

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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|---|---|-----------------------------------|
| In re: |) | |
| |) | Chapter 11 |
| |) | |
| RUI HOLDING CORP., <i>et al.</i> , ¹ |) | Case No. 19-11509 (JTD) |
| |) | |
| Debtors. |) | (Jointly Administered) |
| |) | |
| |) | Related to Docket Nos. 15 and 169 |

**NOTICE OF POTENTIAL ASSUMPTION, SALE AND ASSIGNMENT OF CERTAIN
UNEXPIRED LEASES AND EXECUTORY CONTRACTS AND SALE HEARING²**

NOTICE IS HEREBY GIVEN, as follows:

On July 7, 2019, the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) filed a motion [Docket No. 15] (the “Sale Motion”)³ seeking approval of among other things (i) the sale (the “Sale”) of substantially all of the Debtors’ business assets (the “Purchased Assets”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), (ii) bid procedures relating to the Sale (the “Sale Procedures”), (iii) procedures to determine cure amounts and deadlines for objections to certain contracts and leases that may be assumed and assigned (the “Contract Procedures”), and (iv) the date, time and place for a sale hearing, and for objections to the sale and related relief. On August 28, 2019, the Court held a hearing to consider the Sale Procedures and entered an order approving the same [Docket No. 169] (the “Sale Procedures Order”).

On August 28, 2019, the Debtors were authorized to enter into that certain Asset Purchase Agreement by and among Restaurants Unlimited, Inc., Restaurants Unlimited Texas, Inc., RU Corp. and Landry’s, LLC, dated as of August 27, 2019 (the “Stalking Horse Agreement”), pursuant to which Landry’s LLC (together with its permitted successors, designees and assigns) shall serve as the “Stalking Horse Purchaser” with respect to the Purchased Assets.

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each of the Debtors’ respective federal tax identification numbers, are as follows: RUI Holding Corp. (6192); RU Corp. (8259); Restaurants Unlimited, Inc. (8365); and Restaurants Unlimited Texas, Inc. (5733). The Debtors’ headquarters and mailing address is: 411 First Ave. South, Suite 200, Seattle, WA 98104. The Debtors operate restaurants under the following names: Clunkerdagger; Cutters Crabhouse; Fondi Pizzeria; Henry’s Tavern; Horatio’s; Kincaid’s; Maggie Bluffs; Manzana; Newport Seafood Grill; Palisade; Palomino; Portland City Grill; Portland Seafood Company; Scott’s Bar and Grill; Simon & Seafort’s; Skate’s on the Bay; Stanford’s; and Stanley & Seafort’s.

² This Notice is subject to the full terms and conditions of the Sale Motion, the Sale Procedures Order, the Sale Procedures, the Contract Procedures and the Stalking Horse Agreement, which shall control in the event of any conflict. The Debtors encourage parties in interest to review such documents in their entirety and consult an attorney if they have questions or want advice.

³ Capitalized terms not otherwise defined in this notice shall have the meanings ascribed to them in the Sale Procedures Order (as defined herein) or the Sale Motion, as applicable.

In connection with the Sale, the Debtors and the applicable Prevailing Bidder will seek entry of an order or orders from the Bankruptcy Court approving the Sale of the Purchased Assets (the “Sale Order”). The Sale Order will seek to sell the applicable Assets free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon to the maximum extent permitted by section 363 of the Bankruptcy Code. **The specific terms of sale will be provided in the proposed Sale Order and the APA proposed to be entered into among the Debtors and the Prevailing Bidder for the applicable Purchased Assets.**

At the Sale Hearing on **September 23, 2019 at 1:30 p.m. prevailing Eastern time**, or such other time as the Bankruptcy Court shall determine, the Debtors intend to seek the Bankruptcy Court’s approval of the Sale of the Purchased Assets to the Prevailing Bidder(s). The Sale Hearing may be adjourned, from time to time, without further notice to creditors or parties in interest other than by announcement of the adjournment in open court or on the Bankruptcy Court’s calendar.

Pursuant to the Motion, the Debtor may seek to assume, sell and assign certain of its unexpired leases, license agreements and executory contracts (collectively, the “Potential Designated Contract”) free and clear of all liens, claims, encumbrances, and interests upon satisfaction of the cure amounts required under section 365(b)(1)(A) of the Bankruptcy Code (the “Cure Costs”). The Potential Designated Contracts and the corresponding Cure Costs are listed on the attached **Exhibit A**.

To be timely and otherwise eligible for consideration by the Court, objections, if any, to (i) the proposed Cure Costs, (ii) the proposed assumption and assignment of the Potential Designated Contracts, or (iii) objections relating to whether applicable law excuses the Non-Debtor Counterparty from accepting performance by, or rendering performance to, the Prevailing Bidder for purposes of section 365(c)(1) of the Bankruptcy Code must be in writing and filed with this Court and served on the Objection Notice Parties so as to be received no later than **4:00 p.m., prevailing Eastern time on September 16, 2019** (the “Cure/Assignment Objection Deadline”).

Objections, if any, to the adequate assurance of future performance with respect to a Prevailing Bidder must be in writing and filed with this Court and served on the Objection Notice Parties so as to be received no later than **4:00 p.m., prevailing Eastern time on September 20, 2019** (the “Adequate Assurance Objection Deadline,” and together with the Cure/Assignment Objection Deadline, the “Contract Objection Deadlines”)

The Contract Notice Parties are: (a) the Debtors, Restaurants Unlimited, Inc., 411 1st Avenue S., Seattle, WA 98104, Attn: Jim Eschweiler, CEO and David Bagley, CRO; (b) counsel to the Debtors, Klehr Harrison Harvey Branzburg LLP, 919 North Market Street, Suite 1000, Wilmington, Delaware 19801, Attn: Domenic E. Pacitti (dpacitti@klehr.com) and Michael W. Yurkewicz (myurkewicz@klehr.com); (c) counsel to the DIP Agent and Pre-Petition Agent, Hunton Andrews Kurth LLP, Riverfront Plaza East Tower, 951 East Byrd Street, Richmond, VA 23219, Attn: Tyler P. Brown (tpbrown@huntonak.com) and Justin F. Paget

(jpaget@huntonak.com); and Gellert Scali Busenkell & Brown, LLC, 1201 N. Orange Street, Suite 300, Wilmington, DE 19801, Attn: Michael Busenkell (mbusenkell@gsbblaw.com); (d) counsel to any statutory committee appointed in these cases; counsel to NXT, Goldberg Kohn, Ltd., 55 East Monroe, Suite 3300, Chicago, Illinois 60603, Attn: Randall Klein (Randall.klein@goldbergkohn.com) and Prisca Kim (Prisca.kim@goldbergkohn.com); and (e) Office of The United States Trustee, 844 King Street, Suite 2207, Lock Box 35, Wilmington, Delaware 19801, Attn: Linda Richenderfer (linda.richenderfer@usdoj.gov).

At any time prior to (i) the closing of any sale transaction for the Purchased Assets, or (ii) in the case of Designation Rights Assets, October 31, 2019 (as applicable, the “Contract Designation Deadline”), the Prevailing Bidder(s) may direct the Debtors to serve a notice excluding any of the Potential Designated Contracts on (i) the Non-Debtor Counterparty to such Potential Designated Contracts and (ii) all Objection Notice Parties other than the Debtors, indicating, by reasonably specific information, which Potential Designated Contracts have been excluded, and stating that the Prevailing Bidder has excluded such Potential Designated Contracts. Upon consummation of the sale with the Prevailing Bidder and service of such notice, the executory contracts and/or unexpired leases referenced in such notice (x) shall no longer be considered Potential Designated Contracts; (y) shall not be deemed to be, or to have been, assumed or assigned; and (z) shall remain subject to assumption, rejection or assignment by the Debtors. At any time prior to the Contract Designation Deadline, the Prevailing Bidder may also direct the Debtors to serve a notice to designate a Potential Designated Contract that had previously been excluded to be included and considered as a Potential Designated Contract, and require the Debtors to give not less than five (5) Business Days’ notice to the Non-Debtor Counterparty to such Potential Designated Contracts of the Prevailing Bidder’s proposed assumption and assignment thereof to the Prevailing Bidder.

If any Non-Debtor Counterparty to a Potential Designated Contract files a timely objection meeting the requirements hereof, objecting to the assumption by the Debtors and assignment to the Prevailing Bidder of such Potential Designated Contract (the “Disputed Designation”) and/or asserting a cure amount higher than the proposed Cure Costs listed on the Assignment Notice (the “Disputed Cure Costs”), the Debtors and the Non-Debtor Counterparty shall meet and confer in good faith to attempt to resolve any such objection without Court intervention. If the Debtors and the Non-Debtor Counterparty determine that the objection cannot be resolved without judicial intervention, then the determination of the assumption and assignment of the Disputed Designation and/or the amount to be paid under section 365 of the Bankruptcy Code with respect to the Disputed Cure Costs will be determined by the Court at the Sale Hearing, unless the Debtors, the Prevailing Bidder and the Non-Debtor Counterparty to the Potential Designated Contract in dispute agree otherwise. Except with respect to Designation Rights Assets, which shall be treated in accordance with Section 2.7 of the Stalking Horse Agreement, if the Court determines at the Sale Hearing that the Potential Designated Contract will not be assumed and assigned, then such executory contract or unexpired lease shall no longer be considered a Potential Designated Contract. If any objection related to a Disputed Designation or Disputed Cure Costs is continued beyond the Sale Hearing, the Prevailing Bidder shall escrow the portion of the Cure Costs that is disputed pending such resolution.

Any Non-Debtor Counterparty to a Potential Designated Contract who fails to timely file an objection to the proposed Cure Costs or the proposed assumption and assignment of a Potential Designated Contract by the Contract Objection Deadlines, absent further order of the Court is deemed to have consented to such Cure Costs and the assumption and assignment of such Potential Designated Contract by the Debtor and to the Prevailing Bidder, and such party shall be forever barred from objecting to the Cure Costs and from asserting any additional cure or other amounts against the Debtors, their estates or the Prevailing Bidder.

If the Non-Debtor Counterparty to a Potential Designated Contract fails to timely object to the assumption and assignment of a Potential Designated Contract or the proposed Cure Cost relating thereto by the Contract Objection Deadlines, as applicable, or upon the resolution of any timely objection by agreement of the parties or order of the Court approving an assumption and assignment, such Potential Designated Contract shall be deemed to be assumed by the Debtors and assigned to the Prevailing Bidder, subject to the next paragraph, and the proposed Cure Cost related to such Potential Designated Contract shall be established and approved in all respects.

The Debtors' decision to assume and assign the Potential Designated Contract is subject to Court approval and consummation of the Sale with a Prevailing Bidder. Upon entry of an order approving the Sale, except for those Designated Contracts that have been excluded or been designated as a Designated Rights Asset, the Debtors shall be deemed to have assumed and assigned each of the Potential Designated Contracts as of the date of and effective only upon the closing date of an Asset sale transaction with a Prevailing Bidder, and absent such closing, each of the Potential Designated Contracts shall neither be deemed assumed nor assigned and shall in all respects be subject to subsequent assumption or rejection by the Debtors under the Bankruptcy Code. Any inclusion of any document on the list of Potential Designated Contracts shall not constitute or be deemed to be a determination or admission by the Debtors that such document is, in fact, an executory contract or unexpired lease within the meaning of the Bankruptcy Code (all rights with respect thereto being expressly reserved). The Prevailing Bidder shall have no rights in and to a particular Potential Designated Contract, and the Non-Debtor Counterparty shall have no rights against a Prevailing Bidder, until such time as the particular Potential Designated Contract is assumed and assigned in accordance with the procedures set forth herein.

Except as may otherwise be agreed to in an asset purchase agreement with a Prevailing Bidder or by the parties to a Potential Designated Contract, the defaults under the Potential Designated Contract that must be cured in accordance with section 365(b) of the Bankruptcy Code shall be cured as follows: without any reduction, or credit against, the amount of the Prevailing Bid, the Stalking Horse Purchaser or Prevailing Bidder, as applicable, shall pay all Cure Costs relating to an assumed executory contract or unexpired lease within ten days after the later of (i) the closing date specified in the APA entered into with a Prevailing Bidder or (ii) the date on which such executory contract or unexpired lease is deemed assumed and assigned, in accordance with the Sale Order.

A copy of the Sale Motion, Sale Procedures Order, and related sale pleadings can be viewed on the Court's website at <https://ecf.deb.uscourts.gov> and on the website of the Debtors' noticing and claims agent, Epiq Corporate Restructuring, LLC at

<https://dm.epiq11.com/restaurants>. Further information and copies of pleadings also may be obtained by calling Epiq Corporate Restructuring, LLC at 877-277-3908 (U.S. Toll-Free) or 503-520-4458 (International) or emailing restaurants@epiqglobal.com.

Dated: August 29, 2019
Wilmington, Delaware

/s/ Domenic E. Pacitti

Domenic E. Pacitti (DE Bar No. 3989)

Michael W. Yurkewicz (DE Bar No. 4165)

Sally E. Veghte (DE Bar No. 4762)

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Counsel to the Debtors

EXHIBIT A

| RESTAURANTS UNLIMITED | | | | | | | | |
|--------------------------------------|------------------|---|--|-------------------------------------|-----------------------------|------------------|-------|------------|
| Lease Cure Amounts | | | | | | | | |
| | | | | | | | | |
| Restaurant Name | Total Cure | Management/Owner | Contact/Attn | Street 1 | Street 2 | City | State | Zip |
| 003 SCOTTS BAR & GRILL-F | 27,895 | Komen Properties LLC | c/o Mark Komen | 7728 Crest Drive NE | | Seattle | WA | 98115 |
| 005 CLINKERDAGGER-F | 33,564 | Kiemle & Hagood Company | Attn: Ron Horton | 601 W Main Street | Suite 400 | Spokane | WA | 99201 |
| 010 SIMONS & SEAFORTS-F | 55,140 | L Street Investments | c/o: Frampton & Opinsky, LLC | 2525 Blueberry Road, | Suite 204 | Anchorage | AK | 99503 |
| 012 HORATIOS-F | 37,877 | City of San Leandro | | 835 E. 14th Street | | San Leandro | CA | 94577 |
| | | Elliott Bay Marina, Inc. | | 2601 W. Marina Place | | Seattle | WA | 98199 |
| 016 STANLEY & SEAFORTS-F | 21,877 | Walter N. Hogan Properties | Attn: Mickey Hogan | 3803 Bridgeport Way West | | University Place | WA | 98466 |
| 018 CUTTERS CRABHOUSE-F | 3,697 | Granite Market Place LLC | c/o JSH Properties | 2003 Western Avenue | Suite 200 | Seattle | WA | 98121 |
| | | City of Berkeley | | 2180 Milvia Street | 4th Floor | Berkeley | CA | 94704 |
| 020 SKATES-F | 104,512 | Berkeley Marina Associates | James M. Welch | 9641 NE 34th Street | | Clyde Hill | WA | 98004 |
| 023 KINCAIDS BLOOMINGTON-F | 27,590 | ML-AI Normandale, LLC | Attn: Lisa Simonson | 5600 West 83rd Street | Suite 280 | Minneapolis | MN | 55437 |
| 026 KINCAIDS BURLINGAME-F | 18,630 | Burlingame Bay Associates | c/o American Realty & Construction Inc | 1489 Webster Street | #218 | San Francisco | CA | 94115 |
| 029 PALOMINO SEATTLE-F | 23,185 | City Centre Associates | c/o General Manager | 1420 Fifth Avenue | Suite 450 | Seattle | WA | 98101 |
| 031 KINCAIDS OAKLAND-F | 37,907 | City of Oakland | c/o Port of Oakland, Commercial Real Estate Division | 530 Water Street | | Oakland | CA | 94607 |
| 034 PALISADE-F / 014 MAGGIE BLUFFS-F | 107,005 | Elliott Bay Marina, Inc. | | 2601 W. Marina Place | | Seattle | WA | 98199 |
| 035 PALOMINO SAN FRANCISCO-F | 43,893 | PPF OFF 345 Spear Street, LP | c/o Jones Lang LaSalle - Hills Plaza | Attn: General Manager | 345 Spear Street, Suite 124 | San Francisco | CA | 94105 |
| 044 KINCAIDS REDONDO-F | 28,420 | Redondo Beach Public Financing Authority | c/o City of Redondo Beach Harbor Division Manager | 415 Diamond Street | | Redondo Beach | CA | 90277 |
| 052 KINCAIDS ST PAUL-F | 38,021 | 1944 Rice Street LLC | c/o Frauenshuh, Inc. | 380 St. Peter Street | Suite 150 | Saint Paul | MN | 55102 |
| 064 STANFORDS KRUSE WY-F | - | GTW, LLC, an Oregon LLC | | 16115 SW 1st Street | Suite 201 | Sherwood | OR | 97140 |
| 065 PORTLAND SEAFOOD CO MALL -F | 21,372 | 205 Place Associates | | 19767 SW 72nd Avenue | Suite 100 | Tualatin | OR | 97062 |
| 066 STANFORDS LLOYD CTR-F | 20,821 | CAPREF Lloyd II LLC, Attn Portland Asset Management | Formal notices | 5910 North Central Expressway | Suite 1600 | Dallas | TX | 75206 |
| | | Cypress Equities Managed Services LP | Mgmt company | 8343 Douglas Avenue | Suite 200 | Dallas | TX | 75225 |
| 069 STANFORDS TANASBOURNE-F | 3,355 | Atlas Tanasbourne 19 LLC | | 808 SW Alder St | Ste 200 | Portland | OR | 97205 |
| 071 STANFORDS JANTZEN BEACH-F | - | Jantzen Beach Center 1767, LLC | Legal Dept - all formal notices | 1621-B South Melrose Drive | | Vista | CA | 92081-5498 |
| | | Jantzen Beach Center 1767, LLC | Corp Headquarters | 3333 New Hyde Park Road - Suite 100 | PO Box 5020 | New Hyde Park | NY | 11042-0020 |
| 073 NEWPORT SALEM-F | 22,627 | Joseph R. Fox | | 2262 McGilchrist Street SE | Suite 200 | Salem | OR | 97302 |
| 075 STANFORDS TUKWILA-F | 20,801 | Kimco Realty Corporation | | 1621-B South Melrose Drive | | Vista | CA | 92081 |
| 077 PORTLAND CITY GRILL-F | 142,139 | 111 SW 5th Avenue Investors LLC | c/o UBS Realty Investors LLC | 455 Market Street | Suite 1000 | San Francisco | CA | 94105 |
| 079 STANFORDS CLACKAMAS-F | 32,757 | CH Realty III/Clackamas, LLC | c/o Kimco Realty Corp | 13635 NW Cornell Road | | Portland | OR | 97229 |
| 080 MANZANA-F | 29,295 | LO 138 LLC | | 19767 SW 72nd Avenue | Suite 100 | Tualatin | OR | 97062-8352 |
| 081 HENRYS PORTLAND-F | 51,925 | MEPT Brewery Block2 LLC | c/o NewTower Trust Company | 7315 Wisconsin Avenue | Suite 350 West | Bethesda | MD | 20814 |
| 082 STANFORDS PDX-F | 17,794 | Port of Portland | Attn: Concessions Leasing Manager | 7000 NE Airport Way | | Portland | OR | 97218 |
| 085 STANFORDS NORTHGATE-F | 27,698 | Northgate Mall Partnership | c/o Simon Property Group, Inc | 225 West Washington Street | | Indianapolis | IN | 46204 |
| 086 HENRYS SEATTLE-F | 24,101 | WSA Properties XII LLC | Authority Real Estate | 90 NW Dogwood St | Suite 102 | Issaquah | WA | 98027 |
| 088 HENRYS DENVER-F | 56,659 | Denver Pavilions Owner CO, LLC | | 299 Milwaukee St. | Suite 500 | Denver | CO | 80206 |
| 089 HENRYS PDX-F | 52,517 | Port of Portland | Attn: Concessions Leasing Manager | P.O. Box 3529 | | Portland | OR | 97208 |
| 090 HENRYS BELLEVUE-F | 9,205 | LS2 Retail, LLC | | P.O Box 908 | | Bellevue | WA | 98009 |
| 091 HENRYS SLU-F | 20,077 | SWB-II Seattle, LLC | Jeff Hrmer | 11820 Northup Way | Suite E300 | Bellevue | WA | 98005 |
| 303 FONDI GIG HARBOR-F | 13,946 | Gateway Capital, LLC | Attn: John C. Hogan, Manager | 5312 Pacific Highway East | | Fife | WA | 98424 |
| Corporate Offices | 34,198 | Hudson Merrill Place LLC | Hudson Pacific Properties LP/Alex Vouvalides | 11601 Wilshire Blvd | 6th Floor | Los Angeles | CA | 90025 |
| TOTAL | 1,210,504 | | | | | | | |

RESTAURANTS UNLIMITED
 Executory Contract Cure Amounts

| Vendor | Description | Cure Amount |
|---|--|----------------|
| ADP LLC | Payroll Processor | - |
| AMERICAN EXPRESS | Credit Card | - |
| ARAMARK | Uniforms and other services | 197,015 |
| ASCAP | Performance-rights organization | 31,032 |
| BAKER COMMODITIES INC. | Grease recycling services | 4,625 |
| BROADCAST MUSIC INC (BMI) | Music Licensing | 24,947 |
| CEQUEL DATA CENTERS LLC dba TIERPOINT LLC | IT Service Provider | 4,106 |
| COCA-COLA USA | Beverage services & equipment | 2,876 |
| CORRIGO INC | Facilities management platform | 1,476 |
| COSTCO | Gift Card Reseller | - |
| ECOLAB INSTITUTIONAL | Location Pest Control | 54,960 |
| ELAVON INC | Credit Card Processor | - |
| EMMA INC | Email Marketing Campaigns | 13,302 |
| FIFTH STREET THEATRE | Concessions Agreement with Theatre | 18,202 |
| FOOD SERVICE INDUSTRY CONSULTANTS INC | Independent Contractor services for purchasing and COGS negotiations | - |
| GLOBAL MUSIC RIGHTS | Music Licensing | - |
| MICROSOFT LICENSING, GP. | Computer Software | 176,290 |
| NUCO2 LLC | Beverage services & equipment | 21,129 |
| OMNIVORE / PAYMYTAB | SaaS POS Enhancement | - |
| OPENTABLE, INC. | Online reservation service | 28,698 |
| ORACLE AMERICA INC | PoS Hardware provider (Micros) | 2,313 |
| PACIFIC OFFICE AUTOMATION INC | Provider of printer and office products. | 37,980 |
| PAYTRONIX SYSTEMS INC | Restaurant customer loyalty program | 24,276 |
| SLM WASTE & RECYCLING SERVICES, INC. | Waste services at locations | 9,775 |
| SMITH & GREENE | Equipment & Supplies | - |
| SPARKFLY INC | POS-integrated offer management platform | 5,922 |
| TAKEOUT TECHNOLOGIES | Software facilitating online and mobile ordering | 30 |
| Total | | 658,955 |