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Proposed Counsel for the Debtor

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

IN RE:

**TIARA PARKDALE, L.P.
DEBTOR.**

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**CASE NO. 19-40253-btr-11
(Chapter 11)**

Emergency Hearing Requested

EMERGENCY MOTION FOR AUTHORITY TO USE CASH COLLATERAL

Your rights may be affected by the relief sought in this pleading. You should read this pleading carefully and discuss it with your attorney, if you have one in this bankruptcy case. If you oppose the relief sought by this pleading, you must file a written objection, explaining the factual and/or legal basis for opposing the relief.

No hearing will be conducted on this Motion unless a written response is filed with the Clerk of the United States Bankruptcy Court and served upon the party filing this pleading WITHIN FOURTEEN (14) DAYS FROM DATE OF SERVICE shown in the certificate of service unless the Court shortens or extends the time for filing the time for filing such objection. If no objection is timely served and filed, this pleading shall be deemed to be unopposed, and the Court may enter an order granting the relief sought. If an objection is filed and served in a timely manner, the Court will thereafter set a hearing with appropriate notice. If you fail to appear at the hearing, your objection may be stricken. The Court reserves the right to set a hearing on any matter.

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

COMES NOW, **TIARA PARKDALE, L.P.** (the "Debtor"), Debtor in the above styled and numbered cause and files this its Emergency Motion for Authority to Use of Cash Collateral ("Emergency Motion") and would respectfully show unto the Court as follows:

1. This Court has jurisdiction over this proceeding and the parties and property

affected hereby pursuant to 28 U.S.C. §§1334 and 157. Consideration of the Emergency Motion constitutes a core proceeding as defined in 28 U.S.C. §157(b)(2)(A), (K), (M) and (O).

2. The Debtor commenced this proceeding on January 31, 2019 (the "Petition Date") by filing a voluntary petition under Chapter 11 of the United States Bankruptcy Code. Since the filing of the petition, the Debtor has remained in possession of its assets and continued in operation of its business as a debtor-in-possession pursuant to 11 U.S.C. §§1107 and 1108.

3. The Debtor is a limited partnership whose business consists of ownership of a shopping center known as the University Mall in Nacogdoches, Texas (the "Property"). The Debtor purchased its interest in the Property from University Mall Realty, Ltd., ("University") pursuant to that certain Commercial Contract for Deed, dated to be effective October 15, 2015 (and, as subsequently amended, the "Contract"). Prior to Debtor's purchase of the Property, the Property was encumbered by that certain Deed of Trust Lien in favor of Viewpoint Bank, N.A. (n/k/a Legacy Bank)("Legacy"), to secure an obligation of University originating from that certain Promissory Note, dated May 31, 2014, in the original principal amount of \$3,250,000 (the "Legacy Note"). Legacy has a first lien on the Property. University's address is 15400 Knoll Trail, Ste 350, Dallas, TX 75248. Legacy's address is Legacy Bank, Attn: Patrick Ramsier, 5851 Legacy Circle, Ste 1200, Plano TX 75024.

4. Debtor believes that the Property is worth not less than \$7,500,000. As of the Petition Date, based on information and belief, the balance due to Legacy is approximately \$2,600,000. Debtor's outstanding obligations to University under the Contract, over and above the amounts owed to Legacy, is less than \$2,400,000. There is substantial equity in the Property. The Debtor has sought bankruptcy protection to restructure its obligations and to pay such obligations from its current and future expected revenue.

5. The Property continues to operate. The Property is currently 70% occupied and generates monthly revenues of approximately \$85,000 (the "Revenue"). The Revenue may constitute collateral for Legacy and/or University.

6. The Property is currently being managed by Orda Corp. ("Orda"). Orda is paid monthly on a flat fee arrangement and Orda currently collects the rental Revenue and pays the expenses associated with operating the Property. In addition to the Revenue, Orda holds funds associated with the operation of the Property, including but not limited to, reimbursement amounts paid by tenants pursuant to their leases and other funds advanced by the Debtor to support the Property's operations, repair and maintenance. The Revenue, along with these funds, may constitute "cash collateral" (the "Cash Collateral"). Orda Corp's address is 15400 Knoll Trail, Ste 350, Dallas, TX 75248.

7. The Debtor is in immediate need to use the Revenue in the ordinary course of its business to operate. Through operations, the Debtor anticipates paying its operating expenses, maintaining the Property and generating new revenue. Without the use of the Cash Collateral, the Debtor will be unable to operate. Any interruption in operations would be fatal to the Debtor's ability to retain the underlying leases and could jeopardize the viability of the Property as a going concern.

8. The Debtor seeks to use the Cash Collateral to pay for ordinary and necessary operating expenses in the ordinary course of business, as set forth on Exhibit "A".

9. An emergency exists in that the ability of the Debtor to stay in business and reorganize requires that the Debtor not experience any interruption in the Debtor's operations, which in turn depends upon the Debtor's ability to immediately obtain use of the Cash Collateral to continue operation of the Debtor while effectuating a plan of reorganization.

10. The Debtor believes that Legacy and University are oversecured and are adequately protected by their respective collateral interests in the Property. To the extent necessary, the Debtor would be willing to provide replacement liens pursuant to Section 552, in their respective pre-petition collateral, to the extent of the validity, extent and priority of their pre-petition liens.

WHEREFORE, PREMISES CONSIDERED, the Debtor would request this matter be set down for hearing and that upon hearing, this Court authorize the Debtor's use of the Cash Collateral in the amount set forth in Exhibit "A" on an ongoing basis, and for such other and further relief as the Debtor may show itself justly entitled.

Respectfully submitted,

/ s/ Susan B. Hersh

Susan B. Hersh, SBOT 09543925

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PROPOSED ATTORNEY FOR DEBTOR

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the foregoing motion was served by ECF to the Office of the United States Trustee, Eastern District, 110 N. College Ave., Ste 300, Tyler, TX 75702, and by fax no. 903-590-1461, by fax to the parties listed below and by first class mail to the parties listed on the attached service on this 31st of January, 2019.

/ s/ Susan B. Hersh

Legacy Bank
Attn: Patrick Ramsier
5851 Legacy Circle, Ste 1200
Plano TX 75024
Fax (469) 467-1020

University Mall Realty, Ltd.
15400 Knoll Trail, Ste 350
Dallas, TX 75248.
fax: (972) 960-0627

Orda Corp
15400 Knoll Trail, Ste 350
Dallas, TX 75248.
fax: (972) 960-0627

Mark Stromberg
Stromberg Stock, PLLC
8750 N. Central Expwy, Ste 625
Dallas, TX 75231
fax: (972) 770-2156

Exhibit "A"

Monthly Cash Collateral Budget**

Monthly Revenue	85,000
Expenses	
Building Insurance	4719
Real Estate Taxes	6000
Management Fee	2500
Utilities/Trash	7800
Repair & Maintenance	5000
Landscaping/Cleaning	2500
Payroll & Payroll Exp	5000
Miscellaneous	<u>1000</u>
Total Expenses	34519
Net Monthly Revenue	50481