

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re
DEERFIELD RANCH WINERY, LLC,

Debtor.

Case No. 15-10150-AJ

Chapter 11

**ORDER ON NELSON MOTION FOR
ADEQUATE PROTECTION
PRODUCER'S LIEN**

Date: February 27, 2015
Time: 9:00 a.m.
Judge: Hon. Alan Jaroslovsky
Place: United States Bankruptcy Court
99 South "E" Street
Santa Rosa, CA 95404

At the above-captioned date and time, the Court held a hearing to consider the MOTION FOR ADEQUATE PROTECTION [Docket No. 23] (the "Nelson Motion"), filed on February 20, 2015, by Nelson and Sons, Inc. ("Nelson"). David N. Chandler Sr. of David N. Chandler, P.C. appeared on behalf of Nelson. Shane J. Moses of McNutt Law Group LLP appeared on behalf of Deerfield Ranch Winery, LLC (the "Debtor"), the debtor and debtor-in-possession in the above-captioned chapter 11 reorganization case. Nicolas De Lancie of Jeffer Mangels Butler & Mitchell LLP appeared on behalf of secured lender Rabobank N.A ("Rabobank"). Other appearances were as noted on the record.

On the record at the hearing, Nelson, the Debtor, and Rabobank, through their respective

1 counsel, stipulated to the terms of relief to be granted on the Nelson Motion.

2 The Court, having reviewed the audio recording of the hearing and the stipulation of the
3 parties made on the record, hereby ORDERS as follows:

4 1. The agricultural product collateral provided by Nelson to the Debtor shall be
5 segregated by the Debtor, meaning that the Debtor shall be able to clearly identify the location of
6 such collateral to Nelson.

7 2. The Debtor shall be free to engage in its ordinary winemaking process using the
8 Nelson agricultural product collateral, including blending and bottling.

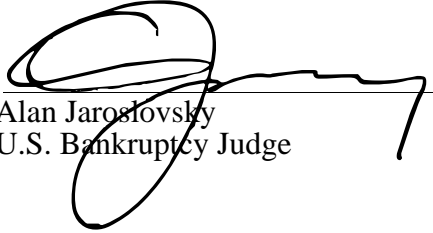
9 3. The Debtor shall provide to Nelson an accounting of the Nelson agricultural
10 product collateral following entry of this order. The Debtor shall further provide an accounting on
11 any change in status of the collateral, meaning blending or bottling of the collateral.

12 4. The Debtor shall keep the Nelson agricultural product collateral free of any senior
13 liens, including warehouse liens.

14 5. The Debtor shall be free to sell the Nelson agricultural product collateral in the
15 ordinary course of business, provided that the Nelson lien shall attach and be preserved in the
16 proceeds, to the extent of Nelson's product in the wine subject to the Nelson lien that is sold. The
17 Debtor shall segregate all of the proceeds from sale of any Nelson agricultural product collateral.
18 In the alternative to segregating proceeds from sale of the Nelson agricultural product collateral,
19 the Debtor is authorized to pay such proceeds to Nelson, with any such payments to be applied to
20 the balance of the Nelson secured claim.

21 6. Any dispute over the extent of the Nelson lien shall be resolved in an adversary
22 proceeding pursuant to Rule 7001(2) of the Federal Rules of Bankruptcy Procedure.

23
24 DATED: March 25, 2015

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26 Alan Jaroslovsky
27 U.S. Bankruptcy Judge
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