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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
(Sacramento Division)

IN RE CASE NO. 93-25103-B-11

DANIEL H. RUSSELL, aka DAN RUSSELL, aka RUSSELL RANCHES,
MOTION CONTROL No.: CS-7

Debtors.
Date: November 2, 1993
Time: 10:00 a.m.
Dept: B

ORDER AUTHORIZING SALE OF REAL PROPERTY
FREE AND CLEAR OF LIENS AND OTHER INTERESTS

The Motion of Daniel H. Russell, aka Dan Russell, dba Russell Ranches, the debtor and debtor-in-possession in the above-captioned case (the "Debtor") for an Order Authorizing Sale of Real Property Free and Clear of Liens to Slagowski Ranches, Inc. (the "Motion"), came on for hearing on shortened time on November 2, 1993 before the Honorable David E. Russell, Judge, United States Bankruptcy Court. W. Austin Cooper, Esq. of Cooper & Smith appeared on behalf of the Debtor. Other appearances were made as noted on the record. Having considered the Motion and all other pleadings filed in support of and in opposition to the Motion, and oral argument presented at the hearing, and good cause appearing,

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IT IS HEREBY ORDERED as follows:

1. The sale of the real property owned by the Debtor, located in Eureka County, State of Nevada, commonly known as Knight Ranch, and also known as APN 06-090-02, 06-090-03-06-100-01, and 06-040-02 (the "Property") to Slagowski Ranches, Inc. (the "Purchaser") is authorized in accordance with the terms and conditions set forth in that certain Agreement of Purchase and Sale, a copy of which is attached as Exhibit "A" to the Motion (the "Agreement"), as conditioned by the terms of this Order.
2. Upon close of escrow, the Property shall become and hereby is deemed to be sold free and clear of all liens, encumbrances and other interests against the Property except items 1 through 7 and item 10 of that certain Preliminary Title Report Order No. EU46449 dated as of September 17, 1993 at 7:30 a.m. issued by Stewart Title of Northwestern Nevada dba Frontier Title Company (the "Preliminary Title Report").
3. The proceeds of the sale of the Property are authorized and directed to be disbursed by Frontier Title Company of Elko, Nevada ("Frontier") in the following order:
 - a. To pay the required closing costs and other escrow costs in accordance with the terms of the Agreement;
 - b. To pay the brokerage commission of \$10,200 to Alan L. Cain of Western Ranch Management and Realty pursuant to the terms of the employment contract between the Debtor and Alan Cain approved by this Court on or about October 12, 1993; and
 - c. To deposit the remaining funds via wire transfer directly to the interest-bearing, segregated, blocked account entitled Daniel H. or Roberta A. Russell, Debtor-in-Possession Account, Knight Ranch, Sales Proceeds, Account No. 001-070341, at Sacramento Commercial Bank, 525 "J" Street,

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Sacramento, California, 95814, not to be distributed until further order of the court.

4. Any valid liens against the Property, which have not been released, paid or expressly allowed to remain as a lien against the Property after sale, shall attach to the funds in their order of priority without prejudice to any claims or defenses which may be asserted by any party in interest.

5. The Debtor is authorized and directed to execute and deliver, or join in the execution and delivery of any and all documentation necessary to consummate the sale of the Property and the transfer of the grazing permits in accordance with all applicable laws and regulations governing said permits, to the Purchaser as set forth above, and the Debtor is further authorized to perform any other act that is necessary for the consummation of the sale described herein.

6. This Order shall in no way alter, perfect or otherwise modify the validity, enforceability or priority of any lien or encumbrance other than to substitute the net proceeds of the sale received for the Property pursuant to the authority conferred by this Order.

7. This Order is made without prejudice to any party-in-interest's rights to assert a claim against the fund described in paragraph 5, supra, or to challenge in any way the amount, enforceability, validity, priority or extent of any lien, encumbrance or other claim asserted by a claimant to said fund.

8. This Order is made without prejudice to the right of any party-in-interest to seek reimbursement or recovery from the funds, or from the recipient of any monies transferred from the funds,

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for administrative expenses for monies expended or costs or fees incurred on behalf of or for the benefit of the holders of liens or encumbrances whose liens and encumbrances are transferred to the proceeds of sale hereunder, or for any other purpose under Title 11, United States Code, as ordered by the court.

9. The court hereby retains jurisdiction for the purpose of expeditiously determining any action or proceeding in law or equity arising out of this order or the Agreement or otherwise arising out of the sale.

THE FOREGOING IS SO ORDERED

DAVID E. RUSSELL
 Dated: NOV 09 1993

DAVID E. RUSSELL, Judge
 U.S. Bankruptcy Court

This is to certify that this is a true and correct copy of the original thereof on file in the office of the Clerk, U.S. Bankruptcy Court.

RICHARD G. HEINZEL
 U.S. Bankruptcy Court
 By *[Signature]*
 Deputy Clerk

BOOK 256 PAGE 320
 OFFICIAL RECORDS
 RECORDED AT THE REQUEST OF
Howard G. Little
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EUREKA COUNTY, NEVADA
 M.M. REBALATI, RECORDER
 FILE NO. 147659
 FEE \$ 10.00

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