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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In Re:
STONERIDGE PARKWAY LLC
Debtor.

Case No. 22-10540-abl
Chapter 11

**LIMITED OBJECTION OF LAS VEGAS
VALLEY WATER DISTRICT TO
MOTION OF SHUN LEE LENDING,
LTD. FOR RELIEF FROM
AUTOMATIC STAY TO ENFORCE
SECURITY INTEREST IN
THE SILVERSTONE PROPERTY**

Hearing Date: August 9, 2022
Hearing Time: 1:30 p.m.

Las Vegas Valley Water District (the “Water District”), a party in interest and creditor in the above-captioned chapter 11 case of the debtor, Stoneridge Parkway, LLC (the “Debtor”), files this *Limited Objection* (this “Limited Objection”) to the *Motion of Shun Lee Lending, Ltd. for Relief from the Automatic Stay to Enforce Security Interest in the Silverstone Property* (Docket No. 79) (the “Lender’s Stay Relief Motion”), filed by Shun Lee Lending, Ltd. (the “Lender”). In support of this Limited Objection, the Water District respectfully states as follows:

I. Preliminary Statement

1. The Water District agrees with the Lender that the Debtor has little prospect of fulfilling its bankruptcy strategy and, for this reason, the Water District does not object to the substantive relief sought by the Lender. However, if the Lender’s Stay Relief Motion is granted—which would affect the Debtor’s primary asset—the case likely will be dismissed, giving the Lender a timing advantage over other creditors with rights and interests in the Property, including the Water District.

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1 8. As of the Petition Date, the Debtor owed in excess of \$2,000,000 in fees to the Water
2 District for Utility Services on the Property. Although the Debtor provided the Water the District
3 with a prepetition security deposit of \$3,000, the Water District continues to provide services and
4 fees continue to accrue in the approximate amount of \$400 per month. And, because the Water
5 District has received no notice of exemption from the Clark County Fire Department regarding the
6 fire code requirements for the Property, the Water District in unable to discontinue services with
7 respect to the Property located at 6820 Grand Teton Drive and 8640 Cupp Drive.

8 ***B. Las Vegas Valley Water District Act***

9 9. Section 9.1 of the Las Vegas Valley Water District Act (the “Act”) provides that for
10 any bill for water or services which is delinquent for more than 60 days, the property to which the
11 water was furnished is subject to a lien for nonpayment of the delinquent amounts. *See* Section
12 9.1.1. Such lien “constitute[s] a perpetual lien on and against the property served, and the lien is
13 prior and superior to all liens, claims and titles other than liens of general taxes and special
14 assessments” *See* Section 9.1.2.

15 ***C. Proofs of Claim***

16 On June 14, 2022, the Water District filed (b) proof claim no. 53, in the unsecured amount
17 of \$1,739,171.73 (“Claim No. 53”), comprised of late charges and water charges with respect to
18 the Property; and (b) proof of claim no. 54, in the secured amount of \$291,048.90 (“Claim No.
19 53”), comprised of late charges and water charges with respect to the Property, and secured by liens
20 against certain of the Property.

21 **IV. Limited Objection**

22 10. The Water District does not object to the substantive relief sought by the Lender.
23 Instead, the Water District seeks only to have the Court consider the Water District’s Stay Relief
24 Motion concurrently with the Lender’s Stay Relief Motion at the hearing scheduled for August 9,
25 2022 and, if appropriate, grant both the Lender and the Water District relief simultaneously. If the
26 Lender’s Stay Relief Motion is granted, dismissal is likely, but only after a period of time passes,
27 giving the Lender a timing advantage over the Water District’s ability to exercise its statutory rights
28 and remedies in the Property pursuant to the Act.

1 11. Ultimately, the different state law processes applicable to the Lender and the Water
2 District will dictate the timing of the exercise of their respective rights. The Water District simply
3 seeks to pursue its rights and remedies against the Property beginning at the same time as the
4 Lender. If the Court considers the parties’ motions concurrently, neither the Lender nor the Water
5 District will suffer prejudice.

6 **V. Reservation of Rights**

7 12. The Water District expressly reserves the right to amend or supplement this Limited
8 Objection and related pleadings, and to seek additional or alternative relief.

9 **VI. Conclusion**

10 WHEREFORE, the Water District respectfully requests that Court consider the Lender’s
11 Stay Relief Motion and the Water District’s Stay Relief Motion concurrently, and grant the Water
12 District such other and further relief as is necessary and appropriate.

13 DATED this 26th day of July, 2022.

14 **HOLLAND & HART LLP**

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CERTIFICATE OF SERVICE

I am, and was when the herein described mailing took place, a citizen of the United States, over 18 years of age, and not a party to, nor interested in, the within action; that on July 26, 2022, I served a true and correct copy of the foregoing **LIMITED OBJECTION** in the following manner:

(BY NOTICE OF ELECTRONIC FILING) Under Administrative Order 02-1 (Rev. 8-31-04) of the United States Bankruptcy Court for the District of Nevada, the above-referenced document was electronically filed on the date hereof and served through the Electronic Case Filing System of the United States Bankruptcy Court to the parties in the case.

(UNITED STATES MAIL) By depositing a copy of the above-referenced document for mailing in the United States Mail, first class postage prepaid, at Reno, Nevada, to the parties listed on the attached service list, at their last known mailing addresses, on the date above written.

(OVERNIGHT COURIER) By depositing a true and correct copy of the above-referenced document for overnight delivery via Federal Express, at a collection facility maintained for such purpose, addressed to the parties on the attached service list, at their last known delivery address, on the date above written.

(FACSIMILE) That I served a true and correct copy of the above-referenced document via facsimile, to the facsimile numbers indicated, to those persons listed on the attached service list, on the date above written.

DATED: July 26, 2022.

/s/ Cyndy Arnold

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