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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
RM BAKERY LLC, *et al*.,[2] Debtors.	Case No. 20-11422 (MG) Jointly Administered

DEBTORS' THIRD MOTION FOR AN ORDER AMENDING FINAL ORDER (I) AUTHORIZING THE USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION, (III) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (IV) GRANTING THE LIENS AND SUPERPRIORITY CLAIMS TO THE DIP LENDER, AND (V) MODIFYING THE AUTOMATIC STAY

RM Bakery LLC ("**RM Bakery**"), and BKD Group LLC ("**BKD Group**"), the debtors and debtors-in-possession in the above-captioned chapter 11 cases, (the "**Debtors**") hereby file this motion (the "**Third DIP Amendment Motion**"), for entry of an order, substantially in the form attached hereto as **Exhibit A** (the "**Second Interim DIP Amendment Order**"), and, subsequently, entry of a final order (the "**Second Final DIP Amendment Order**", and together with the Second Interim DIP Amendment Order, the "**Second DIP Amendment Orders**") amending that certain *Order Amending Final Order (i) Authorizing the Use Of Cash Collateral,*

[1]Please use the following temporary address for all service, notices, and correspondence: 48 Seneca Drive, Dobbs Ferry, NY 10522.
[2] The Debtors in these Chapter 11 Cases and the last four digits of each Debtor's taxpayer identification number are as follows: RM Bakery LLC (7954) and BKD Group LLC (0624).

(ii) Granting Adequate Protection, (iii) Authorizing the Debtors to Obtain Postpetition Financing, (iv) Granting the Liens And Superpriority Claims to the DIP Lender, and (v) Modifying the Automatic Stay [Docket No. 316] (the "**Final DIP Amendment Order**")[2], to further increase the amount of DIP Postpetition Financing, pursuant to sections 105, 361, 362, 363, 364, 507, and 552 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq*. (the "**Bankruptcy Code**"), rules 2002, 4001, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") and rule 4001-2 of the Local Bankruptcy Rules for the Southern District of New York (the "**Local Rules**"). In support of this Third DIP Amendment Motion, the Debtors respectfully state as follows:

JURISDICTION

31. This Court has jurisdiction to consider this Third DIP Amendment Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference M-431, dated January 31, 2012 (Preska, C.J.) This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The Debtors consent to the entry of a final order by the Court in connection with this Third DIP Amendment Motion, to the extent it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

32. The statutory predicates for the relief requested in this Third DIP Amendment Motion are sections 105, 361, 362, 363, 364, 507 and 552 of the Bankruptcy Code, as supplemented by Rules 2002, 4001, 6004, and 9014 of the Bankruptcy Rules, and 4001-2 of the Local Rules.

[2] Capitalized terms not defined herein shall have the meaning ascribed to them in the *Final Order (i) Authorizing the Use of Cash Collateral, (ii) Granting Adequate Protection, (iii) Authorizing the Debtors to Obtain Postpetition Financing, (iv) Granting the Liens and Superpriority Claims to the DIP Lender, and (v) Modifying the Automatic*

BACKGROUND

The Chapter 11 Cases

33. On June 15, 2020 (the "**Petition Date**"), the Debtors filed two voluntary petitions, one for each of the above referenced Debtors, for relief under Chapter 11 of the Bankruptcy Code commencing these bankruptcy cases (the "**Chapter 11 Cases**"). The Debtors have continued in possession of their assets and the operations of their businesses as debtors-in-possession. No creditors' committee, trustee or examiner has been appointed in these cases. On June 25, 2020, this Court entered an order directing joint administration of these Chapter 11 Cases [Docket No. 27].

4. RM Bakery is a wholesale artisanal bread and pastry bakery located in the Bronx, New York, that produces over 400 different breads and pastries. RM Bakery is wholly owned by BKD Group, which, has also guaranteed some of RM Bakery's debt.

5. The Debtors' prepetition capital structure and the events leading up to the commencement of these Chapter 11 Cases are set forth in *Declaration of Mark Rimer Pursuant to Local Bankruptcy Rule 1007-2 and in Support of Chapter 11 Petitions and First Day Motions and Applications* [Docket No. 4] *(the "***First Day Declaration**") and is fully incorporated herein by reference.

The DIP Financing Motion

6. On June 18, 2020, the Debtors filed *Debtors' Motion for Entry of Interim and Final Orders (i) Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. § 363, (ii) Granting Adequate Protection Pursuant to 11 U.S.C. §§ 361 and 363, (iii) Authorizing the Debtors to Obtain Postpetition Financing Pursuant to 11 U.S.C. §§ 105(a), 362 and 364(c) and*

Stay [Docket No. 57] (the "**Final Order**").

(d), Granting Super Priority Claims to the DIP Lender Pursuant to 11 U.S.C. § 364(c), (v) Modifying the Automatic Stay, and (vi) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001 [Docket No. 7] (the "**DIP Financing Motion**").

7. On June 23, 2020, this Court held an interim hearing on the DIP Financing Motion.

9. On June 26, 2020, this Court granted the DIP Financing Motion on an interim basis and entered the *Interim Order (i) Authorizing the Use of Cash Collateral, (ii) Granting Adequate Protection, (iii) Authorizing the Debtors to Obtain Postpetition Financing, (iv) Granting the Liens and Superpriority Claims to the DIP Lender, (v) Modifying the Automatic Stay, and (vi) Scheduling a Final Hearing* [Docket No. 33] (the "**DIP Financing Interim Order**").

10. On July 16, 2020, this Court held a final hearing on the DIP Financing Motion.

11. On July 16, 2020, this Court entered the *Final Order (i) Authorizing the Use of Cash Collateral, (ii) Granting Adequate Protection, (iii) Authorizing the Debtors to Obtain Postpetition Financing, (iv) Granting the Liens and Superpriority Claims to the DIP Lender, and (v) Modifying the Automatic Stay* [Docket No. 57] (the "**DIP Financing Final Order**").

12. Pursuant to the DIP Financing Final Order, this Court approved the *Debtor-in-Possession Credit and Security Agreement* among the Debtors, FS Lender 2015 LLC (the "**DIP Lender**") and Mayrich Capital LLC, dated June 15, 2020 (the "**DIP Facility**"), which is attached hereto as **Exhibit B.** The DIP Facility provided for post-petition financing on a first-priority secured, priming and super-priority basis pursuant to the terms and conditions thereof, up to the aggregate amount of $1,000,000.

The Initial DIP Amendment Motion

13. On April 21, 2023, the Debtors filed a motion for entry of an order, amending the DIP Financing Final Order, so as to increase the amount of DIP Postpetition Financing, pursuant to sections 105, 361, 362, 363, 364, 507, and 552 of the Bankruptcy Code, rules 2002, 4001, 6004, and 9014 of the Bankruptcy Rules and rule 4001-2 of the Local Rules (the "**Initial DIP Amendment Motion**") [Docket No. 294] .

14. On April 21, 2023, the Debtors also filed *Debtors' Motion Pursuant to Fed. R. Bankr. P. 9006(c) Shortening Notice Period with Respect to Debtors' Motion for Interim and Final Orders Amending Final Order (i) Authorizing the Use of Cash Collateral, (ii) Granting Adequate Protection, (iii) Authorizing the Debtors to Obtain Postpetition Financing, (iv) Granting the Liens and Superpriority Claims to the Dip Lender, and (v) Modifying the Automatic Stay* [Docket No. 295] (the "**First Motion to Shorten Time**"), which sought to have the notice period shorten with respect to the interim relief requested in the Initial DIP Amendment Motion so that the Initial DIP Amendment Motion could be heard on an interim basis, at a hearing conducted on April 26, 2023, to provide the ability for the DIP Lenders to fund the portion of the Amended DIP Loan to provide $56,000 immediately to pay for the Debtors' worker compensation insurance premium in order to keep such insurance in place.

15. On April 21, 2023, this Court granted the First Motion to Shorten Time and entered the *Order Shortening Notice Period with Respect to Debtors' Motion Pursuant to Fed. R. Bankr. P. 9006(c) Shortening Notice Period with Respect to Debtors' Motion for Interim and Final Orders Amending Final Order (i) Authorizing the Use of Cash Collateral, (ii) Granting Adequate Protection, (iii) Authorizing the Debtors to Obtain Postpetition Financing, (iv)*

Granting the Liens and Superpriority Claims to the DIP Lender, and (v) Modifying the Automatic Stay [Docket No. 296] (the "**First Shorten Time Order**").

16. On April 26, 2023, this Court held a hearing on the Initial DIP Amendment Motion to consider the interim relief sought in the Initial DIP Amendment Motion. (the "**First Interim Hearing**."). At the First Interim Hearing, the Court granted the interim relief requested in the Initial DIP Amendment Motion and amended the DIP Financing Final Order to increase the DIP by $56,000 to an aggregate amount of $1,056,000.

17. On May 3, 2023, this Court entered an Order approving, on an interim basis, (i) the amending of the DIP Financing Final Order to provide for an increase in the postpetition financing on the existing first priority secured, priming and superpriority basis pursuant to the terms and conditions previously approved pursuant to the DIP Financing Motion, in an additional aggregate amount of $56,000, increasing the total amount available under the DIP Facility from $1 million to a maximum aggregate amount of $1,056,000, and authorizing the Debtor's to deliver all instruments and perform all acts in connection therewith [Docket No. 301] (the "**First Interim DIP Amendment Order**"). In the First Interim DIP Amendment Order, this Court also scheduled a hearing on the final relief sought in the Initial DIP Amendment Motion for May 31, 2023.

18. On May 30, 2023, the Debtors also filed the *Supplemental Declaration of Mark Rimer in further support of the Debtor's Motion for Interim and Final Orders Amending Final order (i) Authorizing the Use of Cash Collateral, (ii) Granting Adequate Protection, (iii) authorizing the Debtor's to obtain Postpetition Financing, (iv) Granting the Liens and Superpriority Claims to the DIP Lender, and (v) modifying the Automatic Stay* [Docket No. 305]

(the **Supplemental Declaration**). The Supplemental Declaration contained three financial models: (a) a 13-week cash flow budget,) (b) a postpetition accounts payable analysis and (iii) an analysis of the sources and uses of the proposed amended DIP facility.

19. On May 31, 2023, this Court held a hearing on the final relief sought in the DIP Amendment Motion.(the "**First Final DIP Amendment Hearing**"). At the Final DIP Amendment Hearing, this Court denied the final relief sought in the Initial DIP Amendment Motion but provided the Debtors' leave to make the motion seeking the same relief again.

The Second DIP Amendment Motion

20. On June 9, 2023, the Debtors filed a motion for entry of an order, amending the DIP Financing Final Order, so as, to authorize, on a permanent basis, amending the DIP Financing Final Order to provide for (i) an increase in the post-petition financing on the existing first-priority secured, priming and super-priority basis pursuant to the terms and conditions approved pursuant to the DIP Financing Motion up to the additional aggregate amount of $500,000 (inclusive of the $56,000 authorized in the Interim DIP Amendment Order), thereby increasing the total amount available under the DIP Facility from $1,000,000 to a maximum aggregate amount of $1,500,000 (the "**First DIP Amendment**"), (ii) authorizing the Debtors to deliver all instruments and perform all acts in connection therewith, and (iii) certain other and further relief as described in the Motion [Docket No. 307] (the "**Second DIP Amendment Motion**").

21. On June 26, 2023, this Court held a hearing on the Second DIP Amendment Motion to consider relief sought in the Second DIP Amendment Motion. (the "**Second DIP Amendment Hearing**."). At the Second DIP Amendment Hearing, the Court granted the relief

requested in the Second DIP Amendment Motion and amended the DIP Financing Final Order to increase the DIP by $500,000 (inclusive of the $56,000 authorized in the Interim DIP Amendment Order) to an aggregate amount of $1,500,000.

22. On June 28, 2023, this Court entered the Final DIP Amendment Order, increasing the DIP by $500,000 (inclusive of the $56,000 authorized in the Interim DIP Amendment Order) to an aggregate amount of $1,500,000.

RELIEF REQUESTED

23. By this Third DIP Amendment Motion, the Debtors request the Court enter the Second Interim DIP Amendment Order approving, on an interim basis, (i) the amending of the Final DIP Amendment Order to provide for an increase in the post-petition financing on the existing first-priority secured, priming and super-priority basis pursuant to the terms and conditions previously approved pursuant to the DIP Financing Motion in an additional aggregate amount of $142,500, increasing the total amount available under the DIP Facility from $1,500,000 to a maximum aggregate amount of $1,642,500 (the "**Second Interim DIP Amendment**"), and authorizing the Debtors to deliver all instruments and perform all acts in connection therewith. The Debtors also request that this Court schedule a final hearing (the "**Final Hearing**"), to consider entry of the Second Final DIP Amendment Order, authorizing, on a permanent basis, amending the Final Order to provide for an increase in the post-petition financing on the existing first-priority secured, priming and super-priority basis pursuant to the terms and conditions of the approved pursuant to the Final DIP Amendment Order up to the additional aggregate amount of $500,000 (inclusive of the $142,500, to be authorized in the Second Interim DIP Amendment Order), thereby increasing the total amount available under the DIP Facility from $1,500,000 to a maximum aggregate amount of $2,000,000 (the "**Second**

Final DIP Amendment"), (iii) authorizing the Debtors to deliver all instruments and perform all acts in connection therewith, and (iv) certain other and further relief as described in the Third DIP Amendment Motion. The Debtors do not anticipate making any changes to the financing documents themselves or to the terms and conditions of the post-petition financing.

LOCAL RULE 4001-2 DISCLOSURES

24. Local Rule 4001-2 requires the disclosure of certain provisions that are contained in post-petition financing motions and proposed orders or in the loan documents underlying those pleadings. The Debtors have previously highlighted such provisions in the DIP Financing Motion; to the extent necessary, the Debtors incorporate that summary, as modified by the amounts requested in this Motion. All terms remain the same other than the total amount of the postpetition financing.

The Need for the DIP Amendment

25. The Debtors' post-petition financing, provided for in the DIP Facility, as amended by the Final DIP Amendment Order, consists of, *inter alia*, a superpriority credit facility in an aggregate principal amount not to exceed $1,500,000. The maturity date of the DIP Facility is the earlier of the date on which a plan of reorganization for either of the Debtors confirmed by the Bankruptcy Court becomes effective, (ii) the day on which the DIP Obligations become immediately due and payable pursuant to the terms of the DIP Facility, or by Court order, or (iii) the date that substantially all of the assets of RM Bakery are sold, transferred or alienated in any way.

26. As of the date of this Third DIP Amendment Motion, the DIP Lender has fully funded the DIP Facility and the Debtors have fully drawn on the DIP Facility.

27. Following the Debtor's entry into the DIP Facility, the Debtors continued to work to maximize the value of the Debtors' assets, and negotiate with the various secured and administrative creditors over formulation of a plan of reorganization.

28. At the time these Chapter 11 Cases were filed, management expected Covid to last a few months and could not possibly have foreseen the material adverse impact it would have, and continues to have, on the Debtors' business. Accordingly, the DIP financing was negotiated with the belief that the Debtors would be out of Chapter 11 within a year. As a result, the Debtors and the DIP Lender structured the DIP Facility with that duration of the Chapter 11 Cases and a much shorter pandemic in mind. Unfortunately, a year into the case when the Debtors' expected to be out of Chapter 11, the country and the Debtors remained in the grip of Covid, which continues to adversely affect business to this day. As a result, the Debtors have been severely underfinanced through the duration of these Chapter 11 Cases. While the DIP Lender was willing to increase the line of credit, the Debtors and their secured creditors were reluctant to increase the line of credit unless and until a plan was in prospect. Consequently, the DIP facility was completely exhausted long before the Debtors' emergence from chapter 11.

29. Prior to seeking the First DIP Amendment, the Debtors worked very hard to try to get a consensual resolution with all of the major parties, but, given both the ups and downs of the business due to the impacts of Covid, as well as difficulty communicating with certain major creditors, that had been a long and difficult process.

30. After concluding negotiations and reaching agreements with their various creditors, on April 20, 2023, the Debtors filed their *Second Amended Joint Plan of Reorganization of RM Bakery, LLC, And BKD Group LLC* [Docket No. 301] (the "**Second Amended Plan**") which reflected those agreements reached with their various creditors. The

Debtors at that time also obtained commitments for exit financing. Thus, in April 2023, the Debtors believed they were positioned to expeditiously solicit and seek to confirm the Second Amended Plan.

31. Additionally, to fund what the Debtors' believed would be their final few months in bankruptcy and bridge the Debtors to confirmation, where they would then be provided exit financing, the Debtors sought the First DIP Amendment. Unfortunately, things did not go as planned.

32. After the entry of the Final DIP Amendment Order, when the Debtor requested the DIP Lender to fund the Debtor, many of the investors in the DIP Lender informed the Debtors that they had a change of heart and no longer were willing to fund the DIP Facility or provide exit financing. With no funding for continued operations or to emerge from Chapter 11, the principal of the Debtor, Mark Rimer had to either find an alternate plan for DIP and exit financing, or, continued operations and exit from bankruptcy would not be possible.

33. Mr. Rimer explored various options, including locating new financing sources, selling certain assets and contracts of the Debtors, joint ventures with strategic partners, as well as other strategies. Eventually, Mr. Rimer decided the best way to proceed was for him to sell a company that was unaffiliated with the Debtors, and use the proceeds from that sale to fund the continued operations of the Debtors as well as the Debtors exit from Chapter 11.

34. Exploring these various options, as well as executing on the sale of the unaffiliated company took the better part of 9 months. On April 3, 2024, Mr. Rimer succeeded in selling the unaffiliated company and thus raising the money necessary to conclude these Chapter 11 Cases and their exit. On June 28, 2024, the Debtors filed their *Third Amended Joint Plan of*

Reorganization of RM Bakery, LLC and BKD Group LLC [Docket No. 396] (the "**Third Amended Plan**").

35. The Debtors are now seeking the Second DIP Amendment to fund operations through the effective date of the confirmation of the Third Amended Plan which they anticipate will take place in late September 2024. Additionally, as the Debtors were severely underfunded after losing commitments for its DIP financing, it fell behind on the payment of certain administrative payments. The Debtors have negotiated payment arrangements with certain of these administrative creditors. Specifically, the Debtors have come to an agreement with Consolidated Edison ("**Con Ed**") and is in the process of negotiating an agreement with Epiq Corporate Restructuring LLC ("**Epiq**"), the Debtors' Court retained claims agent.

36. As to the settlement with Con Ed, Con Ed has alleged that it holds an administrative claim for $510,531.80 through June 14, 2024, which includes $21,590 for a new security deposit. Con Ed has agreed to allow the Debtors to pay this amount over 29 months commencing with the month following the Debtors' Initial Distribution Date (as that is defined in the Third Amended Plan and anticipated to be September 30, 2024), provided that the Debtors pay Con Ed $100,000 on July 15, 2024 and pay an additional $125,000 on the Initial Distribution Date. Alternatively, provided the Debtors make the first $100,000 payment on July 15, 2024, if the Debtors pay $326,182.28 on the Initial Distribution Date, Con Ed's entire administrative claim will be discharged, saving the estate $84,349.80. In either case, the Debtors must pay Con Ed $100,000 on July 15, 2024. In addition to these amounts, the Debtors have agreed to make their current payments in a timely manner which will require a payment of approximately $17,500 on or before July 24, 2024.

37. As to the Settlement with Epiq, while the Debtors have not reached a final agreement with Epiq, the Debtors are optimistic a settlement will be reached. However, all proposed settlements with Epiq include a payment of $25,000 by July 15, 2024. Therefore, the Debtors anticipate needing $25,000 by July 15, 2024 to fund the initial payment to Epiq.

38. Therefore, on July 15, 2024, the Debtors anticipate needing $117,500 to pay Con Ed and $25,000 to pay Epiq, for a total aggregate amount required to be paid of $142,500.

39. These two agreements with Con Ed and Epiq will allow the Debtors to pay these administrative claims overtime rather than on the Initial Distribution Date as would otherwise be required pursuant to Section 1129(a)(9)(A) of the Bankruptcy Code. The Debtors believe without consummating these two settlement agreements, the Debtors will not have the funds available in order to pay these claims in full on the Initial Distribution Date and therefore their Third Amended Plan will not be feasible. Thus, the Debtors required the interim relief sought in this Third DIP Amendment Motion on shorten notice.

40. In support of these continued efforts, the Debtors and the DIP Lender proposes to increase the DIP Facility by an additional $500,000 by amending the Final DIP Amendment Order which gave the Debtors the ability to borrow $1,500,000. The Debtors proposed to simply increase the amount of allowed postpetition financing in the order; as, no changes to the loan documents are required. As with all of the borrowings under the DIP Facility, the additional borrowings are simply notated on the schedule attached to the promissory note which has been issued.

BASIS FOR RELIEF

41. As set forth in the DIP Financing Motion, the Debtors satisfy the requirements for this Court to authorize the Debtors to incur post-petition debt on the terms and conditions of

the DIP Facility. The Debtors respectfully submit that, for the reasons contained in the DIP Financing Motion and herein, the Debtors have more than satisfied the standards applicable for the Court's approval of the Second DIP Amendment and entry of the Second DIP Amendment Orders.

A. The Debtors Satisfy the Requirement for Entering into the DIP Amendment Under Section 364(c) of the Bankruptcy Code

42. The terms and conditions of the DIP Facility provide for security interests, priorities, and other rights pursuant to section 364(c) and (d) of the Bankruptcy Code. The statutory requirements for obtaining post-petition credit under 364(c) is a finding, made after notice and a hearing, that the debtor is "unable to obtain unsecured credit allowable under section 503(b)(1)" of the Bankruptcy Code. 11 U.S.C. § 364(c). This finding has already been made, and increasing the amount of the DIP Facility does not alter these findings. If anything, it would be even more difficult to find alternative financing today given the existence of the DIP liens and priorities.

43. Furthermore, section 364(c) financing is appropriate when the debtor-in-possession is unable to obtain unsecured credit allowable as an ordinary administrative claim. *See In re Crouse Grp., Inc*., 71 B.R. 544, 549 (Bankr. E.D. Pa. 1987) (debtor seeking unsecured credit under section 364(c) of the Bankruptcy Code must prove that it was unable to obtain unsecured credit pursuant to 364(b) of the Bankruptcy Code); *In re YL West 87th Holdings I LLC*, 423 B.R. 421, 441 (Bankr. S.D.N.Y. 2010) ("Courts have generally deferred to a debtor's business judgment in granting section 364 financing."); *In re Ames Dep't Stores, Inc*., 115 B.R. 34, 37-39 (Bankr. S.D.N.Y. 1990) (holding that a debtor must show it made reasonable efforts to seek other sources of financing under section 364(a) and (b) of the Bankruptcy Code.)

44. Courts have articulated a three-part test to determine whether a debtor is entitled to financing under section 364(c). Under this test, courts look to whether:

a. the debtor is unable to obtain unsecured credit under section 364(b), *i.e.,* by allowing a lender only an administrative claim.
b. The credit transaction is necessary to preserve the assets of the estate; and
c. The terms of the transaction are fair, reasonable, and adequate, given the circumstances of the debtor-borrower and the proposed lender.

See Crouse Grp., Inc. 71 B.R. at 549; *Ames Dep't Stores* 115 B.R. at 37-39.

45. The Second DIP Amendment will ensure that the Debtors have access to the necessary funding to pay their cost of operations and certain past-due administrative obligations until the exit financing becomes available at confirmation. The Debtors cannot meet their current administrative obligations without the increase to the DIP Facility. Also, since the Plan provides that all of the DIP loan shall be converted to equity, other than expenses including legal fees, and the DIP Lender has agreed to this, the Debtors would clearly be unable to find less expensive financing.

B. <u>No Adequate Alternative to the DIP Amendment is Currently Available.</u>

46. In order to obtain a post-petition financing facility, a debtor need only demonstrate "by good faith effort that credit was not available without" the protections afforded to potential lenders by section 364(c) and (d) of the Bankruptcy Code. *See YL West 87th Holdings I LLC*, 423 B.R. at 441 ("Courts have generally deferred to a debtor's business judgment in granting 364 financing."); *In re Gen Props., Inc*., 412 B.R. 122, 125 (Bankr. S.D.N.Y. 2009) (stating that the debtor had an obligation to make "reasonable efforts, under the circumstances… to obtain [unsecured financing], in the ordinary course of business or otherwise"); *In re Harborwalk, LP*, No. 10-80043-G3-11 (LZP) (Bankr. S.D. Tex. Jan 29, 2010) ("Section 364(d)(1) does not require that a debtor seek credit from every possible source, but a debtor must

show that it made reasonable effort to obtain post-petition financing from other potential lenders on less onerous terms and such financing was unavailable.").

47. The Court has already determined that no acceptable financing on more favorable terms from sources other than the DIP Facility were available to the Debtors. In light of the Debtors' current capital structure and already negotiated DIP Facility, the Debtors' only prudent path here was to seek additional funding from the DIP Lender on the terms described herein and in the Second DIP Amendment. Furthermore, if the Third Amended Plan is confirmed, all of the new loans in addition to the previous DIP Facility will be converted to equity, and the Debtors certainly cannot find any financing more favorable to creditors than that.

48. As a result, the Debtors have shown, in satisfaction of the requirements of section 364(c) and (d) of the Bankruptcy Code, that alternative credit on terms more favorable than those set forth in the DIP Amendment was unavailable to it.

C. Entry into the Second DIP Amendment is Supported by the Debtors' Sound Business Judgment and the Terms Thereof are Fair, Reasonable and Appropriate Under the Circumstances of these Cases.

49. The Debtors, after consultation with their professional advisors, have determined in their business judgment, that their entry into the Second DIP Amendment is necessary, prudent, and in the best interest of the Debtors, their estates and creditors and other interested parties.

50. "Where the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct". *Comm of Asbestos-Related Litigants and/or Creditors v. Johns-Manvelle Corp*. (*In re Johns-Manville Corp*.), 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986). There is a presumption "in making a business decision the director of a corporation acted on an

informed basis, in good faith and in the honest belief that the action was in the best interest of the company." *Official Comm of Subordinated Bondholders v. Integrated Res. Inc. (In re Integrated Res. Inc.*), 147 B.R. 650, 656 (S.D.N.Y. 1992) (quoting *Smith v. Van Gorkom,* 488 A.2d 858, 872 (Del. 1985)). Thus, if a debtor's action satisfies the business judgment rule, then the transaction in question should be approved under 363(b)(1) of the Bankruptcy Code. Indeed, when applying the business judgment standard, courts show great deference to a debtor's business decisions. *See Pitt V. First Wellington Canyon Assocs. (In Re First Wellington Canyon Assocs*.), 1989 WL 838, at *3 (N.D. Ill. Sept. 8, 1989) ("Under this test, the debtor's business judgment… must be accorded deference unless shown that the bankrupt's decision was taken in bad faith or in gross abuse of the bankrupt's retained discretion.").

51. The terms of the Second DIP Amendment were negotiated at arms-length and in good faith. As disclosed in the DIP Financing Motion, the DIP Lender is a limited liability company in the business of making investments. It is owned 75% by Mark Rimer and 25% by Sang Cho. Mark Rimer is the managing member of the limited liability company. Sang Cho has no direct or beneficial interest in the Debtors other than the previously advanced DIP Facility. Mark Rimer is the CEO of RM Bakery and holds an indirect beneficial interest in BKD of approximately 17.39% of the outstanding equity. BKD owns 100% of the outstanding equity in Debtor RM Bakery LLC. The Debtors were represented by the undersigned counsel in the negotiations.

52. Absent approval of the Second DIP Amendment, the Debtors will be unable to operate their business, meet their administrative expenses, and successfully administer the estate and exit from these Chapter 11 Cases. Additionally, without approval of the relief sought herein, the Debtors will be unable to pay those certain administrative creditors with which settlements

have been reached (and are in the process of negotiation) that provide for payments overtime after confirmation. Without consummating these settlements, it is not clear whether the Debtors can propose a feasible plan of reorganization. Thus, approval of this Motion is necessary to assure the Debtor can emerge from Chapter 11. Thus, the Debtors believe that their entry into the Second DIP Amendment is an appropriate exercise of their business judgment, and therefore the relief requested herein should be approved.

53. Whether the terms of a debtor's proposed post-petition financing arrangements are fair and reasonable is determined by the relative circumstance of the debtor and the potential lender. *See In re Farmland Indus., Inc*., 294 B.R. 855, 855-89 (Bankr. W.D. Mo. 2003) (holding that the terms of proposed post-petition financing were fair and reasonable when viewed in the context of the relative circumstances of the parties); *Unsecured Creditors' Comm. Mobil Oil v. First Nat'l Bank & Trust Co. of Escanaba (In re Ellingsen MacLean Oil Co., Inc.)* 65 B.R. 358, 364-65 n. 7 (W.D. Mich. 1986).

54. The Court has previously determined that the terms of the DIP Facility are fair and reasonable, and supported by reasonably equivalent value and fair consideration. The Debtors submit that the proposed terms of the Second DIP Amendment which merely increase the amount of the DIP are likewise fair, reasonable and appropriate under the circumstances of the Chapter 11 Cases. Simply put, the Second DIP Amendment and the increase in the available funding under the DIP Facility as a result thereof, will allow the Debtors to proceed to confirmation of these Chapter 11 Cases. Thus, the Debtors submit that the terms of the DIP Amendment are fair, reasonable, and appropriate.

NOTICE

55. Debtors will provide notice of this motion in accordance with the *Order Implementing Certain Notice and Case Management Procedures*, entered in these Cases on June 29, 2020 [ECF No. 35] and submit that no other or further notice is necessary.

PRIOR REQUEST

56. No prior request for the relief sought in this Motion has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter the Second Interim DIP Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested in this Motion, and granting such other and further relief as this Court deems just and proper.

Dated: July 11, 2024
Dobbs Ferry, New York

/s/ David H. Hartheimer
David H. Hartheimer

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Exhibit A

Proposed Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
RM BAKERY LLC, *et al*.,[1] Debtors.	Case No. 20-11422 (MG) Jointly Administered

SECOND INTERIM ORDER AMENDING FINAL ORDER (I) AUTHORIZING THE USE OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION, (III) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (IV) GRANTING THE LIENS AND SUPERPRIORITY CLAIMS TO THE DIP LENDER, AND (V) MODIFYING THE AUTOMATIC STAY

Upon consideration of the motion ("**Motion**") of RM Bakery LLC ("**RM Bakery**"), and BKD Group LLC ("**BKD Group**"), the debtors and debtors-in-possession in the above-captioned chapter 11 cases, (the "**Debtors**"), for entry of an order (this "**Second Interim DIP Amendment Order**") amending that certain *Order Amending Final Order (i) Authorizing the Use Of Cash Collateral, (ii) Granting Adequate Protection, (iii) Authorizing the Debtors to Obtain Postpetition Financing, (iv) Granting the Liens And Superpriority Claims to the DIP Lender, and (v) Modifying the Automatic Stay* [Docket No. 316] (the "**Final DIP Amendment Order**") [2] to approve the Interim DIP Amendment to the Final DIP Amendment Order (the "**Second Interim DIP Amendment**"); and the Court having considered the Motion and the record in these Chapter 11 Cases; and the Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found that venue of this case and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that due

[1] The Debtors in these Chapter 11 Cases and the last four digits of each Debtor's taxpayer identification number are as follows: RM Bakery LLC (7954) and BKD Group LLC (0624).
[2] Capitalized terms not defined herein are defined in the Final Order.

and proper notice of the Motion has been given and no other or further notice is necessary; and objections, if any, having been withdrawn, resolved, or overruled on the merits by the Court; and the Court having determined that entry of the Second Interim DIP Amendment is an appropriate exercise of the Debtors' sound business judgment; and after due deliberation it appearing that sufficient cause exists for granting the requested relief pursuant to Sections 105, 361, 362, 363, 364, 507, and 552 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6004, and 9014, and Local Rule 4001-2, and that the requested relief is in the best interest of the Debtors, their estates, and their creditors;

IT IS HEREBY ORDERED THAT:

1. This Second Interim DIP Amendment Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding by Bankruptcy Rule 9014.

2. Upon entry of this Second Interim DIP Amendment Order, the Final DIP Amendment Order is amended as follows:

   a. The amount of $1.5 Million that appears in the preamble of the first page of the Final Order is deleted and replaced with $ 1,642,500.

   b. The amount of "$1,500,000" that appears in paragraph 13 is deleted and replaced with "$1,642,500".

3. All references to the DIP Facility in the Final Order shall be deemed references to the DIP Facility as amended by the First DIP Amendment and this Second Interim DIP Amendment Order, as the DIP Facility may be further amended, supplemented, restated, or otherwise modified from time to time, and together with all related agreements and documents.

4. Pursuant to Sections 105, 361, 363, 364, 507, and 552 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, and 9014, and Local Rule 4001-2, the Second DIP Amendment is hereby approved on an interim basis, up to a maximum aggregate amount of $1,642,500 in Advances, and the Debtors are authorized to perform all acts, and to execute and deliver all instruments and documents in connection therewith that may be reasonably required or necessary for the performance of their obligations under the Second DIP Amendment.

5. Except as modified by the First DIP Amendment and this Second Interim DIP Amendment Order, the terms of the DIP Facility are not altered and remain in full force and effect.

6. Except as expressly set forth in this Second Interim DIP Amendment Order, the terms of the Final Order are not altered and remain in full force and effect.

7. The terms of this Second Interim DIP Amendment Order were negotiated in good faith and at arms' length.

8. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014, or otherwise, the terms and conditions of this Interim DIP Amendment Order shall be immediately effective and enforceable upon its entry.

9. This Court shall retain jurisdiction to hear and determine any and all matters arising from or related to the interpretation or implementation of this Second Interim DIP Amendment Order.

10. The Final Hearing shall be held on _____, at _____ _..m. (ET), at the United States Bankruptcy Court for the Southern District of New York, or at such other time and place as this Court may determine. The hearing will be conducted via Zoom for Government and parties may consult the website for the United States Bankruptcy Court for the Southern

District of New York, http://www.nysb.uscourts.gov/content/judge-martin-glenn, for instructions on how to participate in the Hearing. Nothing in this Second Interim DIP Amendment Order shall be construed as precluding this Court from entering a final order containing provisions inconsistent with or contrary to any of the provisions of this Second Interim DIP Amendment Order, subject to the Lender's rights under the DIP Facility and the protections provided by this Second Interim DIP Amendment Order and section 364(e) of the Bankruptcy Code with respect to monies advanced prior to entry of the Final Order.

11. The provisions of this Second Interim DIP Amendment Order are non-severable and mutually dependent.

Dated: July ___, 2024

_____

HONORABLE MARTIN GLENN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

DEBTOR-IN-POSSESSION
CREDIT AND SECURITY AGREEMENT

THIS CREDIT AND SECURITY AGREEMENT (this "Agreement"), is made by and among and entered into as of June 15, 2020 (the "Agreement Date"), by RM Bakery, LLC ("RM Bakery") and BKD Group, LLC ("BKD"), as borrowers (RM Bakery and BKD are together referred to as the "Debtors" or "Borrowers"), FS Lender 2015 LLC, as lender (the "DIP Lender") and Mayrich Capital LLC ("Mayrich" and together with the Debtors and the DIP Lender, the "Parties") .

WITNESSETH:

WHEREAS, the Borrowers plan to commence proceedings under Chapter 11 of the Bankruptcy Code in June 2020, by filing voluntary petitions for relief with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). Both Debtors will retain possession of their assets as is authorized under sections 1107 and 1108 of the Bankruptcy Code and to continue in the management and operation of their businesses as debtors-in-possession. The Debtors plan to file a motion to administratively consolidate the two bankruptcy cases (collectively, the "Cases");

WHEREAS, both Debtors requested that the DIP Lender provide, and the DIP Lender is willing to provide, subject to the terms and conditions of this Agreement, and any other DIP Credit Documents, and the approval of the Bankruptcy Court, a debtor-in-possession financing facility to the Borrowers that will supplement the Debtors use of cash collateral to provide working capital and to pay other expenses permitted under this Agreement in an aggregate principal amount of up to one million dollars ($1,000,000.00) outstanding (the "Maximum Commitment");

WHEREAS, the Debtors plan to file a motion with the Bankruptcy Court upon the filing of the Cases, which among other things, will seek authorization for the Debtors to enter into the DIP Credit Documents, including this Agreement;

WHEREAS the Parties to this Agreement have reached certain mutual understandings and agreements with respect to the matters as set forth in this Agreement, subject to approval of the Bankruptcy Court, and each of the Parties believe it to be in their respective best interest to set forth the terms of such mutual understandings and agreements as provided in this Agreement.

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement, intending to be legally bound, hereby agree as follows:

Section 1. Definitions. As used in this Agreement the following terms have the meaning as set forth in this Section 1:

(a) "Account" has the meaning assigned to such term in the UCC.

(b) "Additional Draw" has the meaning set forth in Section 2(a)(iii).

(c) "Adequate Protection Lien" means the replacement lien provided to secured creditors, pursuant to section 361 of the Bankruptcy Code, to allow a debtor in bankruptcy to use such secured creditors collateral, while simultaneously protecting said secured creditor from the possible diminution in value of their collateral. For adequate protection for Pac West, the Debtors are providing Pac West with a replacement lien in machinery and Equipment, in the same priority as it had prepetition. Prepetition, Pac West also had a lien on the accounts receivable, inventory and accounts of RM Bakery, but since the Debtors owe Mayrich amounts in excess of the value of their collateral, Pac West subordinate position had no value as of the Petition Date. Accordingly, the Debtors are only providing adequate protection respect to their lien on machinery and Equipment. In addition, the Debtors will pay Pac West four percent (4%) per annum, of the maximum value of the Equipment, which at most is worth $448,500, on a monthly basis.

(d) "Applicable Rate" means 10 percent (10%) per annum, compounded annually.

(e) "Authorized Officer" means, any Person that is deemed to be an Authorized Officer for purposes of this Agreement.

(f) "Business Day" means a day other than Saturday, Sunday, or other day on which commercial banks in the State of New York are authorized or required by law, or other governmental action, to close.

(g) "Carve-out" means an agreement between a secured creditor and a debtor, providing that a portion of the secured creditor's collateral may be used to pay administrative expense of a bankruptcy case. In these Cases, the DIP Lender and Mayrich have agreed to provide the Debtors a Carve-out in the amount of $100,000.00.

(h) "Cash Collateral" means cash, negotiable instruments, documents of title, securities, deposit accounts, or other cash equivalents, in which an entity other than the estate (such as a secured creditor) have an interest. While both Pac West and Mayrich have a secured interest in the Debtors' cash and accounts receivables, (i) Pac West's secured interest in these assets is junior to Mayrich's interest, and (ii) the value of the Debtors' cash and accounts receivable is less than the amount of Mayrich's claim, putting Cap West's interest in these assets "out of the money". Therefore, only Mayrich has a current secured interest in the Cash Collateral of the Debtors. Mayrich has consented to the Debtors use of its Cash Collateral during the pendency of these Cases.

(i) "Change of Control" means any one or more of the following events:

(i) the transfer (in any one transaction or series of transactions) of all or substantially all of the assets of one or more Debtors to any Person or Persons; and

(ii) the liquidation or dissolution of either Debtor or the adoption of a plan by the stockholders, members, or holders of similar rights of the Debtors relating to the dissolution or liquidation of the Debtors.

(j) "Closing Date" means the date that the Initial Draw is paid to the Debtors.

(k) "Committee" means any statutory committee of unsecured creditors of the Debtors appointed by the United States Trustee for the District where the Cases are pending (if any).

(l) "Commitment Fee" means an amount equal to two percent (2%) of the Maximum Commitment, that is payable to the DIP Lender within seven (7) days of the Final Order Entry Date. The Commitment Fee will be included in the Formation Expenses.

(m) "Default" means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

(n) "Deposit Account" means any deposit account (as such term is defined in the UCC) including, a demand, time, savings, passbook, or like account with a bank, savings and loan association, credit union, or like organization, other than an account evidenced by a negotiable certificate of deposit.

(o) "DIP Budget" means the consolidated ninety (90) day rolling budget provided by the Debtors from time to time, the first of which is annexed to this Agreement as **Exhibit A**, all in accordance with this Agreement including the provisions contained in Sections 8(a)(v) and 10(c).

(p) "DIP Collateral Documents" means all instruments, documents, and agreements (including this Agreement) delivered by either Debtor pursuant to this Agreement or the other DIP Credit Documents pursuant to which either Debtor grants a DIP Lien, or any other Lien, or encumbrance, to the DIP Lender, as any of the foregoing may be amended, restated, supplemented, or modified, from time to time.

(q) "DIP Collateral" means as security for the DIP Obligations, effective and perfected on the Interim Order Entry Date without the necessity of the execution, recordation of filings by the Debtors of security agreements, control agreements, pledge agreements, financing statements, or other similar documents, or the possession or control by the DIP Lender, the security interests and the liens granted to the DIP Lender as set forth in Section 3 of this Agreement for the benefit of the DIP Lender pursuant to a DIP Interim Order, DIP Final Order and/or the other DIP Credit documents (collectively, the "DIP Liens").

(r) "DIP Credit Documents" means this Agreement, the Financing Order, the DIP Note (if any), the DIP Collateral Documents, and all other documents, instruments or agreements signed and delivered by either Debtor for the benefit of the DIP Lender in connection with the transaction contemplated by this Agreement and other DIP Credit Documents.

(s) "DIP Draw Request Date" means the date that the Debtors request an Initial Draw or Additional Draw from the DIP Lender pursuant to the DIP Loan.

(t) "DIP Final Order" means a final order (which must be acceptable in form and substance to the DIP Lender and Mayrich in their reasonable discretion) entered, or to be entered by the Bankruptcy Court authorizing on a final basis the secured financing under this Agreement and the other DIP Credit Documents.

(u) "DIP Interim Order" means one or more interim orders in form(s) acceptable to the DIP Lender and Mayrich in their reasonable discretion, entered by the Bankruptcy Court authorizing the secured financing under this Agreement and other DIP Credit Documents.

(v) "DIP Lien" means any Lien granted pursuant to this Agreement, any DIP Collateral Documents, the other DIP Credit Documents, or any Financing Order.

(w) "DIP Loan" has the meaning given such term in Section 2.

(x) "DIP Obligation" means all Indebtedness, obligations, and liabilities of either Debtor, from time to time, owed to the DIP Lender directly or indirectly, jointly or severally, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law, or otherwise, arising or incurred under this agreement, the Financing Orders, or any other DIP Credit Documents, or in respect of the DIP Loan, the DIP Note, or any others instruments at the time evidencing any of the foregoing.

(y) "Equipment" means, as to either Debtor, all of such Debtors now owned and hereinafter acquired equipment, wherever located, including machinery, data processing, and computer equipment (whether owned or licensed and including embedded software), vehicles, tools, furniture, fixtures, all attachments, accessories and property now or hereafter affixed thereto, or used in connection therewith, any substitution and replacement thereof, wherever located, and all leasehold interests Debtors may have in same.

(z) "Event of Default" means each of the conditions or events as set forth in Section 12.

(aa) "Excess Cash" means cash in the amount of more than ten percent (10%) of the cash that is projected in the DIP Budget for that relevant period.

(bb) "Final Order Entry Date" means the date on which the Bankruptcy Court enters the DIP Final Order.

(cc) "Financing Order" means collectively, any DIP Interim Order, the DIP Final Order, and such other orders relating thereto or authorizing the granting of credit by the DIP Lender to the Debtors on an emergency, interim, or permanent basis, pursuant to section 364 of the Bankruptcy Code as may be issued or entered by the Bankruptcy Court in the Cases.

(dd) "Indebtedness" means with respect to any Person, without duplication, the following:

(i) all indebtedness of such Person for borrowed money;

(ii) all obligations of such Person for the deferred purchase price of property or services, other than accounts payable and accrued liabilities that would be classified as current liabilities which payables and liabilities are incurred in respect of property or services purchased in the ordinary course of business if and only for so long as no item of such accounts payable and accrued liability is more than 90 days past due;

(iii) all obligations of such Person evidenced by notes, bonds, debentures, or similar notes or Securities instruments;

(iv) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person;

(v) all obligations of such Person as lessee under Capital Leases;

(vi) all obligations of such Person secured by Liens on the assets and property of such Person;

(vii) all obligations of such Person to purchase, redeem, retire, defease, or otherwise make any payment in respect of any Capital Stock or other ownership or profit interest in such Person or any other Person or any warrants, rights, or options to acquire such Capital Stock;

(ee) "Initial Draw" has the meaning given such term in Section 2(a)(ii).

(ff) "Interim Order Entry Date" means the date on which the Bankruptcy Court enters the DIP Interim Order.

(gg) "Lien" means any mortgage, deed of trust, security interest, charge, pledge, hypothecation, assignment, attachment, deposit arrangement, encumbrance, lien (statutory, judgment, or otherwise, but excluding any right of set-off arising by operation of law or pursuant to agreements entered into in the ordinary course of business), or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any Capital Lease, any financing lease involving substantially the same economic effect as any of the foregoing and the filing of any financing statement under the UCC or comparable law of any jurisdiction in respect of the foregoing).

(hh) "Maturity Date" means, unless some other date is agreed to in writing by the Parties, the earlier of:

(i) the date on which a plan of reorganization for either of the Debtors confirmed by the Bankruptcy Court becomes effective,

(ii) the day on which the DIP Obligations become immediately due and payable pursuant to the terms of this Agreement, or by Court order, and

(iii) the date that substantially all of the assets of RM Bakery are sold, transferred or alienated in any way.

(ii) "Mayrich Collateral" means all or of the following assets, properties, rights and interests of RM Bakery, whether now owned or existing, or hereinafter acquired or arising: all Accounts, all inventory, all general intangibles relating (specifically and only) to RM Bakery's Accounts and inventory (including, without limitation, all purchase orders, software and RM Bakery's books), or Supporting Obligations (specifically and only) with respect to the foregoing, or Deposit Accounts, all money or assets of RM Bakery, which hereinafter come into the possession, custody or control of Mayrich, in connection with the foregoing Collateral; all proceeds and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance covering any or all of the foregoing; any and all tangible or intangible property resulting from the sale, lease, license or other disposition of any of the foregoing, or any portion thereof or interest therein, in all proceeds thereof; and any other asset of RM Bakery which may hereinafter be subject to a lien in favor of Mayrich as security for the Obligations. All of the foregoing is subject to a certain inter-creditor agreement between Mayrich and Pac West.

(jj) "Monthly Operating Report" means the report that all debtors in chapter 11 are required to file on a monthly basis which is designed to reflect changes in the financial position of a debtor during the pendency of a Chapter 11 case. Each report is a sworn statement by the respective debtor and must be as accurate as possible.

(kk) "Pac West" means Pacific Western Bank.

(ll) "Permitted Variances" means the variance from the DIP Budget for one budget period of not more or less than 10% per item and 15% overall.

(mm) "Person" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, other legal entities and Government Bodies.

(nn) "Petition Date" means the date on which the Debtors commence the Cases by filing petitions pursuant to chapter 11 of the Bankruptcy Code.

(oo) "Post-Petition" means any date following the Petition Date.

(pp) "Pre-existing Lien" means the valid, perfected and enforceable liens existing prior to the Petition Date.

(qq) "Principal Office" means, for the DIP Lender, its office is located at 220 East Forty 42nd Street, New York, NY 10017 , or such other office as the DIP Lender may on one or more occasions designate in writing to the Borrower.

(rr) "Replacement Lien" means a post-petition lien provided to a lender covering property acquired by the debtor after the bankruptcy filing. Lenders are often entitled to adequate protection of their interests in collateral, when a debtor proposes to use or sell the collateral. Mayrich has made a secured loan to RM Bakery in the amount of $1,300,000. As part of the financing package, the Debtors are giving Mayrich a replacement lien in the accounts receivable, inventory and accounts in the same priority as Mayrich had prepetition.

(ss) "Superpriority Claims" means, as additional protection for the DIP Lender, pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations will constitute allowed claims against the Debtors (without the need to file any proof of claim) with priority over any and all administrative expenses, diminution claims, and all other claims against the Debtors, now existing or hereinafter arising, of any kind whatsoever, including, all administrative expenses of the kind specified sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under section 105, 362, 328, 330, 331, 503(a), 503(b), 506(c), 507(a), 507(b), 726, 1113 or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other nonconsensual lien, levy or attachment, which allowed claims will be payable from and have recourse to all pre-petition and Post-petition property of the Debtors and proceeds thereof, subject only to the Pre-existing Liens, any Replacement Liens therefor and the Carve-out.

Section 2. DIP Loan.

(a) The DIP Loan Draws. Subject to the terms and conditions set forth in this Agreement and the Financing Orders, the DIP Lender will make advances available to the Debtors pursuant to this Section 2(a) (the "DIP Loan"):

(i) Maturity Date.

(1) the DIP Loan and all DIP Obligations will be due and owing to the DIP Lender on the Maturity Date.

(ii) Initial Draw. Subject to the terms and conditions of this Agreement, immediately upon entry by the Bankruptcy Court of the DIP Interim Order, an amount equal to the DIP Budget for the next thirty (30) days will be transferred to the Borrowers from the DIP Loan, for the benefit of both Debtors, to be used by the Debtors solely in accordance with the DIP Interim Order, DIP Budget (including Permitted Variances), the use of proceeds as set forth in Section 2(b), and the other provisions of this Agreement (the "Initial Draw").

(iii) Additional Draws.

(1) If and only if the DIP Final Order has been entered by the date which is thirty (30) days after the Petition Date, or by such other date as the Parties may agree in writing, and there is no Event of Default continuing, then every thirty (30) days after the Initial Draw, the Debtors may make an additional draw in an amount not to exceed the DIP Budget for the next thirty (30) days plus 10% thereof; provided, that such draw does not exceed the Maximum Commitment. If prior to the time for an Additional Draw, the Debtors have a need for additional cash, they may borrow such cash with the DIP Lender's permission; provided that, such draw does not exceed the Permitted Variances. All draws must be used solely in accordance with the DIP Budget, as modified by the Permitted Variances. If money is drawn in a particular thirty (30) day period (each thirty (30) day period, a "Budget Period") and is not spent in that Budget Period, but is spent in the immediately preceding or immediately subsequent Budget Period for the purpose set forth in the DIP Budget for such Budget Period, such expenditure will be deemed to have been made in accordance with the DIP Budget and will not create a variance.

(2) Upon an Event of Default and during the continuance of an Event of Default, the Debtors may not request advances under the Additional Draw, without the express written consent of the DIP Lender.

(3) Each Additional Draw must be on no less than one (1) Business Day notice by the Debtors to the DIP Lender.

(b) Use of Proceeds. The DIP Loan and proceeds thereof will be used by the Debtors solely for the purposes as set forth in this Agreement and the DIP Budget.

(c) Evidence of Debt.

(i) The DIP Interim Order and/or the DIP Final Order and this Agreement constitute sufficient evidence without any further documentation of (a) the Debtors' indebtedness and obligations to the DIP Lender hereunder and of the DIP Lender's liens and security interest in the DIP Collateral; (b) the Debtors' indebtedness and obligations to Mayrich for the Replacement Lien hereunder and of Mayrich's liens and security interest in the Mayrich Collateral; and (c) the Debtors' obligations under the Adequate Protection Lien. Notwithstanding the foregoing, upon the request of the DIP Lender, Mayrich or Pac West, the Debtors will execute such other evidence of indebtedness and Liens as requested, including promissory notes, UCC filings, and the like, provided, such evidence of indebtedness is consistent with the terms of this Agreement and any DIP Interim Order(s) and the DIP Final Order.

(ii) As evidence of each draw and repayment, the DIP Lender shall maintain a chart substantially in the form attached hereto as **Exhibit B**, and Debtors will initial the amount of each draw and each repayment, and such chart is deemed conclusive evidence of the amount outstanding. Upon reasonable notice, a representative of the Debtors or the Committee may inspect said chart at the DIP Lender's Principal Office.

(d) Interest on the DIP Loan; Payment.

(i) Applicable Rate. Except as otherwise set forth in this Agreement, the DIP Loan will bear interest on the unpaid principal amount outstanding from the date made through repayment, whether by acceleration or otherwise, at the Applicable Rate.

(ii) Interest Calculation.

(1) Interest payable pursuant to this Agreement will be computed on the basis of a 360-day year for the actual number of days elapsed in the period during which it accrues.

(2) In computing interest on the outstanding principal balance of the DIP Loan, the date the making of an advance under the DIP Loan will be included, and the date of any repayment of the DIP Loan will be excluded.

(iii) Cash Interest. Accrued and unpaid interest on the DIP Loan will be payable in arrears on:

(1) the first day of each calendar month, and if such day is not a Business Day, the immediately preceding Business Day; or

(2) the Maturity Date.

(e) Default Interest.

(i) Upon the occurrence and during the continuance of an Event of Default, the principal amount of the DIP Loan and, to the extent permitted by applicable law, any interest payments on the DIP Loan, or other amounts owed under this Agreement that are not paid when due, in each case, whether at stated maturity, by notice of prepayment, by acceleration, or otherwise, will thereafter bear interest payable on written demand (or automatically upon the occurrence and during the continuation of an Event of Default) at the Applicable Rate plus 300 basis points.

(ii) Payment or acceptance of the increased rate of interest provided for in Section 2(e)(i) is not a permitted alternative to timely payment and will not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the DIP Lender.

(iii) All amounts due and owing to the DIP Lender under this Agreement and the other DIP Credit Documents will be paid in U.S. currency, by wire transfer in immediately available funds, to the DIP Lender's account as the DIP Lender may inform the Debtors on one or more occasions.

(f) No Prepayment Penalty. There shall be no prepayment penalty on the DIP Loan. Therefore, any payments made by the Debtors, at any time, for any reason, shall be without penalty or premium.

(g) Optional Repayment of Loan. The Debtors shall have the right at any time, and from time to time, to pay any amounts borrowed by them, in whole and/or in part. Any payment made at any time shall be applied to the outstanding principal balance of the Debtors' Indebtedness. Such payment, and reduction of Debtors' outstanding principal balance, will increase its current available borrowing base of amounts currently available to the Debtors to draw upon, up to the Maximum Commitment.

(h) Mandatory Repayment of Loan. At the end of any Month, prior to the Maturity Date, in the event the Debtors have Excess Cash on hand, the Debtors shall pay to the DIP Lender an amount equal to the amount of Excess Cash on hand. Any payment made pursuant to this Section shall be applied to the Debtors outstanding principal balance of the DIP Loan. Such prepayment, and corresponding reduction of the Debtors' outstanding principal balance, will make available those amounts for the Debtors' borrowing base up to the amount of the Maximum Commitment.

Section 3. DIP Liens and Protections. Both of the Debtors hereby grant and convey to the DIP Lender, subject to the entry of the Financing Orders, the following Liens and protections to secure the DIP Obligations:

(a) Pursuant to section 364(c)(2) of the Bankruptcy Code, and subject to Section 3(b), the DIP Lender is hereby granted and will be secured by a valid, binding, continuing, enforceable and fully perfected first priority security interest and Lien on all pre- and post-petition property of the Debtors and/or interest of the Debtors in property, whether existing on the Petition Date or hereafter acquired, that, on or as of the Petition Date or the date acquired (if after the Petition Date) is not subject to valid, perfected and non-avoidable Liens, including, all cash and cash collateral of the Debtors (whether maintained with the DIP Lender or otherwise) and investment of such cash and cash collateral, all inventory, all Accounts, other rights to payment whether arising before or after the Petition Date, all chose in action, all avoidance power actions the Debtors have, or will have, under section 544 through 551, in section 553, of the Bankruptcy Code, books and records, investments, all real estate, all contracts, all properties, Equipment, general intangibles, documents, instruments, all vehicles, or Deposit Accounts, all goods, work in progress, all fixtures, all finished goods, or chattel paper, investment property, in all leaseholds, or real properties), all patents, or copyrights, trademarks, or tradenames, other Intellectual Property, capital stock of subsidiaries, other capital stock, and the proceeds rents, profits, accessions, substitutions, insurance proceeds, warranty and indemnity proceeds, and all other product, offspring, or profits of all of the foregoing (collectively, the "Secured Assets").

(b) Pursuant to section 364 (c)(3) and (d)(1) of the Bankruptcy Code, the DIP Obligations owed to the DIP Lender will be secured by a valid, binding, continuing, enforceable, and fully protected security interest and Lien in all the Secured Assets, junior in priority only to (i) the "Carve-out" (to be ordered in the DIP Interim Order and the DIP Final Order), (ii) the

valid and perfected security liens or security interest existing on the Petition Date (which are currently held by Pac West and Mayrich), (iii) the Replacement Liens and (iv) the Adequate Protection Liens.

(c) Pursuant to Section 364(c)(1) of the Bankruptcy Code, the DIP Obligations will at all times constitute joint and several Superpriority Claims in the Cases.

Section 4. Payment Obligations.

(a) On the Maturity Date, whether by acceleration or otherwise of any of the DIP Obligations under this Agreement or the other DIP Credit Documents, the DIP Lender will be entitled to immediate payment of the DIP Obligations without further application to or order of, the Bankruptcy Court.

` (b) Additionally, the Debtors will be permitted to make payments to the DIP Lender at any time, of both interest and principal. To the extent such payments are made, amounts paid to the DIP Lender that reduce the Principal Balance outstanding, such amounts will be made available for the Debtors to re-borrow under the Maximum Commitment. For the avoidance of doubt, the Maximum Commitment is for the term of the DIP Loan, and amounts repaid on the DIP Loan during the pendency of the DIP Loan will reduce the Principal Balance for all purposes, including for calculation of interest as well as calculation of amounts remaining available under the Maximum Commitment.

Section 5. Cash Collateral.

(a) Consent to Use Cash Collateral. By Mayrich entering into this Agreement, it agrees to allow the Debtors to use Mayrich's Cash Collateral through the Maturity Date. This agreement to allow use of its Cash Collateral is in exchange for the Debtors providing Mayrich with the Replacement Lien.

(b) Consent to Carve-out and Sections 506(c) and 522(b) Waivers.

(i) In these Cases, the DIP Lender and Mayrich have agreed to provide the Debtors a Carve-out in the amount of $100,000.00. In exchange for the DIP Lender and Mayrich providing the Carve-out, the Debtors release both the DIP Lender and Mayrich from additional claims against its collateral pursuant to section 506(c) and section 522(b) of the Bankruptcy Code.

(iii) In exchange for the DIP Lender and Mayrich providing the Carve-out, as well as Mayrich allowing the use of Cash Collateral, no claim shall be brought against the DIP Lender or Mayrich to recover any expenses under section 506(c) of the Bankruptcy Code, or to determine that any of the Prepetition Collateral or the Post-petition Collateral may be free and clear of Mayrich's interest based on the equities of the case under section 552(b) of the Bankruptcy Code.

(c) Mayrich May Withdraw its Consent to Use Cash Collateral. Upon an Event of Default, on seven (7) days' notice, Mayrich may withdraw its consent to the Debtors' use of Cash Collateral.

(d) Acknowledgement of Mayrich's Claim. Mayrich has made a secured loan to RM Bakery in the amount of $1,300,000. The Debtors fully acknowledges the liens and perfection of Mayrich's secured pre-petition debt, as well as acknowledges that Mayrich's secured claim is in the amount of $1,300,000. As part of the financing package, the Debtors are giving Mayrich a replacement lien in the accounts receivable, inventory and accounts in the same priority as Mayrich had prepetition. Additionally, the Debtors will provide interest to Mayrich on the terms of its pre-petition loan at the non-default, contract interest rate (the "Mayrich Interest"). The Debtors at their option will either (i) pay the Mayrich Interest to Mayrich during the pendency of the Cases or (ii) the Mayrich Interest will accrue during the pendency of the Cases. For the avoidance of doubt, the Debtors' failure to pay Mayrich the Mayrich Interest during the pendency of the Cases, will not be an Event of Default. In return for the forgoing, Mayrich has consented to the use of cash collateral.

(e) Mayrich's is Granted a Superpriority Claim. In the event the adequate protection provided to Mayrich does not preserve the value of the Mayrich Collateral as of the Petition Date, then Mayrich shall have a Superpriority claim pursuant to section 507(b) of the Bankruptcy Code, having priority over all claims allowed under section 507(a) of the Bankruptcy Code, but junior to the Superpriority claim of the DIP Lender, to the extent of the failure to preserve such value.

(f) Reporting Requirements to Mayrich. For as long as Mayrich's cash collateral is permitted to be used pursuant to this Agreement, both Debtors will furnish to Mayrich the same information at the same time as will be furnished to the DIP Lender in Section 10(b)

Section 6. UCC Filings. The DIP Lender is authorized by the Debtors to file UCC financing statements with respect to all DIP Collateral of the Debtors in all jurisdictions as may be necessary or, in the opinion of the DIP Lender, desirable to perfect the security interest created in such DIP Collateral pursuant to the DIP Collateral Documents and this Agreement and Debtors will cooperate with all such filings.

Section 7. Other DIP Loan Terms.

(a) Repayment. The DIP loan will be due and payable, and on the Maturity Date, the Debtors will repay all of the DIP Obligations, including all accrued and unpaid principal, interest fees, costs, expenses and all obligations under this Agreement and the DIP Credit Documents.

(b) Application of Payments and Proceeds.

(i) Any amount required to be paid pursuant to this Agreement and all proceeds of the DIP Collateral, whether before or after an Event of Default, will be applied:

(1) first, to repay any fees, costs, or expenses payable to the DIP Lender;

(2) second, to repay any principal amount outstanding in respect of the DIP Loan; and

(3) third, to pay accrued and unpaid interest, in any other fees, costs, expenses, and other outstanding DIP Obligations.

(ii) Business Day. Whenever any payment to be made under this Agreement is due on a day that is not a Business Day, such payment will be made on the immediately following Business Day.

Section 8. Conditions Precedent.

(a) Conditions Precedent; Closing Date. The obligation of the DIP Lender to make the Initial Draw and each Additional Draw, is subject to satisfaction, or waiver, of the following conditions by the date of each such draw (such satisfaction or waiver demonstrated by the funding of a DIP Loan):

(i) DIP Interim Order and DIP Final Order. The DIP Interim Order and the DIP Final Order, as applicable, and all motions relating thereto, approving, and authorizing the DIP Loan, all provisions thereof and the priorities and DIP Liens granted under Bankruptcy Code sections 364(c) and (d), as applicable, will be in form and substance satisfactory to the DIP Lender and Mayrich, and the DIP Final Order will be entered no later than July 15, 2020, in a form and substance acceptable to the DIP Lender and Mayrich in its sole discretion and will include, among others, the following provisions:

(1) modifying the automatic stay to permit the creation and perfection of the DIP Liens;

(2) granting Mayrich Replacement Liens and such other Adequate Protection that the Debtors and the DIP Lender may permit;

(3) granting Cap West Adequate Protection Liens and such other Adequate Protection that the Debtors and the DIP Lender may permit;

(4) granting the Liens provided for herein;

(5) prohibiting any granting or imposing of Liens other than DIP Liens and any other liens that the DIP Lender may permit in its sole discretion; and

(6) authorizing and approving the Debtors to sign and deliver the DIP Credit Documents to which each will be a party and the transactions contemplated therein, including the granting of the Superpriority status, the first-priority, and DIP Liens upon the DIP Collateral, and the payment of all fees and expenses due to the DIP Lender.

(7) Prohibiting any party in interest from challenging the validity, priority or extent of Mayrich's security interest in the Mayrich Collateral, unless such challenge is made, after any necessary Bankruptcy Court authorization for such challenge is granted, not later than 60 days following the entry of a final DIP order, if a Committee is appointed, and 75 days following the entry of a final DIP order, if no Committee is appointed, which deadlines may be extended by the Court for cause shown if an application for such extension is made prior to the expiration of such deadline; and

(8) Prohibiting any person from using cash collateral to litigate with Mayrich with respect to the validity, priority and extent of Mayrich's interest in the Mayrich Collateral.

(ii) As of the Final Order Entry Date, the DIP Final Order will further state, among other things, that, upon entry of the DIP Final Order:

(1) the DIP Lender and its counsel, advisors, consultants, will each be entitled to the benefit of a "good faith" finding pursuant to section 364(e) of the Bankruptcy Code;

(2) Mayrich and its counsel, advisors, consultants, will each be entitled to the benefit of a "good faith" finding pursuant to section 364(e) of the Bankruptcy Code;

(3) permit the DIP Lender the right to credit bid, subject to section 363(k) of the Bankruptcy Code or applicable law, the DIP Loan, in whole or in part, in connection with any plan, sale, or other disposition of assets in the Cases; and

(4) permit Mayrich the right to credit bid, subject to section 363(k) of the Bankruptcy Code or applicable law, the DIP Loan, in whole or in part, in connection with any plan, sale, or other disposition of assets in the Cases.

(iii) Compliance with Financing Orders.

(1) No Financing Order will have been reversed, modified, amended, stayed, or vacated, in the case of any modification or amendment, manner, or related to a matter, without the prior written consent of the DIP Lender and Mayrich.

(2) The Debtors will be in compliance in all respects with the Financing Orders.

(iv) Debtor-in-Possession. No trustee or examiner will have been appointed with respect to the Debtors or their properties.

(v) DIP Budget and Projections. The DIP Lender will have received:

(1) the DIP Budget;

(2) all information then required to be delivered to the DIP Lender pursuant to Section 10(b); and

(3) such other information (financial or otherwise) as may be reasonably requested by the DIP Lender.

(vi) Performance of Obligations. The Debtors will have complied in all material respect with all of their other obligations to the DIP Lender as set forth in this Agreement and the other DIP Credit Documents.

(vii) Insurance/Assets. The DIP Lender will be named as a loss payee (in respect of property/casualty insurance policies maintained by the Debtors) an additional insured (in respect of liability insurance policies maintained by the Debtors), and that the DIP Lender will be provided with 30 days' advance notice of non-renewal, cancellation, or amendment riders in respect of such policies.

(viii) No Default. No Event of Default will exist at the time of, or after giving effect to, the transactions contemplated on the Closing Date, including the advancing of the DIP Loan.

(ix) Representations and Warranties. All representations and warranties in the DIP Credit Documents and this Agreement will be true and correct in all material respects as of the date of such draw.

(x) DIP Credit Documents. The DIP Lender and Mayrich will have received the signed original copies of each DIP Credit Document.

(xi) Certain Expenses. The Interim DIP Order and the DIP Budget will provide for the Debtors to pay, on the terms and schedule provided therein, all fees and reasonable out-of-pocket expenses of the DIP Lender incurred in connection with this Agreement and the other DIP Credit Documents, including the reasonable fees (including the Commitment Fee), costs and expenses of its counsel (the "Formation Expenses"); the DIP Lender will submit the Formation Expenses, on one or more occasions, to the Debtors. The Debtors will promptly pay such expenses, but in no event, such payment will be made by the Debtors to the DIP Lender on or before seven (7) Business Days after such expenses are submitted to the Debtors by the DIP Lender. If the Debtors fail to pay the Formation Expenses when due, the amount of the Formation Expenses will be added to the principal outstanding under the DIP Loan as of the due date and will not be deemed an Event of Default.

(b) Conditions to Advance under the DIP Loan. The obligations of the DIP Lender to make advances under the DIP Loan, and Mayrich's consent to the Debtors' use of Cash Collateral, is subject to the satisfaction or waiver, of the following conditions precedent:

(i) No Default or Event of Default. As of such DIP Draw Request Date, no event will have occurred and be continuing or would result from the consummation of the applicable DIP Loan (or the application of its proceeds) that would constitute an Event of Default.

(ii) Available Commitments. After making the DIP Loan requested on such DIP Draw Request Date, the aggregate outstanding principal amount of the DIP Loan will not exceed the Maximum Commitment.

(iii) Secured Loan of Pac West. The Secured Claim of Pac West shall not have been allowed in an amount exceeding $448,500.

(iv) Material Adverse Effect. Since the Petition Date, no event will have occurred which, in the sole opinion of the DIP Lender, has a material adverse effect on the Debtors' business or its prospects for a sale or reorganization.

(v) No Plan of Liquidation or Conversion to Chapter 7. Either or both Debtors shall not have filed a liquidating plan or converted their respective case to chapter 7.

(vi) Use of Proceeds. The Debtors will have confirmed in writing that the proceeds of such DIP Loan used only in accordance with the provisions of Section 2(b) and the other provisions of this Agreement and DIP Budget.

(vii) No Material Adverse Effect. Since the Petition Date, no material adverse effect will have occurred after giving effect to the making of the DIP Loan in the reasonable opinion of the DIP Lender and Mayrich.

(viii) Confirmation. Upon the request of the DIP Lender and/or Mayrich, the Debtors will provide a certificate signed by an authorized officer, in a form acceptable to the DIP Lender and/or Mayrich, that the conditions set forth in this Section have been satisfied.

Section 9. Representations and Warranties. In order to induce the DIP Lender to enter into this Agreement and to make each DIP Loan, and to induce Mayrich to consent to the Debtors' use of Cash Collateral, both Debtors hereby represent and warrant to the DIP Lender and Mayrich, on the Closing Date and on each DIP Draw Request Date as follows, any of which may be waived in writing by the DIP Lender:

(a) Status; Authorization.

(i) Both Debtors are duly organized, validly existing, in good standing under the laws of its jurisdiction of organization and are duly qualified and in good standing in every jurisdiction where they are doing business except where the failure to do so could not reasonably be expected to have a material adverse effect and, subject to the entry by the Bankruptcy Court by the Financing Orders, the signing delivery and performance by both Debtors of the DIP Credit Documents:

(1) are within its respective authority;

(2) have been duly authorized; and

(3) do not conflict with or contravene its constitutive documents.

(b) Signing and Binding Effect. Subject to the entry by the Bankruptcy Court of any Financing Order, upon the signing delivery thereof, each DIP Credit Document will constitute the legal, valid, and binding joint and several obligations of both of the Debtors, enforceable in accordance with its terms.

(c) Insurance. The policies, binders, or self-insurance programs fire liability, product liability, workmen's compensation, vehicular and other insurance currently held by or on behalf of the Debtors insure its material properties and business activities against such losses and risk as are adequate to protect its properties in accordance with customary industry practice when entered into or renewed.

(d) Absent of Evidence of Default. Since the Petition Date, no event has occurred and is continuing and no condition exists which constitutes an Event of Default under the DIP Loan which has not been waived by the DIP Lender.

(e) Compliance with Law. The Debtors have complied and are in compliance in all respects with all laws, except for such instances of noncompliance that, individually or in the aggregate, could not reasonably be expected to have a material adverse effect.

(f) No Defense. Each Debtor hereby acknowledges that it has no defense, counterclaim, offset, cross-complainant, claim, or demand of any kind or nature whatsoever that can be asserted to reduce or eliminate all or any part of its liability to repay the DIP Obligations.

Section 10. Affirmative Covenants.

(a) Until payment in full of all DIP Obligations, both Debtors will perform all the covenants in this Agreement, including this Section 10 and Section 11, and the other DIP Credit Documents applicable to it.

(b) Reporting Requirements. Unless such requirements are waived by the DIP Lender, the Debtors will furnish to the DIP Lender:

(i) Within one week from the last day of each Budget Period, a report setting forth, in a form in sufficient detail satisfactory to the DIP Lender, a comparison of actual receipts and expenses to budgeted receipts and expenses for said Budget Period, indicating any Permitted Variances.

(ii) A copy of each Monthly Operating Report on the day it is filed.

(iii) Within five (5) Business Days after either Debtor obtains knowledge thereof, a written statement of the Debtors setting forth details of:

(1) any litigation or governmental proceeding filed or threatened in writing against either or both Debtors other than any claim or litigation filed in the Bankruptcy Court; and

(2) any other event, act or condition that has or could reasonably be expected to have a material adverse effect on the overall business of the Debtors or their prospects for reorganization.

(iv) As promptly as reasonably practicable on one or more occasions following the DIP Lender's request therefor, such other information regarding the operations, business affairs and financial conditions of the Debtors as the DIP Lender may reasonably request.

(c) DIP Budget. On that date which is sixty (60) days from the Initial Draw, and on each date which is sixty (60) days thereafter (each a "New Budget Date"), the Debtors will deliver a written ninety (90) day budget commencing as of the New Budget Date to the DIP Lender and to counsel to the Committee (if any). If neither the DIP Lender nor the Committee objects to the proposed budget, orally or in writing, within five (5) days of delivery, the budget will be deemed accepted and become the DIP Budget for all purposes under this Agreement. If either the DIP Lender or the Committee objects, the Debtors, the DIP Lender, the committee and their advisors will work together to attempt to resolve all concerns and come to an approved budget which will be deemed the DIP Budget for all purposes under this Agreement. If the parties cannot reach agreement, the DIP Lender will deliver a written ninety (90) day budget to the Debtors and the Committee no later than the twenty-eighth (28^{th}) day after its receipt of the proposed budget, and such budget will be deemed the DIP Budget for all purposes under this Agreement.

(d) Insurance.

(i) Both Debtors will maintain, at its respective expense, and keep in effect with responsible insurance companies, such liability insurance for bodily injury and third-party property damage as is customary in the case of companies engaged in the same or similar business or having similar properties, similarly situated.

(ii) Both Debtors will keep and maintain, at its expense, its material real and personal property insured against loss or damage by fire, theft, explosion, spoilage and other risks ordinarily insured against by owners or users of such properties in similar businesses in an amount equal to the full replacement or cash value thereof, subject to deductible amounts which the Debtors, in their reasonable judgment, deems prudent.

(e) Existence; Conduct of Business. Both Debtors will do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits (including, environmental permits), privileges, franchise, patent,

trademarks and tradenames material to the conduct of its business, except to the extent that failure to do so, either individually or in the aggregate, could not reasonably be expected to have a material adverse effect.

(f) Compliance with Laws. Except as otherwise excused by the Bankruptcy Code, the Debtors will comply with all laws, rules, licenses, permits, regulations, and orders of any Governmental Body applicable to it or its property, except where failure to do so, in the aggregate, could not reasonably be expected to result in a material adverse effect.

Section 11. Negative Covenants/Financial Covenants.

(a) Both Debtors will, until all of the DIP Obligations have been paid in full, perform all covenants in this Agreement including this Section 11.

(b) Indebtedness. Both Debtors will not, incur, create, assume, become or be liable in any manner with respect to, or permit to exist, any Indebtedness, or guaranty, assume, endorse, or otherwise become responsible for (directly or indirectly), any Indebtedness, performance, obligations or dividends of any Person without the prior written approval of the DIP Lender, except:

(i) the obligations under this Agreement including the DIP Obligation, DIP Obligations, the Replacement Lien and the Adequate Assurance Lien;

(ii) purchase money Indebtedness (including Capital Leases) to the extent secured by purchase money security interest in Equipment (including Capital Leases), so long as such security interest do not apply to any property of the Debtors other than the Equipment so acquired, and the Indebtedness secured thereby does not exceed the cost of the Equipment so acquired, as the case may be;

(iii) unsecured trade debt of either Debtor incurred in the ordinary course of business after the Petition Date.

Section 12. Events of Default. Any one or more of the following events which occur and which are continuing will constitute an "Event of Default":

(a) Failure to Make Payments When Due. Failure by the Debtors to pay any of the DIP Obligations when due.

(b) Breach of Certain Covenants. Failure of either Debtor to perform or comply with any material term or material condition contained in Section 10 and Section 11, and such failure is continuing for five (5) Business Days after the date the DIP Lender notifies Debtors in writing of such failure.

(c) Breach of Representations, Etc. Any material Representation, warranty, certification, or other statement made or deemed made by either Debtor in any DIP Credit Document, or in any statement or certificate at any time given by either Debtor in writing to the

DIP Lender, pursuant to this Agreement will be false in any material respect as of the date made or deemed made.

(d) Other Defaults Under DIP Credit Documents. Either Debtor fails in the material performance of, or material compliance with, any term contained in this Agreement and the other DIP Credit Documents, other than any such term referred to in any other section of this Section 12, and such failure will not have been remedied or waived within five (5) Business Days after the DIP Lender notifies Debtors in writing of such failure.

(e) Change of Control. A change of control occurs without the prior written approval of the DIP Lender.

(f) DIP Collateral Documents and other DIP Credit Documents. At any time after the signing and delivery thereof, of this Agreement or any DIP Credit Documents cease to be in full force and effect (other than by reason of release of DIP Collateral in accordance with the terms of this Agreement or thereof or satisfaction in full of the DIP Obligations in accordance with the terms of this Agreement) or will be declared null and void, or the DIP Lender will not have or will cease to have a valid and perfected DIP Lien in any material portion of the DIP collateral.

(g) Other Events of Default.

(i) Either Debtor files a plan of reorganization or liquidation, or enters into any transaction for the sale of all or substantially all of either or both of the Debtors' assets that does not provide for payment in full in cash of the DIP Obligations, unless approved in writing by the DIP Lender.

(ii) A trustee, receiver, examiner, or responsible officer with enlarged powers relating to the operation of the business of either Debtor (powers beyond those set forth in Sections 1106(a)(3) and (a)(4) of the Bankruptcy Code), is appointed in these Cases.

(iii) Any other Lien is granted with respect to any of the DIP Collateral without the prior written consent of the DIP Lender unless at the time such Lien is granted all DIP Obligations are indefeasibly paid in full in cash.

(iv) The Bankruptcy Court enters an order granting relief from the automatic stay to any creditor or party in interest:

(1) to permit the enforcement of any Lien on any material asset of either Debtor; or

(2) to permit other actions that the DIP Lender may, in its reasonable discretion, deem to have a material adverse effect on the business of the Debtors.

(v) Any material provision of the DIP Credit Documents ceases to be valid or binding on either Debtor, or either Debtor so assert, in any pleading filed in any court.

(vi) Any Order is entered reversing, amending, supplementing, staying, vacating, or otherwise modifying in any material respect a DIP Interim Order or the DIP Final Order without the prior written consent of the DIP Lender.

(vii) The exclusive period for either or both Debtors to file a plan of reorganization under Section 1121(b) of the Bankruptcy Code expires or is terminated.

(viii) The DIP Final Order is not entered by the Bankruptcy Court by July 15, 2020.

(ix) The Secured Claim of Pac West is allowed by final order in an amount exceeding $448,500.

(x) Either Case is dismissed or converted to a chapter 7 proceeding.

(xi) Either or both Debtors file a liquidating plan.

(xii) Any subsidiary or either or both Debtors is sold or liquidated without the prior written approval of the DIP Lender.

Section 13. Remedies.

(a) Upon and after the occurrence of an Event of Default, the DIP Lender may take any and all of the following actions, at the same or different times, in each case without further order of, or application to, the Bankruptcy Court (provided, that with respect to the enforcement of the Liens or other remedies with respect to the DIP Collateral the DIP Lender will provide the Borrowers (with a copy to the United States Trustee and counsel to any official committee that may be appointed in the Cases) with five (5) Business Days' written notice prior to taking the action contemplated thereby; in any hearing after the giving of the aforementioned notice, the only issue that may be raised by any party in opposition thereto being whether, in fact, and Event of Default has occurred and is continuing):

(i) declare the DIP Commitment terminated, whereupon such DIP Commitment will terminate immediately; and

(ii) declare immediately due and owing all outstanding principal and any accrued interest in respect of the DIP Loan owing with respect thereto under this Agreement, and all unpaid fees and expenses whereupon the same will become, forthwith immediately due and payable without presentment, demand, protest, or other notice of any kind, all of which are hereby waived by both Debtors.

(b) In addition, upon the occurrence of an Event of Default, the DIP Lender may:

(i) bring a motion to lift the stay and enforce any rights it may have under the DIP Credit Documents or at law or in equity on two (2) business strike that Business Days' notice.

(ii) bring any lawsuit, action or other proceeding, permitted by law for the specific performance of, or injunction against any violation of, any DIP Credit Documents and may exercise any power granted under or to recover judgment under any DIP Credit Documents; provided, this stay has been lifted; and

(iii) exercise any other right or remedy permitted by applicable law, or otherwise available to the DIP Lender at law, in equity, or otherwise.

(c) No remedy in this Agreement conferred upon the DIP Lender is intended to be exclusive of any other remedy, and each and every remedy will be cumulative and will be in addition to every other remedy given under this Agreement, now or hereinafter existing at law or in equity or by statute or any other provision of law. The DIP Lender's failure to exercise any remedy at any time will not be deemed a waiver of either the remedy or the extent of Default. An Event of Default can only be waived by the DIP Lender in writing.

(d) Anything contained in any of the DIP Credit Documents to the contrary notwithstanding, the Debtors and the DIP Lender hereby acknowledge that in the event of any sale by the DIP Lender or Debtors pursuant to a public or private sale, the DIP Lender may be the purchaser of any and all such DIP Collateral and any such sale will be entitled for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the DIP Collateral sold at such public sale or any sale under section 363 of the Bankruptcy Code or any reorganization, to use and apply any of the DIP Obligations as a credit on account of the purchase price for any DIP Collateral payable by the DIP Lender at such sale.

Section 14. Miscellaneous.

(a) Amendments and Waivers; Release of DIP Collateral. No amendment, modification, termination (other than pursuant to the express terms of the DIP Credit Documents), or waiver of any provision of the DIP Credit Documents, or consent to any departure by either Debtor therefrom, will be effective without the written consent of the DIP Lender.

(b) Amendments and Waivers; Release of the Replacement Lien Collateral. No amendment, modification, termination of Mayrich's Replacement Lien or consent to any departure by either Debtor therefrom, will be effective without the written consent of the Mayrich.

(c) Amendments and Waivers; Release of the Adequate Assurance Lien. Collateral. No amendment, modification, termination of Cap West's Adequate Protection Lien or consent to any departure by either Debtor therefrom, will be effective without the written consent of the Cap West.

(d) Effect of Notices, Waivers, or Consents.

(i) Any waiver or consent will be effective only in the specific instance and for the specific purpose for which it was given.

`(ii) No notice to or demand on either Debtor will entitle either Debtor to any other or further notice (except as otherwise specifically required under this Agreement or under any of the DIP Credit Documents) or demand in similar or other circumstances.

(iii) Any amendment, modification, termination, waiver, or consent affected in accordance with this Section 14(d)(iii) will be binding upon the DIP Lender.

(e) Notices.

(i) All notices, requests, demands, and other communications to any party or given under any DIP Credit Documents (collectively, the "Notices") will be in writing and delivered personally, by nationally recognized overnight courier (e.g., Federal Express) or by USPS First Class mail, Certified Mail Return Receipt Requested, to the parties at the following address:

If to the Debtors.	RM Bakery LLC 220 Coster Street Bronx, NY 10474 Attention: Mark Rimer with a copy to (which will not constitute notice): Mayerson & Hartheimer, PLLC 845 3rd Avenue 11th Floor New York, NY 10022 Attention: David H. Hartheimer, Esq.
If to the DIP Lender	FS Lender 2015 LLC 220 East 42nd Street 29th Floor New York, NY 10017
If to Mayrich	Becker, Glynn, Muffly, Chassin & Hosomski LLP 299 Park Avenue New York, NY 10171 Attention: Alec P. Ostrow

(ii) All Notices will be deemed delivered when actually received. Each of the Parties will hereafter notify the other in accordance with this Section 14(e) of any change of address to which notices required to be delivered.

(f) Integration. This Agreement, the Financing Orders, and the other DIP Credit Documents contain and constitute the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all prior negotiations, agreements, and understandings whether written or oral, of the parties to this Agreement. Certain of the provisions of the DIP Credit Documents may be modified by the Financing Order, in the event of any inconsistency between any of the DIP Credit Documents and the Financing Orders, the provisions of the Financing Order will govern.

(g) No Waiver. No course of dealing and no failure or delay on the part of any Party to this Agreement in exercising any right, power, or remedy conferred by this Agreement will operate as a waiver thereof or otherwise prejudice such Party's right, powers, and remedies conferred by this Agreement, or will preclude any other or further exercise thereof or the exercise of any right, power or remedy. A single or partial exercise of any right, power, or privilege will not preclude any other further exercise of the right, power or privilege or the exercise of any other right, power or privilege. The rights and remedies provided in the DIP Credit Documents will be cumulative and will not be exclusive of any rights or remedies provided by law.

(h) Counterparts; Electronic Signature. This Agreement may be signed:

(i) in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same Agreement and binding on all of the Parties to this Agreement, notwithstanding that all of the parties are not signatory to the original or the same counterpart; and

(ii) via facsimile transmission or other electronic transmission which provides an accurate copy of this Agreement, with such copy will be deemed an original.

Section 16. Governing Law; Submission to Exclusive Jurisdiction; Venue; Waiver of Jury Trial.

(a) Subject to the jurisdiction of the Bankruptcy Court, this Agreement and the other DIP Credit Documents, and the rights and obligations of the Parties under this Agreement and thereunder will be construed in accordance with, and be governed by the Bankruptcy Code and, where applicable, the internal law of the State of New York, without regard to conflict of laws, rules and principles thereunder.

(b) Any legal action or proceeding with respect to this Agreement or any other DIP Credit Documents will be brought exclusively in the Bankruptcy Court, and, by signing and delivery of this Agreement or any other DIP Credit Document, each Party thereto, submits to the jurisdiction of the Bankruptcy Court in the Southern District of New York.

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(c) JURY WAIVER. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

(d) Severability.

(i) If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transaction contemplated by the Agreement is not affected in any manner adverse to any party.

(ii) Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties to this Agreement will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transaction contemplated by this Agreement and other DIP Credit Documents are fulfilled to the extent possible.

(e) Survival. All representations, warranties, covenants, agreements, and conditions contained in or made pursuant to this Agreement and the other DIP Credit Documents will survive:

(i) the making of the DIP Loan and the payment of the DIP Obligation; and

(ii) the performance, observation, and compliance with the covenants, terms and conditions, expressed or implied, of all DIP Credit Documents, until the due and punctual:

(1) indefeasible payment of the DIP Obligation; and

(2) performance, observance, and compliance with the covenants, terms, and conditions expressed or implied, of this Agreement and all other DIP Credit Documents.

(f) Modifications.

(i) Except as specifically contemplated in the Financing Orders, the Liens, lien priority, administrative priorities, and all other rights, and remedies granted to the DIP Lender pursuant to this Agreement and the Financing Orders (specifically, including the existence, perfection and priority of the Liens provided in this Agreement and therein and the administrative priority in this Agreement and therein) will not be modified, altered, or impaired in any manner by any other financing extension of credit or incurrence of Indebtedness by either

Debtor (pursuant to section 364 of the Bankruptcy Code or otherwise), or by any dismissal or conversion of the Cases, or by any other act or admission whatsoever (other than in connection with any asset disposition permitted under this Agreement). Without limitation, notwithstanding any such order, financing, extension, incurrence, dismissal, conversion, act, or omission, the Liens and security interest granted under this Agreement and the other DIP Credit Documents will continue to be valid and perfected and with the specific priority stated herein without the necessity that financing statements be filed or that any other action be taken, or document or instrument registered or delivered, under applicable non-bankruptcy law.

(ii) Notwithstanding any failure on the part of either Debtor or the DIP Lender to perfect, maintain, protect, or enforce the DIP Liens and security interest in the DIP Collateral granted under the DIP Collateral Documents, the Financing Orders will automatically, and without further action by any Person, perfect such DIP Liens and security interest against the DIP Collateral of the Debtors.

(g) Lead Debtor. BKD is Authorized to act for, and on behalf of RM Bakery. Any act, direction, notice, waiver, or other consent provided by the Debtors or an authorized officer of the Debtors will be deemed, and will be, the act, direction, notice, waiver, or other consent of each Debtor.

(h) Strict Construction. The language used in this Agreement will be deemed the language chosen by the Parties to express their collective intent; no rule of strict construction will be applied to any Party.

(i) Interpretation.

(i) The headings contained in this Agreement are for convenience of reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

(ii) Whenever the words “include,” “includes,” or “including” are used in this Agreement, they will be deemed to be follow by the words “without limitation” (whether or not such words or similar words are used).

(iii) The meaning given to terms defined in this Agreement will be equally applicable to both the singular and the plural forms of such terms.

(iv) Unless otherwise indicated to the contrary in this Agreement by the context or use in this Agreement, the words, “in this Agreement,” “hereto,” “of this Agreement” and words of similar import refer to this Agreement as a whole and not to any particular Section or paragraph of this Agreement.

(v) Words importing the masculine gender will also include the feminine and neutral genders, and vice versa.

(vi) Any terms used in this Agreement which are defined in the UCC will be construed and defined as set forth in the UCC, unless otherwise defined in this Agreement.

(vii) The words "will" and "shall" have the same meaning and effect.

(viii) The word "or" is not exclusive and is deemed to have the meaning "and/or".

(ix) The word "any" is not limiting and means "any and all" unless the context clearly requires or the language provides otherwise.

(x) Unless the context otherwise requires, any reference in this Agreement to any Person will be construed to include such Person's successors, assigns, as a debtor, as a debtor-in-possession, and any receiver or trustee for such Person.

(xi) The Exhibits referred to in this Agreement will be construed with, as an integral part of, this Agreement to the same extent as if they were set forth verbatim in this Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have signed this Agreement as of the Agreement Date.

RM Bakery LLC (on behalf of itself and BKD Group LLC)

By:_____
Name: Mark Rimer
Title: Authorized Signatory

FS Lender 2015 LLC

By: _____
Name:
Title:

Mayrich Capital LLC

By: _____
Name:
Title:

(vi) Any terms used in this Agreement which are defined in the UCC will be construed and defined as set forth in the UCC, unless otherwise defined in this Agreement.

(vii) The words "will" and "shall" have the same meaning and effect.

(viii) The word "or" is not exclusive and is deemed to have the meaning "and/or".

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IN WITNESS WHEREOF, the parties to this Agreement have signed this Agreement as of the Agreement Date.

RM Bakery LLC (on behalf of itself and BKD Group LLC)

By:_____
Name: Mark Rimer
Title:

FS Lender 2015 LLC

By: _____
Name:
Title:

Mayrich Capital LLC

By: _____
Name:
Title:

EXHIBIT A

RM BAKERY LLC

13-WEEK CASH FLOW FORECAST - RESTRUCTURING

	Forecast {1}												13 Week Total
Week Commencing	Week 1 6/14/20	Week 2 6/21/20	Week 3 6/28/20	Week 4 7/5/20	Week 5 7/12/20	Week 6 7/19/20	Week 7 7/26/20	Week 8 8/2/20	Week 9 8/9/20	Week 10 8/16/20	Week 11 8/23/20	Week 12 8/30/20	Week 13 9/6/20	
Beginning Cash	$ 30,000	$ 10,858	$ 96,154	$ 73,248	$ 14,091	$ 7,099	$ 5,662	$ 79,394	$ 45,790	$ 47,946	$ 27,517	$ 14,201	$ 77,058	$ 30,000
Operating Cash Receipts	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 1,755,000
Cash Disbursements														
Payroll:														
Payroll (including Employer Taxes)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (853,677)
Workers Compensation	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (52,000)
Consulting and other expenses	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (47,288)
Healthcare	$ -	$ (5,000)	$ -	$ -	$ -	$ (5,000)	$ -	$ -	$ -	$ (5,000)	$ -	$ -	$ -	$ (15,000)
Total Payroll	$ (73,305)	$ (78,305)	$ (73,305)	$ (73,305)	$ (73,305)	$ (78,305)	$ (73,305)	$ (73,305)	$ (73,305)	$ (78,305)	$ (73,305)	$ (73,305)	$ (73,305)	$ (967,965)
COGS Expenses:														
Ingredients & Raw Materials	$ (37,047)	$ (35,147)	$ (36,784)	$ (36,383)	$ (36,104)	$ (36,424)	$ (36,304)	$ (36,277)	$ (36,335)	$ (36,305)	$ (36,306)	$ (36,315)	$ (36,309)	$ (472,039)
Packaging	$ (9,454)	$ -	$ -	$ (9,454)	$ -	$ -	$ (9,454)	$ -	$ -	$ (9,454)	$ -	$ -	$ (9,454)	$ (47,269)
Outsourced Distribution Expenses	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (109,200)
Total COGS Expenses	$ (54,901)	$ (43,547)	$ (45,184)	$ (54,236)	$ (44,504)	$ (44,824)	$ (54,157)	$ (44,677)	$ (44,735)	$ (54,159)	$ (44,706)	$ (44,715)	$ (54,163)	$ (628,508)
Occupancy Expenses:														
Rent	$ (5,000)	$ -	$ (5,000)	$ (30,318)	$ -	$ -	$ -	$ (30,318)	$ -	$ -	$ -	$ (30,318)	$ -	$ (100,955)
RE Taxes	$ -	$ -	$ -	$ (16,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (16,000)
Utilities	$ -	$ -	$ (12,000)	$ -	$ -	$ -	$ (12,000)	$ -	$ -	$ -	$ (12,000)	$ -	$ -	$ (36,000)
Warehouse Expenses	$ (777)	$ (2,351)	$ (818)	$ (797)	$ (2,024)	$ (808)	$ (806)	$ (803)	$ (2,305)	$ (806)	$ (805)	$ (805)	$ (805)	$ (14,710)
Total Occupancy Expenses	$ (5,777)	$ (2,351)	$ (17,818)	$ (47,115)	$ (2,024)	$ (808)	$ (12,806)	$ (31,121)	$ (2,305)	$ (806)	$ (12,805)	$ (31,123)	$ (805)	$ (167,664)
Other Operating Expenses:														
Insurance	$ -	$ -	$ (3,500)	$ (2,000)	$ -	$ -	$ (3,500)	$ (2,000)	$ -	$ -	$ -	$ (5,500)	$ -	$ (16,500)
Capital Leases	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (39,000)
Miscellaneous	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (32,500)
Total Other Operating Expenses	$ (5,500)	$ (5,500)	$ (9,000)	$ (7,500)	$ (5,500)	$ (5,500)	$ (9,000)	$ (7,500)	$ (5,500)	$ (5,500)	$ (5,500)	$ (11,000)	$ (5,500)	$ (88,000)
Net Operating Cash Flow	$ (4,483)	$ 5,297	$ (10,306)	$ (47,157)	$ 9,667	$ 5,563	$ (14,269)	$ (21,604)	$ 9,155	$ (3,770)	$ (1,316)	$ (25,143)	$ 1,227	$ (97,137)
Restructuring Cost:														
IRS/NYS - Q4 & Q1 taxes	$ -	$ -	$ -	$ (2,000)	$ (2,000)	$ (2,000)	$ (2,000)	$ (2,000)	$ (2,000)	$ (2,000)	$ (2,000)	$ (2,000)	$ (2,000)	$ (20,000)
Workers Comp Audit	$ (9,659)	$ -	$ -	$ -	$ (9,659)	$ -	$ -	$ -	$ -	$ (9,659)	$ -	$ -	$ -	$ (28,977)
Legal & Professional Fees	$ (5,000)	$ (5,000)	$ (12,600)	$ (10,000)	$ (5,000)	$ (5,000)	$ (10,000)	$ (10,000)	$ (5,000)	$ (5,000)	$ (10,000)	$ (10,000)	$ (5,000)	$ (97,600)
Utility Deposits	$ -	$ (15,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (15,000)
Total Restructuring Cost	$ (14,659)	$ (20,000)	$ (12,600)	$ (12,000)	$ (16,659)	$ (7,000)	$ (12,000)	$ (12,000)	$ (7,000)	$ (16,659)	$ (12,000)	$ (12,000)	$ (7,000)	$ (161,577)
Net Cash Flow Before Financing	$ (19,142)	$ (14,703)	$ (22,906)	$ (59,157)	$ (6,992)	$ (1,437)	$ (26,269)	$ (33,604)	$ 2,155	$ (20,429)	$ (13,316)	$ (37,143)	$ (5,773)	$ (258,714)
DIP Financing:														
Borrowing / (Repayment)	$ -	$ 100,000	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ 300,000
Interest / Fees														$ -
Net DIP Financing	$ -	$ 100,000	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ 300,000
Net Cash Flow	$ (19,142)	$ 85,297	$ (22,906)	$ (59,157)	$ (6,992)	$ (1,437)	$ 73,731	$ (33,604)	$ 2,155	$ (20,429)	$ (13,316)	$ 62,857	$ (5,773)	$ 41,286
Ending Cash	$ 10,858	$ 96,154	$ 73,248	$ 14,091	$ 7,099	$ 5,662	$ 79,394	$ 45,790	$ 47,946	$ 27,517	$ 14,201	$ 77,058	$ 71,286	$ 71,286

Notes:

{1} assumes filing date of Jun 15, 2020

{2} consolidates cash flows of subsidiary entities

{3} does not include optional, discretionary capex of up to $100k during this period

{4} assumes interest and fees on DIP accrued - may be paid in cash

EXHIBIT B

SCHEDULE I

Date	Drawdown Amount	Accrued Interest Added to Principal	Repayment	Principal Balance Due	Available for Drawdown	Borrower Initial	Lender Initial