

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

URBAN BRANDS, INC., et al.

Debtor.

Case No. 10-13005 (KJC)
Chapter 11
Jointly Administered
Related Document: 34 and 104

**OBJECTION OF JUBILEE CHRISTIAN CHURCH INTERNATIONAL, INC.,
LANDLORD, TO PROPOSED CURE AMOUNT SET FORTH
IN *CORRECTED* NOTICE OF EXECUTORY CONTRACTS
AND LEASES WHICH MAY BE ASSUMED**

Jubilee Christian Church International, Inc. ("Jubilee Church"), by and through its counsel, hereby objects to the Corrected Notice of Executory Contracts and Unexpired Leases Which May Be Assumed And Assigned, Pursuant to Section 365 of the Bankruptcy Code, In Connection With the Sale of Substantially All of the Debtors' Assets and the Proposed Cure Amounts With Respect Thereto ("Cure Notice"), filed by the above captioned debtors on or about September 30, 2010. As the basis of this Objection, Jubilee Church states that the amount due and payable to Jubilee Church under its lease with Metro Apparel of Massachusetts, Inc. through October 21, 2010 is \$83,998.59 (plus attorneys' fees), not \$36,979.36 as stated in the Cure Notice, and it is this higher amount that must be paid to Jubilee Church upon assumption of the subject lease. In further support of the foregoing, Jubilee Church states the following:

1. On September 22, 2010 (the "Petition Date"), Urban Brands, Inc. and its affiliates ("Debtors") commenced the above captioned cases pursuant to chapter 11 of the Bankruptcy Code.

2. The Debtors are managing their collective business as debtors in possession pursuant to 11 U.S.C. §§1107 and 1108.

3. On the Petition Date, the Debtors filed a motion seeking approval of various bid procedures pertaining to a proposed sale of substantially all of the Debtors' assets as a "going-concern" to an entity to be formed by Gordon Brothers Retail Partners, LLC, or to the highest bidder for the Debtors' assets, pursuant to 11 U.S.C. §363 (the "Bidding Procedures Motion"); through this process, the Debtors also sought, and obtained, approval for the procedure that will govern the assumption and assignment of certain of the Debtors' contracts and leases to the buyer under 11 U.S.C. §363.

4. Jubilee Church leases approximately 4,300 square feet of space located in the "Warren Palmer Building" in Dudley Square in Roxbury, Massachusetts to Metro Apparel of Massachusetts, Inc., ("Metro") pursuant to a triple net lease dated September 20, 2006, as amended ("Lease"); Metro operates a retail store under the "Ashley Stewart" brand name at this location. Metro is a debtor in this proceeding.

5. The base monthly rent due to Jubilee Church under the Lease is \$10,750.00. Under the Lease, Metro is also obligated to make payments of approximately \$1,700 towards operating costs and real estate taxes, for a total monthly payment of \$12,450. ("Rent Charge"). The Lease expires on November 30, 2017.

6. On or about September 30, 2010, the Debtors filed a "Corrected Notice of Executory Contracts and Unexpired Leases Which May Be Assumed and Assigned, Pursuant to Section 365 of the Bankruptcy Code, in Connection with the Sale of Substantially All of the Debtor's Assets and the Proposed Cure Amounts With Respect Thereto" (the "Cure Notice").

7. In the Cure Notice, the Debtors indicate that they may seek to assume the Lease pursuant to 11 U.S.C. § 365(b)(1) and assign it to the ultimate purchaser of the Debtors' assets, should that purchaser so elect to acquire the Lease. The Debtors state that the arrears under the Lease, and that which must be "cured" under 11 U.S.C. § 365(b)(1)(A), upon assumption of the Lease is \$36,979.96 ("Proposed Cure Amount").

8. Jubilee Church hereby objects¹ to the Proposed Cure Amount as it is understated. As is indicated by the attached *Exhibit A*, the amount owing by Metro under the Lease through this date is approximately \$83,998.59, exclusive of attorneys' fees, and including base rent, and Metro's portion of real estate taxes and operating charges, ("Arrears").

9. Jubilee Church states that the amount of the Arrears, *as well as any charges that accrue through the date the Lease is assumed*, must be paid as a condition of assumption of the Agreement and cured under 11 U.S.C. § 365(b)(1).

WHEREAS, Jubilee Church respectfully requests that this Court enter an Order conditioning assumption of the Lease on the timely payment to Jubilee Church of the amount of \$83,998.59 plus any amounts that come due during the Lease subsequent to the filing of this Objection, or such other amount is as agreed to by Jubilee Church and the Debtors.

¹ The Debtors, through their counsel, agreed to extend the deadline for Jubilee Church to object to the Cure Notice through October 22, 2010 at 4:00 PM to provide Jubilee Church additional time to reconcile its data with that of the Debtors.

Respectfully submitted,

JUBILEE CHRISTIAN CHURCH
INTERNATIONAL, INC.

By its attorneys,

/s/ Lynne B. Xerras

John J. Monaghan (Mass Bar #546451)

Lynne B. Xerras (Mass Bar #632441)

HOLLAND & KNIGHT LLP

10 St. James Avenue

Boston, Massachusetts 02116

(617) 523-2700

Dated: October 22, 2010

#9857775_v1