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7

8 UNITED STATES BANKRUPTCY COURT

9 CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

10 In re

11 NORTHERN HOLDING, LLC,

12 Debtor.
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17
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Case No. 8:20-bk-13014-MW

Chapter 7

CHAPTER 7 TRUSTEE’S MOTION TO
APPROVE COMPROMISE AND
SUBORDINATION AGREEMENT WITH
FARM CREDIT WEST, FCLA, RE:
DISTRIBUTION OF PROCEEDS FOR
SALE OF REAL PROPERTY
COLLATERAL, WAIVER OF
SURCHARGE CLAIMS FOR
CONSIDERATION; MEMORANDUM OF
POINTS AND AUTHORITIES;
DECLARATION OF RICHARD A.
MARSHACK IN SUPPORT

19 Date: January 10, 2022

20 Time: 2:00 p.m.

Ctrm: 6C

Location: United States Bankruptcy Court
411 West Fourth Street
Santa Ana, CA 92701-4593
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23 TO THE HONORABLE MARK S. WALLACE, UNITED STATES BANKRUPTCY JUDGE, THE
24 OFFICE OF THE UNITED STATES TRUSTEE, AND ALL INTERESTED PARTIES, ALL
25 CREDITORS, AND/OR THEIR ATTORNEYS OF RECORD:

26 Richard A. Marshack, the duly appointed and acting chapter 7 trustee (“Trustee”) for the
27 bankruptcy estate (“Estate”) of Northern Holding, LLC (“Debtor”), has entered into a proposed
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1 stipulation for subordination (“Agreement”) with Secured Creditor, Farm Credit West, FCLA
2 (“FCW”) (Trustee and FCW are collectively referred to as the “Parties”). Trustee seeks court
3 approval of the Agreement as being in the best interest of the estate. Pursuant to the Agreement,
4 FCW is subordinating its lien on the Live Oak Property, Texas Road Property, and San Marcos
5 Property (collectively “Properties”) solely with regard to a limited portion of its interest in the
6 proceeds of the sale thereof (and not on any real property itself). Also, the Trustee exchanged
7 consideration for a waiver of various claims including surcharge claims with FCW.

8 **1. Summary of Argument**

9 A bankruptcy court can approve settlements that are fair and equitable and in the best
10 interests of the estate. In this case, substantially all property of the Estate appears to be encumbered
11 by FCW’s security interest, and no sale is possible by the Trustee absent consent from FCW. After
12 months of negotiations, FCW and the Trustee signed a stipulation containing terms for the consent of
13 FCW to the sale of at least the Live Oak Property. Also, in order to simplify future potential
14 situations, Trustee and FCW entered into a settlement regarding distributions and payments in the
15 event that FCW forecloses on some or all of the real properties.

16 Approval of the Agreement will provide a benefit to creditors from administration of the
17 Property where none would otherwise exist. This Court must decide whether to approve the
18 Agreement a true and correct copy of which is attached to the Declaration of Richard A. Marshack
19 (“Marshack Declaration”) as **Exhibit 1**.

20 **2. Factual Background**

21 **A. Pre-Petition**

22 Erich Russell was the former owner and operator of Rabbit Ridge Wine Sales, Inc. (“Rabbit
23 Ridge”), which was as of October 2020 located at 1172 San Marcos Road, Paso Robles, CA (“San
24 Marcos Property”). To finance his business operations, Mr. Russell borrowed substantial sums of
25 money from Farm Credit West, FLCA (“FCW”), which were secured certain assets including
26 substantially all assets of Rabbit Ridge and Properties.

1 On March 23, 2007, as document no. 2007-19418 in the County of San Luis Obispo, FCW
2 recorded a deed of trust in the principal amount of \$17,500,000 against various properties owned by
3 Erich Russell, including the San Marcos Property, adjacent farmland commonly known as the Texas
4 Road Property, and residential real property located at 2380 Live Oak Road, Paso Robles, CA (“Live
5 Oak Property”).

6 Over time, Rabbit Ridge became less successful and Mr. Russell eventually filed an
7 individual bankruptcy petition under Chapter 11, case number 9:20-bk-10035-DS. This bankruptcy
8 case was dismissed for cause on June 4, 2020, pursuant to motion by the United States Trustee. The
9 dismissal order included a 180-day bar to refiling.

10 A subsequent foreclosure sale for the Properties was scheduled by FCW for October 29,
11 2020. Prior to the foreclosure date, Mr. Russell and FCW continued to discuss a possible forbearance
12 and an extension of the foreclosure date.

13 On or about October 28, 2020, Mr. Russell signed quitclaim deeds transferring the Properties
14 to Debtor. These quitclaim deeds were recorded on the same date. Additionally, ownership and
15 control of Rabbit Ridge passed to LeRoy Coddling, who operated as a *de facto* chief restructuring
16 officer. The new chief financial officer of Rabbit Ridge was Mr. Coddling’s associate Steve Jones.

17 **B. Statement of Facts**

18 On October 28, 2020 (“Petition Date”), Debtor filed a voluntary petition under Chapter 11 of
19 Title 11 of the United States Code.

20 On October 29, 2020, as Dk. No. 5, FCW filed a notice of continuation of perfection of
21 security interest and demand to sequester cash collateral. No motion to use cash collateral was ever
22 filed.

23 On November 6, 2020, as Dk. No. 11, FCW filed a motion for relief from the automatic stay
24 regarding the Live Oak Property and Debtor’s other two properties (not relevant for this motion). In
25 short, FCW has a blanket lien in the approximate amount of \$19-20 million over all assets of Debtor
26 including the Live Oak Property, while the estimated value of the Debtor’s assets is well short of that
27 amount. Additionally, the Trustee is informed that there may be a secured tax claim of
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1 approximately \$3.5 million secured by the San Marcos Property. As such, FCW may be an
2 undersecured creditor.

3 On June 15, 2021, the case was converted to Chapter 7. Richard A. Marshack was appointed
4 as the Chapter 7 trustee. On July 16, 2021, as Dk. No. 140, the Trustee filed an application to
5 employ Onyx Asset Advisors, LLC (“Onyx”) jointly with Hilco Real Estate, LLC (“Hilco”) on
6 modified employment terms to market and sell the Properties on behalf of the Estate (“Broker
7 Employment Application”). On September 7, 2021, as Dk. No. 209, the Court entered an order
8 approving the Broker Employment Application, except that the payment of compensation was not
9 approved absent consent from FCW.

10 On August 9, 2021, as Dk. No. 186, the Trustee filed a motion seeking limited authority to
11 operate the Properties for the sole purpose of completing the harvest for fall 2021, with Mr. Coddling
12 serving individually as the farm operator.

13 On August 26, 2021, as Dk. No. 201, Trustee and FCW filed a stipulation providing for
14 certain terms for relief from the automatic stay.

15 On September 7, 2021, as Dk. No. 210, the Court entered an order granting relief from stay
16 to FCW pursuant to the stipulated terms agreed to by Trustee and FCW. Importantly, the stipulated
17 terms provided that no enforcement action would be taken against the Live Oak Property before
18 December 1, 2021.

19 Also on September 7, 2021, as Dk. No. 211, the Court entered an order authorizing the
20 Trustee to operate for a limited purpose (“Operate Order”).

21 On September 13, 2021, as Dk. No. 218, the Court entered an order compelling various
22 parties (including Rabbit Ridge and the Russells, among others) to turn the Properties over to the
23 sole control of the Trustee.

24 On September 28, 2021, Trustee and Buyer executed a purchase and sale agreement (“PSA”)
25 for those specified assets listed and described in Article I of the PSA (which includes, essentially, the
26 Live Oak Property). Under the PSA, Buyer would continue conducting its due diligence which
27 includes drilling exploratory water wells to determine the level of water at the Live Oak Property for
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1 future agricultural use. Under the PSA, Buyer submitted an initial bid (contingent on ongoing due
2 diligence) to purchase the Live Oak Property for \$9,100,000, subject to overbid. Trustee filed a
3 motion seeking approval of the bid procedures, which was approved in its entirety. On October 20,
4 2021, as Dk. No. 238, the Court entered an order approving the overbid procedures in their entirety
5 and setting a hearing for a sale of the Live Oak Property on December 13, 2021. Due to unforeseen
6 logistical difficulties with the drilling company (discussed below), the timeline for sale was delayed
7 to an anticipated January 2022 date instead of December 13.

8 On October 4, 2021, as Dk. No. 227, the Trustee filed a motion seeking authority to permit
9 Miller Drilling Company to assist Buyer with its due diligence by drilling water wells on the Live
10 Oak Property.

11 On October 31, 2021, Trustee's authorization to operate under the Court's Operate Order
12 expired. After this date, no operations, including farming and wine processing (which was never
13 authorized in the first place) were allowed at the Properties.

14 On November 1, 2021, as Dk. No. 242, the Court entered an order authorizing the water
15 wells to be drilled. Subsequently, Miller Drilling informed the Buyer and the Trustee that due to
16 prior commitments and a full schedule, it would be unable to commence drilling until late December
17 or early January at the latest.

18 On December 9-10, 2021, Trustee's agent Lori Ensley visited the Properties and, with the
19 assistance of FCW's representatives and a locksmith, fully re-keyed the Properties to prevent
20 unauthorized entities or individuals from accessing the Properties. On those dates, Ms. Ensley
21 discovered a crew of workers for Rabbit Ridge apparently using the San Marcos Property for
22 unauthorized purposes. Trustee's investigation continues.

23 On December 10, 2021, FCW's representative signed a stipulation with the Trustee regarding
24 the partial subordination of its lien pursuant to the terms set forth in the stipulation (previously
25 defined as "Agreement"). A true and correct copy of the executed Agreement is attached to the
26 Marshack Declaration as **Exhibit 1**.

27 Also on December 10, 2021, the Trustee transmitted a letter agreement to FCW regarding the
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clarification of certain terms. FCW's representative countersigned the letter agreement. A true and correct copy of the letter agreement is attached to the Marshack Declaration as **Exhibit 2**.

3. Details of Compromise/Subordination Agreement

FCW consents to the sale of the Live Oak Property consistent with the terms set forth in the Agreement, and consents to the sale of the Live Oak Property only, free and clear of its lien pursuant to 11 U.S.C. § 363(f)(2), provided that the Agreement is approved in its entirety (or, in the event of any modification by the Court, FCW accepts such modifications).

The following is a summary of the substantive terms of the Agreement.¹

Generally, FCW consented to the Trustee's marketing of the Properties and consented to the Trustee's sale of the Live Oak Property provided that it would receive at least \$8,250,000 in proceeds from sale. FCW also agreed to the payment of various line items out of escrow to the Trustee, his professionals, and to pay various other expenses and claims of the Estate.

FCW consented in principle to the payment of certain line items out of escrow if the Trustee presented an acceptable offer for the sale of either the San Marcos Property or the Texas Road Property. However, FCW has not consented to the sale of either property.

Finally, the Trustee agreed, subject to approval of the Court, to provide a waiver of claims regarding the validity, priority, and extent of FCW's secured claim and also to waive any claim for surcharge against FCW. In exchange, FCW provided the partial subordination described in the Agreement and further agreed to provide a certain reimbursement of costs even if only some of the Properties were foreclosed by FCW. For example, paragraph 9 of the Agreement provides a structure of line item and lump sum payments to the Estate in the event that all three Properties are foreclosed by FCW and no sale occurs. On the other hand, paragraph 10 of the Agreement provides that in the event that some but not all of the Properties are sold by the Trustee, and FCW ultimately forecloses on the remaining Properties, the Estate will receive an allocation of \$30,000 per foreclosed property

¹ All interested parties are advised to consult the Agreement for all terms and conditions. The statements contained herein are a summary of the material terms and conditions only.

1 as a settlement of the surcharge issues (in addition to any disbursements out of escrow). As such, the
2 Agreement provides a benefit to the Estate and avoids further litigation costs and uncertainties.

3 **4. Legal Argument**

4 “A subordination agreement is enforceable in a case under this title to the same extent that
5 such agreement is enforceable under applicable nonbankruptcy law.” 11 U.S.C. § 510(a).

6 **A. Approval of the Agreement is in the best interest of the Estate.**

7 Under Rule 9019, the court may approve a compromise or settlement on motion by the
8 trustee. Fed. R. Bankr. Proc. 9019. It is well-established that a compromise should be approved if it
9 is “in the best interest of the estate . . . and is fair and equitable for the creditors.” *Schmitt v. Ulrich*
10 (*In re Schmitt*), 215 B.R. 417, 424 (B.A.P. 9th Cir. 1997); *ATKN Company v. Guy F. Atkinson*
11 *Company of California (In re Guy F. Atkinson Company)*, 242 B.R. 497, 502 (B.A.P. 9th Cir. 1999)
12 (“At its base, the approval of a settlement turns on the question of whether the compromise is in the
13 best interest of the estate.”) The standards to be applied to the approval of a settlement include:

- 14 1) the probability of success of the litigation on its merits;
- 15 2) the difficulties in collection on a judgment;
- 16 3) the complexity of the litigation involved; and
- 17 4) the expense, inconvenience or delay occasioned by the litigation, and the interest of
18 creditors.

19 *United States v. Edwards*, 595 F.3d 1004, 1012 (9th Cir. 2010) (quoting *In re A & C Properties*,
20 784 F.2d 1377, 1380-81 (9th Cir. 1986), *cert. den. sub nom Martin v. Robinson*, 479 U.S. 854
21 (1989)).

22 In this case, all of the *A&C* factors weigh in favor of approving the compromise. Under the
23 Agreement, Trustee can resolve the dispute between the Parties, obtain a definite recovery for the
24 Estate, eliminate administrative and litigation costs, and can move forward to administer the Estate’s
25 assets for the benefit of the Debtor’s creditors. The only claims being compromised pursuant to the
26 Agreement are claims regarding the validity of FCW’s secured claim and surcharge.

1 **i. Probability of success**

2 “The trustee may recover from property securing an allowed secured claim the reasonable,
3 necessary costs and expenses of preserving, or disposing of, such property to the extent of any
4 benefit to the holder of such claim, including the payment of all ad valorem property taxes with
5 respect to the property.” 11 U.S.C. § 506(c). To prevail on surcharge, the trustee must show that his
6 “expenses were reasonable, necessary, and provided a quantifiable benefit to the secured creditor.”
7 *Debbie Reynolds Hotel & Casino, Inc. v. Calstar Corp. (In re Debbie Reynolds Hotel & Casino,*
8 *Inc.)*, 255 F.3d 1061, 1068 (9th Cir. 2001). The trustee bears the burden of proof, and the analysis is
9 not simple. *See USDA v. Hopper (In re Colusa Regional Medical Center)*, 604 B.R. 839, 853-58
10 (B.A.P. 9th Cir. 2019).

11 Regarding the validity of FCW’s secured claim, the probability of success is low. Trustee
12 knows of no dispute regarding the validity and perfection of FCW’s secured claim, which was
13 recorded over 10 years ago. Also, regarding surcharge claims under 11 U.S.C. § 506(c), as cited
14 above, the analysis is not simplistic to obtain surcharge. While the Trustee believes that substantially
15 all of his administration of the Properties has directly benefited FCW, and all actions he has taken
16 were to preserve and maintain the Properties constituting FCW’s collateral to the best of his ability,
17 neither of the Parties wishes to litigate over the surcharge issues. The probability of success for the
18 surcharge issues is highly uncertain, and this factor weighs strongly in favor of settlement rather than
19 litigation.

20 **ii. Difficulties in collection**

21 The Trustee is informed that FCW is solvent and, in the event of litigation, there would not
22 be a difficulty in collecting a money award against FCW. However, given the greatly uncertain
23 likelihood of success and continued expense, convenience, and delay of further litigation, settlement
24 is appropriate.

25 **iii. Complexity**

26 As discussed above, the only issue that might be litigated is the issue of surcharge. However,
27 to obtain a full judicial determination of the issues surrounding surcharge, without the agreement by
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1 FCW that there was any benefit to FCW, the analysis would be unduly complex especially with
2 regard to quantifying any benefit to FCW. Debtor apparently kept poor written records and to sort
3 out the factual issues related to benefit would be complicated, and may involve reconstructing the
4 history of the Properties at great expense to the Estate (and FCW). Rather than to litigate these
5 issues, and sort out the complex question of quantifying the benefit to FCW by the Trustee's
6 administration, the Parties agreed to settle.

7 **iv. Expense, inconvenience or delay**

8 Absent consent by FCW to the sale of any of the Properties, the Trustee could not sell any of
9 the Properties, and would be forced to litigate just the issues of possible surcharge upon
10 abandonment. *See In re KVN Corp.*, 514 B.R. 1, 6 (B.A.P. 9th Cir. 2014) ("sales of fully
11 encumbered assets are generally improper... the trustee's proper function is to abandon the property,
12 not administer it..."). And, in the event of litigation over the surcharge issues, there would be great
13 administrative expense and delay in the administration of the case.

14 **B. The Subordination Provisions of the Agreement Provide Substantial**
15 **Benefits to the Estate**

16 Trustee does not believe that the subordination provision set forth in the Agreement
17 constitutes a "carve-out." Instead, the Agreement between the Parties effectuates a partial voluntary
18 subordination of FCW's secured claim pursuant to the terms stated in the Agreement. To the extent
19 the Court, however, determines that the subordination provisions of the agreement constitute a
20 carve-out, the requirements for approval of such a carve-out are met here. The requirements for
21 approval of a carve-out are: (1) whether the trustee "fulfilled his or her basic duties;" (2) whether
22 there is "a benefit to the estate, i.e., prospects for a meaningful distribution to unsecured creditors;"
23 (3) whether "the terms of the carve-out agreement been fully disclosed to the bankruptcy court." *See*
24 *In re KVN Corp.*, 514 B.R. at 8.

25 First, the Trustee has fulfilled his basic duties. The Trustee's basic duty is to administer
26 assets of the Estate, including maintaining the value of collateral and to liquidate any value available
27 for the benefit of creditors utilizing the Bankruptcy Code. By entering into the Agreement, the
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Trustee is generating a significant return for unsecured creditors, including specific separate provisions for attorneys' fees, reduced professional fees in terms of broker and Trustee compensation, and a separate sum for the benefit of unsecured creditors.

Second, there is a benefit to the Estate by approval of the Agreement. The Estate will realize benefit primarily from the sale of the Properties and the collection of proceeds from the sale of grapes from the fall 2021 harvest, which are estimated to be a gross collection of approximately \$300,000 to \$400,000, with expenses to be determined. After payment of direct harvest expenses, the Trustee anticipates that there will be a substantial sum to be divided between the Estate and FCW pursuant to previously-approved terms for the division of such proceeds. By approval of the Agreement, the Estate will further realize a benefit from the sale of the Properties.

Finally, the full agreement has been attached to the Marshack Declaration. The terms have been fully disclosed to the Court.

5. Conclusion

Because approval of the Agreement provides a sure benefit to the Estate when none would otherwise likely not exist, Trustee respectfully requests that this Court enter an order:

1. Granting the Motion;
2. Approving the Agreement attached as **Exhibit 1** to the Marshack Declaration;
3. Approving the letter agreement attached as **Exhibit 2** to the Marshack Declaration;
4. Authorizing the Trustee to execute the Agreement and implement its terms, including to distribute funds from a future sale of any of the Properties in accordance with the terms of the Agreement; and
5. For such other relief as the Court deems just and proper.

DATED: December 20, 2021

MARSHACK HAYS LLP

/s/ Tinhó Mang
By: _____
KRISTINE A. THAGARD
TINHÓ MANG
Attorneys for Chapter 7 Trustee,
RICHARD A. MARSHACK

Declaration of Richard A. Marshack

I, RICHARD A. MARSHACK, declare as follows:

1. I am an individual over 18 years of age and competent to make this Declaration.
2. If called upon to do so, I could and would competently testify as to the facts set forth in this Declaration.
3. I am the duly appointed and acting chapter 7 trustee (“Trustee”) for the bankruptcy estates (“Estate”) of Northern Holding, LLC (“Debtor”), the title owner of real property commonly known as 2380 Live Oak Road, Paso Robles, CA (“Live Oak Property”).
4. Since my appointment, I have been negotiating with Farm Credit West, FCLA (“FCW”) regarding a consensual sale of the Debtor’s real properties. It was only on December 10, 2021 that FCW’s representative signed the settlement and subordination agreement, which went through months of revisions, including probably over one dozen versions of the agreement. Each term of the agreement was extensively negotiated.
5. A true and correct copy of the executed settlement and subordination agreement (“Agreement”) is attached here as **Exhibit 1**.
6. I prepared a letter agreement on December 10, 2021 setting forth certain clarifications to the Agreement and explaining the factual developments subsequent to the drafting of the Agreement. FCW’s representative countersigned the letter agreement, which is attached as **Exhibit 2**.
7. I have consulted with my counsel and considered the probability of success, the difficulties in collection, the complexity of any litigation, and the expense, inconvenience or delay occasioned with any litigation regarding the validity of FCW’s secured claim and the issues regarding surcharge. Based on my investigation and familiarity with the issues, and the many hours I have spent attempting to negotiate this agreement, I believe in my business judgment that it is in the best interest of creditors for the Court to approve the Agreement and the letter agreement.

1 8. I do not believe that the subordination provision set forth in the Agreement
2 constitutes a “carve-out.” However, to the extent the Court determines the provisions of the
3 Agreement may be construed as a carve-out, the requirements for approval of a carve-out are met
4 here, as set forth in the Motion.

5
6 I declare under penalty of perjury that the foregoing is true and correct. Executed on
7 December 20, 2021.



RICHARD A. MARSHACK

EXHIBIT 1

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7 Attorneys for Chapter 7 Trustee,
RICHARD A. MARSHACK
8

9 UNITED STATES BANKRUPTCY COURT
10 CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION
11

12 In re
13 NORTHERN HOLDING, LLC,
14 Debtor.
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Case No. 8:20-bk-13014-MW

Chapter 7

STIPULATION BETWEEN CHAPTER 7
TRUSTEE AND SECURED CREDITOR
FARM CREDIT WEST, FCLA RE:
VOLUNTARY SUBORDINATION OF
LIEN FOR SALE OF 2380 LIVE OAK
ROAD, PASO ROBLES, CA

[HEARING TO BE SET]

21 TO THE HONORABLE MARK S. WALLACE, UNITED STATES BANKRUPTCY JUDGE, THE
22 OFFICE OF THE UNITED STATES TRUSTEE, AND ALL INTERESTED PARTIES:

23 This stipulation is entered into between Richard A. Marshack, in his capacity as Chapter 7
24 Trustee (“Trustee”) of the Bankruptcy Estate (“Estate”) of Northern Holding, LLC (“Debtor”), on
25 one hand, and Farm Credit West, FCLA (“FCW”), on the other hand, with regard to the voluntary
26 subordination of certain aspects of FCW’s lien to the extent and only under the conditions stated
27 below. Collectively, the Trustee and FCW will be referred to as the “Parties.”
28

Recitals

A. On March 23, 2007, as document no. 2007-19418 in the County of San Luis Obispo, FCW recorded a deed of trust in the principal amount of \$17,500,000 against various properties owned by Erich Russell, including the Live Oak Property (defined below).

B. On October 28, 2020, Debtor filed a voluntary petition for bankruptcy under Chapter 11 of Title 11 of the United States Code, initiating the above-captioned bankruptcy case. FCW is the senior secured lender holding a lien on substantially all assets of the Debtor.

C. On June 15, 2021, the case was converted to Chapter 7 and the Trustee was appointed as the Chapter 7 trustee for the Estate.

D. On August 26, 2021, as Dk. No. 201, Trustee filed a stipulation between him and FCW regarding stipulated relief from stay as to the Debtor's real properties effective as of December 1, 2021 ("Enforcement Date").

E. On September 7, 2021, as Dk. No. 210, the Court entered an order approving the stipulated terms for relief from stay as between Trustee and FCW ("Stay Relief Order"). The execution of this stipulation does not in and of itself satisfy the condition in paragraph 4 of the Stay Relief Order extending the Enforcement Date.

F. On September 28, 2021, Trustee signed a purchase and sale agreement ("PSA") with Riboli Paso Robles, LLC ("Buyer") regarding real property commonly known as 2380 Live Oak Road, Paso Robles, CA, and only to the extent of the rights being sold pursuant to the paragraph 1.1 of the PSA ("Live Oak Property").

G. Under the PSA, Buyer submitted an initial bid (contingent on ongoing due diligence) to purchase the Live Oak Property for \$9,100,000, subject to overbid. Trustee filed a motion seeking approval of the bid procedures, which was approved in its entirety. On October 20, 2021, as Dk. No. 238, the Court entered an order approving the overbid procedures in their entirety and setting a hearing for a sale of the Live Oak Property on December 13, 2021.

H. Trustee acknowledges that the Live Oak Property appears to be fully encumbered by FCW's deed of trust and has entered into this stipulation with FCW for the voluntary subordination of FCW's lien solely to the extent stated below. FCW enters into this stipulation to facilitate the sale

1 of the Live Oak Property and to avoid further litigation over the distribution of proceeds including
2 any right of the Trustee pursuant to 11 U.S.C. § 506(c), regarding the other properties. This
3 Stipulation shall not extend to any other property of the Estate other than that which is specifically
4 identified herein.

5 The Parties agree and STIPULATE as follows:

6 1. FCW consents to the sale of the Live Oak Property consistent with the terms set forth
7 below, and consents to the sale of the Live Oak Property only, free and clear of its lien pursuant to
8 11 U.S.C. § 363(f)(2), provided that this Stipulation is approved in its entirety (or, in the event of
9 any modification by the Court, FCW accepts such modifications). The approved legal description of
10 the Live Oak Property for which FCW consents to sale is appended to this Stipulation as **Exhibit**
11 **“1”** and incorporated by reference. By signing this stipulation, FCW does not consent to the sale of
12 any other property.

13 2. Subject to its consent to sale, FCW agrees to voluntarily subordinate its lien on the
14 Live Oak Property, Texas Road Property, and San Marcos Property (collectively “All Properties” or
15 “the Properties” and as to the Texas Road Property and San Marcos Property (collectively “TS
16 Adjoining Properties”) **solely with regard to a limited portion of its interest in the proceeds of**
17 **the sale thereof** (and not on any real property itself), and solely to pay the following line items,
18 unless otherwise noted:

19 a. As to Live Oak Property from the Live Oak Property sale proceeds: All
20 reasonable closing costs for the sale of the Live Oak Property, which include
21 and are estimated as follows: settlement fee (est. \$500), title search fees (est.
22 \$250), escrow fees (est. \$9,000), title insurance (est. \$20,000), and county
23 transfer taxes (calculated at \$1.10 per \$1000 of gross purchase price), which
24 shall be pro-rated and allocated between buyer and seller pursuant to
25 paragraph 7.6 of the PSA, and otherwise as customary between buyer and
26 seller.

27 b. [Reserved].
28

- 1 c. As to All Properties from the Live Oak Property sale proceeds: All reasonable
2 and actually expended costs of maintaining insurance for assets of the Estate
3 up through the close of escrow or when the assets/properties cease to be
4 property of the Estate, including the \$6,770.68 advanced and expended by
5 Trustee for commercial liability insurance, approximately \$6,800 advanced by
6 Lee Coddling through October 2021 to maintain insurance on the Live Oak
7 Property (and at the ongoing rate of \$1,700 per month for four months since
8 June 2021), and an additional reserve to maintain future insurance in the
9 amount of \$15,000, which shall be held by Trustee in a segregated account
10 and, in the event of any unused portion, shall be returned to FCW without
11 need for further order of the Court.
- 12 d. As to Live Oak Property from the Live Oak Property sale proceeds: The sum
13 of \$100,000 for the Trustee's attorneys' fees for the Estate through the date of
14 closing escrow on the Live Oak Property, which amount shall be held in a
15 segregated account by the Trustee pending Court approval of Trustee's
16 attorneys' fees (for informational purposes as of November 30, 2021, the
17 outstanding balance for attorneys' fees for the Trustee exceeds \$170,000).
- 18 e. As to the San Marcos Property from the San Marcos Property sale proceeds:
19 The sum of \$60,000 for the Trustee's attorneys' fees for the Estate through the
20 date of closing escrow on the San Marcos Property, which amount shall be
21 held in a segregated account by the Trustee pending Court approval of such
22 fees.
- 23 f. As to the Texas Road Property from the Texas Road Property sale proceeds:
24 The sum of \$30,000 for the Trustee's attorneys' fees for the Estate through the
25 date of closing escrow on the Texas Road Property, which amount shall be
26 held in a segregated account by the Trustee pending Court approval of such
27 fees.
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- 1 g. As to the Live Oak Property, from the Live Oak Property sale proceeds:
2 Broker's fees for the Estate's jointly employed broker Hilco Real Estate, LLC
3 ("Hilco") in the amount of 1.75% of the gross sale price of the Live Oak
4 Property, which shall be paid directly out of escrow.
- 5 h. As to the Texas Road Property from the Texas Road Property sale proceeds:
6 Broker's fees for the Estate's jointly employed broker Hilco in the amount of
7 1.75% of the gross sale price of the Texas Road Property, which shall be paid
8 directly out of escrow.
- 9 i. As to the San Marcos Property from the San Marcos Property sale proceeds:
10 Broker's fees for the Estate's jointly employed broker Hilco in the amount of
11 1.75% of the gross sale price of the San Marcos Property, which shall be paid
12 directly out of escrow.
- 13 j. As to the Live Oak Property, from the Live Oak Property sale proceeds:
14 Broker's fees for the Estate's jointly employed broker Onyx Asset Advisors,
15 LLC ("Onyx") in the amount of 1.75% of the gross sale price of the Live Oak
16 Property, which shall be paid directly out of escrow.
- 17 k. As to the Texas Road Property from the Texas Road Property sale proceeds:
18 Broker's fees for the Estate's jointly employed broker Onyx in the amount of
19 1.75% of the gross sale price of the Texas Road Property, which shall be paid
20 directly out of escrow.
- 21 l. As to the San Marcos Property from the San Marcos Property sale proceeds:
22 Broker's fees for the Estate's jointly employed broker Onyx in the amount of
23 1.75% of the gross sale price of the San Marcos Property, which shall be paid
24 directly out of escrow.
- 25 m. As to the Live Oak Property, from the Live Oak Property sale proceeds:
26 Compensation for the Trustee in an amount equal to 2.25% of the gross
27 purchase price of each of the Live Oak Property, which amount shall be held
28

1 in a segregated account by the Trustee pending Court approval of Trustee's
2 compensation under 11 U.S.C. § 326.

3 n. As to the Texas Road Property, from the Texas Road Property sale proceeds:
4 Compensation for the Trustee in an amount equal to 2.25% of the gross
5 purchase price of each of the Texas Road Property, which amount shall be
6 held in a segregated account by the Trustee pending Court approval of
7 Trustee's compensation under 11 U.S.C. § 326.

8 o. As to the San Marcos Property from the San Marcos Property sale proceeds:
9 Compensation for the Trustee in an amount equal to 2.25% of the gross
10 purchase price of each of the San Marco Property, which amount shall be held
11 in a segregated account by the Trustee pending Court approval of Trustee's
12 compensation under 11 U.S.C. § 326.

13 p. As to All Properties: An additional \$30,000 per closed sale transaction to be
14 paid solely from the proceeds of that sale which the Trustee consummates for
15 miscellaneous contribution for the benefit of the Estate to pay other
16 administrative expenses and other creditor claims. This subparagraph shall
17 not apply for any sale transaction that does not close.

18 q. As to Live Oak Property as noted and as to TS Adjoining Properties as noted:
19 The sum of \$12,000 for the Trustee's field agent Lori Ensley of Bicher &
20 Associates and other professionals, including accountants and agents, or any
21 other permitted administrative expense, which shall be held by the Trustee and
22 paid according to the approved procedures set forth in the field agent's
23 employment application. As to TS Adjoining Properties, the actual amount for
24 services invoiced by Trustee's field agent or other permitted administrative
25 expenses not to exceed \$12,000 per property.

26 r. As to All Properties: To the extent not paid directly by FCW, actual and
27 reasonable costs of securing and maintaining the properties including cost of
28

1 utilities and costs to secure the property and to change locks. Trustee shall do
2 his best to notify FCW in advance of any expenses before they are incurred.

3 s. For purposes of convenience only, preliminary estimates of 2.a. through 2.r.
4 are set forth in **Exhibit "2"**.

5 3. Any line items which are not paid or used in full according to the descriptions above
6 shall be returned to FCW upon entry of further Court order, or the closing of the bankruptcy case,
7 whichever comes first.

8 4. All funds not otherwise provided for above shall be paid immediately (i.e. no later
9 than the closing date) to FCW from escrow on a sale of the Live Oak Property, Texas Road Property,
10 and San Marcos Property in accordance with transfer instructions provided by FCW to the Trustee or
11 his escrow agent. All payments shall be made in good funds. Through this stipulation, FCW does not
12 consent to receiving any less than \$8,250,000 through a sale of the Live Oak Property at the initial
13 bid price of \$9,100,000, and its consent to sale under 11 U.S.C. § 363(f)(2) is expressly conditioned
14 on its receipt of no less than \$8,250,000 through escrow from the Live Oak Property. Further, FCW
15 has no obligation to consent to a sale or release their lien on TS Adjoining Properties, and FCW has
16 specifically advised the Trustee that it will not consent to the sale of any of the Properties that
17 includes a provision that FCW is required to carry any debt owed by the purchaser of any such
18 property at either a senior-most or junior priority level after the transaction closes.

19 5. As to Live Oak Property: Provided that the Court approves the bid procedures set
20 forth in the Live Oak PSA, and a qualifying overbid is received and accepted by the Trustee, FCW
21 consents to the voluntary subordination of its deed of trust solely on the proceeds of a consummated
22 sale of the Live Oak Property to pay the break-up fee and due diligence costs to Buyer if it is the
23 unsuccessful bidder, pursuant to the terms of the PSA.

24 6. As to Live Oak Property: As previously agreed, if the gross purchase price of the
25 Live Oak Property exceeds \$10,000,000, FCW agrees to an additional subordination of its lien (and,
26 as stated in paragraph 2 above, solely with regard to the Live Oak Property proceeds of sale out of
27 escrow, pursuant to the terms of this stipulation) in an amount equal to an additional 2.5% of the
28 gross purchase price of the Property which is in excess of \$10,000,000 (i.e. if the purchase price is

1 \$10,100,000, the Estate shall receive an additional 2.5% of \$100,000, or \$2,500.00) for the benefit of
2 the Estate to be allocated according to the Trustee's business discretion.

3 7. The Parties acknowledge that FCW is under no compulsion or obligation to extend
4 the Enforcement Date. Due to unanticipated delays which cannot be attributed to either Buyer, FCW,
5 or Trustee, the anticipated closing date of the Live Oak sale has been postponed to early 2022. Upon
6 the execution of this Stipulation, FCW consents to the one-time extension and modification of the
7 Enforcement Date as follows: the Enforcement Date shall be extended from December 1, 2021 to
8 January 28, 2022. If, prior to the Enforcement Date, the Trustee has filed a motion with the Court
9 seeking approval of a sale of one or more of the real property parcels over which FCW asserts a
10 secured claim, then the Enforcement Date shall be extended to March 15, 2022. Nothing in this
11 Stipulation affects the ability of Trustee to seek abandonment of some or all of the Properties after
12 the Enforcement Date or FCW to foreclose on some or all of the Properties after the Enforcement
13 Date. The Parties agree to the entry of an amended order granting relief from the automatic stay to
14 memorialize the terms of this Stipulation and the extension of the Enforcement Date in substantially
15 the form of the order attached as **Exhibit "4."**

16 8. As to All Properties: Trustee on behalf of the Estate, stipulates and agrees to the
17 validity, extent, and priority of FCW's secured claim and liens, and, effective as of the Bankruptcy
18 Court's entry of an order approving this Stipulation, and, subject to the terms of this agreement,
19 releases FCW from all known or unknown claims held by the Trustee or the Estate, including any
20 claims under 11 U.S.C. § 506(c) regarding the Live Oak Property, San Marcos Property, the Texas
21 Road Property, and any other collateral of FCW. This provision and all other terms of this agreement
22 are not effective unless specifically approved by the Bankruptcy Court, after notice and a hearing.

23 9. As additional consideration for the Trustee's waiver of the claims for surcharge
24 pursuant to 11 U.S.C. § 506(c) regarding the Properties and FCW's other collateral, the Parties agree
25 that, provided that the Court approves the Trustee's waiver of claims including the claims for
26 surcharge, in the event that FCW forecloses on or causes the disposition of all three of the
27 Properties, the following line items shall be reimbursed to the Estate and its professionals as follows:

28 a. \$50,000 for the Trustee's attorneys' fees.

- b. Fees and expenses for Trustee's field agent Lori Ensley not to exceed \$15,000.
- c. All actually expended, reasonable administrative expenses (i.e. costs, and not fees) related to the professional fees stated above, not to exceed \$5,000.
- d. All insurance premiums actually paid by Trustee for coverage necessary to maintain the administration of any property of the Estate over which FCW asserts a secured claim.
- e. All post-petition *ad valorem* property taxes (if any) charged to the Estate over the course of the Trustee's administration. Alternatively, at FCW's discretion, FCW may choose to pay the outstanding property taxes such that no taxes are charged to the Estate. FCW may dispute the amount of such taxes and pay the County of San Luis Obispo directly when FCW's dispute is resolved, and the Trustee is not entitled to compensation under 11 U.S.C. § 326 for any such payment(s) made by FCW directly to the County.
- f. The lump sum of \$80,000 as a miscellaneous settlement payment for the surcharge issues.
- g. For purposes of convenience only, preliminary estimates of 9.a. through 9.f. are set forth in **Exhibit "3"**.
- h. The amounts set forth in this paragraph 9 shall only be earned by and paid to the Trustee if the Trustee delivers full possession of the Properties, without any unauthorized occupants or tenants, and the other remaining collateral of FCW (e.g., equipment and inventory) to FCW upon abandonment of the Properties and the other FCW collateral by the Trustee, or prior to the foreclosure of such Properties by FCW.

10. As additional consideration for the Trustee's waiver of the claims for surcharge pursuant to 11 U.S.C. § 506(c) regarding the Properties and FCW's other collateral, to the extent FCW forecloses on one or more of the Properties, it shall be responsible for either all post-petition *ad valorem* property taxes (if any) charged to the Estate over the course of the Trustee's

1 administration for the property foreclosed upon, or, alternatively, at FCW's discretion, FCW shall
2 pay the outstanding property taxes such that no taxes are charged to the Estate with respect to the
3 property foreclosed upon. FCW may dispute the amount of such taxes with the County of San Luis
4 Obispo. FCW may also pay the County of San Luis Obispo directly for the taxes addressed in this
5 paragraph either before or after the resolution of any dispute over such taxes, and the Trustee is not
6 entitled to compensation under 11 U.S.C. § 326 for such payment(s) made by FCW directly to the
7 County. Additionally, should the Trustee complete the sale of the Live Oak Property and FCW
8 thereafter proceeds to foreclose on the remaining TS Adjoining Properties, provided that the Trustee
9 delivers full possession of the remaining Properties, without any unauthorized occupants or tenants,
10 and possession the other remaining collateral of FCW (e.g., equipment and inventory) to FCW upon
11 abandonment of the Properties and the other FCW collateral by the Trustee, or prior to the
12 foreclosure or disposition of such Properties by FCW, the, ^{owned by Northern Ran} Trustee shall be entitled to receive a lump
13 sum payment from FCW of \$30,000 *per property* as consideration for the waiver of claims under 11
14 U.S.C. § 506(c), which is in addition to the any allocations stated in paragraph 2.

15 11. Concurrently with the waivers described above, upon the Trustee's delivery of full
16 possession of FCW's collateral in accordance with this Stipulation, except for its allowed claim
17 against the Estate, FCW waives any and all other claims against the Estate, and any and all claims
18 against the Trustee and his agents and professionals acting in their capacities as agents for the Estate,
19 and any and all claims against the Trustee in his individual capacity related to the administration of
20 this case.

21 12. FCW shall immediately recommend to the Trustee one or more qualified security
22 agents and/or property managers to supervise and control the access to and use of all three properties
23 and all collateral of FCW, and shall consult with the Trustee to recommend necessary steps and
24 necessary agreements for the maintenance and preservation of the three properties and FCW's
25 collateral. The security agents/property managers shall be employed on behalf of the Estate by the
26 Trustee, if possible, and FCW shall directly advance and pay all costs and fees of and incurred by the
27 security agents/property managers. Security agents and/or property managers shall be employed as
28 necessary as determined by FCW with the consent of the Trustee; provided, however, there is no

1 obligation to employ security agents and/or property managers absent such a need, as determined by
2 FCW – Trustee shall have no obligation to recommend collateral preservation procedures to FCW
3 and shall not be held responsible in the event of any damage or deterioration to collateral after FCW
4 assumes possession and control of the Properties. The security agents/property managers shall not
5 take any action and not incur any fees or expenses outside of what is in its or their contracts without
6 the prior consent of the Trustee and FCW. The security agents/property managers shall provide
7 reasonable access to the properties to both FCW and the Trustee, and to those agents or
8 representatives of FCW and the Trustee that are approved by both FCW and the Trustee. To the
9 extent that the mutually approved security agents/property managers seek any recovery from the
10 Estate including but not limited to recoveries on account of services performed for maintenance,
11 access control, supervision, or preservation of FCW’s collateral, FCW shall be directly liable for
12 such expenses and FCW fully indemnifies the Estate for any such costs and shall immediately pay
13 all such costs, and shall undertake to defend the Estate against adverse claims arising from the
14 services performed by the security agents/property managers. The Trustee shall prepare and file a
15 motion to employ the security agents/property manager on behalf of the Estate, if necessary, and the
16 specific terms for management and control of the properties shall be memorialized in a separate
17 agreement.

18 13. This stipulation, after it has been approved by the Court, will fully meet and satisfy
19 the requirements of Section 6.5 of the Live Oak PSA requiring an “acceptable carve out agreement”
20 between the Trustee, the Estate, and FCW. This stipulation constitutes the entire agreement between
21 the Parties.

22 14. This stipulation is subject to approval by the Bankruptcy Court. No provision of this
23 stipulation is effective or binding on any Party, unless the Court enters an order approving these
24 provisions. Any disputes over the interpretation or enforcement of this stipulation shall be resolved
25 solely by the United States Bankruptcy Court for the Central District of California, Santa Ana
26 Division.

1 15. Once this stipulation is approved by the Bankruptcy Court, no further material
2 modification or material amendment shall be effective unless: (1) such amendment or modification
3 is in writing, and (2) the amendment or modification is approved by the Bankruptcy Court.

4 16. This stipulation may be executed in one or more counterparts and facsimile or
5 electronic signatures may be used in filing this document with the Court.

6
7 Dated: December 10, 2021

FARM CREDIT WEST, FCLA

8
9 By: 

KEVIN RALPH

Position: Executive Vice President

10
11 Dated: December 6, 2021

12
13 By: 

RICHARD A. MARSHACK
Chapter 7 Trustee for Debtor,
NORTHERN HOLDING, LLC

EXHIBIT 1

LEGAL DESCRIPTION

THE LAND REFERRED TO IN THIS GUARANTEE IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SAN LUIS OBISPO, AND IS DESCRIBED AS FOLLOWS:

PARCEL A: APN 026,342,039

THE NORTHEAST QUARTER OF SECTION 12, IN TOWNSHIP 27 SOUTH, RANGE 11 EAST MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF SAID LAND APPROVED BY THE SURVEYOR GENERAL.

PARCEL A-1:

AN EASEMENT FOR UTILITY PURPOSES BEGINNING AT LIVE OAK ROAD AND EXTENDING NORTH OVER THE EAST 10 FEET ON THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 27, RANGE 11, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF SAID LAND APPROVED BY THE SURVEYOR GENERAL.

PARCEL A-2:

AN EASEMENT TO PROVIDE INGRESS, EGRESS, PUBLIC UTILITIES AND INCIDENTAL PURPOSES TO THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 27 SOUTH, RANGE 11 EAST, MOUNT DIABLO BASE AND MERIDIAN OVER, UNDER AND UPON A STRIP OF LAND 30 FEET WIDE LOCATED IN THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 27 SOUTH, RANGE 11 EAST, MOUNT DIABLO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF SAID LAND APPROVED BY THE SURVEYOR GENERAL, AND LYING EQUALLY ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 12, SAID CORNER BEING SHOWN AS A 1/2" REBAR CAPPED RCE 14994 IN BOOK 1, PAGE 159 OF OFFICIAL RECORDS;
THENCE ALONG THE NORTHERLY LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 12, SOUTH 89°29'51" WEST 1,393.11 FEET MORE OR LESS TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 12 AND THE TRUE POINT OF BEGINNING;
THENCE LEAVING SAID NORTHERLY LINE SOUTH 20°22'08" WEST, 701.76 FEET TO A POINT WHICH BEARS SOUTH 70°16' EAST, 17.00 FEET FROM THE CENTER OF A 48" LIVE OAK TREE;
THENCE SOUTH 10°30'20" WEST, 341.71 FEET TO A POINT WHICH BEARS SOUTH 79°29' EAST, 15.00 FEET FROM THE CENTER OF A CATTLE GUARD;
THENCE SOUTH 79°29' EAST TO THE CENTER OF LIVE OAK ROAD (COUNTY ROAD NO. M5262).

THE SIDE LINES OF THE ABOVE MENTIONED 30 FOOT STRIP SHALL BE LENGTHENED AND SHORTENED TO MEET THE BEGINNING AND ENDING BOUNDARY LINES.

EXHIBIT 2

Estimates as to Live Oak Property proceeds:

Item	Amount
Closing costs: settlement fee	\$500
Closing costs: title search fee	\$250
Closing costs: escrow fee	\$9,000
Closing costs: title insurance	\$20,000
County transfer tax	\$1.10 per \$1,000
Commercial liability insurance @ \$3,946.50 for San Marcos (8/21 – 8/22) @ \$2,824.18 for Live Oak (10/21 – 10/22)	\$6,770.68 +\$15,000 reserve
Insurance (Live Oak) (Monthly)	\$1,700/mo. since June 2021
Trustee's attorneys' fees	\$100,000
Broker's fee (Hilco)	1.75% of gross
Broker's fee (Onyx)	1.75% of gross
Trustee's compensation (reduced)	2.25% of gross
Miscellaneous payment	\$30,000
Trustee's field agent Lori Ensley	\$12,000
All other actual costs of securing and maintaining property such as utilities	TBD

Estimates as to San Marcos Property proceeds:

Item	Amount
Closing costs	TBD
County transfer tax	\$1.10 per \$1,000
Trustee's attorneys' fees	\$60,000
Broker's fee (Hilco)	1.75% of gross
Broker's fee (Onyx)	1.75% of gross
Trustee's compensation (reduced)	2.25% of gross
Miscellaneous payment	\$30,000
Trustee's field agent Lori Ensley	\$12,000
All other actual costs of securing and maintaining property such as utilities	TBD

Estimates as to Texas Road Property proceeds:

Item	Amount
Closing costs	TBD
County transfer tax	\$1.10 per \$1,000
Trustee's attorneys' fees	\$30,000
Broker's fee (Hilco)	1.75% of gross
Broker's fee (Onyx)	1.75% of gross
Trustee's compensation (reduced)	2.25% of gross
Miscellaneous payment	\$30,000
Trustee's field agent Lori Ensley	\$12,000
All other actual costs of securing and maintaining property such as utilities	TBD

EXHIBIT 3

Estimates for consideration for surcharge waiver (all properties foreclosed):

Item	Amount
Attorneys' fees without regard to category	\$50,000
Fees for field agent Lori Ensley	\$15,000
Administrative costs for professionals	\$5,000
Insurance premiums	\$6,770.68 + \$1,700 monthly since June 2021
Postpetition property taxes	TBD – paid directly by FCW
Miscellaneous payment	\$80,000

Estimates for consideration for surcharge waiver (Live Oak sold, others foreclosed):

Item	Amount
Attorneys' fees without regard to category	already paid per ¶ 2
Fees for field agent Lori Ensley	already paid per ¶ 2
Administrative costs for professionals	already paid per ¶ 2
Insurance premiums	already paid per ¶ 2
Postpetition property taxes	TBD – paid directly by FCW
Miscellaneous payment for San Marcos	\$30,000
Miscellaneous payment for Texas Road	\$30,000
Trustee's attorneys' fees for negotiating taxes	TBD – subject to separate stipulation if any

EXHIBIT 4

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Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address Michael J. Gomez (State Bar No. 251571) mgomez@frandzel.com Reed S. Waddell (State Bar No. 106644) rwaddell@frandzel.com FRANDZEL ROBINS BLOOM & CSATO, L.C. 1000 Wilshire Boulevard, Nineteenth Floor Los Angeles, California 90017-2427 Telephone: (323) 852-1000 Facsimile: (323) 651-2577 <input checked="" type="checkbox"/> <i>Attorney for Movant</i> <input type="checkbox"/> <i>Movant appearing without an attorney</i>	FOR COURT USE ONLY
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA – <u>SANTA ANA</u> DIVISION	
In re: NORTHERN HOLDINGS, LLC, Debtor(s).	CASE NO.: 8:20-bk-13014-MW CHAPTER: 11 ORDER GRANTING MOTION FOR RELIEF FROM THE AUTOMATIC STAY UNDER 11 U.S.C. § 362 (REAL PROPERTY) DATE: August 30, 2021 TIME: 2:00 p.m. COURTROOM: 6C PLACE: 411 West Fourth Street Santa Ana, CA 92701
Movant: Farm Credit West, FLCA	

1. The Motion was: ☒ Opposed ☐ Unopposed ☒ Settled by stipulation
2. The Motion affects the following real property and the personal property described in item no. 17 below (collectively, the "Property"):

Street address: 2380 Live Oak Rd

Unit/suite number:

City, state, zip code: Paso Robles, CA 93446

Legal description or document recording number (including county of recording):

☒ See attached page and item no. 17 below.

The Motion is granted under:

- a. ☒ 11 U.S.C. § 362(d)(1)
 - b. ☒ 11 U.S.C. § 362(d)(2)
 - c. ☐ 11 U.S.C. § 362(d)(3)
 - d. ☒ 11 U.S.C. § 362(d)(4). The filing of the bankruptcy petition was part of a scheme to hinder, delay, or defraud creditors that involved:
 - (1) ☒ The transfer of all or part ownership of, or other interest in, the Property without the consent of the secured creditor or court approval; and/or
 - (2) ☒ Multiple bankruptcy cases affecting the Property.
 - (3) ☒ The court ☒ makes ☐ does not make ☐ cannot make a finding that the Debtor was involved in this scheme.
 - (4) If recorded in compliance with applicable state laws governing notices of interests or liens in real property, this order shall be binding in any other case under this title purporting to affect the Property filed not later than 2 years after the date of the entry of this order by the court, except that a debtor in a subsequent case under this title may move for relief from this order based upon changed circumstances or for good cause shown, after notice and a hearing.
3. ☒ As to Movant, its successors, transferees and assigns, the stay of 11 U.S.C. § 362(a) is:
- a. ☒ Terminated as to the Debtor and the Debtor's bankruptcy estate.
 - b. ☐ Modified or conditioned as set forth in Exhibit _____ to this order.
 - c. ☐ Annulled retroactively to the bankruptcy petition date. Any postpetition acts taken by Movant to enforce its remedies regarding the Property do not constitute a violation of the stay.
4. ☒ Movant may enforce its remedies to foreclose upon and obtain possession of the Property in accordance with applicable nonbankruptcy law, but may not pursue any deficiency claim against the Debtor or property of the estate except by filing a proof of claim pursuant to 11 U.S.C. § 501.
5. ☐ Movant must not conduct a foreclosure sale of the Property before (date) _____.
6. ☐ The stay shall remain in effect subject to the terms and conditions set forth in the Adequate Protection Agreement contained within this order.
7. ☐ In chapter 13 cases, the trustee must not make any further payments on account of Movant's secured claim after entry of this order. The secured portion of Movant's claim is deemed withdrawn upon entry of this order without prejudice to Movant's right to file an amended unsecured claim for any deficiency. Absent a stipulation or order to the contrary, Movant must return to the trustee any payments received from the trustee on account of Movant's secured claim after entry of this order.
8. ☐ The co-debtor stay of 11 U.S.C. § 1201(a) or § 1301(a) is terminated, modified or annulled as to the co-debtor, as to the same terms and conditions as to the Debtor.
9. ☒ The 14-day stay as provided in FRBP 4001(a)(3) is waived.
10. This order is binding and effective despite any conversion of this bankruptcy case to a case under any other chapter of the Bankruptcy Code.
11. Movant, or its agents, may, at its option, offer, provide and enter into a potential forbearance agreement, loan modification, refinance agreement or other loan workout or loss mitigation agreement. Movant, through its servicing agent, may contact the Debtor by telephone or written correspondence to offer such an agreement.

12. Upon entry of this order, for purposes of Cal. Civ. Code § 2923.5, the Debtor is a borrower as defined in Cal. Civ. Code § 2920.5(c)(2)(C).
13. ☒ A designated law enforcement officer may evict the Debtor and any other occupant from the Property regardless of any future bankruptcy case concerning the Property for a period of 180 days from the entry of this Order:
- (a) ☒ without further notice.
- (b) ☒ upon recording of a copy of this order or giving appropriate notice of its entry in compliance with applicable nonbankruptcy law.
14. ☐ This order is binding and effective in any bankruptcy case commenced by or against the Debtor for a period of 180 days, so that no further automatic stay shall arise in that case as to the Property.
15. ☒ This order is binding and effective in any bankruptcy case commenced by or against any debtor who claims any interest in the Property for a period of 180 days from entry of this Order:
- (a) ☒ without further notice.
- (b) ☒ upon recording of a copy of this order or giving appropriate notice of its entry in compliance with applicable nonbankruptcy law.
16. ☒ This order is binding and effective in any future bankruptcy case, no matter who the debtor may be
- (a) ☒ without further notice.
- (b) ☒ upon recording of a copy of this order or giving appropriate notice of its entry in compliance with applicable nonbankruptcy law.
17. ☒ Other (*specify*): Relief from the automatic stay is further granted under the grounds provided for above in item nos. 2.a., 2.b., 2.d., 3, 4, 9, 10, 15, and 16 as to the personal property described in the Security Agreement attached to the Motion as Exhibit 3 (Dkt. 11).

The Enforcement Date as defined and set forth in the Order Granting Relief from Stay (Dkt. 210), which affects the real properties, is being continued by separate stipulation and order. This Order does not affect that Enforcement Date.

###

(This attachment is the continuation page for paragraph 2 of this order.)

2. The Motion affects the following real property:

<u>Property Name</u>	<u>APN</u>	<u>Property Address / Location</u>
Rabbit Ridge Winery	026-104-001	1172 San Marcos Road, Paso Robles, CA, 93446.
Texas Road Vineyard	027-145-022	Located along the north side of Texas Road, just north of San Marcos Road and ~1.5 miles west of Highway 101, being ~4 miles northwest of Paso Robles, in rural San Luis Obispo County.
Live Oak Vineyard	026-342-039	2380 Live Oak Road, Paso Robles, CA 93446. Located ~0.2 mile north of Live Oak Road and ~0.8 mile west of Arbor Road, being ~2.5 miles southwest of Paso Robles, in rural San Luis Obispo County.

Legal description or document recording number (including county of recording):

PARCEL A: APN 026,342,039

The Northeast quarter of Section 12, in Township 27 South, Range 11 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the Official Plat of the Survey of said land approved by the Surveyor General.

PARCEL A-1:

An Easement for utility purposes beginning at Live Oak Road and extending North over the East 10 feet on the Northeast quarter of the Southeast quarter of Section 12, Township 27, Range 11, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the Official Plat of the Survey of said land approved by the Surveyor General.

PARCEL A-2:

An Easement to provide ingress, egress, public utilities and incidental purposes to the Southwest quarter of the Northwest quarter of Section 12, Township 27 South, Range 11 East, Mount Diablo Base and Meridian over, under and upon a strip of land 30 feet wide located in the Southeast quarter of Section 12, Township 27 South, Range 11 East, Mount Diablo Base and Meridian, according to the Official Plat of the Survey of said land approved by the Surveyor General, and lying equally on each side of the following described centerline:

Commencing at the East quarter corner of said Section 12, said corner being shown as a ½" rebar capped RCE 14994 in Book 1, Page 159 of Official Records;

Thence along the Northerly line of the Southeast quarter of said Section 12, South 89°29'51" West, 1,393.11 feet more or less to the Southwest corner of the Southeast quarter of the Northeast quarter of said Section 12 and the True Point of Beginning;

Thence leaving said Northerly line South 20°22'08" West, 701.76 feet to a point which bears South 70°16' East, 17.00 feet from the center of a 48" live oak tree;

Thence South 10°30'20" West, 341.71 feet to a point which bears South 79°29' East, 15.00 feet from the center of a cattle guard;

Thence South 79°29' East to the center of Live Oak Road (County Road No. M5262).

The side lines of the above mentioned 30 foot strip shall be lengthened and shortened to meet the beginning and ending boundary lines.

PARCEL B: APN 026,021,070

The Southerly 40 acres of the North half of the Northwest quarter of Section 12, in Township 26 South, Range 11 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the Official Plat of the Survey of said land approved by the Surveyor General.

EXCEPTING THEREFROM an undivided $\frac{1}{2}$ interest in and to all oil, gas and other hydrocarbon substances and minerals in or under said land, but without right of surface entry as reserved by Clara M. Guthrie, a widow, in Deed recorded March 27, 1961 in Book 1115, Page 246 of Official Records.

PARCEL C: APN: 027,145,022

Government Lots 3 and 4 and the East half of the Southwest quarter of Section 31, Township 25 South, Range 12 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the Official Plat of the Survey of said land approved by the Surveyor General, as described in Certificate of Compliance recorded September 13, 1985 as Instrument No. 052170 of Official Records.

EXCEPTING THEREFROM an undivided $\frac{1}{2}$ interest in the land owners share of royalties from oil, gas, other hydrocarbons, or minerals actually produced on or from said land or any part thereof, as reserved by George Blechen and Marie Blechen, his wife and Elsie Loose, a widow in Deed dated May 16, 1958 and recorded June 10, 1958 in Book 943, Page 507 of Official Records.

ALSO EXCEPTING 50% of grantors present interest in all oil, gas and other hydrocarbons and other minerals that are on or may be on or within said lands; together with 50% interest in and to all oil, gas and other hydrocarbons and other minerals as same may be increased upon expiration of royalty interests as reserved in Deed dated May 16, 1958 executed by George Blechen and Marie Blechen, his wife and by Elsie Loose, a widow and recorded June 10, 1958 in Book 943, Page 507 of Official Records.

Such mineral reservations in favor of grantors herein are without any right of entry to the surface of said land and are without any right of entry to the first 500 feet adjacent to and lying beneath the surface of said land.

PARCEL C-1:

A 30 foot wide Easement for ingress, egress and incidental purposes over that portion of Lot 4 of "Home of the Almond", in the County of San Luis Obispo, State of California, according to map recorded in, Book 2, Page 17 of Maps, the centerline of which is more particularly described as follows:

Commencing at the Southeast corner of said Lot 4;

Thence along the Easterly line of Lot 4, North $0^{\circ}30'00''$ West, 65.00 feet to the point of beginning;

Thence parallel to the South line of Lot 4, North $89^{\circ}45'00''$ West, 203.81 feet;

Thence South $73^{\circ}38'54''$ West, 138.47 feet;

Thence South $78^{\circ}42'47''$ West, 52.18 feet to a point that lies 15.00 feet North of the South line of said Lot 4;

Thence 15 feet Northerly of and parallel to said South line of Lot 4, North $89^{\circ}45'00''$ West, 559.74 feet to the Westerly line of Lot 4.

PARCEL D: APN: 026,104,001

Lot 4 of Section 5, Lots 1, 2, 3 and 4, the Southwest Quarter of the Northeast Quarter and the Southeast Quarter of the Northwest Quarter of Section 6, all in Township 26 South, Range 12 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the official plate thereof.

EXCEPTING THEREFROM that portion lying South of San Marcos Road.

ALSO EXCEPTING THEREFROM $\frac{1}{2}$ of the oil, gas, mineral and other hydrocarbon substances in and under said land as reserved by Robert L. Linnett, a married man and Henry C. Brigham, a married man in equal shares by deed recorded June 21, 1977 in Book 1988, Page 755 of Official Records.

PARCEL E: APN: 014,311,014

The Northeast quarter of Section 23, Township 26 South, Range 10 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California.

PARCEL E-1:

A right of way for ingress to and egress from said Parcel 1, and for the installation and maintenance of utility pipe and pole lines, in, upon, along and under a strip of land 40 feet wide, containing 0.038 acres in the Southwest corner of the Southeast quarter of Section 14, Township 26 South, Range 10 East, and 0.638 acres in the Southwest quarter of said section, the centerline of which strip of land is described as follows:

Beginning at a point 28 feet East of the South $\frac{1}{4}$ corner of Section 14, Township 26 South, Range 10 East, Mount Diablo Base and Meridian, and running thence North 45° West, 68.85 feet to a point 20 feet West of the Easterly boundary line of the Southwest quarter of Section 14;
Thence North and parallel to said Easterly boundary line, 343.9 feet to a point;
Thence North $42^{\circ}0'$ West, 28.5 feet to a point;
Thence North $59^{\circ}40'$ West, 293.5 feet more or less to the Southeasterly boundary line of the San Marcos-Adelaide County Road.

Situated in the State of California, Unincorporated Area, County of Sonoma, and described as follows:

PARCEL ONE

BEGINNING on section line at a point 14.30 chains South from the northwest corner of Section 5, Township 8 North, Range 9 West, M.D.B. & M., and running thence North $89^{\circ} 45'$ East, 63.21 chains to a station, thence North 69° East, 3.00 chains to an iron pin driven in the center of the county road leading from Healdsburg to Guerneville; thence South $13^{\circ} 45'$ East, 2.15 chains to an iron pin, thence South $14^{\circ} 30'$ East, 3.23 chains to an iron pin in the center of said road, thence North $77^{\circ} 15'$ East, 1.91 chains; thence South $33^{\circ} 40'$ East, 0.35 chains, thence South $74^{\circ} 45'$ East, 0.30 chains; thence North $84^{\circ} 30'$ East, 0.18 chains; thence North $62^{\circ} 30'$ East, 0.39 chains; thence North 37° East, 0.62 chains to a station; thence North $77^{\circ} 15'$ East, 24.82 chains to a stake driven in the middle of a slough in the division line between the lands herein described and the lands of John McClish; thence North 19° East, 2.71 chains; thence North $42^{\circ} 30'$ East, 1.46 chains, thence North 32° East, 2.25 chains; thence North $24^{\circ} 10'$ East, 0.65 chains to an iron pin at corner; thence South $78^{\circ} 15'$ West, 32.85 chains to an iron pin in the center of aforesaid county road; thence North 22° West, in the center of road, 2.49 chains to an iron pin; thence South $89^{\circ} 30'$ West, 65.00 chains to section line, and thence South on section line, 3.18 chains to the point of beginning.

EXCEPTING THEREFROM all that portion lying Easterly of the centerline of the Healdsburg — Guerneville Road.

PARCEL TWO

BEGINNING at a point, 14.30 chains South from the northwest corner of Section 5, Township 8 North, Range 9 West, M.D.B. & M., and running thence, North $89^{\circ} 45'$ East, 40.16 chains to a station in the center of a small creek, thence South 5.77 chains to the land of John McClish; thence West on said McClish's north line, 40.11 chains to section line; thence North on section line 5.54 chains to the point of beginning.

(110-070-026-000)

EXHIBIT 2

MARSHACK HAYS LLP
ATTORNEYS AT LAW | LITIGATION | REORGANIZATION | BANKRUPTCY

Richard A. Marshack
D. Edward Hays
Chad V. Haes
David A. Wood
Judith E. Marshack
Laila Masud
Tinho Mang
Bradford N. Barnhardt

Of Counsel
Kristine A. Thagard
Matthew W. Grimshaw

Reference No. 1015-146
Sender: Tinho Mang on behalf of Richard A.
Marshack

December 10, 2021

VIA E-MAIL AND OVERNIGHT MAIL ONLY

Reed Waddell, Esq.
Michael Gomez, Esq.
Frandzel Robins Bloom & Csato, L.C.
1000 Wilshire Boulevard, Nineteenth Floor
Los Angeles, CA 90017
rwaddell@frandzel.com

Re: *In re Northern Holding, LLC*
Case No. 8:20-bk-13014-MW
**Letter Agreement re: Access to Paso Robles Properties and
Maintenance of Collateral**

To Whom It May Concern:

I am the duly-appointed and acting Chapter 7 Trustee (the "Trustee") for the Bankruptcy Estate ("Estate") of Northern Holding, LLC ("Debtor"), which is the owner of record of the real properties commonly known as (1) 2380 Live Oak Road, Paso Robles, CA ("Live Oak Property"); (2) 1172 San Marcos Road, Paso Robles, CA ("San Marcos Property"); and (3) adjacent real property commonly known as the "Texas Road" property. Together, these three real properties shall be referred to as the "Properties."

On November 22, 2021, I transmitted a letter to Farm Credit West, FLCA ("FCW") regarding my immediate authorization to FCW to take all actions to secure the Properties, including re-keying all access doors, at FCW's sole expense, pursuant to and subject to my ability to, on behalf of the Estate, assume possession and control of the Properties at any time.

MARSHACK HAYS LLP | www.marshackhays.com
870 Roosevelt | Irvine, CA 92620 | 949.333.7777 | Fax 949.333.7778

December 10, 2021
Page 2

On November 29, 2021, my field agent Lori Ensley met with FCW's authorized representative Jacob Bingham and conducted a joint inspection of the Properties. No significant issues were identified as a result of this joint inspection, other than that FCW requested that I immediately remove all personnel from the Properties. As for collateral on the Properties, FCW did not identify any item of collateral which was not present during the inspection on November 29, 2021.

On December 6, 2021, I signed a Subordination Stipulation with Farm Credit West, FCLA ("FCW"), which includes provisions stating that I am required to deliver "full possession" of the Properties and "other remaining collateral of FCW (*e.g.*, equipment and inventory)" to FCW as a precondition to certain terms of the stipulation.

On December 7, 2021, a letter agreement was transmitted to counsel for FCW regarding the Trustee's intention relating to the possession of the Properties. Subsequently, FCW requested that access to the Properties be transferred to FCW starting on December 9, 2021 at 1:00 p.m., and arrangements were made.

On December 9-10, 2021, my field agent Lori Ensley accompanied FCW's authorized representatives and a locksmith at the Properties, where all occupants or persons on the Properties were instructed to voluntarily leave, and full control of all access doors and gates was assumed by FCW as of 12:34 p.m. on December 10, 2021, with no current occupants at any Properties.

As defined in the Subordination Stipulation, "full possession" of the Properties has been delivered by me and control of the Properties has been assumed by FCW, subject to my ability and authority to retake possession and control of the Properties at any time. All personal property of Northern Holding, LLC located on the Properties at the time of transferring access to FCW's representative is now deemed delivered to FCW as other remaining collateral, subject to my ability to retake possession and control of any and all Estate property at any time. On the other hand, any personal property or assets which are not the property of the Estate (such as, for example, any personal effects of any prior occupant of the Properties or personal effects of any workers on the Properties) should be released to the possession of such persons upon request, except where FCW claims a valid, perfected security interest in such assets. FCW shall not unreasonably withhold access to the Properties solely for the purpose of allowing third parties to retrieve their personal effects from the Properties under supervision by FCW's designated representative(s) and/or the Trustee's representative, if necessary.

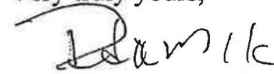
December 10, 2021
Page 3

All property located on the Properties as of 12:34 p.m. on December 10, 2021 is now deemed the management and financial responsibility of FCW, including any necessary and advisable measures to preserve, maintain, manage, and secure the real properties or personal property located thereon, subject to my authority to retake possession and control of the Properties at any time. This includes any preservation or maintenance requested by Anthony Riboli, whose purchase of the Live Oak Property benefits principally FCW. Mr. Riboli has been encouraged to directly contact FCW's representatives to discuss any property maintenance procedures which he requests or requires in order to proceed with his purchase of the Live Oak Property. No acts outside the ordinary course of business shall be permitted absent prior written notice to myself, with a copy to my counsel. As previously stated, no breach of the peace shall be caused by FCW's supervision of the Properties and no use of force is authorized on the Properties.

FCW agrees that Trustee, Trustee's real estate agents or designee, and field agent Lori Ensley or her designee shall have full, reasonable access to the Properties and a full set of keys, passcodes, and combinations. LeRoy Coddling and his business associates and affiliates are expressly forbidden from obtaining any method of access to the Properties except solely as necessary to retrieve any personal effects from the Properties under the supervision of either FCW or the Trustee's representatives. Trustee shall seek approval of this agreement concurrent with seeking approval of the Subordination Stipulation.

If you have any questions or concerns, please contact trustee's counsel Tinho Mang at 949-333-7777.

Very truly yours,



RICHARD A. MARSHACK
Chapter 7 Trustee

SO AGREED TO THE ABOVE – FCW ACKNOWLEDGES THAT FULL ACCESS (SUBJECT TO TRUSTEE'S ABILITY TO RETAKE POSSESSION AND CONTROL) HAS BEEN DELIVERED TO FCW IN ACCORDANCE WITH THE TERMS OF THE SUBORDINATION STIPULATION:

By:



KEVIN RALPH

Authorized Representative for Farm Credit West, FCLA

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
870 Roosevelt, Irvine, CA 92620

A true and correct copy of the foregoing document entitled: **CHAPTER 7 TRUSTEE'S MOTION TO APPROVE COMPROMISE AND SUBORDINATION AGREEMENT WITH FARM CREDIT WEST, FCLA, RE: DISTRIBUTION OF PROCEEDS FOR SALE OF REAL PROPERTY COLLATERAL, WAIVER OF SURCHARGE CLAIMS FOR CONSIDERATION; MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATION OF RICHARD A. MARSHACK IN SUPPORT; AND REQUEST FOR JUDICIAL NOTICE** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **December 20, 2021**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On **December 20, 2021**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

DEBTOR

NORTHERN HOLDING, LLC
ATTN: OFFICER, A MANAGING OR GENERAL AGENT,
OR TO ANY OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO RECEIVE SERVICE
13217 JAMBOREE RD #429
TUSTIN, CA 92782

U.S. TRUSTEE

UNITED STATES TRUSTEE (SA)
411 W FOURTH ST., SUITE 7160
SANTA ANA, CA 92701-4593

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL: Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **December 20, 2021**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

VIA PERSONAL DELIVERY

PRESIDING JUDGE'S COPY

HONORABLE MARK S. WALLACE
UNITED STATES BANKRUPTCY COURT, CENTRAL DISTRICT OF CALIFORNIA
RONALD REAGAN FEDERAL BUILDING AND COURTHOUSE
411 WEST FOURTH STREET, SUITE 6135 / COURTROOM 6C
SANTA ANA, CA 92701-4593

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

December 20, 2021
Date

Layla Buchanan
Printed Name

/s/ Layla Buchanan
Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): CONTINUED:

- **INTERESTED PARTY COURTESY NEF:** William H Brownstein Brownsteinlaw.bill@gmail.com
- **INTERESTED PARTY COURTESY NEF:** Steve Burnell sburnell@sulmeyerlaw.com, sburnell@ecf.courtdrive.com; sburnell@ecf.inforuptcy.com; mviramontes@sulmeyerlaw.com
- **ATTORNEY FOR U.S. TRUSTEE (SA):** Nancy S Goldenberg nancy.goldenberg@usdoj.gov
- **ATTORNEY FOR CREDITOR FARM CREDIT WEST, FLCA:** Michael J Gomez mgomez@frandzel.com, dmoore@frandzel.com
- **ATTORNEY FOR TRUSTEE RICHARD A MARSHACK (TR):** D Edward Hays ehays@marshackhays.com, ehays@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com; cmendoza@marshackhays.com; cmendoza@ecf.courtdrive.com
- **ATTORNEY FOR RESPONDENTS ERICH RUSSELL AND JOANNE RUSSELL:** Kari L Ley Ley1238@att.net
- **ATTORNEY FOR TRUSTEE RICHARD A MARSHACK (TR):** Tinho Mang tmang@marshackhays.com, tmang@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com; cmendoza@ecf.courtdrive.com
- **TRUSTEE RICHARD A MARSHACK (TR):** Richard A Marshack (TR) pkraus@marshackhays.com, rmarshack@iq7technology.com; ecf.alert+Marshack@titledxi.com
- **ATTORNEY FOR INTERESTED PARTY BANK DIRECT CAPITAL FINANCE:** Elissa Miller emiller@sulmeyerlaw.com, emillersk@ecf.inforuptcy.com; ccaldwell@sulmeyerlaw.com
- **ATTORNEY FOR DEBTOR NORTHERN HOLDING LLC:** Roksana D. Moradi-Brovia roksana@rhmfirm.com, matt@rhmfirm.com; janita@rhmfirm.com; susie@rhmfirm.com; max@rhmfirm.com; priscilla@rhmfirm.com; pardis@rhmfirm.com; russ@rhmfirm.com; rebecca@rhmfirm.com; david@rhmfirm.com; sloan@rhmfirm.com
- **ATTORNEY FOR CREDITOR ADLER BELMONT GROUP, INC.:** Paul F Ready tamara@farmerandready.com
- **ATTORNEY FOR DEBTOR NORTHERN HOLDING LLC:** Matthew D. Resnik matt@rhmfirm.com, roksana@rhmfirm.com; janita@rhmfirm.com; susie@rhmfirm.com; max@rhmfirm.com; priscilla@rhmfirm.com; pardis@rhmfirm.com; russ@rhmfirm.com; rebecca@rhmfirm.com; david@rhmfirm.com; sloan@rhmfirm.com
- **ATTORNEY FOR INTERESTED PARTY RIBOLI PASO ROBLES, LLC:** Victor A Sahn vsahn@sulmeyerlaw.com, pdillamar@sulmeyerlaw.com; pdillamar@ecf.inforuptcy.com; vsahn@ecf.inforuptcy.com; cblair@sulmeyerlaw.com; cblair@ecf.inforuptcy.com
- **ATTORNEY FOR TRUSTEE RICHARD A MARSHACK (TR):** Kristine A Thagard kthagard@marshackhays.com, kthagard@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com
- **UNITED STATES TRUSTEE (SA):** United States Trustee (SA) ustpregion16.sa.ecf@usdoj.gov
- **ATTORNEY FOR CREDITOR FARM CREDIT WEST, FLCA:** Reed S Waddell rwaddell@frandzel.com, sking@frandzel.com
- **ATTORNEY FOR CREDITOR FARM CREDIT WEST, FLCA:** Gerrick Warrington gwarrington@frandzel.com, sking@frandzel.com
- **INTERESTED PARTY COURTESY NEF:** David Wood dwood@marshackhays.com, dwood@ecf.courtdrive.com; lbuchananmh@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com

2. SERVED BY UNITED STATES MAIL: CONTINUED:

SECURED CREDITOR / POC ADDRESS

ELRICH RUSSELL
C/O KARI L. LEY, ATTORNEY AT
LAW
264 CLOVIS AVENUE, SUITE 208
CLOVIS, CA 93612

SECURED CREDITOR / POC ADDRESS

ERICH RUSSELL
2380 LIVE OAK ROAD
PASO ROBLES, CA 93446-9693

SECURED CREDITOR

FARM CREDIT WEST
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
3755 ATHERTON RD
11707 FAIR OAKS BLVD
ROCKLIN, CA 95765

**SECURED CREDITOR / POC
ADDRESS**

FARM CREDIT WEST, FLCA
C/O MICHAEL J. GOMEZ
FRANDZEL ROBINS BLOOM &
CSATO, L.C.
1000 WILSHIRE BOULEVARD,
19TH FLOOR
LOS ANGELES, CA 90017-2457

SECURED CREDITOR / POC ADDRESS

FARM CREDIT WEST, FLCA
ATTN: KEVIN E. RALPH
3755 ATHERTON DRIVE
ROCKLIN CA 95765-3701

**SECURED CREDITOR / POC
ADDRESS**

JAMES W. HAMILTON ACTTC
SAN LUIS OBISPO TAX COLLECTOR
1055 MONTEREY STREET
SUITE D-290
SAN LUIS OBISPO CA 93408-1003

SECURED CREDITOR

MORTGAGE LENDER SERVICES
AS AGENT
FARM CREDIT WEST, FLCA, AS
TRUSTEE
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
11707 FAIR OAKS BLVD
FAIR OAKS, CA 95628-2816