

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

<b>In re:</b>	:	<b>CHAPTER 11</b>
	:	
<b>EARTH PRIDE ORGANICS, LLC</b>	:	<b>BANKRUPTCY NO. 17-13816(ELF)</b>
	:	
<b>Debtor</b>	:	
	:	
<b>In re:</b>	:	
	:	
<b>LANCASTER FINE FOODS, INC.</b>	:	<b>JOINTLY ADMINISTERED</b>
	:	
<b>Debtor</b>	:	
	:	

**INTERIM ORDER AUTHORIZING THE USE OF CASH COLLATERAL  
AND THE GRANT OF ADEQUATE PROTECTION**

AND NOW, this 9th day of June, 2017, upon consideration of the Motion of Earth Pride Organics, LLC and Lancaster Fine Foods, Inc. (collectively, the “Debtors”) for Entry of an Order, Pursuant to 11 U.S.C. § 363(c) and Fed.R.Bankr.P. 4001, Authorizing Debtors to Use Cash Collateral and Provide Adequate Protection (the “Motion”), and after notice and hearing, it is hereby **ORDERED** that:

1. The Debtors are authorized to use “cash collateral” as that term is defined in § 363(a) of the Bankruptcy Code (“Cash Collateral”) during the period from the date of the commencement of their Chapter 11 cases (the “Petition Date”) through June 17, 2017.
2. The Debtors’ use of Cash Collateral may be extended for an additional two (2) weeks upon filing with the Court an Amended Budget which has been approved by the Debtor, the Lender (as defined below) and Loeb Term Solutions LLC.
3. The Debtors’ use of Cash Collateral through June 17, 2017, shall be for the purposes of paying all reasonable and necessary expenses related to the operation of their

businesses, including all trust fund payroll and sales taxes, in accordance with the budget attached to this Order as Exhibit “A.”

4. To the extent of any diminution in value of the pre-petition Cash Collateral of Change Capital Partners Fund I, LLC and Midtown Capital Partners, LLC (the “Lender”), the Lender are hereby granted valid, binding, enforceable and perfected post-petition replacement liens on the Debtors’ assets which are created, acquired, or arise after the Petition Date, but limited to only those types and descriptions of collateral in which the Lender holds a pre-petition lien or security interest (the “Replacement Liens”). The Replacement Liens shall have the same priority and validity as the Lender’s pre-petition security interests and liens.

5. To the extent of any diminution in value of the pre-petition Cash Collateral of Loeb Term Solutions LLC (“Loeb”), Loeb is hereby granted valid, binding, enforceable and perfected post-petition replacement liens on the Debtors’ assets which are created, acquired, or arise after the Petition Date, but limited to only those types and descriptions of collateral in which the Lender holds a pre-petition lien or security interest (the “Replacement Liens”). The Replacement Liens shall have the same priority and validity as Loeb’s pre-petition security interests and liens.

6. To the extent the cash collateral use approved hereunder results in the Debtors’ using, in the operation of their businesses, machinery and equipment that is subject to liens and security interests in favor of Lender and Loeb, the Debtors agree to maintain customary insurance policies on, and to continue to maintain and repair, all such machinery and equipment, all consistent with the practices and policies that the Debtors followed prior to the bankruptcy filings.

7. This Order authorizing the use of Cash Collateral shall be sufficient and conclusive evidence of the validity of the Lender's or Loeb's Replacement Liens upon the Debtors' post-petition Cash Collateral without the necessity of filing or recording by the Lender or Loeb of any financing statements, or other documents which may otherwise be required under the laws of any jurisdiction or the taking of any action to validate or protect the post-petition replacement security interests and liens granted to the Lender or Loeb by this Order.

8. This Order is without prejudice to the rights of the Debtors, their creditors, any trustee appointed herein, or other parties in interest, to contest the validity, extent or priority of any rights granted to the Lender or Loeb by any pre-petition loan agreement or any security interest arising out of or related to any such pre-petition loan agreement.

9. This Order is without prejudice to the rights of the parties to seek any further or different relief after the expiration of this interim period or modification of this Order.

10. A further hearing to consider whether the Debtors' use of Cash Collateral shall be held on **June 21, 2017 at 11:00 a.m. before the Honorable Eric L. Frank, Chief United States Bankruptcy Judge, in Courtroom No. 1, Robert N.C. Nix Sr. Federal Building, 900 Market Street, Philadelphia, PA 19107.**

11. A copy of this Order shall be served on or before June 12, 2017, by Debtors' counsel upon (i) the twenty (20) largest unsecured creditors in these bankruptcy cases, (ii) the Office of the United States Trustee, (iii) all parties who have timely filed requests for notices under Bankruptcy Rule 2002, (iv) counsel for the Lender, (v) counsel for Loeb; and (vi) all other

parties known to the Debtors to have liens on or a security interest in Cash Collateral.

A handwritten signature in black ink, appearing to read 'E. Frank', written over a horizontal line.

ERIC L. FRANK,  
CHIEF U.S. BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT  
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<b>In re:</b>	:	<b>CHAPTER 11</b>
	:	
<b>EARTH PRIDE ORGANICS, LLC</b>	:	<b>BANKRUPTCY NO. 17-13816(ELF)</b>
	:	
<b>Debtor</b>	:	
	:	
<b>In re:</b>	:	<b>CHAPTER 11</b>
	:	
<b>LANCASTER FINE FOODS, INC.</b>	:	<b>BANKRUPTCY NO. 17-13819(ELF)</b>
	:	
<b>Debtor</b>	:	
	:	

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**EXHIBIT "A" TO PROPOSED INTERIM ORDER  
AUTHORIZING USE OF CASH COLLATERAL  
AND THE GRANT OF ADEQUATE PROTECTION**

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Proposed Attorneys for the Debtors

Date: June 9, 2017

Lancaster Fine Foods & Earth Pride Organic's LLC  
Weekly Cash Flow

Week Ending	Budget 6/10/2017	Budget 6/17/2017	Total
BEGINNING CASH BALANCE	\$ -	\$ 45,769	\$ -
<u>Receipts</u>			
Accounts Receivable	231,119	276,267	507,386
Intercompany Receivable	-	18,195	18,195
Other Cash Receipts	-	-	-
Total Receipts	231,119	294,462	525,581
<u>Disbursements</u>			
Material	56,000	166,000	222,000
Supplies	200	200	400
Payroll and Payroll Taxes	116,000	-	116,000
Benefits	-	15,000	15,000
Maintenance and Repair	4,500	4,500	9,000
Equip. Rental	-	-	-
Electric	-	-	-
Rent	-	-	-
Computer Expense	-	3,500	3,500
Insurance	-	-	-
Office Supplies	50	50	100
Tools	200	200	400
Trash	-	3,500	3,500
Water	-	-	-
Intercompany	-	18,195	18,195
Phone	-	2,000	2,000
Professional Fees	-	-	-
PACA	-	-	-
Other	7,500	7,500	15,000
Total Disbursements	184,450	220,645	405,095
Change in Cash	46,669	73,817	120,486
Net Available Before Financing	46,669	119,586	120,486
Payment to Lender (AP)	-	(10,000)	(10,000)
Interest and Fees	(900)	-	(900)
Total Financing	(900)	(10,000)	(10,900)
ENDING CASH BALANCE	\$ 45,769	\$ 109,586	\$ 109,586

Azadiam was Paid \$16,000 Post

Lancaster Fine Foods, Inc.  
Weekly Cash Flow

Week Ending	Budget 6/10/2017	Budget 6/17/2017	Total
<b>BEGINNING CASH BALANCE</b>	\$ -	\$ 74,169	\$ -
<b>Receipts</b>			
Accounts Receivable	231,119	257,767	488,886
Intercompany Receivable	-	-	-
Other Cash Receipts	-	-	-
<b>Total Receipts</b>	<b>231,119</b>	<b>257,767</b>	<b>488,886</b>
<b>Disbursements Category or Vendor</b>			
Material	56,000	166,000	222,000
Supplies	200	200	400
Payroll and Payroll Taxes	96,000	-	96,000
Maintenance and Repair	4,500	4,500	9,000
Equip. Rental	-	-	-
Electric	-	15,000	15,000
Benefits	-	-	-
Rent	-	-	-
Computer Expense	-	-	-
Insurance	-	-	-
Office Supplies	50	50	100
Postage	-	-	-
Telephone	-	-	-
Tools	200	200	400
Trash	-	-	-
Utilities	-	-	-
Travel Expense	-	-	-
Intercompany	-	18,195	18,195
Legal Fees	-	-	-
Professional Fees	-	-	-
Phone	-	-	-
PACA	-	-	-
Other	-	-	-
<b>Total Disbursements</b>	<b>156,950</b>	<b>204,145</b>	<b>361,095</b>
Change in Cash	74,169	53,622	127,791
Net Available Before Financing	74,169	127,791	127,791
Payment to Lender (AP)	-	(10,000)	(10,000)
Interest and Fees	-	-	-
Total Financing	-	(10,000)	(10,000)
<b>ENDING CASH BALANCE</b>	<b>\$ 74,169</b>	<b>\$ 117,791</b>	<b>\$ 117,791</b>

Aradhani was paid \$16,000 post

Earth Pride Organics's LLC  
Weekly Cash Flow

Week Ending	Budget 6/10/2017	Budget 6/17/2017	Total
BEGINNING CASH BALANCE	\$ -	\$ (28,400)	\$ -
<u>Receipts</u>			
Accounts Receivable	-	18,500	18,500
Intercompany Receivable	-	18,195	18,195
Other Cash Receipts	-	-	-
Total Receipts	-	36,695	36,695
<u>Disbursements</u>			
Material	-	-	-
Supplies	-	-	-
Payroll and Payroll Taxes	20,000	-	20,000
Benefits	-	-	-
Computer	-	3,500	3,500
Electric	-	-	-
Insurance	-	-	-
Maintenance & Repair	-	-	-
Rent	-	22,000	22,000
Trash	-	3,500	3,500
Water	-	-	-
Intercompany	-	-	-
Phone	-	2,000	2,000
Legal Fees	-	-	-
Professional Fees	-	-	-
Other	7,500	7,500	22,500
Total Disbursements	27,500	16,500	73,500
Change in Cash	(27,500)	20,195	(36,805)
Net Available Before Financing	(27,500)	(8,205)	(36,805)
Interest and Fees	(900)	-	(900)
Total Financing	(900)	-	(900)
ENDING CASH BALANCE	\$ (28,400)	\$ (8,205)	\$ (37,705)



Lancaster Fine Foods & Earths Pride Organics  
 Consolidated Collateral Schedule

		<u>Budget</u> 6/10/2017	<u>Budget</u> 6/17/2017
<u>Projected Accounts Receivable:</u>			
Consolidated Beginning Balance		549,000	664,896
Add:	Sales	347,015	340,000
Less:	Collections	(231,119)	(257,767)
Ending Accounts Receivable	(1)	<u>664,896</u>	<u>747,129</u>
 <u>Projected Inventory</u>			
Ending Weekly Balance	(2)	<u>732,613</u>	<u>745,000</u>
Total AR & Inventory Collateral	(1) + (2)	<u><u>1,397,509</u></u>	<u><u>1,492,129</u></u>
 <u>Projected Accounts Payable: Post Petition Only</u>			
		<u>-</u>	<u>25,000</u>
 <u>Accounts Payable: Prepetition</u>			
		<u>4,556,000</u>	<u>4,556,000</u>