

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re) Case No. _____
)
) NOTICE OF **PRELIMINARY**
) 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 is attached; and it includes (i) the statement required by [Local Form #541.5](#), and (ii) the following allegations:

a. The immediate and irreparable harm that will come to the estate pending a final hearing is _____.

b. The amount of cash collateral credit (*check one*) necessary to avoid the harm detailed above prior to the final hearing is _____.

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

3. A **PRELIMINARY** 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 do one or both of the following: (1) attend the preliminary hearing; and/or (2) 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 8th Ave #2600, Eugene OR 97401), a written response, which states the facts upon which you will rely and, if the response is filed within three business days before the hearing, notify the judge's chambers by telephone immediately after filing the document, as required by LBR 9004-1(b).

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)

541.1 (6/1/15)

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Proposed Attorneys for Debtor-in-Possession

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

In re	}	CASE NO.: 17-33893-tmb11
Creekside Homes, Inc.,		CHAPTER 11
Debtor.		MOTION FOR USE OF CASH COLLATERAL ON AN INTERIM AND FINAL BASIS; MEMORANDUM OF POINTS AND AUTHORITIES
		Expedited Hearing Requested

The Debtor, Creekside Homes, Inc., hereby moves this Court (this "Motion") for entry of interim and final orders 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 in Support of First Day Motions ("Burton Declaration") filed contemporaneously.

The Debtor operates a custom home building company in an around McMinnville, Oregon. There are various financial, accounting and industry developments (discussed in the Burton Declaration) which led to this reorganization

MOTION FOR USE OF CASH COLLATERAL ON AN INTERIM AND FINAL BASIS;
MEMORANDUM OF POINTS AND AUTHORITIES - **Page 1 of 13**

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.

The Debtor has four creditors whom the Debtor believes will assert interests in the Debtor's monies and accounts receivable.

The Debtor seeks authority to use cash collateral on an interim basis and then on a final basis in the ordinary course of business.

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(b) and Local Bankruptcy Rule 4001-1.

Venue is proper in this district.

II. SUMMARY OF RELIEF REQUESTED

The Debtor, seeks the following relief:

- A. Authorizing the Debtor to use the Cash Collateral (as defined below) of those entities claiming an interest in Cash Collateral, pursuant to 11 U.S.C. § 363(c); and
- B. Scheduling on an emergency basis an interim hearing (the "Interim Hearing") to consider entry of an interim order substantially in the form attached hereto as **Exhibit A** (the "Interim DIP Order") which

MOTION FOR USE OF CASH COLLATERAL ON AN INTERIM AND FINAL BASIS;
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- (i) authorizes, on an interim basis, the Debtor's use of Cash Collateral for the purposes of funding expenditures consistent with the budget attached to the First Day Declaration, subject to the variances permitted at the time of an interim hearing;
- (ii) grants adequate protection to those entities entitled to such protection;

- C. Scheduling a final hearing (the "Final Hearing") to consider entry of a final order authorizing the use of Cash Collateral on a final basis (the "Final DIP Order"); and
- D. Such further relief as the Court deems 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. either "purchased" an undefined portion of future receivables or it loaned \$100k to the Debtor, on or about March 7, 2017. The interest rate is 17%. The monies were, in the Debtor's opinion, a loan. Prepetition, Swift commenced a legal action against the Debtor and the matter is now in arbitration. against the Debtor and the Debtor's principals. The Debtor has not located a recorded financing statement. ¹

¹ An entity filed a financing statement on behalf of an unidentified principal. The entity is CHTD. CHTD identified its principal as Swift Financial Corporation.

- Knight Capital also 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 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 LBF 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.

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- 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.
- 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.
- The Debtor had been fronting to many costs.

The Debtor presently has 6 construction jobs ongoing with a total contract price for these jobs at roughly \$2.59 million. The margins range from 17% to 25%. The Debtor has additional jobs, described in the Burton Declaration in detail, to start in the next few months. The aggregate gross dollar value exceeds \$2 million. In addition, 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, has a form of preapproval for jobs where the Debtor is the general contractor.

There are claims against the Debtor’s monies. Four entities have either loan monies or have purchased undefined portions of the Debtor’s future

**MOTION FOR USE OF CASH COLLATERAL ON AN INTERIM AND FINAL BASIS;
MEMORANDUM OF POINTS AND AUTHORITIES - Page 5 of 13**

receivables. Only one financing statement has been recorded. The likely indebtedness to these four lenders, in the aggregate is approximately \$400,000 with interest rates ranging from 19.29% up to 69%. (To the extent that a lender did not record a financing statement, then its security interest may be avoidable.) Here is more specific information about each loan to the Debtor:

- Funding Circle loaned \$100,000 on or about October 26, 2016, with an interest rate of 19.29%.
- Swift Financial Corp. either “purchased” an undefined portion of future receivables or it 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 the matter is now in arbitration against the Debtor and the Debtor’s two stockholders.
- Knight Capital also 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%.
- LoanMe loaned \$75,000 to the Debtor in August, 2017. The interest rate is 69%.

An entity named CHTD Company, acting in a representative capacity, filed a financing statement with the Oregon Secretary of State on March 8, 2017. CHTD identified its principal as Swift Financial Corporation.

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 starting to limit its pricing in its contracts for 90 days or less. The Debtor is now adding in to its contracts an escalation clause for increased costs of lumber, drywall, concrete and roofing.

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- Now the Debtor will require all subs to work through the Debtor's purchase order system to help manage costs and timeliness.
- The Debtor has been increasing 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 drop certain subs who have not been reliable.
- For lender financed construction jobs, the Debtor will now demand a deposit to help cover expenses and to avoid the problem of front loaded costs.

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

Attached to the First Day Declaration are the following financial reports:

- A report showing the Debtor's prepetition financial performance for year 2016. (**Exhibit "A"**)
- An accounts receivable report as of September 30, 2017. (**Exhibit "B"**)
- An accounts payable report as of September 30, 2017. (**Exhibit "C"**)
- A work in progress log as of September 30, 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 "D"**)

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- A bid log as of October 10, 2017. This is a listing of jobs which have been bid, identified only by initials, type of job, bid amount and margin. **(Exhibit “E”)**
- A balance sheet as of September 30, 2017. **(Exhibit “F”)**
- A profit and loss statement (cash basis) for the year as of September 30, 2017. **(Exhibit “G”)**
- A profit and loss statement (accrual) for the year as of September 30, 2017. **(Exhibit “H”)**
- 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 12, 2017, the Debtor had approximately \$14,000 in the bank. Its typical balance in its bank accounts has ranged in the past several months from a low of several hundred dollars to as much as a couple of hundred thousand dollars (exclusive of when the Debtor has deposited monies loaned to it). **(Exhibit “I”)**

The Debtor’s personal property has a likely value of \$1,099,364.00 before deductions are made for secured claims. The Debtor’s assets are described in detail in **(Exhibit “J.”)**

- The Debtor’s receivables have a face value of some \$25,000. Of this amount, all but approximately \$4,636 is collectible. ²

² The JJ receivable for \$9,512 is from a completed job. There was insufficient monies on hand to pay the Debtor and JJ has been trying to refinance in order to pay the receivable. Payment should be made over time, likely in monthly payments. The MM account receivable for \$4,636, for unpaid design phase work, likely will not be paid though the Debtor will attempt to collect it.

- The Debtor's machinery and equipment have a face value of \$24,000.
- The Debtor has \$5,000 in monies.
- The Debtor has Work in Progress with an estimated value of \$1,015,000 and margins of approximately 24%.
- The Debtor is the title owner of 3 vehicles with an estimated value of \$31,000. They are owned free and clear.

VI. USE OF CASH COLLATERAL SHOULD BE APPROVED

The Debtor seeks authority to use cash collateral first on an interim basis pursuant to the budget attached to the First Day Declaration and then on a final basis in the ordinary course of business.

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 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

**MOTION FOR USE OF CASH COLLATERAL ON AN INTERIM AND FINAL BASIS;
MEMORANDUM OF POINTS AND AUTHORITIES - Page 9 of 13**

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 before a final hearing on cash collateral.

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 entity asserting an interest in the Debtor's monies, Funding Circle. If Funding Circle does not object to the variance within 48 business hours, then the variance will be deemed approved. If Funding Circle objects, then the Debtor may seek to set a hearing on shortened notice seeking approval of the variance from this Court.

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

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 Entities 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 replacements lien 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 the interim hearing or at the final hearing, to make adequate protection payments. The Debtor does not propose to make adequate protection payments until a second hearing (or a later hearing) on cash collateral to permit the Debtor time to place its finances on a firmer basis.

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

Work in Progress	\$1,015,174
Receivables	\$ 25,763
Monies on Hand	\$4,000 plus the \$35,000 to be paid
<u>Total</u>	<u>\$1,079,937</u>

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

Final Use of Cash Collateral. The Debtor requests that the Court set a hearing on final use of cash collateral and, at that hearing, authorize the Debtor to use cash collateral in the ordinary course of business.

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.

VII. Conclusion

The Debtor requests that the Court take the following actions:

- A. Authorize the Debtor to use the Cash Collateral (as defined below) of those entities claiming an interest in Cash Collateral, pursuant to 11 U.S.C. § 363(c); and
- B. Schedule on an emergency basis an interim hearing (the "Interim Hearing") to consider entry of an interim order substantially in the form attached hereto as **Exhibit A** to this Motion (the "Interim DIP Order") which

MOTION FOR USE OF CASH COLLATERAL ON AN INTERIM AND FINAL BASIS;
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- (i) authorizes, on an interim basis, the Debtor's use of Cash Collateral for the purposes of funding expenditures consistent with the budget attached to the First Day Declaration, subject to the variances permitted at the time of an interim hearing;
 - (ii) grants adequate protection to those entities entitled to such protection;
- C. Schedule a final hearing (the "Final Hearing") to consider entry of a final order authorizing the use of Cash Collateral on a final basis (the "Final DIP Order") in the ordinary course of business;
 - D. Provide replacement liens to the identified lenders on the terms specified herein above; and
 - E. Such further relief as the Court deems appropriate and consistent with this Motion.

Dated: October 18, 2017

LAW OFFICES OF STEVEN R. FOX

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

THE LAW OFFICES OF KEITH Y. BOYD

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

MOTION FOR USE OF CASH COLLATERAL ON AN INTERIM AND FINAL BASIS;
MEMORANDUM OF POINTS AND AUTHORITIES - **Page 13 of 13**

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF OREGON

In re)	CASE NO.: 17-33893-tmb11
)	
Creekside Homes, Inc.,)	CHAPTER 11
)	
Debtor.)	INTERIM ORDER AUTHORIZING
)	DEBTOR TO USE CASH
)	COLLATERAL AND SCHEDULING A
)	FINAL HEARING
_____)	

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

By its Motion, the Debtor seeks in part entry of this Interim Order (the “Interim Order”) authorizing the Debtor to use cash collateral on an interim basis, pursuant to the budget attached to the First Day Declaration of Andrew Burton. The Debtor also proposed to provide adequate protection during this Interim Period to the four entities which assert

INTERIM ORDER AUTHORIZING DEBTOR TO USE CASH COLLATERAL AND SCHEDULING A FINAL HEARING - Page 1 of 7

interests in the Debtor's monies and accounts receivable by (1) providing replacements lien 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 and (2) the other means of adequate protection described in the Debtor's Motion. The Debtor also requests that the Court set a final hearing on the Motion.

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

A. On October 16, 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) and 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 notice of the hearing was provided to affected parties, e.g., the parties to the subject contracts, the the Office of the United States Trustee and to the 20 largest unsecured creditors and creditors asserting interests in the Debtor's monies and accounts receivable. Under the exigent

INTERIM ORDER AUTHORIZING DEBTOR TO USE CASH COLLATERAL AND SCHEDULING A FINAL HEARING - Page 2 of 7

circumstances of these cases, 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 Motions 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 herein and the immediate entry of this Order.

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

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

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

INTERIM ORDER AUTHORIZING DEBTOR TO USE CASH COLLATERAL AND SCHEDULING A FINAL HEARING - Page 3 of 7

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

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

1. The Motion is granted on an interim basis, subject to the terms and conditions set forth in this Interim Order. All objections, if any, to the motions are resolved hereby or, to the extent not resolved, are overruled.
2. The Debtor is authorized to use Cash Collateral on an interim basis for the purposes of funding expenditures in accordance with the Budget. The Debtor may vary from its proposed budget by as much as 20% in any one category where the projected spending is under \$10,000 and may 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 must first provide written notice by email or telecopier of the variance to the senior entity asserting an interest in the Debtor's monies, Funding Circle for approval of such variance. If Funding Circle does not object to the variance within 48 business hours, then the proposed variance will be deemed approved. If

INTERIM ORDER AUTHORIZING DEBTOR TO USE CASH COLLATERAL AND SCHEDULING A FINAL HEARING - Page 4 of 7

Funding Circle objects, then the Debtor may seek to set a hearing on shortened notice seeking approval of the variance from this Court.

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

Also, to the extent that actual revenues in a given week exceed projected revenues, the Debtor may apply as much as 75% of any such excess revenues to costs of goods sold (and to no other expense). Costs of goods is limited to direct costs of materials for jobs; and direct labor costs for jobs.

3. The four entities asserting interests in the Debtor's monies and accounts receivable will be adequately protected during this Interim Period by (1) providing replacements lien to these four entities to the extent their prepetition liens attached to the Debtor's property and with the same validity, priority, and description of collateral and (2) the other means of adequate protection described in the Motion.
4. The Debtor is authorized to take all actions necessary to effectuate the relief granted by this Order.

INTERIM ORDER AUTHORIZING DEBTOR TO USE CASH COLLATERAL AND SCHEDULING A FINAL HEARING - Page 5 of 7

5. This Court retains jurisdiction with respect to all matters arising from or relating to the implementation of this Order.
6. This Order shall be effective immediately upon its entry, notwithstanding the possible application of F.R.B.P. Rules 7062 or 9014.
7. A Final Hearing shall be held on November ___, 2017, at _____ .m. Pacific time in Courtroom No. ___ of the United States Bankruptcy Court located at 1001 SW 5th Avenue, 7th Floor, Portland, Oregon, to consider the entry of a Final Order on the use of cash collateral.

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

I certify that I have complied with the requirements of LBR 9021-1(a)(2)(A).

PRESENTED BY:

THE FOX LAW CORPORATION

THE LAW OFFICES OF KEITH Y. BOYD

THE FOX LAW CORPORATION
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INTERIM ORDER AUTHORIZING DEBTOR TO USE CASH COLLATERAL AND SCHEDULING A FINAL HEARING - Page 6 of 7

Exhibit A
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THE LAW OFFICES OF KEITH Y. BOYD

Keith Y. Boyd, OSB#760701

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Proposed Attorneys for Debtor-in-Possession

cc:

INTERIM ORDER AUTHORIZING DEBTOR TO USE CASH COLLATERAL AND
SCHEDULING A FINAL HEARING - **Page 7 of 7**

Exhibit A
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In re Creekside Homes, Inc.
U.S. Bankruptcy Court Case No. 17-33893-tmb11

SERVICE LIST FOR NOTICE OF PRELIMINARY HEARING ON
MOTION FOR USE OF CASH COLLATERAL

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

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

Largest Unsecured Creditors:

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

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

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

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

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

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

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

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

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

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

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

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

Parker Concrete (via Email)
Bruce Parker
2850 Taylor Way
Forest Grove, OR 97116-1963

SERVICE LIST FOR NOTICE OF PRELIMINARY HEARING ON MOTION FOR USE OF
CASH COLLATERAL - **Page 1 of 2**

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

via Electronic Service:

KEITH Y BOYD ecf@boydlegal.net, arnold@boydlegal.net
US Trustee, Portland USTPRegion18.PL.ECF@usdoj.gov

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 (via Email)
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

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