

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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: Chapter 11
In re :
:
: Case No. 19-12415 (MFW)
HRI HOLDING CORP. et al.,1 :
:
: (Jointly Administered)
Debtors. :
:
: Objection Deadline: December 13, 2019 at 4:00 p.m. (ET)
: Hearing Date: December 20, 2019 at 2:00 p.m. (ET)
: Related to Docket Nos. 14, 15, 89, & 164
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LIMITED OBJECTION OF DEUTSCHE ASSET & WEALTH MANAGEMENT, RICE LAKE SQUARE, LP AND WEITZMAN TO MOTION OF THE DEBTORS FOR ENTRY OF AN ORDER (A) APPROVING ASSET PURCHASE AGREEMENT AND AUTHORIZING THE SALE OF CERTAIN ASSETS OF THE DEBTORS OUTSIDE THE ORDINARY COURSE OF BUSINESS, (II) AUTHORIZING THE SALE OF ASSETS FREE AND CLEAR OF ALL CLAIMS AND LIENS, (III) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (IV) GRANTING RELATED RELIEF; AND (B) NOTICE OF ASSUMPTION AND CURE COST WITH RESPECT TO EXECUTORY CONTRACTS OR UNEXPIRED LEASES POTENTIALLY TO BE ASSUMED AND ASSIGNED IN CONNECTION WITH SALE OF DEBTORS' ASSETS

Deutsche Asset & Wealth Management, Rice Lake Square, LP, and Weitzman (together, the "Landlords") hereby file this limited objection (the "Objection") to (a) Motion of the Debtors for Entry of an Order (I) Approving Asset Purchase Agreement and Authorizing the Sale of Certain Assets of the Debtors Outside the Ordinary Course of Business, (II) Authorizing

1 The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: HRI Holding Corp. (4677), Houlihan's Restaurants, Inc. (8489), HDJG Corp. (3479), Red Steer, Inc. (2214), Sam Wilson's/Kansas, Inc. (5739), Darryl's of St. Louis County, Inc. (7177), Darryl's of Overland Park, Inc. (3015), Houlihan's of Ohio, Inc. (6410), HRI O'Fallon, Inc. (4539), Algonquin Houlihan's Restaurant, L.L.C. (0449), Geneva Houlihan's Restaurant, L.L.C. (3156), Hanley Station Houlihan's Restaurant, LLC (4948), Houlihan's Texas Holdings, Inc. (5485), Houlihan's Restaurants of Texas, Inc. (4948), JGIL Mill OP LLC (0741), JGIL Millburn, LLC (6071), JGIL Millburn Op LLC (N/A), JGIL, LLC (5485), JGIL Holding Corp. (N/A), JGIL Omaha, LLC (5485), HOP NJ NY, LLC (1106), HOP Farmingdale LLC (7273), HOP Cherry Hill LLC (5012), HOP Paramus LLC (5154), HOP Lawrenceville LLC (5239), HOP Brick LLC (4416), HOP Secaucus LLC (5946), HOP Heights LLC (6017), HOP Bayonne LLC (7185), HOP Fairfield LLC (8068), HOP Ramsey LLC (8657), HOP Bridgewater LLC (1005), HOP Parsippany LLC (1520), HOP Westbury LLC (2352), HOP Weehawken LLC (2571), HOP New Brunswick LLC (2637), HOP Holmdel LLC (2638), HOP Woodbridge LLC (8965), and Houlihan's of Chesterfield, The Debtors' corporate headquarters and the mailing address is 8700 State Line Road, Suite 100, Leawood, Kansas 66206.



the Sale of Assets Free and Clear of All Claims and Liens, (III) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (IV) Granting Related Relief (the “Sale Motion”),² [D.I. 15] and Notice of Assumption and Cure Cost with Respect to Executory Contracts or Unexpired Leases Potentially to be Assumed and Assigned in Connection with Sale of Debtors’ Assets (the “Cure Notice”) [D.I. 89] respectfully represent as follows:

I. BACKGROUND FACTS

1. On November 14, 2019 (the “Petition Date”), HRI Holding Corp. and its debtor affiliates in the above-captioned chapter 11 cases (the “Debtors”) filed their voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code. The Debtors continue to operate their business and manage their properties as debtors-in-possession pursuant to 11 U.S.C. §§ 1107(a) and 1108.³

2. The Debtors lease restaurant space (the “Premises”) from the Landlords pursuant to unexpired leases of nonresidential real property (individually, a “Lease,” and collectively, the “Leases”) at the locations set forth below (the “Centers”). The Leases are leases “of real property in a shopping center” as that term is used in Section 365(b)(3). See In re Joshua Slocum, Ltd., 922 F.2d 1081, 1086-87 (3d Cir. 1990).

3. On the Petition Date, the Debtors filed the Sale Motion seeking to sell substantially all of their assets to Landry’s LLC (“Purchaser” and/or “Stalking Horse”), subject to higher or better bids.

4. Also on the Petition Date, the Debtors filed the *Motion of the Debtors and Debtors-in-Possession for Entry of an Order (A) Approving the Bidding Procedures in*

² Capitalized terms used but not otherwise defined here shall have the meanings ascribed to them in the Sale Motion and accompanying documents.

³ Unless otherwise specified, all statutory references to “Section” are to 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”).

Connection with a Transaction by Public Auction; (B) Scheduling a Hearing to Consider the Transaction; (C) Approving the Form and Manner of Notice Thereof; (D) Approving Contract Procedures; and (E) Granting Related Relief (the “Bidding Procedures Motion”).

5. On December 5, 2019, the Court entered an order approving the relief sought in the Bidding Procedures Motion [D.I. 164] (the “Bidding Procedures Order”).

6. The Bidding Procedures Order approved the form of Cure Notice, which had previously been filed and served by the Debtors on November 26, 2019.

7. The Bidding Procedures Order established December 16, 2019 as the deadline for submission of bids and scheduled an auction for December 18, 2019. Because December 13, 2019 was established as the deadline for filing objections to the proposed sale, as of the filing of this Objection, Landlords do not know who will ultimately be selected as the Successful Bidder. Landlords file this Objection in order to preserve all rights with respect to the assumption and assignment of their Leases to the Successful Bidder.

I. ARGUMENT

General Objections to Assumption and Assignment of Leases

8. While Landlords do not generally object to a sale of the Debtors’ assets to maximize the value of the estate for the benefit of all creditors, including Landlords, Landlords do object to any proposed assumption and assignment of the Leases unless Debtors and/or the Successful Bidder comply with all of the requirements of Sections 365 of the Bankruptcy Code. Absent the ability, or willingness, of the Debtors and proposed assignee to satisfy said requirements, any proposed assumption and assignment must be denied. In addition, the amounts set forth in the Cure Notice for the Leases do not accurately reflect the total amount

owing under the Leases, and do not provide for the payment of certain accruing charges under the Leases.

Any Assumption and Assignment Must Comply with the Terms of the Leases.

9. Through the BAPCPA amendments, “Section 365(f)(1) was amended to make sure that all of the provisions of Section 365(b) are adhered to and that 365(f) of the Code does not override Section 365(b).” Floor Statement of Senator Orrin Hatch, 151 Cong. Rec. S. 2459, 2461-62 (daily ed. March 10, 2005). In explaining the change to Section 365(f)(1), Senator Hatch stated:

The bill helps clarify that an owner should be able to retain control over the mix of retail uses in a shopping center. When an owner enters into a use clause with a retail tenant forbidding assignments of the lease for a use different than that specified in the lease, that clause should be honored. Congress has so intended already, but bankruptcy judges have sometimes ignored the law.

151 Cong. Rec. S. 2459, 2461 (daily ed. March 10, 2005).

10. The changes embodied in the BAPCPA specifically preserve a landlord’s right to enforce use and other lease provisions. Again, Senator Hatch’s remarks in the Congressional Record clarify the intent behind Section 365(b) and 365(f):

A shopping center operator . . . must be given broad leeway to determine the mix of retail tenants it leases to. Congress decided that use or similar restrictions in a retail lease, which the retailer cannot evade under nonbankruptcy law, should not be evaded in bankruptcy. It is my understanding that some bankruptcy judges have not followed this mandate. Under another provisions of the Code, Section 365(f), a number of bankruptcy judges have misconstrued the Code and allowed the assignment of a lease even though terms of the lease are not being followed. (emphasis added).

151 Cong. Rec. S. 2459, 2461-62 (daily ed. March 10, 2005).

11. BAPCPA clarified Section 365 to reflect the Congressional intent that a Debtor cannot use Section 365(f)(1) to void lease provisions, and to overrule those prior court decisions that did not strictly enforce lease terms. The predicate to the limited ability to assign a

lease over a landlord's objection under Section 365(f) is that such assignment must be subject to the protections of Section 365(b)(1) and (3).

12. Section 365(f)(1) does not modify or override Section 365(b). Trak Auto Corp. v. West Town Ctr. LLC (In re Trak Auto Corp.), 367 F.3d 237, 243-44 (4th Cir. 2004) (bankruptcy courts could not use the general anti-assignment provision of Section 365(f)(1) to trump the specific protections granted to landlords in Section 365(b)(3)(C)). Any assignment must remain subject to all provisions of the Leases, including those provisions concerning use, radius, exclusivity, tenant mix and balance.

Adequate Assurance of Future Performance

13. Pursuant to Section 365(f)(2)(B) of the Bankruptcy Code Debtors may only assume and assign the Landlords' Leases if "adequate assurance of future performance by the assignee of such . . . lease is provided," As set forth in Section 365(b)(3), adequate assurance of future performance in the shopping center context includes, inter alia, adequate assurance:

(A) of the source of rent and other consideration due under such lease, and in the case of an assignment, that the financial condition and operating performance of the proposed assignee and its guarantors, if any, shall be similar to the financial condition and operating performance of the debtor and its guarantors, if any, as of the time the debtor became the lessee under the lease;

* * *

(C) that assumption and assignment of such lease is subject to all the provisions thereof, including (but not limited to) provisions such as radius, location, use or exclusivity provision, and will not breach any such provision contained in any other lease, . . . relating to the shopping center;

14. The burden of proof on adequate assurance issues is with the Debtors. See In re Lafayette Radio Elecs. Corp., 12 B.R. 302, 312 (Bankr. E.D.N.Y. 1991).

15. To date, Landlords have received adequate assurance information relating to the Stalking Horse, but not relating to any other bidders. Landlords demand strict proof of the Successful Bidder's ability to provide adequate assurance of future performance at the Sale Hearing.

16. Further, since the Debtors' restaurants are located in shopping centers, Debtors and the Successful Bidder must meet the heightened requirements of adequate assurance that the Bankruptcy Code contemplates in the case of such assignments. The Bankruptcy Code requires more than the basic adequate assurance of future performance of the leases under Section 365(b)(1)(C). In re Sun TV and Appliances, Inc., 234 B.R. 356, 359 (Bankr. D. Del. 1999). In order to assume and assign shopping center leases, Debtors must satisfy the heightened requirements set forth in 11 U.S.C. § 365(b)(3)(A) – (D). See Joshua Slocum, 922 F.2d at 1086; see also L.R.S.C. Co. v. Rickel Home Centers, Inc. (In re Rickel Home Centers, Inc.), 209 F. 3d 291, 299 (3d Cir. 2000). The heightened adequate assurance requirements include the following:

- The source of rent and assurance that the financial condition and operating performance of the proposed assignee and its guarantors, if any, must be similar to the financial condition and operating performance of the debtor and its guarantor(s), if any, as of the time the debtor became the lessee. See 11 U.S.C. § 365(b)(3)(A);
- That any percentage rent due under the lease will not decline substantially. See 11 U.S.C. § 365(b)(3)(B);
- That assumption and assignment of the lease is subject to all provisions thereof, including (but not limited to) provisions such as a radius, location, use, or exclusivity provision, and will not breach of any such provision in any other lease, financing agreement, or master agreement relating to such shopping center. See 11 U.S.C. § 365(b)(3)(C); and
- That assumption and assignment of the lease will not disrupt the tenant mix or balance in the shopping center. See 11 U.S.C. § 365(b)(3)(D).

Additional Security

17. If the Successful Bidder does not possess sufficient operating experience or capitalization to satisfy Landlords' requirements, which may well be the case if the assignee is a "Newco", the assignee must provide some type of credit enhancement as part of its adequate assurance of future performance demonstration, such as: (i) a guaranty of future performance from a financially capable parent or other entity; (ii) a letter of credit; or (iii) a cash security deposit.

18. Further, pursuant to Section 365(l) of the Bankruptcy Code, Landlords demand that any proposed assignee post either a letter of credit or, in Landlords' sole discretion, a security deposit, equal to three (3) months rent and additional rental charges under each Lease.

Cure Amounts⁴

19. Set forth below are Landlords' monetary cure claims for amounts due, exclusive of any sums which have become due or been paid after December 2, 2019. The claim set forth is the base cure claim amount subject to additional qualifications and modifications (such as reimbursement of attorney's fees) as more fully set forth below.

⁴ The Cure Notice included amounts for certain locations that were closed prior to the Petition Date and have already been rejected *nunc pro tunc* to the Petition Date pursuant to the *Order () Authorizing the Debtors to (A) Reject Certain Unexpired Leases Nunc Pro Tunc to the Petition Date and (B) Abandon Any Remaining Property at the Rejected Locations and (II) Authorizing and Approving Procedures to Reject Executory Contracts and Unexpired Leases* [D.I. 160] (the "First Rejection Order"). Specifically, the Leases related to Starwood Retail Property Management, LLC's location at Southpark Mall in Strongsville, OH and Federal Realty Investment Trust's location in Mercer Mall in Lawrenceville, NJ were rejected pursuant to the First Rejection Order, but appear to have been inadvertently included in the Cure Notice. All rights are reserved with respect to these locations.

LANDLORD	SHOPPING CENTER	LOCATION	DEBTORS' CURE	LANDLORDS' CURE ⁵	EXHIBIT
Deutsche	Galleria at Mt. Lebanon	Pittsburgh, PA	\$35,057.75	\$48,247.46	1
Rice Lake	Rice Lake Square	Wheaton, IL	\$11,036.23	@ ⁶	n/a
Weitzman	Live Oak	Selma, TX	\$0	\$21,588.22	2

20. Landlords further aver that additional amounts, not as yet known, may also be due with regard to calendar years 2018 and 2019, such as year-end adjustments to various items including, but not limited to, real estate taxes, common area maintenance (“CAM”), percentage rent and insurance. Section 365(b) of the Code requires that a debtor cure all defaults in conjunction with a lease assumption. Since certain accrued, unbilled items may not have been invoiced to date, there can be no default for the failure to pay same.

21. Landlords are also entitled to recover its actual pecuniary losses, including attorneys’ fees and costs. The Debtors are obligated to cure all defaults under the Leases, and compensate the Landlords for their actual pecuniary losses as a result of defaults under the Leases. See 11 U.S.C. § 365(b)(1)(A) and (B). The principle is well-recognized. In re LCO Enterprises, 12 F.3d 938, 941 (9th Cir. 1993); Elkton Associates v. Shelco Inc. (Matter of Shelco), 107 B.R. 483, 487 (Bankr. D. Del. 1989) (debtors allowed to assume lease provided it cured all pre-petition defaults).

⁵ Landlords’ Cure does not include charges arising after filing this Objection, or charges not directly billed to Landlords as of the filing of this Objection. Landlords’ Cure also does not include charges that are billed directly to Debtors, including in some cases, real estate taxes. To the extent Landlords are later billed for any amount due to Debtors’ failure to pay, or to the extent that there are other charges that come due under the Lease after the date of this Objection, Landlords retain and reserve the right to payment of these amounts when billed in the ordinary course under the Lease (and to amend this Objection to the extent necessary for any amounts that come due under the Leases through the date of any cure payment).

⁶ While Landlord agrees with the cure amount set forth in the Cure Notice, it does not include Landlord’s attorney’s fees asserted in the amount of approximately \$4,500.00. See Infra. at ¶¶ 21-24.

22. The Debtors (or their assignee) takes the Leases *cum onere*—subject to existing burdens. The Debtors cannot assume the favorable portions, and reject the unfavorable provisions, of their leases. In re Wash. Capital Aviation & Leasing, 156 B.R. 167, 172 (Bankr. E.D. Va. 1993). If forced to continue in the performance of the Leases, the Landlords are entitled to the full benefit of the bargain under the Leases with the Debtors. See Matter of Superior Toy and Mfg. Co., Inc., 78 F.3d 1169 (7th Cir. 1996). The “full benefit of the bargain” principle has been held to require payment of interest. “The cure of a default under an unexpired lease pursuant to 11 U.S.C. § 365 is more akin to a condition precedent to the assumption of a contract obligation than it is to a claim in bankruptcy. One of the purposes of Section 365 is to permit the debtors to continue in a beneficial contract; provided, however, that the other party to the contract is made whole at the time of the debtor’s assumption of the contract.” In re Entm’t, Inc., 223 B.R. 141, 151 (Bankr. N.D. Ill. 1998) (citation omitted; bankruptcy court allowed interest at 18%). Interest on pre-petition lease charges continues to run from the filing of the Debtors’ petitions and must be paid as a condition of the assumption of the Leases. See In re Skylark Travel, Inc., 120 B.R. 352, 355 (Bankr. S.D.N.Y. 1990). Interest calculations are, therefore, not cut short by the automatic stay, and payment of such interest is required to fully compensate Landlords for the Debtors’ defaults under the Leases, and thus to properly assume the Leases. Finally, post-petition interest is allowable where such interest is provided for under the terms of the Leases. Cukierman v. Uecker (In re Cukierman), 265 F.3d 846, 853 (9th Cir. 2001).

23. Attorneys’ fees and costs incurred in enforcement of the covenants, obligations, and conditions of a lease are also proper components of a cure claim, and the Debtors (or successor) must satisfy these lease charges as part of the assumption or assumption

and assignment of the Leases. Entm't, Inc., 223 B.R. at 152 (citation omitted). There is no logical distinction for purposes of Section 365 between attorneys' fees incurred in connection with pre-petition defaults and fees incurred with post-petition defaults. *Id.* At 154. The fact that a landlord uses bankruptcy procedures to enforce a lease should not preclude recovery of attorneys' fees and costs for such enforcement activity (particularly where the Bankruptcy Court is the exclusive forum where the landlord can obtain any relief, being foreclosed from state court relief by the automatic stay). *Id.*, see also In re Crown Books Corp., 269 B.R. 12 (Bankr. D. Del. 2001) (Landlords' fees and costs are recoverable as a component of cure under 11 U.S.C. § 365(b)(1)); Urban Retail Props. v. Loews Cineplex Entm't Corp., et al., 2002 WL 5355479 (S.D.N.Y. Apr. 9, 2002) (where lease "provides for recovery of attorneys' fees and interest, their receipt deserves the same priority under Section 365(d)(3) as any of the debtors' other obligations that arise postpetition . . ."); Three Sisters Partners, L.L.C. v. Harden (In re Shangra-La, Incorporated), 167 F.3d 843, 850 (4th Cir. 1999). The Supreme Court has upheld the enforceability of such attorneys' fees clauses, ruling that pre-petition attorneys' fee clauses were enforceable with respect to issues peculiar to bankruptcy law. Travelers Casualty & Surety Co. of America v. Pacific Gas & Electric, 127 S. Ct. 1199, 1206 (2007).

24. Accordingly, Landlords further request that they be reimbursed for all of their actual pecuniary losses including, but not limited to, attorney's fees and costs expended with regard to Debtors' bankruptcy proceedings. To date, the Landlords estimate their attorney's fees and costs to be approximately \$4,500 per Lease.

25. In addition to the monetary obligations that Debtors must satisfy under Section 365 of the Bankruptcy Code, the Leases also provide that Debtors must indemnify and hold Landlords harmless with regard to existing claims as well as with regard to events which

may have occurred pre-assignment but which are not made known to Landlords or Debtors until some time post-assumption. Accordingly, Debtors must be required to evidence, or obtain adequate insurance in order to guaranty (by way of purchase of a “tail” or otherwise) that the indemnity responsibilities will be met. Claims for indemnity may include, but are not limited to, claims for personal injuries which occur at the leaseholds, where a Landlord is joined as a party defendant, damage and destruction to the property by Debtors or their agents, claims for environmental damage or environmental clean-up, etc.⁷

Liabilities for Year-End Adjustments

26. The lessee under Landlords’ Leases is responsible for year-end adjustments to items such as common area maintenance, insurance, taxes, percentage rent and other items that are paid during the course of the year on an estimated basis. Generally the year-end adjustment, or true-up, of these categories does not take place until several months after the close of the landlord’s fiscal year. Since Section 365(b) only requires debtors to cure defaults under their leases, and since there can be no default for failure to pay an amount that has not as yet been billed, unpaid year-end adjustments, and those adjustments that may currently be accruing, are not a part of the cure obligation of the Debtors. The obligation to pay the year-end adjustments is, however, certainly a part of the obligation to provide adequate assurance of future performance. Any attempt to assign the Leases “free and clear” of these obligations must be denied.

27. Landlords, therefore, request that in the event an assumption or assumption and assignment of the Leases is approved by the Court, language be inserted into the Sale Order to provide that the proposed assignee shall be responsible for all unpaid year-end

⁷ If Debtors are covered under an “occurrence basis” insurance policy, rather than a “claims made” policy, this objection may be satisfied by proof of such insurance by the Debtors for Landlords’ locations.

2018 and 2019 adjustments, whether accruing prior to or after the effective date of assumption of the Lease, when such charges become due in accordance with the terms of the Lease. In default thereof, a suitable escrow for the Leases equal to 150% of the average year-end adjustments for the prior three (3) years must be established to assure that any amounts due will be available to Landlords when the year-end adjustments are actually billed and due pursuant to the terms of the respective Leases.

Assumption and Amendment Agreement

28. Landlords request that, as a condition to any order approving assumption and assignment of any of Landlords' Leases, the assignee shall be required to enter into a short form Assumption and Amendment Agreement whereby the assignee shall become directly obligated to Landlords and the provisions of the Leases regarding notice addresses will be modified.

Objections to Sale Order

29. Landlords reserve the right to object to any proposed Sale Order once a final proposed Sale Order and Asset Purchase Agreement are filed of record.

Joinder in Other Objections

30. Landlords hereby join in the objections filed by the Debtors' other landlords and creditors to the extent that such objections are not inconsistent with the provisions hereof.

WHEREFORE, Landlords respectfully requests that the Court enter an order consistent with the foregoing objections; and for such other and further relief as may be just and proper under all of the circumstances.

Dated: December 13, 2019
Wilmington, Delaware

Respectfully submitted,

/s/ Laurel D. Roglen

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SCHEDULE A

<i>Deutsche Wealth & Asset Management</i>		
Store No. 150	Galleria at Mt. Lebanon	Pittsburgh, PA
<i>Rice Lake Square LP</i>		
Store No. 123	Rick Lake Square	Wheaton, IL
<i>Weitzman</i>		
Store No. 174	Live Oak	Selma, TX

**Exhibit 1. Cure Amounts for HRI Holding Corp. Lease
for Space in The Galleria at Mt. Lebanon Held by Continental/Galleria, LP**

<u>Location</u>	The Galleria at Mt. Lebanon		<u>Attorney Fees</u> ³	\$4,500.00
	<u>Landlord's Cure Calculation</u> ¹		<u>Interest</u> ²	<u>Landlord's Total Cure Amount</u>
Rent and Charges:				
11/11/2019	\$8,405.60	3rd Quarter 2019 Water Billing	\$92.12	\$8,497.72
12/1/2019	\$22,474.83	Base Rent	\$123.15	\$22,597.98
12/1/2019	\$7,806.00	CAM	\$42.77	\$7,848.77
12/1/2019	\$4,059.00	Real Estate Tax	\$22.24	\$4,081.24
12/1/2019	\$717.92	Merchant Association Dues	\$3.93	\$721.85
	<u>\$43,463.35</u>		<u>\$284.21</u>	<u>\$43,747.56</u>
<u>Total Due:</u>			<u>\$48,247.56</u>	

1 Does not include charges for unbilled reconciliations and adjustments accrued under the specified lease.

2 Interest calculated at 10% from the due date through 12-20-19 (Hearing Date).

3 Includes attorneys fees and costs accrued through 12-10-19. Landlord will supplement with final attorneys fee and cost amounts when available.

Database: GENCOR_PROD	Aged Delinquencies	Page: 1
Report ID: CRS_CMAGEDEL	SWQ 35/Forum	Date: 12/2/2019
BLDG: 3010	Period: 12/19	Time: 10:33 AM

EXHIBIT 2

All Delinquencies

Invoice Date	Category	Source	Amount	Current	1 Month	2 Months	3 Months	4 Months
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3010-005102	Houlihan's Restaurant + Bar	Master Occupant Id: 301HOUL1-1	Day Due: 1	Delq Day: 10
		A1460 Current	Last Payment:	11/4/2019 16,512.03

07/22/19	LYCM	CAM Reconciliation	NC	-186.68	0.00	0.00	0.00	0.00	-186.68
07/22/19	LYIN	INS Reconciliation	CH	123.28	0.00	0.00	0.00	0.00	123.28
07/22/19	LYTX	TAX Reconciliation	CH	639.59	0.00	0.00	0.00	0.00	639.59
12/01/19	CM	Common Area Maintenance	CH	1,519.26	1,519.26	0.00	0.00	0.00	0.00
12/01/19	INS	Insurance	CH	170.27	170.27	0.00	0.00	0.00	0.00
12/01/19	RT	Base Rent Income	CH	14,822.50	14,822.50	0.00	0.00	0.00	0.00

CM	Common Area Maintenance	1,519.26	1,519.26	0.00	0.00	0.00	0.00	0.00
INS	Insurance	170.27	170.27	0.00	0.00	0.00	0.00	0.00
LYCM	CAM Reconciliation	-186.68	0.00	0.00	0.00	0.00	0.00	-186.68
LYIN	INS Reconciliation	123.28	0.00	0.00	0.00	0.00	0.00	123.28
LYTX	TAX Reconciliation	639.59	0.00	0.00	0.00	0.00	0.00	639.59
RT	Base Rent Income	14,822.50	14,822.50	0.00	0.00	0.00	0.00	0.00

Houlihan's Restaurant + Bar Total: 17,088.22 16,512.03 0.00 0.00 0.00 576.19

CM	Common Area Maintenance	1,519.26	1,519.26	0.00	0.00	0.00	0.00	0.00
INS	Insurance	170.27	170.27	0.00	0.00	0.00	0.00	0.00
LYCM	CAM Reconciliation	-186.68	0.00	0.00	0.00	0.00	0.00	-186.68
LYIN	INS Reconciliation	123.28	0.00	0.00	0.00	0.00	0.00	123.28
LYTX	TAX Reconciliation	639.59	0.00	0.00	0.00	0.00	0.00	639.59
RT	Base Rent Income	14,822.50	14,822.50	0.00	0.00	0.00	0.00	0.00

BLDG 3010 Total: 17,088.22 16,512.03 0.00 0.00 0.00 576.19

CM	Common Area Maintenance	1,519.26	1,519.26	0.00	0.00	0.00	0.00	0.00
INS	Insurance	170.27	170.27	0.00	0.00	0.00	0.00	0.00
LYCM	CAM Reconciliation	-186.68	0.00	0.00	0.00	0.00	0.00	-186.68
LYIN	INS Reconciliation	123.28	0.00	0.00	0.00	0.00	0.00	123.28
LYTX	TAX Reconciliation	639.59	0.00	0.00	0.00	0.00	0.00	639.59
RT	Base Rent Income	14,822.50	14,822.50	0.00	0.00	0.00	0.00	0.00

Grand Total: 17,088.22 16,512.03 0.00 0.00 0.00 576.19

Plus, Attorney's Fees: \$ 4,500.00

TOTAL CURE: \$21,588.22

CERTIFICATE OF SERVICE

I, Laurel D. Roglen, Esquire hereby certify that on this 13th day of December, 2019, a true and correct copy of the foregoing Objection was served upon the addressees listed on the attached service list in the manner indicated.

Dated: December 13, 2019
Wilmington, Delaware

/s/ Laurel D. Roglen

Laurel D. Roglen (No. 5759)
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VIA HAND DELIVERY

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