



**ORDERED in the Southern District of Florida on September 27, 2016.**

Erik P. Kimball, Judge  
United States Bankruptcy Court

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION

IN RE:  
LIBERTY INDUSTRIES, L.C.,  
  
\_\_\_\_\_,  
Debtor \_\_\_\_\_/

CASE NO. 16-22332-EPK  
CHAPTER 11

IN RE:

**JOINTLY ADMINISTERED**

LIBERTY PROPERTIES AT  
NEWBURGH, L.C.,  
  
\_\_\_\_\_,  
Debtor \_\_\_\_\_/

CASE NO. 16-22333-EPK  
CHAPTER 11

**ORDER GRANTING DEBTORS' MOTION TO  
USE CASH COLLATERAL OF REGIONS BANK  
ON AN INTERIM BASIS, AND SETTING FINAL HEARING**

**THIS CAUSE** came before the Court for hearing on September 26, 2016 at 1:30 p.m. in West Palm Beach, Florida upon the Debtors' Emergency Motion to Use Cash Collateral of Regions Bank, [ECF No 22] (the "**Motion**") and the Limited Objections of Regions Bank [ECF No 29]. Adequate notice of the hearing was given under the circumstances. The Court having reviewed the

record and having heard the argument of counsel, good cause being shown, and being otherwise fully advised in the premises, does hereby

**ORDER and ADJUDGE** as follows:

1. The Motion is **GRANTED** to the extent set forth herein.
2. The Debtors are hereby authorized to use the Cash Collateral (as defined in the Motion), up to the amounts shown in the Revised Budget attached to this Order as Exhibit "A", through and including **February 28, 2017**.
3. Any payment to professionals must be sought by filing an application for compensation pursuant §330 of the Bankruptcy Code. Regions Bank reserves the right to object to such application.
4. As adequate protection for the use of Cash Collateral, the Debtor will make a monthly payment of \$20,000.00 to Regions Bank, and grant to Regions Bank a first priority post-petition lien on all cash of the Debtors generated post-petition. The budgeted \$20,000 payment for September 2016 is to be paid by September 30, 2016. Notwithstanding the foregoing, all liens and claims of Regions Bank shall be subject to (a) the payment of any unpaid fees payable pursuant to 28 U.S.C. § 1930 (including, without limitation, fees under 28 U.S.C. § 1930(a)(6)), and (b) the fees due to the Clerk of the Court.
5. Notwithstanding the provisions of Section 552(a) of the Bankruptcy Code, and in addition to the security interests preserved by Section 552(b) of the Bankruptcy Code, the Debtors grant in favor of the Secured Creditor, as security for all indebtedness that is owed by the Debtors to the Secured Creditor, under their respective secured documentation, but only to the extent that Secured Creditor's cash collateral is used by the Debtors, a first priority post-petition security interest and lien in, to and against all of the Debtors' assets, *nunc pro tunc* to

the filing of Debtors' Chapter 11 cases, to wit: September 7, 2016, to the same extent that the Secured Creditor held a properly perfected prepetition security interest in such assets, which are or have been acquired, generated or received by the Debtors subsequent to the Petition Date.

6. This Order shall not cause a novation of any of Secured Creditor's respective secured documentation.

7. Solely by agreeing to the use of cash collateral by the Debtors, the Secured Creditor shall not be deemed to have assumed any liability to any third person, and shall not be deemed to be in control of the operations of the Debtors or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors or of their assets.

8. Debtor shall provide to Regions Bank: (i) on a monthly basis, to be due by the tenth day following the end of the applicable period, by e-mail or facsimile, a reconciliation of the Budget showing actual expenditures and revenues compared to budgeted expenses and revenues for the preceding month, which Debtor will also file with the Court; (ii) grant Regions Bank and its agents access to the Debtor's premises upon forty-eight (48) hours' notice for inspection or appraisal; and (iii) the Debtor shall keep Regions Bank as a loss payee on its insurance policies.

9. The liens and security interest granted to Regions Bank shall be valid and perfected post-petition without the need for execution or filing of any further documents or instruments otherwise required to be filed or be executed or filed under non-bankruptcy law.

10. The Debtors shall forthwith serve a copy of this Order and the Motion on all parties and counsel entitled to notice pursuant to Rule 4001(b) of the Federal Rules of Bankruptcy Procedure.

11. The Court shall conduct a further hearing on the use of cash collateral on **October 19, 2016 at 2:00 p.m.** at US. Bankruptcy Court, 1515 North Flagler Drive, Room 801, Courtroom B, West Palm Beach, FL.

# # #

Submitted by:

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Robert C. Furr, Esq. is directed to serve a copy of this Order on interested parties and file a Certificate of Service with the Court.

Liberty Industries L.C. Liberty Properties at Newburgh, L.C.  
Consolidated 6 Month ProForma Operating Budget

	SEPTEMBER 2016	OCTOBER 2016	NOVEMBER 2016	DECEMBER 2016	JANUARY 2017	FEBRUARY 2017	6 Month Budget	% of SALES
<b>Revenue</b>								
<b>Sales</b>								
Sales - Wireless	\$ 149,340	\$ 152,840	\$ 127,500	\$ 122,700	\$ 122,700	\$ 122,700	\$ 797,780	
Sale - Modifications	125,000	150,000	150,000	150,000	150,000	150,000	875,000	
Sales - Design and Analysis	5,000	5,000	5,000	5,000	5,000	5,000	30,000	
Sales - Materials and Parts	110,000	75,000	110,000	50,000	50,000	50,000	445,000	
Sales - Material Handling	25,000	35,000	45,000	45,000	45,000	45,000	240,000	
<b>Total Revenue:</b>	<b>414,340</b>	<b>417,840</b>	<b>437,500</b>	<b>372,700</b>	<b>372,700</b>	<b>372,700</b>	<b>2,387,780</b>	100%
<b>Cost Of Sales</b>								
<b>Direct Costs</b>								
Direct Materials	197,226	198,892	208,250	177,405	177,405	177,405	1,136,583	47.60%
Direct Labor	34,754	34,750	34,750	34,750	34,750	34,750	208,504	8.73%
Freight	31,904	32,174	33,688	28,698	28,698	28,698	183,859	7.70%
Design & Analysis Outside Servic	5,621	16,792	14,088	4,922	4,922	4,922	51,267	2.15%
<b>Total Direct Costs:</b>	<b>269,505</b>	<b>282,608</b>	<b>290,775</b>	<b>245,775</b>	<b>245,775</b>	<b>245,775</b>	<b>\$ 1,580,213</b>	66.18%
<b>Indirect Costs</b>								
Indirect Labor & Payroll Taxes	16,000	16,000	16,000	16,000	16,000	16,000	96,000.00	4.02%
Utilities	1,665	1,665	1,665	1,665	1,665	1,665	9,990.00	0.42%
Shop Supplies, Gases, Tooling	1,246	1,246	1,246	1,246	1,246	1,246	7,476.00	0.31%
Property Taxes	2,799	2,799	2,799	2,799	2,799	2,799	16,794.00	0.70%
<b>Total Indirect Costs:</b>	<b>21,710</b>	<b>21,710</b>	<b>21,710</b>	<b>21,710</b>	<b>21,710</b>	<b>21,710</b>	<b>130,260</b>	5.46%
<b>Total Cost Of Sales:</b>	<b>291,215</b>	<b>304,318</b>	<b>312,485</b>	<b>267,485</b>	<b>267,485</b>	<b>267,485</b>	<b>1,710,473</b>	71.63%
<b>Gross Profit:</b>	<b>123,125</b>	<b>113,522</b>	<b>125,015</b>	<b>105,215</b>	<b>105,215</b>	<b>105,215</b>	<b>677,307</b>	28.37%
<b>Expenses</b>								
Insurance	9,475	9,475	9,475	9,475	9,475	9,475	56,850	2.38%
Repairs & Maintenance	430	430	430	430	430	430	2,580	0.11%
Selling, General & Administrative	19,395	19,395	19,395	19,395	19,395	19,395	116,370	4.87%
Bank Fees, Postage, Fuel, Misc.	700	700	700	700	700	700	4,200	0.18%
<b>Total Expenses:</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>180,000</b>	7.54%
<b>Operating Profit:</b>	<b>93,125</b>	<b>83,522</b>	<b>95,015</b>	<b>75,215</b>	<b>75,215</b>	<b>75,215</b>	<b>497,307</b>	20.83%
<b>Other Income and Expense</b>								
Regions Payment	20,000	20,000	20,000	20,000	20,000	20,000	120,000	5.03%
Legal & Professional Expenses	5,000	5,000	5,000	5,000	5,000	5,000	30,000	1.26%
<b>Total Other Income and Expense:</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>150,000</b>	6.28%
<b>Net Income (Loss):</b>	<b>\$ 68,125</b>	<b>\$ 58,522</b>	<b>\$ 70,015</b>	<b>\$ 50,215</b>	<b>\$ 50,215</b>	<b>\$ 50,215</b>	<b>\$ 347,307</b>	14.55%

EXHIBIT "A"

9/23 11:00  
An