

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	
)	Chapter 11
)	
NPC INTERNATIONAL, INC., <i>et al.</i> ¹)	Case No. 20-33353 (DRJ)
)	
Debtors.)	Jointly Administered
)	
)	

**LIMITED OBJECTION OF RINNA RESTAURANT GROUP, INC.,
TO NOTICE OF CURE AMOUNTS AND POTENTIAL ASSUMPTION
AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED
LEASES IN CONNECTION WITH SALE TRANSACTION
[Relates to Notice at Docket No. 781]**

Rinna Restaurant Group, Inc. (“RRG”), by and through its undersigned counsel, files this limited objection (the “Objection”) to the *Notice of Cure Amounts and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Sale Transaction* [Docket No. 781] (the “Cure Notice”) filed by the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) on October 9, 2020. In support of this Objection, RRG states as follows:

BACKGROUND

1. On July 1, 2020 (the “Petition Date”), the Debtors filed their respective voluntary petitions under chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas (the “Court”).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are NPC International, Inc. (7298); NPC Restaurant Holdings I LLC (0595); NPC Restaurant Holdings II LLC (0595); NPC Holdings, Inc. (6451); NPC International Holdings, LLC; (8234); NPC Restaurant Holdings, LLC (9045); NPC Operating Company B, Inc. (6498); and NPC Quality Burgers, Inc. (6457).

2. On September 25, 2020, the Court entered the *Order Establishing Bid Procedures Relating to the Sale of the Debtors' Assets* [Docket No. 693] (the “Bidding Procedures Order”) which, in relevant part, approved procedures for the assumption and assignment of certain of the Debtors' executory contracts and unexpired leases in connection with the sale.

3. In accordance with the Bidding Procedures Order, on October 9, 2020, the Debtors filed the Cure Notice. Exhibit A of the Cure Notice identifies a large number of leases that the Debtors may seek to assume and assign, as well as the proposed cure amounts to be paid to each respective counterparty as required by 11 U.S.C. §365(b)(1) (the “Assumption Schedule”). The Cure Notice limits the cure amounts listed on the Assumption Schedule to only prepetition amounts owed.

4. The Assumption Schedule identifies the following lease agreement (the “Lease”) between NPC International, Inc. (“NPC”), and RRG and related cure amount proposed by the Debtors:

Contract Counterparty	Debtor Contract Signor	Contract Description	Proposed Cure Amount
RRG INC.	NPC International, Inc.	LEASE AGREEMENT - 2031 WRIGHTSBORO RD DEL TENANT	\$0

See Cure Notice, Exhibit A.

5. As set forth in the Cure Notice, October 23, 2020, at 4:00 p.m. (prevailing Central Time) is the deadline to object to the potential assumption and assignment and proposed cure costs.

LIMITED OBJECTION AND RESERVATION OF RIGHTS

6. RRG objects to the Debtors' proposed cure amount for the Lease as set forth in the Cure Notice. The premises subject to the Lease suffered fire damage prior to the Petition Date, and the Debtors are not currently operating their Pizza Hut franchise at the location. As set forth in the Debtors' schedules, NPC owes \$6,644.82 for three months of deferred rent payments that accrued pre-petition after the premises suffered fire damage. [Docket No. 447]. RRG also incurred

\$3,865.00 in expenses for continuing maintenance services provided at the premises on a post-petition basis and continues to incur at least \$350.00 of such expenses per week. A summary of the deferred rent payments and NPC's outstanding expenses owed to RRG is annexed hereto as **Exhibit 1**. The Lease requires NPC to reimburse RRG for such expenses. Accordingly, the cure amount for the Lease should be no less than \$10,509.82, plus any additional amounts that may be due and owing at the time of assumption, including for additional post-petition expenses incurred by RRG in connection with the premises.

7. To the extent that the Debtors seek to assume and assign the Lease, the Debtors must pay the full cure amounts based upon actual amounts that are due on the date that the Lease is assumed and assigned by the Debtors. *See* 11 U.S.C. § 365(b)(1). Thus, any order permitting the assumption and assignment of the Lease must direct that the Debtors fully pay all amounts due to RRG under the Lease as of the date that the Lease is assumed and assigned by the Debtors, as a condition precedent to such assumption and assignment.

8. For the avoidance of doubt, nothing contained herein shall constitute a waiver or limitation of RRG's rights and remedies under the Lease, any other agreement between RRG and the Debtors, the Bankruptcy Code or other applicable law, including the right to demand payment of any amounts that are due and/or may become due to RRG, whether as cure amounts, administrative expenses or otherwise.

9. Accordingly, RRG respectfully requests that the Court enter an order consistent with this Objection, which conditions any assumption and assignment of the Lease upon payment in the amount of \$10,509.82, plus any additional amounts that may be due and owing for post-petition expenses as of the date of assumption; and grant RRG such other and further relief as it deems just and proper.

Dated: October 22, 2020

/s/ Catherine A. Diktaban

Justin F. Paget (*pro hac vice* admission pending)

HUNTON ANDREWS KURTH LLP

951 E. Byrd Street

Richmond, Virginia 23219

Tel: 804-788-8200

Fax: 804-788-8218

Email: jpaget@HuntonAK.com

-and-

Catherine A. Diktaban (TX Bar No. 24109810)

HUNTON ANDREWS KURTH LLP

600 Travis Street, Suite 4200

Houston, Texas 77002

Tel: 713-220-4200

Fax: 713-220-4285

Email: cdiktaban@HuntonAK.com

Counsel for Rinna Restaurant Group, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on October 22, 2020, a true and correct copy of the foregoing document was served (i) via the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas on those parties registered to receive electronic notices, and (ii) via electronic mail upon the following Objection Notice Parties identified in the Assumption Notice:

<p>Counsel to the Debtors:</p> <p>Weil, Gotshal & Manges LLP Attn: Alfredo R. Pérez, Esq. 700 Louisiana Street, Suite 1700 Houston, Texas 77002 alfredo.perez@weil.com - and - Weil, Gotshal & Manges LLP Attn: Kevin Bostel, Esq. Natasha Hwangpo, Esq. 767 Fifth Avenue, New York, NY 10053 kevin.bostel@weil.com natasha.hwangpo@weil.com</p>	<p>Counsel to the Ad Hoc Priority/1L Group:</p> <p>Gibson, Dunn & Crutcher LLP Attn: Scott J. Greenberg, Esq. Michael J. Cohen, Esq. 200 Park Avenue, New York, NY 10166 sgreenberg@gibsondunn.com mcohen@gibsondunn.com - and - Jackson Walker L.L.P. Attn: Bruce J. Ruzinsky, Esq. 1401 McKinney, Suite 1900, Houston, TX 77010 bruzinsky@jw.com</p>
<p>Counsel to the Creditors' Committee:</p> <p>Kelley Drye & Warren LLP Attn: Eric R. Wilson, Esq. James R. Adams, Esq. 101 Park Avenue, New York, New York 10178 ewilson@kelleydrye.com jadams@kelleydrye.com</p>	<p>U.S. Trustee:</p> <p>United States Trustee for the Southern District of Texas Attn: Hector Duran, Esq. 515 Rusk, Suite 356, Houston, Texas 77002 hector.duran.jr@usdoj.gov</p>
<p>NPC International, Inc.:</p> <p>NPC International, Inc. Attn: Eric Koza 4200 W. 115th Street, Suite 200, Leawood, KS 66211 ekoza@alixpartners.com</p>	

/s/ Catherine A. Diktaban
Catherine A. Diktaban

Exhibit 1

Summary of Deferred Rent and Outstanding Expenses

Description	Amount
Deferred Rent (March 2020)	\$2,214.94
Deferred Rent (April 2020)	\$2,214.94
Deferred Rent (May 2020)	\$2,214.94
Total Deferred Rent Payments	\$6,644.82

Date	Provider	Description	Amount
2/14/2020	John Gatheral	Initial Clean Up	\$250.00
8/18/2020	Master Lawns	Biweekly Lawn	\$112.50
8/28/2020	Master Lawns	Initial Clean Up	\$737.50
8/31/2020	Master Lawns	Biweekly Lawn	\$340.00
9/30/2020	Master Lawns	Biweekly Lawn	\$130.00
9/3/2020	Master Lawns	Biweekly Lawn	\$195.00
9/11/2020	John Gatheral	Weekly Maintenance	\$350.00
9/18/2020	John Gatheral	Weekly Maintenance	\$350.00
9/25/2020	John Gatheral	Weekly Maintenance	\$350.00
10/2/2020	John Gatheral	Weekly Maintenance	\$350.00
10/9/2020	John Gatheral	Weekly Maintenance	\$350.00
10/16/2020	John Gatheral	Weekly Maintenance	\$350.00
		Total Outstanding Expenses	\$3,865.00
		+ Total Deferred Rent Payments	\$6,644.82
		Total	\$10,509.82