

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division

IN RE:)	Chapter 11
)	
GUITAR CENTER, INC., <i>et al.</i> ,)	Case No. 20-34656-KRH
)	
Debtors.)	Jointly Administered
)	

**LIMITED OBJECTION OF GREENWAY PLAZA LLC TO DEBTORS’
NOTICE OF ASSUMPTION OF CERTAIN EXECUTORY CONTRACTS
AND UNEXPIRED LEASES IN CONNECTION WITH CONFIRMATION OF THE
DEBTORS’ JOINT PRE-PACKAGED CHAPTER 11 PLAN OF REORGANIZATION**

Greenway Plaza LLC (“Greenway” or “Landlord”), by and through its counsel, hereby submits this Limited Objection to the Debtor’s Notice of Assumption of Certain Executory Contracts and Unexpired Leases in Connection with Confirmation of the Debtors’ Joint Pre-Packaged Chapter 11 Plan of Reorganization (“Notice”) [docket no. 157]. In support of its Limited Objection, Greenway states as follows:

BACKGROUND

1. On November 11, 2020 (the “Petition Date”), Guitar Center, Inc., and its affiliates, filed its voluntary petition for relief under Chapter 11 of the United States Code (the “Bankruptcy Code”) with the United States Bankruptcy Court for the Eastern District of Virginia (Richmond) (the “Court”).

3. Landlord and Debtor are parties to a Deed of Lease Agreement dated April 20, 2016, together with all amendments and modifications thereto (collectively, the “Lease”) pursuant to which Debtor leases the nonresidential real property and improvements located at 7587 Greenbelt Road, Greenbelt, MD 20770 (the “Premises”).

The Lease is a lease “of real property in a shopping center” for purposes of 11 U.S.C. § 365(b)(3). The Premises is identified on page 77 (third from the bottom) of the Notice.

4. In the Notice, Debtor has asserted that it will pay all Cure amounts in Cash, but Debtor has not otherwise indicated in the Notice exactly what is being proposed as the Cure amount for the assumption of the Lease.

5. Greenway does not object in and of itself to the assumption of the Lease, but out of an abundance of caution and to preserve its rights, hereby files this Limited Objection to the Notice to ensure that all Cure amounts are paid as required by the Bankruptcy Code.

ARGUMENT

6. First, Greenway submits that Cure amount is \$20,720.73. Pursuant to the Lease, Debtor is required to pay to Landlord on a monthly basis Minimum Rent, and Additional Rent, including, but not limited to, Common Area Operating Costs and real estate taxes, as fully set forth in the Lease. Greenway’s account ledger (exclusive of attorneys’ fees and expenses and reconciliation of calendar year 2020 pass-throughs, for which Greenway reserves all rights) through the date of the filing of this Limited Objection is attached hereto as Exhibit 1 and incorporated by reference herein. As set forth in Exhibit 1, Greenway is owed \$20,720.73 for Minimum Rent and Additional Rent as of the date of the filing of this Limited Objection.

7. Second, the passage of time between the filing of the Notice and the effective date of any assumption of the Lease should be taken into account as well. Accordingly, any order that is entered establishing a cure amount with respect to the Lease must require that the Debtor (i) comply with all obligations under the Lease

pursuant to 11 U.S.C. § 365(d)(3) pending the actual assumption of the Lease, and (ii) cure any additional defaults that may occur under the Lease between the date of this Limited Objection and the effective date of any assumption by the Debtor. See 11 U.S.C. § 365(b)(1).

8. Third, there may be rents and additional rents that may become due under the Lease after the Lease is assumed, but which may relate to the pre-assumption period (*i.e.*, real estate tax and common area maintenance reconciliations). Any order establishing cure amounts in connection with the assumption of the Lease must provide for the payment of all charges due and/or accrued in the ordinary course under the terms of the Lease.

9. Lastly, under the Lease, Landlord is entitled to certain attorneys' fees and costs. These amounts are currently unliquidated because as of the date hereof Landlord cannot be certain whether its Lease will be assumed and when such assumption will occur. The correct cure amount should include all of Landlord's attorneys' fees and costs to which it is entitled under the Lease.

WHEREFORE, for the foregoing reasons, Greenway Plaza LLC respectfully requests that the Court enter an order that establishes a cure amount with respect to the Lease which is consistent with the relief requested herein, and that the Court grant such other and further relief as is just and proper.

Dated: December 9, 2020

MAGRUDER COOK
KOUTSOUFTIKIS & PALANZI

By: /s/ Leon Koutsouftikis
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CERTIFICATE OF SERVICE

I certify that on the 9th day of December 2020, I caused a copy of the foregoing Limited Objection to be sent via the CM/EFC System to all necessary parties.

/s/ Leon Koutsouftikis
Leon Koutsouftikis, Esq.

C494390.002

CM Inquiry Report for Occupant: MUSIC & ARTS
 Sorted by Date for Open / Closed Charges.
 Master Occupant ID:
 Address Id:
 Building ID:
 Lease ID:
 Income Category:
 Receipt Type Id:
 Receipt Descriptor:

From 12/4/2019 to 12/4/2020

Balance Forward: -174.72
 Charges (Debit): 118,373.83
 Receipts (Credit): -97,476.38
 Prapaid: 0.00
 Net: 20,720.73
 Security Deposit: 0.00

Cat	Date	BuildID	BuildingID	LeaseID	Src Description	Charges (Debit)	Receipts (Credit)	Receipt Type Id	Receipt Descriptor	Balance	Invoice
					Balance Forward:					-174.72	
					101255 CH @ 2020 License Fee	405.00	0.00			230.28	
T99	12/23/2019	121111	55		101255 CH @ 2020 License Fee	0.00	-6,954.00	LOC	926515	-6,723.72	
PMG	12/30/2019	121107	55		101255 CR Prepaid Rent	0.00	-2,489.87	LOC	926515	-9,213.59	
PPD	12/30/2019	121207	55		101255 CR Prepaid Other	0.00	0.00			-9,113.59	
T18	12/31/2019	121335	55		101255 CH @ Bulk trash removal 12/17/19	100.00	0.00			-8,224.16	
CM1	1/1/2020	121002	55		101255 CH AUTOCHRG @T1/31/2020 @R	889.43	0.00			-1,270.16	
MG1	1/1/2020	121002	55		101255 CH AUTOCHRG @T1/31/2020	6,954.00	0.00			-65.38	
RE1	1/1/2020	121002	55		101255 CH AUTOCHRG @T1/31/2020 @R	1,204.78	0.00			926515	8,927.27
PMG	1/13/2020	121470	55		101255 PR CreditApply	6,954.00	0.00			926515	8,965.88
PPD	1/13/2020	121470	55		101255 PR CreditApply	2,073.26	0.00			926515	2,007.88
MG1	1/13/2020	121470	55		101255 CR CreditApply	0.00	-6,954.00	APL		926515	1,118.45
CM1	1/13/2020	121470	55		101255 CR CreditApply	0.00	-889.43	APL		926515	-65.38
RE1	1/13/2020	121470	55		101255 CR CreditApply	0.00	-1,183.83	APL		926515	824.05
CM1	2/1/2020	121532	55		101255 CH AUTOCHRG @T2/29/2020	889.43	0.00			7,778.05	
MG1	2/1/2020	121532	55		101255 CH AUTOCHRG @T2/29/2020	6,954.00	0.00			8,982.83	
RE1	2/1/2020	121532	55		101255 CH AUTOCHRG @T2/29/2020	1,204.78	0.00			9,157.55	
RE2	2/3/2020	121727	55		101255 PR CreditApply	174.72	0.00			9,287.24	
T99	2/3/2020	121727	55		101255 CR Receipt	0.00	-330.28	LOC	928724	8,827.27	
T18	2/3/2020	121727	55		101255 CR Receipt	0.00	-100.00	LOC	928724	1,873.27	
MG1	2/3/2020	121727	55		101255 CR Receipt	0.00	-6,954.00	LOC	928724	983.84	
CM1	2/3/2020	121727	55		101255 CR Receipt	0.00	-889.43	LOC	928724	-220.94	
RE1	2/3/2020	121727	55		101255 CR Receipt	0.00	-1,204.78	LOC	928724	-395.66	
T99	2/3/2020	121727	55		101255 CR CreditApply	0.00	-174.72	LOC		-374.71	
PPD	2/11/2020	121905	55		101255 PR CreditApply	20.95	0.00			926515	-395.66
RE1	2/11/2020	121905	55		101255 CR CreditApply	0.00	-20.95	APL		926515	499.77
CM1	3/1/2020	122088	55		101255 CH AUTOCHRG @T3/31/2020	889.43	0.00			7,447.77	
MG1	3/1/2020	122088	55		101255 CH AUTOCHRG @T3/31/2020	6,954.00	0.00			8,652.55	
RE1	3/1/2020	122088	55		101255 CH AUTOCHRG @T3/31/2020	1,204.78	0.00			8,717.93	
PPD	3/2/2020	122156	55		101255 PR CreditApply	65.38	0.00			926515	1,763.93
MG1	3/2/2020	122156	55		101255 CR Receipt	0.00	-6,954.00	LOC	930957	939.88	
CM1	3/2/2020	122156	55		101255 CR Receipt	0.00	-824.05	LOC	930957	-264.90	
RE1	3/2/2020	122156	55		101255 CR Receipt	0.00	-1,204.78	LOC	930957	-330.28	
CM1	3/2/2020	122156	55		101255 CR CreditApply	0.00	-65.38	LOC	926515	-5,041.31	
CM2	3/20/2020	122394	55		101255 NC @ 2019 CAM Recovery	0.00	-4,710.83			-4,151.68	
CM1	4/1/2020	122451	55		101255 CH AUTOCHRG @T4/30/2020	889.43	0.00			2,802.32	
MG1	4/1/2020	122451	55		101255 CH AUTOCHRG @T4/30/2020	6,954.00	0.00			4,007.10	
RE1	4/1/2020	122451	55		101255 CH AUTOCHRG @T4/30/2020	1,204.78	0.00			4,896.53	
CM1	5/1/2020	122829	55		101255 CH AUTOCHRG @T5/31/2020	889.43	0.00			11,850.53	
MG1	5/1/2020	122829	55		101255 CH AUTOCHRG @T5/31/2020	6,954.00	0.00			13,055.31	
RE1	5/1/2020	122829	55		101255 CH AUTOCHRG @T5/31/2020	1,204.78	0.00			13,944.74	
CM1	6/1/2020	123222	55		101255 CH AUTOCHRG @T6/30/2020	889.43	0.00			20,898.74	
MG1	6/1/2020	123222	55		101255 CH AUTOCHRG @T6/30/2020	6,954.00	0.00			22,103.52	
RE1	6/1/2020	123222	55		101255 CH AUTOCHRG @T6/30/2020	1,204.78	0.00			22,990.95	
CM1	7/1/2020	123668	55		101255 CH AUTOCHRG @T7/31/2020	889.43	0.00			29,946.95	
MG1	7/1/2020	123668	55		101255 CH AUTOCHRG @T7/31/2020	6,954.00	0.00			31,151.73	
RE1	7/1/2020	123668	55		101255 CH AUTOCHRG @T7/31/2020	1,204.78	0.00			24,197.73	
MG1	7/6/2020	123930	55		101255 CR Receipt	0.00	6,954.00	LOC	936437	23,308.30	
CM1	7/6/2020	123930	55		101255 CR Receipt	0.00	-889.43	LOC	936437	22,103.52	
RE1	7/6/2020	123930	55		101255 CR Receipt	0.00	-1,204.78	LOC	936437	22,992.95	
CM1	8/1/2020	124100	55		101255 CH AUTOCHRG @T8/31/2020	889.43	0.00			29,946.95	
MG1	8/1/2020	124100	55		101255 CH AUTOCHRG @T8/31/2020	6,954.00	0.00			31,151.73	
RE1	8/1/2020	124100	55		101255 CH AUTOCHRG @T8/31/2020	1,204.78	0.00			24,197.73	
MG1	8/6/2020	124371	55		101255 CR Receipt	0.00	-6,954.00	LOC	937938	23,308.30	
CM1	8/6/2020	124371	55		101255 CR Receipt	0.00	-889.43	LOC	937938	22,103.52	
RE1	8/6/2020	124371	55		101255 CR Receipt	0.00	-1,204.78	LOC	937938	22,992.95	
CM1	9/1/2020	124511	55		101255 CH AUTOCHRG @T9/30/2020	889.43	0.00			29,946.95	
MG1	9/1/2020	124511	55		101255 CH AUTOCHRG @T9/30/2020	6,954.00	0.00			31,151.73	
RE1	9/1/2020	124511	55		101255 CH AUTOCHRG @T9/30/2020	1,204.78	0.00			24,197.73	
MG1	9/4/2020	124764	55		101255 CR Receipt	0.00	6,954.00	LOC	939742	23,308.30	
CM1	9/4/2020	124764	55		101255 CR Receipt	0.00	-889.43	LOC	939742	22,103.52	
RE1	9/4/2020	124764	55		101255 CR Receipt	0.00	-1,204.78	LOC	939742	18,616.52	
MG1	9/22/2020	124948	55		101255 NC @ Adj. 6/20 per 9/21/20 Agmt.	0.00	-3,477.00			15,149.52	
MG1	9/22/2020	124948	55		101255 NC @ Adj. 6/20 per 9/21/20 Agmt.	0.00	-3,477.00			11,672.52	
CM1	10/1/2020	124963	55		101255 CH AUTOCHRG @T10/31/2020	889.43	0.00			12,561.95	
MG1	10/1/2020	124963	55		101255 CH AUTOCHRG @T10/31/2020	6,954.00	0.00			19,515.95	
RE1	10/1/2020	124963	55		101255 CH AUTOCHRG @T10/31/2020	1,204.78	0.00			20,720.73	
MG1	10/8/2020	125317	55		101255 CR Receipt	0.00	-6,954.00	LOC	941031	13,766.73	
CM1	10/8/2020	125317	55		101255 CR Receipt	0.00	-889.43	LOC	941031	12,877.30	
RE1	10/8/2020	125317	55		101255 CR Receipt	0.00	-1,204.78	LOC	941031	11,672.52	
CM1	11/1/2020	125473	55		101255 CH AUTOCHRG @T11/30/2020	889.43	0.00			12,561.95	
MG1	11/1/2020	125473	55		101255 CH AUTOCHRG @T11/30/2020	6,954.00	0.00			19,515.95	
RE1	11/1/2020	125473	55		101255 CH AUTOCHRG @T11/30/2020	1,204.78	0.00			20,720.73	
MG1	11/5/2020	125735	55		101255 CR Receipt	0.00	-6,954.00	LOC	942639	13,766.73	
CM1	11/5/2020	125735	55		101255 CR Receipt	0.00	-889.43	LOC	942639	12,877.30	
RE1	11/5/2020	125735	55		101255 CR Receipt	0.00	-1,204.78	LOC	942639	11,672.52	
CM1	12/1/2020	125885	55		101255 CH AUTOCHRG @T12/31/2020	889.43	0.00			12,561.95	
MG1	12/1/2020	125885	55		101255 CH AUTOCHRG @T12/31/2020	6,954.00	0.00			19,515.95	
RE1	12/1/2020	125885	55		101255 CH AUTOCHRG @T12/31/2020	1,204.78	0.00			20,720.73	
						118,373.83	-97,476.38				

