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UNITED STATE BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

RED ROSE, INC.,

- ☐ Affects Beachhead Roofing and Supply, Inc.
- ☐ Affects California Equipment Leasing Association, Inc.
- ☐ Affects Fences 4 America, Inc.
- ☐ Affects James Petersen Industries, Inc.
- ☐ Affects PD Solar, Inc.
- ☐ Affects Petersen Roofing and Solar LLC
- ☐ Affects Petersen-Dean, Inc.
- ☐ Affects PetersenDean Hawaii LLC
- ☒ Affects PetersenDean Roofing and Solar Systems, Inc.
- ☐ Affects PetersenDean Texas, Inc.
- ☐ Affects Red Rose, Inc.
- ☐ Affects Roofs 4 America, Inc.
- ☐ Affects Solar 4 America, Inc.
- ☐ Affects Sonoma Roofing Services, Inc.
- ☐ Affects TD Venture Fund, LLC
- ☐ Affects Tri-Valley Supply, Inc.
- ☐ Affects All Debtors

Case No.: BK-S-20-12814-mkn
Chapter 11

Jointly Administered with

Case No. BK-S-20-12815-mkn
Case No. BK-S-20-12816-mkn
Case No. BK-S-20-12818-mkn
Case No. BK-S-20-12819-mkn
Case No. BK-S-20-12820-mkn
Case No. BK-S-20-12821-mkn
Case No. BK-S-20-12822-mkn
Case No. BK-S-20-12823-mkn
Case No. BK-S-20-12824-mkn
Case No. BK-S-20-12825-mkn
Case No. BK-S-20-12826-mkn
Case No. BK-S-20-12827-mkn
Case No. BK-S-20-12829-mkn
Case No. BK-S-20-12831-mkn
Case No. BK-S-20-12833-mkn

**STIPULATION BETWEEN
SOMERSET CHASE
HOMEOWNERS ASSOCIATION,
INC. AND DEBTOR
PETERSENDEAN ROOFING AND
SOLAR SYSTEMS, INC. FOR
RELIEF FROM THE AUTOMATIC
STAY**

COMES NOW PetersenDean Roofing and Solar Systems, Inc. ("PetersenDean Roofing and Solar"), Debtor in the above captioned jointly administered Chapter 11 cases, and

MOTION OF SOMERSET CHASE HOMEOWNERS ASSOCIATION, INC.
FOR RELIEF FROM AUTOMATIC STAY

SOMERSET CHASE HOMEOWNERS ASSOCIATION, INC. (“Somerset Chase”), as itself and as assignee of CALATLANTIC GROUP, INC., also known as CALATLANTIC HOMES, formerly known as THE RYLAND GROUP, also known as RYLAND HOMES (“CalAtlantic”) (Somerset Chase and CalAtlantic are collectively referred to as the “Association”), by and through their respective counsel of record, stipulate as follows:

1. Debtor PetersenDean Roofing and Solar filed its Chapter 11 Bankruptcy Petition (ECF No. 1) and its Verification of Creditor Matrix on June 11, 2020 (ECF No. 5) in Case No. BK-S-20-12824 (the “PetersenDean Roofing and Solar Case”).

2. The PetersenDean Roofing and Solar Case is being jointly administered under the lead case of Debtor Red Rose, Inc., Case No. BK-S-20-12814-mkn (the “Red Rose Lead Case”). On June 23, 2020, the Court entered its Order Directing Joint Administration of Related Case Pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015. *See* ECF No. 78.¹

3. Along with the Red Rose Lead Case and PetersenDean Roofing and Solar Case, the other administratively consolidated Debtors include: Beachhead Roofing and Supply, Inc.; California Equipment Leasing Association, Inc.; Fences 4 America, Inc.; James Petersen Industries, Inc.; PD Solar, Inc.; Petersen Roofing and Solar LLC; Petersen-Dean, Inc.; PetersenDean Hawaii LLC; PetersenDean Texas, Inc.; Roofs 4 America, Inc.; Solar 4 America, Inc.; Sonoma Roofing Services, Inc.; TD Venture Fund, LLC; and Tri-Valley Supply, Inc.

4. Prior to these administratively consolidated Chapter 11 Bankruptcies being initiated, PetersenDean Roofing and Solar was (and remains) a Defendant in a complex multi-party Florida state court proceeding in the Business Court of the Ninth Judicial Circuit, Orange County, Florida, Case Number 17-CA-005546-O (the “Lawsuit”).

5. Somerset Chase filed the Lawsuit on June 16, 2017, and named PetersenDean Roofing and Solar as a Defendant in its First Amended Complaint filed July 12, 2018. Somerset Chase’s First Amended Complaint alleges claims against PetersenDean Roofing and Solar arising from its improper performance as a roofing subcontractor on the Somerset Chase

¹ Unless otherwise noted, references to “ECF No.” refer to the docket entries in the Red Rose Lead Case, Case No. BK-S-20-12814.

1 Townhomes construction project (the “Project”). The Project consisted of the construction of
 2 townhomes with common areas, common properties, land, improvements, and related
 3 structures. In the Lawsuit, Somerset Chase brought claims against PetersenDean Roofing and
 4 Solar for negligence and breach of the Florida Building Code.

5 6. CalAtlantic filed a Third-Party Complaint in the Lawsuit on January 9, 2018,
 6 naming PetersenDean Roofing and Solar as a Defendant.

7 7. Somerset Chase and CalAtlantic entered into a settlement agreement effective
 8 July 10, 2020, the terms of which include assignment of CalAtlantic’s claims against
 9 PetersenDean Roofing and Solar to Somerset Chase.

10 8. PetersenDean Roofing and Solar is represented by the law firm Cole, Scott &
 11 Kissane in the Lawsuit.

12 9. Based on information and belief, PetersenDean Inc. is a named insured on
 13 several commercial general liability insurance policies, including (but may not be limited to)
 14 general liability insurance policies issued by First Mercury Insurance Company and United
 15 Specialty Insurance Company. (First Mercury Policies FMWA002281 and WA-CGL-
 16 0000010212-01) and (United Specialty Policies, BTO1316098; BTO1426809; BTO1618302).²

17 10. Debtor PetersenDean Roofing and Solar listed the Lawsuit in the creditor matrix
 18 filed at ECF No. 5 in Case No. BK-S-20-12824-MKN.

19 11. On June 15, 2020, PetersenDean Roofing and Solar notified the Association of
 20 the automatic stay imposed pursuant to 11 U.S.C. § 362 by filing a Suggestion of Bankruptcy
 21 on the Florida state court docket in the Lawsuit.

22 12. The Association and PetersenDean Roofing and Solar now stipulate that the
 23 automatic stay imposed by 11 U.S.C. § 362(a) is hereby modified solely to allow the
 24 Association to pursue a judgment against PetersenDean Roofing and Solar in the Lawsuit, and
 25 to collect on this judgment from insurers only, and not from the bankruptcy estate.

26
 27
 28 ² The respective policies are issued to Petersen Dean Inc., with endorsements including as additional
 named insureds multiple other entities, including PetersenDean Roofing and Solar Systems, Inc.

13. It is stipulated that any proceeds from any liability insurance policies payable to an injured third party, such as the Association, because of any improper performance of PetersenDean Roofing and Solar as a roofing subcontractor, including, but not limited to First Mercury Policies FMWA002281 and WA-CGL-0000010212-01) and United Specialty Policies, BTO1316098; BTO1426809; BTO1618302, are not property of the bankruptcy estate of PetersenDean Roofing and Solar.

14. The parties agree that except as expressly set forth within this Stipulation, nothing in this Stipulation shall affect or prejudice any rights, claims, or defenses of the parties of any kind or nature, including, but not limited to, the right of the Association to bring or pursue any claims it may have against PetersenDean Roofing and Solar that have not been fully satisfied by any insurance proceeds, and/or to pursue any creditors claims it may have against the bankruptcy estate of PetersenDean Roofing and Solar.

15. The parties agree that the Bankruptcy Court shall retain jurisdiction over this Stipulation and the order approving this Stipulation in order to resolve any disputes in connection with the specified rights and duties of this Stipulation.

Dated this 31st day of August 2020.

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