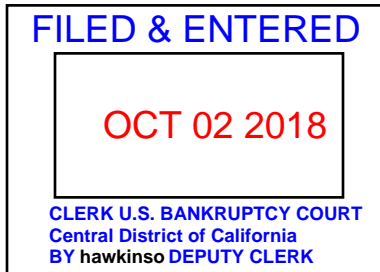


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ANGLIN FLEWELLING RASMUSSEN CAMPBELL & TRYTTEN LLP

12 **UNITED STATES BANKRUPTCY COURT**

13 **CENTRAL DISTRICT OF CALIFORNIA – RIVERSIDE DIVISION**

14 In re
15 FOSTER ENTERPRISES, a California general
partnership,
16 Debtor.

Lead Case No.: 6:17-bk-15749-SC

Chapter 11

Jointly Administered with:

Case No.: 6:17-bk-15915-SC

18 In re
19 HOWARD DEAN FOSTER and ANNA MAE
FOSTER,
20 Debtors.

**ORDER GRANTING DEBTORS’
MOTION FOR ORDER AUTHORIZING
THE USE OF CASH COLLATERAL
THROUGH JANUARY 31, 2019, AND
GRANTING REPLACEMENT LIENS TO
LIENHOLDERS**

- 22 Affects All Debtors
23 Affects FOSTER ENTERPRISES, a
California general partnership
24 Affects HOWARD DEAN FOSTER and
25 ANNA MAE FOSTER

Date: September 18, 2018
Time: 1:30 p.m.
Place: 3420 Twelfth Street
Video Hearing Room 126
Riverside, California 92501

Alternative Location
411 West Fourth Street
Courtroom 5C
Santa Ana, California 92701

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1 On August 28, 2018, Foster Enterprises, a California general partnership (“Foster
2 Enterprises”), and Howard and Anna Foster (the “Foster Individuals,” and with Foster
3 Enterprises, the “Debtors”), the debtors and debtors in possession in the above-captioned
4 chapter 11 cases, filed a motion, at docket no. 338, for entry of an order (1) authorizing the use
5 of cash collateral, as that term is defined in § 363 of title 11 of the United States Code (the
6 “Bankruptcy Code”) (“Cash Collateral”), of Allstar Financial Services, Inc. (“Allstar”), New
7 Lakeview Farms, LLC, and the United States of America (the “United States”), on behalf of its
8 agency, the Internal Revenue Service (collectively, the “Lienholders”), and (2) granting, as
9 adequate protection, replacement liens to the Lienholders (the “Motion”). No opposition to the
10 Motion was timely filed.

11 The Court having considered the Motion and good cause appearing therefor,

12 **IT IS HEREBY ORDERED** that

- 13 1. The Motion is granted as provided herein.
- 14 2. Subject to the terms and conditions provided herein, the Debtors are authorized to
15 use Cash Collateral through, and including, **January 31, 2019**.
- 16 3. The Debtors may use Cash Collateral pursuant to and in accordance with this
17 Order and the budgets attached as **Exhibit 2** to the Motion (the “Budgets”) in all respects,
18 including, without limitation, the weekly expenditures set forth in each line item thereof;
19 provided, however, that the Debtors shall be permitted to (1) carry over any amounts not
20 expended for a particular line item in any week to succeeding weeks, (2) expend up to 15.0%
21 more than the amounts set forth in a particular line item for a specific week in such week, and
22 (3) expend over 15.0% more than the amounts set forth in a particular line item for a specific
23 week in such week so long as the aggregate expenditures during the period covered by this Order
24 do not exceed the total shown on the Budgets for such period by more than 15.0%.
- 25 4. As adequate protection for any postpetition diminution in value of the
26 Lienholders’ interests in Cash Collateral (the “Diminution in Value”), the Lienholders are
27 granted replacement liens (1) to the same extent, validity, and priority as such Lienholder’s
28 respective prepetition liens, (2) to the extent of any Diminution in Value with respect to such

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1 Lienholder, and (3) to the extent of the Debtors' use of such Lienholder's respective Cash
2 Collateral against, in, or upon all property and assets of the Debtors and all proceeds, offspring,
3 rents, and profits thereof, including any after-acquired property of any nature whatsoever (the
4 "Replacement Liens"); provided, however, that (1) the Replacement Liens shall not extend to
5 any causes of action under § 502, 544, 545, 547, 548, 549, 550, 551, or 553 of the Bankruptcy
6 Code or any other avoidance actions under the Bankruptcy Code (collectively, the "Avoidance
7 Actions"), or the proceeds thereof or the property or cash recovered pursuant to any Avoidance
8 Actions, and (2) the Replacement Liens are granted subject to any determination by the Court
9 that the applicable Lienholder's respective prepetition lien is invalid or nonexistent (in which
10 case, the Replacement Lien provided to such Lienholder will be deemed eliminated).

11 5. The Replacement Liens shall be valid, perfected, enforceable, and effective as of
12 the entry of this Order without the necessity of execution, filing, or recordation of any financing
13 statements, security agreements, deeds of trust, notices, or other documents, and the
14 Replacement Liens shall be subject only to any non-avoidable, valid, enforceable, and perfected
15 liens or security interests on or in the Debtors' assets and property, which existed as of the date
16 of entry of this Order.

17 6. As further adequate protection to Allstar and the United States for any Diminution
18 of Value, the Debtors shall make the following monthly adequate protection payments to such
19 Lienholders (the "Adequate Protection Payments"): (1) the Foster Individuals shall make
20 Adequate Protection Payments to Allstar in the amount of **\$13,000**, (2) Foster Enterprises shall
21 make Adequate Protection Payments to the United States in the amount of **\$4,500**, and (3) the
22 Foster Individuals shall make Adequate Protection Payments to the United States in the amount
23 of **\$4,500**. The Adequate Protection Payments shall be due on (1) October 15, 2018,
24 (2) November 15, 2018, (3) December 15, 2018, and (4) January 15, 2019.

25 a. All Adequate Protection Payments made to Allstar shall be in certified
26 funds, made payable to "Allstar Financial Services, Inc.," state on the memo line "Foster
27 Individuals, 6:17-bk-15915-SC," and be mailed by Federal Express or such other delivery
28 method with tracking to the following address:

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Allstar Financial Services, Inc.
Attn: Mr. Al Haberstroh
20700 Ventura Boulevard, Suite 222
Woodland Hills, California 91364

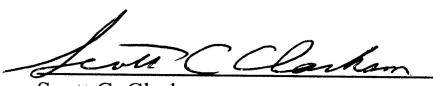
b. All Adequate Protection Payments made to the United States shall be in certified funds, made payable to the “United States Treasury,” state on the memo line “Foster Enterprises, 6:17-bk-15749-SC,” and be mailed by Federal Express or such other delivery method with tracking to the following address:

U.S. Attorney’s Office
Attn: Jolene Tanner, Tax Division
300 N. Los Angeles Street, Suite 7516
Los Angeles, California 90012

7. This Court retains jurisdiction over any and all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

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Date: October 2, 2018


Scott C. Clarkson
United States Bankruptcy Judge