



ORDERED in the Southern District of Florida on June 14, 2011.

Raymond B. Ray, Judge
United States Bankruptcy Court

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
FORT LAUDERDALE DIVISION**

In re:

CASE NO. 11-15410-BKC-RBR

RIVER ISLAND FARMS, INC.,
a California corporation,

CHAPTER 11

Debtor.

**AGREED ORDER GRANTING DEBTOR'S MOTION TO
SELL REAL PROPERTY PURSUANT TO BANKRUPTCY CODE § 363
FREE AND CLEAR OF LIENS AND FOR USE OF CASH COLLATERAL**

This cause came on to be heard before the court on June 7, 2011 at 9:30 A.M. on the Debtor's motion for authority to sell real property pursuant to § 363 of the Bankruptcy Code and for use of the cash proceeds in accordance with a proposed budget (the "Motion") [ECF #38]. The court has reviewed the motion and been notified by counsel for Gibraltar Private Bank and Trust Company f/k/a Gibraltar Bank, FSB (Gibraltar), the only creditor of the Debtor who has filed an objection to the Motion, the United States Trustee and counsel for the Debtor that they have resolved the objection under the terms of this Agreed Order. Based on the statement read into the record, the consent of Gibraltar, the first lien holder on the subject property, the court finds that the terms of the sale are reasonable and in the best interest of the estate. Good cause appearing therein, it is

ORDERED:

1. The Motion is GRANTED, subject to the terms of this Agreed Order.
2. River Island Farms, Inc. (River Island) is authorized to sell the property described as 2521 Mercedes Drive, Ft. Lauderdale, FL for a purchase price of \$3,950,000.00 in accordance with the Purchase and Sale Agreement attached as Exhibit "A" to the Motion. The sale is authorized to the Buyer listed in the Purchase and Sale Agreement or their assigns. A legal description of the 2521 Mercedes Drive property is attached to this Agreed Order as Exhibit One" (the "Mercedes Property"). Ordinary and necessary expenses of the closing of the sale of the Mercedes Property, including brokers' commissions of \$237,000.00, closing attorney's fees of \$2,000.00, any transfer stamps, and real estate taxes, may be paid at closing from the sale proceeds and the balance of the sales proceeds (the "Net Sale Proceeds") shall be distributed at closing as provided in this Agreed Order.
3. The lien Gibraltar has upon the Mercedes Property shall be transferred to the Net Sale Proceeds which shall be immediately paid as follows: (a) \$2,443,000.00 to Gibraltar to pay the undisputed principal balance owed on Loan No. 21402348 (the "Mercedes Property Loan") plus \$82,645.53 to Gibraltar to pay the undisputed portion of accrued interest on the Mercedes Property Loan at the contract rate (6%) through June 7, 2011 plus interest at the rate of \$401.58904 per day from June 7, 2011 through the closing date; and (b) \$402,098.31 will be deposited in the Debtor's DIP account until further Order of Court and until a resolution concerning the amount of disputed default interest accrued through closing has been achieved.
4. Gibraltar and the debtor have further agreed that a portion of the funds received by the debtor in excess of the amount required to satisfy the mortgage debt owed Gibraltar shall be applied to the debtor's obligations with respect to the remaining real property owned by the debtor and subject to Gibraltar's first mortgage liens in an amount not to exceed \$250,000.00, of which such amount as may be required, estimated at \$136,285.08, to pay real estate taxes on the two (2) properties.
5. That agreement is approved by the court. The remaining funds shall then be retained by the debtor in the DIP account and disbursed only in accordance with the budget attached as Exhibit "Two" to this Agreed Order, as well as for the payment of any United States Trustee fees due. All disbursements, including the payments in paragraph 3 and 4, above, shall be shown on the Debtor's applicable Debtor in Possession Reports in the same detail as set forth

in the budget and this Order. Gibraltar does not waive its right to be paid default interest on its loans secured by the properties described on the Budget attached as Exhibit "Two" notwithstanding its acceptance of adequate protection payments at the contract rate of interest as set forth in the Budget. The Debtor and the United States Trustee reserve the right to object to Gibraltar's request for payment of default interest.

6. The Court reserves jurisdiction to determine the amount of default interest, if any, owed on the Mercedes Property Loan, the amount of \$422,191.70 in disputed Del Lago deficiency principal, if any, owed Gibraltar on the January 19, 2011 foreclosure judgment entered against the Debtor in Case No. 11-CA-000175(03), Broward County Circuit Court and any other obligations owed Gibraltar and payable from the Net Sale Proceeds, including fees, costs and charges allowed under Section 506 of the Bankruptcy Code. The United States Trustee reserves his right to be heard with respect to whether Gibraltar is entitled to default interest.

7. The debtor and Gibraltar shall execute such documents as are reasonably required to effect and consummate the sale.

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Submitted by:

Martin L. Sandler
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Copy furnished to attorney Sandler who shall serve a copy upon:
United States Trustee
Thomas Lehman, Esq., *attorney for Gibraltar*
Attorney for Creditor's Committee or, if none, 20 largest unsecured creditors.

EXHIBIT ONE

Lot 10, of Harbor Beach, Unit 4, according to the Plat thereof, recorded in Plat Book 35, Page 12, of the Public Records of Broward County, Florida. ("Mercedes Property")

EXHIBIT TWO

River Island Farms, Inc.
 Estimated Monthly Budget for remaining Properties covered by
 Gibraltar Bank Deed of Trust
 As of 5/4/11

<u>Description</u>	<u>2328 Aqua Vista</u>	<u>2001 SE St. Lucie</u>	<u>Total</u>
Gibraltar Adequate Protection Payments (Interest @ 6% per annum rate)	18,750	16,250	35,000
U.S. Trustee Fees*	550	550	1,100
Insurance	2,200	1,800	4,000
Maintenance (pool, landscape, misc. repairs)	1,000	1,000	2,000
Utilities (electricity, water, etc)	<u>1,200</u>	<u>600</u>	<u>1,800</u>
Monthly Subtotal	<u>23,700</u>	<u>20,200</u>	<u>43,900</u>

*Estimated quarterly amounts if amortized over three (3) months.

			Total
2010 Property Taxes ¹	102,884.22	33,400.86	<u>136,285.08</u>

¹One time payment. Total real estate taxes if paid during June 2011.