Out) may be used to: (i) object to or contest in any manner, or raise any defenses to the
15 validity, perfection, priority or enforceability of the Prepetition Indebtedness, or the liens in favor
16 of Lender securing the Prepetition Indebtedness; (ii) object to or contest in any manner, or raise
17 any alleged defenses to the validity, perfection, priority or enforceability of the Prepetition
18 Indebtedness owing to Lender, or the liens in favor of Lender securing the Prepetition
19 Indebtedness; (iii) assert any claims or causes of action against Lender of any type, including,
20 without limitation, any avoidance actions under chapter 5 of the Bankruptcy Code, or any claim
21 or cause of action related to the Prepetition Loan and Security Documents or otherwise; or (iv)
22 prepare or prosecute any adversary proceeding in which Lender is named defendant. Without
23 limiting the foregoing, the Carve-Out may be used to fund the reasonable fees and costs incurred
24 by the Committee's professionals, not to exceed the aggregate amount of \$15,000.00 (the
25 "Assessment Fees"), associated with an assessment of the validity, priority, and enforceability of
26 the Lender's pre-petition secured claim during the Lookback Period. For the avoidance of any
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1 doubt, the Assessment Fees are included in, and not additional to, the total Professional
2 Fees/Reimbursements discussed in Paragraph 9 above.

3 11. No later than the first business day that is forty-five (45) days after the date of
4 entry of this Order (the "Lookback Period") the Committee may notify Lender in writing, object
5 to, challenge, or seek to avoid the amount, validity, priority, or enforceability of the Prepetition
6 Indebtedness or Lender's liens in the Collateral securing the Prepetition Indebtedness. If no such
7 notice, action, objection or other challenge is taken within the Lookback Period, the Prepetition
8 Indebtedness will be deemed and adjudicated finally and indefeasibly as valid and enforceable,
9 and Lender's liens in the Collateral securing the Prepetition Indebtedness will be deemed and
10 adjudicated finally and indefeasibly as valid, enforceable and perfected liens in that Collateral as
11 set forth in the Prepetition Loan and Security Documents. The Lookback Period may be
12 extended by Lender, in its sole and absolute discretion, without Court approval, by Lender's
13 providing to both the Committee and Debtor a written or electronic mailed agreement evidencing
14 the extension. The Debtor hereby waives and releases any right to object to, challenge, or seek
15 to avoid, the amount, validity, or enforceability of the Prepetition Indebtedness or the Debtor's
16 liens in the Collateral securing the Prepetition Indebtedness.

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19 12. The Debtor shall make available to Lender and the Committee, and their
20 respective counsel and consultants, upon reasonable request, the Debtor's books and records and
21 other financial information. The Debtor shall also provide the following to Lender and the
22 Committee:

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24 (i) an actual-to-budget cash flow report in substantially the same form as the Budget
25 attached to this Order, with explanation of variances, provided each Thursday for
26 the preceding week;

- 1 (ii) payroll reports produced by the Debtor's payroll company, with social security
2 numbers redacted from all such reports, provided within six (6) business days
3 after the end of each payroll period;
- 4 (iii) an end-of-week accounts payable detail excluding professional fees, provided
5 each Thursday for the preceding week;
- 6 (iv) a summary of the status of any debtor-in-possession financing and/or refinancing
7 of the Lender Prepetition Indebtedness, provided on a weekly basis; and
8
- 9 (v) monthly bank statements within ten (10) calendar days of receipt by the Debtor.

10 13. Neither the Debtor nor any other person or entity will be permitted to surcharge
11 the Collateral under Bankruptcy Code § 506(c). The Debtor and the Committee each expressly
12 waives the right to surcharge the Collateral.

13 14. The provisions of this Order shall be binding upon and inure to the benefit of
14 Lender, the Debtor and its bankruptcy estate, the Committee, and their respective successors and
15 assigns, including any trustee hereafter appointed in the Bankruptcy Case.

16 15. Nothing in this Order will be deemed or construed as an admission or waiver by
17 the Parties as to adequate protection, or any other issue in this Bankruptcy Case except as
18 expressly set forth herein. Nothing in this Order shall prejudice Lender's right to seek an order
19 of this Court prohibiting the Debtor's use of Cash Collateral or seek any other relief that Lender
20 may deem necessary and appropriate under the circumstances; and nothing in this Order
21 prejudices the Debtor's or any other party in interest's right to oppose such relief requested by
22 Lender.
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25 **DATED, SIGNED AND ORDERED AS SET FORTH ABOVE**

PROPRIETARY CONFIDENTIAL

ITC Manufacturing, Inc.
13 Week Cash Flow Forecast
January 22, 2016

	Week Ending	1/8	1/15	1/22	1/29	2/5	2/12	2/19	2/26	3/4	3/11	3/18	3/25	4/1	4/8	4/15	4/22	4/29	5/6	5/13	5/20	5/27	Total
		1/8	1/15	1/22	1/29	2/5	2/12	2/19	2/26	3/4	3/11	3/18	3/25	4/1	4/8	4/15	4/22	4/29	5/6	5/13	5/20	5/27	13 Weeks
Weekly Sales		\$ 1,773	\$ 1,611	\$ 976	\$ 1,067	\$ 1,199	\$ 1,327	\$ 1,259	\$ 1,003	\$ 1,102	\$ 1,040	\$ 1,039	\$ 1,000	\$ 1,114	\$ 1,001	\$ 1,200	\$ 1,214	\$ 1,001	\$ 1,114	\$ 1,001	\$ 1,200	\$ 1,214	\$ 14,565
Receipts		1,266	1,495	1,183	955	1,089	1,159	1,195	1,308	1,273	1,100	1,078	1,067	1,199	1,077	1,259	1,103	1,077	1,199	1,077	1,259	1,103	14,872
Total Receipts		1,266	1,495	1,183	955	1,089	1,159	1,195	1,308	1,273	1,100	1,078	1,067	1,199	1,077	1,259	1,103	1,077	1,199	1,077	1,259	1,103	14,872
Cash Outflows		739	151	216	513	519	972	377	491	377	1,289	279	365	269	158	1,463	170	158	158	158	1,463	170	7,272
Materials & Warehouse Exp:		1	1	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	130
Raw Materials		1	1	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	130
Subcontractors		35	23	25	41	46	50	42	38	42	40	39	38	42	38	46	46	38	42	38	46	46	553
Freight		11	9	12	19	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	295
Shipping Supplies		-	-	-	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	44
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll & Benefits:		178	185	183	193	193	193	197	197	197	197	197	197	197	197	197	197	197	197	197	197	197	2,547
Wages		178	185	183	193	193	193	197	197	197	197	197	197	197	197	197	197	197	197	197	197	197	2,547
Commissions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150
Benefits & Insurance		7	-	19	82	3	3	3	82	3	3	3	8	82	3	3	3	3	82	3	3	3	286
Auto & Car Allow		4	4	-	1	8	0	8	0	8	0	-	1	8	-	-	1	-	8	-	-	-	29
Operating Expense:		1	-	-	-	9	8	9	-	9	8	-	-	9	8	-	-	-	9	-	-	-	50
Equipment Lease		1	-	-	-	9	8	9	-	9	8	-	-	9	8	-	-	-	9	-	-	-	50
Equipment Rep. & Maint		23	16	-	17	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	263
Equipment Rental		6	-	-	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	28
Vehicles & Fuel		4	-	-	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	41
Housing Rent		2	-	-	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	9
Building Rep. & Maint		-	-	28	6	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	94
Professional Fees		-	-	-	15	-	-	-	-	-	-	15	-	-	-	-	-	-	-	-	-	-	45
Umbrella Insurance		46	-	-	69	-	-	69	-	69	-	-	-	69	-	-	-	-	69	-	-	-	207
Utilities		24	123	11	28	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	425
Office Expenses		2	-	1	6	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	95
Marketing & Selling		-	-	3	8	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	115
Temp Labor		9	-	8	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	78
Other		14	3	5	5	15	5	5	5	5	5	5	5	13	5	5	5	5	5	5	5	5	83
ENVA		-	-	-	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	195
Total Operating Outflows		1,106	518	525	1,047	1,002	1,372	849	955	849	1,683	680	755	829	549	1,883	637	680	829	549	1,883	637	13,033
Net Operating Cash Flow		160	977	658	(92)	97	(213)	404	353	423	(583)	398	312	370	528	(624)	466	398	528	528	(624)	466	1,839
Non-Operating Cash Flow		-	-	-	-	50	-	-	-	-	50	-	-	-	-	-	-	-	-	-	-	-	100
CapEx		-	-	-	-	50	-	-	-	-	50	-	-	-	-	-	-	-	-	-	-	-	100
Bank Fees		-	-	-	-	-	2	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	4
Principal & Interest Payments		18	-	9	9	9	9	9	9	209	9	9	9	9	9	9	9	9	9	9	9	9	317
Taxes (Sales, Income & RE)		1	-	18	15	-	-	2	-	-	-	2	-	-	-	-	-	-	2	-	-	-	19
Total Non-Operating Outflows		19	-	27	24	59	11	11	9	209	61	11	9	9	9	9	9	9	9	9	9	9	440
Restructuring Expense		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Osborn		-	-	-	-	15	15	15	15	15	10	10	10	10	10	10	10	10	10	10	10	10	145
Morris Anderson		-	-	-	80	20	20	20	20	20	20	15	15	15	15	15	15	15	15	15	15	15	290
UCC - Stinson & FA		-	-	-	133	15	15	15	15	15	15	15	15	15	10	10	10	10	10	10	10	10	298
Bank - Bryan Cave		-	-	-	10	10	10	10	10	10	5	5	5	5	5	5	5	5	5	5	5	5	95
US Trustee Fees		-	-	-	8	-	-	-	-	-	-	-	-	20	-	-	-	-	20	-	-	-	28
Total Restructuring Expense		-	-	-	231	60	60	60	60	60	50	45	45	65	40	40	40	40	65	40	40	40	856
Net Cash Flow		\$ 140	\$ 977	\$ 631	\$ (347)	\$ (22)	\$ (285)	\$ 333	\$ 284	\$ 154	\$ (684)	\$ 342	\$ 258	\$ 296	\$ 479	\$ (673)	\$ 417	\$ 342	\$ 479	\$ (673)	\$ 417	\$ 417	\$ 542

PROPRIETARY CONFIDENTIAL

ITC Manufacturing, Inc.
13 Week Cash Flow Forecast
January 22, 2016

		-2	-1	0	1	2	3	4	5	6	7	8	9	10	11	12	13	Total	
	Week Ending	1/8	1/15	1/22	1/29	2/5	2/12	2/19	2/26	3/4	3/11	3/18	3/25	4/1	4/8	4/15	4/22	13 Weeks	
Cash Balance																			
Beginning Cash Balance		\$ 3,145	\$ 3,285	\$ 4,262	\$ 4,894	\$ 4,546	\$ 4,524	\$ 4,240	\$ 4,573	\$ 4,856	\$ 5,011	\$ 4,316	\$ 4,658	\$ 4,916	\$ 5,213	\$ 5,682	\$ 5,019	\$ 4,894	\$
Cash Receipts		1,266	1,495	1,183	955	1,099	1,159	1,195	1,308	1,273	1,100	1,078	1,067	1,199	1,077	1,259	1,103	1,487	14,872
Cash Disbursements		(1,125)	(518)	(552)	(1,302)	(1,121)	(1,444)	(862)	(1,024)	(1,118)	(1,794)	(736)	(809)	(803)	(598)	(1,932)	(686)	(14,329)	
Ending Cash Balance		\$ 3,285	\$ 4,262	\$ 4,894	\$ 4,546	\$ 4,524	\$ 4,240	\$ 4,573	\$ 4,856	\$ 5,011	\$ 4,316	\$ 4,658	\$ 4,916	\$ 5,213	\$ 5,682	\$ 5,019	\$ 5,436	\$ 5,436	\$
Accounts Receivable																			
Beginning AR		\$ 8,768	\$ 9,275	\$ 9,391	\$ 9,184	\$ 9,296	\$ 9,396	\$ 9,564	\$ 9,629	\$ 9,324	\$ 9,153	\$ 9,063	\$ 9,054	\$ 8,987	\$ 8,902	\$ 8,826	\$ 8,767	\$ 9,184	\$
Plus: Weekly Sales		1,773	1,611	976	1,067	1,199	1,327	1,259	1,003	1,102	1,040	1,039	1,000	1,114	1,001	1,200	1,214	14,565	
Less: Cash Receipts		(1,266)	(1,495)	(1,183)	(955)	(1,099)	(1,159)	(1,195)	(1,308)	(1,273)	(1,100)	(1,078)	(1,067)	(1,199)	(1,077)	(1,259)	(1,103)	(14,872)	
Less: Deposits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Write-Offs / Dilution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Accounts Receivable		\$ 9,275	\$ 9,391	\$ 9,184	\$ 9,296	\$ 9,396	\$ 9,564	\$ 9,629	\$ 9,324	\$ 9,153	\$ 9,063	\$ 9,054	\$ 8,987	\$ 8,902	\$ 8,826	\$ 8,767	\$ 8,878	\$ 8,878	\$