

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MARYLAND
GREENBELT DIVISION

In re:

CREATIVE HAIRDRESSERS, INC., *et al.*¹

Chapter 11

Case No. 20-14583-TJC

Case No. 20-14584-TJC

Debtors.

(Jointly Administered)

PUBLIX SUPER MARKETS, INC., PSM COLONIAL CROSSINGS, LLC, REAL SUB, LLC, PSM ISLAND CROSSING, LLC, PC PROPERTY HOLDINGS LLC, PSM FISHHAWK, LLC, PSM PALM COAST, LLC, OCALA RETAIL PARTNERS, LLC AND PSM DUNLAWTON SQUARE, LLC'S OBJECTION TO DEBTORS' NOTICE OF PROPOSED ASSUMPTION, ASSIGNMENT, AND CURE AMOUNTS WITH RESPECT TO EXECUTORY CONTRACTS AND UNEXPIRED LEASES OF THE DEBTORS

(Doc. No. 147)

Publix Super Markets, Inc., PSM Colonial Crossings, LLC, Real Sub, LLC, PSM Island Crossing, LLC, PC Property Holdings LLC, PSM FishHawk, LLC, PSM Palm Coast, LLC, Ocala Retail Partners, LLC and PSM Dunlawton Square, LLC (collectively, the "**Landlord**"), by and through its undersigned attorneys, hereby objects to the Debtors' Notice of Proposed Assumption, Assignment, and Cure Amounts with Respect to Executory Contracts and Unexpired Leases of the Debtors (Doc. No. 147) (the "**Assumption Notice**") and in support thereof states:

1. On April 23, 2020 (the "**Petition Date**"), Creative Hairdressers, Inc. and Ratner Companies, L.C. ("**Debtors**") filed with this Court their voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code (the "**Code**").

2. Debtors continue to operate and manage their property as debtors in possession pursuant to §§ 1107(a) and 1108 of the Code.

¹ The Debtors in these chapter 11 cases are: (i) Creative Hairdressers, Inc. and (ii) Ratner Companies, L.C.

3. The Landlord is a party to thirty (30) lease agreements (the “**Leases**”) with the Debtor Creative Hairdressers, Inc., dba Hair Cuttery, for various properties located in Florida (the “**Premises**”). Two additional locations and leases with Landlord have already been the subject of motions to reject.

4. On or about May 5, 2020, the Debtor filed the Assumption Notice.

5. The Landlord objects to any assumption and assignment of the Leases until it receives adequate assurance of future performance, in accordance with 11 U.S.C. §365, including without limitation:

(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;

(B) that any percentage rent due under such lease will not decline substantially;

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

(D) that assumption or assignment of such lease will not disrupt any tenant mix or balance in such shopping center.

11 U.S.C. §365(b)(3).

6. On or about May 5, 2020, Landlord received correspondence claiming to set forth adequate assurance information from the stalking horse bidder and relating to a certain equity infusion to be made to satisfy the cash requirements of the stalking horse bidder under the Asset Purchase Agreement (the “**Adequate Assurance Letter**”).

7. Unfortunately, the Adequate Assurance Letter does not contain any of the assurances required to be made under Section 365(b)(3)(B), (C) or (D), nor is it accompanied by any financial information of the proposed tenant (including financial statements and a balance sheet), a budget or projections demonstrating that the equity infusion will be sufficient to satisfy

the expenses of the proposed tenant, including the rent obligations under the Leases.

8. Since the Adequate Assurance Letter is insufficient to satisfy the provisions of the Bankruptcy Code relating to the assignment and assumptions of leases, the Court should not approve the assignment and assumption of Leases without first requiring the provision of the information sought herein, which includes financial statements (including a balance sheet) of the stalking horse bidder, as well as a budget and projections demonstrating that the equity infusion will be sufficient to satisfy the expenses of the proposed tenant, including the rent obligations under the Leases.

9. The Landlord hereby joins in the objections filed by other landlords to the extent that the other landlords' objections supplement and are not otherwise inconsistent with this Objection.

WHEREFORE, the Landlord respectfully requests that the Court require that any order allowing the assumption and assignment of the Leases be conditioned upon the provision to Landlord of adequate assurance as set forth herein, grant relief consistent with the relief requested herein and granting the Landlord such other and further relief as the Court deems appropriate.

Dated: May 18, 2020

Respectfully submitted,

/s/ Katie Lane Chaverri

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Square, LLC*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on May 18, 2020, a copy of the foregoing Objection to Adequate Assurance was duly served to all registered parties through the CM/ECF system for the United States Bankruptcy Court for the District of Maryland and on additional parties as follows:

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