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UNITED STATES BANKRUPTCY COURT  
Northern District of Florida  
Panama City Division

IN RE: Renata Resort, Bankruptcy Case No. 06-50114LMK  
L.L.C. fdba Sunset Pier  
Resort, L.L.C., fdba The  
Sunset Pier Resort, Chapter 11  
L.L.C., Debtor. Judge: Lewis M. Killian, Jr.

\* \* \*

The following pages constitute the hearing in the above-styled cause which commenced on the 30th day of June, 2006, before the Hon. Lewis M. Killian, Federal Courthouse, Panama City, Florida. Taken before Floie Lynn Sexton, a Notary Public in and for the State of Florida at Large.



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**APPEARANCES:**

**FOR THE DEBTOR:**

John E. Venn, Jr., Esq.  
220 W. Garden Street Suite 603  
Pensacola, FL 32501-5732

**FOR EQUITY HOLDERS AND SPECIAL COUNSEL FOR THE DEBTOR:**

John M. Duck, Esq.  
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**FOR THE U.S. TRUSTEE:**

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Tallahassee, FL 32301-7750

**FOR NEXT BANK:**

Brian G. Rich, Esq.  
Berger Singerman  
315 South Calhoun Street  
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Tallahassee, FL 32301

**FOR SYLVIA HARRISON, CREDITOR:**

Jim Donahue, Esq.  
and  
Clay Crevasse, Esq.  
P.O. Box 391  
Tallahassee, FL 32302-0391

**FOR SECURED CREDITOR, EARL DURDEN:**

Louis L. Long, Jr., Esq.  
Chesser and Barr  
1201 Eglin Parkway  
Shalimar, FL 32579-4211

1 (EXCERPT)

2 \* \* \*

3 THE COURT: Okay. Well, this is an extremely  
4 complex situation that is fraught with uncertainties and  
5 really a mine field of downside given the current state of  
6 the real estate that we're all pretty much aware of, that  
7 it's uncertain and the market is pretty soft these days. And  
8 the, having the proposed buyer with nothing to, very little  
9 to really hold his feet to the fire, gives an opportunity,  
10 but also not a guarantee. The existence of the DIP  
11 financing, as proposed, does greatly enhance the possibility  
12 or the probability of that sale either being closed on a, on  
13 terms favorable to everyone involved in this estate  
14 including Ms. Harrison to the, if and to the extent that she  
15 prevails on obtaining an interest in this estate. But the  
16 DIP financing that's proposed does offer a means to develop  
17 this property if the sale doesn't go through. It appears to  
18 be the only game, as Mr. Donahue observed, it's really the  
19 only game in town. There's no evidence been presented that  
20 the deal that Mr. Krasoff has put together with an,  
21 obviously, a tremendous amount of work, and I'm impressed by  
22 the diligence and his qualifications. And I'm convinced  
23 that this deal is in the best interest of the estate, that  
24 the, no other financing is available on, really, on any  
25 terms that could provide a return to this estate. So I find

1 that the Debtor has met its burden of proving that the terms  
2 of this agreement do meet all the requirements of Section  
3 363, and the financing will be approved.

4 MR. VENN: 364, Judge?

5 THE COURT: 364, I'm sorry, yeah.

6 MR. VENN: We have a proposed, I'll submit it to  
7 counsel and then mail it to you.

8 THE COURT: Okay, okay, great. Okay, thank you.

9 MR. EDWARDS: If I understand it, Your Honor,  
10 before Mr. Venn concludes and before the Court leaves, there  
11 is a timing element with the order, of course, because of  
12 the July 15th date so the order needs to be entered early  
13 enough to become final before July 15th, so there's a timing  
14 element with that, I just want to make sure --

15 MR. VENN: We'll submit it --

16 MR. EDWARDS: -- there's not an undue delay in  
17 submission of the order to the Court.

18 MR. VENN: -- to Mr. Donahue today.

19 THE COURT: Okay.

20 MR. VENN: I think Mr. Edwards has already  
21 reviewed it.

22 THE COURT: Our e-mail is open all weekend.

23 MR. EDWARDS: And finally, Your Honor, there was  
24 an issue the United States Trustee raised with regard to the  
25 employment of Shirron, an order that was already entered,

1 and we'd asked that the indemnification provisions in the  
2 agreement for employment be taken out, and Mr. Venn has  
3 agreed to that, and we'll submit to Your Honor within the  
4 next several days, an amended order to address our concern  
5 with that.

6 MR. VENN: Mr. Krasoff has agreed to the amended  
7 order.

8 MR. LONG: One more thing, Your Honor. Mr. Venn  
9 indicated that they had made some changes to the order  
10 approving the sale, and I don't know, I'd like to see that  
11 before --

12 MR. VENN: -- and as soon as we leave here, I'm  
13 going to it show to everybody.

14 THE COURT: Okay. Thank you.

15 NOTHING FURTHER.

16 (Concluded at 12:21 P.M.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA

COUNTY OF BAY

I, Floie Lynn Sexton, a Court Reporter and Notary Public in and for the State of Florida at Large:

DO HEREBY CERTIFY that the foregoing excerpt from hearing was taken before me at the time and place therein designated; that before testimony was taken the witness was duly sworn; that the excerpt from hearing was taken stenographically and tape recorded, and thereafter reduced to typewriting; and the foregoing pages numbered three (3) through five (5) are true and correct to the best of my ability.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor a relative or employee of such attorney or counsel, nor financially interested in the foregoing action.

WITNESS my hand and official seal this 9th day of November, 2006.

*Floie Lynn Sexton*

Floie Lynn Sexton  
Notary Public - State of Florida  
My Commission No. DD337205  
Expires: September 6, 2008

