

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

Caption in Compliance with D.N.J. LBR 9004-1(b)

Dorsey & Whitney LLP

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Attorneys for 729 Washington Property Owner LLC

In re:

WEWORK INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 23-19865 (JKS)

(Jointly Administered)

**SUPPLEMENTAL DECLARATION IN SUPPORT OF MOTION FOR ORDER
COMPELLING DEBTORS TO PAY
POST-PETITION RENT AND RELATED CHARGES
UNDER UNEXPIRED LEASE OF NONRESIDENTIAL REAL PROPERTY**

I, Courina Yulisa, declare the following:

1. I represent 729 Washington Property Owner LLC (“729 Washington”) and I am authorized to make this supplemental declaration in support of the *Motion for Order Compelling Debtors to Pay Post-Petition Rent and Related Charges Under Unexpired Lease of Nonresidential Real Property* [Docket no. 1193] (the “Motion”) filed by 729 Washington.

2. In connection with a landlord’s motion to compel payments under section 365(d)(3) of the Bankruptcy Code, at least one court in this District has awarded the payment of post-petition,

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://dm.epiq11.com/WeWork>. The location of Debtor WeWork Inc.’s principal place of business is 12 East 49th Street, 3rd Floor, New York, NY 10017; the Debtors’ service address in these chapter 11 cases is WeWork Inc. c/o Epiq Corporate Restructuring, LLC 10300 SW Allen Blvd. Beaverton, OR 97005.

pre-rejection interest and late fees as provided in the underlying lease or contract. *See In re Pelican Pool*, No. 05-22983 (DHS), 2009 Bankr. LEXIS 4623, at *38 (Bankr. D.N.J. July 27, 2009) (holding that the landlord is entitled to interest on post-petition and pre-rejection lease obligations pursuant to Bankruptcy Code section 365(d)(3)).

3. Pursuant to the Lease,² 729 Washington is entitled to interest at the default rate (the “Post-Petition Interest”) for any pre-rejection Post-Petition Amount Due under the Lease. The Lease requires that the Debtor pay interest at the Default Rate for any Rent (as defined in the Lease under section 3.3 to include Operational Expenses, Real Estate Taxes, and Additional rent) that remains unpaid after five business days after 729 notifies that such Rent is due. *See* Lease, § 20.1. The Default Rate is defined as “the lesser of (A) the rate announced from time to time by U.S. Bank or, if U.S. Bank ceases to exist or ceases to publish such rate, then the rate announced from time to time by the largest (as measured by deposits) chartered bank operating in the State of Minnesota, as its “prime rate” or “reference rate”, plus 3.0%, or (B) the maximum rate of interest permitted by applicable law, in either case, per annum.” Lease, § 6.4(b). As of the filing of the Motion, the Default Rate constitutes the prime rate of 8.5%³ plus 3.0%, amounting to 11.5%.

4. To date, the Debtor owes Post-Petition Interest for the January Rent commencing on January 6, 2024 and for any electric charges invoiced but remains unpaid after 30 days the electric invoice was sent to the Debtor. These Post-Petition Interest amount continues to accrue and will be increased to include the February rent and the electric charges, as applicable, until the Post-Petition Amount Due is paid.

5. Attached and incorporated herein as **Exhibit 1** is a revised proposed order (the “Revised Order”) that includes payment sought for Default Interest. A blackline of the Revised

² Capitalized terms not defined herein shall have the meaning ascribed to them in the Motion.

³ The prime rate is subject to change.

Order to the Proposed Order included in the Motion as Exhibit A is attached and incorporated herein as **Exhibit 2**.

6. In addition to the relief sought in the Motion, 729 Washington seeks relief for any unpaid pre-rejection, Post-Petition Interest amount due for the January and February rents, as well as the electric charges, in the amount of the prime rate plus 3.0% as set forth under the Lease.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

DATED this 30th day of January, 2024.

DORSEY & WHITNEY LLP

/s/ Courina Yulisa
Courina Yulisa
Samuel S. Kohn (*pro hac vice*)
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*Attorneys for 729 Washington
Property Owner LLC*

EXHIBIT 1

Revised Order

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

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In re:

WEWORK INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 23-19865 (JKS)

(Jointly Administered)

**ORDER COMPELLING DEBTORS TO PAY POST-PETITION RENT
AND RELATED CHARGES OWED TO 729 WASHINGTON PROPERTY OWNER
LLC UNDER UNEXPIRED LEASE OF NONRESIDENTIAL REAL PROPERTY**

The relief set forth on the following pages, numbered two (2) through three (3), is hereby
ORDERED.

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Page 2

Debtors: WeWork Inc., *et al.*

Case No.: 23-19865 (JKS)

Caption: Order Compelling Debtors To Pay Post-Petition Rent And Related Charges Owed To 729 Washington Property Owner LLC Under Unexpired Lease Of Nonresidential Real Property

Upon consideration of the *Motion for an Order Compelling the Debtors to Pay Post-Petition Rent and Related Charges Owed Under Unexpired Lease of Nonresidential Real Property* (the “Motion”)² filed by 729 Washington Owner LLC (“729 Washington”), as landlord, and it appearing to the Court that all of the requirements of sections 365(d)(3) and 503(b)(1) of the Bankruptcy Code, as well as the Federal Rules of Bankruptcy Procedure and the Local Rules of the United States Bankruptcy Court for the District of New Jersey, have been satisfied; and it further appearing that the relief sought herein is reasonable and necessary; and that the notices of the Motion were appropriate; and after due deliberation and sufficient and good cause appearing therefore;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. 729 Washington Ave Tenant LLC (the “Debtor”) shall perform all post-petition obligations under the Lease in a timely manner unless and until such time the Lease is rejected and the Premises are surrendered by the Debtor.
3. The Debtor shall pay 729 Washington the Post-Petition Amount Due and payable under the Lease in the amount of \$662,646.76 within two (2) business days from the entry of this Order.
4. The Debtor shall pay 729 Washington the electric charges in the amount of \$4,831.46 pursuant to the invoice attached as Exhibit D to the Motion within two (2) business days from the entry of this Order.

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Page 3

Debtors: WeWork Inc., *et al.*

Case No.: 23-19865 (JKS)

Caption: Order Compelling Debtors To Pay Post-Petition Rent And Related Charges Owed To 729 Washington Property Owner LLC Under Unexpired Lease Of Nonresidential Real Property

5. The Debtor shall pay 729 Washington all reasonable costs and attorneys' fees incurred in connection with prosecution of the Motion in the amount of \$_____, within two (2) business days from the entry of this Order.

6. The Debtor shall pay 729 Washington post-petition interest in the default rate of the prime rate plus three percent (3.0%) on the Post-Petition Amount Due as required by the Lease until such Post Petition Amount Due is paid or the Lease is deemed rejected by order of the Court.

7. 729 Washington's claim against the Debtor for Stub Rent in the amount of \$272,313.20 pursuant to 11 U.S.C. § 503(b)(1) is allowed and shall be entitled to available distributions on such claim in connection with these chapter 11 cases.

8. The requirement set forth in Local Rule 9013-1(a)(3) that any motion be accompanied by a memorandum of law is hereby deemed satisfied by the contents of the Motion or otherwise waived.

9. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

EXHIBIT 2

Blackline

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY	
Caption in Compliance with D.N.J. LBR 9004-1(b)	
Dorsey & Whitney LLP Samuel S. Kohn (<i>pro hac vice</i>) Courina Yulisa 51 West 52nd Street New York, New York 10019-6119 Telephone: (212) 415-9200 Facsimile: (212) 953-7201 Email: kohn.sam@dorsey.com yulisa.courina@dorsey.com <i>Attorneys for 729 Washington Property Owner LLC</i>	
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WEWORK INC., <i>et al.</i> , ¹	Case No. 23-19865 (JKS)
Debtors.	(Jointly Administered)

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Case No.: 23-19865 (JKS)

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Property

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Debtors: WeWork Inc., *et al.*

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