

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

In re:

YELLOW CORPORATION, et al.,¹

Debtors.

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) Chapter 11
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) Case No. 23-11069 (CTG)
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**RESPONSE AND RESERVATION OF RIGHTS OF
PROLOGIS, L.P. AND DCT PEORIA STREET LLC TO
DEBTORS' FIRST NOTICE OF CLAIMS SATISFIED IN FULL**

Prologis, L.P. and DCT Peoria Street LLC (each a “Landlord” and collectively the “Landlords”), by and through their undersigned counsel, hereby submit this response and reservation of rights (this “Response”) to the Debtors’ First Notice of Claims Satisfied in Full [D.I. 4913] (the “Notice”) filed by the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”). In support of this Response, the Landlords respectfully represent as follows:

FACTUAL AND PROCEDURAL BACKGROUND

A. Vegas Lease

1. USF Reddaway, Inc. (“USF”) and Prologis, L.P. as successor-in-interest to NATMI Truck Terminals, LLC (“Prologis”) are parties to that certain *Lease Agreement* (together with all exhibits, amendments, and/or supplements thereto, the “Vegas Lease”), effective as of January 30, 2009, for certain premises located at 4650 East Cheyenne Road, Las Vegas, Clark County, Nevada (as more fully described in the Vegas Lease) (the “Vegas Premises”).

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://dm.epiq11.com/YellowCorporation>. The location of Debtors’ principal place of business and the Debtors’ service address in these chapter 11 cases is: 11500 Outlook Street, Suite 400, Overland Park, Kansas 66211.

2. As of the Petition Date, no less than \$63,313.34 was due by USF to Prologis in unpaid Rent (as defined below) under the Vegas Lease.

B. Sun Valley Lease

3. YRC, Inc. (“YRC”) and DCT Peoria Street LLC as successor-in-interest to Peoria Terminal Sun Valley (“DCT Peoria”) are parties to that certain *Lease Agreement* (together with all exhibits, amendments, and/or supplements thereto, the “Sun Valley Lease”), effective as of October 15, 2009, for certain premises located at 11266-11300 Peoria Street, Sun Valley, California (as more fully described in the Sun Valley Lease) (the “Sun Valley Premises”).

4. As of the filing of the Petition Date, no less than \$72,253.18 was due by YRC to DCT Peoria in unpaid Rent under the Sun Valley Lease.

C. Debtors’ Bankruptcy Proceedings

5. On August 6, 2023 (the “Petition Date”), each of the Debtors filed voluntary petitions for relief under chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). These chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b). The Debtors are operating their businesses and maintaining their assets as debtors in possession pursuant to 11 U.S.C. §§ 1107(a) and 1108.

6. On September 15, 2023, this Court entered the *Order (I)(A) Approving the Bidding Procedures For the Sale or Sales of the Debtors’ Assets, (B) Scheduling Auctions and Approving the Form and Manner of Notice Thereof; (C) Scheduling Sale Hearings and Approving the Form and Manner of Notice Thereof; (II)(A) Approving the Sale of the Debtors’ Assets Free and Clear of Liens, Claims, Interests and Encumbrances and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief* [D.I. 575] (the

“Bidding Procedure Order”), by which it approved procedures for the assumption or assumption and assignment of executory contracts and unexpired leases and granted related relief.

7. On October 26, 2023, the Debtors filed the Notice of Potential Assumption identifying those executory contracts and unexpired leases that may be assumed by the Debtors and assigned to third-parties pursuant to Section 365 of the Bankruptcy Code and the amounts that the Debtors assert must be paid to cure any defaults under each of the Leases (the “Proposed Cure Amounts”).

8. On November 9, 2023, Landlords filed an Objection and Reservation of Rights to the Notice of Potential Assumption and Proposed Cure Amounts [D.I. 1114].

9. On November 13, 2023, Prologis filed a proof of claim with respect to the Vegas Lease (Claim No. 18150).

10. On November 13, 2023, DCT Peoria filed a proof of claim with respect to the Sun Valley Lease (Claim No. 18392).

11. On January 12, 2024, the Court entered the *Order (I) Approving Certain Asset Purchase Agreements; (II) Authorizing and Approving Sales of Certain Leased Properties of the Debtors Free and Clear of Liens, Claims, Interests, and Encumbrances, in Each Case Pursuant to the Applicable Asset Purchase Agreement; (III) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection Therewith, in Each Case as Applicable Pursuant to the Applicable Asset Purchase Agreement; and (IV) Granting Related Relief* (the “Sale Order”) [D.I. 1735], which, *inter alia*, approved the assumption and assignment of the Vegas Lease and Sun Valley Lease and required payment of the applicable cure costs.

12. Subsequent to the entry of the Sale Order, counsel for the Landlords and the Debtors met and conferred regarding the Proposed Cure Amounts and payment of same.

RESPONSE AND RESERVATION OF RIGHTS

13. The Landlords only object to the Notice and their claims being deemed satisfied to the extent the applicable cure costs were not paid by the Debtors and/or the assignees. The Landlords are in the process of reviewing their books and records and, upon confirming that the cure costs were received, will withdraw this Response.

14. In addition to the foregoing, the Landlords reserve the right to supplement or amend this Response based upon information acquired by the Landlords, and to introduce evidence at any hearing related to the Chapter 11 Cases and/or this Response. Further, the Landlords reserve the right to otherwise amend, supplement, and/or otherwise modify this Response, and to raise other and further objections to the objection to their respective proofs of claim. The Landlords additionally reserve the right to exercise all available remedies under the Leases to obtain possession of the Premises (subject to any applicable procedural limitations imposed by the Bankruptcy Code and Federal Rules of Bankruptcy Procedure), and to assert additional claims against the Debtors at the appropriate time.

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CONCLUSION

WHEREFORE, for the reasons set forth above, the Landlords respectfully request that this Court predicate any entry of an order deeming the Landlords' claims satisfied on the satisfaction of cure obligations as those existed at the time of the assumption and assignment, consistent with this Response, and grant such other and further relief as is just and equitable.

Dated: November 29, 2024

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