

**IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:

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Garden Oaks Maintenance Org., Inc., § CASE NO. 18-60018-H2-11

DEBTOR

**EMERGENCY MOTION
TO APPROVE OPERATING BUDGET**

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

EMERGENCY RELIEF HAS BEEN REQUESTED. IF THE COURT CONSIDERS THE MOTION ON AN EMERGENCY BASIS, THEN YOU WILL HAVE LESS THAN 21 DAYS TO ANSWER. IF YOU OBJECT TO THE REQUESTED RELIEF OR IF YOU BELIEVE THAT THE EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU SHOULD FILE AN IMMEDIATE RESPONSE.

REQUESTED DEADLINE FOR EMERGENCY RELIEF

DEBTOR REQUESTS RELIEF ON OR BEFORE WEDNESDAY, MAY 23, 2018. IF A HEARING IS NECESSARY, IT IS ESTIMATED THAT THE HEARING WILL REQUIRE 15-30 MINUTES OF COURT TIME.

COMES NOW, Garden Oaks Maintenance Organization, Inc. (“Garden Oaks”), Debtor, and Debtor-In-Possession, and files this *Emergency Motion To Approve Operating Budget* and would respectfully show the Court a follows:

1. The Debtor filed a voluntary chapter 11 petition on April 11, 2018.
2. The Debtor is a Texas corporation, and operates as a Texas non-profit Home Owners Association that furthers the common interests of residents in the Garden Oaks subdivision of Houston Texas. The subdivision is located generally in the northwest portion of Houston, bordered by loop 610NW, Hwy 290, and Pinemont/W. Tidwell Rd. It is the third largest group of subdivisions in Harris County.
3. The bankruptcy filing results from a recent state court judgment determining that certain aspects of the formation of the Property Owners Association was invalid pursuant to TEX. PROP. CODE § 201.005, as to two particular homeowners.
4. The Debtor is managed and operated by officers and a board comprised of residents of the Garden Oaks subdivision.
5. The Debtor operates at the convenience of the residents of the subdivision, and requests the Court to approve the attached operating budget after proper notice.
6. There are no secured lenders, and there are no cash collateral issues.
7. The operating budget consists of routine, normal and customary expense items, and the Debtor understands that continued business operations are not required to be specifically approved by the Court. However, as a non-profit service organization, the board has elected to provide notice of the operating budget, and requests specific authorization from the Court to operate pending the filing and approval of its Plan and Disclosure Statement.
8. The attached budget may vary due to circumstances not now known, and it is provided as a guide.

9. The Debtor currently expects legal fees and services to be incurred for the re-formation of a new association, however, any attorney hired to provide those services will be specifically employed as special counsel to the Debtor in accordance with the Bankruptcy Code and Rules.
10. The attached Budget estimates the cost of the re-formation legal expense to be approximately \$10,000.00.

WHEREFORE, Debtor requests this Court to approve the attached operating budget, and for such other and further relief, at law or in equity, to which it may be justly entitled.

Dated: May 17, 2018.

Respectfully submitted,

By: /s/ Johnie Patterson
Johnie Patterson
State ID# 15601700
COUNSEL FOR THE DEBTOR

OF COUNSEL:
WALKER & PATTERSON, P.C.
P.O. Box 61301
Houston, TX 77208
713.956.5577
713.956.5570 (fax)

CERTIFICATE OF SERVICE

I, Johnie Patterson, hereby certify that a true and correct copy of the foregoing *Motion* was served upon the 20 largest unsecured creditors by first class, United States Mail, postage prepaid, and upon all parties receiving notice through the Courts CM/ECF electronic noticing system on May 17, 2018. No parties other than the U.S. Trustee have filed a Request For Notice with the Court.

/s/ Johnie Patterson
Johnie Patterson

Anticipated Monthly Expenditures					
A. Gross Business Income					
Average Monthly Income				\$17,026.58	
(Based On Prior 12 Months)					
B. Estimated Average Future Monthly Expenses					
Rent/Lease				\$950.00	
Utilities				\$201.50	See Attached Detail
Supplies				\$55.00	See Attached Detail
Professional & Services				\$5,060.00	See Attached Detail
Other Expenses	see Details				
1/12 Annual Items				\$2,419.97	See Attached Detail
TOTAL				\$8,686.47	

Detailed Annual expenses:							
Annual Meeting					costs are incurred in Aug-Oct		
	printing	500.00					
	postage	700.00					
	processing	750.00					
	TOTAL	1,950.00					
Community Engagement							
	printing	2,000.00					
	postage	2,800.00					
	processing	3,000.00					
	TOTAL	7,800.00					
Professional and Services Related to Reformation							
	Office Mgr.	2,000.00			costs incurred Apr-Oct		
	Book keeper	300.00					
	Legal	10,000.00					
	TOTAL	12,300.00					
Insurance							
	Fid/Dishonesty	0.00			paid up through April 2019		
	Office Insurance	925.00			cost incurred in June		
	Dir & Officers	1,155.00			cost incurred in June		
	TOTAL	2,080.00					
Audit		2,400.00			cost are incurred in July		
Taxes							
	Federal Tax	0.00					
	Federal Tax Preparati	1,762.00			costs are incurred in March		
	Harris County Property	200.65			costs are incurred in November		
	TOTAL	1,962.65					
Website							
	security	165.00			Cost incurred in July shared with GOCC		
	plugins	100.00			Cost incurred in June for Calendar and Members		
	hosting	0.00			paid up through July 2019		
	TOTAL	265.00					
Ooma Phone messaging		140.00			cost incurred in June		
Professional Membership		142.00			cost incurred in December		
Annual Items Total		29,039.65				12 month	29,039.65
Monthly Equiv		2,419.97					2,419.97
TOTAL						12 month	29,039.65