

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

In re:	§ Chapter 11
	§
COUNTRY FRESH HOLDING COMPANY INC., et. al.¹	§ Case No.: 21-30574 (MI)
	§
Debtors.	§ Jointly Administered
	§

**STIPULATION AND AGREED ORDER REGARDING TURNOVER
OF TRUST RECEIPTS TO BUYER SUN RICH FOODS CANADA INC. PURSUANT
TO CANADIAN 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**”), Sun Rich Foods Canada Inc. (formerly 1296493 B.C. Ltd.) (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 February 17, 2021, Sun Rich Fresh Foods Inc. (the “**Seller**”), commenced a proceeding (the “**Canadian Proceeding**”) under the *Companies’ Creditors Arrangement Act*

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.

(Canada) (the “**CCAA**”) with the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”) in respect of the Seller;

WHEREAS, on March 26, 2021, the Canadian Court approved the sale of substantially all the Seller’s assets to Save-On-Foods Limited Partnership (whose rights were subsequently assigned to Buyer) pursuant to the *Approval and Vesting Order* (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 “**Canadian Sale Order**”);

WHEREAS, as authorized by the Canadian Sale Order, the Debtors and the Buyer entered into that certain Asset Purchase Agreement, dated as of March 25, 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 “**Canadian APA**”);

WHEREAS, as authorized by the Canadian Sale Order and the Canadian APA, Country Fresh, LLC, the Seller, Tiffany Gates Foods Inc., and Buyer entered into the Transition Services Agreement, dated as of April 15, 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 15, 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, pursuant to the Canadian Sale Order, APA, and TSA the Debtors receive proceeds, including payment on 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 Canadian Sale Order, APA, and TSA (collectively, the "**Trust Receipts**");

WHEREAS, the Trustee turned over Trust Receipts of \$2,566,758.77 to the Buyer pursuant to the Order at Docket No. 891;

WHEREAS, the parties have finalized the reconciliation under the Canadian Sale Order, APA, and TSA to account for all accounts receivable collections and TSA cost offsets and the amount due from the Estate to the Buyer is \$245,383.87; and

WHEREAS, the Trustee desires to turnover such funds in the amount of \$245,383.87 to the Buyer and the Buyer desires to receive such funds.

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 Canadian Sale Order, APA, and TSA, and this Stipulation and Agreed Order (i) to release Trust Receipts in the Debtors' accounts in the amount of \$245,383.87 to the Buyer via instructions provided by Buyer to the Trustee which funds represent accounts receivable received by the Debtors and the Trustee from July 11, 2021 through October 5, 2021 and the final reconciliation of all amounts due under the TSA.
3. The Parties are authorized to take all actions necessary to effectuate the relief granted pursuant to this Stipulation and Agreed Order.

4. 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.

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

IT IS SO ORDERED.

Dated: _____, 2021.
Houston, Texas

THE HONORABLE MARVIN ISGUR,
UNITED STATES BANKRUPTCY JUDGE

AGREED AND ACCEPTED:

/s/ Heather Heath McIntyre
Wayne Kitchens TBN 11541110
wkitchens@hwa.com
Heather McIntyre TBN 24041076
hmcintyre@hwa.com
HUGHESWATTERSASKANASE, LLP
Total Plaza
1201 Louisiana, 28th Floor
Houston, Texas 77002
Telephone: (713) 759-0818
Facsimile: (713) 759-6834

/s/ Justin Wood
Justin Wood
19855- 92A Avenue
Langley, B.C. V1M 3B6 Canada
Telephone: (604) 881-3999
E-mail: justin_wood@saveonfoods.com

COUNSEL FOR THE BUYER

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