

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND

_____)	
In re:)	
)	
MWM & SONS, CORPORATION)	Case No. 16-25851
)	(Chapter 11)
)	
Debtor)	
_____)	

MOTION TO APPROVE SALE OF
7750 ANNAPOLIS ROAD LANHAM MARYLAND 20706
FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS
PURSUANT TO 11 U.S.C. §§ 363(f) and (m) TO 7750 ANNAPOLIS, LLC and NOTICE
THEREOF

MWM & SONS, CORPORATION (the "Debtor") Debtor and Debtor-in-Possession, by and through undersigned counsel, John D. Burns, Esquire, and The Burns Law Firm, LLC, files this Motion to Approve Sale of 7750 Annapolis Road Lanham, Maryland 20706 Free and Clear of Liens, Claims, Encumbrances and Interests Pursuant to 11 U.S.C. §§ 363(f), (m) to 7750 ANNAPOLIS, LLC and NOTICE THEREOF (the "Motion"), and states as follows:

JURISDICTION:

1. This Court has jurisdiction over this contested matter pursuant to 28 U.S.C. §§ 1334(b) and 157(b). This contested matter is a core proceeding pursuant to 28 U.S.C § 157(b). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This request is made pursuant to 11 U.S.C. §§ 363(f) and (m). The Debtor consents to jurisdiction of the Bankruptcy Court to enter final Orders in this contested matter.

FACTUAL BASIS FOR RELIEF:

2. On December 12, 2016, the Debtor filed a voluntary case under Chapter 11

of the United States Bankruptcy Code of 2005, as amended (the “Code”). The Debtor leases by month to month a Citgo service station in Prince George’s County MD and performs various Maryland State Inspections. The principals are Moin Ahmad (99%) and Mohammad Khan (1%).

3. The Debtor is in possession of all property of the estate and is a debtor in possession pursuant to 11 U.S.C. §§ 1106-1108. For the reasons set forth in the Memorandum and NOTICE in support hereof, which is incorporated to this Motion, and the Contract of Sale with 7750 Annapolis, LLC (“Buyer”) and an Affidavit of Mr. Duke owner of the Buyer, the Debtor avers the relief prayed herein should be granted.

4. A memorandum accompanies the Motion pursuant to Local Rule 9013-2.

WHEREFORE, the Debtor respectfully requests that the Bankruptcy Court enter an Order:

- (i) Granting the Motion; and
- (ii) Approving the Contract subject to higher and better offers on otherwise similar terms and authorizing the sale of the Property free and clear of liens, claims, encumbrances, interests with net proceeds payable to PG County, TD Bank, NA at closing on allowed claims representing liens which attach to the Property after surcharge in favor of attorneys fees by charging lien and in favor of commission payable to broker such charges reserved to professional persons remaining in escrow pending application and required closing costs, with such remaining sale proceeds to be used to pay allowed claims in this Chapter 11 case, and any net surplus thereafter payable to the Debtor; and
- (iii) Granting such other and further relief as equity and justice may require.

Respectfully Submitted,
-----/s/ John D. Burns-----
John D. Burns, Esq. #22777
The Burns Law Firm, LLC
6303 Ivy Lane, Suite 1052
Greenbelt, MD 20770
(301) 441-8780
Counsel for the Debtor
INFO@BURNSBANKRUPTCYFIRM.COM

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on or before September 5th, 2017, a copy of the Motion, Memorandum with Notice and Exhibits and Order was served upon:

VIA ECF or MAIL AS SPECIFIED:

Office of the United States Trustee (VIA ECF)
6305 Ivy Lane, Suite 600
Greenbelt, MD 20770
(Department of Justice)

Evan Meyers, Esquire (VIA ECF)
Prince George's County, Maryland
Meyers, Rodbell and Rosenbaum
6801 Kenilworth Avenue; Suite 400
Riverdale, MD 20737
(Counsel for PG County)

Jon Levine, Esquire (VIA ECF)
Levine & Assoc. PLLC
5311 Lee Highway
Arlington, VA 22207
(Counsel for TD Bank, NA)

Bharat Masrani, President (VIA CERTIFIED MAIL)
TD Bank, NA
336 Route 70 East; 2nd Floor
Marlton, NJ 08053
(TD Bank, NA)

Christopher Hamlin, Esquire (VIA ECF)
McNamee Hosea
6411 Ivy Lane; Suite 200
Greenbelt, MD 20770
(Counsel for Bhatti Bros.)

Babar Ifikhar, President (VIA MAIL)
Bass Properties, Inc.
7855 Bellpoint Drive
Greenbelt, MD 20770
(Erstwhile Purchaser)

Dan LaPlaca, Esquire (VIA MAIL)

NAI Michael
10100 Business Parkway
Lanham, MD 20706
(Former Broker)

Ross Levin, Realtor (VIA MAIL)
Fairfax Realty, Inc.
10210 Greenbelt Road; STE 120
Greenbelt, MD 20770
(Ifikhar's Broker)

Lanham Petroleum, LLC (VIA MAIL)
c/o Zahid Feroze, Managing Member
5105 Cornelias Prospect Drive
Bowie, MD 20720
(Former Buyer)

Paul S. Schleifman, Esquire (VIA ECF)
Schlieffman Law, PLC
1600 Wilson Boulevard
Suite 905
Arlington, VA 22209
(Former Buyer's Counsel)

Mr. Abdelgalil Morsal (VIA MAIL)
t/a Rema Autobody
9924 E. Franklin Avenue
Glennedale, MD 20769
(Tenant)

EJTEMAI ABDOLHOSSEIN, (VIA CERTIFIED MAIL)
President
Petroleum Marketing Group, Inc.
12680 Darby Brook Court
Woodbridge, VA 22192
(PMG)

Petroleum Marketing Group, Inc. (VIA ECF)
RESIDENT AGENT
STUART A. SCHWAGER
SUITE 460
3 BETHESDA METRO CENTER
BETHESDA MD 20814

(Counsel for PMG)

Mark Devan, Esquire (VIA ECF)
11350 McCormick Road
Hunt Valley, MD 21031]
(Counsel for Interested Buyer)

VIA U.S. MAIL, POSTAGE PREPAID:
(the Attached Matrix of Creditors as Redacted)

-----/s/ John D. Burns-----
John D. Burns, Esq. #22777
The Burns Law Firm, LLC
6303 Ivy Lane, Suite 1052
Greenbelt, MD 20770
(301) 441-8780
Counsel for the Debtor

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND

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In re:)	
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MWM & SONS, CORPORATION)	Case No. 16-25851
)	(Chapter 11)
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Debtor)	
_____)	

**MEMORANDUM IN SUPPORT OF MOTION TO APPROVE SALE OF
7750 ANNAPOLIS ROAD LANHAM MARYLAND 20706 AND ALL OR
SUBSTANTIALLY ALL OF THE PROPERTY OF THE ESTATE
FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS
PURSUANT TO 11 U.S.C. §§ 363(f) and (m) TO 7750 ANNAPOLIS, LLC and NOTICE
THEREOF**

MWM & SONS, CORPORATION (the “Debtor”) Debtor and Debtor-in-Possession, by and through undersigned counsel, John D. Burns, Esquire, and The Burns Law Firm, LLC, files this Memorandum in Support of Motion to Approve Sale of 7750 Annapolis Road Lanham, Maryland 20706 And All Or Substantially All of the Property of the Estate Free and Clear of Liens, Claims, Encumbrances and Interests Pursuant to 11 U.S.C. §§ 363(f), and (m) to 7750 Annapolis, LLC (“Purchaser” or “Buyer”) and NOTICE THEREOF (the “Motion”), and states as follows:

SHORT STATEMENT:

The Debtor filed this Chapter 11 case on December 2, 2016, in order to facilitate the sale free and clear of real property; namely, a gas station and repair facility, that is burdened by numerous and overlapping claims and interests. The background of these disputes is complex and this is a sale of all or substantially all of the assets of the Debtor. Thus, under *Naron & Wagner* (addressed *supra*), adequate information is due to the estate such that the business judgment,

benefits to the estate, weighing of the financial alternatives and ultimately the contingencies involved in the transaction are duly considered.

This bankruptcy case followed a prior Chapter 11 case which was pending between 2013 and 2016, in which prior case the Debtor successfully was able to reject a dealership agreement with Sunoco; gained approval of a new dealership with Citgo; and resolved disputes with a former tenant/interest holder; namely, the Bhatti Bros. while creating a further detailed but unwieldy Court approved agreement.

However, the Debtor was unable to obtain approval for its reorganization in the prior case. This arose because of the difficulties encountered with required debt service to TD Bank, NA, its secured lender; disputes involving other claims; and ultimately because of the inability of Moin Ahmad to timely and successfully regain his inspection certificate which was a requirement to aid in funding the Plan. The first case was dismissed in early 2016 to give the Debtor an opportunity outside of bankruptcy to resolve its financial troubles by a sale of the real property and/or by leasing it as was then authorized to the two tenants Bhatti Bros. and Mr. Morsal.

Between early 2016 and the December, 2016 petition date herein, the Debtor went through at least four (4) potential buyers and found what appeared to be the highest and best offer from a competitor Zahid Feroze – an undisclosed family member of the Debtor’s principal - which was in excess of \$1.8MM, because it included assumed “blue sky” for the business value as well as the real property. However, the downside of this offer was that it was enormously optimistic given the fact that the buyer never once shared with counsel for the Debtor proof of his financial wherewithal to close on the transaction, and because it assumed a challenging value for obtaining

a loan, and presented questionable seller financing over a period of time for a significant residual amount of several hundreds of thousands of dollars. Unsurprisingly, this buyer was unable to procure financing from the late Spring, 2016 until the Fall, 2016 when the last of multiple appraisals allowed for a commitment given the borrower's other financial commitments, according to NAI Michaels. The Feroze buyer terminated the contract on several occasions prior to the filing of the present case, and then would reenter the contract spontaneously, as allowed by NAI Michaels. Delicately stated, this created some challenges.

Following December, 2016, when this bankruptcy was filed, the Debtor had advised numerous persons including counsel that the Bhatti Bros. would be simply moving on and leaving the Property; however, the exact opposite happened. The Bhatti Bros. hired not one but two law firms and refused to recognize that their rights procured in the first dismissed bankruptcy case had become moot. Contrary to the Debtor's statements, the Bhatti Bros. were not "just leaving." Negotiations ensued and continue with the Bhatti Bros. to this day. Accordingly, the contract with the putative pre-petition Feroze buyer, which had a time provision of 120 days expired in April, 2017. The Debtor has testified by affidavit in this record that Mr. Feroze chose to buy another property instead, and this was not disclosed to the Court. Certainly, it was Mr. Feroze's right to forfeit his contract and all rights therein to purchase another property.

Whatever the facts may be in this unusually sordid case with so many local industry characters, the Debtor by and through counsel was able to negotiate a more realistic and feasible purchase agreement and did so within a month with Bass Properties, Inc. for \$1.2MM. A strict contract was prepared which required tight financing deadlines –given that Mr. Ifikhar boasted frequently that money was no problem for him in this purchase. Mr. Ifikhar's irrational

exuberance proved to be his failing. As past can become prologue, the contract with Bass Properties, Inc. was forfeit (and the \$10,000.00 deposit with it) when the putative buyer failed to timely apply for financing and failed to obtain financing timely, despite his *braggadocio*. Notice was issued to Mr. Babar Ifikhar and his buyer broker on May 24, 2017 terminating the contract for non-curable financing default. From the failings of Mr. Ifikhar arose once again Mr. Feroze, who submitted a higher and better contract of \$1,450,000.00 with no financing contingencies or any real contingencies other than title. (Although Mr. Feroze as of this date had not disclosed he had made another significant property purchase which apparently from Mr. Ahmad's affidavit depleted his purchasing power to buy the subject property herein).

However, this new Feroze contract was submitted for approval; naturally, subject to the bidding rights of parties in interest (including Mr. Ifikhar) on such terms within the amended bidding motion including but not limited to \$100,000.00 increments. The former motion to approve the contract with Bass Properties, Inc. had been withdrawn. Once again, things too good to be true are often not true. Despite urgings informally through the Debtor, and despite direct demands from the Debtor in a response to an absurd objection filed by Lanham Petroleum, LLC, no direct evidence whatsoever was *ever* been provided by Mr. Feroze of his ability to purchase this Property in cash. Indeed, the unfortunate objection to bidding by Mr. Schlieffman, counsel Lanham Petroleum, LLC summarily relays that Mr. Feroze can get \$720,000.00 from family – without demonstrating cash or cash equivalents to pay the full \$1,450,000.00 for the Property. All of this occurred after the Debtor testified at deposition and by affidavit that his family member, Mr. Feroze, spent much of his money on another property and could not purchase the Property at hand. This case is not a game of “three card monte” however it has proceeded as

such in respect of the two local purchasers, Ifikhar and Feroze.

However, every tale of misery has a silver lining. Firstly, Moin Ahmad recently testified at deposition that he had comparable sales from Mr. Feroze's due diligence which evidenced a value of \$2.2MM - \$2.5MM for the Property at issue, given explosive appreciation in the market and improving conditions with stable interest rates. PMG rose with the occasion and propitiously exercised its right of first refusal, thereby producing a contract for \$1,450,000.00 with evidence by financial statement to the Debtor's counsel of the ability to purchase the Property. PMG is pecunious, able and willing to close on the Property in cash. Further, PMG has no broker commission that would cost the estate \$101,500.00 off of the bottom line, making the PMG contract offer superior to that of Lanham Petroleum, LLC or Bass Properties, Inc. Opening bids for any competing contract was set at \$1,600,000.00 with increments of \$100,000.00. All seemed set to move forward with PMG and this modest purchase price.

Yet, sometimes good fortune comes in sequenced actions. Following in the footsteps of Ifikhar, Feroze and PMG, came Meir Duke, principal of 7750 Annapolis, LLC notified the undersigned late last week that he wished to purchase the Property in cash for \$1,625,000.00. A contract was provided today after adjustments, signed by Mr. Duke. The Contract is substantially similar to that of PMG, but is changed for context. Several observations are particularly germane:

Firstly, any third party buyers other than PMG or Purchaser may submit cash bids at \$100,000.00 intervals (net of brokerage fees, if any apply, which such bidding party must separately pay) with terms otherwise substantially similar to this Contract within 10 days of the latest of these events: (i) the submission of this Contract to the Bankruptcy Court to the extent

PMG has not exercised a right of first refusal; (ii) the exercise of a right of first refusal by PMG when submitted to the Bankruptcy Court; or (iii) any successor or amendment of this Contract when submitted to the Bankruptcy Court following the exercise of a right of first refusal by PMG.

Thus, by way of example, if this Contract for 7750 Annapolis, LLC were submitted without an exercise of a right of first refusal by PMG, then the \$100,000.00 increment due from a timely third party bidder would be \$1,750,000.00 after such bidder satisfies any brokerage fees¹ for seller or buyer that are due. Proof of cash capacity to close would be required, as it was for PMG and 7750 Annapolis, LLC.

Secondly, this Contract permits the exercise of a right of first refusal by PMG, if the PMG Agreement is not rejected. A Motion to Shorten Time for the exercise of the PMG right of first refusal is provided herewith such that, if granted, within 7 days, the Debtor and all parties in interest – including Mr. Duke – shall know if there is a right of first refusal being exercised by PMG. To the extent there is a right of first refusal exercise, 7750 Annapolis, LLC and Debtor may - but are not bound to – enter into a further Contract as circumstances may present. And, obviously any such offers from third parties and/or further offers from 7750 Annapolis, LLC will be subject to any right of first refusal of PMG, to the extent the PMG Agreement is not rejected. At present, the Debtor is deferring filing a Motion to Reject the PMG Agreement which might subsume the right of first refusal pending a resolution of winnowing out the contracts.

Thirdly, the foregoing process is being implemented in lieu of a refiling of the Motion to Establish Bidding Procedures, as the more informal process has proven successful to

¹ By way of example, NAI Michael may have brokerage fees due from Bass Properties, Inc. and Babar Ifikhar and Lanham Petroleum, LLC and Zahid Feroze and if these entities are bidding, they would need to separately satisfy any brokerage claims from NAI Michaels.

obtain a fair market value purchaser closer to the Debtor's recent testimonial value of \$2.2MM - \$2.5MM. It is anticipated that whether (i) this Contract is the final purchase agreement which goes to closing, or whether (ii) this Contract is the subject of a further timely exercise of right of first refusal by PMG; or whether (iii) this Contract is met with a bid by a third party in \$100,000.00 increments net of broker commissions, this method will bring both finality to this process most expeditiously and provide the highest and best offer to the Debtor for the asset at issue.

The Motion to Sell as noted premises a \$1,625,000.00 purchase price with a seller capable of closing. This contract does not provide the principal of the Debtor, Moin Ahmad, with an employment contract or a split on vehicle inspections (while commensurately reducing the purchase price by handwritten interlineation), as did the erstwhile Lanham Petroleum, LLC contract. However, as demonstrated by the Debtor's recently filed affidavit, Mr. Ahmad understandably has a difficult time separating personal compensation as an insider from benefit to the bankruptcy estate, which is understandable for an owner who has dedicated decades to running a service station and sees the end approaching. However, as Mr. Ahmad well understands, the higher the price for sale, the better the benefit to the estate irrespective of personal employment or gain for insiders.

However, as noted above, this filing is without prejudice to any cash offers of \$1,725,000.00 or higher by \$100,000.00 increments, with buyers paying separately any and all brokerage fees which may exist. The Debtor welcomes higher and better offers, as is its fiduciary duty of care and duty of loyalty to unsecured creditors herein.

I. FACTUAL BASIS FOR RELIEF:

On December 2, 2016 (the “Petition Date”), the Debtor filed a voluntary case under Chapter 11 of the United States Bankruptcy Code of 2005, as amended (the “Code”). The Debtor leases by month to month a Citgo service station in Prince George’s County MD and performs various Maryland State Inspections. The principals are Moin Ahmad (99%) and Mohammad Khan (1%).

The Debtor is in possession of all property of the estate and is a debtor in possession pursuant to 11 U.S.C. §§ 1106-1108.

Debtor’s History Prior to 2013:

In 1994, the Debtor was formed by Mirza Moin Ahmad, the current President and 99% shareholder. Mohammed Khan is the 1% shareholder. For over 10 years, the Debtor operated a Sunoco station owned by Sunoco, Inc. However, in 2007, Sunoco, Inc. elected to sell the station to the Debtor. On May 31, 2007, the Debtor entered into a term loan with TD Bank, NA (by and through its predecessor Commerce Bank) in the face amount of \$730,000.00 relative to the ownership of the aforementioned Sunoco service station in Prince George’s County MD situated at 7750 Annapolis Road, Lanham, MD 20706 (the “Property”). The Debtor operated all functions of the service station which provides gas products, a service station convenience store, Maryland State Inspections and repair shop continuously from that date to 2016. The aforementioned TD Bank note matures on June 1, 2027, just under a full ten years from now.

In April, 2006, the Debtor entered into a Dealer Supply Franchise Agreement (the “Sunoco Agreement”), which had a contract length through April, 2016. The Sunoco Agreement controlled pricing, the dealer/Sunoco relationship on most economic factors underpinning the dealership. The Sunoco Agreement also provided for early termination fees from year 1 (2006) to

year 5 (2010) and thereafter imposed no schedule. Sunoco, Inc. held a deposit and the Debtor and Sunoco asserted claims against one another as detailed below.

In or about 2011, the Debtor alleges that he began to receive disparate treatment from Sunoco, Inc. Gas prices were inflated above and beyond those prices which were being offered to other vendors, according to the Debtor's research. Debtor believed that Sunoco was attempting to force MWM out as a dealer as relations soured. Resultantly MWM could not focus effectively on turning a profit. Basic cost pricing on fuel to the Debtor was raised so high by Sunoco that the Debtor's facility was above the "per gallon rack pricing" on a retail basis when compared to a competing service station across the street. The physical condition of the Debtor's Sunoco facility was inferior to the local competing service stations and for that matter to other Sunoco facilities. Sunoco would provide no facilities upgrade. As a result, the Debtor became delinquent on the TD Bank loan referenced above among other obligations.

On February 6, 2012, a confessed judgment was entered by the Circuit Court for Prince George's County, MD in favor of TD Bank, NA against the Debtor in the amount of \$816,665.75, arising out of claims of non-payment made by TD Bank, NA. The Debtor, pushed to difficult measures, worked diligently with counsel and reached an agreement available with PMG (Petroleum Marketing Group) in late 2012 to switch distributors to PMG – which administers Citgo Corporation. This would terminate Sunoco's relationship with the Debtor. However, Sunoco fought and obfuscated against pre-bankruptcy unilateral efforts to terminate its dealership agreement by the Debtor.

Faced with difficult times given the foregoing, the Debtor was able to procure an investor group, known as the Bhatti Brothers. The Bhatti Brothers provided much needed cash in

the amount of \$150,000.00 which the Debtor expended expediently and prior to the 2013 petition date on operating needs given the increased operating costs imposed by Sunoco, Inc. The Bhatti Brothers contemplated receipt of a lease and licensure to operate the service station on gas sales and other particulars. However, aside from a self styled *pro se* one or two page writing that was inadequate to bind anyone to much of anything, the Bhatti Brothers deal with the Debtor was essentially a “hand shake” agreement between community friends where someone would work something out someday.

Accordingly, armed with a prospective tenant/investor in the Bhatti Bros. who seemed willing to pay for shared operations, and a new dealership agreement with Citgo Corporation, via PMG, the Debtor believed it could present a workout proposal with merit for TD Bank, NA. However, TD Bank NA advised it wished to proceed to foreclosure despite these options. Accordingly, a Chapter 11 case was filed by the Debtor on July 15, 2013 (the “Prior Petition Date”) (Case No. 13-22061).

Debtor’s History 2013-2016:

Following the Prior Petition Date, the Debtor attempted to cut costs and stabilize operations which arose from the sale of Sunoco products. With the guidance of professionals – such as the undersigned counsel - the Debtor was able to operate with a modest net operating profit over the period of July, 2013 to April, 2014 showing gross receipts of \$1,560,106.25 and gross profit after cost of goods of \$196,674.05. After expenses of \$163,480.16, the Debtor showed a net operating profit of \$33,193.89 for the 10 month period. These results, however, were in the 2% profit margin and even though they stabilized the hemorrhage of losses that occurred earlier than the Prior Petition Date, they were insufficient to carry the day without

significant changes in the Debtor's business structure and operations.

The Debtor was working to "unwind" the business debacle that it had created by delaying a bankruptcy filing for so long. The Debtor was also bound to restructure the business relationships he had with Sunoco (meaning a termination of dealership by rejection), TD Bank (meaning a restructure of payments), with PMG (inception of a supply agreement and dealership franchise agreement), and with the Bhatti Bros. (arriving at some formal agreement for either a lease, option for purchase or other treatment). Much work had to be done by Debtor with counsel.

In 2013-2014 colloquies were exchanged with TD Bank, NA through counsel over possible reorganization scenarios and debt adjustments. However, the parties could not come to terms at that point in time. Ultimately, an adequate protection Motion was filed providing for payments from November, 2013 forward which was granted on May 16, 2014. The Debtor with counsel engaged in the lengthy and difficult process of negotiating a result with PMG as to the Citgo offer that would provide lower gas prices to the Debtor, much needed renovations, and a switch from the dilapidated Sunoco dealership to a much improved Citgo station with a cash infusion into the service station by Citgo via PMG.

The challenge was that PMG had wanted more information concerning resolution of the debt structure with TD Bank before it could commit to a dealership services agreement and whether that secured debt was stabilized. Obviously, if a foreclosure was again imminent, the Debtor would be unable to obtain the PMG contract opportunity through Citgo in 2014. The Debtor with counsel fashioned a remedy that exited Sunoco from the Property and brought in PMG/Citgo while attempting to work out differences with TD Bank, NA, commencing with an adequate protection agreement which the Debtor honored for the most part. A Motion To

Establish Adequate Protection was filed and granted as to TD Bank, NA.

To facilitate these results, the Debtor filed a Motion to Use Property Out of the Ordinary Course of Business as pertaining to the Dealer Supply Agreement with PMG/Citgo on June 15, 2014. This motion was granted by Order on July 11, 2014. Contemporaneous with the filing of the motion pertaining to the PMG Dealer Supply Agreement, the Debtor likewise filed a Motion to Reject the Sunoco, Inc. Executory Contract which was filed on June 15, 2014. The Motion to Reject was granted in conjunction with settlement on October 20, 2014. Finally, in connection with the immediately preceding Sunoco contested matter, the Debtor further resolved with Sunoco, Inc. all disputes, and these are set forth at the Motion for Approval of Compromise and Settlement with Sunoco, Inc Pursuant to Fed. R. Bankr. P. 9019(b) filed in the prior Chapter 11 case which too was been granted on October 20, 2014.

The net result of these several filings and resolutions as to Sunoco, PMG/Citgo and the Debtor was that the Debtor was able to retire Sunoco from the Property – without hostile and extended litigation that preceded the Prior Petition Date. Moreover, the Debtor received a very healthy deposit return of approximately \$24,000.00 from Sunoco which met important needs such as the United States Trustee’s quarterly fees. The Debtor simultaneously obtained a new agreement with PMG/Citgo which carried significant cash bonus incentives for the Debtor, and facility improvement monies that bolstered the Debtor’s Property. The PMG agreement further allowed the Debtor to obtain lower fuel and supply prices, store upgrades, cash infusions and a better operating agreement with a more competitive motor fuel supplier, CITGO.

The Debtor then attempted to negotiate a further set of agreements that would provide further stability of its operations; namely, a formalization and novation of the “hand

shake” agreement between Debtor and the Bhatti Bros., and a term out on the secured loan with TD Bank, the Debtor’s secured lender. Each of these is addressed in turn.

Prior to the Prior Petition Date, as noted the Debtor had negotiated an “Agreement of Lease” (the “Lease”) which was entered into by and between Mohammad A. Bhatti, Faisal Bhatti, and Idrees Bhatti (collectively, known as the “Bhatti Bros.”), The Lease is disclosed at Amended Schedule G filed in the prior Chapter 11 case on September 27, 2013. The Bhatti Bros. held an unsecured claim for \$150,000.00 in the prior Chapter 11 case, as set forth at Schedule F in the prior Chapter 11.

The so called “Lease” was not a model of clarity, and really appears to be a inherently contradictory self-prepared installment purchase and sale agreement by the Bhatti Bros. without adequate terms to evidence the parties intent, if there even was an intent. There is a generic discussion of revenue splitting between Mr. Ahmad (the owner of the Debtor) and the Bhatti Bros. The term of the Lease is 10 years and there is no rent specified. Rather there existed a “goodwill” quotient of \$225,000.00, which was to be paid to Debtor by the Bhatti Bros. over a specified draw schedule of twenty-five (25) months. The Lease referenced a more final document to be prepared by an attorney, and also referenced a “first attested” document (which is unclear whether it is the Lease or a prior document). The Lease is signed by Mssrs. Ahmad on behalf of the Debtor and the Bhatti Bros. Mr. Mohammad Khan has a signature line on behalf of the Debtor as well, but did not sign. He is a 1% owner of the Debtor, pursuant to SOFA #21 in the prior Chapter 11 case.

The Debtor filed a Motion to Reject the Lease as an Executory Contract in the prior case. Simply stated, the Lease was burdensome to the Debtor inasmuch as the Debtor had already

received \$150,000.00, and were the Debtor to perform under the Lease, it would not benefit the estate because the residual income that was to be received was relatively small, and the operational benefits to the Bhatti Bros. would be too extensive.

Accordingly, the Debtor and the Bhatti Bros. then reached a new and revised Agreement of Lease (the “Bhatti Agreement”) between themselves which was submitted to the Bankruptcy Court in the prior Chapter 11 case for approval by way of an Amended Motion to Assume Unexpired Lease. The Bhatti Agreement provides that the Bhatti Bros. will lease 7750 Annapolis Road, Lanham, MD 20706 as the Property. The Bhatti Bros. were to be the tenant. The Debtor was to be the landlord.

The Property consists of two (2) separate buildings. On the front side of the dividing line is the gas station, a convenience store and a repair shop known as the “Leased Property.” Behind the dividing line there is a body shop known as the “Non-Leased Property.” The Bhatti Bros. were to have a tenancy and access to the Leased Property and no tenancy or access to the Non-Leased Property. However, the Bhatti Agreement still representing a pro se effort by two parties determined not to rely on counsel, was bereft of clarity in many respects. With some attempts to resolve open issues in the pleading submitted, the Bhatti Agreement was submitted to the Bankruptcy Court with the Amended Motion to Assume Unexpired Lease containing such terms, on November, 2014, and the Order itself approving same, which was entered after hearing on March, 2015.

As noted, a hearing was conducted on the Amended Motion to Assume Unexpired Lease on March 18, 2015, at which the Bhatti Bros. appeared with the Debtor and Debtors’ counsel and the United States Trustee. Judge Keir essentially “jockeyed” the input from the

Bhatti Bros. and the Debtor in a brilliant effort by the presiding jurist to construct an actual agreement within the Order and adopting in substantial part the Bhatti Agreement arrived at between the parties *pro se*, and adopting Debtor's counsel's input on the record, and adopting the Bhatti Bros. extemporaneous epiphanies as they erupted from time to time. Judge Keir took it all with equanimity and was very helpful in fashioning the Order which approved the Amended Motion to Assume the Unexpired Lease.

Although not a model of elegance, the essential terms of the Bhatti Agreement with the ultimate Order with Judge Keir's input that approved it follow:

- The base rent was \$7,000.00 to be paid per month by the Bhatti Bros. to Debtor until Sunoco, Inc. vacates the premises, and thereafter during the term of Citgo/PMG's agreement, the base rent was to be \$8,000.00 per month. Rent would increase 3% every two years during the initial five year term of the Bhatti Agreement, and thereafter every two years during subsequent five year terms;
- To the extent the Bhatti Bros. vacated their tenancy in contravention of the Bhatti Agreement during any five year term, they stipulated to joint and several personal liability amongst them to any remaining rent due within that five year term (other than holdover rent);
- Any further damages including but not limited to waste on the Leased Property or consequential or compensatory/punitive damages are to be determined in accordance with the Bhatti Agreement in its entirety and Maryland law. However, the Debtor and Bhatti Bros. agreed that no rent claim for any period exceeding the five (5) year term which was then presently pending at the time of breach of the Bhatti Agreement shall be made against the Bhatti Bros. by the Debtor;

- Under the Bhatti Agreement, the taxes for the Property were to be paid by the Debtor and because there is only one meter for utilities, the Debtor/Bhatti Bros. desired to split utilities pro rata such that the Bhatti Bros. would pay a proportionate share of the utilities relative to the Leased Property, and the Debtor would pay a proportionate share of the utilities relative to the Non-Leased Property and the Bhatti Bros. assume responsibility for establishing the account;

- The “Goodwill” issue was converted by Judge Keir to a right of first refusal. Any right of first refusal must be exercised by Bhatti Bros. presenting a competing contract for purchase to the Debtor within 10 days of receiving written notice from Debtor that Debtor has received an offer for purchase, and such matching contract from the Bhatti Bros. shall meet if not exceed the purchase price of the proposed offer among other terms which the Debtor has identified in its written notice to the Bhatti Bros. The competing contract purchase price submitted by the Bhatti Bros. shall not contain any offset or reduction for the option fees of \$225,000.00 or any portion thereof which shall have been paid (this contemplating the \$150,000.00 previously paid and an additional \$75,000.00 to be paid by the Bhatti Bros.). The Bhatti Bros. shall have 6 months to close on the competing contract, which, if they are unable to close, the Bhatti Bros. shall receive from the prevailing purchaser at the sale up to but not to exceed \$200,000.00 of their option fee returned to them to the extent actually paid by the Bhatti Bros. at the time of such closing on the Debtor’s procured contract purchaser. If any higher or better offers are received by the Debtor within that 6 month closing period, then following written notice by the Debtor to the Bhatti Bros., the Bhatti Bros. shall likewise have 10 days to provide a written counteroffer to such higher and better offer on the above terms and conditions, and such 6 month closing period shall accrue anew following presentment of such better and higher

counteroffer presented by the Bhatti Bros. provided however that the Bhatti Bros shall not have the right to unilaterally increase such 6 month period by unilaterally making a better and higher offer to acquire more time to go to closing without an actual higher and better counteroffer presented to the Bhatti Bros. by the Debtor;

- There is annexed to the Bhatti Agreement a page noted “Ref. Preliminary Lease Agreement” seemingly specifying a required payment of \$75,000.00 at a rate of between \$1,000.00 - \$1,500.00 per month by the Bhatti Bros. to the Debtor, in addition to the \$150,000.00 sum paid pre-petition by the Bhatti Bros. and in addition to the \$7,000.00 - \$8,000.00 per month in base rent otherwise required by the Bhatti Agreement. Further, Mr. Ahmad was to retain his position as a safety inspector/general manager, and was to be compensated in accordance with the document, and Debtor was to receive a sum of one (1 cent) cent per gallon of gas sold over 65,000 gallons per month. The Debtor and Bhatti Bros. further agreed that the \$150,000.00 paid pre-petition is a claim upon which no payment or Cash Distributions shall be paid under the Plan in the prior bankruptcy case, and that it simply acts as a credit against the total \$225,000.00 non-refundable option fee previously referred to as “goodwill.” Moreover, the Debtor and Bhatti Bros. have confirmed to the undersigned that the \$75,000.00 is a supplement to be paid by the Bhatti Bros. to the Debtor in addition to the base rent provided for under the Agreement; and

- The Debtor and Bhatti Bros. resolved the inconsistency between (i) a ten (10) year renewal option and whether the sale of the Property by the Debtor will forfeit such renewal lease or whether the Bhatti Agreement will remain binding on the purchaser if the buyer of the Property is not the Bhatti Bros., given the Bhatti Agreement says that it is not to be recorded in the land records. The Debtor and Bhatti Bros. agreed that they wish to have the

renewal option extinguished if a third party purchaser acquires the Property; and (ii) the payment of \$75,000.00 for “the right of first refusal” to the extent paid as of the date of any sale of the Property where the Debtor may sell the Property (and thus the business constituting the Leased Property) out from under the Bhatti Bros. The Bhatti Bros. agreed to forfeit any investment of the \$75,000.00 (or any portion that has been paid to the date of sale of the Property) should the Bhatti Bros. not be the prevailing buyer in a sale of the Property by the Debtor; however, the Bhatti Bros. will need not pay any installments not made on goodwill as of the sale of the Property to any third party buyer. The Bhatti Bros. will receive \$200,000.00 from the contract purchaser to the extent the Bhatti Bros. cannot match the buyer which the Debtor may obtain in a purchase of the Property, assuming the Bhatti Bros timely exercised their responsibilities under the right of first refusal provisions. The Debtor is prohibited from closing on the third party purchase without paying the Bhatti Bros. the aforementioned \$200,000.00.

The Debtor accordingly became a tenant to the Bhatti Bros. in the first case for the Leased Property and the operator of the Maryland Inspection Station, which employed Mr. Moin Ahmad the President of the Debtor. Likewise, the Bhatti Bros. were obligated to pay escalating rent and a sum of \$75,000.00 for a right of first refusal. In consideration thereof, the Debtor was required to provide notice of a contract for sale if one was received, and the Bhatti Bros. would have 10 days from that notice to provide an equal or better contract, failing which the Bhatti Bros. had no further rights under the right of first refusal on that contract. If the Bhatti Bros. timely complied with their requirement, they would receive \$200,000.00 from the contract purchaser who outbid them providing they had complied with their timely submission of a competing contract and had paid the \$75,000.00 for the right of first refusal in the first instance.

The Debtor also had a lease between Landlord, MWM & SONS, Inc., and Tenant, Mr. Abdelgalil Morsal t/a Rema Autobody. (the “Rema Lease”) The term of that Rema Lease is from March 1, 2011 to the last day of the fifth (5th) Lease Year. Morsal was to use and occupy the Property other than the Leased Property for his body shop. This lease use is on-going albeit on a month to month basis.

Following the notable successes of eliminating the Sunoco liability, and assuming the PMG new dealership agreement, and resolving the Bhatti Bros. lease and right of first refusal agreement, and following the adequate protection agreement with TD Bank, NA, the Debtor was poised for reorganization in late 2015 and early 2016 by counsel’s valiant efforts. However, the Debtor’s plan to be feasible and to meet required debt service required Mr. Ahmad, the principal of the Debtor, to generate for the Debtor the inspection revenues and to commit such income to the reorganization stream. Mr. Ahmad declined to disclose until the very day of the confirmation hearing – while on the stand - that he had not passed his inspection licensing for renewal as an inspector, and consequently, the Plan was denied confirmation without leave to amend.

Consequently, a broker was employed by the Debtor (NAI Michaels) in the prior bankruptcy case to provide a reorganization on a sale model; but too much water had passed under the bridge in the small business case. The case was dismissed on March 4, 2016 by Consent Order. A result of the dismissal (stipulated to by the Bhatti Bros. counsel) is that the Bhatti Agreement and Amended Motion for Use of Property Outside the Ordinary Course and Judge Keir’s Order (Dkts. 181, 239) are void and moot. Thus, the Bhatti Bros. have their “Lease” for what it is worth, subject to the Motion to Reject filed in this case that is pending. Likewise, the Order approving the PMG Agreement is moot and void, as would be the underlying agreement as

it was never approved by a surviving Bankruptcy Court Order.

Debtor's History 2016-Present:

Following dismissal, the Debtor undertook a vigorous marketing effort with NAI Michaels² relative to the sale of the Property. Various offers were received by Letter of Intent ranging from \$1.1MM – \$1.4MM from Bass Properties, Inc., Lanham Petroleum, LLC and a subsidiary of PEPCO. Among these offers was one from Mr. Babar Ifitkar (Bass Properties, Inc.) , who was a stable service station operator with an accurate eye towards value and who claimed to have no financing problems (although he later could not comply with a basic contract).

Further offers were requested by the Debtor (who did not wish to then accept Mr. Ifitkar's offer) and a particular offer arrived from a friend of Mr. Ahmad; namely, Mr. Zahid Feroze by and through Lanham Petroleum, LLC which assumed an approximate \$1.5MM real property purchase price at settlement and a total with added "blue sky" for the business in the amount of approximately \$1.85MM. Although the Debtor was cautioned by undersigned counsel about financial offers which were too enthusiastic to bear out³, and cautioned against deviating from the advice of counsel on a traditional "stalking horse" offer with a bidding procedures motion, the Debtor failed to heed such advice. He committed to a closed contract for sale Mr. Feroze, and through many months followed from Spring of 2016 to Summer of 2016 and ultimately to Fall of 2016, following Mr. Feroze's many odd attempts to procure financing, and

² Unbeknownst to the Court or to counsel, during the prior Chapter 11 case, the Debtor was visited by a "friend" who was an agent with Weichert Realtors and fraudulently misled into signing a listing agreement which was neither submitted to the Court nor approved by the Court. Should Bass Properties, Inc; Lanham Petroleum, LLC or any designated affiliate of PEPCO be the purchaser, NAI Michaels would be a procuring cause, but may have inter-brokerage disputes with Weichert Realtors over commission that really does not involve the Debtor's estate.

³ By way of example, the Debtor encountered a particular buyer from overseas who promised \$6.0MM in cash and when against the advice of counsel, the Debtor further met with him he was faced with a briefcase full of worthless poorly crafted counterfeit bills. Accordingly, there have been special concerns for counsel in attempting to counsel

multiple appraisals, Mr. Feroze ultimately submitted a contract of sale. During this period there were as many as 3-4 or more “terminations” of the Feroze contract by Mr. Feroze, which always caused some chaos and great delay in what should have been a sale of the Property in mid-2016.

Upon the filing of the Chapter 11 case on the Petition Date in December, 2016, the Debtor’s principal Moin Ahmed fervently represented and likely had been led to believe that the Bhatti Bros. would simply depart the Leased Property without compensation or seeking further rights. Mr. Ahmad has testified to this by affidavit in the record.

This was understandable given the dismissal of the first Chapter 11 case, and because the Bhatti Bros. appeared neither desirous nor capable of funding a serious competing contract to the Feroze contract. However, as circumstances played out, the Bhatti Bros. were not amenable to departure and instead hired now two sets of counsel to continue to assert their rights. As negotiations and discussions with the Bhatti Bros. on a cost effective and simple remedy to their interests moved along, the Feroze contract was terminated in April, 2017 for a 4th or 5th time due to the passage of time. It is apparent that the chokehold on the estate posed by the Feroze contract with its now apparent dubious ability to close was not in the interests of creditors, and thus the Debtor had –again – been counseled to pursue the highest and best offer by a stalking horse contract with bidding procedures. The Debtor this time relented and agreed.

Accordingly, the Debtor by and through counsel and NAI Michaels had re-solicited Mr. Ifitkar who presented a contract of sale for the purchase of the Property and who had consented likewise to bidding instructions, some of which are at Mr. Ifitkar’s request. The gravamen of Mr. Ifikhar’s contract was a \$1,200,000.00 offer with \$200,000.00 bidding

and steer the Debtor to legitimate sources.

increments, and a very tight time frame on approval for financing (submissions in 4 days and approval in 20 days) with a forfeiture of a \$10,000.00 deposit if Mr. Ifikhar failed to meet that financing schedule. Mr. Ifikhar boasted of his financial abilities, ever the posturing buyer. However, when money was put to the test, Mr. Ifikhar failed to apply for financing or to obtain financing timely. The Ifikhar contract was terminated by the Debtor on May 24, 2017 for uncurable default.

Thence, Zahid Feroze, rose once again on May 24, 2017 with a higher and better offer of \$1,450,000.00 and only requiring \$100,000.00 bidding increments. No financing or other contingencies were required other than a title examination. The Debtor had accepted this Contract and was directed counsel to seek its approval. Unfortunately, Lanham Petroleum, LLC despite gentle and not so gentle requests was unable or unwilling to simply demonstrate that it had \$1,450,000.00 in cash or cash equivalents sufficient to close on the purchase of the Property.

Fortunately for all involved, PMG entered the scene and exercised its right of first refusal, thus raising the option that the Debtor would need to submit a contract for \$1,450,000.00 for PMG to purchase the Property. This contract is beneficial to the estate; is made by a solvent purchaser who has no reluctance to demonstrate its solvency by financial statement to purchase the Property. The contract raised the bidding stakes to \$1.6MM and preserves increments of \$100,000.00 for competing buyers, who must match the financial capacity of PMG to purchase the Property. Finally, the contract comes with the benefit of no commissions otherwise required to be paid to NAI Michaels if Bass Properties, Inc.; Lanham Petroleum, LLC; or the PEPCO subsidiary were to be the buyer, clearly making this contract the winning choice at this time.

Despite the benefit that this PMG Contract provided; the estate has had the fortune

to have an even higher and better offer submitted; namely, \$1,625,000.00 cash offer by 7750 Annapolis, LLC on September 5, 2017. Like the PMG Contract, the present Contract with this Buyer does not contain any brokerage commission and there was no realtor who was a procuring cause for this Contract. The terms are substantially similar to the PMG Contract otherwise, and this Contract does not contemplate a formal separate bidding structure; but rather allows third parties to advance their bidding through \$100,000.00 increments following various events by 10 days.

II. THE CONTRACT PRESENTED FOR SALE:

The Debtor attaches as *Exhibit 1* hereto the Contract of Sale (the “Contract”) contingently ratified⁴ on September 5, 2017 which contain the totality of the terms between the Debtor and 7750 Annapolis, LLC (the “Purchaser” or “Buyer”). Unlike Lanham Petroleum, LLC, Buyer here is not an insider.

The Contract provides for a sale of the Property by Debtor to Purchaser for \$1,625,000.00 free and clear of liens, claims, encumbrances and interests pursuant to 11 U.S.C. § 363(f), (m). The Purchaser has placed a good faith deposit of \$25,000.00 in escrow with Mark Devan, Esquire counsel for Purchaser. Here, the Property means the real property, and improvements and includes the equipment/inventory (WAC) that will pass along with the sale per the Contract, and good will is being sold (such as the telephone number). No assets are excluded. The sale is free and clear of all liens, leases, claims, encumbrances or interests, and shall satisfy all real property tax liens, mortgage liens, attorney charging liens by statute, with any surplus paid in the order of priority.

⁴ The Debtor shall sign upon approval by Order of the Bankruptcy Court so as to permit consideration of competing

The Buyer shall pay \$1,625,000.00 at closing for all of the assets, with application of the deposit to the purchase price at \$25,000.00 for a remainder of \$1,600,000.00. The Buyer has required that approval of the Contract by the Bankruptcy Court occur by November 30, 2017 otherwise the Contract shall be released by both parties and the deposit returned. A title contingency exists whereupon the Buyer may notify the Debtor at or prior to closing of any material title issues and the Contract provides for a means to resolution of those issues or a cancellation of the Contract if the problems cannot be resolved within the terms of that provision. The Debtor must be in good standing as a body corporate, and have authority to enter into the Contract for sale free and clear, or have approval of the Bankruptcy Court to otherwise close if the Debtor is not in good standing. Debtor must have a series of compliance checks such as operating under valid permits and not have any litigation pending against it other than the Chapter 11 case which would have an adverse impact on the Buyer's intended use of the Property. Environmental terms are set forth in the Contract which require appropriate permits and compliance with applicable laws.

The Debtor is obligated to comply with termination of the Bhatti Bros. rights whatever they may be; the PMG Agreement, and the Morsal Lease. The Debtor had previously withdrawn the Motion to Reject the PMG Agreement (executory contract) because it was inconsistent with the sale approval sought thereby under the PMG Contract for sale of the Property, and if the Debtor was going to consummate that Contract after approval through a Plan, the Plan itself shall assume the PMG Agreement, and if not, then the Plan shall reject the PMG Agreement. This remains germane because PMG may still exercise its right of first refusal as to

bids.

the present Contract, which if un rebutted by this Buyer or any third party, would require the Debtor to close on the PMG Contract, as revised for a matching purchase price of \$1,625,000.00 or higher as circumstances may present. If PMG fails to exercise a right of first refusal or a higher offer within stated parameters for the purchase of this Property, then a Motion for Rejection of PMG Executory Contract will be filed. The Debtor intends to seek a 7 day window for PMG to exercise the right of first refusal, if it is to be executed.

The Debtor is to file appropriate Court documents to seek the rejection or other conclusion of these parties in interests potential rights in the case and the Property. The Debtor and Buyer have provisions as to ongoing litigation, and in particular one issue that has arisen is a Motion for Relief From Stay by TD Bank, NA which could negatively impact the purchase of this Property by the Buyer from the Seller. TD Bank, NA has been placed on notice of this. Further, there is approximately \$84,000.00 in unpaid real property taxes that need to be paid, with interest from the sale proceeds.

There are a number of conditions including title, rejection of the rights of Bhatti Bros.; PMG Agreement and the Morsal lease. There is no further bidding motion to set procedures for a “stalking horse” auction before the Bankruptcy Court as this process has not been productive and has only drawn impecunious insiders, interlopers and bottom feeders.

Closing shall occur 60 days after an Order confirming the Debtor’s Plan of Reorganization which will attempt to exclude transfer taxes and stamp taxes from the transaction under Section 1146 of the Code, and there is some obligation for a further extension for 30 days if required. Debtor has an obligation to employ a real estate attorney to prepare a special warranty deed and a bill of sale for Buyer.

All settlement charges, taxes and utilities shall be pro-rated as of the date of settlement as is customary. The Debtor has duties to continually operate and not abandon the business during the course of the sale.

There is no brokerage fees or engagement in this sale to the Buyer, and the Purchaser will specifically testify that no broker had any procuring cause or involvement of any nature in the decision to purchase the Property. This produces a \$113,750.00 benefit to the estate above and beyond any contracts procured by NAI Michaels (ie; Lanham Petroleum, LLC and Bass Properties, Inc. and a subsidiary of PEPCO) wherein Debtor had agreed to a 7% commission to NAI Michaels. NAI Michaels' engagement has expired in the early Spring of 2017 without renewal. This of course does not preclude Bass Properties, Inc.; or Lanham Petroleum, LLC or the subsidiary of PEPCO being brought to submit a bid this Contract, provided such buyers pay \$100,000.00 more than the most recent contract and separately pay all brokerage fees. Should such specified entities bid and obtain the highest and best offer, NAI Michaels may seek allowance of commission by fee application; but NAI Michaels has no commission to the extent this Buyer purchases the Property, or any other entity than those three identified above that attach to NAI Michaels.

The Debtor has agreed with Buyer to \$100,000.00 increments to the Contract or any successor to the Contract as the price continues to rise, or is met by right of first refusal exercise by PMG. There is no break up fee in this Contract, nor will any subsequent contract contain such a feature because the sale process will be finalized as to the buyer before any due diligence is completed. There is no employment of Moin Ahmad or any splitting of inspections revenue as was tied to the Lanham Petroleum, LLC contract; however, Mr. Ahmad may directly

negotiate with Meir Duke, the owner of the Buyer, for any personal benefits he sees fit or appropriate to pursue should the parties come to a separate meeting of the minds.

Parties in interest SHOULD study the attached Contract to review its terms in more detail for a complete understanding.

Further, pursuant to the requirements of Local Rule 6004-1, the following disclosures are made:

(a) The scheduled value of the Property is \$1,500,000.00 (which is the value set by the Debtor after reviewing various sources of valuation from multiple sources; but has been supplemented now by rising market prices and the Debtor's testimony as owner that the Property is worth \$2.2MM - \$2.5MM), and the Contract's value is \$1,625,000.00, based upon extensive marketing on the open market. The SDAT valuation of the Property is \$946,700.00 as of January, 2017, which in fairness does not take into account the business valuation and only surmises the real property value, based on speculative out of area comparable sales. It also does not take into account the meteoric ascent of the real property market and the economy following January, 2017, while stable low interest rates have prevailed. The Debtor contends this SDAT is a depressed figure used by evaluating below market Prince George's County properties in the local area, rather than as computed by the actual sales revenue and discounted cash flows of the Debtor. The purchase price is below the Debtor's valuation but the Purchaser herein understands there is risk to it given the existence of other potential offers that may be presented prior to the conclusion of these proceedings. Purchaser is a sophisticated business entity and understands the risks and benefits of this transaction, and is represented by counsel. According to the Motion for

Relief From Stay filed by TD Bank, NA, the payoff as of December, 2016 was \$1,136,422.35. A payoff effective as of the contemplated closing date of September, 2017 (or even the present) has been requested, but not received. A per diem has likewise been requested of TD Bank, NA. An Objection to Claim may exist against TD Bank, NA which may reduce the payoff by \$100,000.00 or more, and would require filings in the Circuit Court for Prince George's County, MD. Other actions by offset may exist against TD Bank, NA for tortious interference with contract, that may be of indeterminate present value. Prince George's County holds a tax claim of approximately \$84,000.00. Counsel for the Debtor holds a charging lien pursuant to Maryland law at present of approximately \$87,911.00 above retainers provided, without effect to out of pocket costs. Transfer taxes are likely to be waived, and closing costs otherwise are minimal. It is unknown the amount of allowed claims given the Bhatti Bros. claims are in dispute.

Further explanation for the increased value of the Property is that the tenant improvements in the switchover from Sunoco to Citgo in 2016 were performed with an enhancement to the Property and its value. The Debtor will testify in support of the sale as to value and support a value of \$2,200,000.00 - \$2,500,000.00 as fair value at any hearing. The Purchaser's identity is 7750 Annapolis, LLC owned by Meir Duke, which is an arms-length purchaser – there are no prior connections with the Purchaser and the Debtor or any of its members, and the Purchaser was exclusively procured through counsel for the Debtor by and through Mark Devan, Esquire, counsel for the Purchaser. Mr. Duke has demonstrated cash assets to the due diligence satisfaction of the Debtor's counsel far in excess of the purchase price.

(c) The consideration to be paid by the Purchaser is \$1,625,000.00 through a lump sum payment to be made in cash or financing (without contingency), to be paid in full at settlement, as per the terms of the Contract including the deposit previously paid of \$25,000.00;

(d) An objection will need be filed within the date set forth on the below, which shall not be less than twenty-one (21) days for the date of the notice. Hearing matters if an objection is filed are addressed below.

III. ARGUMENT:

A. Sales Free and Clear:

Section 363(b)(1) of the Code provides, in relevant part, that "[t]rustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." Further, Section 363(f) provides that:

- (f) The trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if
- 1) applicable non-bankruptcy law permits sale of such property free and clear of such interest;
 - 2) such entity consents;
 - 3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
 - 4) such interest is in bona fide dispute; or
 - 5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f) (2016).

The debtor-in-possession has all the rights and powers of a trustee, and performs all the duties and functions of a trustee pursuant to § 1107(a) of the Code, such that a debtor may sell such property of the estate free and clear of liens and encumbrances.

The requirements for such sale are written in the disjunctive, so that the sale could occur if the court finds that any one of the five elements are met. *In re Collins*, 180 BR 447, 450-52 (Bankr. E.D.Va. 1995); *In re Red Oak Farms, Inc.*, 36 B.R. 856, 858 (Bankr. W. D. Miss. 1984).

The Debtor avers that the Contract satisfies Section 363(f):

- a) Section 363(f)(1): Applicable non-bankruptcy law would permit sale of such property free and clear of such lien.

Outside of bankruptcy, sales free and clear of liens or encumbrances appear to be uncommon since liens travel with the subject property. Here, this element is not a concern because any party in interest that can validly assert an allowed secured claim or other interest in the property can object to the sale unless its interest is adequately protected pursuant to § 363(e) of the Code. The most common form of adequate protection under any proposed sale is to have the secured creditor's allowed claim attach to the proceeds of the sale with the debtor acquiring such proceeds for distribution according to priority. *See In re Collins*, at 452 (citing H.R. Rep. No. 95-595, 95th Cong. 1st Sess. 345 (1977), *reprinted in* 1978 U.S.C.C.A.N. 5787, 6302). Accordingly, adequate protection of the lien rights of a creditor in property being sold free and clear of such rights is provided by having the lien attach to the proceeds of the sale. *Id.* Of course, this protection would be applicable only to any lien creditor who holds an allowed secured claim up to the amount of value of the underlying collaterals, beyond which there is no lien

because no equity attaches to the lien. *See*, 11 U.S.C. § 506(a), (d). *See, eg; Johnson v. Asset Management Group, LLC*, 226 B.R. 364, 369 (D. Md. 1998) (where no equity attaches to a second priority lien, it is lien which may be avoided as it is secured by no value). Accordingly, the Debtor proposes that the liens of any secured creditors whose liens validly attach to equity in the order of priority to the collateral attach to the net proceeds thereof, subject to any bona fide dispute concerning such rights, and subject to any surcharges. The liens of PG County, counsel's charging lien by statute, and TD Bank, NA which attach to the subject Property shall likely be paid in full or nearly in full from the Contract. Further, the Debtor represents that the sale is to be conducted at a fair price, which was negotiated at arms length, and with all parties having had the opportunity to conduct due diligence into the transactions. Further any such bidding procedures only serve to enhance the interests of TD Bank, NA as pricing can only rise. Applicable non-bankruptcy law would not prevent the instant transaction and sale. Accordingly, the requisites of § 363(f)(1) of the Code are met.

b) Section 363(f)(2): Party consents.

Consent may be expressed or implied. However, creditors may also consent by implication. *See, e.g., In re Borders Group*, 453 B.R. 477, 484 (Bankr. S.D.N.Y. 2011); *In re Gabel*, 61 B.R. 661, 667 (Bankr. W.D. La. 1985). Conduct by Prince George's County and TD Bank, NA has indicated a willingness by actions to permit this Contract, or a higher and better offer at bidding, to proceed to closing. The Debtor believes based upon communications with the lienholders that attach to this Property that consent will be forthcoming. The requisites of § 363(f)(2) of the Code are met.

c) Section 363(f)(3): The price offered at sale must be greater than the

aggregate value of all liens on such property.

Section 363(f)(3) of the Code provides that this Court may authorize a debtor in possession to sell property free and clear of liens on the property if the proposed sale price is greater than the “aggregate value” of all liens on the property. While a split of authority exists over the interpretation of the term “aggregate value” as employed in § 363(f)(3) of the Code, the better view is that aggregate value refers to the value of the claims secured by the property in accordance with § 506(a) of the Code rather than the aggregate amount of the debts asserted to be secured by liens on the property. See *In re Collins*, 180 B.R. at 450-52; *In re Beker Indus, Inc.*, 63 B.R. 474, 476 (Bankr. S.D.N.Y. 1986); *In re Milford Group, Inc.*, 150 B.R. 904, 906 (Bankr. M.D. Pa. 1992); *In re Terrace Gardens Park Partnership*, 96 B.R. 707, 712 (Bankr. W.D. Tex. 1989). Here, the several primary liens shall be paid in full or nearly in full from the sale of the Property, subject to surcharge and rights of the attorney charging lien to be paid and the commission to be paid. As the sale price represents a close approximation of the fair market value of the Property –given inherent doubts as to support for dramatically higher numbers -, the Contract satisfies the requisites of § 363(f)(3) of the Code are met.

d) Section 363(f)(4): Existence of a *Bona Fide* Dispute:

The provision regarding *bona fide* disputes codified then-prevailing case law which provided that if there was a dispute regarding the validity, priority or extent of a lien, the property could be sold free and clear of such interest. Where a claim on the property, which would have been a secured claim, is not allowed, it is a *bona fide* dispute. See *Coulter v. Blieden*, 104 F.2d 32 (8th Cir. 1939); see also *In re Zachman Homes, Inc.*, 47 B.R. 496, 499 (Bankr. D. Minn. 1984). The question is whether there is a factual or legal basis for dispute. *In re Collins*, 180 BR at 453.

Although questions may exist as to the payoff and calculation of figures by TD Bank, NA (including any objections to claims or set offs) which represent a bona fide dispute, at this time such matters are not likely to impede settlement and closing.

- e) Section 363(f)(5): Entity could be compelled in a legal or equitable proceeding, to accept a money satisfaction of such interest.

In *In re Terrace Chalet*, 159 B.R. 821, 829 (N.D. Ill. 1993), the court concluded that where a creditor could be “crammed down” to accept a monetary satisfaction of less than the creditor’s lien under § 1129(b) of the Code, such reasoning applies equally to § 363(f)(5) of the Code. Further, in *In re Hunt Energy Co., Inc.*, the Court allowed the sale of debtor's mini-mill, after proper notice and hearing, because although requirements of § 363(f)(1-4) could not be met, element (5); namely, that the secured party could be compelled in a legal or equitable proceeding to accept a money satisfaction of their interest, had been satisfied. 48 B.R. 472, 484-85 (Bankr. N.D. Ohio 1985); *see also In re Collins*, 180 B.R. at 450; *In re WPRV-TV, Inc.*, 143 B.R. 315, 321 (Bankr. P.R. 1991). In the instant case, to the extent creditors have an allowed secured claim pursuant to § 506(a), the creditor can be provided money satisfaction for their claims subject to further valuation. Again, all lienors holding allowed claims may be paid. Accordingly, the requirements of § 363(f)(5) of the Code are met.

- f) Naron & Wagner Considerations:

As noted, in *Naron & Wagner (88-50717-Bankr. D. Md.)* the Court required that a sale free and clear of all or substantially all of the Debtor’s assets act as the functional equivalent of adequate information to be contained in a disclosure statement under § 1125(b) of the Code. In the seminal case of *In re Metrocraft Pub. Serv.*, 39 B.R. 567, 568 (Bankr. N.D. Ga. 1984), various

factors were set forth as suggestive of those aspects to be addressed and discussed pursuant to § 1125(b) of the Code. Naturally, this list is a generalized category of disclosures some of which are not applicable to every case. For example, until the Debtor knows who will be the ultimate prevailing bidder, financial projections are indeterminate as would be a *pro forma* balance sheet. Accordingly, given the Debtor will be filing an actual Plan of Reorganization with a Disclosure Statement following approval of any sale and has sought an extension on the date required of September 28, 2017. The following represents the essential and requisite disclosures with regard to *Naron & Wagner* and *Metrocraft, supra*, of what is known as may be necessary or appropriate in respect of the Contract, or any higher and better offer.

i) Purpose and Good Business Reason Underlying Contract:

The Debtor has attempted, and failed in its efforts to regenerate a potential business flow that would present the feasible possibility of allowing it to conduct business operations. It has become inescapable that the Debtor must sell its assets and do so as a going concern to obtain the highest and best value. The Debtor will then conclude any future prospect of business potential prospectively. The Debtor can obtain a benefit from the sale in a Chapter 11 which resolves all open claims and which ensures by the bidding process that the best and highest offer is obtained, with an exclusion of transfer taxes. The proposed sale in Chapter 11 is the best and most efficient disposition of this case to be followed by plan confirmation or in connection with confirmation. The bidding increments of \$100,000.00 render this sale process in Chapter 11 for an operating business far superior to any other means of sale because there are several interested parties in the Property. This is particularly reasonable as potential buyers have had over a year to “hang out” on the sidelines and could have entered the purchasing process much earlier, and did

not. Thus, they should not be rewarded with lower purchasing increments simply to tie up the process. Mr. Ifikhar of Bass Properties, Inc. must demonstrate in any prospective bidding that he is a viable candidate as he could not follow the simple confines of a prior contract, and “wild card” buyers this estate does not have further time to accommodate. Mr. Feroze of Lanham Petroleum, LLC who never misses an opportunity to miss an opportunity will need to finally prove up his financial capacity in cash or cash equivalents sufficient to comfortably purchase this Property should that final opportunity come again at bidding. PMG who is a viable buyer, has decisions to make in how much it is willing to pay for the Property. PMG is a welcome buyer. In light of the problems this estate has had with the small flock of inside bidders, this Contract with Buyer is welcome.

ii) Summary of Material Terms of the Contract:

The Contract has been summarized above as has the history of these transactions and adequate information concerning the background and genesis of these matters.

iii) Ownership, Management, and Employees:

Upon consummation of the sale, all management duties, obligations and tasks shall terminate. The Purchaser has not agreed to hire Mr. Ahmad, the present owner of the Debtor, to perform some inspections by and through the Debtor and to receive a manager salary of \$1,000.00 per month. However, Mr. Ahmad is free to meet with and discuss terms otherwise with Buyer. The Contract was negotiated at arms length with both Buyer and Debtor represented by counsel.

iv) Liquidation Analysis:

Section 1129(a)(7) of the Code, requires that “[w]ith respect to each impaired class of claims or interests -- (A) each holder of a claim or interest of such class -- (i) has accepted the

plan; or (ii) will receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount that such holder would so receive or retain if the debtor were liquidated under chapter 7 of this title on such date[.]”

Although in theory, a value for the Property as scheduled of \$1.5MM is higher than the Contract, this value would not be realized in a Chapter 7 auction or a foreclosure auction because the going concern value of the business is a pivotal aspect – with returning daily customers – to the present purchase price in the Contract. A Chapter 7 Trustee allowable under 11 U.S.C. § 326 would pose an additional detriment to the estate if this were to be a converted case as an additional cost, the commission would not even be paid in full as there would not be sufficient value from the assets from which to pay such a commission. The sale price of the Property in a foreclosure would be substantially lower as an abandoned store in Lanham, MD and draw only bottom feeders in the sale process.

e) Cramdown:

To the extent the Debtor were to pursue a contested confirmation, it would reserve the right to do so under Section 1129(b) of the Code. In that event, present value would need be paid to TD Bank, NA or the indubitable equivalent paid to it with retention of its lien, and litigation might ensue. Moreover, the unsecured claims would either need to consent to the Plan in voting or receive new value from equity interest holders.

f) Federal Income Tax Consequences:

Because of the continual changes by the United States Congress, the Department of the Treasury, and the Courts with respect to the administration and interpretation of the tax laws, and the necessity of presentment of a disclosure statement under § 1125(b) of the Code in respect

of any hypothetical prospective liquidating plan to be filed, any consideration of discharge of indebtedness income to be realized by virtue of the transfers contemplated under the Asset Purchase Agreement, if any, would have to be addressed fully in the disclosure statement, including the effect of section 166 of the Internal Revenue Code of 1986, as amended, and Treas. Reg. § 1.166-2(c), relating to the treatment of bad debts. However, parties in interest should obtain independent counsel concerning the net effect of tax consequences under the Asset Purchase Agreement.

g) Anticipated Administrative Expenses:

The Debtor's counsel will be filing shortly a first and final fee application, and anticipates fees in excess of \$90,000.00 or likely more from the sale proceeds however this assumes no material further litigation; and there are no brokerage fees in this transaction saving the estate \$113,750.00; and Debtor's accountant Alan Stokes will need supply information concerning his administrative expenses (last checked being \$2750.00; however, these undoubtedly have risen). Further, the United States Trustee quarterly fees will have to be paid from operations and the Debtor is to sustain those payments timely.

h) Avoidable Transfers/Objections to Claims:

On information and belief, the Debtor believes, and avers, that there may offsets and objections to TD Bank, NA's proof of claim which relate to Circuit Court litigation and otherwise any provable damages that are under review. To the extent pursued, these shall be detailed in the Plan or otherwise.

ANY OBJECTION TO THIS NOTICE MUST BE FILED WITH THE OFFICE OF THE CLERK, UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF MARYLAND, 6500 Cherrywood Lane, Suite 300, Greenbelt, MD 20707 NO LATER THAN TWENTY-ONE

(21) DAYS FROM THE SERVICE OF THIS NOTICE AND A COPY MUST BE SERVED UPON AND RECEIVED BY UNDERSIGNED COUNSEL.

A HEARING HAS BEEN SET ON THIS MOTION FOR **November 9, 2017, AT 2:00pm** BEFORE THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF MARYLAND, 6500 Cherrywood Lane, Greenbelt, MD 20770 - Courtroom 3-C (Hon. W. Lipp).

IF NO OBJECTIONS ARE TIMELY FILED, THE PROPOSED ACTION MAY BE APPROVED WITHOUT FURTHER ORDER OR NOTICE. THE COURT, IN ITS DISCRETION, MAY CONDUCT A HEARING OR DETERMINE THE MATTER WITHOUT A HEARING REGARDLESS OF WHETHER AN OBJECTION IS FILED. AN OBJECTION MUST STATE THE FACTS AND LEGAL GROUNDS ON WHICH THE OBJECTION IS BASED AND THE BELOW REFERENCED COUNSEL IS TO BE CONTACTED IF PARTIES IN INTEREST HAVE QUESTIONS.

WHEREFORE, the Debtor respectfully requests that the Bankruptcy Court enter an Order GRANTING the Motion as set forth in the prayer for relief therein.

Respectfully Submitted,

-----/s/ John D. Burns-----

John D. Burns, Esq. #22777

The Burns Law Firm, LLC

6303 Ivy Lane, Suite 1052

Greenbelt, MD 20770

(301) 441-8780

Counsel for the Debtor

INFO@BURNSBANKRUPTCYFIRM.COM

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND

_____)	
In re:)	
)	
MWM & SONS, CORPORATION)	Case No. 16-25851
)	(Chapter 11)
)	
Debtor)	
_____)	

ORDER GRANTING MOTION TO APPROVE SALE OF
7750 ANNAPOLIS ROAD LANHAM MARYLAND 20706
FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS
PURSUANT TO 11 U.S.C. §§ 363(f) and (m) TO 7750 ANNAPOLIS, LLC and NOTICE
THEREOF

UPON CONSIDERATION OF THE Motion to Approve Sale of 7750 Annapolis Road Lanham, Maryland 20706 Free and Clear of Liens, Claims, Encumbrances and Interests Pursuant to 11 U.S.C. §§ 363(f), (m) to 7750 ANNAPOLIS, LLC AND NOTICE THEREOF (the “Motion”), filed herein by MWM & SONS, CORPORATION (the “Debtor”) Debtor and Debtor-in-Possession, by and through undersigned counsel, John D. Burns, Esquire, and The Burns Law Firm, LLC, after notice and a hearing, and upon consideration of any response thereto, the Court having reviewed the Contract and no competing bid having been a better and higher offer within the bidding instructions previously set by the Court, and the Court having reviewed the Bhatti

Agreement or Lease, the Morsal Lease, and the PMG Agreement, the Court FINDING and CONCLUDING that the Property at 7750 Annapolis Road, Lanham, MD 20706 shall be sold to the aforementioned buyer 7750 Annapolis, LLC for \$1,625,000.00 free and clear of all liens, claims, encumbrances and interests, including but not limited to the Bhatti Agreement or Lease (which ever if any may be applicable), the PMG Agreement, and the Morsal Lease, but not free and clear of counsel's charging lien pursuant to Maryland statute (held by counsel subject to fee application and allowance), the PG County Taxes, and the mortgage lien of TD Bank, NA, with all proceeds of sale attaching subject to these allowed liens first and allowed closing costs; the Court finding no transfer, recordation or stamp taxes (county or state) shall be assessed on this sale pursuant to 11 U.S.C. § 1146, and the Court finding no brokerage commission exists in this sale, with any surplus to be paid to the Debtor's estate thereafter, for the reasons stated on the record, it is HEREBY

ORDERED, that the Motion is GRANTED; and it is further

ORDERED, that the Property shall be sold to 7750 Annapolis, LLC for \$1,625,000.00 free and clear of liens claims encumbrances and interests pursuant to 11 U.S.C. §§ 363(f) and (m); and it is further

ORDERED, that the sale shall be transferred with exemptions from transfer, recordation and stamp tax pursuant to 11 U.S.C. § 1146; and it is further

ORDERED, when the sale closes, the proceeds shall be paid as noted in the foregoing findings and conclusions.

cc: John D. Burns, Esq. #22777
The Burns Law Firm, LLC
6303 Ivy Lane, Suite 1052

Greenbelt, MD 20770

Office of the United States Trustee
6305 Ivy Lane, Suite 600
Greenbelt, MD 20770

Evan Meyers, Esquire
Prince George's County, Maryland
Meyers, Rodbell and Rosenbaum
6801 Kenilworth Avenue; Suite 400
Riverdale, MD 20737

Jon Levine, Esquire
Levine & Assoc. PLLC
5311 Lee Highway
Arlington, VA 22207

EJTEMAI ABDOLHOSSEIN,
President
Petroleum Marketing Group, Inc.
12680 Darby Brook Court
Woodbridge, VA 22192

Petroleum Marketing Group, Inc.
RESIDENT AGENT
STUART A. SCHWAGER
SUITE 460
3 BETHESDA METRO CENTER
BETHESDA MD 20814

Lanham Petroleum, LLC
c/o Zahid Feroze, Managing Member
5105 Cornelias Prospect Drive
Bowie, MD 20720

Paul S. Schleifman, Esquire
Schlieffman Law, PLC
1600 Wilson Boulevard
Suite 905
Arlington, VA 22209

Bharat Masrani, President
TD Bank, NA

336 Route 70 East; 2nd Floor
Marlton, NJ 08053

Christopher Hamlin, Esquire
McNamee Hosea
6411 Ivy Lane; Suite 200
Greenbelt, MD 20770

Babar Ifikhar, President
Bass Properties, Inc.
7855 Bellpoint Drive
Greenbelt, MD 20770

Dan LaPlaca, Esquire
NAI Michael
10100 Business Parkway
Lanham, MD 20706

Ross Levin, Realtor
Fairfax Realty, Inc.
10210 Greenbelt Road; STE 120
Greenbelt, MD 20770

Mr. Abdelgalil Morsal
t/a Rema Autobody
9924 E. Franklin Avenue
Glenn Dale, MD 20769

Mark Devan, Esquire
11350 McCormick Road
Hunt Valley, MD 21031

(Matrix of Creditors)

(END OF ORDER)

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND

In re:)	
)	
MWM & SONS, CORPORATION)	Case No. 16-25851
)	(Chapter 11)
)	
Debtor)	
)	

AFFIDAVIT OF MEIR DUKE

1. My name is MEIR DUKE and I am over the age of 18 years and otherwise competent to testify. I have personal knowledge concerning the areas set forth herein.

2. I am the sole member of 7750 Annapolis, LLC (the "LLC") and I have signed a Contract of Sale on or about September 5, 2017, originally dated August 31, 2017 (the "Contract") to purchase the real property and business assets of MWM & Sons, Corporation at 7750 Annapolis Road, Lanham, MD. A copy of the Contract on behalf of the LLC has been submitted to the Bankruptcy Court and I have reviewed it.

3. The Contract is submitted in good faith and the proposed sale under the Contract is in good faith.

I HEREBY DECLARE UNDER THE PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT PURSUANT TO 28 U.S.C. § 1746.

9/5/17
Dated


Meir Duke

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (the "**Agreement**") is made and entered into this this 21st day of August, 2017 (the "Effective Date") by and between MWM & SONS, INC., trading as Lanham CITGO, a Maryland corporation ("Seller"), and ANNAPOLIS 7750, LLC a Maryland LLC or assignees ("Purchaser").

RECITALS

R-1. Seller is the owner of that certain parcel of real property located in the State of Maryland having a street address of 7750 Annapolis Road, Lanham, Maryland 20706, and more particularly described on Exhibit A attached hereto, together with all right, title and interest of Seller, if any, that is appurtenant to the real property described on Exhibit A in and to the following: any land lying in the bed of any existing, dedicated street, road or alley, all strips and gores adjoining thereto and all appurtenances, rights, easements, licenses, rights-of-way, covenants, tenements, hereditaments and other rights incident thereto, including, without limitation, any right or option to acquire or benefit from any future easement or right-of-way to the extent that such rights and interests may benefit such real property (collectively, the "**Land**"), together with the building improvements thereon consisting of a gasoline service station (the "**Building**") and equipment therein (the "**Equipment**") and all right, title and interest of Seller in and to all other improvements and fixtures situated thereon that they may benefit such improvements, (collectively, the "**Improvements**").

R-2. Seller leases to a third party tenant a service station on the Land using the Building, Equipment and the Improvements (the "**Business**").

R-3. Seller desires to sell and convey to Purchaser, and Purchaser desires to purchase and assume from Seller, all of Seller's right, title and interest to the Land, the Building, the Improvements, the Equipment, the Business, and the goodwill, customer lists, records and the telephone number(s) of the Business, together with all inventory, and other property and service or other agreements (if assumed by Purchaser), if any, relating to or necessary in the operation of the Business free and clear as provided for by 11 U.S.C. § 363(f), and (m) of any liens, claims, encumbrances, interests and specifically any and all unrejected leases (collectively, the "**Property**").

NOW, THEREFORE, for and in consideration of the premises and mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. PURCHASE AND SALE. Purchaser agrees to acquire the Property from Seller, and Seller agrees to sell the Property to Purchaser, pursuant to the terms and conditions set forth herein.

1.1. Property Sold. Except as set forth in Section 1.2 below, the Property includes, without limitation, the following:

(a) **Land, Building and Improvements**. The Land, Building and Improvements and any and all interests, options or rights therein owned or leased by the Seller and used in the operation of the Business and any and all easements, rights of way and appurtenances thereon and thereto and other improvements and fixtures attached to such real property owned or leased by Seller;

(b) **Inventory**. All inventory on hand, including all gasoline stored in the tanks and all product held for sale as part of the Business.

(c) **Machinery, Equipment and Supplies**. Any and all tangible personal property, equipment, machinery, tools, supplies, furniture, leasehold improvements, non-inventoried stores and supplies and other miscellaneous tangible personal property of the Seller used in the operation of the Business (the "MES"). A list of the MES is attached hereto as Schedule 1.1(c);

(d) **Licenses, Permits**. Any and all federal, state, local and other governmental licenses, permits, approvals and authorizations that relate to the operation of the Business (the "Permits"), to the extent transferable. A list of the Permits is attached hereto as Exhibit 1.1(d).

(e) **Goodwill, Telephone Number(s)**. The goodwill, customer lists, records and telephone number(s) of the Business.

1.2. **Excluded Assets**. None

1.3. **Physical Condition**. The Property is sold and shall be conveyed in its "AS IS" condition as of the Closing Date, with only those warranties and representations specifically set forth in this Agreement; all other warranties and representations being expressly disclaimed.

2. **PURCHASE PRICE**. The purchase price (the "Purchase Price") for the Property shall be an amount equal to the sum of the following:

(a) One Million Six Hundred Twenty Five Thousand Dollars (\$1,625,000.00); plus

(b) The cost of Inventory determined by Weighted Average Cost (WAC). Inventory to be taken the night before the Closing.

2.1. **Deposit**. The Purchaser has placed a deposit of Twenty Five Thousand Dollars (\$25,000.00) (the "Deposit") with The Alba Law Group, PA in a non-interest bearing escrow. At Closing, the Deposit shall be delivered to the Purchaser's chosen Title Company in immediately available funds and applied to the payment of the Purchase Price. If the Closing does not occur for any reason other than a default by Purchaser, the Deposit shall be refunded to Purchaser.

2.2. **Payment of Purchase Price**. The Purchase Price shall be paid as follows:

(a) At Closing, Seller shall be credited with the Deposit and Purchaser shall pay Seller the sum of One Million Six Hundred Thousand (\$1,600,000) in cash, certified check, or other immediately available funds;

(b) At Closing, Purchaser shall pay Seller the cost of the inventory in cash, certified check, or other immediately available funds.

2.3. Allocation of the Purchase Price. After due negotiation, the Parties agree that the Purchase Price shall be allocated \$800,000.00 to the Land; \$450,000.00 to the Building and Improvements; \$25,000.00 to the Machinery, Equipment and Supplies; \$75,000.00 to goodwill; and \$275,000.00 to the Covenant of Non-Competition and Non-Solicitation in Section 9.5 below. The parties agree that in making the allocation they have consulted with their respective accountants using the methods required by Internal Revenue Code Section 1060.

3. Bankruptcy Court Approval. It is understood and agreed that this Contract is contingent upon approval of the United States Bankruptcy Court for the District of Maryland. Seller shall promptly seek approval of this Contract by the Bankruptcy Court. Upon receipt of such approval, Seller shall give written notice to Purchaser. In the event Purchaser does not receive written proof of approval by November 30, 2017, then Purchaser shall have the right to terminate the Contract by giving written notice to Seller, whereupon the deposit shall be returned to Purchaser absent a Buyer failure under § 10 (a) and the parties shall be relieved of any further liabilities or obligations hereunder. Ratification of this Contract shall occur by mutual execution of this contract by Purchaser and Bankruptcy Court Approval or execution by Seller. .

4. TITLE.

4.1. Title Commitment and Documents. Title to the Property shall be good and marketable of record, via special warranty deed, free of financial encumbrances and subject only to Permitted Exceptions, as hereinafter defined. Purchaser shall have thirty (30) days from the Effective Date to obtain a commitment to issue a title policy covering the Property (the "Title Commitment") and a survey of the Property. Purchaser shall notify Seller in writing within forty-five (45) days of the Effective Date (the "Title Objection Letter"), of any exceptions to title are not acceptable to Purchaser. Any title matters not identified in the Title Objection Letter shall be deemed to be "Permitted Exceptions" under this Agreement. With respect to any objections to title set forth in the Title Objection Letter, Seller shall have the right, but not the obligation, to cure such objections. Within ten (10) days after receipt of the Title Objection Letter, Seller shall notify Purchaser in writing whether Seller elects to attempt to cure such objections. If Seller does not respond, Seller shall be deemed to have elected not to cure any such objections. If Seller elects to attempt to cure any title objection, and provided that Purchaser shall not have terminated this Agreement, Seller shall have until the date of Closing to remove, satisfy or cure the same and for this purpose Seller shall be entitled to a reasonable adjournment of the Closing if additional time is required, but in no event shall the adjournment exceed thirty (30) days after the date for Closing. If Seller elects not to cure any objections specified in Purchaser's notice, or if Seller is unable to effect a cure prior to the Closing (or any date to which the Closing has been adjourned), Purchaser shall have the following options: (i) to

accept a conveyance of the Property; or (ii) to terminate this Agreement by sending written notice thereof to Seller, and upon delivery of such notice of termination, this Agreement shall terminate and the Deposit shall be returned to Purchaser, and thereafter neither party shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. Seller shall not, after the Effective Date, subject the Property to or permit or suffer to exist any liens, encumbrances, covenants, conditions, restrictions, easements or other title matters or seek any zoning changes without Purchaser's prior written consent.

5. SELLER'S REPRESENTATIONS AND WARRANTIES. Seller makes the following representations and warranties to Purchaser as of the Effective Date and as of Closing.

5.1. Due Organization. Seller is a Maryland corporation, duly organized and constituted, validly existing, and not in good standing under the laws of the State of Maryland, but subject to cure prior to Closing Date, and has or will have all requisite power and authority to execute, deliver and perform this Agreement and the related agreements and to perform the transactions contemplated herein. Should Seller decline to place the corporate status in good standing, then any Bankruptcy Court Order approving this sale of any approved Chapter 11 Plan shall confirm Seller's authority to convey the Property notwithstanding that Seller is not in good standing.

5.2. Organization and Authority. Seller has full power and authority to enter into this Agreement, and under 11 U.S.C. § 363(f), to sell the Property to Purchaser free and clear of claims, non-excluded liens, encumbrances or interests, and to otherwise perform its obligations hereunder without the consent of any other person or entity and deliver to the Purchaser the protections of 11 U.S.C. § 363(m). The execution, delivery and performance of this Agreement, the fulfillment of and compliance with the terms and provisions hereof and the due consummation of the transactions contemplated hereby have been duly and validly authorized, and such authorizations remain in full force and effect. This Agreement and the documents contemplated to be executed in connection herewith have been or will be duly and validly executed and delivered by Seller and constitute, or when so executed and delivered, will constitute the legal, valid and binding obligations of the Seller enforceable in accordance with their respective terms. The sale of the Property pursuant to this Agreement (and the consummation of the transactions contemplated herein) does not violate Seller's Articles of Incorporation or violate any law, ordinance, judgment, decree or order to which Seller or the Property is subject, or which affects Seller or the Property. Seller is not a "foreign person" as that term is defined by Section 1445 of the Internal Revenue Code of 1986, as amended.

5.3. Title to Real Property and Personal Property. Seller has good, marketable and indefeasible title to the Property and Seller will convey such title to Purchaser on the Closing Date, free and clear of all options, rights, covenants, easements, liens, pending litigation rights, and other rights in favor of third parties other than Permitted Exceptions. Purchaser will be vested with good, marketable and indefeasible title to the Property free and clear of claims, liens, encumbrances, and interests all extinguished upon payment of the Purchase Price. Seller owns title to the Equipment and other items of personal property reflected on the Inventory to be delivered to Purchaser, free and clear of any liens, claims, encumbrances and interests. The Equipment is purchased as is.

5.4. Compliance with Laws; Licenses and Permits. To the best of Seller's knowledge:

(a) The Property and the current operation thereof complies with all laws, regulations, ordinances, rules, orders and other requirements of all governmental authorities having jurisdiction over the Property or affecting all or any part thereof or bearing on its construction or operation, and with all private covenants or restrictions;

(b) Seller has acquired all permits, easements, and rights-of-way, including, without limitation, all building and occupancy permits from all governmental authorities having jurisdiction over the Property or from private parties for the normal use, maintenance, occupancy, and operation of the Property as a Business;

(c) There is access, ingress and egress to and from the Property from the adjacent street, sidewalk and alley as required to permit normal use of the Improvements; and

(d) All Permits, easements and rights-of-way are in full force and effect.

5.5 Actions and Proceedings. There are no actions or proceedings (including, without limitation, any condemnation, environmental, zoning or other land use regulation proceedings (including any moratoria)) pending or, to the best of Seller's knowledge known or threatened against Seller or the Property which could have an adverse effect on Purchaser's intended use of the Property for the Business.

5.6 Environmental Matters. Except as disclosed by Seller to Purchaser in writing, (a) neither the Property nor Seller's operation and management thereof is in violation of any Environmental Law (as hereinafter defined) or is subject to any pending or threatened litigation or inquiry by any governmental authority or to any remedial action or obligations under any Environmental Law; (b) the Seller possesses all environmental permits that are required for the operation of the Business, each is valid and in good standing, and the Seller has not been advised by any governmental authority of any actual or potential change in the status or term so and conditions of any environmental permit; and (c) other than its use as a service station, the Property never has been used for industrial purposes or for the storage, treatment or disposal of hazardous waste, hazardous material, chemical waste, or other toxic substance. As used herein, the term "**Environmental Law**" means any law, statute, ordinance, rule, regulation, order or determination of any governmental authority or agency affecting the Property and pertaining to health or the environment including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1982 and the Resource Conservation and Recovery Act of 1986.

5.7 Other Agreements. Other than the month to month lease with Mr. Morsal as to the back portion of the service station, and the lease or tenancy at will with the Bhatti Bros. for the remainder of the service station, the latter of which the Seller will cause to be terminated as a result of the Parties' entry into this Agreement to the extent it is consummated in Chapter 11 anew, there are no agreements or other material obligations other than the executory contract and following contract of sale with Petroleum Marketing Group "PMG" outstanding (i) for the sale,

exchange or transfer of the Property or any portion thereof or the business operated thereon by Seller, or (ii) which would create or impose any burdens, obligations or restrictions on Purchaser's use or operation of the Property and the business conducted thereon, to the extent the Purchaser is the successful purchaser of the Property in Chapter 11. Further, Seller, by referencing the pending contract of sale with PMG does not admit or stipulate that such agreement(s) is/are viable. However, the Seller is under an obligation that is not severable from other conditions in this Agreement to avoid such alleged executory contracts and unexpired leases as noted in Section 17.4 of this Agreement other than as to Mr. Morsal who has a month to month tenancy. The Seller is to withdraw the Motion to Approve Sale Free and Clear to PMG as promptly as expedience will permit.

5.8 Condemnation. No taking by power of eminent domain or condemnation proceeding has been instituted or, to the best of Seller's knowledge, threatened for the permanent or temporary taking or condemnation of all or any portion of the Property.

5.9 Litigation. There is no pending or, to the best of Seller's knowledge, threatened, litigation, proceeding or investigation relating to the Property, Seller's title thereto, Seller's right to sell the Property or the zoning or use of the Property other than disclosed herein. There is a foreclosure sale in prospect from T.D. Bank, NA; there is a claim for rights against the Property advanced by Bhatti Bros.; there are unpaid property taxes from Prince George's County. There are various interested parties who have submitted bidding intentions which are now moot. Seller intends to satisfy or extinguish all of these liens, claims, encumbrances and interests within the Chapter 11 by and through motions for appropriate relief. The Seller is to file an Amended Motion Respective to Bidding Procedures; Withdraw the Motion to Approve Sale Free and Clear of Liens, Claims, Encumbrances and Interests with PMG, and file a Motion to Approve Sale Free and Clear of Liens, Claims, Encumbrances and Interests with Purchaser herein. THE SELLER IS SPECIFICALLY CAUTIONED THAT PMG RETAINS A RIGHT OF FIRST REFUSAL, POTENTIALLY SUBJECT TO REJECTION, THAT COULD BE EXERCISED AND WITH FULL KNOWLEDGE OF THAT EXECUTORY AGREEMENT HAS ENTERED INTO THIS CONTRACT.

5.10 Mechanics Liens. No labor has been performed or materials furnished at the request or direction of Seller that could result in a materialman's or mechanic's lien filed against the Property except as shall be fully paid by Seller or released on or before Closing. All real estate taxes on the Property or personal property taxes relative to the business which have become due and which are required to be paid prior to Closing have been or will be paid by Seller on Closing from the sale proceeds.

5.11 Leases. Other than the Lease to the Bhatti Brothers and to Mr. Morsal, there are no leases or possessory rights of others granted by Seller or to Seller's knowledge, any predecessor-in-interest of Seller, at or affecting the Property.

5.12 Service Agreements. There are no service, maintenance, supply or management agreements to which Seller is a party to the Seller's knowledge, whether oral or written other than the PMG Agreement and an agreement for providing inspection services by MWM/Moin Ahmad for five years, which agreement shall be terminated prior to Closing.

5.13 Assessments. Seller has received no notice and has no knowledge of any pending, improvements, liens or special assessments to be made against the Property by any governmental authority. Seller is aware of real property and/or personal property taxes due to Prince George's County in an amount more than \$84,000.00 but less than \$90,000.00.

5.14 Employees. There are no employees employed by Seller in the operation and maintenance of the Property whom Purchaser will be required to hire. Provided however, this does not preclude the Purchaser from hiring Mirza Moin Ahmad, for such purposes as the Purchaser and Mr. Ahmad may agree to by separate writing.

5.15 No Defaults. Neither the execution, delivery or performance by Seller of this Agreement or any other agreement contemplated hereby, the fulfillment of and compliance with the respective terms and provisions hereof or thereof, nor the consummation by Seller of the transactions contemplated hereby or thereby, will conflict with, or result in a breach of, any of the terms, conditions or provisions of, or constitute any default under any agreement or instrument of which the Seller has knowledge or to which Seller is a party other than those agreements disclosed herein, or set forth in the bankruptcy petition, Schedules or by amendment thereto. The PMG Agreement contains a clause on right of first refusal, and PMG retains its rights to so exercise if valid.

5.16 No Additional Encumbrances. Seller shall not take any action to further encumber the Property during the pendency of this Agreement.

5.17 Insurance Notices. Seller has not received any written or verbal notice from any insurance company or board of fire underwriters of any defects or inadequacies in or on the Property or any part of component thereof that would materially and adversely affect the insurability of the Property or cause any material increase in the premiums for insurance for the Property that have not been cured or repaired.

5.18 Financial Information. To Seller's knowledge, all financial information delivered or made available to Purchaser is correct and complete in all material respects and presents accurately the results of the operations of the Property for the periods indicated. Since the date of the last financial statement included in the financial materials so provided, there has been no material adverse change in the financial condition or in the operations of the Property.

5.19 Knowledge. Notwithstanding that certain of Seller's representations and warranties may be limited to the extent of actual knowledge by Seller and/or Seller's agents of the facts stated therein, it shall be a condition precedent to Purchaser's obligation to go to settlement that the facts stated in all such representations and warranties shall be correct as of the time of the Closing.

5.20 Survival of Representations. The representation and warranties of Seller set forth in this Article shall survive Closing and shall be a continuing representation and warranty.

6. PURCHASER'S REPRESENTATIONS AND WARRANTIES.

6.1. Due Organization. Purchaser is duly organized and constituted, validly existing, and in good standing in Maryland and duly qualified under the laws of the State of Maryland to do business in the State with all requisite power and authority to execute, deliver and perform this Agreement and the related agreements and to perform the transactions contemplated hereby. In the event that this Agreement is assigned to an assignee, such assignee shall be an entity duly organized and constituted, validly existing, and in good standing in its state of organization and duly qualified under the laws of the State of Maryland to do business in the State of Maryland with all requisite power and authority to execute, deliver and perform this Agreement and the related agreements and to perform the transactions contemplated hereby and thereby.

6.2. Organization and Authority. Purchaser has and in the event this Agreement is assigned, such assignee shall have full power and authority to enter into this Agreement, to purchase the Property from Seller and to otherwise perform its obligations hereunder without the consent of any other person or entity. The execution, delivery and performance of this Agreement, the fulfillment of and compliance with the terms and provisions hereof and the due consummation of the transactions contemplated hereby have been duly and validly authorized, and such authorizations remain in full force and effect. This Agreement and the documents contemplated to be executed in connection herewith have been or will be duly and validly executed and delivered by Purchaser and constitute, or when so executed and delivered, will constitute the legal, valid and binding obligations of the Purchaser enforceable in accordance with their respective terms. The purchase of the Property pursuant to this Agreement (and the consummation of the transactions contemplated herein) does not violate Purchaser's Articles of Incorporation or by-laws or violate any law, ordinance, judgment, decree or order to which Purchaser is subject, or which affects Purchaser or the Property.

7. CONDITIONS PRECEDENT TO CLOSING.

7.1. Purchaser's Conditions. Purchaser's obligation to make a full settlement hereunder shall be subject to the satisfaction or written waiver by Purchaser of the conditions precedent set forth in this Article 6 (the "Purchaser's Conditions Precedent"):

(a) **Title.** A final examination of title to the Property at Closing shall evidence no title exceptions other than the Permitted Exceptions and other matters approved in writing by Purchaser and the Title Company shall be in position to issue title insurance insuring that Purchaser owns good, marketable and indefeasible fee simple title to the Property free and clear of all claims, liens, and encumbrances of any kind or nature whatsoever other than the Permitted Exceptions, and with all standard preprinted exceptions set forth in Schedule B, Section II of the Title Commitment deleted; and without any exceptions for operation of federal bankruptcy, state insolvency or similar creditors' rights laws (the "Title Policy"), in the amount of the Purchase Price.

(b) **Representations and Warranties.** Each of Seller's representations and warranties contained herein shall remain true and correct in all material respects.

(c) **Change in Condition.** There shall have been no material factual change in matters represented or warranted by Seller in Article 5 (whether or not made as a factual assertion or limited to Seller's knowledge) between the date of execution of this Agreement and the Closing Date.

(d) **Termination of PMG Agreement, Bhatti and Morsal Leases and Rights of First Refusal Contained Therein.** Purchaser shall not be required to make full settlement hereunder unless the lease and option with Bhatti Brothers and the lease with Mr. Morsal and the PMG Agreement and all rights set forth therein, including any right of first refusal is terminated and of no further force and effect. It is anticipated that the Seller shall file a Motion to Reject Unexpired Leases and Executory Contracts. The PMG Agreement shall be rejected.

(e) **Intentionally deleted.**

(f) **Termination of Contracts with Continuing Rights.** Purchaser shall not be required to make full settlement hereunder unless all contracts with continuing rights other than those contracts assumed herein and listed herein have been terminated. Such contracts shall include any executory contract canceled or terminated in the Seller's prior Bankruptcy proceeding. Seller represents and warrants that the prior executory agreement with Sunoco, Inc. has terminated and a release of deposit has already occurred. The PMG Agreement shall be rejected as well.

(g) **Motions to Be Filed.** The Seller shall have already filed or shall file (a) a Motion to Sell to Annapolis 7750, LLC Free and Clear of Liens, Claims, Encumbrances and Interests pursuant to 11 U.S.C. § 363(f); (b) a Motion to Reject PMG Agreement; (c) a Motion to Reject Unexpired Leases and Executory Contracts of Bhatti Bros.; (d) a Chapter 11 Plan consistent with this Agreement; (e) a Motion to Reject Morsal lease; and (f), such other and further motions as Seller deems necessary to effectuate the sale of the Property free and clear of Liens, Claims, Encumbrances and Interests and to protect the interests of the Seller thereby.

(h) **Effect of Failure of Condition.** If any of the Purchaser's Conditions Precedent is not satisfied or waived in writing by Purchaser as of the Closing Date, Purchaser may, at its option, by written notice to Seller, either (i) extend the Closing Date for a reasonable period of time (but not more than thirty (30) days) to allow Seller to satisfy any such Condition Precedent that is reasonably capable of being satisfied by Seller, (ii) terminate this Agreement and receive a return of the Deposit free of any claims by Seller or any other party with respect thereto, or (iii) waive such Condition Precedent and proceed to Closing.

7.2. Seller's Conditions. Seller's obligation to make a full settlement hereunder shall be subject to the satisfaction or written waiver by Purchaser of the conditions precedent set forth in this Article 7 (the "Seller's Conditions Precedent"):

- (a) **Representations and Warranties.** Each of Purchaser's representations and warranties contained herein shall remain true and correct in all material respects.
- (b) **Change in Condition.** There shall have been no material factual change in matters represented or warranted by Purchaser in Article 6 (whether or not made as a factual assertion or limited to Purchaser's knowledge) between the date of execution of this Agreement and the Closing Date.
- (c) **Effect of Failure of Condition.** If any of the Seller's Conditions Precedent is not satisfied or waived in writing by Seller as of the Closing Date, Purchaser may, at its option, by written notice to Seller, either (i) extend the Closing Date for a reasonable period of time (but not more than thirty (30) days) to allow Seller to satisfy any such Condition Precedent that is reasonably capable of being satisfied by Purchaser, (ii) terminate this Agreement and retain the Deposit free of any claims by Seller or any other party with respect thereto, or (iii) waive such Condition Precedent and proceed to Closing.

8. **CLOSING.** The Purchaser shall, unless extended as permitted elsewhere in this Agreement, consummate the purchase and sale contemplated herein at a settlement ("**Closing**") which shall be at the offices of the Title Company and which shall take place no later than sixty (60) days of the Bankruptcy Court Order confirming the Seller's Chapter 11 Plan in order to allow an exemption from recordation stamp and transfer taxes under a confirmed plan per Section 1146(a) of Title 11.

9. **SELLER'S DELIVERIES.** Seller shall execute, as appropriate, and deliver to the Title Company at Closing, the following:

9.1. **Deed.** A Special Warranty Deed ("**Deed**") conveying title to the Property to Purchaser in accordance with the terms of this Agreement, to be prepared by a real estate attorney selected by the Seller and employed on Application with the Bankruptcy Court;

9.2. **Bill of Sale.** Seller shall deliver a Bill of Sale to Purchaser conveying title to any and all personal property described in Section 1.1, prepared by that professional person referenced in the preceding paragraph.

9.3. **Seller's Affidavit.** Such certificates, affidavits and other evidence signed and delivered by Seller, as may reasonably be required to induce the Title Company to issue the Title Policy, or by Order of the Bankruptcy Court, without exception except for the Permitted Exceptions, together with such other items and instruments as the Title Company may reasonably require;

9.4. **FIRPTA Affidavit.** An affidavit certifying that Seller is not a "foreign person" as that term is defined by Section 1445 of the Internal Revenue Code of 1986, as amended;

9.5. **Covenant of Non-Completion and Non-Solicitation.** Seller covenants that from and after the Closing Date, it will not, for a period of three (3) years within a five (5) mile radius of the Property, directly or indirectly, jointly or individually, act as the manager, employee,

principal, agent, owner, partner (dormant or otherwise), officer or director of a business entity, or otherwise engage or become financially interested in any business which competes with the Business sold hereunder. (Ownership of publicly-traded stock in an oil company shall not violate this provision if such ownership represents no more than five percent (5%) of such company's stock.) Seller further covenants and agrees that it shall not solicit any employees or customers of the Business during said three (3) year period. The consideration for this Covenant of Non-Competition and Non-Solicitation is contained in Section 2.3 above. If Seller should violate this Covenant, Purchaser shall be entitled to enjoin such a breach and also to receive as liquidated damages the sum of \$275,000.00 against Moin Ahmad if he is violating the Covenant together with all costs and reasonable attorney's fees. The Buyer has no remedy against the Seller as the Seller is a corporation in wind-up proceedings in Chapter 11 and will have no further operations after the sale of the Property other than those incidental to consummating a sale plan.

9.6. Other Documents. Such other items or documents as are required by this Agreement to be delivered by Seller at Closing or which may be reasonably necessary to effect the assignment, conveyance and transfer of the Property, and which are consistent with the obligations of Seller set forth in this Agreement, including, without limitation, all keys, plans, specifications, permits, licenses, transfer tax forms, a settlement sheet and all requisite state and local recordation and transfer tax forms, prepared by that professional person referenced above.

10. PURCHASER'S DELIVERIES. Purchaser shall execute, as appropriate, and deliver, or cause to be delivered, to the Title Company at Closing, the following:

10.1. Payment. By bank wire transfer payment of the Purchase Price as contemplated by Section 2 of which the Deposit shall be a part.

10.2. Other Documents. The Promissory Notes and Deed of Trust and such other documents required by this Agreement to be delivered by Purchaser at Closing and which are consistent with the obligations of Purchaser set forth in this Agreement, including, but not limited to, a settlement sheet and all requisite recordation and transfer tax forms.

11. SETTLEMENT CHARGES; PRORATIONS & ADJUSTMENTS. Purchaser shall pay all transfer taxes, if any, whether federal, state or municipal, assessed for the transfer of the Business and Equipment, unless exempted from payment under Section 1146(a) of Title 11. Seller shall bear the costs to release any mortgage or deed of trust encumbrance granted by Seller affecting Seller's title. Title examination and title insurance premiums shall be paid by Purchaser. Notary fees and other general charges relating to the settlement shall be shared equally by the Purchaser and Seller. Purchaser and Seller each shall pay its own legal fees related to the preparation of this Agreement and all documents required to settle the transaction contemplated hereby. At Closing, all real and personal property taxes, water rents, sewer charges, any special assessments, business improvement charges and other similar charges affecting the Property and all utility charges shall be adjusted and prorated as of midnight of the day prior to the Closing Date; provided Purchaser shall only be required to reimburse Seller to the extent such amounts have actually been paid by or on behalf of Seller. To the extent practicable, Seller shall attempt to have utility providers read the meters for the Property on the day prior to Closing for purposes of making such prorations and adjustments. All other charges

or fees customarily prorated and adjusted in similar transactions shall be adjusted at Closing. All adjustment items to the extent they cannot be precisely determined at Closing (or to the extent found to be erroneous after the Closing), shall be estimated at Closing and shall be resolved no later than sixty (60) days after the Closing Date and, in the interim, reasonable escrow made therefore.

12. CHARGING LIEN. To the extent of any Seller's charging lien in favor of Seller's counsel pursuant to Md. Code. Bus. Occup. Law Art. § 10-501, such lien will be satisfied at sale; and if sale is consummated through a subsequent bankruptcy, a fee application will be submitted if required.

13. CONDEMNATION AND RISK OF LOSS. The risk of condemnation of all or any portion of the Property or loss or damage to the Property by fire or other casualty shall be borne by Seller until recordation of the Deed. In the event of (a) the threatened or actual commencement of eminent domain proceedings or actual condemnation or taking of all or any part of the Property, or (b) damage to the Property by fire or other casualty, act of God or any other event on or prior to the Closing Date, which would cost in excess of \$100,000.00 to repair, or prevent Purchaser from operating the Business for a period of 5 days or longer, Purchaser, at its sole option exercisable within thirty (30) days following receipt of written notice of the event giving rise to the exercise of such option, shall have the right to terminate this Agreement, in which event the Deposit shall be returned to Purchaser, and neither party shall have any further obligations or liabilities to the other. If the damage to the Property can be repaired for \$100,000.00 or less and the repair period will be no longer than 5 days, Purchaser will proceed to Closing; or if the cost of repair exceeds \$100,000.00 and the repair period will exceed 5 days and Purchaser does not exercise its option to terminate this Agreement, Purchaser will proceed with the Closing provided that Seller shall reimburse Purchaser for all costs associated with the repairs in excess of any insurance proceeds received by Purchaser with respect thereto. If Purchaser has the right to terminate this Agreement but does not elect to terminate this Agreement, the condemnation awards and/or insurance proceeds as well as any unpaid claims or rights in connection with such condemnation or casualty shall be assigned to Purchaser at Closing or, if paid to Seller prior to Closing, shall be credited to Purchaser at Closing against the Purchase Price. Purchaser shall have the right to participate in the negotiations and settlement of any condemnation or casualty-related claim in the event Purchaser elects or is otherwise obligated to proceed with Closing.

14. BROKERAGE COMMISSION. There is no procuring broker on this Purchaser and for this contract of sale and thus no brokerage commission. Seller's Motion to Sell to Annapolis 7750 Free and Clear of Liens, Claims, Encumbrances and Interests pursuant to 11 U.S.C. § 363(f), and Seller's Chapter 11 Plan shall include a provision that the sale pursuant to this Agreement is made without any liability for a brokerage commission. Buyer represents and avers that no facts exist that would create agency or procuring cause for any brokerage commission.

15. DEFAULT PROVISIONS, REMEDIES & LIQUIDATED DAMAGES.

15.1 Purchaser's Default. If Purchaser shall fail or refuse to make settlement hereunder as herein required and Seller is not in default hereunder, Seller may terminate this Agreement, and the Title Company shall pay the Deposit to Seller as liquidated damages for Purchaser's default. The parties agree that Seller's actual damages are not susceptible of determination and are highly speculative and that the Deposit is both a reasonable and fair recovery by Seller and is not a penalty or inequitable forfeiture to or by Purchaser.

15.2 Seller's Default. If Seller shall fail or refuse to make settlement hereunder as herein required and such failure or refusal continues for at least thirty (30) days following Purchaser's written notice thereof to Seller, and Purchaser is not in default hereunder, Purchaser, at its election, shall be entitled to either (i) terminate this Agreement, in which case Purchaser shall be entitled to the return of the Deposit as its sole remedy, or (ii) in the alternative, sue for specific performance of this Agreement, only as is permitted by the Bankruptcy Court.

16. SELLER'S COVENANTS. Seller agrees that between the Effective Date and the Closing Date, Seller shall perform the following obligations:

16.1 Continuity of Operation.

(a) Seller shall conduct the Business operation only in the ordinary course of business by and through its lessee, the Bhatti Bros. and Mr. Morsal, or directly should the Bhatti Bros and Mr. Morsal surrender the premises. Any operations under the supply agreement under the PMG Agreement will be subject to further Court Order.

(b) Seller shall not acquire or dispose of any material assets or engage in any material transaction other than in the ordinary course of business or as expressly contemplated by the terms of this Agreement.

(c) Seller shall not make any material change in its method or management or operation of the Business operation.

(d) Seller will not enter into any new service, maintenance or like agreements or any other agreements which would be binding upon Purchaser from and after the Closing, or as provided for by the Bankruptcy Court.

(e) Seller shall maintain in full force and effect its present fire and extended coverage insurance policies for the Property, together with public liability insurance with respect to damage or injury to personal property and public liability insurance with respect to damage or injury to person or property occurring on the Property.

(f) Seller shall continue to renew the Permits required for the conduct of the Business operation at the Property.

(g) Seller shall not undertake any new material improvements to the Property without the prior written consent of Purchaser, which consent shall not be unreasonably withheld or delayed. Unless otherwise agreed in writing by Seller and Purchaser, any new material

improvements, which are approved by Purchaser, shall be fully completed as of the Closing Date and all debts incurred in connection therewith shall be fully satisfied by Seller on or before the Closing Date, or as provided for by the Bankruptcy Court.

17. MISCELLANEOUS PROVISIONS.

17.1 Notices. All notices, requests, consents, and other communications hereunder shall be in writing and shall be personally delivered or sent by Federal Express or other recognized overnight delivery service, postage prepaid to the addresses indicated below. Notice shall be deemed received upon delivery if personally delivered or on the second day following deposit with a nationally recognized overnight delivery service

If to Seller:

Moin Ahmad c/o NAI Michael
10100 Business Parkway
Lanham MD 20706

With a copy which shall not constitute notice to:

John D. Burns, Esquire
The Burns Law Firm, LLC
6303 Ivy Lane
Suite 102
Greenbelt, MD 20770

If to Purchaser:

Meir Duke, Managing Member
Annapolis 7750, LLC
STE G
11421 Cronhill Dr
Owings Mills, MD 21117

With a copy which shall not constitute notice to

Mark S. Devan, Esquire
The Alba Law Group, P.A.
11350 McCormick Road, Suite 200
Executive Plaza III
Hunt Valley, MD 21031
443-541-8600 x 8545
fax 410-296-2131
mdevan@albalawgroup.com

Any party may change its address for notice set forth above by notice to the other parties. For purposes of this Agreement, notices shall be effective upon receipt or refusal thereof. The parties agree to reasonably cooperate in accepting delivery of Notices hereunder.

17.2 Completeness and Modification. This Agreement constitutes the entire agreement between the parties hereto with respect to the transactions contemplated herein, and it supersedes all prior discussions, understandings or agreements between the parties. This Agreement shall not be modified or amended except by an instrument or writing signed by and on behalf of the parties. Purchaser is a sophisticated business entity and is represented by competent counsel, both understanding that the Bankruptcy Court may approve some portions of this Agreement and reject others as its inherent powers as an equity court and the Seller's duties to the estate as a fiduciary may require. However, in all respects as to all aspects of this Agreement, Bankruptcy Court approval by a final Order of all terms is a condition precedent to the consummation of the Agreement, and if the Bankruptcy Court rejects some terms and approves other terms, then the parties agree to be bound by Section 17.4 hereof. The property addressed herein is prospectively property of the estate within the exclusive jurisdiction of the Bankruptcy Court pursuant to 28 U.S.C. §§ 1334(e) and 157(a), and the parties hereby agreed to be bound by final Orders of the Bankruptcy Court relative to this Agreement.

17.3 Intentionally deleted.

17.4 Severability. If fulfillment of any provision of this Agreement, or performance of any transaction related hereto, at the time such fulfillment or performance shall be due, shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled or performed shall be reduced to the limit of such validity; and if any clause or provision contained in this Agreement operates or would prospectively operate to invalidate this Agreement in whole or in part, then such clause or provision only shall be held ineffective, as though not herein contained, and the remainder of this Agreement shall remain operative and in full force and effect. Notwithstanding anything contained herein to the contrary, the provisions set forth in Sections 1.1, 2, 3, 4.3 and 6 are not provisions which are severable from the Agreement. If any of these provisions are rejected by the Bankruptcy Court pursuant to Section 17.2 above, the Buyer shall have the rights afforded to it under Section 6.1(h) hereof.

17.5 Cumulative Remedies. Except as specifically provided in this Agreement, each and every one of the rights, benefits, and remedies provided to Purchaser or Seller by this Agreement, or any instruments or documents executed pursuant to this Agreement, are cumulative and shall not be exclusive of any other rights, remedies and benefits allowed to such party by this Agreement, at law or in equity.

17.6 Construction. Each party hereto hereby acknowledges that all parties hereto participated equally in the negotiation and drafting of this Agreement and that, accordingly, no court construing this Agreement shall construe it more stringently against one party than against the other. Should any provisions of this Agreement require judicial interpretation, the court

interpreting or construing such provision shall not apply the rule of construction that a document is to be construed more strictly against one party.

17.7 Pronouns. 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.

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

17.9 Assignment. Purchaser may assign this Agreement or designate an entity to take title to the Property without Seller's consent, provided, however such assignment shall not release Purchaser from his liability hereunder. Any assignee of Purchaser's rights hereunder or title holder shall, as a condition to the effectiveness of such assignment or taking title to the Property, assume in writing all of the obligations of Purchaser under this Agreement and agree in writing to be bound by its terms.

17.10 Waiver; Modification. Failure by Purchaser or Seller to insist upon or enforce any of its rights hereto shall not constitute a waiver thereof.

17.11 Governing Law and Forum. This Agreement is intended to take effect as a sealed instrument and shall be governed by and construed in accordance with the laws of Title 11 of the United States Code and laws of the State of Maryland, without regard to principles of conflict of laws. As this Agreement is the result of negotiations between sophisticated parties, no inference in favor of, or against, either party shall be drawn from the fact that any portion of this Agreement has been drafted by or on behalf of such party. Each party hereby consents to personal jurisdiction in the State of Maryland.

17.12 Tax Consequences. This Agreement may impose tax consequences upon Purchaser and/or Seller which are complex and require professional guidance and or opinions. Neither counsel for Seller nor counsel for Purchaser has given any tax advice to their respective clients and Seller and Buyer by entering into this Agreement acknowledge that they are no relying upon each party's respective counsel for any tax advisement, rather they will pursue such advice from other tax professionals or choose to enter the transaction without such advisement.

17.13 Headings. The headings are used herein for convenience of reference only, and shall not be deemed to vary the content of this Agreement.

17.14 Counterparts. To facilitate execution, this Agreement may be executed in as many counterparts as may be required; and it shall not be necessary that the signature of each party, or that the signatures of all persons required to bind any party, appear on each counterpart; but it shall be sufficient that the signature of each party or that the signatures of the persons required to bind any party, appear on one or more such counterparts. All counterparts shall collectively constitute a single agreement. Facsimile transmission (or other electronic transmission including email of a "pdf" signature) of any signed original document, and retransmission of any signed facsimile transmission, shall be the same as delivery of an original. At the request of any party,

the parties will confirm facsimile transmitted (or other electronic transmission including email of a "pdf" signature) signatures by signing an original document.

17.15 Business Day. As used herein, the term "Business Day" shall mean any day other than a Saturday or Sunday, or other day recognized as a holiday by the U.S. Government, or upon which banks or similar financial institutions in the State of Maryland are generally closed.

17.16 Recitals, Schedules and Exhibits Incorporated. All of the Recitals at the beginning of this Agreement and all of the Schedules and Exhibits referred to herein are incorporated as a substantive part of this agreement.

17.17 Bidding Procedures. The Seller has withdrawn the Motion to Establish Bidding Procedures as it appears no longer germane at this time. To the extent PMG exercises a right of first refusal and/or the PMG Agreement is not rejected, then the Purchaser and Seller may – but are not bound to – enter into a further Contract as circumstances may present. Any third party buyers other than PMG or Purchaser may submit cash bids at \$100,000.00 intervals (net of brokerage fees, if any apply, which such bidding party must separately pay) with terms substantially similar to this Contract within 10 days of the latest of these events: (i) the submission of this Contract to the Bankruptcy Court to the extent PMG has not exercised a right of first refusal; (ii) the exercise of a right of first refusal by PMG when submitted to the Bankruptcy Court; or (iii) any successor or amendment of this Contract when submitted to the Bankruptcy Court following the exercise of a right of first refusal by PMG. This provision is intended to give certainty to the Seller's estate in respect of having obtained the highest and best offer as is required by the Bankruptcy Code; and providing certainty to the Purchaser that it will have finality on this process and be able to commence its due diligence or other commitments without concern of an intervening bid that would upset the Contract closing process.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the day and year first above written.

SELLER:

MWM & SONS, INC.,

By: _____(SEAL)
Moin Ahmad, President

PURCHASER:

ANNAPOLIS 7750, LLC

By:  _____(SEAL)
Meir Duke, Managing Member

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LIST OF EXHIBITS

Exhibit A	Legal Description
Schedule 1.1(c)	Machinery, Equipment and Supplies
Schedule 1.1(d)	Licenses, Permits
Schedule 1.2	Excluded Assets

Exhibit A: Legal Description

Schedule L.1(c): Machinery, Equipment and Supplies

1. 3 x Vehicle Lifts
2. 1 x Tire Mounting Equipment
3. 1 x Wheel Balancing Equipment
4. 1 x Machine Lathe
5. 1 x Headlight Aiming Equipment
6. 2 x Floor Jacks
7. 1 x Jack Stand
8. 1 x Transmission Jack
9. 1 x Engine Jack
10. 5 x Gasoline Dispensers
11. Cash Register /computer –Point of Sale
12. Oxygen Cylinders for Welding
13. 1 x Diagnostic scanner
14. 1 x Electric Welder
15. Miscellaneous Body Shop items
16. Tools

Schedule 1.1(d): Licenses, Permits

Schedule 1.2: Excluded Assets

None.

Label Matrix for local noticing
0416-0
Case 16-25851
District of Maryland
Greenbelt
Wed May 17 18:36:04 EDT 2017

NAI Michael
c/o Dan LaPlaca, Esquire
10100 Business Parkway
Lanham, MD 20706-1802

Ahmad Bhatti
1416 Briarwood Pl
Severn, MD 21144-4401

Comptroller of Maryland
110 Carroll St
Annapolis, MD 21411-1000

Faisal Bhatti
1416 Briarwood Pl
Severn, MD 21144-4401

(p) INTERNAL REVENUE SERVICE
CENTRALIZED INSOLVENCY OPERATIONS
PO BOX 7346
PHILADELPHIA PA 19101-7346

Mirza Moin Ahmad
7750 Annapolis Rd
Lanham, MD 20706-1306

Paul S. Schleifman, Esq.
1600 Wilson Blvd Ste 905
Arlington, VA 22209-2505

Prince George's County, Maryland
c/o Meyers, Rodbell & Rosenbaum, P.A.
6801 Kenilworth Avenue, Suite 400
Riverdale, Maryland 20737-1331

State of Maryland - Dept of Assessments
301 W Preston St
Baltimore, MD 21201-2383

IFA Brothers, Inc.
c/o Jan I. Berlage
Gohn Hankey Stichel & Berlage
201 N. Charles Street
Suite 2101
Baltimore, MD 21201-4182
Prince Georges County Maryland
Meyers Rodbell & Rosenbaum, PA
c/o M. Evan Meyers
Berkshire Building
6801 Kenilworth Avenue, Ste. 400
Riverdale, MD 20737-1385

Alhaji Abuhetta
11500 Brigit Ct
Bowie, MD 20720-4417

Comptroller of the Treasury
Compliance Division, Room 409
301 W. Preston Street
Baltimore, MD 21201-2305

George Falter
PO Box 24176
Baltimore, MD 21227-0676

Jan Berlage, Esq.
201 N Charles St Ste 2101
Baltimore, MD 21201-4182

Mughni One, Inc.
174 Greenmeadow Way # K
Largo, MD 20774-1146

Petroleum Marketing Group
2359 Research Ct
Woodbridge, VA 22192-4632

Prince George's County
Treasurer Division
Room 1090
Upper Marlboro, MD 20772

State of Maryland DLLR
Division of Unemployment Insurance
1100 N. Eutaw Street, Room 401
Baltimore, MD 21201-2225

MWM & Sons, Corporation
7750 Annapolis Road
Lanham, MD 20706-1306

TD Bank, N.A.
c/o Levine & Allnutt, PLLC
5311 Lee Highway
Arlington, VA 22207-1607

(p) U S SECURITIES AND EXCHANGE COMMISSION
ATLANTA REG OFFICE AND REORG
950 E PACES FERRY RD NE STE 900
ATLANTA GA 30326-1382

DLLR
500 N Calvert St
Baltimore, MD 21202-3659

Idris Bhatti
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Washington, DC 20220-0001

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TD Bank N.A.
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U.S Securities and Exchange Commission
100 F St NE
Washington, DC 20549-2000

U.S. Attorney-District of MD
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U.S. Trustee
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Greenbelt, MD 20770-6305

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The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g) (4).

Branch of Reorganization
Sec. & Exch. Commission
3475 Lenox Road NE (Suite 1000)
Atlanta, GA 30327-1232

Internal Revenue Servic
PO Box 21126
Philadelphia, PA 19114-0326

(d) Internal Revenue Service
Centralized Insolvency Section
PO Box 21126 (DP-N-781)
Philadelphia, PA 19114

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u) Fleet Services & Equipment
INVALID ADDRESS PROVIDED

(u) Sean Logan, Esq
INVALID ADDRESS PROVIDED

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Mailable recipients 39
Bypassed recipients 2
Total 41