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7 [Proposed] Attorney for
8 Debtors in Possession

9
10 **UNITED STATES BANKRUPTCY COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA, NORTHERN DIVISION**
12

13 In re
14 Off the Grid, LLC,
15 Debtor.

Case No.: 9:18-bk-11352 DS
Chapter 11

Jointly Administered With:
Case No.: 9:18-bk-11353 DS
Case No.: 9:18-bk-11354 DS

16 In re
17 Centrally Grown Holdings, LLC,
18 Red Mountain Farms, LLC,
19 Debtors.

**MOTION TO APPROVE STIPULATION RE
USE OF CASH COLLATERAL**

- 20 Affects All Debtors
- 21 Affects Off the Grid, LLC
- 22 Affects Centrally Grown Holdings, LLC
- 23 Affects Red Mountain Farms, LLC,

Date: To Be Set
Time: To Be Set
Place: Courtroom 201; Judge Saltzman
U.S. Bankruptcy Court
1415 State Street, 2nd Floor
Santa Barbara, CA 93101

24 Off the Grid, LLC (“OTG”) and Centrally Grown Holdings, LLC (“CGH”), both debtors
25 in possession (collectively referred to as “Debtors”), hereby move for approval of the stipulation
26 attached hereto as Exhibit A regarding use of cash collateral [also separately filed as ECF # 79].

27 Debtors’ motion is based on the following:

- 28 1. The Debtors filed their chapter 11 cases on August 17, 2018. The Debtors continue
to manage the chapter 11 estates as debtors in possession. The estates are jointly administered
pursuant to the Court’s order entered September 11, 2018 [ECF # 31].

1 2. The Debtors are two California Limited Liability Companies which are primarily
2 owned by Dave G. Robertson. The Debtors are the record owner of the real property located at
3 2220 Noel Way, San Simeon, California (the “2220 Noel Property”) and the real property
4 commonly known as 7432 Exotic Garden Drive, Cambria, CA 93428 (“the Exotic Garden
5 Property”).

6 3. The 2220 Noel Property is a 3,200 square foot five bedroom, four bathroom house
7 on an approximate 132 acre parcel with views of the Pacific Ocean and San Simeon Valley. The
8 Debtor operates the 2220 Noel Property as a vacation rental and the property is currently listed on
9 the internet and other rental agencies (such as, AIRBnB, and VRBO) in order to rent the estate for
10 daily/weekly use. The Debtor also rents the property as a wedding venue, and for luxury camping
11 “Glamping” for patrons during the summer months.

12 4. The Exotic Garden Property contains a restaurant which the Debtor leases,
13 generating income.

14 5. Secured lienholders are: John S. Keese or Pamela L. Keese, Trustees of The John
15 S. Keese Family Trust Dated May 22, 2002 as to an undivided 50.980392% interest; Philip E.
16 Guldeman and Candace F. Guldeman, Trustees of The Guldeman Family Trust Dated December
17 31, 2003 as to an undivided 14.901961% interest; Philip E. Guldeman or Candace F. Guldeman,
18 Trustees of The Paradise Real Estate Solo 401(K) Trust F.B.O. Philip E. Guldeman as to an
19 undivided 4.705882% interest; Larry Ronald Schmidt and Victoria Ann Schmidt Husband and
20 Wife as community property as to an undivided 12.352941% interest; Paul C. Bunker and Diana
21 G. Bunker, as Trustees of The Bunker Family Trust Dated November 6, 2013 as to an undivided
22 9.803922% interest; Christopher A. Connors and Sharon D. Connors, Trustees of The Connors
23 Revocable Trust Dated December 17, 1997 as to an undivided 5.882353% interest; Barry
24 Purchase, a married man as his sole and separate property as to an undivided 1.372549% interest
25 (together, collectively the “Lender”). The Lender is the holder of a note and beneficiary of a Deed
26 of Trust and assignment of rents secured by the 2220 Noel Property and a Deed of Trust secured
27 by the Exotic Garden Property. Lender’s obligations are serviced by San Luis Financial, Inc.
28 (together the “Secured Creditor”).

1 6. The Lender holds a first position deed of trust on the 2220 Noel Property and the
2 Exotic Garden Property, in the original principal amount of \$2,550,000 (the “Deed of Trust”).
3 This debt is secured by, Assignments of Rents, and are cross-collateralized against the 2220 Noel
4 Property, and the Exotic Garden Property which was recorded in the Official Records of the San
5 Luis Obispo County Recorder’s Office on April 28, 2016, as Records No. 2016018920.

6 7. The proceeds received by the Debtors from the 2220 Noel Property and the Exotic
7 Garden Property are Cash Collateral as defined by 11 U.S.C. Section 363(a). As defined in this
8 Stipulation, the term “Cash Collateral” includes all monies received by the Debtors from the
9 operation of the 2220 Noel Property and the Exotic Garden Property.

10 8. Debtors agree that the proceeds are the cash collateral of Lender. Debtor further
11 agrees that the Assignment of Rents clause is deemed to be fully perfected without further action
12 necessary by Lender. Debtor contends that Lender is oversecured by the cross-collateralization
13 between the two real properties and that the equity cushion alone provides adequate protection for
14 purposes of 11 U.S.C. § 361.

15 9. The Debtors contend that they must use the Lender’s cash collateral to continue to
16 manage and operate the 2220 Noel Property and the Exotic Garden Property and preserve its
17 estates. Debtor further contends that without the use of Lender’s cash collateral, Debtor will be
18 unable to operate, manage or preserve the 2220 Noel Property and the Exotic Garden Property.

19 10. Based thereon, the stipulation authorizes the use of cash collateral pursuant to the
20 Budgets attached to the stipulation as Exhibit A.

21 11. The stipulation is consistent with the requirements of 11 U.S.C. § 363(c) and is a
22 reasonable exercise of the Debtors’ business judgment and does not compromise the rights of
23 either party. Per Local Form 4001-2 attached hereto, the stipulation contains no objectionable
24 terms.

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1 *Wherefore*, the Debtors respectfully requests that the Court approve the stipulation
2 attached hereto as Exhibit A and grant such other and further relief as is just and proper under the
3 circumstances.

4 Dated: October 9, 2018

Respectfully submitted,

Lewis R. Landau
Attorney at Law

By: /s/ Lewis R. Landau
Lewis R. Landau
[Proposed] Attorney for Debtors

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DECLARATION OF DAVID ROBERTSON

I, David Robertson, do hereby declare:

1. I am the managing member of Off the Grid, LLC (“OTG”) and Centrally Grown Holdings, LLC (“CGH”), Debtors in Possession in the above captioned Chapter 11 case (OTG and CGH collectively “Debtors”). The Debtors filed voluntary chapter 11 petitions on August 17, 2018. Per order entered September 11, 2018 [ECF # 31], the Debtor’s cases are jointly administered with OTG as the lead case.

2. The Debtors are two California Limited Liability Companies which are primarily owned by me. The Debtors are the record owner of the real property located at 2220 Noel Way, San Simeon, California (the “2220 Noel Property”) and the real property commonly known as 7432 Exotic Garden Drive, Cambria, CA 93428 (“the Exotic Garden Property”).

3. The 2220 Noel Property is a 3,200 square foot five bedroom, four bathroom house on an approximate 132 acre parcel with views of the Pacific Ocean and San Simeon Valley. The Debtor operates the 2220 Noel Property as a vacation rental and the property is currently listed on the internet and other rental agencies (such as, AIRBnB, and VRBO) in order to rent the estate for daily/weekly use. The Debtor also rents the property as a wedding venue, and for luxury camping “Glamping” for patrons during the summer months.

4. The Exotic Garden Property contains a restaurant which the Debtor leases, generating income.

5. Secured lienholders are: John S. Keese or Pamela L. Keese, Trustees of The John S. Keese Family Trust Dated May 22, 2002 as to an undivided 50.980392% interest; Philip E. Guldeman and Candace F. Guldeman, Trustees of The Guldeman Family Trust Dated December 31, 2003 as to an undivided 14.901961% interest; Philip E. Guldeman or Candace F. Guldeman, Trustees of The Paradise Real Estate Solo 401(K) Trust F.B.O. Philip E. Guldeman as to an undivided 4.705882% interest; Larry Ronald Schmidt and Victoria Ann Schmidt Husband and Wife as community property as to an undivided 12.352941% interest; Paul C. Bunker and Diana G. Bunker, as Trustees of The Bunker Family Trust Dated November 6, 2013 as to an undivided 9.803922% interest; Christopher A. Connors and Sharon D. Connors, Trustees of The Connors

1 Revocable Trust Dated December 17, 1997 as to an undivided 5.882353% interest; Barry
2 Purchase, a married man as his sole and separate property as to an undivided 1.372549% interest
3 (together, collectively the “Lender”). The Lender is the holder of a note and beneficiary of a Deed
4 of Trust and assignment of rents secured by the 2220 Noel Property and a Deed of Trust secured
5 by the Exotic Garden Property. Lender’s obligations are serviced by San Luis Financial, Inc.
6 (together the “Secured Creditor”).

7 6. The Lender holds a first position deed of trust on the 2220 Noel Property and the
8 Exotic Garden Property, in the original principal amount of \$2,550,000 (the “Deed of Trust”).
9 This debt is secured by, Assignments of Rents, and are cross-collateralized against the 2220 Noel
10 Property, and the Exotic Garden Property which was recorded in the Official Records of the San
11 Luis Obispo County Recorder’s Office on April 28, 2016, as Recorders No. 2016018920.

12 7. The proceeds received by the Debtors from the 2220 Noel Property and the Exotic
13 Garden Property are Cash Collateral as defined by 11 U.S.C. Section 363(a). As defined in this
14 Stipulation, the term “Cash Collateral” includes all monies received by the Debtors from the
15 operation of the 2220 Noel Property and the Exotic Garden Property.

16 8. Debtors agree that the proceeds are the cash collateral of Lender. Debtor further
17 agrees that the Assignment of Rents clause is deemed to be fully perfected without further action
18 necessary by Lender. Debtor contends that Lender is oversecured by the cross-collateralization
19 between the two real properties and that the equity cushion alone provides adequate protection for
20 purposes of 11 U.S.C. § 361.

21 9. The Debtors contend that they must use the Lender’s cash collateral to continue to
22 manage and operate the 2220 Noel Property and the Exotic Garden Property and preserve its
23 estates. Debtor further contends that without the use of Lender’s cash collateral, Debtor will be
24 unable to operate, manage or preserve the 2220 Noel Property and the Exotic Garden Property.

25 10. Based thereon, the stipulation authorizes the use of cash collateral pursuant to the
26 Budgets attached to the stipulation as Exhibit A. The Budgets were prepared at my direction and I
27 believe that the budgets attached to the cash collateral stipulation are feasible and achievable and
28 that Debtors can pay their basic post-petition expenses based on those budgets.

1 I declare under penalty of perjury under the laws of the United States of America that the
2 foregoing is true and correct to the best of my knowledge, information and belief.

3 Executed this 9th day of October 2018 at Los Angeles, California.

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David Robertson

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address Lewis R. Landau (CA Bar No. 143391) Attorney-at-Law 22287 Mulholland Hwy., # 318 Calabasas, CA 91302 Voice and Fax: (888)822-4340 Email: Lew@Landaunet.com	FOR COURT USE ONLY
<input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Debtors in Possession	

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - NORTHERN DIVISION**

In re: Off the Grid, LLC, and Centrally Grown Holdings, LLC, [9:18-bk-11353 DS] Red Mountain Farms, LLC, [9:18-bk-11354 DS]	CASE NO.: 9:18-bk-11352 DS CHAPTER: 11
Affects: X Off the Grid, LLC X Centrally Grown Holdings, LLC	STATEMENT REGARDING CASH COLLATERAL OR DEBTOR IN POSSESSION FINANCING [FRBP 4001; LBR 4001-2]
Debtor(s).	DATE: TIME: COURTROOM: ADDRESS:

Secured party(ies): San Luis Financial, Inc.

The Debtor has requested the approval of either (1) a motion for use of cash collateral, or postpetition financing, or both, or (2) through a separately-filed motion, a stipulation providing for the use of cash collateral, or postpetition financing, or both. The proposed form of order on the motion or the stipulation contains the following provisions or findings of fact:

Disclosures Tracking FRBP 4001(c)(1)(B)(i) through (xi) and (d)(1)(B)	Page No.:	Line No. (if applicable)
<input type="checkbox"/> (i): “[A] grant of priority or a lien on property of the estate under § 364(c) or (d)”		
<input type="checkbox"/> (ii): “[T]he providing of adequate protection or priority for a claim that arose before the commencement of the case, including the granting of a lien on property of the estate to secure the claim, or the use of property of the estate or credit obtained under § 364 to make cash payments on account of the claim” <ul style="list-style-type: none"> <input type="checkbox"/> Cross-collateralization, <i>i.e.</i>, clauses that secure prepetition debt by postpetition assets in which the secured party would not otherwise have a security interest by virtue of its prepetition security agreement or applicable law <input type="checkbox"/> Roll-up, <i>i.e.</i>, provisions deeming prepetition debt to be postpetition debt or using postpetition loans from a prepetition secured party to pay part or all of that secured party’s prepetition debt, other than as provided in § 552(b) 		

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

<i>Continued from page 1</i>		
<input type="checkbox"/> Grant a replacement lien in an amount in excess of the dollar amount of the lien on cash collateral as of the petition date		
<input type="checkbox"/> (iii): “[A] determination of the validity, enforceability, priority, or amount of a claim that arose before the commencement of the case, or of any lien securing the claim”		
<input type="checkbox"/> (iv): “[A] waiver or modification of Code provisions or applicable rules relating to the automatic stay” <input type="checkbox"/> Automatic relief from the automatic stay upon occurrence of certain events.		
<input type="checkbox"/> (v): “[A] waiver or modification of any entity’s authority or right to file a plan, seek an extension of time in which the debtor has the exclusive right to file a plan, request the use of cash collateral under § 363(c), or request authority to obtain credit under § 364”		
<input type="checkbox"/> (vi): “[T]he establishment of deadlines for filing a plan of reorganization, for approval of a disclosure statement, for a hearing on confirmation, or for entry of a confirmation order”		
<input type="checkbox"/> (vii): “[A] waiver or modification of the applicability of nonbankruptcy law relating to the perfection of a lien on property of the estate, or on the foreclosure or other enforcement of the lien”		
<input type="checkbox"/> (viii): “[A] release, waiver, or limitation on any claim or other cause of action belonging to the estate or the trustee, including any modification of the statute of limitations or other deadline to commence an action”		
<input type="checkbox"/> (ix): “[T]he indemnification of any entity”		
<input type="checkbox"/> (x): “[A] release, waiver, or limitation of any right under § 506(c)” <input type="checkbox"/> The granting of any lien on any claim or cause of action arising under § 506(c)		
<input type="checkbox"/> (xi): “The granting of any lien on any claim or cause of action arising under §§ 544, 545, 547, 548, 549, 553(b), 723(a), or 724(a)”		
Additional Disclosures Required by LBR 4001-2	Page No.:	Line No. (if applicable)
<input type="checkbox"/> With respect to a professional fee carve out, disparate treatment for professionals retained by a creditors’ committee from that provided for the professionals retained by the debtor		
<input type="checkbox"/> Pay down prepetition principal owed to a creditor		
<input type="checkbox"/> Findings of fact on matters extraneous to the approval process		

10/09/2018
Date

Lewis R. Landau
Printed Name

/s/ Lewis R. Landau
Signature

EXHIBIT A

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BEALL & BURKHARDT, APC
WILLIAM C. BEALL, STATE BAR NO. 97100
ERIC W. BURKHARDT, STATE BAR NO. 132812
1114 STATE STREET
LA ARCADE BUILDING, SUITE 200
SANTA BARBARA, CALIFORNIA, 93101
(805) 966-6774

Counsel for San Luis Financial and Investors

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

In re	)	Bk. No. 9:18-bk-11352-DS
Off the Grid, LLC,	)	Chapter 11
_____	)	Jointly administered with
Jointly administered with	)	9:18-bk-11353-DS
_____	)	9:18-bk-11354-DS
Centrally Grown Holdings, LLC	)	STIPULATION AUTHORIZING USE OF
_____	)	CASH COLLATERAL
And Red Mountain Farms, LLC)	
_____)	
This pleading relates to	)	Date: October 23, 2018
Off the Grid, LLC,	)	Time: 1:30 p.m.
And	)	Place: 1415 State Street
Centrally Grown Holdings, LLC	)	Courtroom 201
	)	Santa Barbara, CA 93101
Debtors.)	
_____)	

TO THE HONORABLE DEBORAH J. SALTZMAN, UNITED STATES BANKRUPTCY
JUDGE:

Off the Grid, LLC and Centrally Grown Holdings, LLC (the “Debtors”), the debtors and
debtors in possession in two of the above-captioned bankruptcy cases (the “Bankruptcy Cases”), and
Secured Creditor (defined *Infra*) (collectively referred to as the “Parties”), hereby submit this Stipulation
for Debtor’s interim use of Cash Collateral for 60 days following entry of an order approving this
stipulation (the “Stipulation”), through their respective counsel, and represent as follows:

I.

RECITALS

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- 2
- 3 A. The Debtors are two California Limited Liability Companies which are primarily owned by Dave
- 4 G. Robertson. The Debtor is the record owner of the real property located at 2220 Noel Way,
- 5 San Simeon, California (the “2220 Noel Property”) and the real property commonly known as
- 6 7432 Exotic Garden Drive, Cambria, CA 93428 (“the Exotic Garden Property”).
- 7 B. The 2220 Noel Property is a 3,200 square foot five bedroom, four bathroom house on an
- 8 approximate 132 acre parcel with views of the Pacific Ocean and San Simeon Valley.
- 9 C. The Debtor operates the 2220 Noel Property as a vacation rental and the property is currently
- 10 listed on the internet and other rental agencies (such as, AIRBnB, and VRBO) in order to rent
- 11 the estate for daily/weekly use. The Debtor also rents the property as a wedding venue, and for
- 12 luxury camping “Glamping” for patrons during the summer months.
- 13 D. The Exotic Garden Property contains a restaurant which the Debtor leases, generating income.
- 14 E. Secured lien holders: John S. Keese or Pamela L. Keese, Trustees of The John S. Keese Family
- 15 Trust Dated May 22, 2002 as to an undivided 50.980392% interest; Philip E. Guldeman and
- 16 Candace F. Guldeman, Trustees of The Guldeman Family Trust Dated December 31, 2003 as
- 17 to an undivided 14.901961% interest; Philip E. Guldeman or Candace F. Guldeman, Trustees
- 18 of The Paradise Real Estate Solo 401(K) Trust F.B.O. Philip E. Guldeman as to an undivided
- 19 4.705882% interest; Larry Ronald Schmidt and Victoria Ann Schmidt Husband and Wife as
- 20 community property as to an undivided 12.352941% interest; Paul C. Bunker and Diana G.
- 21 Bunker, as Trustees of The Bunker Family Trust Dated November 6, 2013 as to an undivided
- 22 9.803922% interest; Christopher A. Connors and Sharon D. Connors, Trustees of The Connors
- 23 Revocable Trust Dated December 17, 1997 as to an undivided 5.882353% interest; Barry
- 24 Purchase, a married man as his sole and separate property as to an undivided 1.372549% interest
- 25 (together, collectively the “Lender”) are the holders of a note and beneficiaries of a Deed of
- 26 Trust secured by the 2220 Noel Property and a Deed of Trust secured by the Exotic Garden
- 27 Property. Lender’s obligations are serviced by San Luis Financial, Inc. (together the “Secured
- 28 Creditor”) on the 2220 Noel Property.

1 F. The Lender holds a first position deed of trust on the 2220 Noel Property and the Exotic
2 Garden Property, in the original principal amount of \$2,550,000 (the “Deed of Trust”). This
3 debt is secured by, Assignments of Rents, and are cross-collateralized against the 2220 Noel
4 Property, and the Exotic Garden Property which was recorded in the Official Records of the
5 San Luis Obispo County Recorder’s Office on April 28, 2016, as Recorders No. 2016018920.

6 G. These Debtors commenced these cases by filing a voluntary petitions for relief under Chapter
7 11 of Title 11 of the United States Code (the “Bankruptcy Code”) on August 17, 2018 (the
8 “Petition Date”) to prevent the foreclosure sales of the 2220 Noel Property and the Exotic
9 Garden property.

10 H. The proceeds received by the Debtor from the 2220 Noel Property and the Exotic Garden
11 Property are Cash Collateral as defined by 11 U.S.C. Section 363(a). As defined in this
12 Stipulation, the term “Cash Collateral” includes all monies received by the Debtor from the
13 operation of the 2220 Noel Property and the Exotic Garden Property.

14 I. Debtor agrees that the proceeds are the cash collateral of Lender. Debtor further agrees that
15 the Assignment of Rents clause is deemed to be fully perfected without further action necessary
16 by Lender. Debtor contends that Lender is oversecured by the cross-collateralization between
17 the two real properties and that the equity cushion alone provides adequate protection for
18 purposes of 11 U.S.C. § 361.

19 J. The Debtor contends that it must use the Lender’s cash collateral to continue to manage and
20 operate the 2220 Noel Property and the Exotic Garden Property and preserve its estates.
21 Debtor further contends that without the use of Lender’s cash collateral, Debtor will be unable
22 to operate, manage or preserve the 2220 Noel Property and the Exotic Garden Property.

23 NOW, THEREFORE, subject to Bankruptcy Court approval of this Stipulation, the Parties
24 stipulate and agree as follows:

25 **II.**

26 **STIPULATION**

27 1. The Parties hereby incorporate by reference each of the above Recitals as if set forth in
28 full herein.

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2. Authority to use Cash Collateral. Subject to the terms and conditions set forth herein, the Debtor is authorized to use Cash Collateral pursuant to the terms of this Stipulation. Specifically:
 - a) During the period from October 12, 2018 to November 23, 2018, the Debtors may use Cash Collateral in the amounts set forth in this Stipulation or in the budgets attached as Exhibit A (the "Budget") to pay ordinary, necessary and reasonable operating expenses incurred by Debtor in connection with operating the 2220 Noel Property, and the Exotic Garden Property, respectively, and if necessary, to exceed the amounts specified in the Budget by no more than 20% per month for any specific line item on Exhibit A.
 - b) Any expenditure in excess of this authorization will require the written approval of Lender under the procedures set forth in paragraph 4 below, or further order of the Court after appropriate notice.
3. Miscellaneous or Emergency Expenses. The Debtor is hereby authorized to pay any miscellaneous or emergency expenses, not to exceed \$1,200.00 for the period of October 12, 2018 to November 23, 2018, without the need for separate Court approval according to the following procedure: The Debtor will submit information to Lender setting forth the identity of the vendor, a description of the expense to be paid, the proposed cost, and the reason for the expenditure to Lender prior to making the expenditure. If Lender consents, or if after two (2) business days Lender does not object to the proposed expenditure, the Debtor will have the authority to pay the expense. Such payments will be disclosed on the Debtor's operating reports and interim statements filed with the Office of the United States Trustee ("UST"). If the emergency is of a nature that two (2) business days notice is not reasonably possible, the Debtor may give the best notice possible under the circumstances and proceed with payment of such emergency expense.
4. Property Insurance. Debtor shall maintain property, casualty, and liability insurance coverage with respect to the 2220 Noel Property and the Exotic Garden Property. Debtor shall promptly furnish Lender with proof of such insurance. In the event that the agreed-upon coverage is allowed to lapse for any reason, Lender may force-place

1 insurance coverage. In the event that Lender obtains force-placed insurance coverage,
2 it shall constitute an event of default under this Stipulation.

3 5. Replacement Lien. As and for partial adequate protection for the use of Lender's cash
4 collateral, Lender is hereby granted a valid, perfected and enforceable replacement lien
5 on assets of the same like and kind, and with the same priority as Lender's prepetition
6 security interests. The replacement lien granted to Lender shall secure Lender's
7 obligation in full. The replacement lien and security interest granted are and shall be
8 valid, enforceable and fully perfected,. No additional filing or recordation, or other act
9 in accordance with any applicable local, state or federal law is necessary to create or
10 perfect such lien and security interest.

11 6. Binding on Creditors and Successors. Upon entry of an Order approving this
12 Stipulation, the provisions of this Stipulation shall be binding upon and inure to the
13 benefit of Lender, the Debtor and their respective successors and assigns (including any
14 trustee or other estate representative appointed as a representative of the Debtor's estate
15 or of any estate in any successor cases), and upon all creditors and parties in interest.

16 7. Events of Default. Notwithstanding any other provision contained herein, the
17 occurrence of any of the following events, unless waived in writing by Lender, shall
18 constitute an "Event of Default" hereunder:

- 19 i. Entry of an order by the Bankruptcy Court converting or dismissing
20 the Bankruptcy Case;
- 21 ii. Entry of an order by the Bankruptcy Court appointing a Chapter 11
22 trustee in the Bankruptcy Case;
- 23 iii. Filing by Debtors of a motion or commencement of an action by
24 Debtor challenging the extent, validity, or priority of Lender's liens;
- 25 iv. Entry of an order granting Lender relief from the automatic stay;
- 26 v. The filing of any motion by Debtors to obtain debtor-in-possession
27 financing without the prior written consent of Lender;
- 28 vi. Noncompliance by Debtors with any of the express terms or
provisions of this Stipulation;

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- vii. The reversal, vacatur, stay, amendment, supplementation, or other modification of this Stipulation (without Lender’s consent) and any order entered pursuant to it in a manner which materially and adversely affects the rights of Lender hereunder, or materially and adversely affects the priority of any or all of Lender’s Collateral or security interests;
- viii. Debtors support any action that could result in: (i) expenditures materially different than set forth in the Budget; or (ii) the “surcharge” or similar rights against Lender pursuant to Section 506(c);
- ix. Debtors knowingly furnishes or knowingly makes a false, inaccurate, or materially incomplete representation, warranty, certificate, report, or summary in connection with or pursuant to this Stipulation;
- x. Expiration of a Budget without Lender’s approval of a new Budget.

8. **Remedies.** Upon the occurrence of and continuation of any Event of Default enumerated in subparagraphs (i) through (ix) of paragraph i of this Stipulation, and following five (5) business days’ written notice by Lender to Debtor (the “Remedies Notice Period”), Lender may terminate Debtors’ authorization to use Cash Collateral. In the event of such notice, Lender consents to Debtors obtaining a hearing before the Bankruptcy Court upon shortened time within the Remedies Notice Period (or as soon as the matter can be heard by the Bankruptcy Court) to contest and dispute the extent of Cash Collateral and the right to see authorization to use Cash Collateral. For the avoidance of doubt: (i) the noticing of an Event of Default does not authorize Lender to take any other acts against Debtors as provided in the Loan Documents or applicable law without further order of the Bankruptcy Court; and (ii) nothing in the foregoing paragraphs shall preclude the Bankruptcy Court from ordering or Lender from seeking Debtors’ immediate discontinuation of its use of Cash Collateral upon any of the Events of Default enumerated in subparagraphs (i), (ii), (iv), and (vii) of paragraph i of this Stipulation. Notwithstanding the foregoing, upon the occurrence of and continuation of the Event of Default enumerated in subparagraph (x) of

1 paragraph i of this Stipulation, Debtors' authorization to use Cash Collateral shall
2 automatically terminate.

3 9. Full Force and Effect of the Loan Documents. Except as otherwise expressly
4 provided in this Stipulation, the terms and conditions of the Loan Documents shall
5 remain in full force and effect and Lender shall have all of its rights and remedies
6 thereunder, subject to the provisions of Bankruptcy Code, the Bankruptcy Rules, the
7 Local Rules, any other applicable law, and any orders of the Bankruptcy Court.

8 10. Jurisdiction of the Court. The Bankruptcy Court shall retain exclusive jurisdiction over
9 the subject matter of this Stipulation in order to resolve any dispute in connection with
10 the rights and duties specified hereunder.

11 11. Stipulation in Counterparts. This Stipulation may be executed in counterparts, and by
12 facsimile or electronic signature.

13 12. Participation in Stipulation. Each party to this Stipulation has participated equally in the
14 drafting of the same and accordingly the Stipulation shall not be drafted or construed
15 against any party in any litigation or other proceeding where the language of the
16 Stipulation is at issue.

17 13. Fully Integrated Agreement. The Stipulation, together with the Deed of Trust,
18 constitutes a fully integrated written agreement and reflects the entire intent of the
19 parties and therefore may not be contradicted by parole or other extraneous evidence.

20 14. Notices. Any notices required to be given hereunder shall be given in writing as follows:

21 **If to the Lender:** Attn: William C. Beall,
22 Beall & Burkhardt, APC
23 1114 State Street, Suite 200,
24 Santa Barbara, CA 93101

25 **If to Debtor:** Attn: Lew Landau
26 22287 Mulholland Hwy., #318
27 Calabasas, CA 91302
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15. Bankruptcy Court Order. This Stipulation is subject to and conditioned upon approval of the Court pursuant to Rule 4001(d) of the Federal Rules of Bankruptcy Procedure. Each of the parties agrees to make every reasonable effort to obtain such approval.

IT IS SO STIPULATED.

Dated: October 9, 2018

BEALL & BURKHARDT, APC

By: 
William C. Beall, Counsel for Movants

Dated: 10/9, 2018

FINNEY ARNOLD, LLP

By: 
Shaune Arnold, General Counsel for Debtor

Dated: 10/8, 2018


Lewis R. Landau, Bankruptcy Counsel for Debtor

EXHIBIT A

CGH

Description	Incurred from post petition	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Total
Cash Receipts of Debtor									
Rental Receipts	\$ 12,200	\$ 1,700	\$ 2,050	\$ 2,050	\$ 2,050	\$ 2,050	\$ 2,050	\$ 2,050	\$ 26,200
Site Fees	\$ 3,000	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 6,500
Restaurant Lease & % rent	\$ -	\$ 12,500	\$ 11,500					\$ 11,500	\$ 35,500
Total Receipts	\$ 15,200	\$ 14,700	\$ 14,050	\$ 2,550	\$ 2,550	\$ 2,550	\$ 2,550	\$ 14,050	\$ 68,200

Cash Disbursements

SLO County Bed tax	\$ (1,176)	\$ (204)	\$ (246)	\$ (246)	\$ (246)	\$ (246)	\$ (246)	\$ (246)	\$ (2,856)
Listing Fees and commissions	\$ (1,845)	\$ (330)	\$ (383)	\$ (383)	\$ (383)	\$ (383)	\$ (383)	\$ (383)	\$ (4,470)
1099-Sales/Mktg Consultant	\$ (3,000)	\$ (500)	\$ (500)	\$ (500)	\$ (500)	\$ (500)	\$ (500)	\$ (500)	\$ (6,500)
Housekeeping - Cleaning	\$ (1,925)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (350)	\$ (4,375)
Housekeeping -Restocking	\$ (275)	\$ (50)	\$ (500)	\$ (500)	\$ (500)	\$ (500)	\$ (500)	\$ (500)	\$ (3,325)
Utilities-Cell Phone	\$ -	\$ -	\$ (100)	\$ (100)	\$ (100)	\$ (100)	\$ (100)	\$ (100)	\$ (600)
Utilities SO Cal Gas	\$ (1,000)	\$ (180)	\$ -	\$ (500)	\$ (500)	\$ (500)	\$ (500)	\$ (90)	\$ (1,500)
Repairs & Maintenance-rental house	\$ (300)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (50)	\$ (650)
Repairs & Maintenance-Commercial Building	\$ (600)	\$ (100)	\$ (100)	\$ (100)	\$ (100)	\$ (100)	\$ (100)	\$ (100)	\$ (1,300)
Insurance	\$ (775)	\$ (129)	\$ (129)	\$ (129)	\$ (129)	\$ (129)	\$ (129)	\$ (129)	\$ (1,680)
Misc office & Contingency	\$ (1,500)	\$ (250)	\$ (250)	\$ (250)	\$ (250)	\$ (250)	\$ (250)	\$ (250)	\$ (3,250)

Total Operating Disbursements	\$ (13,476)	\$ (2,113)	\$ (2,758)	\$ (2,758)	\$ (3,348)	\$ (2,758)	\$ (2,758)	\$ (2,758)	\$ (32,726)
Net Operating Activity	\$ 1,724	\$ 12,587	\$ 11,292	\$ (208)	\$ (798)	\$ (208)	\$ (208)	\$ 11,292	\$ (208)
Cumulative Operating activity	\$ 1,724	\$ 14,310	\$ 25,603	\$ 25,395	\$ 24,597	\$ 24,389	\$ 35,682	\$ 35,474	\$ 35,474
Net Operating & Financing Activity	\$ 1,724	\$ 12,587	\$ 11,292	\$ (208)	\$ (798)	\$ (208)	\$ 11,292	\$ (208)	\$ 35,474
Adjust to Actual	\$ 395								\$ 395
Beginning cash	\$ 6,615	\$ 8,734	\$ 21,320	\$ 32,613	\$ 32,405	\$ 31,607	\$ 31,399	\$ 42,692	\$ 42,692
Ending cash	\$ 8,734	\$ 21,320	\$ 32,613	\$ 32,405	\$ 31,607	\$ 31,399	\$ 42,692	\$ 42,484	\$ 42,484

Description	Incurred from post petition	OTG											Total	
		Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending		
	weeks 1 thru 6 but not paid	10/12/2018	10/19/2018	10/26/2018	11/2/2018	11/9/2018	11/16/2018	11/23/2018						

Cash Receipts of Debtor	
Rental Receipts	\$ 10,000
Total Receipts	\$ 10,000

Cash Disbursements	
SLO County Bed tax	\$ (756)
Listing Fees and commissions	\$ (945)
1099-Sales/Mktg Consultant	\$ (3,000)

Propane	\$ (828)
Housekeeping - Cleaning	\$ (600)
Housekeeping -Restocking	\$ (275)
Internet	\$ (236)

Repairs & Maintenance	\$ (300)
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Insurance	\$ (1,180)
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Misc office & Contingency	\$ (1,500)
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Total Operating Disbursements	\$ (10,520)
Net Operating Activity	\$ (520)
Cumulative Operating activity	\$ (520)
Net Operating & Financing Activity	\$ (520)
Adjust to actual	\$ 1,699
Beginning cash	\$ 529
Ending cash	\$ 1,708

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

22287 Mulholland Hwy., # 318
Calabasas, CA 91302

A true and correct copy of the foregoing document entitled (*specify*): _____
MOTION TO APPROVE STIPULATION RE USE OF CASH COLLATERAL

_____ will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 10/09/2018, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) 10/09/2018, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Judge Saltzman, US Bankruptcy Court, 255 E Temple Street, Suite 1634, Los Angeles, CA 90012

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

10/09/2018 Lewis R. Landau /s/ Lewis R. Landau
Date *Printed Name* *Signature*

ADDITIONAL SERVICE INFORMATION (if needed):

NEF Service List (category I):

William C Beall on behalf of Creditor San Luis Financial
will@beallandburkhardt.com, carissa@beallandburkhardt.com

Michael Jay Berger on behalf of Interested Party Courtesy NEF
michael.berger@bankruptcypower.com, yathida.nipha@bankruptcypower.com;michael.berger@ecf.inforuptcy.com

Brian D Fittipaldi on behalf of U.S. Trustee United States Trustee (ND)
brian.fittipaldi@usdoj.gov

John W Fricks on behalf of Debtor Centrally Grown Holdings, LLC
jfricks@ogdenfricks.com

Lewis R Landau on behalf of Debtor Centrally Grown Holdings, LLC
Lew@Landaunet.com

Lewis R Landau on behalf of Debtor Off The Grid, LLC
Lew@Landaunet.com

Lewis R Landau on behalf of Debtor Red Mountain Farms, LLC
Lew@Landaunet.com

Lewis R Landau on behalf of Interested Party Courtesy NEF
Lew@Landaunet.com

Lewis R Landau on behalf of Joint Debtor Centrally Grown Holdings, LLC
Lew@Landaunet.com

Lewis R Landau on behalf of Joint Debtor Red Mountain Farms, LLC
Lew@Landaunet.com

Craig G Margulies on behalf of Creditor Margulies Faith, LLP
Craig@MarguliesFaithlaw.com, Victoria@MarguliesFaithlaw.com;Helen@MarguliesFaithlaw.com

Craig G Margulies on behalf of Interested Party Courtesy NEF
Craig@MarguliesFaithlaw.com, Victoria@MarguliesFaithlaw.com;Helen@MarguliesFaithlaw.com

Monserrat Morales on behalf of Interested Party Courtesy NEF
mmorales@marguliesfaithlaw.com, Victoria@marguliesfaithlaw.com;Helen@marguliesfaithlaw.com

United States Trustee (ND)
ustregion16.nd.ecf@usdoj.gov