

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY Caption in compliance with D.N.J. LBR 9004-2(c)	
FOX ROTHSCHILD LLP (formed in the Commonwealth of Pennsylvania) 2000 Market Street - Twentieth Floor Philadelphia, PA 19103 (215) 299-2000 (phone)/(215) 299-6834 (fax) Martha B. Chovanes, Esquire mchovanes@foxrothschild.com <i>Attorneys for Catherine E. Youngman, Chapter 11 Trustee</i>	
In re:	
BALTIMORE GRILL, INC., Debtor.	

Case No. 16-10816 (JNP)

Chapter 11

Hearing Date: December 6, 2016 at 10:00 a.m.

NOTICE OF MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING CHAPTER 11 TRUSTEE TO SELL THE DEBTOR'S BUSINESS ASSETS, INVENTORY, LIQUOR LICENSE AND REAL PROPERTY LOCATED AT 2800 ATLANTIC AVENUE, ATLANTIC CITY NEW JERSEY FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES PURSUANT TO 11 U.S.C. 363(b) & (f), SUBJECT TO HIGHER AND BETTER OFFERS, AND (II) APPROVING BIDDING PROCEDURES FOR THE PROPOSED SALE

PLEASE TAKE NOTICE that on **December 6, 2016 at 10:00 a.m.** or as soon thereafter as counsel maybe heard, Catherine E. Youngman, chapter 11 trustee (the "Trustee") for the debtor, Baltimore Grill, Inc., (the "Debtor"), by and through her counsel, Fox Rothschild, LLP, will move before the Honorable Jerrold N. Poslusny, United States Bankruptcy Judge, at the United States Bankruptcy Court, Mitchell H. Cohen U.S. Courthouse, 400 Cooper Street, 4th Floor, Camden, N.J. 08101, Courtroom 4C for the entry of an order as follows:

- A. Approving the sale of the Trustee's right, title and interest in and to the Debtor's Business Assets, Inventory, Liquor License and Real Property located at 2800 Atlantic Avenue, Atlantic City, New Jersey 08221 (the "Baltimore Grill Assets") to Boulevard Capital, LLC, a

New Jersey limited liability company, for the sum of \$1,000,000, or to such other party who may make a higher or better offer starting at \$ 1,100,000.

B. Approving proposed bidding procedures for competitive offers.

C. Approving the proposed sale shall be free and clear of valid liens, mortgages, claims and encumbrances, which will attach to the proceeds of sale.

PLEASE TAKE FURTHER NOTICE that in support of the Trustee's motion, the undersigned shall rely upon the Trustee's Certification submitted herewith and the arguments of counsel to be presented at the hearing.

PLEASE TAKE FURTHER NOTICE that pursuant to Local Bankruptcy Rule 9013-1, oral argument is requested.

PLEASE TAKE FURTHER NOTICE that no brief or memorandum of law is being submitted with this Motion, as the applicable law is set forth within the body of the Trustee's Certification.

PLEASE TAKE FURTHER NOTICE that unless objections are filed and served to the relief requested, the relief may be granted without further notice.

PLEASE TAKE FURTHER NOTICE that the property to be sold pursuant to this Motion is subject to certain overbids and bidding procedures contained in the Trustee's Certification, to be approved by the Court. **Any party interested in making a higher or better offer shall make said offer in accordance with the terms and conditions set forth in the Trustee's Motion submitted in support hereof, no later than seven (7) days prior to the above return date.** A copy of the Trustee's Certification will be provided upon request to the Trustee or her attorney at the address listed above.

PLEASE TAKE FURTHER NOTICE that pursuant to Rule 9013-3(d) of the Local Rules of Bankruptcy Practice, this Motion shall be deemed uncontested unless responding papers are filed and served seven (7) days in advance of the scheduled hearing date stating with particularity the basis of the opposition.

FOX ROTHSCHILD LLP

*Attorneys for Catherine E. Youngman,
Chapter 11 Trustee*

By: /s/Martha B. Chovanes
Martha B. Chovanes

Dated: November 8, 2016

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

FOX ROTHSCHILD LLP
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20th Floor
Philadelphia, PA 19103
Telephone: 215-299-2000; Fax: 215-299-2150
Martha B. Chovanes (MBC 2019)
Attorneys for Catherine E. Youngman
Chapter 11 Trustee

In Re:

BALTIMORE GRILL, INC.

Debtor.

Case No. 16-10816(JNP)

Judge: Hon. Jerrold N. Poslusny

Chapter: 11

Hearing: December 6, 2016 at 10:00
a.m.

**CERTIFICATION OF CATHERINE E. YOUNGMAN, CHAPTER 11 TRUSTEE,
IN SUPPORT OF MOTION FOR ENTRY OF AN ORDER AUTHORIZING SALE OF
DEBTOR'S ASSETS**

I, Catherine E. Youngman, being of full age, certify as follows:

1. I am the chapter 11 trustee the chapter 11 trustee (the "Trustee") for Baltimore Grill, Inc. (the "Debtor"), and in that capacity, and based on my personal knowledge of the Debtor's business and review of pertinent documentation, submit this certification in support of my motion to sell the estate's interests in certain assets to Boulevard Capital, LLC ("Buyer"), pursuant to 11 U.S.C. § 363(b) and (f).

I. General Background

2. On January 18, 2016 (the "Petition Date"), the Debtor filed a voluntary petition for

relief under chapter 11 of the United States Bankruptcy Code.

3. On May 27, 2016, the Office of the United States Trustee appointed me as the chapter 11 trustee for the Debtor's estate.

4. The Debtor owns and operates a restaurant in Atlantic City, New Jersey known as Tony's Baltimore Grill, located at 2800 Atlantic Ave. Atlantic City, NJ 08401-6302 (the "Restaurant"). The Debtor's assets include certain tangible and intangible assets (the "Business Assets"), including inventory ("Inventory"), a Plenary Retail Consumption License No. 0102-33-029-005 issued by the City of Atlantic City (the "Liquor License") which is sited at the Restaurant, and the real property at which the Restaurant is operated (the "Real Property", and with the Business Assets, Inventory and Liquor License, collectively, the "Debtor's Assets").

II. Secured Claims

5. There are a number of secured claims which are liens against the Real Property, including claims by the Atlantic City Municipal Utility Authority and federal tax claims.

6. On March 3, 2016, US Bank Cust. For Pro Cap III, LLC filed a secured proof of claim in the amount of \$4,387.76, designated as claim number 4-1, for unpaid municipal tax liens.

7. On April 22, 2016, the Internal Revenue Service filed a secured proof of claim in the amount of \$98,624.38, designated as claim number 5-2. In its proof of claim, the IRS states "This Lien Has Been Filed in Accordance with Internal Revenue Regulation 301.6323(f)-1." It is thus believed that this claim is secured with respect to the Debtor's general assets. The proof of claim includes a Federal Tax Lien Document reflecting that the lien was recorded on December 16, 2015.

III. The Debtor's Assets

8. The Debtor's assets include: (i) miscellaneous food, liquor and supplies (the

“Inventory”), (ii) office furniture, including desks, adding machine, credit card machine, security system, collectibles, four (4) cash registers, 4 flat screen TVs, paintings, restaurant furniture, antique boat, credit card machine, security system and cash registers (the “Business Assets”); (iii) a retail consumption license (“Liquor License”) and the real property located at 2800 Atlantic Avenue, Atlantic City, New Jersey 08401, identified on the municipal tax map as Block 175, Lot 2 (the “Real Property”) where the Debtor operates its restaurant, and two residential apartments on the 2nd and 3rd floors. The Debtor also owns the domain name Tony’s BaltimoreGrill.com.

9. As set forth in the Debtor’s Schedules, the Debtor valued the Inventory on December 15, 2015 at \$40,000, the Business Assets at \$13,000, the Liquor License at \$30,000, and the Real Property at \$1,000,000, for a total of \$1,083,000.00. However, it is unclear how these values were determined, but they appear to be somewhat inflated. For example, the Real Property is valued at \$1,000,000 by the Debtor on its schedules but there is an appraisal of the Real Property as of April 7, 2016 (the “Appraisal”) prepared for the Debtor by Maria C. Shelton and obtained by the Trustee, which indicates a fair market value for the Real Property of \$ 550,000. A copy of the appraisal is attached as **Exhibit A**.

10. The Debtor’s petition valued the Business Assets \$13,000.00. Although I have not obtained an independent appraisal for the Business Assets, I believe that the valuation in the petition is likely slightly inflated as the Business Assets generally consists of ordinary used furniture and computers and business machines and other old collectibles.

11. The Debtor also has a Liquor License valued by the Debtor at \$30,000 issued by the New Jersey Department of Health which, according to the Debtor’s records, was renewed on or about June 30, 2016. I understand that the license can be transferred upon application to the New

Jersey Division of Alcoholic Beverage Control. A true and correct copy of the Liquor License is attached as **Exhibit B**.

12. Individually, I believe that the Real Property and the Liquor License are the only assets with any saleable value. However, as discussed below, I believe the Debtor's assets, marketed together with the Real Property, have additional value and appeal as a foundation for a new restaurant.

IV. Marketing Efforts and Sale Agreement

13. Numerous parties have contacted me to express interest in the Debtor's assets, most seeking to purchase all of the Debtor's Assets. After extensive discussions with Boulevard Capital, it was determined in the first instance to pursue a buyer for the Debtor's Assets that would operate a new restaurant at the Real Property, instead of selling the assets piecemeal, such as through an auction. This determination was fueled by the fact that the improvements to the Real Property made specifically for operating a restaurant, coupled with the Debtor's active and transferable Liquor License, add intrinsic value to the Debtor's assets by providing buyers interested in operating a restaurant with an essentially turnkey site rather than having to expend the capital and time in retrofitting a different site and applying for a new license. It was thus believed that if the assets were sold separately, they would yield a lower return, while engendering the added complications of removing the Business Assets from the Real Property.

14. I ultimately received three competitive offers for the Debtor's Assets, not including the accounts receivable, from groups seeking to operate a restaurant at the Real Property. After extensive discussions with each of the interested parties, I determined that the offer from Boulevard Capital, LLC is the best, and it includes the following pertinent terms:

a. Boulevard Capital shall pay \$1,000,000 for the estate's interest in the Business Assets, including Inventory, the Liquor License and the Real Property. The Debtor's accounts receivable are not included in the deal and shall remain an asset of the estate.

b. Boulevard Capital has remitted to me a \$100,000.00 deposit, equal to 10% of the purchase price, which shall be credited to the purchase price. The balance of the purchase price shall be paid by Boulevard Capital at Closing, which, subject to the transfer of the Liquor License, will be December 13, 2016. Boulevard Capital shall be responsible for applying for the transfer of the Debtor's Liquor License, including assuming all costs.

c. The purchase price shall be refunded to Boulevard Capital in the event that (i) the Court does not enter an order authorizing me to sell the Debtor's assets to it, or (ii) the City of Atlantic City, Division of Alcoholic Control and Division of Taxation does not approve Boulevard Capital's application to transfer the Liquor License, or (iii) the subject assets suffer destruction or loss due to fire or other casualty prior to the Closing. A copy of the Asset Purchase Agreement (the "Agreement") as amended by the Rider, is attached as **Exhibit C**.

15. I believe that the offer from Boulevard Capital is fair and reasonable. I thus believe that the proposed sale to Boulevard Capital would eminently be in the best interests of the estate.

16. Based on the foregoing, it is respectfully requested that the Court enter an order authorizing me to sell the Debtor's assets, with the exception of the accounts receivable, to Boulevard Capital, LLC.

V. Proposed Auction and Terms and Procedures for Competing Offers

17. Seven (7) days prior to the return date of the within Motion to approve the sale, all

other persons or entities who wish to submit competing bids may do so provided that each complies with the following requirements:

a. Only qualified bidders (the “Qualified Bidders”) may submit competing bids for the Debtor’s Assets, or otherwise participate in the auction sale (the “Auction”). Buyer is automatically deemed to be a Qualified Bidder. Persons or entities who propose to become qualified bidders shall, on or before the bid deadline, (seven (7) days prior to the hearing date to approve the sale, the (“Bid Deadline”), comply with each of the following requirements (a “Qualified Bid”):

(i) Provide the Trustee, Catherine E. Youngman, c/o Fox Rothschild LLP, 75 Eisenhower Parkway, Suite 200, Roseland, NJ 07068, and her counsel, Martha B. Chovanes, c/o Fox Rothschild LLP, 2000 Market Street, 20th Floor, Philadelphia, PA 19103, with evidence that establishes, in the Trustee’s sole discretion, that the proposed qualified bidder has sufficient financial ability to close and consummate the purchase of the Debtor’s Assets, including evidence of adequate financing and has the ability to obtain all necessary licenses, consents, and approvals on or prior to Closing. If financing is being relied upon, and if the Trustee deems appropriate, a letter from the proposed qualified bidder’s lending institution setting forth, in sufficient detail, financial data attesting to the availability of funds at closing.

(ii) All offers must be either for cash (or cash equivalent) or subject to financing with proof of available financing, payable in full at closing, and not subject to any financing contingencies, and must be in an amount of not less than \$1,100,000.00 net to the Trustee (subject to closing adjustments).

(iii) Be willing to complete and submit an executed agreement of sale in a form substantially similar to that executed by Buyer with the bidder’s name and address inserted

thereto, together with the amount of the purchase price.

(iv) Provide the Trustee with a certified or cashier's check in the amount of \$110,000.00 payable to the Trustee, as escrow agent, to be tendered to the Trustee as a condition to bidding, and which will be deposited in a non-interest bearing escrow account prior to the conclusion of the Auction. If the proposed qualified bidder is the successful bidder for the Debtor's Assets, the deposit will be applied toward the amount of the successful bid. Any such deposit tendered by any proposed qualified bidder that becomes a successful bidder, shall be remitted to the Trustee (and the Trustee shall be entitled to all of her remedies available at law) in the event that any such successful bidder fails to close and consummate the purchase of the Debtor's Assets as a result of its breach of the terms and conditions of its agreement of sale. The Deposit shall be returned to any bidder in the event that its bid is not a Successful Bid or a Back-up Bid, or that Closing is not consummated as a result of the Trustee's breach, including the failure to obtain the Bankruptcy Court's approval of the sale to such bidder.

b. Any proposed qualified bidder wishing to make a competing bid for the Debtor's Assets must submit a qualified bid, together with the deposit, so that they are actually received by Catherine E. Youngman, Trustee, c/o Fox Rothschild LLP, 75 Eisenhower Parkway, Suite 200, Roseland, NJ 07068 and Martha B. Chovanes, Esq., Fox Rothschild LLP, 2000 Market Street, 20th Floor, Philadelphia, PA 19103 no later than the **Bid Deadline of November 29, 2016**.

18. Only those bids and deposits submitted by proposed qualified bidders by the Bid Deadline and constituting Qualified Bids will be entitled to bid at the Auction unless the Trustee or the Court determine otherwise.

19. In addition to the foregoing, the Trustee reserves her right to reject any bid which, in

her discretion, is otherwise inadequate or insufficient, or which appears to be contrary to the best interest of this estate.

20. If no additional Qualified Bids are received, the Trustee will seek approval of the sale of the Debtor's Assets to Buyer in accordance with the Agreement. If one or more Qualified Bids are received, the Trustee will conduct the Auction at the United States Bankruptcy Court, United States Bankruptcy Court, Mitchell H. Cohen U.S. Courthouse, 400 Cooper Street, 4th Floor, Camden, N.J. 08101, on the return date of the within Motion, or any adjourned or continued date.

21. Bidding for the property at the Auction will commence with the highest Qualified Bid and continue in increments of not less than \$25,000.00 or such other amount determined by the Trustee, until all parties have made their final offers. At the conclusion of the bidding, the Trustee will determine which is the highest or best offer. The Trustee may adopt rules for the bidding process which, in her judgment, will better promote the goals of the bidding process.

22. After the Trustee has determined which bid is the highest or otherwise best offer at the auction, formal acceptance of the winning bid will be presented to the Bankruptcy Court for approval. Once the Bankruptcy Court enters an Order approving the winning bid and authorizes the Trustee to consummate the sale, the sale may be consummated in accordance with the agreement of sale. If necessary, immediately prior to the conclusion of the Auction, the successful bidder shall execute and submit a qualified alternative agreement of sale substantially identical to the Buyer's Agreement, except to reflect an increase in the purchase price.

23. At the conclusion of the Auction, the Trustee shall also identify the next highest or otherwise best bid (the "Back-up Bidder"). Upon failure of the Successful Bidder to consummate the sale because of a breach or failure on the part of the Successful Bidder, the Trustee may select, in her

business judgment, the Back-up Bidder to be the successful bid without further Order of the Court.

VI. Statutory Basis for Relief Requested

24. Pursuant to Section 363(b)(1) of the Bankruptcy Code, the Trustee, after notice and hearing, is authorized to “use, sell or lease, other than in the ordinary course of business, property of the estate”.

25. In determining whether a proposed sale under Section 363(b)(1) of the Bankruptcy Code is appropriate, Courts examine whether the Trustee has exercised sound business judgment in proposing each sale in question, whether the sale is in the best interest of creditors, and is entered into in good faith. In re Lionel Corp., 722 F.2d 1062 (2nd Cir. 1983), In re Abbotts Dairies of Pa., Inc. 788 F.2d 143 (3rd Cir. 1986). See, Stephens Indus., Inc. v. McClung, 789 F.2d 386, 388-390 (6th Cir. 1986); In re Del & Hudson Ry. Co., 124 B.R. 169 175-176 D.Del 1991); In re Indus. Valley Refrig. & Air Cond. Supplies, 77 B.R. 15, 21 (Bankr. E.D.Pa. 1987).

26. I marketed the Debtor’s Assets. From the onset of my appointment, I was approached by brokers and other interested parties about a potential purchase of the Debtor’s Assets. I met with multiple groups and provided financials as well as an explanation of the business. Several interested purchasers visited the premises. I asked all interested parties to provide an initial letter of intent. After determining that the proposed buyer’s letter of intent was the best proposed offer based on its purchase price and simple terms, I and my counsel began negotiations with that party’s counsel to come to the terms of a contract. The within Motion will be served on all parties that contacted me with regards to the Debtor, all interested parties and a list of previous bankruptcy asset purchasers that I maintain.

27. The offer from Buyer represents the highest and best offer that the Trustee has

received to date and will satisfy the existing liens on the Real Property. Since Buyer's offer is subject to higher and better offers, the Trustee believes that the process proposed herein will yield the highest value for the Debtor's Assets and therefore is in the best interests of this estate and the creditors thereof. Notice of this sale is being given to all parties who have expressed an interest in purchasing the Debtor's Assets.

28. With respect to good faith, the Trustee submits that the Agreement was executed after extensive negotiations between the Trustee and Buyer and that the Agreement represents an arm length's transaction. Moreover, the purchase price of \$ 1,000,000.00 is the highest and best offer received to date. Accordingly, the Trustee submits that the good faith criteria of Abbotts Dairies are satisfied.

29. In order to facilitate sale of the assets at the proposed Auction sale, it is essential that the Trustee be permitted to transfer the assets free and clear of all existing liens and encumbrances. Pursuant to 11 U.S.C. §363(f), the Court may authorize the Trustee's sale of the assets free and clear of any interests therein if, among other things, "...the price at which the property is to be sold is greater than the aggregate value of all liens on such property". The sale of this property will satisfy all liens on the Property. Further, the Buyer's deposit is non-refundable should the Buyer break the sale Agreement.

VII. Notice

30. Notice of this Motion has been given to all parties listed on the Certification of Service, which includes all secured parties, all creditors, and all parties who have expressed an interest in the Debtor's Assets as well as parties from previous bankruptcy asset sales that I maintain.

31. Accordingly, the Trustee respectfully requests that this Court enter the Order

submitted herewith, authorizing the Trustee to sell the Baltimore Grill Assets to Buyer or to such other party who may make a higher or better offer, free and clear of liens, claims, and encumbrances and approving the bidding procedures for the proposed sale.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

/s/Catherine E. Youngman
Catherine E. Youngman

Dated: November 8, 2016

Exhibit “C”

Asset Purchase Agreement

This Asset Purchase Agreement (“Agreement”) is made by and between the following parties:

- Debtor Estate of Baltimore Grill, Inc. (Case No. 16-10816 (JNP)), by Catherine Youngman, Chapter 11 Trustee, with an address at 2800 Atlantic Avenue, Atlantic City, New Jersey 08401 (the “Seller”); and
- Boulevard Capital, LLC, a NJ limited liability company, or its nominees/assignee, having an address at 650 New Road, Suite C, Linwood, New Jersey 08221 (the “Buyer”).

BACKGROUND

A. Seller owns and operates the restaurant and bar and rental real estate and ancillary activities related thereto, commonly known as the “Tony’s Baltimore Grill” (“Business”).

B. Seller owns certain commercial real estate located at 2800 Atlantic Avenue, Atlantic City, NJ 08401, as identified on the municipal tax map as Block 175, Lot 2, where Business operates (the “Real Property”).

C. Seller owns certain tangible and intangible assets as part of the Business (collectively referred to as the “Business Assets”), including inventory (“Inventory”).

D. Seller holds Plenary Retail Consumption License No. 0102-33-029-005 issued by the City of Atlantic City (“Liquor License”), which is sited at the Real Property and used in the operation of the Business.

E. Seller is the debtor in a Chapter 11 Bankruptcy Proceeding in the District of New Jersey (Camden Vicinage), Docket No. 10816 (JNP), which was commenced on January 18, 2016. Catherine Youngman, Esquire, is the Chapter 11 Trustee.

F. Seller desires to transfer and convey to Buyer the Real Property, Business Assets, Liquor License and Inventory, and Buyer desires to purchase the Real Property, Business Assets, Liquor License and Inventory from Seller, upon the terms and conditions set forth in this Agreement.

G. It is expressly understood and agreed that all assets being sold and bought under this Agreement shall be transferred by Seller at time of Closing free and clear of any and all liens, claims and encumbrances, and that Seller shall take such action as is necessary to insure delivery of the Real Property, Business Assets, Liquor License and Inventory to Buyer at time of Closing that are free and clear of them.

H. It also is expressly understood and agreed that except for vendor contracts associated with the Business which Buyer affirmatively elects to assume in writing on or prior to the date of Closing and in accordance with provisions set forth below, absolutely no contract of any nature, type

or kind, including, but not limited, employment contracts, are being assumed by the Buyer under this Agreement.

NOW THEREFORE, in consideration of the above recitals, each of which are incorporate and made a part of this Agreement as material terms, and based upon the mutual covenants set forth below, the parties intending, to be legally bound, agree as follows:

I. REAL PROPERTY – SALE AND PURCHASE.

1.1 Upon and subject to the terms and conditions set forth in this Agreement, Seller hereby agrees to sell, transfer and convey to Buyer, and Buyer hereby agrees to purchase and accept from Seller, the Real Property. The Real Property includes a commercial building which houses the stock and trade, fixtures and equipment used in the operation the Business. The term Real Property also includes any and all easements, rights-of-way, riparian rights, privileges and rights belonging to and inuring to the benefit thereof, together with all right, title and interest of the Seller in and to any land lying in the beds of any street, road, avenue or watercourse adjoining the Property, together with all right, title and interest, if any, of Seller in and to strips or gores adjoining the Property.

1.2 Title to the Real Property shall be marketable and insurable at regular rates, by any reputable title insurance company licensed in New Jersey, to be selected by Buyer; and shall be free and clear of all liens and encumbrances, including municipal liens and assessments other than Other Exceptions (hereinafter defined). Seller shall deliver a Bankruptcy Trustee's Deed to the Property.

1.3 Within ten days of the date of this Agreement, Buyer shall obtain a title search (the "Commitment") and shall provide a copy of same to Seller. Seller shall be obligated to clear title of all exceptions shown in the Commitment which may be removed by the payment of monetary sums in fixed or ascertainable amounts, such as judgments and tax liens ("Monetary Exceptions"). If any exceptions other than Monetary Exceptions exist, including, but not limited to, restrictions of record, riparian claims, easements, etc., or which appear in the Commitment or items shown on the Buyer's survey ("Other Exceptions") which are for any reason objectionable to Buyer, then Buyer shall notify Seller in writing of such Other Exceptions, prior to the expiration of the Due Diligence Period. Within five (5) days of receipt of such notice, Seller shall, in writing, notify Buyer that (i) Seller will immediately commence whatever action is necessary to clear the title of the Other Exceptions, at Seller's sole cost and expense; or (ii) Seller will not agree to clear the title of the Other Exceptions, in which event Buyer shall have the option, to be exercised not later than five (5) days after receipt of Seller's notification, to terminate this Agreement, or in the alternative, to proceed to Closing and to accept title subject to the Other Exceptions without abatement of the Purchase Price. In the event of termination of this Agreement, the Deposit shall be returned to the Buyer, this Agreement shall be null and void and the parties shall have no further rights or obligations to one another.

1.4 All continuing income and expenses will be adjusted as of the date of the Closing, including, but not limited to, real estate taxes, water and sewer charges. Real estate taxes and assessments for the Property for the year within which the Closing occurs shall be prorated at and as of the Closing. Seller shall remain responsible for and liable for all taxes regardless of when accrued and payable through the Closing.

1.5 The Seller shall pay for the drawing of the deed and that portion of the closing fee charged by the title company to the Seller, but all searches, surveys, title insurance and other conveyancing expenses are to be paid for by the Buyer and are not reimbursable by the Seller under any circumstances. Seller shall pay for and be responsible for the payment of New Jersey Realty Transfer Fee, which by statute is indicated as the responsibility of the Seller.

1.6 If the municipality in which the Real Property is located requires that a Certificate of Occupancy and / or such other approvals be obtained prior to the transfer of title, then Seller shall obtain same at Seller's sole cost and expense prior to Closing.

1.7 Seller shall deliver full possession of the Real Property to Buyer on the date of Closing, free and clear of all tenancies and rights and claims of others of any type, kind or nature.

2. LIQUOR LICENSE, INVENTORY AND BUSINESS ASSETS – SALE AND PURCHASE.

2.1 Liquor License: This Agreement includes the sale and purchase of Seller's right, title and interest in the Liquor License. See Article 6 regarding Buyer and Seller's obligations with respect to the Liquor License transfer process.

2.2 Inventory: This Agreement includes the sale and purchase of all of Seller's inventory of liquor, food and supplies located at the Real Property or used in the Business as determined the evening before the Closing (the "Inventory"). Upon and subject to the terms and conditions set forth in this Agreement, Inventory shall be determined as 6:00 a.m. on the date of Closing.

2.3 Business Assets:

2.3.1 This Agreement includes the sale and purchase of all of Seller's tangible and intangible assets located at the Real Property or used in the ownership and operation of the Business, including, but not limited to, fixtures, furniture, equipment, computer systems, telephone systems, interests in telephone / fax numbers associated with the Business, websites or domain names, trade names such as "Tony's Baltimore Grill" and goodwill associated with same and the Business, customer lists, vendor lists, business records and books, real estate leases, intellectual property, trademarks, copyrights, trade secrets, confidential and proprietary information, etc.

2.3.2 The Business Assets include any real estate leases and security deposits in connection with the Real Property.

2.3.3 Business Assets include only those specific vendor contracts associated with the Business which Buyer affirmatively elects to assume in writing on or prior to the date of Closing.

2.3.4 As of the date of this Agreement, the parties have not prepared a detailed list of the Business Assets. Within the Due Diligence Period, the Buyer and Seller shall prepare a detailed list of Business Assets that are being sold and bought under this

Agreement.

2.4 Excluded Assets: Assets excluded from this transaction shall include: (a) cash and cash equivalents of the Business, whether on hand or on deposit in any bank or other accounts at financial institutions as of 6:00 a.m. on the day of Closing; and (b) deposits with utilities, if any.

3. PURCHASE PRICE.

3.1 In total consideration for the Real Property, Liquor License and Business Assets to be transferred by Seller to Buyer, Buyer shall pay to Seller, and Seller shall accept from Buyer, the "Purchase Price", consisting of One Million Dollars (\$1,000,000.00), which shall be payable as follows:

3.1.1 Upon this Agreement being fully executed by both parties and delivered to them, Buyer shall pay a deposit in the amount of \$25,000.00 ("Deposit"). The Deposit shall be held by the escrow agent, Surety Title, with an address at 1555 Zion Road, Northfield, NJ 08225 (the "Escrow Agent"). The Deposit shall be held in a non-interest bearing account. At Closing, the Deposit shall be applied on account of the Purchase Price.

3.1.2 At Closing, Buyer shall pay the balance of the Purchase Price. All funds shall be delivered by bank or cashier's check, attorney trust account check, or by wire or electronic transfer to an account designated by Seller, at Buyer's election.

3.2 The Purchase Price shall be allocated as follows:

3.2.1	Real Estate	\$700,000
3.2.2	Liquor License	\$ 30,000
3.2.3	Inventory	\$ 40,000
3.2.4	Business Assets (tangible)	\$100,000
3.2.5	Business Assets (intangibles; e.g., good will, trade name)	\$130,000

3.3 As set forth above, upon and subject to the terms and conditions set forth in this Agreement, Inventory shall be determined as of 6:00 a.m. on the date of Closing. The total Purchase Price shall be no more or less than \$1,000,000.00 irrespective of the value of Inventory as of 6:00 a.m. on the date of Closing. However, if the value of the Inventory, as determined on a dollar for dollar basis at Seller's cost, is more or less than \$40,000, then the Purchase Price shall be reallocated under Article 3.2 above as between Inventory on the one hand and Business Assets (tangible) on the other hand. For example, if the value of the Inventory is \$45,000, then the allocation to Inventory shall be \$45,000 (instead of \$40,000 as stated above) and the allocation to the Business Assets (tangible) shall be \$95,000 (instead of \$100,000 stated above).

4. CLOSING.

4.1 Subject to the conditions and contingencies contained in this Agreement, it is currently estimated that Closing will take place on or before December 15, 2016 (the "Closing Date" or

“Closing”). Notwithstanding the foregoing, Closing cannot take place until Buyer obtains approval from the governing body and a formal transfer of the Liquor License to Buyer. Closing shall occur on the same day but prior to the governing body’s meeting at which the transfer of the Liquor License will be approved and resolution passed memorializing the transfer, with all documents and monies to be held in escrow by Escrow Agent pending the successful transfer of the Liquor License to Buyer as evidenced by the resolution passed by the governing body.

4.2 The parties estimate that Closing shall be held on or before the date specified above. However, Closing is contingent upon transfer of the Liquor License to the Buyer. The parties recognize that an application and other filings will be necessary with the City of Atlantic City, NJ Division of Alcoholic Beverage Control and NJ Division of Taxation and approval must be obtained for transfer of the Liquor License to the Buyer. See Article 6 regarding Buyer and Seller’s obligations with respect to the Liquor License transfer process. The process may take a few or several months and the speed by which the process unfolds may be beyond the control of the parties after the transfer application and other filings are made by the Buyer. Seller agrees to an extension of the Closing to provide time for approvals to be obtained.

4.3 If approval to transfer the Liquor License is not obtained by _____, then Buyer shall have the absolute right to terminate this Agreement. In the event of such termination, the Deposit shall be returned to the Buyer, this Agreement shall be null and void and neither Seller nor Buyer shall have any further liability or obligation to the other.

4.4 Conditions Precedent to Closing by Buyer: All obligations of Buyer under this Agreement to Close are subject to the fulfillment prior to or at the Closing of each and every one of the following conditions:

4.4.1 All representations and warranties of Seller made in or pursuant to this Agreement shall be true and correct as of the date made and at and as of the Closing date, with the same force and effect as though made at and as of the Closing date.

4.4.2 Seller shall have performed, observed and complied with all the obligations, agreements and conditions required by this Agreement to be performed, observed or complied with by them at or prior to the Closing date.

4.4.3 Seller shall have delivered at the Closing all of the documents described in this Agreement.

4.4.4 Satisfaction of contingencies described in this Agreement.

5. DUE DILIGENCE PERIOD.

5.1 Buyer shall have a period of sixty (60) days from the Effective Date of this Agreement (the “Due Diligence Period”) to ascertain if the Business, Real Property, Business Assets and Inventory can feasibly be utilized for Buyer’s purposes. During the Due Diligence Period, Buyer shall have the right to undertake its investigatory activities with respect to any and all matters related to the Business, Real Property, Business Assets, Liquor License and Inventory, including, but not limited to:

investigating the physical / environmental condition of the Property; obtaining a title search, Phase I environmental audit (Phase II audit if necessary); inspection of the building and improvements; review of all leases and security deposits; review of financial information, books and records of the Business regarding the operations of the Business; and reviewing anything else relevant with respect to the Business, Real Property, Business Assets, Liquor License and Inventory. In order to make these determinations, Seller grants to Buyer and its authorized agents and representatives the right to enter upon the Real Property at all reasonable times during normal business hours to inspect the Real Property and to conduct reasonable necessary investigations, tests, soil borings, feasibility studies and environmental audits as Buyer deems necessary. Buyer shall bear the total costs of all inspections and tests and shall provide Seller with copies of all inspections, test reports, etc. At Seller's option, Seller or Seller's agent may be present for any inspection or test.

5.2 Seller shall produce all documents requested by Buyer that are reasonably related to Buyer's due diligence of the Business, Real Property, Business Assets, Liquor License and Inventory, within five (5) days of such request. The documents to be provided shall include, but not be limited to, the following (where applicable):

- Most recent survey and title report for the Real Property.
- Any plans of the Real Property and structural inspection report.
- Certificates of occupancy, permits and licenses for the Real Property and Business, including, but not limited to, C/O, DCA Certificate of Registration, fire/sprinkler/smoke detector certificates or similar certificates or approvals, business registrations and other inspection certificates issued by the food or health department having jurisdiction over the Real Property and Business.
- A list of all personal property owned by the Seller that is not part of the transaction.
- The Real Property's utility bills and tax bills for the last twenty four months and current assessed valuation.
- Copies of service and vendor agreements and contracts relating to the operation and ownership of the Real Property and Business.
- Copies of all tenant leases, licenses and / or rental agreements encumbering the Real Property, and rent control compliance.
- Annual operating statements for the Real Property for the last two years and the current YTD.
- Lease commission agreements.
- Copies of insurance policies and loss history run.
- All soil, engineering, environmental and other reports in Seller's possession.
- Copies of major warranties, including the roof, equipment, etc. warranties.
- Certified updated rent roll and accounts receivable aging report.
- Schedule detailing any ongoing lawsuits against ownership of assets being sold and bought under this Agreement.
- ISRA Non-Applicability request forms submitted to the state and the ISRA Non-Applicability letter from the state.
- All existing environmental documentation including UST compliance.
- Most recent sprinkler inspections and/or main drain tests.
- Copy of the liquor license application that is currently on file with the City of Atlantic City, together with a copy of all materials that are required to be maintained by a holder of a liquor license, such as employee lists, etc.

5.3 In conducting any inspections, investigations, or tests, Buyer and its agents and representatives shall: (i) not unreasonably disturb or interfere with Seller's use of the Real Property or the Seller's tenants' use of the Real Property; (ii) not damage any part of the Real Property or any personal property owned or held by any person or entity; (iii) not permit any liens to attach to the Real Property by reason of its rights hereunder; (iv) fully restore the Real Property to as close a condition as feasible to what it was before any such inspection or tests were undertaken; and (v) all such inspections, tests, etc. shall occur after reasonable notice to the Seller.

5.4 Buyer shall save, defend, indemnify, and hold Seller absolutely harmless from and against any and all claims, demands, causes of action, judgments, liabilities, damages, injuries, and

losses which Seller may incur as a result of any entry onto or activity on the Real Property by Buyer, Buyer's agents, employees, or representatives, except as may be caused by the acts or omissions of Seller, Seller's agents, employees or representatives.

5.5 At any time prior to 5:00 p.m. on the last day of the Due Diligence Period (if that day is a weekend or holiday, then 5:00 p.m. on the next regular business day), Buyer may terminate this Agreement. Such right of termination shall be in the sole discretion, judgment and opinion of the Buyer, for any reason. In order to terminate, Buyer must deliver written notice to Seller, pursuant to the notice provisions of this Agreement, on or before the expiration of the Due Diligence Period. In the event of such termination, the Deposit shall be returned to the Buyer, this Agreement shall be null and void and neither Seller nor Buyer shall have any further liability or obligation to the other. If Buyer shall fail to send a notice of termination prior to the expiration of the Due Diligence Period, Buyer shall be deemed to have waived its right to do so unless such right of termination exists under a different provision of this Agreement.

6. LIQUOR LICENSSE / TRANSFER.

6.1 Buyer shall diligently pursue approval from the required governemtnal authorities to transfer the Liquor License to the Buyer. Within two (2) weeks of execution of this Agreement, Buyer shall prepare and file with the appropriate governmental authorities the transfer application and other required filings with the City of Atlantic City, Division of Alcoholic Control and Division of Taxation to initiate the transfer process.

6.2 Seller agrees to execute all documents necessary to Buyer's application for transfer of the Liquor License and to cooperate as reasonably required during the transfer process.

6.3 Buyer's obligation to Close under this Agreement is contingent upon Buyer being granted final non-appealable approval for the person to person transfer of the Liquor License from the Seller to Buyer for use at the current site. If such approval is not obtained, Buyer shall have the right to terminate this Agreement. In the event of such termination, the Deposit shall be returned to the Buyer, this Agreement shall be null and void and neither Seller nor Buyer shall have any further liability or obligation to the other.

6.4 Seller represents and warrants the following, now and at time of Closing:

6.4.1 Seller is the holder of the Liquor License.

6.4.2 There is no restriction, order, or agreement of any kind that prohibits or restricts Seller's ability to transfer the License, and fulfill its obligations, as set forth in this Agreement, except with respect to Article 11 regarding Bankruptcy Court approval.

6.4.3 Seller owns, and has possession of, the Liquor License and the privilege represented by the Liquor License, free and clear of all liens, claims, encumbrances, or restrictions, and that all taxes and fees, whether federal, state, or local, due on the Liquor License or in connection with it, have been paid and are not delinquent, and any such taxes and fees accruing between the date of this agreement and the date of closing shall be paid by the

Seller.

6.4.4 Seller shall maintain the Liquor License in existence between the date of this Agreement and the date of Closing. If the Liquor License expires between the date of this Agreement and the date of Closing, Seller shall renew same.

6.4.5 The Liquor License is currently active and in good standing and is not revoked or invalidated and is not currently suspended or to be suspended at a time in the future and no special conditions or limitations have been placed on the Liquor License.

6.4.6 All alcoholic beverage taxes and other taxes due under any state law, and all bills for the purchase of alcoholic beverages under the Seller's license have been, or will be, paid and fully satisfied prior to closing or out of the proceeds of sale so that the Liquor License is not subject to attachment under New Jersey tax laws nor to any outstanding Notice of Obligation or Notice of Delinquency under N.J.S.A. 13: 2-24.4, nor shall it be on what is commonly referred to as the "c.o.d. list".

6.4.7 All sales taxes due on sales made by Seller, or to be made by Seller prior to closing hereunder, have been or will be paid, and Seller is not delinquent in the payment of any taxes, fees, interests, or penalties imposed by any state law for which a lien may attach. Seller acknowledges that Buyer shall file with the State of New Jersey a Notice of Bulk Transfer, and Seller agrees to be bound by the escrow requirements imposed by the Division of Taxation following the filing of such notice.

6.4.8 There is not now, nor will there be at the time of closing, any pending disciplinary actions against the License, and there have been no investigations of Seller or the License within the one (1) year prior to the date of this Agreement.

6.4.9 Anything herein to the contrary notwithstanding, Seller shall have the right to satisfy any claims or liens affecting the License at the time of Closing.

7. CONTINUATION OF BUSINESS.

Between the date of this Agreement and the date of Closing:

7.1 Seller shall continue the normal operations of the Business in the ordinary course and not take any action or permit any event to occur, nor shall any event have occurred which would have a material adverse effect on the operation of the Business or on the Real Property and Business Assets.

7.2 Seller shall keep the Real Property and Business Assets in good working order, reasonable wear and tear excepted.

7.3 Seller shall not enter any transactions which are not in the ordinary course of business without the consent of Buyer.

7.4 Seller shall deliver revised or supplementary financials to this Agreement, containing

accurate information as of the Closing Date.

7.5 Seller shall not dispose of any of the assets being sold and bought under this Agreement except for the sale of inventory in the ordinary course of the Business consistent with Seller's past practices. Seller will continue to replace any inventory of which it disposes in accordance with the standard industry practices and will maintain a standard mix of inventory, sources of supply permitting.

7.6 Seller shall maintain casualty and liability insurance for the Real Property and Business and preserve all of the assets being sold and bought under this Agreement in their present condition, except for normal wear and tear, to the Closing date.

7.7 Seller shall not suffer or permit any lien or encumbrance to be placed against any of the assets being sold and bought under this Agreement.

7.8 Seller shall provide Buyer with weekly financial reports.

8. NO LIABILITIES ASSUMED.

Notwithstanding anything to the contrary in this Agreement, except for vendor contracts associated with the Business which Buyer affirmatively elects to assume in writing on or prior to the date of Closing in accordance with Article 2.3, this provision shall control. Seller does not transfer, and Buyer does not assume or acquire, any liabilities or debts of Seller, under this Agreement or any law. Seller agrees to be responsible for and to hold harmless, indemnify and defend Buyer from any and all claims, debts or liabilities, whether known or unknown, contingent or otherwise, which accrue in, or in any way arise out of, result from or relate to the operation of the Business up to the time of transfer from Seller to Buyer at Closing. Such indemnification shall include, without limitation, court costs and attorney's fees, and shall survive Closing.

9. EMPLOYEES.

It is agreed and understood that in conjunction with the acquisition of the Real Property and Business Assets, Buyer has the sole and absolute discretion to hire any of Seller's current employees to work for Buyer after the Closing Date. The following are conditions of Closing, and Seller agrees to take such action as is necessary as specified below:

9.1 Buyer is under no obligation to hire any employees of Seller.

9.2 Buyer is under no obligation to pay any accrued wages or benefits to Seller's employees (which accrued prior to Closing) in the event Buyer hires any of Seller's employees.

9.3 Buyer alone shall be free to determine whether or not to hire any employee of Seller's Business and to determine the terms of such employment.

9.4 Buyer is not assuming, and is not obligated to assume, any employee benefit plans or programs that Seller had or has in place on or prior to Closing.

9.5 To facilitate Buyer's ability to hire any prior employees of Seller, Seller shall terminate the employment of all employees effective on the date of Closing and to pay to or for the account of all such employees, as of the date of Closing, all employment expenses related to the employment of said employees. The employment expenses include, but are not limited to, salaries, overtime pay, payroll tax expenses, tax withholdings, social security and Medicare tax withholdings, unemployment insurance, uniform allowances, severance pay, medical insurance, tax-qualified retirement plan benefits and other fringe benefits, and accrued vacation and sick leave benefits (collectively "Employee Expenses"). Seller agrees to pay, indemnify, defend, and hold Buyer harmless from any claim of any employee subsequently hired by Buyer relative to Employee Expenses that arises from or relates to such employee's prior employment by Seller. This indemnification provision shall survive Closing.

9.6 Seller further agrees to indemnify, defend, and hold Buyer harmless from any claim of any employee not retained by Buyer that arises from or relates to such employee's prior employment by Seller or alleged right to continued employment based upon Seller's employment of that employee. This indemnification provision shall survive Closing.

10. BREAK-UP FEE / EXPENSE REIMBURSEMENT.

In consideration for Buyer having expended considerable time and expense in connection with this Agreement and the negotiation thereof, Seller shall pay to Buyer a breakup fee ("Breakup Fee") not to exceed Fifty Thousand Dollars (\$50,000) consisting of the Buyer's reasonable expenses incurred in connection with the transactions contemplated by this Agreement. The Buyer shall make an application to the Bankruptcy Court within forty-five days of cancellation of this Agreement because a higher/better offer was approved by the Court.

11. COMPETING TRANSACTIONS.

11.1 This Agreement is subject to approval by the Bankruptcy Court and the consideration by Seller of higher and/or better competing bids (each a "Competing Bid"). From the date hereof (and any prior time) and until the approval of this sale by Motion/completion of the auction contemplated hereby or as otherwise directed by the Bankruptcy Court, Seller is permitted to cause its respective representatives and affiliates to initiate contact with, solicit or encourage submission of any inquiries, proposals or offers by, any person (in addition to Buyer and its affiliates, agents and representatives) in connection with any sale or other disposition assets under this Agreement. Each Competing Bid submitted subsequent to the execution of this Agreement must include a bid price of at least \$1,050,000. In addition, Seller shall have the responsibility and obligation to respond to any inquiries or offers to purchase all or any part of the assets being sold under this Agreement and perform any and all other acts related thereto which are required under the Bankruptcy Code or other applicable law, including supplying information relating to the Business and the assets of Seller to prospective buyers.

11.2 Following completion of the sale motion/auction contemplated hereby, Seller is not permitted to cause their respective representatives and affiliates to initiate contact with, solicit or encourage submission of any inquiries, proposals or offers by, any person (in addition to Buyer and its affiliates, agents and representatives) in connection with any sale or other disposition of the assets

being purchased hereunder. In addition, unless otherwise directed by the Bankruptcy Court, Seller shall not after completion of the sale motion contemplated herein respond to any inquiries or offers to purchase all or any part of the assets being purchased or perform any other acts related thereto, including supplying information relating to the Business and the assets of Seller to prospective buyers.

12. BANKRUPTCY COURT FILINGS.

Seller shall file a Motion Authorizing the Sale Free and Clear of Liens and Encumbrances with the Bankruptcy Court and seek entry thereof. Buyer agrees that it will promptly take such actions as are reasonably requested by Seller to assist in obtaining the Sale Order, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court for the purposes, among others, of providing necessary assurances of performance by Buyer under this Agreement and demonstrating that Buyer is a "good faith" Buyer under Section 363(m) of the Bankruptcy Code. In the event the entry of the Sale Order shall be appealed, Seller shall use its reasonable efforts to defend such appeal.

13. REPRESENTATIONS AND WARRANTIES OF SELLER.

13.1 To the best of Seller's knowledge, all permanent certificates of occupancy and all other licenses, permits, authorizations, consents, certificates and approvals required by all governmental authorities having jurisdiction and the requisite certificates of the local board of fire underwriters (or other body exercising similar functions) have been issued for the Real Property, have been paid for, are in full force and effect, are assignable by Seller, and will not be invalidated, violated or otherwise adversely affected by the assignment thereof or by the transfer of the Real Property to Buyer.

13.2 To the best of Seller's knowledge, no underground or above ground storage tanks have ever been, nor now are present at the Real Property.

13.3 Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of New Jersey.

13.4 Seller has adequate power and authority to enter into this Agreement and to perform all of its obligations hereunder. Execution of this Agreement by Seller and the consummation of the transactions contemplated herein have been duly authorized and this Agreement constitutes a valid and binding obligation of Seller. Seller will keep in full force and effect its legal existence and all licenses and franchises necessary for the conduct of its business up to Closing.

13.5 There are no written or oral agreements by Seller that could constitute a lease or right to occupy any portion of any of the Real Property other than set forth in this Agreement.

13.6 Seller has received no written notice that there are any violations of environmental laws affecting the Real Property. In the event Seller receives written notice that there are any violations of environmental laws affecting the Real Property prior to the Closing, Seller shall notify Buyer thereof.

13.7 Seller now has, and/or on the date of Closing will have, and will convey to Buyer at the Closing, good and marketable title to all of the Real Property, Business Assets, Liquor License and

Inventory, free and clear from all liens, charges, pledges, security interests, claims and encumbrances of every kind. All of the assets to be sold and transferred under this Agreement are located at the Real Property and will not be removed, destroyed, copied or modified.

13.8 With respect to vendor contracts that Buyer specifically assumes in writing, Seller represents that each is in full force and effect and is valid and enforceable in all material respects by Seller in accordance with their respective terms, and Seller is not in material default in the observance or the performance of any term or obligation to be performed by it under each contract so assumed, and there exists no event or condition which with the giving of notice or lapse of time, or both, would constitute a default thereunder. Seller is not aware of any unresolved disputes under any of the contracts. Subject to the terms and conditions of this Agreement, Seller represents that all contracts that Buyer chooses to assume, in writing, are assignable to Buyer. Seller's execution and/or performance of this Agreement will not breach or violate any contract or obligation with third parties.

13.9 The assets are not subject to any liens, claims or encumbrances with respect to federal, state or local income, franchise, sales/use, wage withholding, gross receipts, duties, ad valorem, excise, transfer or other taxes, assessments, interest, penalties, deficiencies, fees, rents and other governmental charges and impositions (collectively the "Taxes"). Seller is currently paid on any and all taxes in connection with the Business and assets or will be current at the time of Closing.

13.10 No representation or warranty made by the Seller in this Agreement or as provided hereunder contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not materially misleading.

13.11 To the best of Seller's knowledge, no products or services offered or sold in connection with the Business, nor any formulae, processes, know-hows, trade secrets, trademarks, trade-names, assumed names, copyrights or designations used in the Business infringes upon any trademarks or copyrights or any other rights of any person.

All references to "best of Seller's Knowledge" shall refer to the knowledge of the principals of Seller and its key management employees after having taken reasonable steps to inquire as to the accuracy of the statement. All representations contained in this Article 13 shall survive Closing. If, prior to Closing, any one or more of the above representations or warranties is untrue, then Buyer shall have the right to terminate this Agreement. In the event of such termination, the Deposit shall be returned and Breakup Fee paid to the Buyer, this Agreement shall be null and void and neither Seller nor Buyer shall have any further liability or obligation to the other.

14. DELIVERIES AT CLOSING.

By Seller: At or prior to Closing, Seller shall execute and deliver all documents necessary to complete the contemplated transaction under this Agreement, including, but not necessarily limited to, the following:

14.1 Bankruptcy Trustee's Deed with bargain and sale / covenants against grantor's acts provisions.

14.2 Any required consents.

14.3 An affidavit of title in standard form, reasonably acceptable to Buyer and Buyer's title insurance company.

14.4 Discharge of any mortgage or UCC Financing Statement against any of the assets, or such other documents that affirmatively establishes that all assets being purchased under this Agreement are being transferred by Seller at time of Closing free and clear of any and all liens, claims and encumbrances.

14.5 Closing / Settlement Statement.

14.6 Such documents as are required by the title company.

14.7 Bill of Sale and / or such other documents completing the transfer of assets being conveyed to Buyer under this Agreement. An assignment of any intangible assets associated with the Business.

14.8 Certificate of Occupancy and other approvals, if required by this Agreement.

14.9 A true and correct copy of the filed Sale Order as entered by the Bankruptcy Court.

14.10 Assignment of all leases and security deposits.

14.11 Sufficient documentation that that all invoices for inventory (food and alcohol) have been paid in full.

14.12 Such other and further documents as may be reasonably required by the terms of this Agreement or as may be reasonably necessary or incidental to consummating the transaction contemplated hereby.

By Buyer: At or prior to Closing, Buyer shall execute and deliver all documents necessary to complete the contemplated transaction under this Agreement, including, but not necessarily limited to, the following:

14.12 Closing / Settlement Statement.

14.13 The Purchase Price.

14.14 Such documents as are required by the title company.

14.15 Such other and further documents as may be reasonably required by the terms of this Agreement or as may be reasonably necessary or incidental to consummating the transaction contemplated hereby.

15. CASUALTY. NEED CONDEMNATION PROVISION

15.1 Casualty. If any portion of the Business, Real Property or Business Assets is destroyed or damaged as a result of fire or any other casualty prior to Closing, then in such event, Buyer shall have the right, in its sole and absolute discretion, to terminate this Agreement, receive the Deposit back and the parties shall have no further rights or obligations to one another.

15.2 Condemnation. If, prior to the Closing, the Real Property (or any part thereof) shall be condemned or shall be made the subject of a condemnation proceeding or shall be damaged by reason of public or quasi-public improvements (any such condemnation, condemnation proceeding or damage resulting from public improvements being hereinafter referred to as a "Condemnation"), then Seller shall notify Buyer of the Condemnation. In the event the Condemnation materially interferes with the current use of the Real Property, Buyer shall elect within five (5) days of receipt of notice of the Condemnation from Seller to either: (i) terminate this Agreement, in which event, the Deposit made by Buyer shall thereupon be returned to Buyer and Buyer shall not be entitled to any award and the deposit escrow shall thereupon be canceled and this Agreement shall terminate and neither party shall have any further rights or obligations hereunder, except as set forth in this Agreement; or (ii) continue without an abatement in the Purchase Price, in which event Seller shall assign to Buyer at Closing all its right and interest in and to any Condemnation award arising therefrom, and this transaction shall be closed in the same manner as if no such Condemnation had occurred.

16. DEFAULT.

16.1 Default by Seller: If Seller cannot deliver the quality of title required by this Agreement, then Buyer's sole remedy shall be to terminate the Agreement, in which case the Deposit shall be returned to and the Breakup Fee paid to the Buyer, together with interest, and thereafter the parties shall have no further rights or obligations to one another. If Seller otherwise defaults or fails to close, Buyer may avail itself of such remedies as are provided by law, including, without limitation, specific performance or elect to receive the return of the Deposit and payment of the Breakup Fee.

16.2 Default by Buyer: Should Buyer default hereunder, Seller's sole remedy shall be to retain the Deposit as liquidated damages. The parties acknowledge that in the event Buyer defaults, it may be difficult to determine the extent of Seller's damages and that the Deposit represents a reasonable estimate of the damages that Seller will incur. Upon receipt of the Deposit from the Escrow Agent, Seller shall have no further rights or claims against Buyer, this Agreement shall be null and void and the parties shall have no further obligations to one another.

17. NOTICES.

Except as otherwise provided, all notices to be given by either party to the other shall be in writing and delivered personally or sent by registered or certified mail, return receipt requested, or overnight commercial courier or by telephone facsimile to the parties as provided for below:

If to Seller, to: Catherine Youngman, Chapter II Trustee
Fox Rothschild LLP
75 Eisenhower Parkway, Suite 200

Roseland, NJ 07068

If to Buyer, to: Boulevard Capital, LLC
650 New Road, Suite C
Linwood, New Jersey 08221

And copy to:

Scott M. Zauber, Esquire
Subranni Zauber, LLC
Willow Ridge Executive Office Park
750 Route 73 South, Suite 307B
Marlton, New Jersey 08053

and

Alexander J. Barrera, Esquire
Perskie Mairone Brog & Baylinson, P.C.
1201 New Road, Suite 204
Linwood, NJ 08221

All notices shall be deemed to have been given on the date hand delivered; three days after mailed by certified mail; the day after delivered to a commercial courier for delivery the following day; or the date telecopied if electronic confirmation of delivery is obtained and retained.

18. REAL ESTATE OR BROKERS' COMMISSIONS.

Each party warrants to the other that neither party has incurred any obligation for a real estate or brokerage commission for the sale of assets contemplated by this Agreement. Each party agrees to indemnify and hold harmless the other party for any loss, cost, or expense (including reasonable attorneys' fees) which the non-defaulting party may suffer as a result of a breach of this warranty. This warranty shall survive closing.

19. ASSIGNMENT.

Buyer shall have the right to assign this Agreement to a related entity of Buyer but shall remain obligated under this Agreement if assigned.

20. MISCELLANEOUS.

20.1 This Agreement constitutes the entire agreement by and between the parties hereto with respect to the transactions contemplated herein, superseding all prior understanding or agreement between the parties. No change, alteration, amendment, modification, or waiver of any of the terms or provisions of this Agreement shall be valid unless the same shall be in writing and signed by both the Seller and the Buyer.

20.2 This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective heirs, devisees, personal representatives, successors, and assigns.

20.3 Failure of Buyer or Seller to insist upon or to enforce any of their rights hereunder shall not constitute a waiver thereof, and nothing shall constitute a waiver of Buyer's or Seller's right to insist upon strict compliance with the provisions hereof.

20.4 This Agreement shall be governed by and construed under the substantive laws of the State of New Jersey, and no application of the conflicts of laws rules of the State of New Jersey shall cause any law to apply other than that of the State of New Jersey. Venue in any lawsuit relating to this Agreement shall be in the United States Bankruptcy Court for the District of New Jersey.

20.5 The article headings as herein used are for the convenience of reference only and shall not be deemed to vary the content of this Agreement or the covenants, agreements, representations and warranties herein set forth or to limit the provisions or scope of any article.

20.6 Each of the rights, benefits and remedies provided by this Agreement, and any instruments or documents executed pursuant to this Agreement, are cumulative and shall not be exclusive of any other rights, remedies and benefits allowed by this Agreement to the parties.

20.7 All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or entity may require.

20.8 This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Agreement. This Agreement may be executed by facsimile signature.

20.9 This Agreement shall be deemed drafted by both parties and their counsel and shall not be construed against either party as the drafter.

SIGNATURES ON FOLLOWING PAGE

SELLER:

DATE SIGNED:

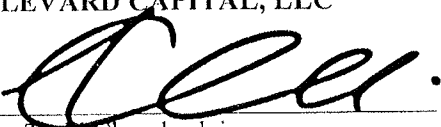
BALTIMORE GRILL, INC.

By:  _____

11-7-16

BUYER:

BOULEVARD CAPITAL, LLC

By:  _____
Todd Chamberlain
Manager

RIDER TO CONTRACT FOR SALE OF REAL ESTATE
BY AND BETWEEN CATHERINE E. YOUNGMAN, CHAPTER 11 TRUSTEE, FOR
BALTIMORE GRILL, INC.

Notwithstanding anything to the contrary contained in the main Contract for Sale, this Rider shall prevail.

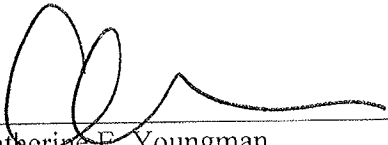
- 1) This Contract is subject to the approval of the U.S. Bankruptcy Court, District of New Jersey. The Seller agrees to make prompt application to the U.S. Bankruptcy Court for approval of the within sale in accordance with the terms of this Contract and Rider. Seller shall convey title by a standard form of Trustee's Deed reasonably satisfactory to Buyer's title insurance Company.
- 2) Closing of title cannot occur until Seller has secured approval of the within sale from the U.S. Bankruptcy Court. Seller shall have the right to adjourn closing of title not to exceed sixty (60) days from the Contract closing date to allow Seller to secure U.S. Bankruptcy Court approval of the within sale. If said approval is not secured within the time provided, then the parties may mutually agree in writing to further extend the closing date, or, either Buyer or Seller shall have the right to terminate this Contract and Buyer shall receive the return of all deposit monies paid on account.
- 3) All contingencies shall run from the date of this Contract, which shall mean the date both Buyer and Seller have executed the Contract and Rider.
- 4) Seller has not at any time made and is not now making, and Seller specifically disclaims, any warranties or representations of any kind or character, express or implied, with respect to the Premises, including, but not limited to, warranties or representations as to (i) matters of title;(ii) environmental matters relating to the Premises or any portion thereof, including, without limitation, the presence of hazardous materials in, on, under or in the vicinity of the Premises;(iii) zoning or building entitlements to which the Premises or any portion thereof may be subject; (iv) the condition or use of the Premises or its operating systems, or compliance of the Premises with any or all past, present or future federal, state or local ordinances, rules, regulations or laws, building, fire or zoning ordinances, codes or other similar laws; (v) the existence or non-existence of underground storage tanks, wells, septic systems, surface impoundments, or landfills; (vi) the merchantability of the Premises or fitness of the Premises for any particular purpose; or (vii) any other matter or thing with respect to the Premises.
- 5) Buyer acknowledges and agrees that upon Closing, Seller shall sell and convey to Buyer, and Buyer shall accept the Premises, including all buildings and other improvements thereon "**AS IS, WHERE IS, WITH ALL FAULTS**". Buyer has not relied and will not rely on, and Seller has not made and is not liable, for or bound by, any express or implied warranties, guarantees, statements, representations or information pertaining to the Premises, including all buildings and other improvements thereon, or relating thereto made or furnished by Seller, or any real estate broker, agent or third party representing or purporting to represent Sellers, to whomever

made or given, directly or indirectly, orally or in writing. Buyer will conduct, in accordance with the terms of this Agreement, such inspections and investigations of the Premises, including all buildings and other improvements thereon, as Purchaser deems necessary, including, but not limited to, inspections and investigations of the physical and environmental conditions thereof, and shall rely upon same. Buyer acknowledges that Buyer will have and, as of the Closing, will have had the full opportunity to conduct such investigations of the Premises, including all buildings and other improvements thereon, as Buyer deemed necessary to satisfy itself as to the condition of the Premises, including all buildings and other improvements thereon, and the existence or non-existence of, or curative action to be taken with respect to, any hazardous materials on or migrating or which have migrated from the Premises, and will rely solely upon same and not upon any information provided by or on behalf of Seller or Seller's agents, representatives or counsel with respect thereto.

- 6) The second sentence of paragraph 3.3 shall be stricken and replaced with the following: "The total Purchase Price shall be no more or less than \$1,000,000.00 irrespective of the value of the Inventory as of 6:00 a.m. on the Monday immediately prior to the Closing.
- 7) Closing shall take place at Buyer's attorney's office or at the office of the title company. Notwithstanding the foregoing, Seller may elect to complete the closing via overnight mail or courier. In addition, Paragraph 4.1 shall be amended to strike "December 15, 2016" and insert "Tuesday, December 13, 2016".
- 8) In the event of a breach of this Contract, either party shall have all rights afforded to them in law and/or in equity.
- 9) All deposit monies shall be held in a non-interest bearing Chapter 11 Trustee account until closing. There will be no banking fees associated with the Chapter 11 Trustee's account. The deposit amount shall be 10% or \$100,000 due upon signing of this contract.
- 10) With respect to paragraph 1.5 of APA, the last sentence shall be stricken because the Trustee is exempt from the payment of transfer taxes.
- 11) The first sentence of Paragraph 5.2 of the APA shall be stricken in its entirety and replaced with "Trustee shall produce all documents requested by Buyer that are reasonably related to Buyer's due diligence of the Business, Real Property, Business Assets, Liquor License and Inventory that are in the Trustee's possession within five (5) days of such request and will further request that the Debtor also provide all such similar documents in its possession." In addition, the following shall be added to the documents listed in paragraph 5.2 "All documents relating to the environmental condition of the Real Property".
- 12) Paragraph 8 of the APA shall be stricken in its entirety and replaced with "The Buyer shall not assume any liabilities of the Seller except as specifically set forth in paragraph 2.3.3".

- 13) The last two sentences of paragraph 9.5 of the APA shall be stricken.
- 14) The following language shall be added to paragraph 10: "The break-up fee shall be awarded at the sole discretion of the Bankruptcy Court Judge."
- 15) Subparagraphs 13.1-13.4, 13.7, and 13.9-13.11 of Paragraph 13 shall be stricken in their entirety. Subsection 13.5 shall be amended to read: "13.1 Any oral or written leases will be rejected by the Trustee in the Motion to Approve the Sale." Subsection 13.6 shall be amended to be re-numbered as subsection 13.2 and to replace the word "Seller" with the word "Trustee". Subsection 13.8 shall be stricken in its entirety and replaced with the following: "13.3. To the extent that Buyer notifies Trustee prior to closing of the contracts it wishes to assume, the Trustee will represent that, to the best of Trustee's Knowledge, the contracts may be assumed." The final paragraph in Paragraph 13 shall be stricken in its entirety and replaced with: "All references to "best of Trustee's Knowledge" or "best of Seller's Knowledge" shall refer to the knowledge of the Trustee."

Dated: 10.20.16



Catherine E. Youngman,
Chapter 11 Trustee

Dated: _____

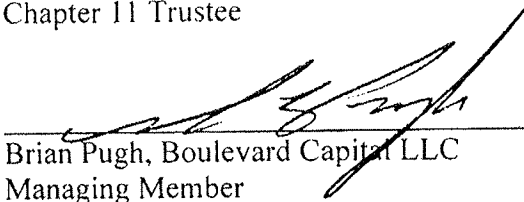
Brian Pugh, Boulevard Capital LLC
Managing Member

- 13) The last two sentences of paragraph 9.5 of the APA shall be stricken.
- 14) The following language shall be added to paragraph 10: "The break-up fee shall be awarded at the sole discretion of the Bankruptcy Court Judge."
- 15) Subparagraphs 13.1-13.4, 13.7, and 13.9-13.11 of Paragraph 13 shall be stricken in their entirety. Subsection 13.5 shall be amended to read: "13.1 Any oral or written leases will be rejected by the Trustee in the Motion to Approve the Sale." Subsection 13.6 shall be amended to be re-numbered as subsection 13.2 and to replace the word "Seller" with the word "Trustee". Subsection 13.8 shall be stricken in its entirety and replaced with the following: "13.3. To the extent that Buyer notifies Trustee prior to closing of the contracts it wishes to assume, the Trustee will represent that, to the best of Trustee's Knowledge, the contracts may be assumed." The final paragraph in Paragraph 13 shall be stricken in its entirety and replaced with: "All references to "best of Trustee's Knowledge" or "best of Seller's Knowledge" shall refer to the knowledge of the Trustee."

Dated: _____

Catherine E. Youngman,
Chapter 11 Trustee

Dated: 10/21/16



Brian Pugh, Boulevard Capital LLC
Managing Member