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

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In re:

STG LOGISTICS, INC, *et al.*

Chapter 11

Case No. 26-10258 (MEH)

Debtors.¹

(Jointly Administered)

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**LIMITED OBJECTION AND
RESERVATION OF RIGHTS OF
CENTRAL AVENUE INDUSTRIAL
PARK LLC AND GREENLEAF INDUSTRIAL
PARKING LLC TO PROPOSED ASSUMPTION
OF REAL PROPERTY LEASES PURSUANT TO PLAN
SUPPLEMENT FOR THE FIRST AMENDED JOINT PLAN OF
REORGANIZATION OF STG LOGISTICS, INC. AND ITS DEBTOR AFFILIATES**

Central Avenue Industrial Park LLC (the “Industrial Landlord”) and Greenleaf Industrial Parking (the “Parking Landlord,” together with the Industrial Landlord, as the “Landlords”), by and through their undersigned counsel, submit this reservation of rights and limited objection (the “Limited Objection”) to the proposed assumption of the Leases (as defined below), including to

¹ The last four digits of Debtor STG Logistics, Inc.’s tax identification number are 8624. 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/STGLogistics>. The location of the Debtors’ service address in these chapter 11 cases is: 5165 Emerald Parkway, Dublin, Ohio 43017.

the cure amounts for the Leases proposed by the above-captioned debtors (the “Debtors”) in the Schedule of Assumed Executory Contracts and Unexpired Leases (“Assumption List”) attached as Exhibit G to the *Plan Supplement For The First Amended Joint Plan Of Reorganization Of Stg Logistics, Inc. And Its Debtor Affiliates Pursuant To Chapter 11 Of The Bankruptcy Code* [Docket No. 725] (the “Plan Supplement”). In support of the Limited Objection, the Landlords respectfully state as follows:

BACKGROUND

1. In an Amended and Restated Standard Industrial Lease Agreement dated February 13, 2004 (as amended, the “Industrial Lease”) the Industrial Landlord leased to STG Logistics, Inc. f/k/a St. George Warehousing & Trucking Co. of California, Inc. (the “STG Tenant”) certain premises (the “Industrial Premises”), which includes that certain building consisting of approximately 418,344 rentable square feet (RSF), located at 1650 South Central Avenue, Compton, California 90220, as more particularly described in the Lease.

2. In a separate Parking Facilities Lease Agreement dated April 28, 2008 (as amended, the “Parking Lease”) the STG Tenant leased from the Parking Landlord approximately four (4) acres of land (the “Parking Premises”) located at 1400 Greenleaf Boulevard, Compton, California 90220, which is adjacent to the Industrial Premises. The Landlords are commonly-managed.

3. Both Leases include broad attorneys’ fees and indemnification provisions obligating the STG Tenant to pay, *inter alia*, the attorneys’ fees and costs incurred by the Landlords.

4. On January 12, 2026 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

5. On April 14, 2026, the Debtors filed their *First Amended Joint Plan of Reorganization of STG Logistics, Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 617] (as may be amended or modified from time to time and including all exhibits and supplements thereto, the “Plan”).

6. On May 1, 2026, the Debtors filed the Plan Supplement attaching the Assumption List as Exhibit G. The Industrial Lease² and the Parking Lease³ appear on the Assumption List with cure amounts each in the amount of \$0.00.

7. The Debtors and Landlords have been engaged in negotiations concerning amendments to the Leases. The parties have agreed in principle to the terms of lease amendments, but have not finalized their agreement as of the filing of this Objection.

LIMITED OBJECTION

8. A debtor may not assume an unexpired lease under which it is in default unless, *inter alia*, the debtor “cures, or provides adequate assurance that the trustee will promptly cure, such default” 11 U.S.C. § 365(b)(1)(A); *In re Weinstein Co. Holdings LLC*, 997 F.3d 497, 505 (3d Cir. 2021) (“To assume a contract, the debtor or the buyer must cure all existing defaults (or provide adequate assurance of a cure), basically putting the contract in the same place as if the bankruptcy did not happen.”). In addition, a debtor is required to “compensate[], or provide[] adequate assurance that [the debtor] will promptly compensate . . . for any actual pecuniary loss to such party resulting from such default.” 11 U.S.C. § 365(b)(1)(B).

9. It is well-established that attorneys’ fees and costs are recoverable as part of a cure payment required under § 365(b)(1) to the extent permitted under the lease or contract. *See In re*

² Assumption List, p. 15.

³ Assumption List, p. 26.

Williams, 2011 WL 2533046, *1 (Bankr. D. Del. 2011) (citing *In re Crown Books Corp.*, 269 B.R. 12, 15 (Bankr. D. Del. 2001) (“It is beyond cavil that attorneys’ fees incurred because of actions taken to enforce the underlying lease or contract may be properly recoverable as part of a cure payment if such lease or contract provides for attorneys’ fees.”). *See also In re Child World, Inc.*, 161 B.R. 349, 353 (Bankr.S.D.N.Y.1993).

10. As of the date of this Objection, the STG Tenant is current on its monetary obligations under the Leases. However, the Landlords are entitled to recover the full amount of their attorneys’ fees and costs under the broad and unambiguous attorneys’ fees and indemnification provisions in the Leases. Accordingly, the cure costs with respect to the Leases must include the attorneys’ fees and costs incurred by the Landlords in connection with these Chapter 11 cases and the Debtors’ restructuring. *See Mid-Hudson Catskill Rural Migrant Ministry, Inc. v. Fine Host Corp.*, 418 F.3d 168, 178 (2d Cir. 2005) (affirming the district court’s award of attorneys’ fees to plaintiff in suit against contract counterparty pursuant to indemnification provision); *In re Geonex Corp.*, 258 B.R. 336, 337 (Bankr. D. Md. 2001) (finding that landlord’s attorneys’ fees must be included as administrative rent under § 365(d)(3) of the Bankruptcy Code based on indemnification provision in the lease).

11. For the above reasons, the Court should not approve the assumption of the Leases, unless the Debtors are directed to pay all fees and costs incurred by the Landlords in connection with these Chapter 11 cases and the Debtors’ restructurings.

RESERVATION OF RIGHTS

12. The Landlords expressly reserve their rights to assert any additional defaults (monetary or non-monetary) under the Leases that may occur prior to the Debtors’ assumption. The Landlords also reserve their rights to modify, supplement, and/or amend this Objection, or

object to any other relief sought by the Debtors, as further information becomes available, including, without limitation, any additional amounts that may become due prior to the assumption date. Nothing set forth herein shall constitute a waiver, discharge, or disallowance of any rights, claims, causes of action, and defenses that the Landlords have or may assert with respect to any claims, including administrative claims, against the Debtors.

13. To the extent that rent, attorneys' fees, interest, and/or other charges accrue or become due prior to assumption and remain unsatisfied and/or the Landlords suffer other pecuniary losses with respect to the Leases, the Landlords hereby reserve the right to amend its asserted cure costs. In addition, the Debtors must be required to comply with all obligations in the Leases, which may have occurred before assumption and assignment, but which were not known to the Landlords as of the date of the assumption.

Dated: New York, New York
May 15, 2026

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