

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF IDAHO

In Re:	Case No. 18-40910 JMM
DOUBLE L FARMS, INC.,	Chapter 11
Debtor.	

**STIPULATED ORDER APPROVING USE OF CASH COLLATERAL**

This matter having come before the Court on Double L Farms, Inc.’s (the “Debtor”) *Motion for Use of Cash Collateral and Authority to Endorse Checks; and Notice of Intent to Offer Evidence and Testimony* (Dkt. No. 9), and the Court having held a number of preliminary hearings and granting interim approval thereon, with Robert J. Maynes of Maynes Taggart PLLC, having appeared for the Debtor; David H. Leigh, Esq. of Ray Quinney & Nebeker P.C. having appeared on behalf of Zions Bancorporation, N.A. dba Zions First National Bank (“Zions Bank”); Daniel Green, Esq. of Racine Olsen PLLC having appeared on behalf of Intermountain Farmers Association, and David W. Newman, Assistant U.S. Trustee also appeared and good cause appearing therefore:

IT IS HEREBY ORDERED THAT:

1. The Debtor is authorized to use cash collateral (as defined in Section 363(a) of the Bankruptcy Code) to the extent specified in this Stipulated Order Approving Use of Cash Collateral (the “Order”) for the period from January 1, 2019, through and including September 30, 2019, for the purposes and in the amounts set forth for that period in the Budget attached to this Order as Exhibit A (the “Budget”). All cash collateral, including all proceeds thereof, shall be deposited into the Debtor’s debtor-in-

possession accounts and properly accounted for in the Debtor's Monthly Operating Reports.

2. The Debtor may exceed the monthly amount for a particular line item expense noted in the Budget by not more than 10% so long as the total expenditures for all budgeted line items in a given month do not exceed the total budgeted expenses set forth in the Budget for that given month. Should Debtor spend less than the budgeted amount in any given month for any particular line item, the Debtor may, if necessary, spend those unspent amounts in the next subsequent month only and for the same line item only, and such expenditures will not be considered a violation of this Order.

3. ADEQUATE PROTECTION LIEN: In order to provide adequate protection for Debtor's use of cash collateral, creditors with pre-petition liens on Debtor's cash collateral shall have (a) a valid, binding, enforceable, and automatically perfected revolving post-petition adequate protection replacement lien on all presently existing or after-acquired post-petition assets of the Debtor of the same type or category in which such creditors held a pre-petition lien, but only to the same extent, value, priority and unavailability as existed in the Debtor's assets as of the petition date, and only to the extent of cash collateral actually used. The foregoing post-petition adequate protection replacement liens shall be deemed to be valid and perfected without the need for the execution, recording or filing of any further document or instrument or the taking of any further action otherwise required by non-bankruptcy law.

4. ADDITIONAL ADEQUATE PROTECTION LIEN: In addition to the adequate protection liens provided in Paragraph 3 above, Zion's Bank and Intermountain Farmers Association ("IFA"), subject to any avoidance action relating to any of the

asserted pre-petition liens against the Debtor, shall have an additional post-petition adequate protection replacement lien on the Debtor's real property commonly referred to as the Roberts Farm (consisting of approximately 1,595 acres) (the "Real Property") up to the amount of actual cash collateral actually used by the Debtor under this Order and any prior Order entered by the Court in the above-captioned chapter 11 case (the "Bankruptcy Case") authorizing the Debtor's use of cash collateral. The adequate protection liens against the Real Property granted herein shall be subject to all existing, senior liens on said Real Property. The adequate protection lien against the Real Property granted in favor of Zions Bank and IFA herein shall be of the same priority that existed between Zions Bank and IFA in the Debtor's other assets prior to the petition date. The adequate protection liens against the Real Property granted herein in favor of Zions Bank and IFA shall be deemed to be valid and perfected without the need for the execution, recording or filing of any further document or instrument including, but not limited to, the filing of any mortgage or trust deed, or the taking of any further action otherwise required by non-bankruptcy law. Notwithstanding the foregoing, Zions Bank and IFA are authorized, but not required, to file and/or record any document or instrument with the applicable filing authority reflecting the adequate protection liens granted herein including, but not limited to, the filing or recording against the Real Property of any notices including a copy of this Order, and the Debtor shall be, and hereby is, authorized and directed to cooperate with Zions Bank and IFA in the execution and recording of any such document or instrument. Furthermore, to the extent applicable, the automatic stay and any other stays or injunctions are hereby terminated on this limited basis to allow for the filing or recordation by Zions Bank and IFA.

5. To the extent the foregoing adequate protection liens are insufficient, the rights provided by Sections 503(b) and 507(b) of the Bankruptcy Code are hereby reserved.

6. Unless otherwise ordered by the Court after notice and a hearing, and except as anticipated in the attached Budget, as additional adequate protection, with respect to any fumigant, chemicals, fertilizer, supplies, feed, water, power, veterinary services, or other labor or services provided to the Debtor as part of its farming and dairy operations (collectively “Advances”) provided by any supplier (the “Suppliers”), the Debtor shall pay the Suppliers for such Advances no later than thirty (30) days after the same are invoiced, and shall otherwise keep the Debtor’s assets free and clear of liens and claims that could prime Zions Bank and IFA or otherwise place their post-petition adequate protection liens in a junior or inferior priority position,. Proof of such payments shall be provided to Zions Bank and IFA within five (5) days of request.

7. As additional adequate protection, the Debtor shall provide Zions Bank and IFA, with the monthly operating reports required by the U.S. Trustee’s Chapter 11 Guidelines, as and when due.

8. As additional adequate protection, upon the written request of Zions Bank or IFA, the Debtor shall provide proof of adequate insurance coverage for the collateral pledged to these creditors and the Debtor’s operations consistent with the U.S. Trustee’s Chapter 11 Guidelines. The Debtor also shall reasonably cooperate with Zions Bank and IFA in such inspections and appraisals of the Debtor’s assets as may be necessary and appropriate. Zions Bank and IFA shall provide the Debtor with at least five (5) business days’ advanced notice of any such inspections or appraisals and such inspection and/or

appraisal shall not be more frequent than quarterly, unless otherwise ordered by the Court.

9. Debtor also shall allow a person designated by Zions Bank and IFA reasonable and regular access to its books and records for the purpose of reviewing and copying the same and reasonable and regular access to the Debtor's managers, principals, officers, employees, management and accountants for the purpose of answering questions concerning the Debtor's operations, financial standing and/or records, including any questions regarding the Debtor's use of cash collateral and compliance with the terms of this Order. However, with respect to requests made to the accountant for the estate and unless otherwise ordered by the Court, such requests shall not be more frequent than quarterly.

10. Debtor's authorization to use cash collateral under this Order shall terminate on September 30, 2019, unless extended by further order of the Court. Provided, however, the terms and conditions of the adequate protection provided in this Order, including the post-petition liens granted herein, shall remain fully binding, valid and in full force and effect to extent of the cash collateral used by the Debtor during the term of this Order irrespective of whether:

a. A further order authorizing the continued use of Cash Collateral is entered or, if entered, is on different terms than this Order; or

b. The Bankruptcy Case is dismissed or converted to a bankruptcy case under a different chapter. The terms and conditions of this Order and the rights and adequate protection provided in this Order shall remain binding, valid and in full force and effect as to any successor bankruptcy trustee.

11. Nothing set forth in the this Order shall be construed or interpreted as a waiver or modification of any rights or arguments of the Debtor, Zions Bank, IFA, or any other creditors or parties-in-interest concerning any matters or issues regarding the allowance or treatment of any claims or interests in the Debtor's bankruptcy case or the treatment and payment of any such claims or interests in the Debtor's bankruptcy case, whether under a proposed Chapter 11 plan or otherwise, including the allowed amounts of such claims or interests or the appropriate pre- or post-confirmation interest rates allowed thereon. Further, nothing set forth in this Order shall be construed or interpreted as a waiver of any claims or causes of action arising under the Bankruptcy Code, or applicable non-bankruptcy law, between the Debtor and any interested party.

12. Notwithstanding the adequate protection payments noted in the Budget, no adequate protection payments shall be made absent a separate order of the Court.

13. Nothing set forth in this Order shall be construed or interpreted as a waiver or modification of any rights that Zions Bank, IFA, or any other creditors have or may assert against any non-debtor co-borrowers or guarantors.

14. Nothing set forth in this Order shall prevent or prejudice Zions Bank, IFA, or any other party in interest from requesting the Court, on an emergency basis, to terminate the Debtor's use of cash collateral, or from seeking any other relief including, without limitation, stay relief or dismissal or conversion of this case or appointment of an examiner or Chapter 11 trustee.

**15. This Court had previously required that the form of the orders approving interim use of cash collateral and grant of a post-petition lien be approved by the United States Trustee. The parties are not able to obtain the**

approval of the United States Trustee to the form of this order because of the reduced operations of the United States Trustee, which is due to the current impasse over obtaining the approval of a budget between the United States Congress and the President of the United States. This Court finds that the terms of this Order, acceptable to the other parties who have appeared, are consistent with prior orders authorizing interim use of cash collateral and grant of a post-petition lien. It further finds that the United States Trustee will not be able to appear at the final hearing currently scheduled for January 8, 2019 and thus there is no reason for further delay. Based on these two findings, the Court concludes that entering this order is not prejudicial to the United States Trustee. The entry of this Order, however, is without prejudice to the United States Trustee requesting a hearing regarding the terms of this Order, which request must be made within 14 days of the date its operations are no longer subject to a furlough due to lack of funding. The terms of this Order, however, are final and binding on all parties in interest, including the United States Trustee, from January 8, 2019 until a date set for hearing on any future objection raised by the United States Trustee.

16. The hearing currently set for January 8, 2019 is hereby VACATED.



DATED: January 7, 2019

A handwritten signature in black ink, appearing to read "J. M. Meier".

JOSEPH M. MEIER  
U. S. BANKRUPTCY JUDGE

The Court added paragraph 15 to this Order that was not contained in the Order submitted by the Debtor-in-Possession.

Submitted:  
Robert J. Maynes  
Maynes Taggart PLLC  
Debtor's Counsel

APPROVED AS TO FORM:  
OFFICE OF THE UNITED STATES TRUSTEE

**See Paragraph 15 above.**

By: \_\_\_\_\_  
David W. Newman,  
Assistant U.S. Trustee

APPROVED AS TO FORM AND CONTENT:  
RAY QUINNEY & NEBEKER, P.C.

BY: /s/ David H. Leigh (email & telephone approval 1/7/19)  
David H. Leigh, Esq.  
Attorneys for Zions Bancorporation, N.A.,  
dba Zions First National Bank

RACINE, OLSON, NYE & BUDGE, CHTD.

By: /s/ Daniel C. Green (email approval 1/7/19)  
Daniel C. Green, Esq. or  
Craig W. Christensen, Esq.  
Counsel for Intermountain  
Farmers Association







AP/Secured Debt - Equipment Loans	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
AP/Secured Debt - Roberts Farm Loan	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000

<b>TOTAL CASH DISBURSEMENTS</b>	118,679	131,804	264,999	305,868	152,893	131,093	123,168	131,893	115,893
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**TOTAL: 1,476,290.00**