

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF OREGON

In re )  
 ) Case No. \_\_\_\_\_  
 )  
 ) NOTICE OF **FINAL**  
 ) HEARING ON MOTION  
 ) FOR USE OF CASH COLLATERAL  
 ) TO OBTAIN CREDIT  
Debtor(s) ) (*Check One*)

YOU ARE NOTIFIED THAT:

1. The undersigned moving party, \_\_\_\_\_, filed a Motion For Use of Cash Collateral To Obtain Credit (*check one*). A copy of the motion, which includes the statement required by [Local Form #541.5](#), is attached.

2. The name and service address of the moving party's attorney (or moving party, if no attorney) are:  
\_\_\_\_\_.

3. A **FINAL** HEARING on the motion WILL BE HELD ON \_\_\_\_\_ AT \_\_\_\_\_  
IN \_\_\_\_\_,  
Testimony will be received if offered and admissible.

4. If you wish to object to the motion, you must, within 14 days of the service date shown in pt. 5 below, file with the Clerk of Court (i.e., if the 5-digit portion of the Case No. begins with "3" or "4", mail to 1001 SW 5th Ave #700, Portland OR 97204; or if it begins with "6" or "7", mail to 405 E 8<sup>th</sup> Ave #2600, Eugene OR 97401): (1) a written response which states the facts upon which you will rely, and (2) a certificate showing a copy of the response has been served on the U.S. Trustee and the party named in pt. 2 above.

5. On \_\_\_\_\_ copies of this notice and the motion were served pursuant to FRBP 7004 on the debtor(s); any debtor's attorney; any trustee; any trustee's attorney; members of any committee elected pursuant to 11 U.S.C. §705; any creditors' committee chairperson [or, if none serving, on all creditors listed on the list filed pursuant to FRBP 1007(d)]; any creditors' committee attorney; the U.S. Trustee; and all affected lien holders whose names and addresses used for service are as follows:

\_\_\_\_\_  
Signature of Moving Party or Attorney OSB #

\_\_\_\_\_  
(If debtor is movant) Debtor's Address & Taxpayer ID#(s) (last 4 digits)

**THE FOX LAW CORPORATION**  
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Proposed Attorneys for Debtor-in-Possession

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

In re	}	<b>CASE NO.: 17-33893-tmb11</b>
Creekside Homes, Inc.,		<b>AMENDED MOTION FOR USE OF CASH COLLATERAL ON A FINAL BASIS; DECLARATION</b>
Debtor.		Date: November 20, 2017 Time: 2:00 p.m. Place: Courtroom 4

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The Debtor, Creekside Homes, Inc., hereby moves this Court (this "Motion") for entry of a final order authorizing the Debtor to use cash collateral and to grant replacement liens as appropriate or necessary. In support, the Debtor incorporates statements contained in the Declaration of Andrew Burton ("Burton Declaration").

The Debtor operates a custom home building company in McMinnville, Oregon. There are various financial, accounting and industry developments (See the Burton Declaration) which led to this reorganization case. The Debtor has considerable work in progress and construction projects coming up, both reflected in the attached reports. The Debtor builds up to ten (10) custom homes annually.

Post-petition the Debtor has faced problems addressing mechanics liens on existing jobs and reluctance by some banks to finance new contracts. The Debtor is working to address the prepetition problems which lead to the chapter 11 filing and beginning to work on the post-petition issues.

The Debtor has four creditors whom the Debtor believes will assert interests in the Debtor's monies and accounts receivable. One of them, Swift Financial ("Swift") asserts that it purchased an undefined portion of future receivables or all future receivables. Based on the contract with Swift and the case law which Swift provided in its Opposition to the Debtor's initial motion on cash collateral, Swift's legal argument is incorrect because the risk of loss did not shift to Swift.

## **I. JURISDICTION AND VENUE**

On October 18, 2017 (the "Petition Date") the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. The Debtor is a debtor-in-possession. 11 U.S.C. §§1107(a) and 1108

This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

The bases for the relief requested herein are 11 U.S.C. §§105, 361 and 363, F.R.B.P. Rule 4001 and Local Bankruptcy Rule 4001-1.

Venue is proper in this district.

## **II. SUMMARY OF RELIEF REQUESTED**

The Debtor requests the following relief:

- A. That the Court consider entry of the proposed order attached hereto as **Exhibit "A"**;
- B. That the Court grant to the Debtor authority to use cash collateral of the four entities which assert interests in the Debtor's monies, pursuant to the proposed budget attached hereto as **Exhibit "B."**

During this final period, November 17, 2017, through February, 2018, the Debtor seeks authority to spend \$764,000 in costs of goods sold and \$161,083 in overhead expenses for a total grant of \$925,083;

- C. That the Court grant the variances, carry forwards and application of excess revenues to costs of goods sold;
- D. That the Court grant adequate protection to those entities entitled to such protection; and
- E. the Court grant such further relief as may be appropriate and consistent with this Motion.

**III. Names of Entities with an Interest in Cash Collateral.** The entities with an interest in cash collateral are the following:

- Funding Circle filed a UCC 1 financing statement to secure a loan of \$100,000 to the Debtor on or about October 26, 2016, with an interest rate of 19.29%. It claimed an interest in monies.
- Swift Financial Corp. Swift asserts that it purchased future receivables. As discussed below, the better argument is that Swift is in a junior position security interest in the Debtor's receivables. Swift loaned \$100k to the Debtor, on or about March 7, 2017. The interest rate is 17%. Prepetition, Swift commenced a legal action against the Debtor and its two guarantors, Mr. and Mrs. Burton. The matter is now in arbitration with what appears to be a trial date of November 8, 2017.
- Knight Capital, like Swift, either "purchased" an undefined portion of future receivables or it loaned \$104,000 to the Debtor on or about March 8, 2017. The interest rate is 28%. The Debtor has not located a recorded financing statement.

- LoanMe loaned \$75,000 to the Debtor in August, 2017. The interest rate is 69%. The Debtor has not located a recorded financing statement.

#### **IV. DISCOURAGED PROVISIONS UNDER LBR 541.5 PROCEDURES RE; MOTIONS FOR USE OF CASH COLLATERAL**

None of the provisions contained in paragraph 5 of Local Bankruptcy Form 541.5 are contained in the Motion or proposed by this Motion.

#### **V. GENERAL BACKGROUND FACTS**

The Debtor is an active Oregon corporation in good standing incorporated by Andrew Burton in 2009. Since then, the Debtor has operated a business constructing custom new homes, remodeling homes and acting as a project manager usually in and around Yamhill County, Oregon. The Debtor typically employs 7 to 10 employees. The Debtor will typically oversee the construction of close to 10 homes annually.

There are various reasons for the Debtor's financial difficulties:

- The construction industry in and around McMinnville is doing well. There is a lot of work, actually, too much work. Subcontractors can take whichever jobs they want, not follow deadlines and over-bill ... and get away with these behaviors.
- There were cost overruns on some jobs because the person at the Debtor overseeing those projects did not work hard enough to keep subs' charges down.
- The Debtor was not turning down work, even work that might have poor margins or property owners who were difficult people.
- With the shortage of subs, in the past year or two, jobs have been taking longer and longer to complete. This increases costs.
- The Debtor was not maintaining its financial books and records as

well as perhaps it should have done. As a result, the Debtor did not realize that it needed to increase its margins.

- In 2016, the Debtor had 3 customers in the design phase who delayed construction work for up to one year. These delays were not expected and the work for the 3 jobs came in at the same time. This led to considerable difficulties staffing jobs and caused inefficiencies, impacting the margin. This happened again this year in 2017.
- At one construction job, the home caught on fire during construction and the customer did not have insurance. The Debtor reduced its charges and that led to considerable losses. This is the "S.C." job.
- The Debtor was fronting too many costs on construction sites.
- The Debtor took on too many jobs at one time.

The Debtor presently has 6 construction jobs ongoing with a total contract price of roughly \$2.59 million. The margins range from 17% to 25%. The Debtor has additional jobs, described in the Burton Declaration to start in the next few months. The aggregate gross dollar value of the additional jobs exceeds \$1.9 million and the Debtor has bid for jobs of an additional \$3.8 million. The Debtor has a steady stream of jobs which come from customers who are in the design phase with the Debtor. Typical charges for the design contract work range from \$5,000 to \$12,000. The Debtor presently has 4 or 5 jobs in the design phase.

The Debtor is "approved" by four banks doing business in the McMinnville area meaning that these banks have inspected the Debtor's work and financial condition and are satisfied with the Debtor. These banks, in effect, have a form of preapproval for jobs where the Debtor is the general contractor.

There are claims against the Debtor's monies. Four entities have loaned monies but only two of these entities recorded financing statements. The likely indebtedness to these four lenders, in the aggregate is approximately \$400,000

with interest rates ranging from 17% to 69%. (To the extent a lender did not record a financing statement, its security interest may be avoidable.) Here is more specific information about each loan to the Debtor:

- Funding Circle loaned \$100,000 at 19.29% interest on or about October 26, 2016.
- Swift loaned \$100,000 at 17% on or about March 7, 2017.
- Knight Capital loaned \$104,000 at 28% interest on or about March 8, 2017.
- LoanMe loaned \$75,000 in August, 2017. The interest rate is 69%.

To fix the problems that led to this bankruptcy filing, the Debtor has implemented or will implement, the procedures and changes described below. Some of these changes may not work; others may.

- The Debtor is limiting the pricing in its contracts for 90 days or less. The Debtor has added in to its contracts an escalation clause for increased costs of lumber, drywall, concrete and roofing.
- The Debtor now requires subs to work through the Debtor's P.O. system to help manage costs and timeliness.
- The Debtor has increased its accounting staff.
- The Debtor is building its own preferred subcontractor list to have at least 3 subcontractors per trade, e.g., plumbing, roofing, electrical, in order to solicit more competitive bids.
- As homes are completed, the Debtor will stop using some subs who have been unreliable.
- For lender financed construction jobs, the Debtor now demands a deposit to help cover up-front expenses and to avoid the problem of the Debtor having to carry the front loaded expenses.

That the Debtor recognizes the problems and has identified potential

solutions makes it more likely that the Debtor will successfully reorganize.

Attached to the Burton Declaration are the following financial reports:

- A report showing the Debtor's prepetition financial performance for year 2016. **(Exhibit "C" )**
- An accounts receivable report as of October 31, 2017. **(Exhibit "D")**
- An accounts payable report as of October 31, 2017. **(Exhibit "E")**
- A work in progress log as of October 31, 2017. This report briefly outlines each job by initials only, its status in construction, the contract or dollar amount of each job, the dollar amount billed and paid and the remaining dollar value of the contract. **(Exhibit "F")**
- A bid log as of October 31, 2017. This is a listing of jobs which have been bid, identified only by initials, type of job, bid amount and margin. **(Exhibit "G")**
- A balance sheet as of October 31, 2017. **(Exhibit "H")**
- A profit and loss statement (cash basis) for the year as of October 31, 2017. **(Exhibit "I")**
- A profit and loss statement (accrual) for the year as of October 31, 2017. **(Exhibit "J")**
- An actual to budget report for the post-petition period. **(Exhibit "K")**
- A projection of gross revenues, less costs of goods sold, less overhead expenses, net profit and cash flow on a weekly basis for the next 8 weeks. As of October 31, 2017, the Debtor had approximately \$4,243.17 in monies. **Exhibit "B"**

The Debtor's personal property has a likely value of \$1,099,364 before deductions are made for secured claims. The Debtor's assets are described in detail in **Exhibit "L."**



- The Debtor’s receivables have a face value of approximately \$53,905, up from approximately \$25,000 when the case began. Of this amount, the Debtor expects to collect approximately \$49,268.75 over time.
- The Debtor’s machinery and equipment have a face value of \$24,000.
- The Debtor has \$4,243.17 in monies.
- The Debtor has Work in Progress with an estimated value of \$993,699 and margins of approximately 24%.
- The Debtor is the title owner of 4 vehicles with an estimated value of \$31,000. They are owned free and clear.

**VI. FACTS SPECIFIC TO THE CONSTRUCTION PROJECTS.**

Prepetition subs filed mechanics liens. This has created problems for the Debtor in that lenders will not pay draws to the Debtor while mechanics liens cloud title. Subs are not willing to release liens. The Debtor cannot authorize the lenders to pay the mechanics liens as they are for prepetition claims. The Debtor is exploring what legal option will permit title to be cleared while providing to the Debtor the maximum amount of money possible and will file an appropriate motion seeking relief.

Here is a summary of information about the different projects where mechanics liens have been filed and the face amounts of these liens:

- A.N. job:
 

Parker Concrete	\$7,541.40
Amcraft Inc.	\$29,136
Surface Works, LLC	\$10,595
Total face amount of mechanics liens:	\$47,272.40

Total contract amount:	\$456,724
Monies paid to date:	\$386,465
Monies to be paid:	\$70,258

On this job, a draw payment in the amount of \$70,258 is being held up by the lender pending clearing the mechanics liens from the property's title.

- J.H. job:

Surface Works	\$21,866
Total face amount of mechanics liens:	\$21,866

Total contract amount:	\$308,793
Monies paid to date:	\$282,955
Monies to be paid:	\$25,838

On this job, a draw payment in the amount of \$25,838 is being held up by the lender pending clearing the mechanics liens from the property's title.

- S.C. job (the job with the fire last year):

Nice Electric	\$15,875
Parker Concrete	\$4,126
Milwaukie Lumber	\$20,285
Northwest Door	\$10,927
Surface Works	\$47,623
Jacobs Hearing & A.C.	\$14,540
Total face amount of mechanics liens:	\$113,376

Total contract amount:	\$651,000
Monies paid to date:	\$649,201
Monies to be paid:	\$1,799

On this job, a draw payment in the amount of \$1,799 is being held up by the lender pending clearing the mechanics liens from the property's title.

For the S.C. job with only \$1,799 being due from the property owner and \$113,376 being due to the mechanics lien claimants, the logical course appears to be to reject the contract with the property owner. The Debtor is not aware of a legal benefit to creditors by assuming this contract.

- A.S. job:

Pyramid Heating	\$2,739
(recorded 10/18 at 2:06 p.m.)	
Ferguson Ent.	\$6,123
Total face amount of mechanics liens:	\$8,862

Total contract amount:	\$592,234
Monies paid to date:	\$592,234
Monies to be paid:	\$0

**VII. SWIFT FINANCIAL IS A LENDER; IT DID NOT PURCHASE FUTURE RECEIVABLES.**

In Swift's Objection to Debtor's Motion for Authority to Use Cash Collateral (docket no. 24), Swift asserts that it is the owner of "all of the Debtor's rights and interest in a certain dollar value of its Future Receivables (\$117,899...)." (Objection page 1, para. 1) Swift argues that the Debtor sold its receivables and

that Swift is not a lender. Swift's main argument is that the risk of loss of non-payment of the future receivables passed from the Debtor to Swift. In other words, if the Debtor never collected any future receivables, then the Debtor would have no liability.

Swift's actions belie Swift's argument for at least the following reasons:

- Swift required Mr. and Mrs. Burton to guaranty this "sale."
- Swift is enforcing their guaranties by way of arbitration. Attached as **Exhibit "M"** and copies of notices advising that trial on Swift's efforts on the contract against the Debtor and also on Swift's efforts to enforce the guaranty is set for November 8, 2017.<sup>1</sup>
- As part of the contract, Swift did not collect the receivables. Swift did not require the Debtor to segregate the receivables.
- Instead, Swift made regular withdrawals in a set amount from the Debtor's bank account. These withdrawals were loan payments.
- Funding Circle already had a financing statement of record with the Secretary of State. The Debtor could not sell its future receivables except perhaps subject to Funding Circle's prior claim.

The test which the cases Swift cites in its Objection as to whether the transaction was a sale of future receivables or the taking of a security interest in connection with a loan looks to the passing of risk.

In In re SOAW Enterprises, Inc., 32 BR 279 ( Bankr. W.D. Texas 1983), the fact pattern is somewhat similar to the present matter. There the debtor had sold interests in property to third parties and Castle Rock had provided financing. The

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<sup>1</sup> With respect to the arbitration Swift has taken the position in writing that the automatic stay does not stop litigation against guarantors. Swift may not have thought through the impact of a judgment against the guarantors via the stay.

Debtor and its principal guaranteed to Castle Rock the return of its investment plus interest. In bankruptcy, Castle Rock asserted that it owned certain deeds and that the transactions were not loans. The court found that Castle Rock had no risk, that it did not look to the deeds and the deed vendees for repayment; Castle Rock instead looked to the two guarantors, the debtor and its principal in the event it was not paid its investment and interest. Likewise in the Creekside matter, Swift obtained guaranties and is going to trial on November 8<sup>th</sup> to enforce payment. There was no transfer of the risk of loss.

That the risk of loss did not transfer from the Debtor to Swift making the transaction a loan is also reflected in another case. In re Executive Growth Investments, Inc., 40 BR 417 (Bankr. C.D. CA 1984). That court asked the key question - "who bears the risk of loss in the event of non-payment?" (Id. at 422) The traditional benchmark for ownership of an asset is the risk of loss. The bankruptcy court saw the UCC as adopting the risk of loss analysis - or allocation of risk - to distinguish between a sale or a security interest. In the Executive Growth case, though the transaction was papered as a sale, the court found the transaction was actually a loan as it was made with recourse. <sup>2</sup>

Fireman's Fund Insurance vs. Grover (In re The Woodson Company), 813 F.2d 266, (9th Cir. 1987) does not assist Swift's arguments.

The Ninth Circuit noted that "[s]imply calling transactions 'sales' does not make them so. Labels cannot change the true nature of the underlying transactions." (Id. at page 272)

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<sup>2</sup> The Executive Growth court also noted that a purchase is not necessarily an outright sale. "Section 1201(32) defines "purchase" as including "taking by sale, discount, negotiation, mortgage, pledge, lien," etc. Cal. Comm.Code § 1201(32) (West 1983) (emphasis added), indicating that a security transaction may be a "purchase" just as much as an outright sale. Id. at page 423.

In Woodson, the debtor was a mortgage broker which arranged loans. The Debtor solicited parties for money. There were two classes of investors, one class being “permanent investors” who had a guaranteed rate of return and no decision making control.<sup>3</sup> The bankruptcy trustee contends that the permanent investors had made loans and, as a result, the estate held title to the deeds of trust given as security for the loans made and the estate was entitled to the loan payments. The bankruptcy court determined that the permanent investors had direct claims against the borrowers, not against the debtor and that they owned the deeds of trust which the debtor procured when it made loans to the borrowers. (Id. at 268)

The Ninth Circuit on Woodson noted the crucial distinctions in its case (Woodson was not acting as a lead lender; Woodson kept all of the risk of loss while the permanent investors had no risk of loss). Id. at 271. In contrast, here, in the Creekside matter, Swift did not relieve either the Debtor or the guarantors of the risk of loss and in fact sued them in arbitration.

At best Swift holds a security interest in receivables, nothing more.

#### **VIII. USE OF CASH COLLATERAL SHOULD BE APPROVED**

The Debtor seeks authority to use cash collateral pursuant to the budget.

During this final period, November 17, 2017, through February, 2018, the Debtor seeks authority to spend \$764,000 in costs of goods sold and \$161,083 in overhead expenses for a total grant of \$925,083.

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<sup>3</sup> The “revolving investors” deposited monies into an account from which the debtor could withdraw monies at its discretion. Revolving investors could withdraw their funds and they were paid interest at one of two rates. In contrast, permanent investors could not get back their monies until loans matured. The interest rate paid to permanent investors was tied to the particular loans in which their monies were invested. Woodson at page 269-270.

The Debtor needs the use of cash collateral to operate its business, to pay employees, to pay rent and utilities and pay other expenses. Without the use of cash collateral, the Debtor will be unable to remain in business. If it cannot use cash collateral, it will be unable to work on its existing jobs and to start construction on projects with signed contracts. The Debtor's reputation in the industry will be severely harmed.

Authorizing the relief requested below will benefit entities asserting interests in estate monies as the use of cash collateral will protect their security. If their security interests extend to the Debtor's monies, then the Debtor does not have unencumbered sources of monies or other assets to pay ordinary course of business obligations.

Variance. The Debtor has done its best to make accurate projections concerning income and expenses. However, budgeting is not an exact science, especially as the Debtor's business is subject to unanticipated changes, e.g., changes dictated by lenders, unexpected changes in schedules when a subcontractor needs to start sooner or later than forecast. There may be considerable variance week to week and month to month in the work the Debtor is expected to do.

Therefore, the Debtor requests it be permitted to vary from the proposed budget by as much as 20% in any one category where the projected spending is under \$10,000 and vary from the proposed budget by as much as 15% as to any other category. If the Debtor determines it needs to vary from any one budgeted item by more than the 15% or 20% variances, the Debtor proposes that it provide written notice by email or telecopier of the variance to the senior entities asserting interests in the Debtor's monies, Funding Circle and Swift. If Funding Circle and Swift do not object to the variance within 48 business hours, then the variance will be deemed approved. If either lender objects to the proposed variance, then the

Debtor may seek to set a hearing on shortened notice seeking approval of the variance from this Court.

At the initial hearing on the original motion seeking authority to use cash collateral, the Court authorized a 10% variance. The Debtor renews its request for a larger variance of 20%.

Rolling Unspent Budgeted Monies Forward. The budget is a weekly budget. It is likely the Debtor will underspend in certain categories in some weeks. The Debtor requests that the Court authorize the Debtor to carry over from previous weeks any unused monies to be used in the same categories in future weeks.

The rollover is important because while the Debtor projects sales and revenues on a weekly basis, some sales and some revenue may come in one or two weeks later than projected. This typically happens with lenders as they may delay approval of work or delay making payments to the Debtor. If the rollover is not permitted, then the Debtor may have insufficient monies in various categories to operate its business.

That a project may not move forward in a week specified in the budget is common and has already occurred during the chapter 11 case.

The Debtor also requests that the monies carried forward not count toward the 20% variance.

Applying Any Excess Revenues to Costs of Goods Sold. It may be that in some periods the Debtor's gross revenues exceed the projected figures. If this happens, this also means that the Debtor has a lot of work and a lot of expenses directly tied to the jobs it is doing. The Debtor requests that in the event its gross revenues exceed the projected gross revenue figures for a given week, that the Debtor be permitted to apply up to 75% of such excess gross revenues to costs of



goods sold. COGS includes these categories: Costs of materials for jobs; and direct labor costs for jobs.

The Four Lenders' Interests Are Adequately Secured. They are afforded adequate protection of their claims in many ways.

- a. The value of the assets discussed above.
- b. The Debtor continuing to operate the business and maintaining and servicing the inventory and equipment.
- c. Operating the business creates additional revenues.
- d. All assets are properly insured.
- e. The Debtor will provide replacement liens to the four entities to the extent their prepetition liens attached to the Debtor's property and with the same validity, priority, and description of collateral. To be clear, if there is a defect in a security interest prepetition, that same defect would apply post-petition.
- f. The Court may order the Debtor, at this hearing or at a future hearing, to make adequate protection payments. The Debtor does not propose to make adequate protection payments until a later hearing as its finances are not yet well grounded.

The entities are also protected by the value of the Debtor's assets. They include the following:

Work in Progress	\$993,699
Receivables	\$53,904.99 (increased from \$25,000 as of the petition date)
Monies on Hand	\$4,243.17
<u>Total</u>	\$1,051,847.16

Total principal loan amounts on the four loans aggregate under \$400,000 though there will be fees and interest but also loan payments made.

Waivers and Stipulations. There is no stipulation for the use of cash collateral.

The Debtor is not here waiving (1) any right to dispute the validity of any lien, (2) to challenge whether particular assets are subject to a security interest, (3) to invalidate a security interest, (4) to surcharge collateral or (5) to maintain any claims it may hold against any creditors.

## IX. CONCLUSION

The Debtor requests that the Court take the following actions:

- A. That the Court consider entry of the final order which is attached hereto as **Exhibit "A"**;
- B. That the Court grant to the Debtor authority, on a final basis, to use cash collateral of the four entities which assert interests in the Debtor's monies, pursuant to the proposed budget attached hereto as **Exhibit "B."** During this final period, November 17, 2017, through February, 2018, the Debtor seeks authority to spend \$764,000 in costs of goods sold and \$161,083 in overhead expenses for a total grant of \$925,083;
- C. That the Court grant the variances, carry forwards and application of excess revenues to costs of goods sold;
- D. That the Court grant adequate protection to those entities entitled to such protection; and
- E. That the Court grant such further relief as may be appropriate and consistent with this Motion.

Dated: November 3, 2017

LAW OFFICES OF STEVEN R. FOX

/s/ Steven R. Fox  
Steven R. Fox, proposed counsel for  
Creekside Homes, Inc., Debtor-in-  
Possession, California SBN 138808

THE LAW OFFICES OF KEITH Y. BOYD

/s/ Keith Y. Boyd  
Keith Y. Boyd, proposed counsel for  
Creekside Homes, Inc., Debtor-in-  
Possession, OSB #760701

DECLARATION OF ANDREW BURTON IN SUPPORT OF  
CREEKSIDE HOMES, INC.'S AMENDED MOTION FOR USE OF CASH  
COLLATERAL ON A FINAL BASIS

I, Andrew Burton, declare as follows:

1. I am the president and, with my wife Sarah Burton, I am the sole shareholder of Creekside Homes, Inc. I am its founder. My business address is 219 N.E. Highway 99 West, McMinnville, Oregon 97128. My statements here are based on my personal knowledge and if called to testify concerning the contents of my declaration, I could and would do so competently.

**I. AUTHENTICATION AND PERSONAL KNOWLEDGE.**

2. I am the Debtor's President. I founded the Debtor in 2003 and later incorporated the company.
3. My roles with the Debtor include the following:
  - I oversee office administration.
  - I overseeing the creation and maintenance of the Debtor's financial books and records.
  - I oversee marketing and incoming calls for work.
  - I oversee human resources.
  - I oversee customer and public relations.

DECLARATION SUPPORTING AMENDED MOTION FOR USE OF CASH  
COLLATERAL ON A FINAL BASIS - **Page 1 of 24**

- I oversee marketing strategies and direction for the company.
  - While I have an oversight role as to ongoing projects, they are directly overseen by employees Isaac Mitchell and James Elliott.
  - I prepare the estimates for jobs (whether remodels or new homes) with help from Isaac Mitchell.
4. I am one of the custodians of the Debtor's books, records, and documents. The Debtor maintains records of its transactions in the regular course of business, and it is the Debtor's practice and procedure to maintain records and to record transactions, acts, and events at or about the time the transaction occurs. The Debtor relies on these records in connection with its business dealings.
5. I oversee the safekeeping of business records including financial records. The Debtor has business records primarily as computer files. If a business record is maintained on a computer, there are safety features which help to keep business records secure. For example, access to many records is limited for most employees. Financial records as one example can only be accessed if one has the necessary password. Only management level personnel have a necessary password. Other employees do not.
6. The computer is linked to a server. The server backs up the data stored on the computer. The server computer and attachments are maintained in a

DECLARATION SUPPORTING AMENDED MOTION FOR USE OF CASH  
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secured location and has an uninterruptible power supply.

7. I have personal knowledge of the procedures for creating, receiving, maintaining, storing and retrieving documents and records. The Debtor's business records are received, maintained, stored and retrieved in the ordinary course of the company's course of business. It is the ordinary course of the business to receive, maintain, store and retrieve records including any business records attached as exhibits discussed below. People with knowledge of the records and any exhibits contained below recorded or made these exhibits discussed below. The records were recorded at or near the time of their receipt or creation in the ordinary course of business.
8. In my declaration, I discuss various exhibits. As to each of them, I either prepared them, someone else prepared them but I inspected them or they were obtained or prepared based on records which I oversee. They are true and correct copies of what they appear to be.

## II. GENERAL BACKGROUND.

9. The Debtor is an active Oregon corporation in good standing.
10. When I was 19 years old, and prior to incorporating the Debtor, I built my first home on speculation. I incorporated the Debtor in 2009, and since then, the Debtor has operated a business constructing custom new homes, remodeling homes and acting as a project manager usually in and around

DECLARATION SUPPORTING AMENDED MOTION FOR USE OF CASH  
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McMinnville, Oregon. The Debtor typically employs 7 to 10 employees.

11. Back in year 2003, when I was 22 to 23 years old, an investor backed me in the construction of a home on speculation. I built the spec home in part using my father's tools. When the property was ready to sell, the housing market collapsed and buyers disappeared. I held on to the spec home and I paid the mortgage for a few years until I could sell it, which I did for a profit. From building the first spec home, and through the Debtor, I moved quickly into construction of new homes and remodels.
12. The Debtor is fully licensed. It has good reviews at Google.com and at Houzz.com
13. The Debtor presently builds most of its custom homes in and around Yamhill County though in past years it has done considerable home construction work as far north as Portland, as far south as Salem and out to the coast. The Debtor may construct as many as ten homes annually. The Debtor will construct close to ten homes this year, 2017. The Debtor will also oversee existing construction work and will do some remodeling work. Most of the construction work is done by subcontractors.
14. The Debtor's typical customer reflects the Debtor's niche in the McMinnville market. They tend to be married couples who have done well in employment, often engineers from high tech companies looking to build a

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home near the wineries. They can be teachers and others who see the cost of purchasing a home to be roughly equivalent to the cost of building a home (to their specifications) and they are willing to put up with the time and the demands of construction in order to have the new home they way they want it.

15. The Peer Group. The Debtor is a member of the National Association of Homebuilders (both National and the Salem chapter) and belongs to a peer group of homebuilders. Twice annually, the members of the peer group travel to the business location of one member and take a couple of days to inspect that member's business operation and its work in the field. That member's books and records are opened up and scrutinized. Our margins and costs are inspected and critiqued. If that member's operation is sloppy, we do not hesitate to say so.
16. In September, 2017, the peer group visited the Debtor in McMinnville and spent a couple of days examining the Debtor's books and records, interviewing staff and looking for problems. The members of the peer group made suggestions about changes they believe would help the business, noted that the Debtor had already applied many suggestions and lessons from a prior visit in year 2014 and commented on the positive aspects of the business. In particular, looking at the projected margin after

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costs of goods sold (“COGS”), they commented that the projected 24% margin is healthy for the construction industry. In recent years, the margin had been lower, at about 13%, for reasons I discuss below, including the difficulty hiring and keeping subcontractors in a booming market.

17. As a member of this peer group, I visit other members’ businesses located around the United States and examine and comment on their businesses. I am the youngest member of this peer group. When the peer group first examined Creekside, the Debtor’s business was not large enough to join the peer group but since 2014, it grew sufficiently that the Debtor applied for membership in the peer group and was admitted in spring, 2017.
18. The Debtor typically employs 7 to 10 employees. The Debtor will typically oversee the construction of close to 10 homes annually.

### III. NAMES OF ENTITIES ASSERTING AN INTEREST IN CASH COLLATERAL.

19. The entities asserting an interest in cash collateral are the following:
  - Funding Circle filed a UCC 1 financing statement to secure a loan of \$100,000 to the Debtor on or about October 26, 2016, with an interest rate of 19.29%. It claimed an interest in monies.
  - Swift Financial Corp. Swift loaned \$100k to the Debtor, on or about March 7, 2017. The interest rate is 17%. Prepetition, Swift sued the Debtor, my wife and me. My wife and I do not have an attorney in the

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arbitration. I understand a trial will be held on November 8, 2017.

- Knight Capital loaned \$104,000 to the Debtor on or about March 8, 2017. The interest rate is 28%.
- LoanMe loaned \$75,000 to the Debtor in August, 2017. The interest rate is 69%.

#### IV. PROBLEMS LEADING TO THE FILING AND POTENTIAL SOLUTIONS.

20. There are various reasons for the Debtor's financial difficulties:

- The construction industry in and around McMinnville is doing well. There is a lot of work, actually, too much work. Subcontractors can take whichever jobs they want, not follow deadlines and over-bill ... and get away with these behaviors.
- There were cost overruns on some jobs because the person at the Debtor overseeing those projects did not work hard enough to keep subs' charges down.
- The Debtor was not turning down work, even work that might have poor margins or property owners who were difficult people.
- With the shortage of subs, in the past year or two, jobs have been taking longer and longer to complete. This increases costs.
- The Debtor was not maintaining its financial books and records as well as perhaps it should have done. As a result, the Debtor did not

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realize that it needed to increase its margins.

- In 2016, the Debtor had 3 customers in the design phase who delayed construction work for up to one year. This happened again in 2017.
- The Debtor had been fronting too many costs on construction sites.
- The Debtor took on too many jobs at one time.
- Last year at one project, the house caught fire and the homeowner did not have fire insurance.

21. To fix the problems that led to this bankruptcy filing, the Debtor has implemented or will implement, the procedures and changes described below. Some of these changes may not work; others may.

- The Debtor is limiting the pricing in its contracts for 90 days or less. The Debtor has added in to its contracts an escalation clause for increased costs of lumber, drywall, concrete and roofing.
- The Debtor now requires subs to work through the Debtor's P.O. system to help manage costs and timeliness.
- The Debtor has increased its accounting staff.
- The Debtor is building its own preferred subcontractor list to have at least 3 subcontractors per trade, e.g., plumbing, roofing, electrical, in order to solicit more competitive bids.

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- As homes are completed, the Debtor will stop using some subs who have been unreliable.
- For lender financed construction jobs, the Debtor is now demanding a deposit to help cover up-front expenses and avoiding the problem of the Debtor having to carry the front loaded expenses.

22. That the Debtor recognizes these problems and has identified potential solutions makes it more likely that the Debtor will successfully reorganize.

#### V. THE DEBTOR'S PRESENT STATUS.

23. The Debtor presently has 6 construction jobs ongoing with a total contract price of roughly \$2.59 million. The margins range from 17% to 25%. The Debtor has additional jobs which will start in the next few months. The aggregate gross dollar value of the additional jobs exceeds \$1.9 million and the Debtor has bid for jobs of an additional \$3.8 million. As part of the Debtor's business model, it has a steady stream of jobs which come from customers who are in the design phase with the Debtor. Typical charges for the design contract work range from \$5,000 to \$12,000. The Debtor presently has 4 or 5 jobs in the design phase.

Discussion of ongoing jobs. <sup>1</sup>

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<sup>1</sup> There are additional jobs discussed below in the mechanic lien section. Work was completed so they are not discussed in this

- The A.N. job is mostly completed with close to 85% of the billed contract amount paid. This is a construction job with a face contract amount of \$465,724. Below I have a discussion of mechanics liens filed against the A.N. property but I believe the Debtor can complete this job and not lose money on the job even if the mechanics lien claims have to be paid in full. The Debtor will be paid an additional \$70,258 for work on this job. Mechanics liens against this job amount to \$47,272.40.
- The C.L. job is about 60% complete. This is a design contract where the Debtor works with the client to design the home the client wants. Typically customers who go through a design contract with the Debtor will hire the Debtor to do the construction work. The contract is for \$11,823 with \$4,730 to be paid.
- The D.L. construction job is about 55% completed. The contract amount is \$275,000 of which \$121,194 remains in work to be done and to be paid. There are no mechanics liens on this property.
- The J.C. job is about 60% complete. This is another design contract. The contract amount is \$14,200 of which \$5,680 remains to be paid.

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section.

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- The K.G. job is a construction job with a face amount of \$422,000 and with \$303,128 in work to be done and to be paid. There are no mechanics liens filed against this property. The job is approximately 28% completed.
- The S.C. construction job is 99% complete with about \$1,800 left to be paid. The face amount of mechanics liens against this property exceed \$110,000. There is essentially no work left to do on the S.C. project. The Debtor cannot pay the mechanics liens from funds to be paid by the property owner.
- The T.S. job is a construction job that is about 10% complete and with a contract amount of \$539,000. There is \$486,910 remaining to bill on the contract. There are no mechanics liens filed on this project.

Discussion of jobs with contracts signed and to begin.

24. The bid log has contains two categories of jobs, Q1 jobs which are jobs with signed contracts and work to begin and Q2 jobs which are bids with no contracts signed. This section discusses Q1 jobs - signed contracts.
- The K.K. job went through the design contract phase and a contract has been signed. This job will begin in a couple of months. The contract amount is \$750,000 with a 23% margin.
  - The J.C. job also went through the design contract phase and a

contract was signed. This job will begin in the next few weeks. The contract amount is \$650,000 and there is a 25% margin.

- The C.S. job is included here as the client went through the design phase and the client has indicated it will sign a construction contract. Work should begin in December, 2017, the contract amount is \$182,000 with a 30% margin.
- The D.G. job also went through the design contract phase and a contract has been signed. The contract amount is for \$380,000 with a 25% margin. Work should begin in or about December, 2017.

25. The Debtor has \$1,962,000 in contracted for work which will begin shortly.

Discussion of jobs being bid on.

26. In the same bid log, the Debtor has a second chart of what it calls Q2 work, jobs bid on but not awarded. The Debtor has bid on five jobs. Of the five jobs, four clients went through the design phase with the Debtor. The likely margins range from 24% to 30% and the total contract amount if all contracts were awarded to the Debtor is \$3,840,000. Presumably the Debtor will not be awarded all of these contracts but it should be awarded at least some of them.

Approval by Local Banks

27. The Debtor is "approved" by four banks doing business in the McMinnville

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area meaning that these banks have inspected the Debtor's work and financial condition and are satisfied with the Debtor. These banks, in effect, have a form of preapproval for jobs where the Debtor is the general contractor.

## VI. FINANCIAL REPORTING.

28. In connection with the Amended Motion, and at my direction staff prepared financial reports concerning the company's financial condition in the recent past, at present and in the future. I am the person who manually inputs most of the financial data into the Debtor's financial reporting systems and I will take steps to verify the reliability of my work. Also, I study the financial reports to the best of my understanding which, I believe, also helps them to be reliable. Also, as to the bid log and the work in progress log, the information in those two reports comes directly from the company's records and from my personal knowledge as I negotiate contracts for new work.

29. Attached to my Declaration are true and correct copies of the following financial reports:

- A report showing 2016 financial performance (**Exhibit "C"** )
- An accounts receivable report as of October 31, 2017. (**Exhibit "D"**)
- An accounts payable report as of October 31, 2017. (**Exhibit "E"**)
- A work in progress log as of October 31, 2017. This report outlines

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each job (by initials), construction status, the dollar amount of each job, monies billed and paid and to be paid. (**Exhibit "F"**)

- A bid log as of October 31, 2017. This is a listing of jobs which have been bid (identified only by initials), type of job, bid amount and margin. (**Exhibit "G"**)
- A balance sheet as of October 31, 2017. (**Exhibit "H"**)
- A P&L statement (cash basis) through October 31, 2017. (**Exhibit "I"**)
- A P&L statement (accrual) through October 31, 2017. (**Exhibit "J"**)
- An actual to budget report for the post-petition period. (**Exhibit "K"**)
- A projection of gross revenues, less costs of goods sold, less overhead expenses, net profit and cash flow on a weekly basis for the next 8 weeks. As of October 31, 2017, the Debtor had approximately \$4,243 in monies. **Exhibit "B"**

30. The Debtor's personal property has a likely value of \$1,099,364 before deductions are made for secured claims. The Debtor's assets are described in detail in **Exhibit "L."** This exhibit is the Debtor's Schedules A and B to the bankruptcy petition.

- The Debtor's receivables have a face value of approximately \$53,905. Of this amount, the Debtor expects to collect approximately \$49,268.75 over time.

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- The Debtor's machinery and equipment have a face value of \$24,000.
- The Debtor has \$4,243.17 in monies.
- The Debtor has Work in Progress with an estimated value of \$993,699 and margins of approximately 24%.
- The Debtor is the title owner of 4 vehicles with an estimated value of \$31,000. They are owned free and clear.

## VII. FACTS SPECIFIC TO THE CONSTRUCTION PROJECTS.

31. Prepetition subs filed mechanics liens. Lenders will not pay draws to the Debtor while mechanics liens cloud title. Subs will not release their liens. I understand that the Debtor cannot authorize the lenders to pay the liens as they are for prepetition claims. We are exploring how to clear title and provide the Debtor with the most money possible.
32. Here is a summary of information about those projects where mechanics liens have been filed and the face amounts of these liens. The information about the amounts of the mechanics liens is taken directly from mechanics liens which were obtained from Yamhill County's records. That information was then compared to the Debtor's own records. Additional information below about contract amounts, etc., comes from the Debtor's internal

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records.<sup>2</sup>

- A.N. job

Parker Concrete	\$7,541
Amcraft Inc.	\$29,136
Surface Works, LLC	\$10,595

Total face amount of mechanics liens: \$47,272.40

Total contract amount: \$456,724

Monies paid to date: \$386,465

Monies to be paid: \$70,258

33. On this job, a draw payment in the amount of \$70,258 is being held up by the lender pending clearing the mechanics liens from the property's title.

34. There is virtually nothing more the Debtor needs to purchase for the A.N. project other than cabinets which will cost approximately \$5,000 to \$6,000. The Debtor will need to pay a bill for counter tops of approximately \$13,000. If the Debtor had to pay the mechanics liens of \$47,272 but the Debtor completed the work and was paid the \$70,258 still to be paid on the contract for this job, the Debtor's cash flow would not go negative as a result of paying the mechanics liens (if authorized) and obtaining the

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<sup>2</sup> The balance of the Debtor's jobs in process have not been liened by mechanics liens.

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remaining cabinets and counter tops.

- J.H. job

Surface Works,	\$21,866
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Total face amount of mechanics liens: \$21,866

Total contract amount: \$308,793

Monies paid to date: \$282,955

Monies to be paid: \$25,838

35. On this job, a draw payment in the amount of \$25,838 is being held up by the lender pending clearing the mechanics liens from the property's title.
36. The J.H. job is not shown in the work in progress report as it is now reflected in the receivables report. The job is complete and the Debtor is awaiting the final draw which has been delayed due to the mechanics lien.
37. With the J.H. job, the Debtor can realize some cash flow of several thousand dollars once

- S.C. job

Nice Electric	\$15,875
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Parker Concrete	\$4,126
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Milwaukie Lumber	\$20,285
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Northwest Door	\$10,927
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Surface Works                      \$47,623

Jacobs Hearing & A.C.    \$14,540

Total face amount of mechanics liens: \$113,376

38. On this job, a draw payment in the amount of \$1,799 is being held up by the lender pending clearing the mechanics liens from the property's title.

39. For the S.C. job with only \$1,799 being due from the property owner and \$113,376 being due to the mechanics lien claimants, the logical course appears to be to reject the contract with the property owner. The Debtor is not aware of a legal benefit to creditors by assuming this contract.

Total contract amount:    \$651,000

Monies paid to date:        \$649,201

Monies to be paid:         \$1,799

- A.S. job

Pyramid Heating                \$2,739 (recorded 10/18 at 2:06 p.m.)

Ferguson Ent.                    \$6,123

Total face amount of mechanics liens: \$8,862

Total contract amount:    \$592,234

Monies paid to date:        \$592,234

Monies to be paid:         \$0

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40. Work on the A.S. job has been completed. No materials are needed for purchase. No labor is required to complete the job. The final draw amount exceeds the amount of the two liens.

#### VIII. SWIFT FINANCIAL.

41. Here are some facts concerning the transaction with Swift:

- Swift required my wife and I to guaranty the transaction.
- Swift is enforcing our guaranties through arbitration. Attached as **Exhibit "M"** are true and correct copies of notices (which were sent to me) advising that trial on Swift's efforts on the contract against the Debtor and also on Swift's efforts to enforce the guaranties against my wife and me is set for November 8, 2017. Swift states that the automatic stay does not stop the arbitration as to my wife and I.
- Swift did not collect the receivables.
- Swift did not require the Debtor to segregate the receivables.
- Swift made regular withdrawals, in a set amount, from the Debtor's bank account.
- Before Swift entered into the loan with the Debtor, Funding Circle already had recorded a financing statement with the Secretary of State. To my understanding, the Debtor could not sell its future receivables except perhaps with Funding Circle's prior permission.

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42. It would seem that Swift, by suing the Debtor, my wife and me, is taking the position that the risk of loss is not on Swift but instead on the Debtor, my wife and me.

#### IX. USE OF CASH COLLATERAL SHOULD BE APPROVED

43. The Debtor needs to use cash collateral to operate its business, to pay employees, to pay rent and utilities and pay other expenses. Without the use of its monies, the Debtor cannot remain in business, work on its existing jobs and start construction on projects with signed contracts. The Debtor's reputation in the industry will be severely harmed.

44. Authorizing the relief requested below will benefit entities asserting interests in estate monies as the use of cash collateral will protect their security. If their security interests extend to the Debtor's monies, then the Debtor does not have unencumbered sources of monies or other assets to pay ordinary course of business obligations.

45. Variance. The Debtor has done its best to make accurate projections concerning income and expenses. However, budgeting is not an exact science, especially as the Debtor's business is subject to unanticipated changes, e.g., changes dictated by lenders, unexpected changes in schedules when a subcontractor needs to start sooner or later than forecast, and the weather. There may be considerable variance week to week and

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month to month in the work the Debtor is expected to do.

46. Therefore, the Debtor requests it be permitted to vary from the proposed budget by as much as 20% in any one category where the projected spending is under \$10,000 and vary from the proposed budget by as much as 15% as to any other category. If the Debtor determines it needs to vary from any one budgeted item by more than the 15% or 20% variances, the Debtor proposes that it provide written notice by email or telecopier of the variance to the senior entities asserting interests in the Debtor's monies, Funding Circle and Swift. If Funding Circle and Swift do not object to the variance within 48 business hours, then the variance will be deemed approved. If either lender objects to the proposed variance, then the Debtor may seek to set a hearing on shortened notice seeking approval of the variance from this Court.
47. At the initial hearing on the original motion seeking authority to use cash collateral, the Court authorized a 10% variance. The Debtor needs 20%.
48. Rolling Unspent Budgeted Monies Forward. The budget is a weekly budget. It is likely the Debtor will underspend in certain categories in some weeks. The Debtor requests that the Court authorize the Debtor to carry over from previous weeks any unused monies to be used in the same categories in future weeks.

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49. The rollover or carryforward is crucial because while the Debtor projects sales and revenues on a weekly basis, some sales and some revenue may come in one or two weeks later than projected. This typically happens with lenders as they may delay approval of work or delay making payments to the Debtor. Also, when jobs are delayed, the Debtor must roll over expenses from week to week for when a job actually begins.
50. If the rollover is not permitted, then the Debtor may have insufficient monies in various categories to operate its business.
51. That a project may not move forward in a week specified in the budget is common and has already occurred during the chapter 11 case.
52. The Debtor also requests that the monies carried forward not count toward the 20% variance.
53. Applying Any Excess Revenues to Costs of Goods Sold. It may be that in some periods the Debtor's gross revenues exceed the projected figures. If this happens, this also means that the Debtor has a lot of work and a lot of expenses directly tied to the jobs it is doing. The Debtor requests that in the event its gross revenues exceed the projected gross revenue figures for a given week, that the Debtor be permitted to apply up to 75% of such excess gross revenues to costs of goods sold. COGS includes these categories:  
  
Costs of materials for jobs; and direct labor costs for jobs.

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54. The Four Lenders' Interests Are Adequately Secured. They are afforded adequate protection of their claims in many ways.
- a. The value of the assets; work in progress \$993,699, receivables \$53,904.99, monies on hand \$4,243.17, total \$1,051,847.16.
  - b. The Debtor continuing to operate the business and maintaining and servicing the inventory and equipment.
  - c. Operating the business creates additional revenues.
  - d. All assets are properly insured.
  - e. The Debtor will provide replacement liens to the four entities to the extent their prepetition liens attached to the Debtor's property and with the same validity, priority, and description of collateral. To be clear, if there is a defect in a security interest prepetition, that same defect would apply post-petition.
  - f. The Debtor does not propose to make adequate protection payments until a later hearing as its finances are not yet well grounded.
55. Total principal loan amounts on the four loans aggregate under \$400,000 though there will be fees and interest but also loan payments made.

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Executed on November 3, 2017.

I declare under the penalty of perjury and under the laws of the U.S. of America that the foregoing is true and correct.

/s/ Andrew Burton  
Andrew Burton

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## CERTIFICATE OF SERVICE

I hereby certify that on November 3, 2017, I served the following AMENDED MOTION FOR USE OF CASH COLLATERAL ON A FINAL BASIS; DECLARATION by depositing in the United States mail at Encino, California full and complete copies thereof, by first class mail, postage prepaid, or email transmission where indicated, addressed to the following:

via Manual Service (first class mail and as described below):

Creekside Homes, Inc. (via Email)  
c/o Andrew Burton  
219 NE Hwy 99W  
McMinnville, OR 97128

GM Construction, LLC (via Email)  
Goran Markovic  
15864 Stables Pl  
Oregon City, OR 97045-1385

Largest Unsecured Creditors:

Amcraft, Inc. (via Email)  
Greg White  
1015 NE Alpine Ave  
McMinnville, OR 97128-4017

Jacobs Heating & AC (via Email)  
Tatiana Tucker  
4474 SE Milwaukie Ave  
Portland, OR 97202-4724

Berkley (via Email)  
Accounts Receivable  
PO Box 59143  
Minneapolis, MN 55459-0143

Knight Capital (via Email)  
Amanda Barton  
9 E Loockerman St Ste 3A-543  
Dover, DE 19901-8306

Canby Drywall (via Email)  
Rebecca  
PO Box 129  
Canby, OR 97013-0129

Lambert's Plumbing Solutions (via Email)  
Brady Lambert  
16705 SW Sunrise Ln  
McMinnville, OR 97128-8543

Ferguson Enterprises (via Email)  
Accounts Receivable  
Lockbox 043090 M/S 90  
PO Box 4300  
Portland, OR 97208

LIC Painting Inc (via Email)  
Michael  
PO Box 501  
Gervais, OR 97026-0501

Globe Lighting (via Email)  
Accounts Receivable  
1919 NW 19th Ave  
Portland, OR 97209-1735

LoanMe (via Email)  
Tre  
1900 S State College Blvd # 300  
Anaheim, CA 92806-6152

Milwaukie Lumber (via Email)  
Ann Berry  
13113 NE Fourth Plain Blvd  
Vancouver, WA 98682-4934

Nice Electric (via Email)  
Merv Zook  
PO Box 636  
McMinnville, OR 97128-0636

Northwest Door & Supply  
c/o Thomas K. Wolf, LLC  
Attn: Thomas K. Wolf  
5200 SW Meadows Rd., Suite 150  
Lake Oswego, OR 97035

Parker Concrete, Inc. (via Email)  
c/o 5530 SE Center St.  
Portland, OR 97206

PR Drywall (via Email)  
Phil  
2730 SE 39th Loop Ste E  
Hillsboro, OR 97123-8434

ProBuild (via Email)  
Kelly Bryant  
PO Box 507  
McMinnville, OR 97128-0507

Rayborns Plumbing (via Email)  
Rayborn  
PO Box 69  
Tualatin, OR 97062-0069

Surface Works (via Email)  
Melissa  
106 SE 11th Ave  
Portland, OR 97214-1315

Swift Capital (via Email)  
Sergio I. Scuteri, Shareholder  
PO Box 5016  
Mount Laurel, NJ 08054-5016

Weather Roofing & Construction, Inc. (via Email)  
Rigoberto Fernandez  
4093 Hayesville Dr NE  
Salem, OR 97305-2304

Secured Lenders:

LoanMe  
National Registered Agents, Inc.  
780 Commercial St SE Ste 100  
Salem OR 97301

Knight Capital  
Spiegel & Utrera, P.A., Registered Agent  
9 East Lookerman St Ste 202  
Dover, DE 19901

Funding Circle (FC Marketplace, LLC)  
(via Email)  
Corporation Service Company, Registered Agent  
1127 Broadway Street NE Ste 310  
Salem, OR 97301

Swift Capital  
Attn: Bankruptcy Notice  
3505 Silverside Rd Ste 200  
Wilmington, DE 19810-4905

Swift Financial Services, LLC  
LEGALFILINGS.COM, INC., Registered Agent  
1013 Centre Road Suite 403S  
Wilmington DE 19805

Swift Capital  
c/o Corporation Service Comp  
1127 Broadway St. NE Suite 310  
Salem, OR 97301

Swift Capital  
c/o CHTD Company  
P.O. Box 2576  
Springfield, IL 62708

Funding Circle  
FC Marketplace, LLC  
747 Front St., Floor 4  
San Francisco, CA 94111

FC Marketplace, LLC  
SME Fund FBO Account  
P.O. Box 398438  
San Francisco, CA 94139-8438

FC Marketplace, LLC  
c/o Becket and Lee LLP

Attn: Christopher Cramer  
P.O. Box 3002  
Malvern, PA 19355-0701

FC Marketplace, LLC  
c/o Becket and Lee LLP  
Attn: Crystal J. Oswald  
16 General Warren Blvd.  
Malvern, PA 19355-1245

American Arbitration Association  
Kip C. Lucke, arbitrator  
1301 Atwood Avenue, Suite 211N  
Johnston, RI 02919

I hereby certify that on November 3, 2017, I determined from the United States Bankruptcy Court electronic case filing system that the following parties will be served electronically via ECF:

**Local Counsel for Debtor:** KEITH Y BOYD [ecf@boydlegal.net](mailto:ecf@boydlegal.net), [arnold@boydlegal.net](mailto:arnold@boydlegal.net)  
**Counsel for Debtor:** Steven R Fox [emails@foxlaw.com](mailto:emails@foxlaw.com)

**Counsel for Canby Drywall, Inc.:** DOUGLAS L GALLAGHER [doug@dglawoffice.com](mailto:doug@dglawoffice.com),  
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**Trustee:** US Trustee, Portland [USTPRegion18.PL.ECF@usdoj.gov](mailto:USTPRegion18.PL.ECF@usdoj.gov)

**Trustee:** SONIA ZAHEER [sonia.zaheer@usdoj.gov](mailto:sonia.zaheer@usdoj.gov)

Dated: November 3, 2017

THE FOX LAW CORPORATION

By  /s/ Sandy Cuevas  
Sandy Cuevas,  
Legal Assistant

# Exhibit "A"

Exhibit A Page 1 of 7

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

In re

Creekside Homes, Inc.,

Debtor.

---

) **CASE NO.: 17-33893-tmb11**

) **FINAL ORDER AUTHORIZING**  
) **DEBTOR-IN-POSSESSION TO USE**  
) **CASH COLLATERAL**

A final hearing was held on November 20, 2017, on the Debtor-in-Possession's Amended Motion For Use of Cash Collateral on a Final Basis ("Motion"). Docket No. \_\_\_\_\_

During this final period, November 17, 2017, through February, 2018, the Debtor seeks authority to spend \$764,000 in costs of goods sold and \$161,083 in overhead expenses for a total grant of \$925,083.

Having considered the Motion and the exhibits attached thereto, and based on

**FINAL ORDER AUTHORIZING DEBTOR-IN-POSSESSION  
TO USE CASH COLLATERAL**

Page 1 of 6  
Exhibit A Page 2 of 7



the evidence presented at the hearing (the “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 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 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 its necessary and critical ordinary course expenses of maintaining and preserving its business 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.

**FINAL ORDER AUTHORIZING DEBTOR-IN-POSSESSION  
TO USE CASH COLLATERAL**

Page 2 of 6  
Exhibit A Page 3 of 7

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. With respect to the argument Swift Financial has raised, asserting that it purchased future receivables of the Debtor and that the Debtor's receivables are not property of the estate, the risk of loss of payment of the future receivables did not pass from the Debtor and the two guarantors to Swift Financial. Swift has commenced an arbitration against the Debtor and the two guarantors seeking to shift the risk of loss to them.

H. 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.

I. 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 Hearing, and good and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is granted on a final basis, subject to the terms and conditions set forth in this Final 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 cash collateral during the period November 17,

**FINAL ORDER AUTHORIZING DEBTOR-IN-POSSESSION  
TO USE CASH COLLATERAL**

Page 3 of 6  
Exhibit A Page 4 of 7

2017, through February, 2018, in the following amounts: \$764,000 in costs of goods sold; and \$161,083 in overhead expenses; for a total grant of authority of \$925,083. Such spending shall be in conformance with the Budget attached to this Order as Exhibit A, for the purposes of funding expenditures in accordance with the Budget.

3. The Debtor may vary from its proposed Budget by as much as 20% in any one category. If the Debtor determines it needs to vary from any one budgeted item by more than the 20% variances, the Debtor must first provide written notice by email or telecopier of the variance to Funding Circle and to Swift Funding for approval of such variance. If Funding Circle and Swift Funding do not object to the variance within 48 business hours, then the proposed variance will be deemed approved. If either Funding Circle or Swift Funding object, then the Debtor may seek to set a hearing on shortened notice seeking approval of the variance from this Court.

4. 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.

5. The Debtor 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 Debtor. The weekly statements shall include, but not be limited to, a comparison of the Debtor's actual financial performance versus its budgeted financial performance. The weekly financial reports shall be due each Tuesday during this final period and shall report on the Debtor's financial performance through Friday of the preceding week.

6. The four entities asserting interests in the Debtor's monies and accounts receivable will be adequately protected during this 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, extent, 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.

7. 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.

8. Swift Financial's argument, that it purchased the Debtor's future accounts receivable, is overruled.

9. This Court retains jurisdiction with respect to all matters arising from or relating to the implementation of this Order.

10. This Order shall be effective immediately upon its entry pursuant to F.R.B.P. Rule 6004(h).

**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**

By: /s/ Keith Y. Boyd

Keith Y. Boyd, OSB #760701

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Medford, OR 97501

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**FINAL ORDER AUTHORIZING DEBTOR-IN-POSSESSION  
TO USE CASH COLLATERAL**

Page 5 of 6  
Exhibit A Page 6 of 7

THE FOX LAW CORPORATION  
By: /s/ Steven R. Fox, CA bar no. 138808  
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Attorneys for Debtor in Possession

FINAL ORDER AUTHORIZING DEBTOR-IN-POSSESSION  
TO USE CASH COLLATERAL

Page 6 of 6  
Exhibit A Page 7 of 7

# Exhibit ‘B’

Exhibit B Page 1 of 5

Creekside Homes, Inc.  
 Projection of Cash Receipts and  
 Disbursements

For the 4-month period ending 2/28/18

	<u>11/3/17</u>	<u>11/10/17</u>	<u>11/17/17</u>	<u>11/24/17</u>	<u>12/1/17</u>	<u>12/8/17</u>
<u>For the week ending:</u>						
Revenue	4,080	4,730	150,000	70,000	-	-
COGS -Labor & Material	-	-	21,000	140,000	15,000	-
Gross Profit	4,080	4,730	129,000	(70,000)	(15,000)	-
Expenses						
Advertising/Marketing	1,750				2,750	
Auto Expense (Leases and fuel)		1,801			1,100	1,801
Bookkeeping	500		500		500	
Insurance -Liab, Auto & WC	3,240				3,240	
Payroll -Officers			8,200			
Payroll-admin, PR Tax and fees			16,500			
Office & Admin Expenses		2,175		2,175		2,175
Rent Expense	1,120				1,120	
Repairs & Maintenance		200	-	200	-	200
Shop Supplies & Small Tools	250		250		250	
Telephone and Utilities				1,100		
US Trustee Fees						
Total Expense	6,860	4,176	25,450	3,475	8,960	4,176
Net Ordinary Income	(2,780)	554	103,550	(73,475)	(23,960)	(4,176)
Beginning Cash as of 10/30/17	4,243					
Projected Ending Cash	1,463	2,017	105,567	32,092	8,132	3,956

Creekside Homes, Inc.  
 Projection of Cash Receipts and  
 Disbursements

For the 4-month period ending 2/28/18

For the week ending:	12/15/17	12/22/17	12/29/17	Jan	Feb	TOTAL
Revenue	140,000			320,000	268,000	956,810
COGS - Labor & Material		101,000		271,000	216,000	764,000
Gross Profit	140,000	(101,000)	-	49,000	52,000	192,810
Expenses						
Advertising/Marketing				2,750	2,750	10,000
Auto Expense (Leases and fuel)			1,100	2,901	2,901	11,604
Bookkeeping	500			1,000	1,000	4,000
Insurance -Liab, Auto & WC				3,240	3,240	12,960
Payroll -Officers	8,200			8,200	8,200	32,800
Payroll-admin, PR Tax and fees	16,500			16,500	16,500	66,000
Office & Admin Expenses		2,175		4,350	4,350	17,400
Rent Expense				1,120	1,120	4,480
Repairs & Maintenance		200		400	400	1,600
Shop Supplies & Small Tools	250			500	500	2,000
Telephone and Utilities	1,100			1,100	1,100	4,400
US Trustee Fees				4,875		4,875
Total Expense	26,550	2,375	1,100	46,936	42,061	172,119
Net Ordinary Income	113,450	(103,375)	(1,100)	2,064	9,939	20,691

Beginning Cash as of 10/30/17  
 Projected Ending Cash

117,406	14,031	12,931	14,995	24,934	24,934
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**Work In Progress**

<b>Cust. ID</b>	<u>11/3/17</u>	<u>11/10/17</u>	<u>11/17/17</u>	<u>11/24/17</u>	<u>12/1/17</u>	<u>12/8/17</u>	<u>12/15/17</u>	<u>12/22/17</u>	<u>12/29/17</u>	<u>Jan</u>	<u>Feb</u>	<u>TOTAL</u>
CL		4,730								50,000	10,000	64,730
CS	1,400			36,000			20,000			60,000	30,000	147,400
DG	2,680						40,000			30,000	40,000	112,680
DL			80,000									80,000
JC							40,000			50,000	40,000	130,000
KG			40,000									40,000
TS			30,000									30,000
BA				4,000							3,000	7,000
KK										40,000	40,000	80,000
AB				30,000			40,000			40,000	60,000	170,000
RB										50,000	45,000	95,000
<b>Total Rev</b>	<b>4,080</b>	<b>4,730</b>	<b>150,000</b>	<b>70,000</b>	<b>-</b>	<b>-</b>	<b>140,000</b>	<b>-</b>	<b>-</b>	<b>320,000</b>	<b>268,000</b>	<b>956,810</b>

Cost of Goods Sold		11/3/17	11/10/17	11/17/17	11/24/17	12/1/17	12/8/17	12/15/17	12/22/17	12/29/17	Jan	Feb	TOTAL
D	Customer												
	CL			4,170							39,063	7,276	50,508
	CS			1,234	7,714				11,429		46,875	21,828	89,080
	DG			2,363					22,857		23,438	29,104	77,762
	DL			70,525							-	-	70,525
	JC								22,857		39,063	29,104	91,024
	KG			35,262							-	-	35,262
	TS			26,447							-	-	26,447
	BA				857						-	2,183	3,040
	KK										31,250	29,104	60,354
	AB				6,429				22,857		31,250	43,657	104,192
	RB										39,063	32,743	71,805
	Total Material Payments			140,000	15,000				80,000		250,000	195,000	680,000
	Labor			21,000					21,000		21,000	21,000	84,000
	Total CC	-	-	21,000	140,000	15,000	-	-	101,000		271,000	216,000	764,000

Footnotes:

Revenue -	Based upon the schedule of Work in Progress above.
COGS -Labor & Material	The debtor historically bids jobs at cost plus 30%, resulting in bids @ 24 % gross margin. This margin has not been achieved in recent historicals. Hence, this line item is the area that has been targeted for reorganization.
Advertising/Marketing	Website hosting, sales funnel management, and guerilla marketing.
Auto Expense (Leases and fuel)	Three auto leases, \$491, \$482, and \$828, plus fuel costs estimated \$1100/mo based on YTD fuel expense.
Bookkeeping	Cost to administer financial statements and prepare monthly operating reports.
Insurance -Liab, Auto & WC	General liability \$1600/mo, Auto \$640/mo, Workers comp estimate of \$1000/mo.
Payroll -Officers	Officers payroll includes both Andrew and Sarah Burton, gross wages.
Payroll & PR Tax- Admin	Admin payroll plus PR taxes and processing fees for Admin, Officers, and Direct labor.
Office & Admin Expenses	Based on historical expenses YTD. See table 1 below.
Rent Expense	Per current lease agreement.
Repairs & Maintenance	Includes cleaning of office, uniforms, and repairs.
Shop Supplies & Small Tools	Based on historical expenses, YTD.
Telephone and Utilities	Based on historical expenses, YTD.
US Trustee Fees	According to the US Trustee Fee Schedule.

Table 1 - Office & Admin Expense Per month	
Bus license, taxes, permits & fees	400
Computer and Internet Expense	300
Dues, Subscriptions, Training and I	1,300
Printing and postage	250
Office supplies and expense	2,100
<b>Total</b>	<b>4,350</b>

# Exhibit “C”

Exhibit C Page 1 of 4

Schedule K Shareholders' Pro Rata Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	30,242.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3 a Other gross rental income (loss)	3 a	
	b Expenses from other rental activities (attach statement)	3 b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3 c	
	4 Interest income	4	
	5 Dividends: a Ordinary dividends	5 a	
	b Qualified dividends	5 b	
	6 Royalties	6	
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7	
Deductions	8 a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8 a	
	b Collectibles (28%) gain (loss)	8 b	
	c Unrecaptured section 1250 gain (attach statement)	8 c	
	9 Net section 1231 gain (loss) (attach Form 4797)	9	
	10 Other income (loss) (see instructions) Type ▶	10	
Credits	11 Section 179 deduction (attach Form 4562)	11	
	12 a Charitable contributions SEE STATEMENT 3	12 a	1,000.
	b Investment interest expense	12 b	
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12 c (2)	
Foreign Transactions	d Other deductions (see instructions) Type ▶ SEE STATEMENT 4	12 d	
	13 a Low-income housing credit (section 42(j)(5))	13 a	
	b Low-income housing credit (other)	13 b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	13 c	
	d Other rental real estate credits (see instrs) Type ▶	13 d	
	e Other rental credits (see instrs) Type ▶	13 e	
	f Biofuel producer credit (attach Form 6478)	13 f	
Alternative Minimum Tax (AMT) Items	g Other credits (see instructions) Type ▶	13 g	
	14 a Name of country or U.S. possession ▶		
	b Gross income from all sources	14 b	
	c Gross income sourced at shareholder level	14 c	
	Foreign gross income sourced at corporate level		
	d Passive category	14 d	
	e General category	14 e	
	f Other (attach statement)	14 f	
	Deductions allocated and apportioned at shareholder level		
	g Interest expense	14 g	
	h Other	14 h	
	Deductions allocated and apportioned at corporate level to foreign source income		
	i Passive category	14 i	
j General category	14 j		
k Other (attach statement)	14 k		
Other information			
l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14 l		
m Reduction in taxes available for credit (attach statement)	14 m		
n Other foreign tax information (attach statement)			
Items Affecting Shareholder Basis	15 a Post-1986 depreciation adjustment	15 a	-66.
	b Adjusted gain or loss	15 b	
	c Depletion (other than oil and gas)	15 c	
	d Oil, gas, and geothermal properties — gross income	15 d	
	e Oil, gas, and geothermal properties — deductions	15 e	
	f Other AMT items (attach statement)	15 f	
BAA	16 a Tax-exempt interest income	16 a	
	b Other tax-exempt income	16 b	
	c Nondeductible expenses SEE STATEMENT 5	16 c	3,622.
	d Distributions (attach stmt if required) (see instrs)	16 d	46,727.
	e Repayment of loans from shareholders	16 e	

Schedule K Shareholders' Pro Rata Share Items (continued)		Total amount	
Other Information	17 a Investment income .....	17 a	
	b Investment expenses .....	17 b	
	c Dividend distributions paid from accumulated earnings and profits .....	17 c	
	d Other items and amounts (attach statement)		
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14i .....	18	29,242.

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash .....		54,291.		
2 a Trade notes and accounts receivable .....				
b Less allowance for bad debts .....				
3 Inventories .....				
4 U.S. government obligations .....				
5 Tax-exempt securities (see instructions) .....				
6 Other current assets (attach stmt) ... SEE . ST . 6		8,010.		159,074.
7 Loans to shareholders .....				
8 Mortgage and real estate loans .....				
9 Other investments (attach statement) .....				
10 a Buildings and other depreciable assets .....	12,596.		35,111.	
b Less accumulated depreciation .....	12,329.	267.	15,725.	19,386.
11 a Depletable assets .....				
b Less accumulated depletion .....				
12 Land (net of any amortization) .....				
13 a Intangible assets (amortizable only) .....				
b Less accumulated amortization .....				
14 Other assets (attach stmt) .....				
15 Total assets .....		62,568.		178,460.
<b>Liabilities and Shareholders' Equity</b>				
16 Accounts payable .....				
17 Mortgages, notes, bonds payable in less than 1 year .....				
18 Other current liabilities (attach stmt) ... SEE . ST . 7		30,322.		76,697.
19 Loans from shareholders .....				
20 Mortgages, notes, bonds payable in 1 year or more .....				90,624.
21 Other liabilities (attach statement) .....				
22 Capital stock .....		10,000.		10,000.
23 Additional paid-in capital .....				
24 Retained earnings .....		22,246.		1,139.
25 Adjustments to shareholders' equity (att stmt) .....				
26 Less cost of treasury stock .....				
27 Total liabilities and shareholders' equity .....		62,568.		178,460.

### Cost of Goods Sold

▶ Attach to Form 1120, 1120-C, 1120-F, 1120S, 1065, or 1065-B.  
▶ Information about Form 1125-A and its instructions is at [www.irs.gov/form1125a](http://www.irs.gov/form1125a).

Name <b>CREEKSIDE HOMES, INC. ANDREW BURTON CONSTRUCTION</b>	Employer identification number <b>9642</b>
---	---

1 Inventory at beginning of year.....	1	
2 Purchases.....	2	3,277,379.
3 Cost of labor.....	3	
4 Additional section 263A costs (attach schedule).....	4	
5 Other costs (attach schedule).....	5	73,485.
6 <b>Total.</b> Add lines 1 through 5.....	6	3,350,864.
7 Inventory at end of year.....	7	
8 <b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions.....	8	3,350,864.

**9 a** Check all methods used for valuing closing inventory:

- (i)  Cost
- (ii)  Lower of cost or market
- (iii)  Other (Specify method used and attach explanation)..... ▶

**b** Check if there was a writedown of subnormal goods..... ▶

**c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)..... ▶

**d** If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO..... **9d**

**e** If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions.....  Yes  No

**f** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation.....  Yes  No

**BAA For Paperwork Reduction Act Notice, see instructions.**

# Exhibit “D”

Exhibit D Page 1 of 2



12:19 PM  
11/03/17

**Creekside Homes, Inc.**  
**A/R Aging Summary**  
As of October 31, 2017

Creekside Homes AR	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>&gt; 90</u>	<u>TOTAL</u>
D [REDACTED] G [REDACTED]	0.00	2,680.00	0.00	0.00	0.00	2,680.00
H [REDACTED] F [REDACTED] K [REDACTED] H [REDACTED]	0.00	0.00	0.00	0.00	2,596.40	2,596.40
J [REDACTED] H [REDACTED]	0.00	25,838.14	0.00	0.00	0.00	25,838.14
J [REDACTED] J [REDACTED]	0.00	0.00	0.00	0.00	9,512.76	9,512.76
K [REDACTED] K [REDACTED]	3,640.00	0.00	0.00	0.00	0.00	3,640.00
L [REDACTED] S [REDACTED] 7 [REDACTED] L [REDACTED] 1	0.00	0.00	5,001.44	0.00	0.00	5,001.44
M [REDACTED] M [REDACTED]	0.00	0.00	0.00	0.00	4,636.25	4,636.25
<b>TOTAL</b>	<u><b>3,640.00</b></u>	<u><b>28,518.14</b></u>	<u><b>5,001.44</b></u>	<u><b>0.00</b></u>	<u><b>16,745.41</b></u>	<u><b>53,904.99</b></u>

# Exhibit ‘E’

Exhibit E Page 1 of 2

12:36 PM  
11/03/17

**Creekside Homes, Inc.**  
**A/P Aging Summary**  
As of October 31, 2017

<b>Creekside Homes Post-Petition AP</b>	<b>Current</b>	<b>1 - 30</b>	<b>31 - 60</b>	<b>61 - 90</b>	<b>&gt; 90</b>	<b>TOTAL</b>
Home Depot	0.00	589.04	0.00	0.00	0.00	589.04
McMinnville Water and Light	53.63	133.87	0.00	0.00	0.00	187.50
Milwaukie Lumber	949.54	0.00	0.00	0.00	0.00	949.54
Nice Electric	1,972.97	0.00	0.00	0.00	0.00	1,972.97
NW Natural	6.94	0.00	0.00	0.00	0.00	6.94
PGE	161.71	0.00	0.00	0.00	0.00	161.71
Willy Make It	237.00	0.00	0.00	0.00	0.00	237.00
<b>TOTAL</b>	<b><u>3,381.79</u></b>	<b><u>722.91</u></b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>	<b><u>4,104.70</u></b>

# Exhibit “F”

Exhibit F Page 1 of 2

**Client % of Completion Contract Amount Billed to Date WIP Paid to Date**

A. N.	84.62%	456,724	386,465	70,258	386,465
C. L.	59.99%	11,823	7,093	4,730	7,093
D. L.	55.93%	275,000	153,806	121,194	153,806
J. C.	60.00%	14,200	8,520	5,680	8,520
K. G.	28.17%	422,000	118,872	303,128	118,872
S. C.	99.72%	651,000	649,201	1,799	649,201
T. S.	9.66%	539,000	52,090	486,910	52,090

Total 993,699

# Exhibit “G”

Exhibit G Page 1 of 2

Signed Contracts Q1 *									
Customer	Design Agreement	Construction Agreement	Length of time in Design	Time until Groundbreaking	Contract Amount	Margin			
K. K.	Yes	Yes	1.5 yrs	3 months	\$750,000	23%			
J. C.	Yes	Yes	8 months	3 wks	\$650,000	25%			
C. S.	Yes	No	completed	4 wks	\$182,000	30%			
D. G.	Yes	Yes	1 month	1 month	\$380,000	25%			
					Total	\$1,962,000			

\*Q1 Jobs closed but have not mobilized yet  
 \*\*Contract will be signed within next few days.

**Bid Log Report Q2 \*\*\***

Customer	Design Agreement	Construction Agreement	Length of time in Design	Time until Groundbreaking	Contract Amount	Margin			
J. C.	Yes	No	3 wks	3 months?	\$980,000	24%			
C. L.	Yes	No	3 months	Not sure	\$750,000	24%			
J. B.	Yes	No	4 months	?? They are shopping	\$310,000	24%			
L. L.	No	No	2 yrs	6 weeks??	\$1,500,000	24%			
D. A.	Yes	No	3 months	3 months	\$300,000	30%			
					Total	\$3,840,000			

\*\*\*Q2 Bids

# Exhibit “H”

Exhibit H Page 1 of 2



12:46 PM  
11/03/17  
Accrual Basis

**Creekside Homes, Inc.**  
**Balance Sheet**  
As of October 31, 2017

Creekside Balance Sheet	<u>Oct 31, 17</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
107 · Key Bank	4,243.17
<b>Total Checking/Savings</b>	<u>4,243.17</u>
<b>Accounts Receivable</b>	
112.00 · Accounts receivable	53,904.99
<b>Total Accounts Receivable</b>	<u>53,904.99</u>
<b>Other Current Assets</b>	
122.00 · Work In Progress	159,073.87
125.00 · Note Receivable-Stockholders	6,224.47
<b>Total Other Current Assets</b>	<u>165,298.34</u>
<b>Total Current Assets</b>	223,446.50
<b>Fixed Assets</b>	
140.00 · Vehicles	4,049.00
139.00 · Equipment	31,061.99
145.00 · Accumulated depreciation	-15,724.99
<b>Total Fixed Assets</b>	<u>19,386.00</u>
<b>TOTAL ASSETS</b>	<u><u>242,832.50</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
211.00 · Post-Petition Accounts Payable	4,104.70
200.00 · Pre-Petition Accounts payable	855,387.24
<b>Total Accounts Payable</b>	859,491.94
<b>Other Current Liabilities</b>	
235.00 · Swift - New	98,605.39
246.00 · Loan Me - Payable	74,994.73
240.00 · Funding Circle	77,706.57
245.00 · Knight Capitol Funding	106,671.38
206.00 · Payroll liabilities	106.99
<b>Total Other Current Liabilities</b>	<u>358,085.06</u>
<b>Total Current Liabilities</b>	<u>1,217,577.00</u>
<b>Total Liabilities</b>	1,217,577.00
<b>Equity</b>	
300.00 · Capital Stock	10,000.00
310.00 · Retained Earnings	-280,412.83
350.00 · Owner's Capital	-57,575.74
Net Income	-646,755.93
<b>Total Equity</b>	<u>-974,744.50</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>242,832.50</u></u>

# Exhibit ‘I’

Exhibit I Page 1 of 9

12:43 PM  
11/03/17  
Cash Basis

**Creekside Homes, Inc.**  
**Profit & Loss**  
January through October 2017

	<u>Jan 17</u>	<u>Feb 17</u>	<u>Mar 17</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Buildertrend Invoice	0.00	0.00	5,994.00
420.00 · Construction	313,995.51	352,428.72	327,751.39
430.00 · Reimbursed Expenses	15.43	8,002.84	-21.02
440.00 · Discounts	0.00	0.00	-3,885.77
<b>Total Income</b>	<u>314,010.94</u>	<u>360,431.56</u>	<u>329,838.60</u>
<b>Cost of Goods Sold</b>			
830.00 · Sanitation	291.63	802.79	480.72
500.25 · Licenses, Bonds & Permits	1,952.63	8.00	575.24
500.85 · Subcontractors	0.00	6,755.00	13,670.71
500.00 · Cost of Goods Sold	314,134.23	121,710.00	207,912.76
500.05 · Job materials	4,488.44	3,849.43	9,181.41
500.10 · Building supplies	-37,084.66	56,285.35	120,069.69
500.15 · Engineering	0.00	0.00	0.00
500.20 · Labor	0.00	0.00	0.00
500.30 · Equipment Rental	0.00	0.00	0.00
500.45 · Tools and Machinery	64.47	35.96	0.00
500.55 · Plans	2,150.00	0.00	2,414.37
<b>Total COGS</b>	<u>285,996.74</u>	<u>189,446.53</u>	<u>354,304.90</u>
<b>Gross Profit</b>	28,014.20	170,985.03	-24,466.30
<b>Expense</b>			
555.00 · Bookkeeping	0.00	0.00	0.00
776 · Payroll Fees -ADP	0.00	0.00	0.00
596.00 · Collection Fees	0.00	0.00	0.00
Training	27.00	27.00	27.00
776.00 · Payroll Processing Fees	278.49	115.24	104.24
725.00 · Licenses and Fees	0.00	370.00	865.00
700.00 · Interest Expense	1,287.60	1,287.60	1,287.60
755.00 · Officers' salaries	0.00	0.00	0.00
520.00 · Advertising	3,549.51	2,444.29	1,700.02
535.00 · Automobile and truck expense	2,484.09	2,001.37	3,619.06
550.00 · Bank charges	0.00	0.00	55,014.29
595.00 · Cleaning	0.00	0.00	75.00
599.00 · Crew lunches	1,070.66	670.26	1,100.90
600.00 · Contributions	1,410.00	150.00	2,780.00
610.00 · Dues and subscriptions	0.00	70.00	35.00
612.00 · Education	0.00	60.00	0.00
615.00 · Employee benefits	0.00	0.00	4.79
680.00 · Fuel	969.71	904.53	1,161.17
685.00 · Gifts	0.00	5.00	0.00
695.00 · Insurance	858.37	4,994.91	1,587.06

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11/03/17  
Cash Basis

**Creekside Homes, Inc.**  
**Profit & Loss**  
January through October 2017

	<u>Jan 17</u>	<u>Feb 17</u>	<u>Mar 17</u>
710.00 · Landscaping	0.00	0.00	400.00
720.00 · Legal and professional	0.00	0.00	0.00
750.00 · Office expense	2,042.21	1,588.66	2,923.09
775.00 · Payroll taxes	14,886.72	14,030.75	11,029.04
790.00 · Postage and delivery	28.20	0.00	0.00
795.00 · Printing and reproduction	220.00	0.00	1,157.91
810.00 · Rent	1,120.00	1,120.00	1,120.00
815.00 · Repairs and maintenance	0.00	0.00	0.00
845.00 · Supplies	0.00	0.00	198.98
850.00 · Taxes	0.00	0.00	0.00
860.00 · Travel	1,654.96	0.00	0.00
875.00 · Uniforms	39.96	280.95	396.00
880.00 · Utilities	608.47	135.12	1,858.05
885.00 · Wages	37,826.40	39,741.16	27,470.25
890.00 · Workers compensation	0.00	0.00	0.00
<b>Total Expense</b>	<u>70,362.35</u>	<u>69,996.84</u>	<u>115,914.45</u>
<b>Net Ordinary Income</b>	<u>-42,348.15</u>	<u>100,988.19</u>	<u>-140,380.75</u>
<b>Net Income</b>	<u><u>-42,348.15</u></u>	<u><u>100,988.19</u></u>	<u><u>-140,380.75</u></u>

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Cash Basis

**Creekside Homes, Inc.**  
**Profit & Loss**  
January through October 2017

	<u>Apr 17</u>	<u>May 17</u>	<u>Jun 17</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Buildertrend Invoice	0.00	-429,051.95	7,933.63
420.00 · Construction	239,240.59	692,690.18	327,085.34
430.00 · Reimbursed Expenses	1,588.03	-1,757.16	149.72
440.00 · Discounts	-14,276.35	0.00	0.00
<b>Total Income</b>	<u>226,552.27</u>	<u>261,881.07</u>	<u>335,168.69</u>
<b>Cost of Goods Sold</b>			
830.00 · Sanitation	50.00	45.00	261.39
500.25 · Licenses, Bonds & Permits	232.96	1,852.88	0.00
500.85 · Subcontractors	3,753.00	11,555.95	1,412.96
500.00 · Cost of Goods Sold	69,177.46	195,231.06	305,797.10
500.05 · Job materials	4,880.53	3,290.99	2,020.14
500.10 · Building supplies	32,437.30	31,776.91	49,595.65
500.15 · Engineering	0.00	0.00	0.00
500.20 · Labor	0.00	0.00	0.00
500.30 · Equipment Rental	0.00	0.00	0.00
500.45 · Tools and Machinery	82.33	0.00	0.00
500.55 · Plans	0.00	0.00	0.00
<b>Total COGS</b>	<u>110,613.58</u>	<u>243,752.79</u>	<u>359,087.24</u>
<b>Gross Profit</b>	<u>115,938.69</u>	<u>18,128.28</u>	<u>-23,918.55</u>
<b>Expense</b>			
555.00 · Bookkeeping	0.00	0.00	0.00
776 · Payroll Fees -ADP	0.00	0.00	0.00
596.00 · Collection Fees	0.00	0.00	121.19
Training	27.00	27.00	27.00
776.00 · Payroll Processing Fees	104.24	101.49	101.49
725.00 · Licenses and Fees	0.00	0.00	35.90
700.00 · Interest Expense	1,287.60	1,287.60	1,287.60
755.00 · Officers' salaries	0.00	0.00	0.00
520.00 · Advertising	2,865.85	2,511.52	2,696.17
535.00 · Automobile and truck expense	2,875.02	2,262.76	2,436.52
550.00 · Bank charges	0.00	0.00	0.00
595.00 · Cleaning	146.39	250.00	100.00
599.00 · Crew lunches	218.31	1,524.35	2,100.27
600.00 · Contributions	1,126.00	1,500.00	0.00
610.00 · Dues and subscriptions	0.00	0.00	0.00
612.00 · Education	0.00	0.00	250.00
615.00 · Employee benefits	0.00	12.99	10.99
680.00 · Fuel	946.01	1,207.24	935.52
685.00 · Gifts	0.00	0.00	0.00
695.00 · Insurance	2,327.24	2,226.50	2,226.50

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Cash Basis

**Creekside Homes, Inc.**  
**Profit & Loss**  
January through October 2017

	<u>Apr 17</u>	<u>May 17</u>	<u>Jun 17</u>
710.00 · Landscaping	0.00	200.00	0.00
720.00 · Legal and professional	0.00	392.00	2,689.64
750.00 · Office expense	1,801.11	1,286.78	1,237.77
775.00 · Payroll taxes	9,661.11	7,795.83	8,920.44
790.00 · Postage and delivery	0.00	0.00	0.00
795.00 · Printing and reproduction	0.00	0.00	469.65
810.00 · Rent	1,120.00	1,000.00	1,240.00
815.00 · Repairs and maintenance	0.00	0.00	0.00
845.00 · Supplies	0.00	303.14	0.00
850.00 · Taxes	300.00	40.00	233.00
860.00 · Travel	4.00	0.00	186.79
875.00 · Uniforms	0.00	0.00	227.83
880.00 · Utilities	100.00	919.48	500.44
885.00 · Wages	24,636.15	23,098.26	23,906.81
890.00 · Workers compensation	0.00	0.00	0.00
<b>Total Expense</b>	<u>49,546.03</u>	<u>47,946.94</u>	<u>51,941.52</u>
<b>Net Ordinary Income</b>	<u>66,392.66</u>	<u>-29,818.66</u>	<u>-75,860.07</u>
<b>Net Income</b>	<u><u>66,392.66</u></u>	<u><u>-29,818.66</u></u>	<u><u>-75,860.07</u></u>

**Creekside Homes, Inc.**  
**Profit & Loss**  
January through October 2017

	<u>Jul 17</u>	<u>Aug 17</u>	<u>Sep 17</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Buildertrend Invoice	8,780.00	4,225.00	0.60
420.00 · Construction	205,268.84	178,832.96	172,921.78
430.00 · Reimbursed Expenses	11.11	807.09	70.46
440.00 · Discounts	0.00	-2,000.00	0.00
<b>Total Income</b>	<u>214,059.95</u>	<u>181,865.05</u>	<u>172,992.84</u>
<b>Cost of Goods Sold</b>			
830.00 · Sanitation	115.00	171.00	105.00
500.25 · Licenses, Bonds & Permits	25.36	1,323.10	13,326.43
500.85 · Subcontractors	467.50	2,800.00	2,588.00
500.00 · Cost of Goods Sold	69,932.04	150,733.72	41,306.70
500.05 · Job materials	2,409.28	5,111.38	17,184.49
500.10 · Building supplies	3,417.03	49,169.85	27,820.06
500.15 · Engineering	0.00	7,200.00	0.00
500.20 · Labor	0.00	0.00	2,813.28
500.30 · Equipment Rental	0.00	607.20	315.00
500.45 · Tools and Machinery	473.97	0.00	0.00
500.55 · Plans	0.00	0.00	1,140.00
<b>Total COGS</b>	<u>76,840.18</u>	<u>217,116.25</u>	<u>106,598.96</u>
<b>Gross Profit</b>	137,219.77	-35,251.20	66,393.88
<b>Expense</b>			
555.00 · Bookkeeping	0.00	0.00	0.00
776 · Payroll Fees -ADP	0.00	0.00	95.99
596.00 · Collection Fees	0.00	0.00	0.00
Training	27.00	27.00	0.00
776.00 · Payroll Processing Fees	101.49	101.49	0.00
725.00 · Licenses and Fees	168.84	0.00	0.00
700.00 · Interest Expense	3,287.60	10,287.60	0.00
755.00 · Officers' salaries	0.00	0.00	0.00
520.00 · Advertising	1,906.97	3,305.91	1,574.23
535.00 · Automobile and truck expense	2,881.34	6,082.41	1,900.37
550.00 · Bank charges	0.00	0.00	0.00
595.00 · Cleaning	0.00	125.00	155.28
599.00 · Crew lunches	953.59	1,137.67	1,154.39
600.00 · Contributions	3,144.00	713.00	0.00
610.00 · Dues and subscriptions	140.00	0.00	0.00
612.00 · Education	500.00	0.00	0.00
615.00 · Employee benefits	165.00	0.00	0.00
680.00 · Fuel	1,066.47	1,021.19	1,117.40
685.00 · Gifts	0.00	0.00	0.00
695.00 · Insurance	2,244.50	2,194.76	2,194.76

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Cash Basis

**Creekside Homes, Inc.**  
**Profit & Loss**  
January through October 2017

	<u>Jul 17</u>	<u>Aug 17</u>	<u>Sep 17</u>
710.00 · Landscaping	230.00	0.00	0.00
720.00 · Legal and professional	1,400.00	-1,260.00	31,500.00
750.00 · Office expense	1,701.73	1,698.90	3,408.84
775.00 · Payroll taxes	8,851.83	9,705.29	9,122.13
790.00 · Postage and delivery	0.00	0.00	0.00
795.00 · Printing and reproduction	0.00	3.29	132.70
810.00 · Rent	1,120.00	1,120.00	1,120.00
815.00 · Repairs and maintenance	550.00	0.00	0.00
845.00 · Supplies	0.00	50.30	193.99
850.00 · Taxes	0.00	0.00	0.00
860.00 · Travel	0.00	0.00	0.00
875.00 · Uniforms	0.00	89.10	0.00
880.00 · Utilities	292.80	4,545.74	397.15
885.00 · Wages	22,076.68	26,822.06	20,473.57
890.00 · Workers compensation	0.00	0.00	1,000.00
<b>Total Expense</b>	<u>52,809.84</u>	<u>67,770.71</u>	<u>75,540.80</u>
<b>Net Ordinary Income</b>	<u>84,409.93</u>	<u>-103,021.91</u>	<u>-9,146.92</u>
<b>Net Income</b>	<u><u>84,409.93</u></u>	<u><u>-103,021.91</u></u>	<u><u>-9,146.92</u></u>



**Creekside Homes, Inc.**  
**Profit & Loss**  
January through October 2017

	<u>Oct 17</u>	<u>TOTAL</u>
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Buildertrend Invoice	67,135.73	-334,982.99
420.00 · Construction	5,416.44	2,815,631.75
430.00 · Reimbursed Expenses	6,505.22	15,371.72
440.00 · Discounts	0.00	-20,162.12
<b>Total Income</b>	<u>79,057.39</u>	<u>2,475,858.36</u>
<b>Cost of Goods Sold</b>		
830.00 · Sanitation	76.00	2,398.53
500.25 · Licenses, Bonds & Permits	46.00	19,342.60
500.85 · Subcontractors	0.00	43,003.12
500.00 · Cost of Goods Sold	21,978.33	1,497,913.40
500.05 · Job materials	1,817.03	54,233.12
500.10 · Building supplies	2,481.35	335,968.53
500.15 · Engineering	0.00	7,200.00
500.20 · Labor	6,763.71	9,576.99
500.30 · Equipment Rental	0.00	922.20
500.45 · Tools and Machinery	35.30	692.03
500.55 · Plans	0.00	5,704.37
<b>Total COGS</b>	<u>33,197.72</u>	<u>1,976,954.89</u>
<b>Gross Profit</b>	45,859.67	498,903.47
<b>Expense</b>		
555.00 · Bookkeeping	500.00	500.00
776 · Payroll Fees -ADP	0.00	95.99
596.00 · Collection Fees	0.00	121.19
Training	0.00	216.00
776.00 · Payroll Processing Fees	0.00	1,008.17
725.00 · Licenses and Fees	0.00	1,439.74
700.00 · Interest Expense	1,412.79	22,713.59
755.00 · Officers' salaries	9,952.84	9,952.84
520.00 · Advertising	1,432.00	23,986.47
535.00 · Automobile and truck expense	1,343.45	27,886.39
550.00 · Bank charges	1,860.96	56,875.25
595.00 · Cleaning	162.50	1,014.17
599.00 · Crew lunches	608.28	10,538.68
600.00 · Contributions	0.00	10,823.00
610.00 · Dues and subscriptions	0.00	245.00
612.00 · Education	0.00	810.00
615.00 · Employee benefits	0.00	193.77
680.00 · Fuel	2,372.20	11,701.44
685.00 · Gifts	0.00	5.00
695.00 · Insurance	2,474.76	23,329.36

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11/03/17  
Cash Basis

**Creekside Homes, Inc.**  
**Profit & Loss**  
January through October 2017

	<u>Oct 17</u>	<u>TOTAL</u>
710.00 · Landscaping	230.00	1,060.00
720.00 · Legal and professional	10,000.00	44,721.64
750.00 · Office expense	2,074.89	19,763.98
775.00 · Payroll taxes	0.00	94,003.14
790.00 · Postage and delivery	0.00	28.20
795.00 · Printing and reproduction	0.00	1,983.55
810.00 · Rent	1,000.00	11,080.00
815.00 · Repairs and maintenance	0.00	550.00
845.00 · Supplies	0.00	746.41
850.00 · Taxes	0.00	573.00
860.00 · Travel	0.00	1,845.75
875.00 · Uniforms	0.00	1,033.84
880.00 · Utilities	563.00	9,920.25
885.00 · Wages	11,898.80	257,950.14
890.00 · Workers compensation	7,299.00	8,299.00
<b>Total Expense</b>	<u>55,185.47</u>	<u>657,014.95</u>
<b>Net Ordinary Income</b>	<u>-9,325.80</u>	<u>-158,111.48</u>
<b>Net Income</b>	<u><u>-9,325.80</u></u>	<u><u>-158,111.48</u></u>

# Exhibit “J”

Exhibit J Page 1 of 9

12:39 PM  
 11/03/17  
 Accrual Basis

**Creekside Homes, Inc.**  
**Profit & Loss**  
 January through October 2017

Creekside P & L Accrual	<u>Jan 17</u>	<u>Feb 17</u>	<u>Mar 17</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Buildertrend Invoice	0.00	0.00	11,157.83
420.00 · Construction	1,331,888.97	36,500.61	11,608.27
430.00 · Reimbursed Expenses	15.43	8,002.84	-21.02
440.00 · Discounts	0.00	0.00	-3,885.77
<b>Total Income</b>	<u>1,331,904.40</u>	<u>44,503.45</u>	<u>18,859.31</u>
<b>Cost of Goods Sold</b>			
830.00 · Sanitation	291.63	802.79	480.72
500.25 · Licenses, Bonds & Permits	1,952.63	8.00	575.24
500.85 · Subcontractors	0.00	6,755.00	13,670.71
500.00 · Cost of Goods Sold	320,353.83	133,530.83	385,844.22
500.05 · Job materials	4,488.44	3,849.43	9,181.41
500.10 · Building supplies	-37,084.66	56,285.35	120,399.69
500.15 · Engineering	0.00	545.00	0.00
500.20 · Labor	0.00	0.00	0.00
500.30 · Equipment Rental	0.00	0.00	0.00
500.45 · Tools and Machinery	64.47	35.96	0.00
500.55 · Plans	2,150.00	0.00	2,414.37
<b>Total COGS</b>	<u>292,216.34</u>	<u>201,812.36</u>	<u>532,566.36</u>
<b>Gross Profit</b>	1,039,688.06	-157,308.91	-513,707.05
<b>Expense</b>			
555.00 · Bookkeeping	0.00	0.00	0.00
550.10 · Fees & Penalties	0.00	0.00	0.00
776 · Payroll Fees -ADP	0.00	0.00	0.00
596.00 · Collection Fees	0.00	0.00	0.00
Training	27.00	27.00	27.00
776.00 · Payroll Processing Fees	278.49	115.24	104.24
725.00 · Licenses and Fees	0.00	370.00	865.00
700.00 · Interest Expense	1,287.60	1,287.60	1,287.60
755.00 · Officers' salaries	0.00	0.00	0.00
520.00 · Advertising	3,549.51	2,444.29	1,700.02
535.00 · Automobile and truck expense	2,484.09	2,001.37	3,619.06
550.00 · Bank charges	0.00	0.00	55,014.29
595.00 · Cleaning	0.00	0.00	75.00
599.00 · Crew lunches	1,070.66	670.26	1,100.90
600.00 · Contributions	1,410.00	150.00	2,780.00
610.00 · Dues and subscriptions	0.00	70.00	35.00
612.00 · Education	0.00	60.00	0.00
615.00 · Employee benefits	0.00	0.00	4.79
680.00 · Fuel	969.71	904.53	1,161.17
685.00 · Gifts	0.00	5.00	0.00

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11/03/17  
Accrual Basis

**Creekside Homes, Inc.**  
**Profit & Loss**  
January through October 2017

Creekside P & L Accrual	<u>Jan 17</u>	<u>Feb 17</u>	<u>Mar 17</u>
695.00 · Insurance	858.37	4,994.91	1,587.06
710.00 · Landscaping	0.00	0.00	400.00
720.00 · Legal and professional	0.00	0.00	0.00
750.00 · Office expense	2,042.21	1,588.66	2,923.09
775.00 · Payroll taxes	14,886.72	14,030.75	11,029.04
790.00 · Postage and delivery	28.20	0.00	0.00
795.00 · Printing and reproduction	220.00	0.00	1,157.91
810.00 · Rent	1,120.00	1,120.00	1,120.00
815.00 · Repairs and maintenance	0.00	0.00	0.00
845.00 · Supplies	0.00	0.00	198.98
850.00 · Taxes	0.00	0.00	0.00
860.00 · Travel	1,654.96	0.00	0.00
875.00 · Uniforms	39.96	280.95	396.00
880.00 · Utilities	608.47	135.12	1,858.05
885.00 · Wages	37,826.40	39,741.16	27,470.25
890.00 · Workers compensation	0.00	0.00	0.00
<b>Total Expense</b>	<u>70,362.35</u>	<u>69,996.84</u>	<u>115,914.45</u>
<b>Net Ordinary Income</b>	<u>969,325.71</u>	<u>-227,305.75</u>	<u>-629,621.50</u>
<b>Net Income</b>	<u><u>969,325.71</u></u>	<u><u>-227,305.75</u></u>	<u><u>-629,621.50</u></u>

**Creekside Homes, Inc.**  
**Profit & Loss**  
January through October 2017

Creekside P & L Accrual	<u>Apr 17</u>	<u>May 17</u>	<u>Jun 17</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Buildertrend Invoice	0.00	5,003.00	6,631.44
420.00 · Construction	25,007.11	682,301.20	6,678.97
430.00 · Reimbursed Expenses	1,588.03	-1,757.16	149.72
440.00 · Discounts	-14,276.35	0.00	0.00
<b>Total Income</b>	<u>12,318.79</u>	<u>685,547.04</u>	<u>13,460.13</u>
<b>Cost of Goods Sold</b>			
830.00 · Sanitation	50.00	45.00	261.39
500.25 · Licenses, Bonds & Permits	232.96	1,852.88	0.00
500.85 · Subcontractors	4,288.25	11,555.95	2,077.71
500.00 · Cost of Goods Sold	285,991.10	293,478.67	323,673.97
500.05 · Job materials	4,880.53	4,120.99	2,020.14
500.10 · Building supplies	32,618.36	31,776.91	49,595.65
500.15 · Engineering	0.00	0.00	7,200.00
500.20 · Labor	0.00	0.00	0.00
500.30 · Equipment Rental	0.00	315.00	0.00
500.45 · Tools and Machinery	82.33	0.00	0.00
500.55 · Plans	0.00	0.00	0.00
<b>Total COGS</b>	<u>328,143.53</u>	<u>343,145.40</u>	<u>384,828.86</u>
<b>Gross Profit</b>	-315,824.74	342,401.64	-371,368.73
<b>Expense</b>			
555.00 · Bookkeeping	0.00	0.00	0.00
550.10 · Fees & Penalties	0.00	0.00	0.00
776 · Payroll Fees -ADP	0.00	0.00	0.00
596.00 · Collection Fees	0.00	121.19	432.94
Training	27.00	27.00	27.00
776.00 · Payroll Processing Fees	104.24	101.49	101.49
725.00 · Licenses and Fees	0.00	0.00	63.40
700.00 · Interest Expense	1,287.60	1,287.60	1,287.60
755.00 · Officers' salaries	0.00	0.00	0.00
520.00 · Advertising	2,865.85	2,511.52	2,696.17
535.00 · Automobile and truck expense	2,875.02	2,262.76	2,436.52
550.00 · Bank charges	0.00	0.00	0.00
595.00 · Cleaning	146.39	250.00	100.00
599.00 · Crew lunches	218.31	1,524.35	2,100.27
600.00 · Contributions	1,126.00	1,500.00	0.00
610.00 · Dues and subscriptions	495.00	35.00	35.00
612.00 · Education	0.00	0.00	250.00
615.00 · Employee benefits	0.00	12.99	10.99
680.00 · Fuel	946.01	1,207.24	935.52
685.00 · Gifts	0.00	0.00	0.00

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Accrual Basis

**Creekside Homes, Inc.**  
**Profit & Loss**  
January through October 2017

Creekside P & L Accrual	<u>Apr 17</u>	<u>May 17</u>	<u>Jun 17</u>
695.00 · Insurance	3,946.04	5,432.36	2,574.70
710.00 · Landscaping	0.00	200.00	0.00
720.00 · Legal and professional	0.00	392.00	2,689.64
750.00 · Office expense	1,859.19	1,337.28	1,530.62
775.00 · Payroll taxes	9,661.11	7,795.83	8,920.44
790.00 · Postage and delivery	0.00	0.00	0.00
795.00 · Printing and reproduction	336.55	133.10	130.70
810.00 · Rent	1,120.00	1,000.00	1,240.00
815.00 · Repairs and maintenance	0.00	550.00	0.00
845.00 · Supplies	0.00	303.14	0.00
850.00 · Taxes	300.00	40.00	233.00
860.00 · Travel	4.00	0.00	186.79
875.00 · Uniforms	0.00	0.00	227.83
880.00 · Utilities	210.92	927.21	475.25
885.00 · Wages	24,636.15	23,098.26	23,906.81
890.00 · Workers compensation	16,557.00	0.00	0.00
<b>Total Expense</b>	<u>68,722.38</u>	<u>52,050.32</u>	<u>52,592.68</u>
<b>Net Ordinary Income</b>	<u>-384,547.12</u>	<u>290,351.32</u>	<u>-423,961.41</u>
<b>Net Income</b>	<u><u>-384,547.12</u></u>	<u><u>290,351.32</u></u>	<u><u>-423,961.41</u></u>

**Creekside Homes, Inc.**  
**Profit & Loss**  
January through October 2017

Creekside P & L Accrual	<u>Jul 17</u>	<u>Aug 17</u>	<u>Sep 17</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Buildertrend Invoice	8,780.00	21,475.00	0.00
420.00 · Construction	23,159.10	557,809.73	9,017.88
430.00 · Reimbursed Expenses	11.11	807.09	70.46
440.00 · Discounts	0.00	-2,000.00	0.00
<b>Total Income</b>	<u>31,950.21</u>	<u>578,091.82</u>	<u>9,088.34</u>
<b>Cost of Goods Sold</b>			
830.00 · Sanitation	115.00	171.00	105.00
500.25 · Licenses, Bonds & Permits	25.36	1,323.10	13,326.43
500.85 · Subcontractors	1,407.00	1,600.00	2,588.00
500.00 · Cost of Goods Sold	224,442.26	185,857.02	68,562.13
500.05 · Job materials	2,409.28	5,111.38	17,184.49
500.10 · Building supplies	3,612.16	49,169.85	27,820.06
500.15 · Engineering	0.00	0.00	0.00
500.20 · Labor	0.00	0.00	2,813.28
500.30 · Equipment Rental	0.00	607.20	0.00
500.45 · Tools and Machinery	473.97	0.00	0.00
500.55 · Plans	0.00	0.00	1,140.00
<b>Total COGS</b>	<u>232,485.03</u>	<u>243,839.55</u>	<u>133,539.39</u>
<b>Gross Profit</b>	-200,534.82	334,252.27	-124,451.05
<b>Expense</b>			
555.00 · Bookkeeping	0.00	0.00	0.00
550.10 · Fees & Penalties	0.00	3,239.00	0.00
776 · Payroll Fees -ADP	0.00	0.00	95.99
596.00 · Collection Fees	110.14	0.00	0.00
Training	27.00	27.00	0.00
776.00 · Payroll Processing Fees	101.49	101.49	0.00
725.00 · Licenses and Fees	141.34	0.00	0.00
700.00 · Interest Expense	3,287.60	10,287.60	0.00
755.00 · Officers' salaries	0.00	0.00	0.00
520.00 · Advertising	1,906.97	3,305.91	1,574.23
535.00 · Automobile and truck expense	2,881.34	6,082.41	1,900.37
550.00 · Bank charges	0.00	0.00	0.00
595.00 · Cleaning	0.00	125.00	155.28
599.00 · Crew lunches	953.59	1,137.67	1,154.39
600.00 · Contributions	3,144.00	713.00	0.00
610.00 · Dues and subscriptions	35.00	0.00	70.00
612.00 · Education	500.00	0.00	0.00
615.00 · Employee benefits	165.00	0.00	0.00
680.00 · Fuel	1,066.47	1,021.19	1,117.40
685.00 · Gifts	0.00	0.00	0.00



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Accrual Basis

**Creekside Homes, Inc.**  
**Profit & Loss**  
January through October 2017

Creekside P & L Accrual	Jul 17	Aug 17	Sep 17
695.00 · Insurance	625.70	607.70	2,194.76
710.00 · Landscaping	230.00	0.00	0.00
720.00 · Legal and professional	1,400.00	-1,260.00	31,500.00
750.00 · Office expense	1,395.80	1,765.85	4,184.35
775.00 · Payroll taxes	8,851.83	9,705.29	9,122.13
790.00 · Postage and delivery	0.00	0.00	0.00
795.00 · Printing and reproduction	2.00	53.29	132.70
810.00 · Rent	1,120.00	1,120.00	1,120.00
815.00 · Repairs and maintenance	0.00	0.00	0.00
845.00 · Supplies	0.00	50.30	193.99
850.00 · Taxes	0.00	0.00	0.00
860.00 · Travel	0.00	0.00	0.00
875.00 · Uniforms	0.00	89.10	0.00
880.00 · Utilities	327.01	4,655.07	392.26
885.00 · Wages	22,076.68	26,822.06	20,473.57
890.00 · Workers compensation	0.00	0.00	0.00
<b>Total Expense</b>	<b>50,348.96</b>	<b>69,648.93</b>	<b>75,381.42</b>
<b>Net Ordinary Income</b>	<b>-250,883.78</b>	<b>264,603.34</b>	<b>-199,832.47</b>
<b>Net Income</b>	<b>-250,883.78</b>	<b>264,603.34</b>	<b>-199,832.47</b>

**Creekside Homes, Inc.**  
**Profit & Loss**  
January through October 2017

Creekside P & L Accrual	<u>Oct 17</u>	<u>TOTAL</u>
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Buildertrend Invoice	92,973.87	146,021.14
420.00 · Construction	7,720.00	2,691,691.84
430.00 · Reimbursed Expenses	6,505.22	15,371.72
440.00 · Discounts	0.00	-20,162.12
<b>Total Income</b>	<u>107,199.09</u>	<u>2,832,922.58</u>
<b>Cost of Goods Sold</b>		
830.00 · Sanitation	76.00	2,398.53
500.25 · Licenses, Bonds & Permits	46.00	19,342.60
500.85 · Subcontractors	0.00	43,942.62
500.00 · Cost of Goods Sold	90,026.74	2,311,760.77
500.05 · Job materials	1,817.03	55,063.12
500.10 · Building supplies	2,481.35	336,674.72
500.15 · Engineering	0.00	7,745.00
500.20 · Labor	6,763.71	9,576.99
500.30 · Equipment Rental	0.00	922.20
500.45 · Tools and Machinery	35.30	692.03
500.55 · Plans	0.00	5,704.37
<b>Total COGS</b>	<u>101,246.13</u>	<u>2,793,822.95</u>
<b>Gross Profit</b>	5,952.96	39,099.63
<b>Expense</b>		
555.00 · Bookkeeping	500.00	500.00
550.10 · Fees & Penalties	0.00	3,239.00
776 · Payroll Fees -ADP	0.00	95.99
596.00 · Collection Fees	0.00	664.27
Training	0.00	216.00
776.00 · Payroll Processing Fees	0.00	1,008.17
725.00 · Licenses and Fees	0.00	1,439.74
700.00 · Interest Expense	7,162.79	28,463.59
755.00 · Officers' salaries	9,952.84	9,952.84
520.00 · Advertising	1,432.00	23,986.47
535.00 · Automobile and truck expense	1,343.45	27,886.39
550.00 · Bank charges	1,860.96	56,875.25
595.00 · Cleaning	162.50	1,014.17
599.00 · Crew lunches	608.28	10,538.68
600.00 · Contributions	0.00	10,823.00
610.00 · Dues and subscriptions	0.00	775.00
612.00 · Education	0.00	810.00
615.00 · Employee benefits	0.00	193.77
680.00 · Fuel	2,372.20	11,701.44
685.00 · Gifts	0.00	5.00

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Accrual Basis

**Creekside Homes, Inc.**  
**Profit & Loss**  
January through October 2017

<b>Creekside P &amp; L Accrual</b>	<b>Oct 17</b>	<b>TOTAL</b>
695.00 · Insurance	2,474.76	25,296.36
710.00 · Landscaping	230.00	1,060.00
720.00 · Legal and professional	10,000.00	44,721.64
750.00 · Office expense	2,074.89	20,701.94
775.00 · Payroll taxes	0.00	94,003.14
790.00 · Postage and delivery	0.00	28.20
795.00 · Printing and reproduction	0.00	2,166.25
810.00 · Rent	1,000.00	11,080.00
815.00 · Repairs and maintenance	0.00	550.00
845.00 · Supplies	0.00	746.41
850.00 · Taxes	0.00	573.00
860.00 · Travel	0.00	1,845.75
875.00 · Uniforms	0.00	1,033.84
880.00 · Utilities	464.76	10,054.12
885.00 · Wages	11,898.80	257,950.14
890.00 · Workers compensation	7,299.00	23,856.00
<b>Total Expense</b>	<b>60,837.23</b>	<b>685,855.56</b>
<b>Net Ordinary Income</b>	<b>-54,884.27</b>	<b>-646,755.93</b>
<b>Net Income</b>	<b>-54,884.27</b>	<b>-646,755.93</b>

\* The Debtor made some estimates of the accrual based income and expenses because this report had to be generated quickly. The final numbers will not be available for another week or so.

# Exhibit “K”

Exhibit K Page 1 of 3

Creekside Homes, Inc.  
Budget to Actual

For the 3-week Period ended 11/03/17

	W. E. 10/20/17			W. E. 10/27/17		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenue	27,680	-	(27,680)	17,045	2,936	(14,109)
COGS -Labor & Material				35,000		(35,000)
Gross Profit	27,680	-	(27,680)	(17,955)	2,936	20,891
Expenses						
Advertising				1,026		(1,026)
Auto Expense (Leases and fuel)				1,100		(1,100)
Bookkeeping	500		(500)		500	500
Insurance -liab, Auto & WC						
Payroll -Officers						
Payroll-admin, PR Tax and fees				2,175	1,750	1,750
Office & Admin Expenses					6	(2,169)
Rent Expense						
Repairs & Maintenance	200		(200)			
Shop Supplies & Small Tools	250		(250)			
Telephone and Utilities	1,100	371	(729)			
US Trustee Fees						
Total Expense	2,050	371		4,301	2,256	
Net Ordinary Income	25,630	(371)		(22,256)	680	

Beg Cash	
Net Cash In/(Out)	
Ending Cash	

Creekside Homes, Inc.  
Budget to Actual

For the 3-week Period ended 11/03/17

	W. E. 11/03/17			10/19/17 thru 10/27/17		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenue	4,080	-	(4,080)	48,805	2,936	(45,869)
COGS - Labor & Material	-	-	-	35,000	-	(35,000)
Gross Profit	4,080	-	(4,080)	13,805	2,936	(10,869)
Expenses						
Advertising	1,750	-	(1,750)	2,776	-	(2,776)
Auto Expense (Leases and fuel)	-	-	-	1,100	-	(1,100)
Bookkeeping	500	-	(500)	1,000	500	(500)
Insurance -Liab, Auto & WC	3,240	-	(3,240)	3,240	-	(3,240)
Payroll -Officers	-	-	-	-	-	-
Payroll-admin, PR Tax and fees	-	-	-	-	1,750	1,750
Office & Admin Expenses	1,120	-	(1,120)	2,175	6	(2,169)
Rent Expense	-	-	-	1,120	-	(1,120)
Repairs & Maintenance	250	-	(250)	200	-	(200)
Shop Supplies & Small Tools	-	-	-	500	-	(500)
Telephone and Utilities	-	-	-	1,100	371	(729)
US Trustee Fees	-	-	-	-	-	-
Total Expense	6,860	-	(6,860)	13,211	2,627	(10,584)
Net Ordinary Income	(2,780)	-	(2,780)	594	309	(905)

Beg Cash	3,934
Net Cash In/(Out)	309
Ending Cash	4,243

# Exhibit “L”

Exhibit L Page 1 of 7

Fill in this information to identify the case:

Debtor name Creekside Homes, Inc.

United States Bankruptcy Court for the: DISTRICT OF OREGON, PORTLAND DIVISION

Case number (if known) \_\_\_\_\_

Check if this is an amended filing

## Official Form 206A/B

# Schedule A/B: Assets - Real and Personal Property

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

### Part 1: Cash and cash equivalents

1. Does the debtor have any cash or cash equivalents?

No. Go to Part 2.

Yes Fill in the information below.

All cash or cash equivalents owned or controlled by the debtor

Current value of debtor's interest

3. **Checking, savings, money market, or financial brokerage accounts** (Identify all)

Name of institution (bank or brokerage firm)

Type of account

Last 4 digits of account number

3.1. Home Street Bank

Checking

7925

\$5,000.00

4. **Other cash equivalents** (Identify all)

5. **Total of Part 1.**

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

\$5,000.00

### Part 2: Deposits and Prepayments

6. Does the debtor have any deposits or prepayments?

No. Go to Part 3.

Yes Fill in the information below.

### Part 3: Accounts receivable

10. Does the debtor have any accounts receivable?

No. Go to Part 4.

Yes Fill in the information below.

11. **Accounts receivable**

11a. 90 days old or less:

25,000.00

face amount

4,636.00

doubtful or uncollectible accounts

= ....

\$20,364.00



Debtor Creekside Homes, Inc.  
Name

Case number (if known) \_\_\_\_\_

12. **Total of Part 3.**  
Current value on lines 11a + 11b = line 12. Copy the total to line 82.

\$20,364.00

**Part 4: Investments**

13. Does the debtor own any investments?

- No. Go to Part 5.  
 Yes Fill in the information below.

**Part 5: Inventory, excluding agriculture assets**

18. Does the debtor own any inventory (excluding agriculture assets)?

- No. Go to Part 6.  
 Yes Fill in the information below.

	General description	Date of the last physical inventory	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
19.	Raw materials				
20.	Work in progress Buildings in Progress		\$1,015,000.00		\$1,015,000.00

21. Finished goods, including goods held for resale

22. Other inventory or supplies

23. **Total of Part 5.**  
Add lines 19 through 22. Copy the total to line 84.

\$1,015,000.00

24. Is any of the property listed in Part 5 perishable?

- No  
 Yes

25. Has any of the property listed in Part 5 been purchased within 20 days before the bankruptcy was filed?

- No  
 Yes. Book value \_\_\_\_\_ Valuation method \_\_\_\_\_ Current Value \_\_\_\_\_

26. Has any of the property listed in Part 5 been appraised by a professional within the last year?

- No  
 Yes

**Part 6: Farming and fishing-related assets (other than titled motor vehicles and land)**

27. Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?

- No. Go to Part 7.  
 Yes Fill in the information below.

**Part 7: Office furniture, fixtures, and equipment; and collectibles**

38. Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?

- No. Go to Part 8.  
 Yes Fill in the information below.

General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
---------------------	---	---	------------------------------------

Debtor Creekside Homes, Inc.  
Name

Case number (if known) \_\_\_\_\_

39. **Office furniture**  
**Office Furniture** \_\_\_\_\_ **\$2,000.00** **Market** \_\_\_\_\_ **\$2,000.00**

40. **Office fixtures**

41. **Office equipment, including all computer equipment and communication systems equipment and software**  
**Office Equipment** \_\_\_\_\_ **\$2,000.00** **Market** \_\_\_\_\_ **\$2,000.00**

42. **Collectibles** *Examples: Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; china and crystal; stamp, coin, or baseball card collections; other collections, memorabilia, or collectibles*

43. **Total of Part 7.** Add lines 39 through 42. Copy the total to line 86. \$4,000.00

44. **Is a depreciation schedule available for any of the property listed in Part 7?**

- No  
 Yes

45. **Has any of the property listed in Part 7 been appraised by a professional within the last year?**

- No  
 Yes

**Part 8: Machinery, equipment, and vehicles**

46. **Does the debtor own or lease any machinery, equipment, or vehicles?**

- No. Go to Part 9.  
 Yes Fill in the information below.

General description Include year, make, model, and identification numbers (i.e., VIN, HIN, or N-number)	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
<b>47. Automobiles, vans, trucks, motorcycles, trailers, and titled farm vehicles</b>			
47.1. <u>1953 Chevrolet Pickup</u>	<u>\$20,000.00</u>		<u>\$20,000.00</u>
47.2. <u>2000 GMC Sierra 1500</u>	<u>\$3,500.00</u>		<u>\$3,500.00</u>
47.3. <u>2003 Chevrolet Silverado 1500</u>	<u>\$3,500.00</u>		<u>\$3,500.00</u>
47.4. <u>1999 Ford Box Truck</u>	<u>\$4,000.00</u>		<u>\$4,000.00</u>
<b>48. Watercraft, trailers, motors, and related accessories</b> <i>Examples: Boats, trailers, motors, floating homes, personal watercraft, and fishing vessels</i>			
<b>49. Aircraft and accessories</b>			
<b>50. Other machinery, fixtures, and equipment (excluding farm machinery and equipment)</b>			
<u>Forklift</u>	<u>\$20,000.00</u>		<u>\$20,000.00</u>

Debtor Creekside Homes, Inc.  
Name

Case number (if known) \_\_\_\_\_

**Power Tools** \$2,500.00 \$2,500.00

**Hand Tools** \$1,500.00 \$1,500.00

51. **Total of Part 8.**  
Add lines 47 through 50. Copy the total to line 87.

\$55,000.00

52. **Is a depreciation schedule available for any of the property listed in Part 8?**  
 No  
 Yes

53. **Has any of the property listed in Part 8 been appraised by a professional within the last year?**  
 No  
 Yes

**Part 9: Real property**

54. **Does the debtor own or lease any real property?**

- No. Go to Part 10.  
 Yes Fill in the information below.

55. **Any building, other improved real estate, or land which the debtor owns or in which the debtor has an interest**

Description and location of property Include street address or other description such as Assessor Parcel Number (APN), and type of property (for example, acreage, factory, warehouse, apartment or office building, if available.	Nature and extent of debtor's interest in property	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
55.1. <b>219 NE Highway 99W, McMinnville, OR 97128-3305</b>	Lessee	\$0.00		\$0.00

56. **Total of Part 9.**  
Add the current value on lines 55.1 through 55.6 and entries from any additional sheets. Copy the total to line 88.

\$0.00

57. **Is a depreciation schedule available for any of the property listed in Part 9?**  
 No  
 Yes

58. **Has any of the property listed in Part 9 been appraised by a professional within the last year?**  
 No  
 Yes

**Part 10: Intangibles and intellectual property**

59. **Does the debtor have any interests in intangibles or intellectual property?**

- No. Go to Part 11.  
 Yes Fill in the information below.

**Part 11: All other assets**

70. **Does the debtor own any other assets that have not yet been reported on this form?**  
Include all interests in executory contracts and unexpired leases not previously reported on this form.

Debtor Creekside Homes, Inc.  
Name

Case number (if known) \_\_\_\_\_

- No. Go to Part 12.
- Yes Fill in the information below.

Debtor Creekside Homes, Inc.  
Name

Case number (if known) \_\_\_\_\_

**Part 12: Summary**

In Part 12 copy all of the totals from the earlier parts of the form

Type of property	Current value of personal property	Current value of real property
80. Cash, cash equivalents, and financial assets. Copy line 5, Part 1	\$5,000.00	
81. Deposits and prepayments. Copy line 9, Part 2.	\$0.00	
82. Accounts receivable. Copy line 12, Part 3.	\$20,364.00	
83. Investments. Copy line 17, Part 4.	\$0.00	
84. Inventory. Copy line 23, Part 5.	\$1,015,000.00	
85. Farming and fishing-related assets. Copy line 33, Part 6.	\$0.00	
86. Office furniture, fixtures, and equipment; and collectibles. Copy line 43, Part 7.	\$4,000.00	
87. Machinery, equipment, and vehicles. Copy line 51, Part 8.	\$55,000.00	
88. Real property. Copy line 56, Part 9.....>		\$0.00
89. Intangibles and intellectual property. Copy line 66, Part 10.	\$0.00	
90. All other assets. Copy line 78, Part 11.	+ \$0.00	
91. Total. Add lines 80 through 90 for each column	\$1,099,364.00	+ 91b. \$0.00
92. Total of all property on Schedule A/B. Add lines 91a+91b=92		\$1,099,364.00

# Exhibit ‘M’

Exhibit M Page 1 of 2



AMERICAN  
ARBITRATION  
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INTERNATIONAL CENTRE  
FOR DISPUTE RESOLUTION®

Northeast Case Management Center  
Yvonne Baglini  
Assistant Vice President  
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Telephone: (866)293-4053  
Fax: (866)644-0234

## NOTICE OF HEARING

October 23, 2017

**Case Number: 01-17-0004-2786**

Swift Financial Corporation d/b/a Swift Capital

-vs-

Creekside Homes Inc., Andrew Burton  
and Sarah Burton

PLEASE TAKE NOTICE that a hearing in the above-entitled arbitration will be held as follows:

<b>Type:</b>	<b>Evidentiary Hearing</b>
<b>Method:</b>	<b>Conference Call</b>
<b>Date:</b>	<b>November 8, 2017</b>
<b>Time:</b>	<b>2:00 PM Eastern Time</b>
<b>Comments:</b>	<b>Telephone: 888-537-7715</b>
	<b>Passcode: 44419216#</b>

The arbitrator has reserved the above date. Therefore, parties are expected to be punctual and prepared to present their case.

The arbitrator may postpone any hearing upon agreement of the parties, upon request of a party for good cause shown, or upon the arbitrator's own initiative. In some instances, postponements may be subject to cancellation fees, as noted in the Arbitrator's resume and Notice of Compensation Arrangements. Any request for postponement should be directed to the AAA, copying all parties.

Should you require special equipment for the hearing, please contact me as soon as possible.

Sincerely,

*Marsha Smith on behalf of*  
Sharon Durkin  
Manager of ADR Services  
Direct Dial: (401)431-4785  
Email: sharondurkin@adr.org  
Fax: (866)644-0234

cc: Kip C. Lubcke, Esq.