

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
NEW ALBANY DIVISION

IN RE:) Chapter 11
)
EASTERN LIVESTOCK CO., LLC,) Case No. 10-93904-BHL-11
)
Debtor.) Hon. Basil H. Lorch III

**MOTION FOR ORDER APPROVING LEASE BY AND BETWEEN
TRUSTEE AND REPUBLIC BANK & TRUST COMPANY**

James M. Knauer, chapter 11 trustee ("Trustee") in the above-captioned case ("Chapter 11 Case"), seeks the entry of an order, pursuant to section 363 of title 11 of the United States Code (the "Bankruptcy Code") approving the Trustee's execution of the lease ("Lease") attached hereto as Exhibit A. In support of the motion (the "Motion"), the Trustee respectfully represents as follows:

1. Republic Bank & Trust Company ("Republic") filed a motion [Dock. No. 60] on December 13, 2010 seeking relief from the automatic stay and abandonment of the real estate commonly known as 135 West Market Street, New Albany, Indiana 47150 (the "Real Estate"). Prior to the Chapter 11 Case, Eastern Livestock Co., LLC ("Debtor") utilized the Real Estate as its headquarters, and the building located on the Real Estate still houses substantially all of Debtor's currently available books and records. These books and records are primarily in paper form and occupy both stories of the building.

2. Republic and the Trustee reached an agreement in January 2011 that resolved Republic's stay relief motion and allowed the Trustee to occupy the Real Estate through and including July 29, 2011 while Republic prosecuted a state court foreclosure action. (*See* Dock. No. 260). On July 21, 2011, Republic purchased the Real Estate at sheriff's sale.

3. Because the Trustee desires to continue in possession of the Real Estate in order to avoid the substantial cost of moving Debtor's books and records to an alternate location, the Trustee and Republic have negotiated the Lease according to their respective business judgment. The Lease is the product of good-faith, arms-length negotiations.

4. The Trustee believes that the terms of the Lease are reasonable under the circumstances and that the estate's obligations under the Lease are less than would be incurred in transferring and maintaining Debtor's books and records at an alternate location. The Trustee has retained the services of some of Debtor's prepetition employees, all of whom are located in New Albany and are working out of the offices located on the Real Estate. Requiring the Trustee to relocate the Debtor's books and records at this time would interrupt work at a critical juncture in this Chapter 11 Case.

5. Because the Lease is only a month-to-month lease for a monthly rental fee of \$7,500, the Trustee could later relocate should the efficiencies of the Chapter 11 Case dictate. The terms and conditions of the Lease represent a sound exercise of the Trustee's business judgment.

6. Fifth Third Bank, N.A. ("Fifth Third") asserts a security interest in Debtor's cash and cash equivalents which would be used to fund the Trustee's obligations under the Lease. Fifth Third authorized the Trustee to represent that Fifth Third consents to the use of its cash collateral to fund payments under the Lease. The Trustee therefore respectfully requests that the Court enter an order approving the Trustee's execution of the Lease pursuant to section 363(c) of the Bankruptcy Code and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure.

WHEREFORE, the Trustee respectfully requests that the Court enter an order approving the Trustee's execution of the Lease and granting such other and further relief as this Court deems just.

Respectfully submitted,

BAKER & DANIELS, LLP

By: /s/ Dustin R. DeNeal

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CERTIFICATE OF SERVICE

I hereby certify that on August 11, 2011, a copy of the foregoing pleading was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

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I further certify that on August 11, 2011, a copy of the foregoing pleading was served via electronic mail transmission on the following:

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