UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF GEORGIA, ATLANTA DIVISION

In re NRPF Group Two, LLC, et al.

NRPF Group Two · No. 26-53945-SMS · Decided June 12, 2026

SUMMARY

The United States Bankruptcy Court for the Northern District of Georgia held that a master lease covering multiple restaurant properties was severable under 11 U.S.C. § 365. The court determined that amendments allowing the landlord to sever individual properties and apportion rent altered the parties' original intent that the lease be unseverable. Debtors were permitted to reject the lease as to certain properties and assume the remaining leases, subject to cure and adequate assurance of future performance.

CASE DETAILS

COURT	United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division
WRITING FOR THE COURT	Sage M. Sigler
JURISDICTION	United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division
DECIDED	June 12, 2026
DOCKET	26-53945-SMS
DISPOSITION	other
PROCEDURAL POSTURE	Chapter 11 debtors moved under 11 U.S.C. § 365 to reject a master lease as to three properties while assuming the lease as to the remaining properties. The landlord objected, arguing that the master lease was unseverable and had to be assumed or rejected as a whole.
PRECEDENTIAL VALUE	unknown

TOPICS

chapter 11 · bankruptcy · landlord tenant · contract interpretation · contracts

PRACTICE AREAS

bankruptcy · commercial leases · contracts · real estate

QUESTIONS PRESENTED

1. Whether the master lease was severable under 11 U.S.C. § 365.
2. Whether the amendments to the original master lease changed the parties' agreement so that the lease could be severed and partially rejected.
3. Whether the master lease was severable under applicable Georgia or Florida law based on the parties' intent, the allocation of consideration, and the interrelationship of the parties' obligations.

HOLDINGS

1. The master lease was severable, allowing the debtors to reject it as to some properties while assuming the remaining leases.
2. The amendments transformed the parties' operative agreement into a severable lease.
3. The master lease was severable under the applicable state-law analysis because the amendments made consideration distinct and permitted property-by-property severance, even though the purpose of leasing each property was similar.

KEY QUOTATIONS

> *"If SCF can sever the Master Lease, as explicitly stated in the first amendment, then the Master Lease is severable, and Debtors can utilize § 365 to reject the lease as to some locations in the Master Lease and assume others."* (Conclusion)

> *"For these reasons, the Court grants Debtors' Motion, subject to appropriate cure and adequate assurance with respect to the assumed properties."* (Conclusion)

FACTUAL BACKGROUND

The chapter 11 debtors operated franchise restaurants under leases with numerous landlords and sought to sell their assets to a stalking horse bidder. The transaction contemplated assumption and assignment of most unexpired leases, while the debtors sought to reject a master lease covering seven remaining properties in Georgia and Florida as to three properties and assume it as to the others. The original 2010 master lease expressly described itself as a single, unitary, unseverable instrument, but subsequent amendments allowed the landlord to sever individual properties and apportioned rent among the locations; a later amendment removed one property and reapportioned the rent.

PROCEDURAL HISTORY

The bankruptcy court held hearings on the debtors' motion on May 26 and May 29, 2026. On May 29, the court announced an oral ruling granting the motion, followed by a short-form order entered June 3, 2026. This memorandum opinion supplements the oral ruling and order, overrules the landlord's objection, and grants the motion subject to cure and adequate assurance for the assumed properties.

DISPOSITION

other

CASES CITED

- In re Dickinson Theatres, Inc., No. 12-22602, 2012 WL 4867220 (Bankr. D. Kan. Oct. 12, 2012)
- In re Buffets Holdings, Inc., 387 B.R. 115 (Bankr. D. Del. 2008)
- In re Driscoll, 401 B.R. 512 (Bankr. S.D. Fla. 2009)
- In re Cont. Rsch. Sols., Inc., 2013 WL 1910286 (Bankr. D. Del. 2013)
- In re Aneco Elec. Const., Inc., 326 B.R. 197 (Bankr. M.D. Fla. 2005)
- In re Gardinier, Inc., 831 F.2d 974 (11th Cir. 1987)
- Imerman v. London, 255 Ga. App. 140, 141-42, 564 S.E.2d 544, 545 (Ga. Ct. App. 2002)
- In re Convenience USA, Inc., 2002 Bankr. LEXIS 348 (Bankr. M.D. N.C. Feb. 12, 2002)
- In re FFP Operating Partners, LP, 2004 Bankr. LEXIS 1192 (Bankr. N.D. Tex. Aug. 12, 2004)
