

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

In re: : Case No. 21-32351
: :
LIMETREE BAY SERVICES, LLC, et al. : Chapter 11
: :
: (Jointly Administered)
Debtors. :

OBJECTION OF F&M MAFCO, INC. TO PROPOSED CURE AMOUNT

Lessor/Creditor F&M Mafco, Inc. (“F&M”) hereby objects to the proposed cure amount with respect to its Lease (as defined below) set forth on Schedule A [Doc. No. 750-1] (“Contract Schedule”) to the Notice of Potential Assumption and Assignment of Executory Contracts or Unexpired Leases and Cure Amounts [Doc. No. 750] filed on November 20, 2021, and in support of its Objection states as follows:

1. Limetree Bay Services, LLC and certain of its subsidiaries and affiliates, including Limetree Bay Refining, LLC (collectively, the “Debtor”), commenced these jointly administered bankruptcy cases by filing petitions for relief under chapter 11 of the United States Bankruptcy Code with this Court on July 12, 2021 (the “Petition Date”). The Debtor continues to operate its business in accordance with 11 U.S.C. §§ 1107(a) and 1108.

2. F&M is party to a certain Lease Schedule No. LTR-339-01 to a Master Equipment Lease Agreement dated July 8, 2019 (the “Lease”) with Debtor and Limetree Bay Terminals LLC (“Terminals”), whereby F&M leases certain equipment to the Debtor and Terminals. A true and accurate copy of the Lease is attached to F&M’s Proof of Claim filed on November 11, 2021 [Claim No. 137] (“F&M POC”) as Exhibit A.

3. The Lease is designated on the Contract Schedule as “Contract LTR-339.” The Debtor has proposed a cure amount of \$85,750.00 with respect to the Lease.

4. F&M hereby objects to the proposed cure amount because such cure amount is not sufficient to cure the Debtor’s defaults under the Lease. As of the Petition Date, the amount necessary to cure such defaults totaled \$157,200.00 (the “Actual Cure Amount”). Additional information supporting the Actual Cure Amount is disclosed in the F&M POC, which is hereby incorporated herein by reference.

5. In addition to paying the Actual Cure Amount to F&M in connection with any assumption of the Lease, the Debtor must also cure any defaults that may occur under the Lease between the Petition Date and the actual date upon which the Lease is assumed by the Debtor.

6. Furthermore, the Debtor must be required to reserve monies from the proceeds of the sale and/or assignment of the Lease in a sufficient amount to pay any amounts that become due under the Lease after the date of assignment that may have accrued prior to such sale/assignment.

7. Accordingly, F&M objects to any assumption of the Lease by the Debtor unless the Debtor is required to, as a condition precedent thereto: (a) pay the Actual Cure Amount to F&M upon assumption of the Lease by the Debtor; (b) cure any defaults that may occur between the Petition Date and the date upon which the Lease is actually assumed by the Debtor; and (c) reserve and/or escrow amounts sufficient to pay any amounts that become due under the Lease after the date of its sale and/or assignment that may have accrued prior to such sale/assignment.

8. F&M reserves the right to supplement or amend this Objection, including the Actual Cure Amount, as circumstances warrant.

WHEREFORE, F&M requests that prior to entry of any order authorizing assumption of its Lease, this Court: (i) require the Debtor to pay the Actual Cure Amount and such other cure/reserve amounts as set forth herein, plus any additional pecuniary loss(es) suffered by F&M, including reasonable post-petition attorneys' fees; (ii) require the Debtor or its successor(s) to comply with all future obligations under the subject Lease or with respect to F&M's interest in the property subject to the Lease and (iii) grant such other and further relief as is just and appropriate.

Respectfully submitted,

/s/ Deirdre Carey Brown
Deirdre Carey Brown, pllc
State Bar No. 24049116
FORSHEY & PROSTOK LLP
777 Main St., Suite 1290
Fort Worth, Texas 76102
Telephone: 817-877-8855
Facsimile: 817-877-4151
dbrown@forsheyprostok.com
Attorneys for Lessor/Creditor F&M Mafco, Inc.

CERTIFICATE OF SERVICE

I certify that on November 29, 2021, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Deirdre Carey Brown
Deirdre Carey Brown

11293660.2