

Below is an Order of the Court.

  
TRISH M. BROWN  
U.S. Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT**  
**FOR THE DISTRICT OF OREGON**

In re ) **CASE NO.: 17-33893-tmb11**  
 )  
Creekside Homes, Inc., ) **INTERIM ORDER AUTHORIZING**  
 ) **DEBTOR TO USE CASH**  
 ) **COLLATERAL AND SCHEDULING A**  
Debtor. ) **FINAL HEARING**  
 )  
\_\_\_\_\_ )

A hearing was held on October 24, 2017, on the Debtor-in-Possession's Motion For Use of Cash Collateral on an Interim and Final Basis ("Motion").

Having considered the Motion and the exhibits attached thereto, and based on the evidence presented at the interim hearing (the "Interim Hearing") and on the entire record herein, the Court makes the following findings of fact and conclusions of law:

A. On October 18, 2017 (the "Petition Date"), the Debtor filed its voluntary petition under Chapter 11 of the Bankruptcy Code. It is continuing in possession of its

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property and is operating and managing its business as a debtor-in-possession pursuant to 11 U.S.C. §§1107 and 1108.

B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(b)(2)(A) and (M), 1334 and LR 2100-1. Consideration of this Motion constitutes a core proceeding as defined in 28 U.S.C. § 157(b)(2). Venue is proper before this Court under 28 U.S.C. § 1408.

C. Service of the Motion was accomplished by U.S. Mail and/or email transmission, and notice of the hearing was provided to affected parties, e.g., the Office of the United States Trustee and to the 20 largest unsecured creditors and creditors asserting interests in the Debtor's monies and accounts receivable. Under the exigent circumstances of this case, the appropriate notice of the Motion and the relief requested therein has been provided and no other notice need be provided for entry of this Order.

D. The relief requested by the Motion is necessary to avoid immediate and irreparable harm to the Debtor's estate, and good, adequate and sufficient cause has been shown to justify the granting of the relief requested in the Motion and the immediate entry of this Order.

E. The Debtor has an immediate need to use Cash Collateral in order to pay their necessary and critical ordinary course expenses of maintaining and preserving their businesses and for the other purposes contemplated by the Budget. If the Debtor does not obtain authorization to use Cash Collateral, the Debtor will suffer immediate and irreparable harm.

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F. The entry of this Order (i) is necessary to allow the Debtor to continue the operation of its businesses in an orderly manner, to pay its essential post-petition operating expenses, and to satisfy other working capital and operational needs, (ii) constitutes a critical element to achieving a successful reorganization of the Debtor, and (iii) best serves the interests of the Debtor's estate.

G. Each of the foregoing findings by this Court will be deemed a finding of fact if and to the full extent that it makes and contains factual findings, and will be deemed a conclusion of law if and to the full extent that it makes and contains legal conclusions.

H. The Motion affirmatively states and does not seek any relief contained in paragraph 5 of the Court's Local Form 541.5 entitled "Procedures Re: Motions For Use of Cash Collateral or to Obtain Credit".

Based upon the foregoing findings and conclusions, and upon the record made by the Debtor at the Interim Hearing, and good and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is granted on an interim basis, subject to the terms and conditions set forth in this Interim Order. All objections, if any, to the Motion are resolved hereby or, to the extent not resolved, are overruled.
2. The Debtor is authorized to use \$99,337 in Cash Collateral on an interim basis in conformance with the Budget attached as Exhibit A, for the purposes of funding expenditures in accordance with the Budget. The

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Debtor may vary from its proposed Budget by as much as 10% in any one category. If the Debtor determines it needs to vary from any one budgeted item by more than the 10% variances, the Debtor must first provide written notice by email or telecopier of the variance to Funding Circle for approval of such variance. If Funding Circle does not object to the variance within 48 business hours, then the proposed variance will be deemed approved. If Funding Circle objects, then the Debtor may seek to set a hearing on shortened notice seeking approval of the variance from this Court.

In addition, to the extent that the Debtor may under-spend in any category in any weekly period, the Debtor may carry over from such weeks the unused monies which may then be used in the same categories in future weeks. Such carry forward of monies shall not count toward the permitted variance.

3. The DIP will timely provide weekly financial statements to the United States Trustee and counsel for Swift Financial Corporation, and any other interested party requesting a copy in writing from the DIP. The weekly statements shall include, but not be limited to, a comparison of the DIP's actual financial performance versus the DIP's budgeted financial performance, updated asset valuations, and balance sheet. The weekly financial reports shall be due each Tuesday, beginning with Tuesday,

October 31, 2017, and shall report on the financial performance through Friday of the preceding week.

4. The four entities asserting interests in the Debtor's monies and accounts receivable will be adequately protected during this Interim Period by (1) providing replacements lien to these four entities to the extent their prepetition liens attached to the Debtor's property and with the same validity, priority, and description of collateral and (2) the value of the secured assets, (3) additional revenues created by operating the business, (4) keeping all assets properly insured (5) making adequate protection payments if ordered by the Court and (6) the value of the Debtor's assets.
5. This Order is not intended, nor shall it be deemed, to improve or enhance the collateral position of any of the Debtor's secured creditors as of the Petition Date.
6. This Order is without prejudice to Swift Capital contending that it purchased and owns all of the Debtor's accounts receivable.
7. This Court retains jurisdiction with respect to all matters arising from or relating to the implementation of this Order.
8. This Order shall be effective immediately upon its entry pursuant to F.R.B.P. Rule 6004(h).

9. A Final Hearing shall be held on November 20, 2017, at 2:00 p.m. Pacific time in Courtroom No. 4 of the United States Bankruptcy Court located at 1001 SW 5th Avenue, 7<sup>th</sup> Floor, Portland, Oregon, to consider the entry of a Final Order on the use of cash collateral.

# # #

CERTIFICATION OF COMPLIANCE WITH LBR 9021-1(a)(2)(B)

The requirements of LBR 9021-1(a)(2)(B) have been complied with.

Presented By:

THE LAW OFFICES OF KEITH Y. BOYD

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akside Homes, Inc.  
 ection of Cash Receipts and Disbursements  
 For the 8-week Period ended 12/8/17

	10/20/17	10/27/17	11/3/17	11/10/17	11/17/17	11/24/17	12/1/17	12/8/17	TOTAL
Revenue	27,680	17,045	4,080	6,529	193,258	-	5,680	-	254,272
COGS -Labor & Material		35,000	-		21,000	140,000	-	-	196,000
Gross Profit	27,680	(17,955)	4,080	6,529	172,258	(140,000)	5,680	-	58,272
Expenses									
Advertising		1,026					1,026		2,052
Auto Expense (Leases and fuel)		1,100		1,801			1,100	1,801	5,802
Bookkeeping	500		500		500		500		2,000
Insurance -Liab, Auto & WC			3,240				3,240		6,480
Payroll -Officers					8,200				8,200
Payroll-admin, PR Tax and fees			1,750		14,750		1,750	2,175	18,250
Office & Admin Expenses		2,175		2,175					8,700
Rent Expense			1,120			200	1,120		2,240
Repairs & Maintenance	200			200				200	800
Shop Supplies & Small Tools	250		250		250				850
Telephone and Utilities	1,100					1,100			2,200
US Trustee Fees									-
Total Expense	2,050	4,301	6,860	4,176	23,700	3,475	8,836	4,176	57,574
Net Ordinary Income	25,630	(22,256)	(2,780)	2,353	148,558	(143,475)	(3,156)	(4,176)	698
Beginning Cash as of 10/16/17	5,500								
Projected Ending Cash	31,130	8,874	6,094	8,447	157,005	13,530	10,374	6,198	6,198

Supporting Schedules

Work In Progress	10/20/17	10/27/17	11/3/17	11/10/17	11/17/17	11/24/17	12/1/17	12/8/17	TOTAL
<u>Customer ID</u>									
AN	7,680				43,258				50,938
CL				4,730					4,730
CS			1,400						1,400
DG			2,680						2,680
DL	20,000								100,000
JH		17,045			80,000				17,045
JC							5,680		5,680
KG					40,000				40,000
SC				1,799					1,799
TS					30,000				30,000
Total Revenue	27,680	17,045	4,080	6,529	193,258	-	5,680	-	254,272

Cost of Goods Sold	10/20/17	10/27/17	11/3/17	11/10/17	11/17/17	11/24/17	12/1/17	12/8/17	TOTAL
<u>Customer ID</u>									
AN		9,711				27,414			37,125
CL						2,998			2,998
CS						887			887
DG						1,698			1,698
DL		25,289				50,699			75,988
JH						10,802			10,802
JC									-
KG						25,349			25,349
SC						1,140			1,140
TS						19,012			19,012
Total Material Payments		35,000				140,000			175,000
Payroll					21,000				21,000
Total COGS	-	35,000	-	-	21,000	140,000	-	-	196,000