Cas	e 2:21-bk-10335-BB Doc 26 Filed 02/03/2 Main Document Pa	1 Entered 02/03/21 13:51:46 Desc age 1 of 50			
1 2 3 4 5 6 7 8 9 10	Daniel A. Lev (CA Bar No. 129622) dlev@sulmeyerlaw.com SulmeyerKupetz A Professional Corporation 333 South Grand Avenue, Suite 3400 Los Angeles, California 90071-1406 Telephone: 213.626.2311 Facsimile: 213.629.4520 Ronald Richards (CA Bar No. 176246) ron@ronaldrichards.com Law Offices of Ronald Richards & Associates, APC P.O. Box 11480 Beverly Hills, California 90213 Telephone: 310.556.1001 Facsimile: 310.277.3325 Attorneys for Give Back, LLC				
11		NKRUPTCY COURT			
12	CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION				
13	In re	Case No. 2:21-bk-10335-BB			
14	COLDWATER DEVELOPMENT, LLC,	Chapter 11			
15 16	Debtor.	Jointly Administered With: Case No. 2:21-bk-10336-BB			
17		MOTION OF GIVE BACK, LLC FOR			
18		ORDER DESIGNATING CHAPTER 11 CASES AS SINGLE ASSET REAL			
19		ESTATE CASES PURSUANT TO 11 U.S.C. § 363(d)(3); MEMORANDUM OF POINTS AND AUTHORITIES;			
20 21		DECLARATIONS OF RONALD RICHARDS AND STEVEN L. WEINBERG IN SUPPORT THEREOF			
22		DATE: February 24, 2021			
23		TIME: 10:00 a.m. PLACE: Courtroom "1539"			
24	In re				
25	LYDDA LUD, LLC,				
26					
27	Debtor.				
28					
	DAL 2709388v1				

SulmeyerKupetz, A Professional Corporation 333 SOUTH GRAND AVENUE, SUITE 3400 LOS ANGELES, CALIFORNIA 90071-1406 TEL. 213.626.2311 • FAX 213.629.4520 Case 2:21-bk-10335-BB Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Document Page 2 of 50

Affects Both Debtors

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- Affects Coldwater Development, LLC only
 - Affects Lydda Lud, LLC only

6 TO THE HONORABLE SHERI BLUEBOND, UNITED STATES BANKRUPTCY JUDGE,
7 THE OFFICE OF THE UNITED STATES TRUSTEE, THE DEBTORS, AND ALL OTHER
8 INTERESTED PARTIES:

MOTION

10 Through its "Motion of Give Back, LLC for Order Designating Chapter 11 11 Cases As Single Asset Real Estate Cases Pursuant to 11 U.S.C. § 363(d)(3): 12 Memorandum of Points and Authorities; Declarations of Ronald Richards and Steven L. 13 Weinberg in Support Thereof" (the "Motion"), Give Back, LLC ("Give Back"), the holder of 14 the senior deed of trust on the six residential lots bearing APN Nos. 4387-020-001, 4387-15 020-009, 4387-021-018, 4387-021-019, 4387-022-001, and 4387-022-002 located in 16 Beverly Hills, California, owned by the jointly administered debtors Coldwater 17 Development, LLC ("Coldwater") and Lydda Lud, LLC ("Lydda" and together with 18 Coldwater, the "Debtors"), hereby seeks an order, among other things, designating the 19 Debtors' chapter 11 cases as single asset real estate cases pursuant to 11 U.S.C. § 20 363(d)(3).1 21 This Motion is made and based upon the moving papers, the attached 22 memorandum of points and authorities and the supporting declarations of Ronald 23 Richards and Steven L. Weinberg, the pleadings filed in the Debtors' jointly administered

24 cases, all judicially noticeable facts, the arguments and representations of counsel, and

- **25** any oral or documentary evidence presented prior to or at the scheduled hearing.
- 26

²⁷ ¹ Lydda owns the lots bearing APN Nos. 4387-020-001, 4387-020-009, 4387-022-001, and 4387-022-002, and Coldwater owns the lots bearing APN Nos. 4387-021-018 and 4387-021-019.

Cas	e 2:21-bk-10335-BB Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Document Page 3 of 50				
1	WHE	REFORE Give Ba	ack respectfully requests that the Court enter an		
2	order:				
3	(1)	granting this Mo	tion;		
4	(2)	designating the	Debtors' chapter 11 cases as single asset real estate		
5	cases pursuant to	cases pursuant to 11 U.S.C. § 363(d)(3); and			
6	(3)	granting such ot	her and further relief as this Court deems just and		
7	proper under the ci	ircumstances.			
8	DATED: February	3, 2021	Sulmeyer Kupetz A Professional Corporation		
9					
10					
11			By: <u>/s/ Daniel A. Lev</u> Daniel A. Lev		
12	Attorneys for Give Back, LLC				
13	DATED: February	3, 2021	Law Offices of Ronald Richards & Associates, APC		
14					
15			By: <u>/s/ Ronald Richards</u>		
16	Ronald Richards		Ronald Richards Attorneys for Give Back, LLC		
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	DAL 2709388v1		3		

SulmeyerKupetz, A Professional Corporation 333 SOUTH GRAND AVENUE, SUITE 3400 LOS ANGELES, CALIFORNIA 90071-1406 TEL. 213.626.2311 • FAX 213.629.4520

Cas	e 2:21-bk-10335-BB Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Document Page 4 of 50			
1	MEMORANDUM OF POINTS AND AUTHORITIES			
2	l.			
3	JURISDICTION			
4	This Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334(b).			
5	Venue in this Court is proper pursuant to 28 U.S.C. § 1409(a). The Motion is a core			
6	matter pursuant to 28 U.S.C. § 157(b)(2)(A) and, therefore, this Court has the			
7	constitutional authority to enter a final ruling on the merits. Stern v. Marshall, 564 U.S.			
8	462, 499, 131 S. Ct. 2594, 180 L. Ed. 2d 475 (2011). The statutory predicate for the			
9	Motion is 11 U.S.C. §§ 101(51B) and 362(d)(3).			
10	П.			
11	PREFATORY STATEMENT			
12	Hoping to escape the looming deadlines imposed by Section 362(d)(3) of			
13	the Code, the Debtors shrewdly failed to designate themselves as "SARE" cases when			
14	they filed their petitions. The Debtors, however, cannot escape the ramifications of			
15	Section 362(d)(3) simply by refusing to concede the obvious. Inarguably, the Debtors			
16	have no employees and generate no income from the properties, and have demonstrated			
17	a complete inability to finance the redevelopment of the six lots, let alone satisfy the			
18	secured debt. The Debtors only business is to own and hold contiguous parcels of raw			
19	land for the dubious goal of one day building six luxury residences. Simply put, the			
20	Debtors are passive real estate holding companies holding vacant land to facilitate a			
21	common purpose which likely will never come to fruition.			
22	And while the Debtors contend that chapter 11 was necessary since Give			
23	Back and an "activist" group are aligned to prevent the Debtors from refinancing the debt			
24	or redeveloping their six vacant lots, this is a complete ruse. The Debtors and Mohamed			
25	Hadid (who is no stranger to this Court) are solely to blame for their legal and financial			
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27				
28				
	DAL 2709388v1 4			

1 troubles.² So, while chapter 11 may grant the Debtors a brief reprieve, it will not provide 2 a mechanism for them to stave off the inevitable foreclosure of their properties.

3 Given the Debtors' ownership of multiple parcels of raw land under a 4 common plan or to serve a common purpose, and given that this passive ownership 5 constitutes the entirety of the Debtors' financial affairs, the Court has no choice but to 6 designate the Debtors as single asset real estate cases under Section 101(51B) of the 7 Code, thereby subjecting them to the strict requirements of Section 362(d)(3).

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RELEVANT BACKGROUND

10 Lydda and Coldwater have been owners of the six lots in guestion since 11 2009 and 2010, respectively. As just noted, Lydda owns the lots bearing APN Nos. 12 4387-020-001, 4387-020-009, 4387-022-001, and 4387-022-002 (the "Lydda Lots") and 13 Coldwater owns the lots bearing APN Nos. 4387-021-018 and 4387-021-019 (the 14 "Coldwater Lots" and together with the Lydda Lots, the "Properties"). The lots are 15 contiguous and the entire site area is 65.61 acres, with each lot averaging 10.94 acres. 16 The Debtors' purported plan is to develop a luxury gated community consisting of six high-end residences on the lots.³

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21 ² On December 17, 2019, this Court entered its "Order Granting Motion to Dismiss Bankruptcy Case Pursuant to 11 U.S.C. Section 1112 With 180-Day Bar to Refiling" in In re 901 Strada, LLC, bearing Case 22 No. 2:19-bk-23962-BB. As the Court may recall, Mohamed Hadid ("Hadid") filed the case in an attempt to block the demolition of a spec home constructed on a steep hillside that was illegally graded and built in 23 violation of numerous safety regulations. The motion to dismiss was filed since the debtor's bankruptcy filing, and its attendant automatic stay, were preventing the state court from moving forward with the 24 demolition of the property that did not comply with the Los Angeles Building Code. As demonstrated in the motion to dismiss, the debtor had no employees, was never adequately capitalized, and was being 25 exclusively funded by as-needed transfers from other Hadid-controlled companies. Similar to 901 Strada, LLC ("901 Strada"), these Debtors are using chapter 11 as nothing more than delay and litigation tactics, 26 designed to forestall a foreclosure sale which was set for January 20, 2021. ³ Hadid, who has been criminally convicted for numerous housing violations, is the owner of both Debtors, 27 one directly, as it relates to Coldwater, and the other, as the 100% owner of the member of Lydda.

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Α. Genesis of the Debtors' Joint Indebtedness to Give Back

In order to fund Hadid's grandiose project and pay off existing debt, in 3 March 2017, the Debtors entered into a loan agreement with Romspen California 4 Mortgage Limited Partnership, an Ontario limited partnership (the "Original Lender") for 5 the maximum principal amount of \$25,000,000 (the "Loan Agreement"). Pursuant to the 6 Loan Agreement, Original Lender did loan the Debtors the amount of \$19,050,898.05 7 through a series of advances. The Properties act as primary security for the Loan 8 Agreement. In further consideration of the Loan Agreement and to induce Original 9 Lender to extend the loan to the Debtors Borrowers, Hadid made, executed, and delivered his written Guaranty, dated March 17, 2017 (the "Guaranty"), for the benefit of 10 11 Original Lender and/or its assigns guarantying the Debtors' loan payment, performance, 12 and other obligations as set forth therein.⁴

13 The original maturity date for repayment of all amounts due and owing by 14 the Debtors under the loan was May 1, 2018 (the "Original Maturity Date"). Pursuant to 15 the provisions of the operative note (the "Note") and the Maturity Extension Requirements 16 set forth in the Note, that Original Maturity Date was extended to May 1, 2019 (the 17 "Extended Maturity Date"). Not surprisingly, the Debtors defaulted on the Loan 18 Agreement and Note on May 1, 2019, as a result or their failure to pay the entire 19 outstanding indebtedness due and owing on the Note on the Extended Maturity Date. 20 Following the Debtors' default, Hadid defaulted on his obligations under the Guaranty by 21 also failing to pay the entire indebtedness due under the loan.

22 On or about May 1, 2019, the Debtors, Hadid, and Original Lender, among 23 others, entered into a Forbearance Agreement (the "Forbearance Agreement") pursuant 24 to which, among other things, Original Lender agreed to temporarily forbear from 25 demanding or collecting payment in full of the Unpaid Loan Amount (as defined therein)

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⁴ The history of the Loan Agreement and its assignment to Give Back is detailed in the declaration of 27 Ronald Richards, affixed hereto.

and to forbear from exercising its rights and remedies under the Loan Agreement as a
 result of the Maturity Default (as defined therein). The Forbearance Period (as defined
 therein) expired at 5:00 p.m. (Eastern Time) on May 1, 2020.

4 Shortly thereafter, in exchange for good and valuable consideration and 5 pursuant to a Loan Purchase and Sale Agreement dated as of July 22, 2020, as 6 amended by (i) that certain First Amendment to Loan Purchase and Sale Agreement 7 dated as of August 7, 2020, and (ii) that certain Second Amendment to Loan Purchase 8 and Sale Agreement dated as of September 3, 2020 (as amended, the "PSA"), Original 9 Lender assigned and transferred to Give Back all of its rights, title, interest, and remedies 10 in and to the Loan Agreement, Note, Guaranty, and all related security agreements, 11 deeds of trust, and other loan documents. The assignment is evidenced by an 12 Assignment and Assumption of Deed of Trust and Other Loan Documents, executed by 13 Original Lender and Give Back (the "Give Back Assignment"), recorded on September 11, 2020, in the Official Records, Recorder's Office, Los Angeles County, California as 14 15 Document No. 20201095575. In addition, on September 10, 2020, Original Lender 16 executed and delivered to Give Back an Allonge making all amounts due and owing on 17 the Note payable to Give Back.

Give Back has made demand on the Debtors and Hadid for payment in full
on the Loan Agreement, Note, and Guaranty. Despite Give Back's demands for the
Debtors and Hadid to immediately pay in full all of the indebtedness and obligations, the
Debtors and Hadid have failed and refused to do so. Presently, the unpaid principal
amount due, owing, and unpaid by the Debtors and Hadid is \$27,746,323.52.⁵ As a
result of the Debtors' defaults, Give Back recorded a notice of default and a foreclosure

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⁵ The Debtors and Hadid also are liable for additional amounts on the Note, Loan Agreement, and Guaranty for interest, default interest, late fees, and costs and attorneys' fees incurred by Original Lender and Give Back in connection with collection and enforcement of the Note, Loan Agreement, and Guaranty. These amounts are preserved by Give Back, and are not waived in any action or proceeding as a result of these cases.

sale was scheduled for January 20, 2021. After unsuccessfully attempting to mollify Give
 Back with empty promises of an impending refinancing transaction, the Debtors filed their
 chapter 11 petitions on January 15, 2021.

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B. <u>Hadid Has Falsely Accused Give Back of Working In Concert With a</u> <u>Group Opposed to the Redevelopment of the Properties</u>

6 As mentioned earlier, the Debtors falsely contend that Give Back and a 7 group of concerned residents and conservationists called "Hillsides Against Hadid" 8 ("Hillsides") have joined forces to thwart the Debtors' redevelopment of the Properties. In 9 fact, in the "Declaration of Mohamed Hadid in Support of Motion for Order Directing Joint 10 Administration of Related Cases Pursuant to Federal Rule of Bankruptcy Procedure 11 1015(b) and Local Bankruptcy Rule 1015-1" (the "Hadid Declaration") filed on January 12 19, 2021 [Docket No. 11], Hadid went so far as to claim that "on at least one occasion an interested lender has declined to extend financing to the Debtors for the Property after 13 14 inspecting the property and finding fraudulent 'Public Notice' signs that encouraged hikers to challenge the Debtors' building permit applications."⁶ There is, of course, no 15 16 evidence to back up these preposterous statements.

Hadid then proceeded to state that "Give Back is working with or aligned
with the State Court Plaintiffs to impose an easement on the Property and deprive the
Debtors' of their property rights. I also believe that Give Back may share responsibility
for the posting of the false 'Public Notice' signs." Again, there is no evidence for these
allegations which are simply meant to push the false narrative that it is Give Back and an
activist group, not the Debtors and Hadid themselves, who are responsible for the
defaults and the lack of any redevelopment at the Properties.

24 In any event, Give Back has no legal relationship with the residents and
25 concerned citizens who are opposing Hadid's projects or posted certain signs in around

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²⁷ ⁶ Pursuant to Rule 201 of the Federal Rules of Evidence, the Court is respectfully requested to take judicial notice of the Hadid Declaration.

the Properties. Give Back did not have knowledge or encourage or work with any
 resident who posted signs about the redevelopment project.⁷ See declaration of Ronald
 Richards, affixed hereto.

4 As the Court may recall, Hadid is a convicted criminal who did three years' 5 probation, so the scorn he has drawn from the City of Los Angeles and concerned 6 residents are of his own making. Hadid's former project which, was at the center of the 7 dismissed 901 Strada case, remains in the hands of a court-appointed receiver who is 8 tasked with demolishing the property. And, coincidentally, 901 Strada also provided its 9 now doomed project as further security for the Original Lenders' Loan. As a result, 10 Hadid's conduct causing the state court to order the project to be torn down has made 11 the collateral worthless costing the lenders tens of millions of dollars.

Similar to 901 Strada, Hadid's dream of building a multiple-residence
project here is fantastical and simply will not happen, as only the most naïve lender would
loan the Debtors and Hadid a penny to complete the redevelopment. To think that the
City of Los Angeles and his neighbors are going to allow the Debtors to build an
environmentally disastrous project with his failed track record is, for lack of a better word,
delusional.⁸

18 A SARE designation will force the Debtors and Hadid to show their hand
19 and refrain from submitting concocted appraisals whose only purpose is to pretend there
20 is an excessive equity cushion to stave off a motion for relief from stay. If these

 ⁷ The resident primarily responsible for posting the signs that Hadid objects to, which appear to be consistent with lawful First Amendment activity, is Steven L. Weinberg. Mr. Weinberg has provided a declaration in support of the Motion to clarify why Hillsides opposes the proposed redevelopment of the lots and to counter Hadid's suggestion that there is some grand conspiracy preventing the Debtors from redeveloping the Properties.

 ⁸ Hadid also has millions of dollars in outstanding state and federal tax liens which have also made their way onto these Properties. These cases, like 901 Strada, is relying on the reputation and skills of a principal who was convicted for violating building and safety codes and who avoids all of his legal obligations, including those to state, local, and federal taxing authorities. For instance, the recent claim

filed by the County of Los Angeles shows over \$510,000 in property taxes against the Properties, further eroding Give Back's position. The Internal Revenue Services and the Franchise Tax Board are equally in

position to make claims.

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1 Properties truly were worth \$130,000,000, the Debtors would have refinanced long ago to

2 pay off Give Back. This is just another one of Hadid's shams that will end in the same

3 result, a dismissal and a finding that he once again tried to game the system.

4 THE DEBTORS' UNIFIED PROJECTS MANDATE THEIR DESIGNATION AS SINGLE 5 6 ASSET REAL ESTATE CASES PURSUANT TO 11 U.S.C. § 362(d)(3)

IV.

The Bankruptcy Code defines "single asset real estate" as:

... real property constituting a single property or project,

other than residential real property with fewer than 4

residential units, which generates substantially all of the

gross income of a debtor who is not a family farmer and on

which no substantial business is being conducted by a

debtor other than the business of operating the real property

and activities incidental thereto.

15 11 U.S.C. § 101(51B).

16 Section 362(d) of the Code, which addresses relief from the "automatic 17 stay," gives creditors with liens on SARE special protection:

On request of a party in interest and after notice and a hearing, the court shall grant relief from the stay ...

(3)with respect to a stay of an act against single asset real estate under subsection (a), by a creditor whose claim is secured by an interest in such real estate, unless, not later than the date that is 90 days after the entry of the order for relief... or 30 days after the court determines that the debtor is subject to this paragraph, whichever is later -

26 (A) the debtor has filed a plan of reorganization that has a 27 reasonable possibility of being confirmed within a reasonable 28 time; or

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Cas	ase 2:21-bk-10335-BB Doc 26 Main D	Filed 02/03/21 Entered 02/03/21 13:51:46 ocument Page 11 of 50	Desc		
1	(B) the debto	or has commenced monthly payments that –			
2	2 (i) may, in t	he debtor's sole discretion, notwithstanding			
3	section 363(c)(2	section 363(c)(2), be made from rents or other income			
4	generated before, on, or after the date of the				
5	commencement of the case by or from the property to each				
6	6 creditor whose	creditor whose claim is secured by such real estate (other			
7	than a claim see	than a claim secured by a judgment lien or by an unmatured			
8	statutory lien); and				
9	(ii) are in an amount equal to interest at the then				
10	applicable nondefault contract rate of interest on the value of				
11	the creditor's in	the creditor's interest in the real estate;			
12	11 U.S.C. § 362(d)(3).				
13	In other words, a court must modify the automatic stay as to SARE within				
14	the specified period unless the debtor files a plan that appears to be confirmable within a				
15	5 reasonable time, or starts ma	reasonable time, or starts making monthly interest-only payments at the non-default			
16	6 contract rate. See <u>Bankers' I</u>	<u>Bank of Kan. v. Bluejay Props., LLC (In re Bluej</u> a	<u>ay Props.,</u>		
17	7 <u>LLC)</u> , 512 B.R. 390 (B.A.P. 1	0th Cir. 2014).			
18	B Sections 101(5	1B) and 362(d)(3) were added to the Code as pa	art of the		
19	Bankruptcy Reform Act of 19	94. In re Philmont Devel. Co., 181 B.R. 220, 22	23 (Bankr.		
20	D E.D. Pa. 1995). "The purpos	E.D. Pa. 1995). "The purpose of § 362(d)(3) is to address perceived abuses in single			
21	asset real estate cases, in which debtors have attempted to delay mortgage foreclosures				
22	2 even when there is little chan	even when there is little chance that they can reorganize successfully." 3 Collier on			
23	3 Bankruptcy, ¶ 362.07[5][a] (1	Bankruptcy, ¶ 362.07[5][a] (16th ed. 2010). See also In re Scotia Pacific Co., LLC, 508			
24	4 F.3d 214, 225 (5th Cir. 2007)	F.3d 214, 225 (5th Cir. 2007) (noting that "§ 362(d)(3) expedite[s] the time for SARF.			
25	5 debtors to file a plan of reorganized $\left\ debtors t - \frac{1}{2} \right\ $	debtors to file a plan of reorganization or commence making monthly payments, failing			
26	which the automatic stay is promptly lifted"); In re Carolina Pediatric Eye Properties, LLC,				
27	2015 Bankr. LEXIS 1418, 2015 WL 1806047, *3 (Bankr. M.D.N.C. 2015) ("[S]ection				
28	362(d)(3) was enacted to assist secured creditors in single asset real estate cases[.] For				

this reason, cases that fall within the SARE designation are forced to proceed on an
expedited timeline.").

Most courts break the definition of SARE into three parts:

(1) The property must be a single parcel or project;

(2) The property must generate substantially all of the debtor's income; and

7 (3) The debtor cannot conduct any substantial business other than 8 operating the property. See Meruelo Maddux Properties-760 S. Hill Street, LLC, et al. v. 9 Bank of America, N.A. (In re Meruelo Maddux Properties, Inc.), 667 F.3d 1072, 1076 (9th 10 Cir. 2012) (single asset real estate by statute is defined as real property that meets three 11 elements); Scotia Pacific Co., supra, (three requirements emerge from the definition 12 contained in section 101(51B) which must all be met for a debtor to be considered a 13 SARE debtor); In re Yishlam, Inc., 495 B.R. 328, 330 (Bankr. S.D. Tex. 2013) (adopting 14 three part SARE test); In re Iowa Hotel Investors, LLC, 464 B.R. 848, 851 (Bankr. N.D. 15 lowa 2011) (same). If a debtor fails to meet any prong, it is not a single asset real estate 16 debtor. Scotia Pacific Co., 508 F.3d at 220.

17 Although the Debtors likely will argue that they do not gualify as SARE 18 since they own raw land, decades of case law has rejected this narrow reading of Section 19 101(51B). In fact, case law is clear that the definition of SARE "includes not only single 20 'properties,' but also encompasses single 'projects,' so the fact that a debtor may hold 21 title to more than one 'property' does not exclude it from being single asset real estate." 22 In re Webb MTN, LLC, 2008 Bankr. LEXIS 691, *12, 2008 WL 656271, *4 (Bankr. E.D. 23 Tenn. 2008) (five separate parcels of real property constituted a single asset real estate case) (citing In re Pensignorkay, Inc., 204 B.R. 676, 681-82 (Bankr. E.D. Pa. 1997) (two 24 25 parcels of undeveloped land that "the Debtor acquired with the intention of creating 26 subdivided parcels suitable for building and development constitutes a 'single property or 27 project' within the meaning of the statute"); <u>Philmont Devel. Co., supra</u>, (definition of

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1 "single asset real estate" is broad, encompassing a limited partnership that owned and
2 operated multiple properties as a "single project").

3 Whether multiple parcels constitute a single "property or project" depends 4 on whether the properties are "linked together in some fashion in a common plan or 5 scheme involving their use" or "operated together to serve a common purpose." In re 6 McGreals, 201 B.R. 736, 741-743 (Bankr. E.D. Pa. 1996). See also In re Pioneer Austin 7 East Development Ltd., 2010 Bankr. LEXIS 2160, *6, 2010 WL 2671732, *4 (Bankr. N.D. 8 Tex. 2010) (debtor's eight separate tracts of land, purchased separately and financed 9 differently, constituted a single property for purposes of Section 101(51B) and that the 10 debtor was a single asset real estate debtor); Pensignorkay, supra, (two parcels of land 11 constituted a single project because debtor acquired the land with intention of creating 12 parcels suitable for building and development).

Moreover, as the Bankruptcy Appellate Panel itself stated, "[t]he terms
single asset case, or single asset real estate case, are well-known and often used
colloquialisms which essentially refer to real estate entities attempting to cling to
ownership of real property in a depressed market ... rather than businesses involving
manufacturing, sales or services." <u>In re CBJ Dev., Inc.</u>, 202 B.R. 467, 471 (B.A.P. 9th
Cir. 1996) (quoting <u>Philmont</u>, 181 B.R. at 223). Despite their refusal to concede the
obvious, the Debtors assuredly are SARE cases.

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A. <u>Coldwater and Lydda Both Own Single Projects</u>

Mindful of the requirement that each debtor be analyzed separately for
purposes of Section 101(51B), it is apparent that both Coldwater and Lydda must be
designated SARE cases. See <u>Meruelo Maddux</u>, 667 F.3d at 1077 (each debtor must be
viewed independently for purposes of SARE designation; no "whole business enterprise"
exception exists).

To reiterate, Lydda owns the lots bearing APN Nos. 4387-020-001, 4387020-009, 4387-022-001, and 4387-022-002, and Coldwater owns the lots bearing APN
Nos. 4387-021-018 and 4387-021-019. As evidenced by the Subject Plat Mats included

Case 2:21-bk-10335-BB Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Document Page 14 of 50

in the Debtors' November 17, 2020, appraisal, the Properties are contiguous.⁹
 Specifically, the Lydda Lots bearing APN Nos. 4387-020-001 and 4387-020-009 share a
 common border, as do the Lydda Lots bearing APN Nos. 4387-022-001 and 4387-022 002. Similarly, the Coldwater Lots bearing APN Nos. 4387-021-018 and 4387-021-019
 share common borders not only with themselves, but also with the four Lydda Lots.

6 As such, the question is whether the Lydda Lots and the Coldwater Lots, 7 when viewed independently, constitute a "single project." Whether multiple properties are 8 part of a "single project" is a factual inquiry; the properties must be linked together in 9 some "common scheme" governing the present use of the properties. See In re Hassen 10 Imports P'ship, 466 B.R. 492, 507 (Bankr. C.D. Cal. 2012). "The mere fact of common 11 ownership, or even a common border, will not suffice." Id., at 507 (quoting The 12 McGreals, 201 B.R. at 742-743)). Courts have considered several factors when 13 determining if multiple properties constitute a single project, including (i) the use of the 14 properties; (ii) the circumstances surrounding the acquisition of the properties, including 15 the time of the acquisition and the funds used to acquire the properties; (iii) the location of 16 the properties and proximity of the properties to one another; and (iv) any plans for future 17 development, sale, or abandonment of the properties. Hassen Imports, 466 B.R. at 507. 18 Here, it is indisputable that the Properties are linked in a common scheme. 19 Both Lydda and Coldwater envision a planned gated community consisting of six high-20 end residences situated on each of the contiguous lots. The Debtors' own appraiser 21 states that "[t]he parcels will be part of a gated project with main ingress and egress via Royalton Drive and Cedarbrook Drive."¹⁰ There can be no doubt, therefore, that both 22 23 Lydda and Coldwater independently and jointly share a "common plan or scheme" which

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^{25 &}lt;sup>9</sup> A true and correct copy of the Subject Plat Maps included in the Appraisal Report (the "Appraisal"), dated November 17, 2020, prepared by Reef Capital Partners, is attached hereto as Exhibit "A" and incorporated herein by reference. Another version of the Royalton plat map is attached hereto as Exhibit "B" and incorporated herein by reference.

²⁷ ¹⁰ A true and correct copy of page 30 of the Appraisal is attached hereto as Exhibit "C" and incorporated herein by reference.

governs the present use of the Properties. See <u>In re Charterhouse Boise Downtown</u>
 <u>Props., LLC.</u>, 2008 Bankr. LEXIS 4213, at *4, 2008 WL 4735264 (Bankr. D. Idaho 2008)
 (the "common plan or scheme" must apply to all the properties).

4 As a result, there is no question that the Debtors separately qualify for 5 designation as single asset real estate cases. Not only were the four Lydda Lots 6 acquired at the same time, but one year later Coldwater acquired the two Coldwater Lots. 7 In addition, the Lydda Lots share their borders with each other as well as with the 8 Coldwater Lots, and the combined lots are part of a larger redevelopment scheme. 9 Importantly, Give Back's debt was incurred by the Debtors under a single financing 10 transaction, secured by first deeds of trust on all six lots, which loan transaction was 11 meant, partially, to pay off the then-existing debt secured by all six lots. See In re-12 Sargent Ranch LLC, 2010 Bankr. LEXIS 2607, 2010 WL 3189714 (Bankr. S.D. Cal. 13 2010) (court concluded that contiguous undeveloped land, which debtor intended to 14 develop as residential properties, constituted a single project despite the fact that several 15 small portions of the properties were leased for use as cellular antenna towers. "There is 16 no disputing the fact that at the time the case was filed, as well as at the time of the 17 hearing, every inch of the every parcel of the Property, with the exception of a small 18 portion being leased to third parties, is part of the same operation - namely waiting and 19 planning for future development").

20 Although the SARE definition contains an exception for residential real 21 property with fewer than four residential units, this exception does not have any 22 relevance here since it only applies to improved land. Although the term "residential real 23 property" is not defined by the Bankruptcy Code, and there is no legislative history addressing its meaning, the most natural reading of "residential real property with fewer 24 25 than four residential units" is property zoned for residential development that is improved 26 with houses, condominiums, apartments, or the like. A developer holding multiple 27 unimproved and contiguous residential cannot avoid a SARE designation simply because

it had not commenced construction on the petition date. See <u>In re Kachina Vill., LLC</u>, 538
B.R. 124 (Bankr. D.N.M. 2015).

3 Excluding unimproved land from the "residential exception" is consistent 4 with case law, which generally holds that raw land intended for development constitutes 5 SARE. See In re Mountain Edge LLC, 2012 Bankr. LEXIS 4784, 2012 WL 4839784, at 6 *3 (Bankr. D. N.M. 2012) (generally accepted that raw law acquired or held for 7 development is SARE); In re Kkemko, Inc., 181 B.R. 47, 51 (Bankr. S.D. Ohio 1995) 8 (applying concepts of real estate law to conclude that "single asset real estate" includes 9 raw land); In re Light Foot Group, LLC, 2011 Bankr. LEXIS 4399, 2011 WL 5509025 at *4 10 (Bankr. D. Md. 2011) (residential development was SARE despite incidental projected 11 income from repairs); Pensignorkay, supra, (undeveloped parcel held for development 12 was SARE); In re A-1 Management Corp., 2011 Bankr. LEXIS 4538, 2011 WL 5509262, 13 *1 (Bankr. S.D. Fla. 2011) (finding that debtor was a SARE entity where "its sole asset is 14 a vacant parcel of mixed use real property").

15 In sum, the Properties are undeveloped and not being used for any 16 business purpose; they are being held for future sale or development (in the case of 17 Lydda, four luxury homes, and in the case of Coldwater, two luxury homes). Since the 18 future development of the Properties remains in serious doubt, the Debtors have gone 19 well beyond a mere expression of intent, by obtaining a preliminary tract map and 20 undertaking efforts to market the Properties together for purposes of residential real 21 estate development. See declaration of Steven L. Weinberg, affixed hereto. There can 22 be no doubt, therefore, that both the Lydda Lots and the Coldwater Lots, when viewed 23 under the Lydda or Coldwater umbrella, constitute a "single project."

24

B. <u>Neither of the Debtors Generate Any Income From the Properties</u>

Even the Debtors must concede that the Properties are vacant parcels of
land that produce no income. Although the Debtors may argue that it is, therefore,
impossible to satisfy the second requirement of Section 101(51B) - that the subject real
estate "generates substantially all of the gross income of a debtor" - this argument has

Case 2:21-bk-10335-BB Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Document Page 17 of 50

1 been roundly rejected by numerus courts. "If the debtor has no income, then 2 substantially all of its income could be said to be generated by the property; i.e., 3 substantially all of nothing is nothing." In re Oceanside Mission Assoc's, 192 B.R. 232, 4 234 (Bankr. S.D. Cal. 1996) (following In re Humble Place Joint Venture, 936 F.2d 814 5 (5th Cir. 1991) (partially developed land but referred to by the bankruptcy court as "raw 6 land" generating no income)). See also In re Kinard, 2001 Bankr. LEXIS 2432, 2001 WL 7 1806039, at *5 (Bankr. D. S.C. 2001) (noting "Congress did not intend to exclude from 8 the definition of single asset real estate undeveloped or vacant land currently generating 9 no income for debtors"); In re Syed, 238 B.R. 133, 140 (Bankr. N.D. III. 1999) (finding that 10 premises formerly used as rental property but that were vacant at the time of the debtor's 11 bankruptcy constituted single asset real estate even though the developed land 12 generated no income); Penisgnorkay, supra, (finding that an undeveloped 275-acre tract of land that did not generate income, but that debtor held for future development, fell 13 14 within the definition of single asset real estate). Thus, the mere lack of income from the 15 affected real estate does not preclude a finding that it is single asset real estate within the 16 meaning of Section 101(51B).

Similar to these cases, the Debtors generate substantially all of their gross
income (in other words, nothing) from the Properties. As such, the Debtors cannot use
the lack of income to avoid a SARE designation.

20

C. No Other Business is Being Operated From the Properties

21 Most cases have held that construction and land development activities, 22 such as those in which the Debtors are ostensibly engaged, do not constitute a 23 substantial business activity separate from operation of the property as required by 24 Section 101(51B). For instance, in In Kara Homes, Inc. v. National City Bank, et al. (In re 25 Kara Homes, Inc.), 363 B.R. 399, 405 (Bankr. D.N.J. 2007), the debtor's business was 26 similarly the development and sale of homes and condominiums. Even though the 27 debtor's activities included the acquisition, design, construction, marketing, and sale of 28 homes, it was found to be a SARE debtor since these activities were not separate from

the operation of the real property. See also <u>Webb MTN</u>, <u>supra</u>, (business activities of
 seeking to sell, refinance, and/or entice investors to develop property does not remove
 debtor from single asset real estate classification); <u>Oceanside Mission Assocs.</u>, <u>supra</u>,
 (raw land/same).

As noted earlier, it is inarguable that there is "no substantial business is
being conducted by [the Debtors] other than the business of operating the real property
and activities incidental thereto." 11 U.S.C. §101(51B). The Debtors are merely holding
the vacant lots for potential redevelopment and sale. Plainly, the Debtors conduct no
business other than endlessly searching for financing and forestalling a foreclosure sale.
Therefore, the lack of any business operations further supports a SARE designation.
V.

CONCLUSION

Based on the foregoing, Give Back respectfully requests that the Motion be granted in all respects, and for such other and further relief as the Court deems just and proper under the circumstances.

16 DATED: February 3, 2021 **Sulmeyer**Kupetz A Professional Corporation 17 18 19 By: /s/ Daniel A. Lev Daniel A. Lev 20 Attorneys for Give Back, LLC 21 DATED: February 3, 2021 Law Offices of Ronald Richards & Associates, APC 22 23 By: <u>/s/ Ronald Richards</u> 24 Ronald Richards Attorneys for Give Back, LLC 25 26 27 28

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DECLARATION OF RONALD RICHARDS

I, Ronald Richards, declare and state as follows:

At all times relevant hereto, I have been the non-member, manager
 for Give Back, LLC, a California limited liability company ("Give Back"). In this capacity, I
 have personal knowledge of the facts set forth in this declaration, and if called as a
 witness for this purpose, I could and would testify competently under oath to them.

7 2. I make this declaration in support of the "Motion of Give Back, LLC 8 for Order Designating Chapter 11 Cases As Single Asset Real Estate Cases Pursuant to 9 11 U.S.C. § 363(d)(3); Memorandum of Points and Authorities; Declarations of Ronald 10 Richards and Steven L. Weinberg in Support Thereof" (the "Motion"), pursuant to which 11 Give Back, the holder of the senior deed of trust on the six residential lots bearing APN 12 Nos. 4387-020-001, 4387-020-009, 4387-021-018, 4387-021-019, 4387-022-001, and 13 4387-022-002 located in Beverly Hills, California owned by the jointly administered 14 debtors Coldwater Development, LLC ("Coldwater") and Lydda Lud, LLC ("Lydda" and 15 together with Coldwater, the "Debtors" or "Borrowers"), seeks an order, among other 16 things, designating the Debtors' chapter 11 cases as single asset real estate cases 17 pursuant to 11 U.S.C. § 363(d)(3).

18 3. I am not a member or owner of Give Back, but I am the only one who
19 is authorized to execute settlements or act on behalf of the entity.

4. Effective as of September 10, 2020, Give Back is the beneficiary and
 owner of all right, title, interest, and remedies in and to that certain Loan Agreement,
 dated March 17, 2017, by and between Romspen California Mortgage Limited
 Partnership, an Ontario limited partnership (the "Original Lender") and Borrowers, for the
 maximum principal amount of \$25,000,000 (the "Loan Agreement"). Pursuant to said
 Loan Agreement, Original Lender did Ioan Borrowers the amount of \$19,050,898.05
 through a series of advances.

27 5. The purpose of the Loan is as specified in the Loan Agreement and
28 other Loan Documents relating to the development of real properly and improvements

described in the Loan Agreement. The purpose of the Loan was, among other things, to
 pay off existing loans and debt owed by the Borrowers and for development of certain
 real property owned by the Borrowers.

6. The Loan is further evidenced by, *inter alia*, that certain Promissory
 Note, dated March 17, 2017, in the original principal amount of \$25,000,000 executed by
 Borrowers in favor of Original Lender (the "Note").

7 7. As security for the Loan, Note, and Loan Agreement, Coldwater, as 8 grantor, granted and conveyed to Original Lender, as beneficiary, a Deed of Trust, 9 Assignment of Leases and Rents, Security Agreement and Fixture Filing on certain 10 property, rights, interests, and estates identified therein recorded in the Los Angeles 11 County Recorder's Office on March 20, 2017, as Document Number 20170310859 (the 12 "Coldwater DOT"). In sum, the lots bearing APN Nos. 4387-021-018 and 4387-021-019 13 serve as security of the Loan, Note, and Loan Agreement pursuant to the Coldwater 14 DOT.

15 8. As further security for the Loan, Note, and Loan Agreement, Lydda, 16 as grantor, granted and conveyed to Original Lender, as beneficiary, a Deed of Trust, 17 Assignment of Leases and Rents, Security Agreement and Fixture Filing on certain 18 property, rights, interests, and estates identified therein recorded in the Los Angeles 19 County Recorder's Office on March 20, 2017, as Document Number 20170310860 (the 20 "Lydda DOT"). In sum, the lots bearing APN Nos. 4387-020-001, 4387-020-009, 4387-21 022-001, and 4387-022-002 serve as security of the Loan, Note, and Loan Agreement 22 pursuant to the Lydda DOT.

9. As further security for the Loan, Note, and Loan Agreement, 901
Strada, LLC, as grantor, granted and conveyed to Original Lender, as beneficiary, a Deed
of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing
recorded in the Los Angeles County Recorder's Office on March 20, 2017, as Document
Number 20170310861 (the "Strada DOT").

10. As further consideration and security for the Loan, Note, and Loan
 Agreement, Coldwater, as grantor, granted and conveyed to Original Lender, as
 beneficiary, an Assignment of Leases and Rents recorded in the Los Angeles County
 Recorder's Office on March 20, 2017, as Document Number 20170310862 (the
 "Coldwater Assignment of Leases and Rents").

6 11. As further consideration and security for the Loan, Note, and Loan
7 Agreement, Lydda, as grantor, granted and conveyed to Original Lender, as beneficiary,
8 an Assignment of Leases and Rents recorded in the Los Angeles County Recorder's
9 Office on March 20, 2017, as Document Number 20170310863 (the "Lydda Assignment
10 of Leases and Rents").

12. As further consideration and security for the Loan, Note, and Loan
Agreement, Borrowers executed in favor of Original Lender an Assignment of
Agreements, Licenses, Permits and Contracts, dated March 17, 2017 (the "Assignment of
Contracts").

15 13. In further consideration of the Loan, Note, and Loan Agreement and
16 to induce Original Lender to extend the Loan to Borrowers, Mohamed Hadid (the
17 "Guarantor") made, executed, and delivered his written Guaranty, dated March 17, 2017
18 (the "Guaranty"), for the benefit of Original Lender and/or its assigns guarantying
19 Borrowers' Loan payment, performance and other obligations as set forth therein.

20 14. As further consideration and security for the Loan, Note, and Loan
21 Agreement, and a condition thereto, Coldwater and Original Lender entered into a
22 Security Agreement, dated March 17, 2017 (the "Coldwater Security Agreement").

23 15. As further consideration and security for the Loan, Note, and Loan
24 Agreement, and a condition thereto, Lydda and Original Lender entered into a Security
25 Agreement, dated March 17, 2017 (the "Lydda Security Agreement").

26 16. As further consideration and security for the Loan, Note, and Loan
27 Agreement, Borrowers executed in favor of Original Lender a Pledge and Collateral
28 Assignment of Economic Incentives, dated March 16, 2017, and recorded in the Los

Angeles County Recorder's Office on March 20, 2017, as Document Number
 20170310864 (the "Pledge Agreement").

3 17. As further consideration and security for the Loan, Note, and Loan
4 Agreement, and a condition thereto, AM Family Fund LLC, a Virginia limited liability
5 company, and Original Lender entered into a Membership Interest Pledge Agreement,
6 dated March 17, 2017 (the "AM Membership Pledge Agreement").

7 18. As further consideration and security for the Guaranty, Loan, Note,
8 and Loan Agreement, and a condition thereto, Guarantor and Original Lender entered
9 into a Membership Interest Pledge Agreement, dated March 17, 2017 (the "Hadid
10 Membership Pledge Agreement").

11 19. The original maturity date for repayment of all amounts due and
12 owing by Borrowers under the Loan Agreement and Note was May 1, 2018 (the "Original
13 Maturity Date"). Pursuant to the provisions of the Note and the Maturity Extension
14 Requirements set forth in the Note, that Original Maturity Date was extended to May 1,
15 (2019 (the "Extended Maturity Date").

20. Borrowers defaulted on the Loan Agreement and Note on May 1,
2019, for, *inter alia*, failure to pay the entire outstanding indebtedness due and owing on
the Note on the Extended Maturity Date.

19 21. Following Borrowers' default on the Loan Agreement and Note,
20 Guarantor defaulted on his obligations under the Guaranty to Original Lender by, *inter*21 *alia*, failing to pay the entire indebtedness on the Note due and owing upon Borrowers'
22 default.

22. On or about May 1, 2019, Borrowers, Guarantor, 901 Strada, LLC,
and Original Lender entered into a Forbearance Agreement (the "Forbearance
Agreement") pursuant to which, among other things, and on the terms and conditions set
forth therein, Original Lender agreed to temporarily forbear from demanding or collecting
payment in full of the Unpaid Loan Amount (as defined therein) and to forbear from
exercising its rights and remedies under the Loan Agreement or other Loan Documents

as a result of the Maturity Default (as defined therein). The Forbearance Period (as
 defined therein) expired at 5:00 p.m. (Eastern Time) May 1, 2020.

3 23. As noted, in exchange for good and valuable consideration and 4 pursuant to a Loan Purchase and Sale Agreement dated as of July 22, 2020, as 5 amended by (i) that certain First Amendment to Loan Purchase and Sale Agreement 6 dated as of August 7, 2020, and (ii) that certain Second Amendment to Loan Purchase 7 and Sale Agreement dated as of September 3, 2020 (as amended, the "PSA"), Original 8 Lender assigned and transferred to Give Back all of its rights, title, interest, and remedies 9 in and to, *inter alia*, the Loan, Loan Agreement, Note, Guaranty, related security 10 agreements, deeds of trust, and all of the Loan Documents. Said assignment is 11 evidenced by, *inter alia*, an Assignment and Assumption of Deed of Trust and Other Loan 12 Documents, executed by Original Lender and Give Back (the "Give Back Assignment"), 13 recorded on September 11, 2020, in the Official Records, Recorder's Office, Los Angeles 14 County, California as Document No. 20201095575.

15 24. In exchange for good and valuable consideration and pursuant to the
16 Give Back Assignment and PSA, on or about September 10, 2020, Original Lender
17 executed and delivered to Give Back an Allonge (the "Allonge") making all amounts due
18 and owing on the Note payable to Give Back.

19 25. Therefore, effective as of September 10, 2020, Give Back is the
20 beneficiary and owner of all right, title, interest, and remedies in and to, *inter alia*, the
21 Loan, Loan Agreement, Note, Guaranty, and all of the Loan Documents. I know this
22 based on my review of the relevant Loan Documents, the PSA, the Give Back
23 Assignment, and because of my direct participation in this transaction and preparation
24 and review of the necessary documentation to close the transaction consummating the
25 sale and assignment to Give Back.

26. Subsequent to Original Lender's sale and assignment to Give Back
27 of all of its right, title, interest, and remedies in and to the Note and Loan Agreement,
28 Borrowers have remained in default of their obligations thereunder by, among other

things, failing to pay the total indebtedness due and owing to Give Back under the Note
and Loan Agreement.

3 27. Subsequent to Original Lender's sale and assignment to Give Back
4 of all of its right, title, interest, and remedies in and to the Guaranty, Guarantor has
5 remained in default of his obligations to Give Back, as assignee, under the Guaranty by,
6 *inter alia*, failing to pay the entire indebtedness on the Note and Loan Agreement due and
7 owing upon Borrowers' default as guaranteed by Guarantor.

8 28. I have made demand on Borrowers and Guarantor for payment in full
9 on the Loan, Loan Agreement, Note, and Guaranty. Despite Give Back's demands for
10 Borrowers and Guarantor to immediately pay in full all of the indebtedness and
11 obligations of Borrowers and Guarantor, Borrowers and Guarantor have failed and
12 refused to do so.

29. As of the date of execution of this declaration, the unpaid principal
amount due, owing, and unpaid by Borrowers on the Note and Loan Agreement,
guaranteed by Guarantor pursuant to the Guaranty, is \$27,746,323.52. Neither
Borrowers nor Guarantor have made any payments on the Note, Loan Agreement, or on
the Guaranty since they have been assigned to Give Back.

30. Borrowers and Guarantor also are liable for additional amounts on
the Note, Loan Agreement, and Guaranty for interest, default interest, late fees, and
costs and attorneys' fees incurred by Original Lender and Give Back in connection with
collection and enforcement of, *inter alia*, the Note, Loan Agreement, and Guaranty.
These amounts are preserved by Give Back, and are not waived in any action or
proceeding as a result of these cases.

24 31. At my request, on January 21, 2021, Aram Ordubegian, counsel for
25 the Debtors, sent me a copy of the Appraisal Report (the "Appraisal"), dated November
26 17, 2020, prepared by Reef Capital Partners. A true and correct copy of the Subject Plat
27 Maps included in the Appraisal is attached hereto as Exhibit "A" and incorporated herein
28 by reference. Another version of the Royalton plat map is attached hereto as Exhibit "B"

1 and incorporated herein by reference. A true and correct copy of page 30 of the 2 Appraisal is attached hereto as Exhibit "C" and incorporated herein by reference. 3 32. Finally, Give Back has no legal relationship with the group of concerned residents and conservationists called "Hillsides Against Hadid" ("Hillsides"). 4 5 Give Back did not have knowledge or encourage or work with any resident who posted 6 signs about the redevelopment project and, contrary to Hadid's accusations, Give Back is not working with Hillsides to block the Debtors' proposed redevelopment of the 7 8 Properties. 9 I declare under penalty of perjury under the laws of the United States of 10 America that the foregoing is true and correct. Executed this 3rd day of February, 2021, at Los Angeles, California. 11 12 /s/ Ronald Richards 13 Ronald Richards 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28

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DECLARATION OF STEVEN L. WEINBERG

I, Steven L. Weinberg, declare and state as follows:

I am an attorney licensed to practice in all courts in the State of
 California as well as the United States District Courts for Central and Eastern Districts of
 California, the United States Court of Appeals for the Ninth Circuit and the United States
 Court of Federal Claims. The facts stated herein are true of my own personal knowledge
 and I could and would competently testify thereto as follows.

8 2. I am the founder of Hillsides Against Hadid ("Hillsides"). Hillsides
9 was formed in or about August 2020 as an unincorporated association following a series
10 of public discussion threads appearing on the website known as "NextDoor.com" in June
11 2020.

3. The threads on NextDoor were about a massive construction project
that was in the process of decimating a previously undeveloped hillside in lower
Coldwater Canyon near the border of Beverly Hills at 9650 Cedarbrook Drive, Beverly
Hills, California 90210 ("Cedarbrook").

16 4. I have been a resident of Coldwater Canyon since October 2001 and
17 live nearby Cedarbrook. Given the apocalyptic destruction of the hillside at Cedarbrook,
18 the tenor of the public discussion on NextDoor was shock and amazement that the Los
19 Angeles Department of Building & Safety ("LADBS") would give building permits for a
20 hotel-sized mansion (exceeding 75,000 square feet and including a 2000 foot elevated
21 roadway and 30 foot high retaining walls) without any public notice, hearings, opportunity
22 to be heard or community approval or oversight.

5. The discussion on NextDoor also included information that
 Cedarbrook was owned by a shell-company controlled by Mohamed Hadid ("Hadid").
 Hadid had been in the news for destroying another nearby hillside in Bel-Air at Strada
 Vecchia. In connection with Strada Vecchia, it was known that Hadid was: (i) convicted
 of criminal violations of the Los Angeles Building & Safety Codes (including building
 without permits, violating the scope of issued permits and violating stop-work orders); (ii)

1 ordered by the Santa Monica Superior Court to dismantle the unpermitted structures; and
2 (iii) responsible for a torrent of contentious civil litigation with neighbors and the City.

Given the similar threat Hadid posed to our community, I formed
 Hillsides with three main goals: (i) to gather and share information about Hadid and his
 intentions for our community; (ii) to raise awareness of Hadid's plans and their resulting
 negative impacts on the environment, wildlife habitat and our community; and (iii) to work
 closely with our elected public officials and other community leaders to get meaningful
 laws passed, tailored to preserve and protect our remaining hillsides and wildlife habitat
 from out-of-control developers like Hadid.

7. As part of these initiatives, I discovered that Hadid intended to build
 another project of similar size and scope as Cedarbrook (e.g., exceeding 75,000 square
 feet) at 9650 Royalton Drive, Beverly Hills, California 90210 ("Royalton") atop the Hastain
 Trail in Franklin Canyon Park, a popular recreational destination used by thousands of
 Los Angeles area residents annually and owned by the National Park Service.

15 8. The location of the building site for Royalton (i.e. the plateau of the
16 Hastain Trail) was the same location that Hadid illegally graded and tried to develop a
17 decade ago triggering the "Friends of the Hastain Trail" litigation from 2011–2016.

9. As described in that litigation, Hastain Trail follows a historic fire road
 in the southern part of Franklin Canyon Park near the Doheny Ranch and has been
 continually used by the public as a nature walk and hiking trail since the 1960's and
 remains an important public open-space resource and wildlife habitat and corridor.

10. Hastain Trail is within National Park Service boundaries, but
extensive portions (including the plateau) belong to Hadid. It is and continues to be my
understanding that completion of the Royalton project would result in closure of all the
Hadid-owned portions of the Hastain Trail, including the plateau which features
spectacular 360 degree views of the Los Angeles basin and the San Fernando Valley.

27 11. In order raise awareness of the threat posed by Hadid's plans to
28 develop the plateau of Hastain Trail (and close it), in August 2020, I obtained permission

Case 2:21-bk-10335-BB Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Document Page 28 of 50

to post signs alerting hikers and park visitors about Hadid's plans to build atop Hastain
Trail ("Warning Signs"). Each of these Warning Signs was posted on public property with
permission. No Warning Sign was ever posted on Hadid-owned land. Despite the
placement of Warning Signs only public property, Hadid has repeatedly vandalized
and/or removed the Warning Signs requiring time and expense to replace them.

6 12. I am responsible for posting the Warning Signs in Franklin Canyon
7 Park. Neither I, nor Hillsides Against Hadid has ever worked in coordination with or
8 aligned with any creditor of Hadid in connection with posting the Warning Signs,
9 including, without limitation "Give Back, LLC." In fact, at the time I posted the Warning
10 Signs (August 2020), I was completely unaware that Hadid had even borrowed money
11 which was secured by the Hadid-owned properties in Franklin Canyon Park.

12 13. Contrary to Hadid's contention in these cases, the signs do not seek
13 to impose an "easement" on Hadid-owned properties or re-litigate any issue otherwise
14 resolved in the "Friends of Hastain Trail" case. Instead, Hillsides seeks to legally
15 challenge the legitimacy of building permits issued to Hadid for Royalton (and
16 Cedarbrook) pursuant to Los Angeles Municipal Code ("LAMC") § 98.0403.2 et seq.
17 based on, among other things, the absence of veracity of Hadid's representations in such
18 applications.

19 14. Hillsides also seeks to stop Hadid's destruction of our community by 20 way of the democratic process; namely working with our duly elected public officials to 21 change zoning laws so that such massively out-of-scale and environmentally destructive 22 developments do not obtain permits to build. As part of that initiative, in the Summer of 23 2020, Hillsides reached out Councilman David Ryu's office (Council District 4) to seek his 24 help in extending an existing zoning law called the Hillside Construction Regulation 25 ("HCR") to protect Franklin Canyon and the Hastain Trail (Ordinance No. 184827, Council 26 File 16-1472-SI).

27 15. The HCR was passed in 2017 as a pilot program to regulate
28 construction in certain limited hillside areas and included, among other things,

Case 2:21-bk-10335-BB Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Document Page 29 of 50

1 discretionary review process for large scale projects to reduce construction impacts.

2 Pertinent here, the HCR provides that any single family dwelling project planned to

a exceed 17,500 square feet triggers "Site Plan Review" pursuant to LAMC § 16.05 which
4 requires CEQA compliance and public hearings.

5 16. As a pilot program, the HCR did not initially cover the Coldwater
6 Canyon and Franklin Canyon Park areas. As a result, Hadid was summarily given
7 permits to destroy the hillside at Cedarbrook.

8 17. To prevent the further destruction of Coldwater Canyon and Franklin
9 Canyon Park (and specifically Hastain Trail), Councilman Ryu's office agreed to help our
10 community by advancing a package of motions in City Council to extend the HCR to
11 cover our community.

12 Attached hereto collectively as Exhibit "D" true and correct copies of 18. 13 a series of motions Councilman Ryu filed in City Council in August/September 2020 14 tailored specifically to stop further Hadid development in Franklin Canyon Park and 15 Coldwater Canyon, including: (i) extension of the HCR zoning overlay [LA Council File: 16 20-1101]; (ii) revising the single family dwelling size cap down to 15,750 [LA Council File: 17 20-1098]; and (iii) amending the array of penalties available for violations of building 18 codes including, denying building permits to a builder at one site, where the builder has 19 violated the law at other sites [LA Council File: 20-0975]. These measures have 20 advanced with approval through City Council and they are expected to be signed into 21 law. 22 23

SulmeyerKupetz, A Professional Corporation 333 SOUTH GRAND AVENUE, SUITE 3400 LOS ANGELES, CALIFORNIA 90071-1406 TEL. 213.626.2311 • FAX 213.629.4520

Finally, Hillsides has no legal relationship with Give Back, and Give 19. Back is not working with Hillsides to block the Debtors' proposed redevelopment of the Properties. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 3rd day of February, 2021, at Los Angeles, California. Steven L. Weinber DAL 2709388v1

33 SOUTH GRAND AVENUE, SUITE 3400 OS ANGELES, CALIFORNIA 90071-1406 TEL. 213.626.2311 • FAX 213.629.4520

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Case 2:21-bk-10335-BB Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Document Page 31 of 50

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EXHIBIT A

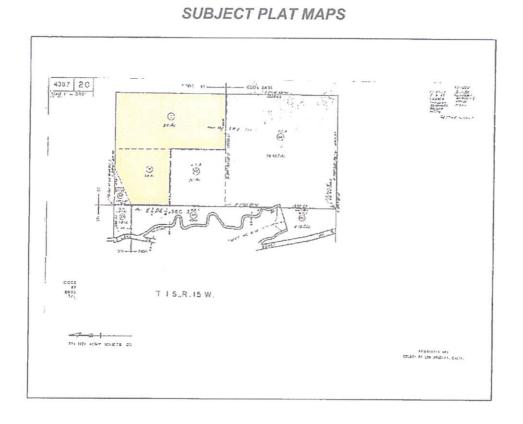
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Case 2:21-bk-10335-BB

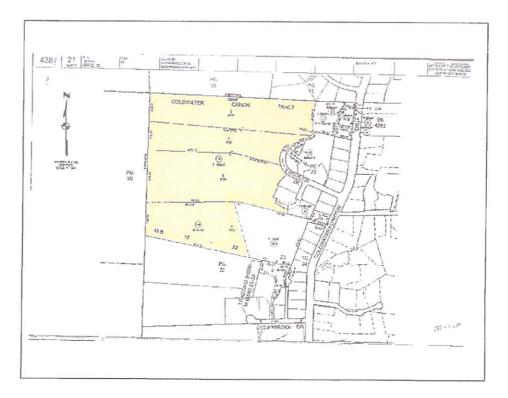
Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Document Page 32 of 50

6 Residential Lots Situs Pending, Beverly Hills

Page 31



APN: 4387-020-001 and 009

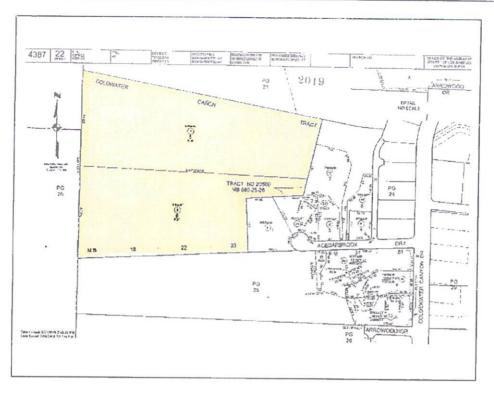


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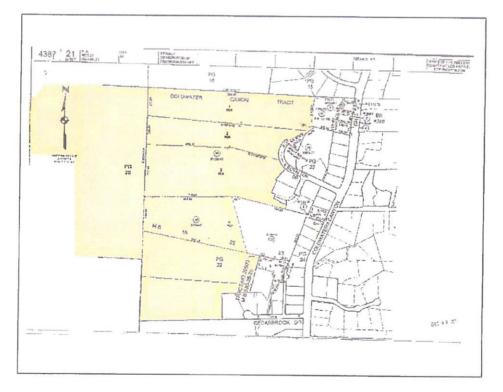
Case 2:21-bk-10335-BB Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Document Page 33 of 50

6 Residential Lots Situs Pending, Beverly Hills

Page 32







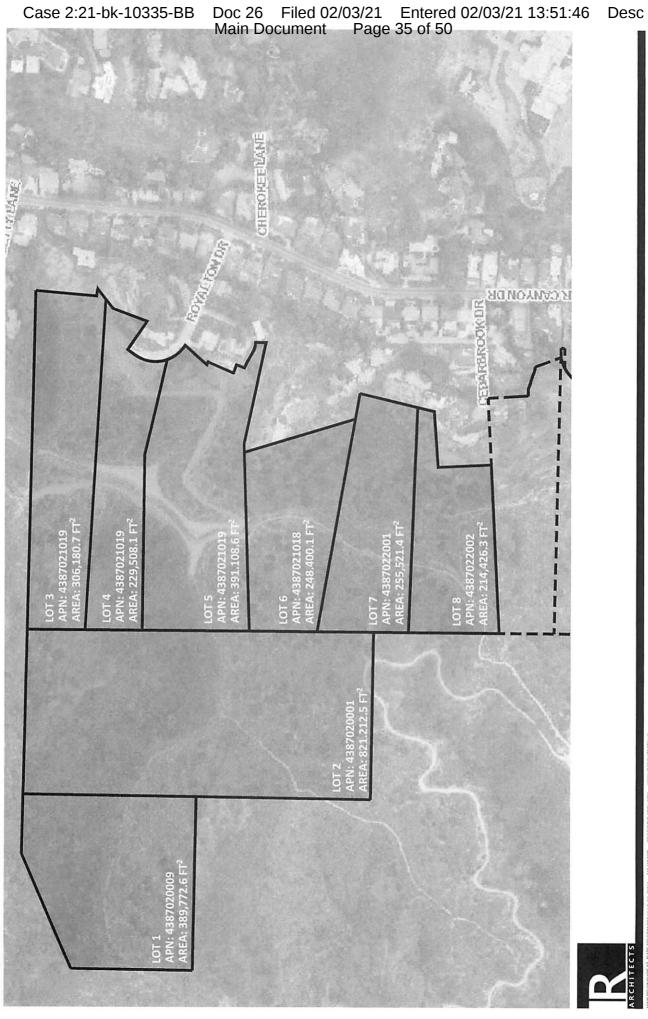
All Parcels

Case 2:21-bk-10335-BB Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Document Page 34 of 50

EXHIBIT B

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Case 2:21-bk-10335-BB Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Document Page 36 of 50

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EXHIBIT C

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6 Residential Lots <u>Situs Pending, Beverly Hills</u>

Page 30

Conclusion – Subject Site

The subject parcels are larger-than-typical, irregular-shaped, hilly, parcels that will be graded from the hilltop down. Each parcel will have a level pad area of approximately 2.0 acres, and all lots will be at staggered elevations (35' staggers) to allow each parcel to have a 360° unobstructed view (city, valley, and ocean), all oriented to Century City, the Pacific Ocean, and Downtown Los Angeles.

The parcels will be part of a gated project with main ingress and egress via Royalton Drive and Cedarbrook Drive.

The parcels are zoned Residential Estate, Height District 1, Hillside, (RE40-1-H) a classification which permits construction of a single-family residential estate, parks, playgrounds, community centers, truck gardening, accessory living quarters, and home occupations. (Pertinent portions of the zoning code are included in Addendum C.)

Development standards require a minimum site size of 40,000 square feet and a minimum site width of 80'. The minimum front setback is 20% of the site depth, with a maximum requirement of 25'. The minimum side setback is 10', with an additional foot for each story over the second. The minimum rear setback is 25% of the site depth, with a maximum requirement of 25'. Maximum building height in the Hillside zone is 45 feet. The maximum floor-area-ratio (FAR) is 3:1.

The parking requirement is two covered parking spaces per dwelling unit.

Case 2:21-bk-10335-BB Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Document Page 38 of 50

EXHIBIT D

PLANNING AND LAND USE MANAGEMENT

MOTION

On March 24, 2017 the City Council approved the Hillside Construction Regulation Ordinance (Ordinance No. 184827, Council File No. 16-1472-S1) establishing a Hillside Construction Regulation (HCR) Supplemental Use District (SUD), to further regulate construction in hillside areas. The Hillside Construction Regulation SUD established hauling operation standards, construction activity standards, grading limits, and a discretionary review process for large scale projects to reduce construction impacts.

In Council District 4, the HCR Ordinance is applied to Laurel Canyon and the Bird Streets and portions of the Bel Air Beverly Crest Communities. These areas formed some of the first pilot locations for the HCR overlay, and the implementation there has had clear positive results for quality of life in these neighborhoods which featured high concentrations of active construction, alongside substandard streets, restricted ingress and egress, below average emergency response times, lack of pedestrian infrastructure and location in Very High Fire Hazard Severity Zones (VHFSZ).

However, the pilot areas now protected under the HCR are far from the only hillside portions of Council District 4 characterized by these same constraints. Additionally, most hillsides are now facing increased pressures under the COVID-19 pandemic. Due to the City's Safer at Home Order, a greater percentage of hillside residents are at home during the day. This puts them under pressure to telecommute and home-school children, all while being next door to ongoing construction. This puts many more residents at risk of day-time evacuations potentially conflicting with construction activity. For all these reasons the Hillside Construction Regulations should be applied consistently to all Los Angeles hillsides facing similar constraints and challenges.

I THEREFORE MOVE that the Planning Department prepare and present an amendment to the Hillside Construction Regulation Supplemental Use District that will standardize the definition and comprehensively map all recommended locations for the HCR SUD Citywide.

I FURTHER MOVE that the Planning Department, prepare and present an amendment to the Hillside Construction Regulation Supplemental Use District to include the HCR overlay in all Council District 4 hillsides which feature high concentrations of active construction, substandard streets, restricted ingress and egress, below average emergency response times, lack of pedestrian infrastructure and location in Very High Fire Hazard Severity Zones; specifically including, but not limited to the communities of Bowmont Hazen, and Coldwater Canyon.

I FURTHER MOVE that the City Council instruct the Planning Department to add the HCR SUD to all hillside and VHFSZ parcels to the map of proposed zoning changes as part of the Hollywood Community Plan Update.

PRESENTED BY:

DAVID E. RYU (verbal) Councilmember, 4th District

SECONDED BY:

PAUL KORETZ (verbal) Councilmember, 5th District

HOLLY L. WOLCOTT CITY CLERK

PETTY F. SANTOS EXECUTIVE OFFICER

When making inquiries relative to

this matter, please refer to the

Council File No.: 20-1101

Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Rocyments An Rage 40 of 50 OFFICE OF THE CALIFORNIA



MAYOR

CITY CLERK

Council and Public Services Division 200 N. SPRING STREET, ROOM 395 LOS ANGELES, CA 90012 GENERAL INFORMATION - (213) 978-1133 FAX: (213) 978-1040

> PATRICE Y. LATTIMORE DIVISION MANAGER

> > CLERK.LACITY.ORG

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

October 28, 2020

13

October 29, 2020

Council File No.: 20-1101

Council Meeting Date:

Agenda Item No.:

Agenda Description:

PLANNING AND LAND USE MANAGEMENT COMMITTEE REPORT relative to the Hillside Construction Regulation Supplemental Use District definition standardization, City-wide comprehensive mapping of recommended locations, HCR overlay in Council District 4, and location in Very High Fire Hazard Severity Zones including the communities of Bowmont Hazen, and Coldwater Canyon; and adding the HCR SUD to all hillside and VHFSZ parcels.

PLANNING AND LAND USE MANAGEMENT COMMITTEE REPORT -Council Action: ADOPTED FORTHWITH

Council Vote:

YES	BOB BLUMENFIELD
YES	MIKE BONIN
YES	JOE BUSCAINO
YES	GILBERT A. CEDILLO
YES	KEVIN DE LEON
YES	MARQUEECE HARRIS-DAWSON
YES	PAUL KORETZ
YES	PAUL KREKORIAN
YES	JOHN LEE
YES	NURY MARTINEZ
YES	MITCH O'FARRELL
YES	CURREN D. PRICE
YES	MONICA RODRIGUEZ
YES	DAVID RYU
YES	HERB WESSON

Holly Jon Wolcer

HOLLY L. WOLCOTT CITY CLERK

Case 2:21-bk-10335-BB	Doc 26	Filed 02/03/2		Entered 02/03/21 13:51:46	Desc
	Main Document		Page	41 of 50	

Adopted Report(s)

Title

Report from Planning and Land Use Management Committee

Date 10/01/2020

Case 2:21-bk-10335-BB Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Document Page 42 of 50

PLANNING & LAND USE MANAGEMENT

MOTION

Banning Housing Loss Through Mansionization and Capping the Size of Single Family Homes

In 2008 in response to the proliferation of out-of-scale housing development in neighborhoods throughout the City of Los Angeles, the City Council approved the Baseline Mansionization Ordinance ("BMO") and in 2011, the City Council approved the Baseline Hillside Ordinance ("BHO") to address the same issue of out-of-scale housing development in hillside neighborhoods. These ordinances were updated again in 2017.

The BHO and BMO, "establish new regulations for all single-family residential zoncd properties". These limitations scale the sizes of single family residences ("houses") in single family zones such as R1, RE, RA, ect to more appropriately match existing housing stock. The BMO and BHO does not restrict maximum sized houses in multi-family zones such as R-1.2 or R-3, even if a single family home is constructed or a duplex is torn down and replaced with a single family home. As such low density multi-family zones have become a tempting site to locate new large scale houses ("McMansions") and several neighborhoods in Los Angeles have seen duplexes demolished and replaced with single family "McMansions", thus reducing the overall housing stock.

Additionally, the BHO and BMO set maximum house sizes based on the zone, size of the lot and percentage of the lot. Put simply, larger lots get larger houses. In RE-40 lots, where a lot is intended to be at least 40,000 sq feet in size, the restriction on 35% of the lot translates to a by-right allowance of 15,750 square foot residential floor area (with options that allow for potential increases of up to 20% more). This lot percentage rule also creates an incentive to combine established smaller single family lots to build McMansions.

The City is not so undersupplied in luxury housing such that new 15,750 sq ft mansions, (footage which excludes basements, pool houses and multi car garages) are truly necessary. At a time when affordable multifamily rental housing is so desperately needed the City has an obligation to ensure that single family housing stock is not competing for the same lots. It is contrary to the housing needs of the City of Los Angeles that existing multifamily housing and future multifamily housing sites are lost to McMansions. It is contrary to our environmental and housing goals that McMansions continue to proliferate throughout the City. These loopholes can be quickly and effectively addressed citywide.

I THEREFORE MOVE that the Department of City Planning close the loophole allowing McMansions in multifamily zones and prepare an update to the BHO and BMO to apply the same restrictions applicable to homes in single family zones to all new and substantially remodeled single family residences in all multi-family zones, and ban construction of a new single family home where two or more units of housing were demolished at the site in the last 5 years.

I FURTHER MOVE that the Department of City Planning update the BHO and BMO to establish a maximum size for all new single family residences built in the City of Los Angeles. The Department shall report back with an analysis of current median sizes of single family housing types Citywide, and how the recommended maximum amount will further equity and environmental sustainability.

PRESENTED BY:

DAVIDE. RYU Councilmember, 4th District

SECONDED BY:

MIKE BONIN (verbal) Councilmember, 11th District

SEP 0 1 2020

HOLLY L. WOLCOTT CITY CLERK

PETTY F. SANTOS EXECUTIVE OFFICER

When making inquiries relative to

this matter, please refer to the

Council File No.: 20-1098

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> PATRICE Y. LATTIMORE DIVISION MANAGER

> > CLERK.LACITY.ORG

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

October 14, 2020

8

October 14, 2020

Council File No.: 20-1098

Council Meeting Date:

Agenda Item No.:

Agenda Description: PLANNING AND LAND USE MANAGEMENT COMMITTEE REPORT relative to revising the Baseline Mansionization Ordinance and Baseline Hillside Ordinance.

Council Action:

PLANNING AND LAND USE MANAGEMENT COMMITTEE REPORT -ADOPTED AS AMENDED FORTHWITH BY MOTION (BONIN - RYU)

Council Vote:

YES	BOB BLUMENFIELD
YES	MIKE BONIN
YES	JOE BUSCAINO
YES	GILBERT A. CEDILLO
YES	MARQUEECE HARRIS-DAWSON
YES	PAUL KORETZ
YES	PAUL KREKORIAN
YES	JOHN LEE
YES	NURY MARTINEZ
YES	MITCH O'FARRELL
YES	CURREN D. PRICE
YES	MONICA RODRIGUEZ
YES	DAVID RYU
ABSENT	VACANT VACANT
YES	HERB WESSON

Holly Jon Wolce

HOLLY L. WOLCOTT CITY CLERK

Case 2:21-bk-10335-BB	Doc 26	Filed 02/03/2		Entered 02/03/21 13:51:46	Desc
	Main Document		Page	44 of 50	

Adopted Report(s)

Title	Date
Amending Motion(Bonin - Ryu)	10/14/2020
Report from Planning and Land Use Management Committee	10/01/2020

PLANNING AND LAND USE MANAGEMENT

MOTION

The City of Los Angeles has had two primary methods of addressing violations of municipal regulations. The first is through legal penalties, criminal citations, and litigation. The second, is through the Administrative Citation Enforcement (ACE) program which was added to the LAMC to create a process to rectify code violations without turning them into a criminal offense. For violations related to land use, the Administrative Citation process sets a standard fee based on square footage and number of times the violations have occurred.

The ACE program is helpful in the City's compliance efforts, however it is not effective in all circumstances and additional tools are needed. ACE fees fail when violations have impacts that are not adequately captured by the program's square footage or flat fee model. For instance, when a historic site is demolished without permitting, at maximum the fee will be \$16,000 and the remedy for a violation is to simply pull permits legally. Thus, a retroactive permit can be issued for irreplaceable historic resources.

The Administrative Citation language specifies that ACE violations can be combined with "any other enforcement remedies provided in this Code" by the issuing departments. In 2019, the City Council passed an ordinance authorizing the Los Angeles Department of Water and Power to disconnect utilities at unlawful commercial cannabis establishments if the City provides written confirmation of cannabis sales at the location and the Department of Cannabis Regulation confirms the site is not authorized to sell cannabis.

This is a creative method to proactively remedy non-compliance. The City should expand on this approach to better solve land use violations. Additional deterrents should offer city departments a toolkit of non-criminal consequences to more effectively deter future re-occurrences.

The City should not issue permits at one site when the property owner has open violations at other sites. Multi-year permit prohibitions on sites subject to blatantly illegal demolitions, grading, or violations of tenants rights, should create "scorched earth" penalties for willful non-compliance. Unpermitted removals of protected trees should result in mandated holds on certificates of occupancy. LADWP should be authorized to expand on the utilities disconnection at cited locations of other uses that have been cited multiple times for health and safety violations and in the current pandemic they should be used in particular to prevent large gatherings that increase spread of the novel coronavirus.

The need for these tools has become even more clear this year during the COVID-19 pandemic. Property owners in Los Angeles, particularly those adjacent to now-closed Hollywood nightlife locations, have been responsible for renting out residences as "party houses." These locations are endangering all Angelenos by enabling large, close-contact, largely maskless gatherings, in direct violation of City Emergency Orders and County Health Orders. In addition to the current fines available for use in gaining compliance at these locations, properties which are used to flout public health guidance have violated the public trust, endangered lives, and should be shuttered by having their Certificates of Occupancy revoked and water and power shut off.

I THEREFORE MOVE that the City Council instruct the Department of Building and Safety (DBS), Department of City Planning (DCP), Department of Water & Power (DWP), and the Housing and Community Investment Department (HCID) to form a working group to identify building, zoning, housing, and municipal code violations impacting community well-being and report back to the City Council outlining additional deterrence tools that can be adopted to remedy these violations, including but not limited to DWP shut-offs, Certificate of Occupancy holds or revocations, permit prohibitions on the same or related properties, and scorched earth penalties.

I FURTHER MOVE that the City Attorney be requested to draft an ordinance based on the deterrence tools recommendations by DBS, DCP, DWP, and HCID that can be used to hold property owners accountable for parties hosted at their properties that violate the County Public Health Order and put public health at risk during this COVID-19 pandemic. These penalties should be in addition to those available under the Loud and Unruly Gatherings Ordinance.

PRESENTED BY:

DAVID E. RYU Councilmember, 4th District

SECONDED BY:

PAUL KREKORIAN (verbal) Councilmember, 2nd District

HOLLY L. WOLCOTT CITY CLERK

PETTY F. SANTOS EXECUTIVE OFFICER

Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Documents Angel 47 of 50 CALIFORNIA OFFICE OF THE



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> PATRICE Y. LATTIMORE DIVISION MANAGER

> > CLERK.LACITY.ORG

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

December 2, 2020

Council File No.:

When making inquiries relative to

this matter, please refer to the

Council File No.: 20-0975

Council Meeting Date:

December 02, 2020

20-0975

5

Agenda Item No.:

Agenda Description: PLANNING AND LAND USE MANAGEMENT (PLUM) COMMITTEE REPORT relative to identifying building, zoning, housing, and municipal code violations impacting community well-being and outlining deterrence tools that can be adopted to remedy violations.

Council Action:

PLANNING AND LAND USE MANAGEMENT COMMITTEE REPORT - ADOPTED FORTHWITH

Council Vote:

YES	BOB BLUMENFIELD
YES	MIKE BONIN
YES	JOE BUSCAINO
YES	GILBERT A. CEDILLO
YES	KEVIN DE LEON
YES	MARQUEECE HARRIS-DAWSON
YES	PAUL KORETZ
YES	PAUL KREKORIAN
YES	JOHN LEE
YES	NURY MARTINEZ
YES	MITCH O'FARRELL
YES	CURREN D. PRICE
YES	MONICA RODRIGUEZ
ABSENT	DAVID RYU
YES	HERB WESSON

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HOLLY L. WOLCOTT CITY CLERK

Case 2:21-bk-10335-BB	Doc 26	Filed 02/03/2		Entered 02/03/21 13:51:46	Desc
	Main Document		Page	48 of 50	

Adopted Report(s)

Title

Report from Planning and Land Use Management Committee

Date 10/29/2020 Case 2:21-bk-10335-BB Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Document Page 49 of 50

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 333 South Grand Avenue, Suite 3400, Los Angeles, CA 90071.

A true and correct copy of the foregoing document entitled (*specify*): <u>MOTION OF GIVE BACK, LLC FOR ORDER</u> <u>DESIGNATING CHAPTER 11 CASES AS SINGLE ASSET REAL ESTATE CASES PURSUANT TO 11 U.S.C. §</u> <u>363(d)(3); MEMORANDUM OF POINTS AND AUTHORITIES; DECLARATIONS OF RONALD RICHARDS AND</u> <u>STEVEN L. WEINBERG IN SUPPORT THEREOF</u> will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. <u>TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)</u>: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) <u>February 3, 2021</u> I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page.

2. SERVED BY UNITED STATES MAIL:

On (*date*) February 3, 2021, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

The Honorable Sheri Bluebond U.S. Bankruptcy Court Roybal Federal Building 255 E. Temple Street, Suite 1534 Los Angeles, CA 90012

Service information continued on attached page.

3. <u>SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method</u> for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) _______, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge <u>will be completed</u> no later than 24 hours after the document is filed.

□ Service information continued on attached page.

F 9013-3.1.PROOF.SERVICE

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

February 3, 2021

Cheryl Caldwell Printed Name /s/Cheryl Caldwell

Signature

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

Date

Case 2:21-bk-10335-BB Doc 26 Filed 02/03/21 Entered 02/03/21 13:51:46 Desc Main Document Page 50 of 50

ADDITIONAL SERVICE INFORMATION (if needed):

1. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")

- Eryk R Escobar eryk.r.escobar@usdoj.gov
- M Douglas Flahaut flahaut.douglas@arentfox.com
- Kenneth G Lau kenneth.g.lau@usdoj.gov
- Daniel A Lev dlev@sulmeyerlaw.com, ccaldwell@sulmeyerlaw.com;dlev@ecf.inforuptcy.com
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- Annie Y Stoops annie.stoops@arentfox.com, yvonne.li@arentfox.com
- United States Trustee (LA) ustpregion16.la.ecf@usdoj.gov

2. SERVED BY U.S. MAIL

Debtor Coldwater Development LLC 11301 W. Olympic Blvd. #537 Los Angeles, CA 90064-1653

Eryk R Escobar Office of the United States Trustee 915 Wilshire Blvd., Suite 1850 Los Angeles, CA 90017 Debtor Lydda Lud, LLC 11301 W. Olympic Blvd. #537 Los Angeles, CA 90064-1653