

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: COUNTRY FRESH HOLDING COMPANY INC., et. al.¹ Debtors.	§ Chapter 11 § § Case No.: 21-30574 (MI) § § Jointly Administered §
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**STIPULATION AND AGREED ORDER REGARDING TURNOVER OF TRUST
RECEIPTS TO BUYER PURSUANT TO SALE ORDER, APA AND TSA**

This stipulation and agreed order is entered into by and between Janet Northrup, as chapter 7 trustee (the “**Trustee**”) of the estates of Country Fresh Holding Company Inc., *et al.* (collectively, the “**Debtors**”), Stellex/CF Buyer (US) LLC (the “**Buyer**” and, together with the Trustee on behalf of the Debtors, collectively, the “**Parties**”). The Parties hereby stipulate and agree as follows:

RECITALS

WHEREAS, on February 15, 2021, the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code;

WHEREAS, on March 29, 2021, the Court approved the sale of substantially all the Debtors’ assets to the Buyer pursuant to the *Order Authorizing Country Fresh Holdings Company Inc. and Its Affiliated Debtors to (I) Sell Substantially All of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, (II) Authorizing and Approving the Debtors’*

¹ The Debtors in these Chapter 7 cases and the last four digits of each Debtors’ taxpayer identification number are as follows: Country Fresh Holding Company Inc. (7822); Country Fresh Midco Corp. (0702); Country Fresh Acquisition Corp. (5936); Country Fresh Holdings, LLC (7551); Country Fresh LLC (1258); Country Fresh Dallas, LLC (7237); Country Fresh Carolina, LLC (8026); Country Fresh Midwest, LLC (0065); Country Fresh Orlando, LLC (7876); Country Fresh Transportation LLC (8244) CF Products, LLC (8404) Country Fresh Manufacturing, LLC (7839); Champlain Valley Specialty of New York, Inc. (9030); Country Fresh Pennsylvania, LLC (7969); Sun Rich Fresh Foods (NV) Inc. (5526); Sun Rich Fresh Foods (USA) Inc. (0429); and Sun Rich Fresh Foods (PA) Inc. (4661). The Debtors’ principal place of business is 3200 Research Forest Drive, Suite A5, The Woodlands, TX, 77381.

Performance under the APA, (III) Authorizing and Approving the Assumption and Assignment of Certain of the Debtors' Executory Contracts, Unexpired Leases, And Permits Related Thereto, and (IV) Granting Related Relief [Docket No. 437] (as the same has been and may further be amended, supplemented, or otherwise modified from time to time in accordance with its terms, together with all exhibits thereto, the "**Sale Order**");

WHEREAS, as authorized by the Sale Order, the Debtors and the Buyer entered into that certain Asset Purchase Agreement, dated as of April 29, 2021 (as the same has been and may further be amended, supplemented, or otherwise modified from time to time in accordance with its terms, together with all exhibits and schedules thereto, the "**APA**");

WHEREAS, as authorized by the Sale Order and the APA, the Debtors and the Buyer entered into the Transition Services Agreement, dated as of April 29, 2021 (as the same has been and may further be amended, supplemented, or otherwise modified from time to time in accordance with its terms, together with all exhibits and schedules thereto, the "**TSA**").

WHEREAS, on April 29, 2021, the Closing of the sale with the Buyer occurred;

WHEREAS, on June 21, 2021, the Court entered the *Order (I) Authorizing and Approving the Conversion of the Chapter 11 Cases, (II) Extending the Designation Rights Period, and (III) Granting Related Relief* [Docket No. 719] (the "**Conversion Order**");

WHEREAS, on June 21, 2021, the Trustee was appointed as the Chapter 7 Trustee in the above-captioned cases;

WHEREAS, on June 30, 2021, the Court entered the *Order Granting Trustee's Emergency Motion for Authority to Operate Pursuant to 11 U.S.C. § 721 as of June 21, 2021* [Docket No. 736] (the "**Order to Operate**");

WHEREAS, pursuant to the Sale Order, APA and TSA, the Debtors receive Proceeds,² including Accounts Receivable (including credit card receivables), other Assets and cash, monies, checks, negotiable instruments or accounts receivable relating to the period after Closing, that either the Buyer purchased or are the Buyer's assets, which the Trustee holds in trust for Buyer and is required to remit to Buyer in accordance with the Sale Order, APA, including section 6.14(b), and TSA, including section 12 (collectively, the "**Trust Receipts**");

WHEREAS, the Trustee holds Trust Receipts due to the Buyer under the Sale Order, APA and TSA, for funds deposited in the Debtors' bank accounts from June 25, 2021 through July 27, 2021 in the amount of \$3,137,891.89; and

WHEREAS, the Trustee desires to turnover such funds in the amount of \$3,137,891.89 to the Buyer and the Buyer desires to receive such funds;

WHEREAS, the Trustee desires to direct the banks receiving Trust Receipts due to Buyer to stop taking deposits to avoid further cost to the estate in accounting for and turning over such Trust Receipts;

WHEREAS, additional Trust Receipts due to the Buyer may have been and may continue to be received by the Debtors and the Trustee; and

WHEREAS, the Trustee desires to turnover such additional Trust Receipts to Buyer promptly upon receipt, but in any event within five (5) Business Days of becoming aware of such receipt and confirming reconciliation of amounts due under the relevant agreement and the Buyer desires to receive such funds.

² Capitalized terms used but not defined herein shall have the meanings given to such terms in the Sale Order, APA or TSA, as applicable.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:

1. The recitals to this Stipulation and Agreed Order are incorporated as if fully set forth herein.

2. The Trustee is hereby authorized in accordance with the Sale Order, APA, including section 6.14(b), and TSA, including section 12, and this Stipulation and Agreed Order (i) to release Trust Receipts in the Debtors accounts as of July 27, 2021 in the amount of \$3,137,891.89 to the Buyer via instructions provided by Buyer to the Trustee (which were provided by counsel to Buyer to the Trustee via email) which funds represent accounts receivable received by the Debtors and the Trustee from June 25, 2021 through July 27, 2021 and (ii) to release any additional Trust Receipts received by the Debtors and the Trustee within five (5) Business Days of becoming aware of receipt of same and reconciliation of the amount due under the relevant agreement.

3. The Trustee is authorized to direct banks to not honor deposits and is authorized to take any actions reasonably necessary to cause Trust Receipts to be directed to the Buyer, such as executing agreements with third party payors.

4. The Parties are authorized to take all actions necessary to effectuate the relief granted pursuant to this Stipulation and Agreed Order.

5. The Parties' rights with respect to any additional Trust Receipts due to the Buyer, including any accounts receivable, are reserved. Upon request, the Trustee shall promptly provide reasonable documentation and support to the Buyer regarding Trust Receipts received by the Debtors or the Trustee.

6. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Stipulation and Agreed Order.

7. This Stipulation and Agreed Order is effective and immediately enforceable upon entry.

IT IS SO ORDERED.

Dated: _____, 2021
Houston, Texas

MARVIN ISGUR,
UNITED STATES BANKRUPTCY JUDGE

AGREED AND ACCEPTED:

/s/ Heather Heath McIntyre

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COUNSEL FOR THE BUYER

**PROPOSED COUNSEL FOR CHAPTER
7 TRUSTEE FOR THE ESTATE OF
COUNTRY FRESH HOLDING
COMPANY INC., et. al.**