

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-2(c)

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In Re:
PNCH ASSOCIATES, LLC,

Debtor.

CASE NO. 16-21540
CHAPTER 11
JUDGE: ABA

**MOTION OF THE DEBTOR AND DEBTOR-IN-POSSESSION FOR ORDER
PURSUANT TO 11 U.S.C. § 363 FOR THE AUTHORITY TO SELL CERTAIN REAL
PROPERTY FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES AND**

PNCH Associates, LLC (the “Debtor”), by and through its undersigned counsel, Ciardi Ciardi & Astin, hereby requests authority pursuant to 11 U.S.C. § 363(f) to sell certain real property to Legacy Assets and its assignees (the “Buyer”), (the “Motion”), and in support hereof, avers as follows:

BACKGROUND

1. On June 14, 2016 (the “Petition Date”), the Debtor filed a voluntary petition pursuant to Chapter 11 of Title 11 of the United States Code, as amended (the “Bankruptcy Code”).
2. The Debtor is continues in the possession of its property and in the operation and management of its business as a Debtor-in-Possession pursuant to 11 U.S.C. §§ 1107 and 1108.
3. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334.

Consideration of this Motion is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of this case is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The Debtor is the owner of a parcel of real property located at 7730 and 7740 Maple Avenue, Cherry Hill/ Pennsauken, New Jersey w/k/a Block 4213 Lot 2B on the tax map for the Township of Pennsauken and Block 238.01 Lot 2 on the tax map for the Township of Cherry Hill, consisting of an approximate 29,800 square foot executive office complex (the "Property").

5. The Property is subject to a first priority mortgage in favor of TD Bank, N.A. (the "Bank") securing amounts due and owing by the Debtor to the Bank in the approximate amount of \$1,048,000 (the "Lien").

6. On May 27, 2016, the Debtor entered into an agreement of sale (the "Agreement") with the Buyer to purchase the Property. The Agreement provides for a purchase price of \$1,600,000 if the closing occurs on or before nine (9) months from the date of full contract execution and Buyer's receipt of written approval of the transaction by TD Bank (the "Purchase Price"). The purchase price increases to \$1,650,000 if the closing occurs on or before twelve (12) months from the date of full contract execution and Buyer's receipt of written approval of the transaction by TD Bank and increases again to \$1,700,000 if closing occurs on or before fourteen (14) months from the date of full contract execution and Buyer's receipt of written approval of the transaction by TD Bank. A true and correct copy of the Agreement is attached hereto and incorporated herein as Exhibit "A."

7. The Debtor seeks authority to sell the Property free and clear of all liens, claims, encumbrances, and interests, including but not limited to:

- a. All mortgages, judgments, liens and *lis pendens* of records; and
- b. All claims of ownership or other equitable rights of any party of any kind.

8. The Buyer has provided evidence that it has the ability to close and consummate the transaction. The Debtor has no connection with the Buyer.

9. In addition, the sale of the Property to the Buyer constitutes a sale in good faith and for fair value within meaning of Section 363 of the Bankruptcy Code. In Re Abbotts Dairies of Pennsylvania, Inc., 788 F.2d 143 (3d Cir. 1986).

10. The sale of the Property will benefit the Debtor and all creditors of the Debtor as it will generate the funds necessary for the Debtor's estate to pay its secured creditor in full, pay all administrative creditors in full, and make a significant distribution to any remaining creditors to the extent any existed as of the Petition Date.

11. The sale of the Property will close pursuant to the proposed sale order and the Agreement and at all times subject to 11 U.S.C. § 1146(a).

THE BASIS FOR RELIEF AND THE REASONS THEREFOR

12. By this Motion, the Debtor seeks the entry of an order approving the sale of the Property free and clear of liens, claims, encumbrances and interests.

13. Pursuant to section 541 of the Bankruptcy Code, the Property to be sold to the Buyer under the Agreement (the "Sale"), constitutes assets of the Debtor's bankruptcy estate. In accordance with sections 363, 1107 and 1108 of the Bankruptcy Code, debtors-in-possession are authorized to sell property of the estate to maximize recoveries for their creditors.

14. Section 363(f) of the Bankruptcy Code provides, in pertinent part, as follows:

- (f) [t]he 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 nonbankruptcy 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).

15. Pursuant to the Sale, the Property shall be sold free and clear of all liens, claims, encumbrances and interests that may be asserted by any entity claiming an interest therein. Such liens, claims, encumbrances and interests shall be transferred and attach to the sale proceeds of the Property, subject to further orders of the Court and the rights, claims, defenses, and objections, if any, of any or all interested parties with respect thereto. If any of the secured creditors oppose the Sale, the Debtor shall proceed under section 363(f)(4) and (5) of the Bankruptcy Code and sell over their objection.

APPROVAL OF THE AGREEMENT IS WARRANTED

16. The applicable principle of law with respect to the approval of asset sales in bankruptcy is stated in the case of In re Lionel Corp., 722 F.2d 1063 (2d Cir. 1983). The Court in Lionel held that approval of a sale is appropriate if the court finds the transaction represents a reasonable business judgment on the part of the debtor. See also, Stephens Industries v. McClung, 789 F.2d 3863 (6th Cir. 1986); In re Coastal Industries, Inc., 63 B.R. 361 (Bankr. N.D. Ohio 1986), In re Baldwin United Corp., 43 B.R. 888 (Bankr. S.D. Ohio 1984).

17. In light of the foregoing, the Debtor has determined that the Sale of the Property to Buyer on the terms and conditions set forth in the Agreement is appropriate and in the best interest of the estate and all parties in interest.

18. The Sale of Property will generate the funds necessary for the Debtor's estate to pay its secured creditor in full, pay all administrative creditors in full, and make a significant distribution to any remaining creditors to the extent any existed as of the Petition Date. Without the Sale of the Property, the Debtor would be unable to pay any of its creditors, let alone pay the creditors in full.

WHEREFORE, the Debtor respectfully requests that this Court enter an Order approving the sale of the Property free and clear of liens, claims, encumbrances and interest, and for such other and further relief as this Court deems just.

Respectfully submitted,

CIARDI CIARDI & ASTIN

Dated: July 18, 2016

/s/ Jennifer C. McEntee

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Jennifer C. McEntee, Esquire
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Attorneys for the Debtor and
Debtor-in-Possession

EXHIBIT A

AGREEMENT OF SALE FOR REAL ESTATE

This Purchase and Sale Agreement is made and entered into the 27th day of May, 2016 by PNCH Associates, LLC, c/o Robert A. Rosin (herein after referred to as "Seller") and Legacy Assets and its assignees (collectively referred to as "Buyer").

1. **PURCHASE AND SALE**. The parties hereto acknowledge and agree as follows:

A. Seller is the owner of the subject real property located at Block 238.01, Lot 2, Cherry Hill Township, New Jersey/Block 4213, Lot 2, Maple Avenue, Pennsauken Township; 4 Haddonfield Road, Cherry Hill Township, Camden County, New Jersey, more particularly described in a legal description to be annexed hereto as Exhibit A.

B. This sale includes all rights, privileges and easements appurtenant to the land.

C. Purchase Price:

(i) The purchase price shall be in the total amount of \$1,600,000 if closing occurs on or before nine (9) months from the date of full contract execution and Buyer's receipt of written approval of this contract by TD Bank;

(ii) The purchase price shall be in the total amount of \$1,650,000 if closing occurs on or before twelve (12) months from the date of full contract execution and Buyer's receipt of written approval of this contract by TD Bank;

(iii) The purchase price shall be in the total amount of \$1,700,000 if closing occurs on or before fourteen (14) months from the date of full contract execution and Buyer's receipt of written approval of this contract by TD Bank;

Payable as follows:

- a) A deposit of \$25,000 to be made by Buyer upon complete execution of an Agreement of Sale; to be held in an interest bearing account by a title company of Buyer's choosing.
- b) Buyer shall make payments to the Seller as follows. These payments shall be non-refundable but applicable to the purchase price:
 - i) \$10,000 – six (6) months after full contract execution.
 - ii) \$10,000 – every sixty (60) days thereafter until closing.
 - iii) The appropriate balance in cash or certified check at the time of closing.

2. **CLOSING.** The closing of the sale and purchase of the property shall be held at a location to be designated by Buyer, on such date as is specified by Buyer, which date shall be within thirty (30) days after Buyer has received all necessary Township, County and State approvals, which approvals shall be in final and unappealable form, for the development of approximately twenty thousand (20,000) square feet of retail space, and with all conditions and requirements being acceptable to Buyer in Buyer's sole and absolute discretion, but not to exceed fourteen (14) months from the effective date of this contract. In the event Buyer is unable to obtain such approvals in the form provided above or Buyer determines in its sole and absolute discretion that it is not practicable to proceed to attempt to obtain such approvals, Buyer may cancel this Agreement and receive return of its Deposit and upon return, this Agreement shall become null and void and of no force of effect.

A. Title is to be conveyed by Seller with a Bargain and Sale Deed with covenants against Grantor's acts insurable by any title insurance company.

B. Seller is to provide an Affidavit of Title in customary form, and in the event Seller cannot provide clear title to Buyer, then Buyer may at its option declare the transaction null and void and receive a full refund of its deposit with accrued interest.

3. **INSPECTION**. From the date this Agreement is executed until the Agreement is cancelled or the closing held, Buyer and his agents may go upon the property to make such inspections, surveys and studies as they may deem necessary and appropriate, including but not limited to environmental studies, soil analysis, or a topographical survey. These inspections shall be performed upon 24 hours notice to Seller or their attorney.

4. **SPECIAL CONDITIONS TO BUYER'S OBLIGATIONS**. The obligations of Buyer under this Agreement are and shall be subject to the fulfillment of each of the following conditions precedent, the failure of any which shall entitle Buyer either to waive such condition, to terminate this Agreement by notice in writing to Seller and if terminated, to receive back the deposit, together with accrued interest thereon, held by the title escrow agent.

A. **Seller's Covenants**. Seller shall comply with and otherwise perform each of the covenants and obligations of the Seller set forth in this Agreement on or before the dates specified.

B. **Seller's Representations**. All representations and warranties of Seller set forth in this Agreement shall be in all respects true and correct as of the date of closing.

C. **Ownership**. Seller agrees to transfer and Buyer agrees to accept ownership of the subject premises free and clear of encroachments and claims and rights of others except for:

a) The rights of utility companies to maintain poles, wires, mains, and cables over, on, or under the street or the part of the property next to the street.

b) Recorded agreements which limit the use of the property unless the agreements: (1) are presently violated; (2) provide that the property would be forfeited if they were violated; or (3) unreasonably limit the use of the property.

D. Encroachments. Any encumbrances or encroachments shown on the survey to be obtained by the Buyer shall be corrected by the Seller prior to closing.

E. Soil Tests. The Buyer will have the soil tested pursuant to Paragraph 3 hereof within one hundred twenty (120) days from the date of this Agreement. The test results must show that the soil on the Property is suitable for Buyer's construction plans to build the Projected Improvements.

F. Hazardous Substances. There shall not exist on or below the surface of the Property, any of the substances or any condition which is the subject of Seller's representation and warranty contained in Paragraph 20 below. To the extent a condition or substance is found on the Property by virtue of Buyer's environmental study, examination, audit or assessment and such condition or substance violates Seller's warranty contained in Paragraph 20 below and Buyer does not terminate this Agreement, then Seller shall cure such condition or remove such substance. If remediation is necessary the inspection period shall be extended. Buyer acknowledges that the Seller has disclosed the presence of asbestos in the property.

G. Site Plan Approval and/or Sub-Division. Buyer will subsequently make application for all further approvals and permits that may be required and necessary to commence development of the proposed retail development. Buyer's obligation to proceed with the closing is contingent upon its obtaining of all necessary unappealable approvals, including tenant site plan approval, and if any such approvals are not obtained Buyer may declare this Agreement null and void and obtain a full return of its deposit together with accrued interest.

5. **TEST REPORTS.** Seller agrees to provide Buyer with any and all environmental reports, studies or surveys which have been performed upon said property, any agent of Seller or any governmental agency and shall also provide all correspondence, Directives, Notices of Violations sent to or received from the New Jersey Department of Environmental Protection or any other governmental agency having jurisdiction over environmental matters concerning the property.

6. **SETTLEMENT COSTS.** Seller will pay for the preparation of deed, realty transfer fee, and Seller's title company closing fee. All searches, title insurance, survey, Buyer's title company closing charges, recordation charges, and preparation of mortgage documents shall be paid for by the Buyer. The parties will be responsible for their own attorney's fees.

7. **ADJUSTMENTS AT CLOSING.** Possession of the land is to be given to the Buyer at the closing. Water and sewer, real estate taxes and all utilities on the subject property shall be adjusted as of the date of closing.

8. **SELLER'S REPRESENTATIONS AND WARRANTIES.** Seller represents and warrants the following with respect to the subject premises:

A. Seller is the owner of the Property and the Property is not subject to any lease, option, right of first refusal or agreement of sale;

B. To Seller's knowledge, there is no action, suit or proceeding pending or threatened against or affecting Seller or the Property or relating to or arising out of the ownership of the Property, including without limitation, general or special assessment proceedings of any kind, or condemnation or eminent domain actions or proceedings of any kind; Buyer acknowledges that the Seller has disclosed a judgment from TD Bank and their attempt to seek enforcement through a sheriff sale.

C. Neither the entering into this Agreement, the consummation of the sale, nor the conveyance of the Property to Buyer, has or will constitute a violation or breach of any of the terms of any contract or other instrument to which Seller is a party or to which Seller is subject;

D. Seller is not a foreign person as defined in Section 1445 of the Internal Revenue Code (the "Code"). Seller shall provide buyer with an affidavit to that effect in compliance with the Code at or prior to Settlement.

E. All streets, sewers, and other public improvements abutting or serving the subject property have been paid for, and all water and sewer connections have been paid for. No unpaid assessments for public improvements are presently pending against the subject premises. Seller has received no notice of any future assessments against the subject premises.

F. All public utilities required for the operation of the subject premises either enter the subject premises through adjoining streets or, if they pass through adjoining private land, do so in accordance with valid irrevocable easements which will inure to the benefit of the Buyer.

G. There are no taxes (existing or deferred), charges or assessments of any nature arising out of the conduct of Seller's business or the operation or ownership of the property that would constitute a lien against the property and will be unpaid at the execution of this agreement.

H. The property and groundwater under the premises is not contaminated or threatened with contamination by any chemical, toxic or hazardous substance regulated by any federal, state, county, local or regional authority or which is known to pose a hazard to health and safety. This warranty shall survive the closing.

9. **SELLER'S COVENANTS DURING CONTRACT PERIOD.** During the Contract period the following shall apply:

A. **SELLER'S COVENANT AS TO LIENS.** During the Contract Period, Seller will not take any action or permit any action that will create a lien, charge, mortgage or encumbrance on the Property in whole or in part, except for involuntary liens or charges which shall be discharged by Seller at Seller's cost and expense prior to or at Closing.

B. **SELLER'S COVENANT AS TO EASEMENTS, ETC.** During the Contract Period, except with Buyer's written consent, Seller shall not grant any easements, licenses or other rights or restrictions affecting all or any part of the Property.

C. **SELLER'S COVENANT AS TO COMPLIANCE WITH APPLICABLE LAWS.** During the Contract Period, Seller shall comply with all federal, state and municipal laws, ordinances, regulations and orders relating to the Property, including without being limited to Environmental Laws, and Seller shall not knowingly cause or permit an event or condition to exist affecting the Property which would, or could with the giving of notice or passage of time, or both, result in a violation of any laws relating to the Property, including without being limited to Environmental Laws.

D. **SELLER'S COVENANT AS TO OCCUPANCY OF THE PROPERTY.** During the Contract Period, Seller shall not enter into any license, lease or occupancy agreement affecting

the Property or any portion thereof which does not terminate prior to closing, without the written consent of Buyer, which consent shall not be unreasonably withheld or delayed provided any such agreement is terminable on thirty (30) days prior written notice.

E. SELLER'S COVENANT AS TO CONTRACTS AFFECTING THE PROPERTY.

During the Contract Period, Seller shall not enter into any management or service contracts affecting the Property without the written consent of Buyer unless such contract(s) shall be fully cancelable or terminable either (i) prior to the Closing Date or (ii) on thirty (30) days' notice.

F. SELLER'S COVENANT AS TO CONDITION OF THE PROPERTY; INSURANCE. During the Contract Period, Seller shall maintain the Property in the same general manner as the same has been maintained by Seller to the date hereof and keep or cause to be kept the Property insured until Closing against such risks and in such amounts as are customary for prudent owners of similar properties.

G. SELLER'S COVENANT AS TO THE OCCURRENCE OF CERTAIN EVENTS. During the Contract Period, Seller shall promptly give written notice to Buyer of the occurrence of any event or change in facts which could reasonably be expected to materially modify the substance of any representation or warranty made by Seller in this Agreement or result in a breach of the terms and conditions of this Agreement. Unless Seller addresses such event or change in facts in a manner reasonably satisfactory to Buyer, Buyer shall have the following two options: (i) to close with knowledge of such situation and with no adjustment to the Purchase Price, or (ii) to terminate this Agreement by written notice to Seller. In the event of such termination, the Deposit and any interest accrued on the Deposit, or any portion of the Deposit, shall be delivered to Buyer (together with, but only if the occurrence or change giving rise to the termination occurred due to a willful default by Seller of Seller's obligations under

this Agreement, reimbursement to Buyer all out-of-pocket costs incurred by Buyer in connection with this Agreement and the transactions contemplated in this Agreement including without being limited to Buyer's Reimbursable Due Diligence Costs) and on such payment this Agreement shall be void and without further recourse to the parties hereto except for provisions that are expressly stated to survive termination.

H. SELLER'S COVENANT AS TO TAXES, ASSESSMENTS AND CHARGES.

During the Contract Period, Seller shall pay all real estate taxes, sewer assessments and water rents and any other assessments, taxes and charges assessed against the Property, as and when the same are due and payable.

10. INDEMNIFICATION. Seller shall hold Buyer, its general partner, employees and assignees harmless with respect to any current or future claim by the New Jersey Department of Environmental Protection or other third-parties relating to or arising from or connected with contamination located on or under the premises or emanating from the premises and shall defend and indemnify the Buyer, its general partner, employees and assignees with respect to any claim relating to such alleged contamination. The provisions of this paragraph shall survive closing.

11. RECORDING. This Agreement may be recorded. Upon Buyer's request, Buyer and Seller shall execute a memorandum of this Agreement in recordable form satisfactory to Buyer which memorandum shall at Buyer's election be recorded in the Office of the Camden County Clerk.

12. **SELLER'S DEFAULT.** Should Seller violate or fail to fulfill and perform any of the terms and conditions of this Agreement, and such default is not cured after receiving thirty (30) days notice of same then Buyer may either cancel this Agreement and obtain a full refund of its deposit together with accrued interest.

13. **BUYER'S DEFAULT.** In the event Buyer defaults under the terms of this Agreement, if such default is not cured within thirty (30) days after receiving notice of default, Seller may obtain the deposit together with any interest accrued thereon as liquidated damages as its sole and exclusive remedy hereunder. It is agreed between the parties that Seller's damages in the event of buyer's default would be difficult to determine and that the Deposit represents as fair and reasonable approximation of such damages.

14. **NOTICES.** All notices with respect to this Agreement shall be in writing and forwarded via certified mail to the addresses listed herein:

To Buyer: Jeffrey M. Herskowitz, Esquire
Legacy Assets
1200 Narraticon Parkway
Deptford, NJ 08096

To Seller: PNCH Associates, LLC
c/o Robert A. Rosin, Member
1012 Bethlehem Pike, Suite 103
Post Office 400
Spring House, PA 19477

15. **BINDING EFFECT.** When this Agreement is signed by both Buyer and Seller, the date signed shall be considered the execution date, and shall be binding upon the heirs, executors, administrators, successors, and assignees of the parties hereto. The contract effective date shall be the date that the Buyer receives written approval of this contract from TD Bank.

16. **ENTIRE AGREEMENT.** This Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written agreements between the parties with respect to the transaction contemplated hereby.

17. **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

18. **CONFIDENTIALITY.** Seller agrees that unless this Agreement is recorded, Seller shall keep the terms and conditions associated with this Agreement and the intentions of the Buyer upon acquisition of the property confidential. This Agreement of confidentiality shall survive the closing, however the Seller shall be free to disclose such information which has been made public through other means.

19. **RISK OF LOSS.** Risk of loss prior to Closing shall be on Seller. If, prior to Closing, any of the Property shall be destroyed or damaged by fire or other casualty, and unless Seller either repairs such damage or destruction at Seller's sole cost and expense prior to Closing or arrangements for repair to such damage or destruction at Seller's sole cost and expense

satisfactory to Buyer are made prior to Closing so that the Property shall be in as good a condition at closing as existed at the date of this Agreement, then this Agreement shall, at the option of Buyer, be terminated and any Deposits held by the Escrow Agent shall be immediately refunded to Buyer. If after the occurrence of any such casualty this Agreement is not terminated by Buyer, Buyer may elect to purchase the Property "as is" and Seller shall, at Closing, pay to Buyer any sums collected under any policies of insurance because of damage due to casualty and assign to Buyers all rights to collect such sums as may then be uncollected.

20. **ENVIRONMENTAL CONTINGENCY.** Seller represents and warrants to Buyer that, as of the date hereof (i) the Property does not contain any hazardous wastes, hazardous substances, hazardous materials, toxic substances, hazardous air pollutants or toxic pollutants, as those terms are used in the Resource Conservation and Recovery Act (42 U.S.C.A. §§ 6901 et seq.), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C.A. §§ 9601 et seq.), the Hazardous Material Transportation Act (49 U.S.C.A. §§ 1801 et seq.), the Toxic Substance Control Act (15 U.S.C.A. §§ 2601 et seq.), the Clean Air Act (42 U.S.C.A. §§ 7401 et seq.), and the Clean Water Act (33 U.S.C.A. §§ 1251 et seq.), or in any amendments thereto, or any regulations promulgated pursuant thereto, or in any applicable state or local law, regulation or ordinance, (ii) the Property is not subject to federal, state or local regulations or liability because of the presence of stored, leaked, spilled or disposed petroleum products, waste materials or debris, "PCB's" or PCB items (as defined in 40 C.F.R. § 761.3),

underground storage tanks, "asbestos" (as defined in 40 C.F.R. § 763.63) or the past to present accumulation, treatment, storage, disposal, spillage or leakage of any dangerous, hazardous or toxic portion of the Property is filled land, and (iii) any condition exists which is or may be characterized by any federal, state or local government or agency as an actual or potential threat or danger to public health or environment. Seller further represents and warrants to Buyer that the Property shall be maintained through the Closing Date in the condition represented and warranted above. On or after the date of this Agreement and prior to the Closing Date, Buyer may, at its election and at its expense, have the Property investigated by engineers for the presence or suspected presence of the substances referenced above. Seller has disclosed the existence of asbestos in the building kitchen and loft area above the kitchen, the removal of which shall be the obligation of Buyer.

21. **BULK SALES.** Seller shall cooperate with the Buyer in preparing and filing the necessary forms and statements to provide bulk sale notice to the New Jersey Division of Taxation. The parties agree that any sum of money required to be held in escrow by the New Jersey Division of Taxation shall be held by Buyer's attorney from the proceeds of sale due at Closing, in an attorney trust account, and will be released to the Seller when Seller obtains a tax clearance letter from the New Jersey Division of Taxation. The parties will execute at Closing a Tax Escrow Agreement.

22. **LICENSED REAL ESTATE BROKER:** Mark McOrmond of Legacy Assets is a licensed real estate broker.

23. **BANK LETTER AND COUNTING THE TIME.** The timelines of this contract shall commence upon a fully executed contract and the Buyer's receipt of an acceptable letter from TD Bank stating their approval of this contract.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the 2th day of May, 2016.

WITNESS:

Kathleen Albright

Date Executed: 5/24/16

WITNESS:

Muel McClell

Date Executed: 5/27/16

SELLER:

PNCII ASSOCIATES, LLC:

BY: [Signature]

BUYER:

LEGACY ASSETS:

BY: [Signature]

Rider to
Agreement of Sale for Real Estate (the "Agreement")
between PNCH Associates, LLC ("Seller")
and Legacy Assets ("Buyer")
dated May __, 2016

This Rider to the Agreement is incorporated in the Agreement and is made a part thereof. In case of any conflict between any provision of this Rider and the Agreement, this Rider shall control.

1. Broker's Commission. The Seller warrants that it has not dealt with any broker in connection with this contract or the transaction contemplated by this contract except Kingsway Realty Company and Wolf Commercial Real Estate and does hereby indemnify Buyer for any claim, commission or damages arising out of a claim by a broker claiming a commission or damages through Seller. The Seller agrees to pay a commission of six (6%) percent of the gross sale price at the time of settlement to be split evenly between Kingsway Realty Company and Wolf Commercial Real Estate. The Buyer warrants that it has been represented by Kingsway Realty in connection with this contract and in the transaction contemplated by this contract.

SELLER:

PNCH ASSOCIATES, LLC:

BY: 

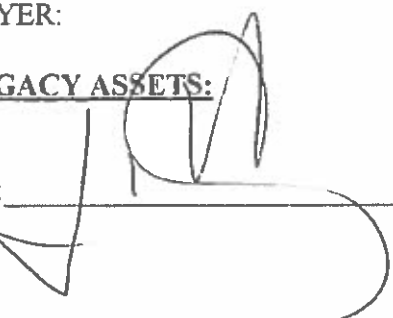
WITNESS:

Katherine Albright

Date Executed: 5-24-16

BUYER:

LEGACY ASSETS:

BY: 

WITNESS:

Yvonne McNeal

Date Executed: 5/27/16

LEGAL DESCRIPTION

ALL THAT CERTAIN lot, piece or parcel of land, with the buildings and improvements thereon erected, Situate, lying and being in the Township of Pennsauken and Township of Cherry Hill, County of Camden and State of New Jersey:

BEGINNING at a point in the Westerly line of Haddonfield Road (66 feet wide) said beginning point being South 17 degrees, 29 minutes, 50 seconds West 150 feet from the intersection of the Southerly line of Maple Avenue with the Westerly line of Haddonfield Road; thence

1. along the Westerly line of Haddonfield Road, South 17 degrees, 29 minutes, 50 seconds West 157.91 feet to a point in the extended Northerly line of Carlisle Avenue (50 feet wide) thence
2. partly along reserved lands of Joseph and Bessie Toll and partly along the Northerly line of Carlisle Avenue, North 83 degrees, 44 minutes West, 480.66 feet to a point corner to Lot 1, Section M, revised Plan of Merchantville Grove; thence
3. along the line of Lots 1, 2, 3 and 4, Section M, hereinafter described plan, North 4 degrees, 5 minutes, East 103.68 feet to a point; thence
4. along the rear of Lot 5 and partly along the rear of Lot 6, Section M, hereinbefore described plan, South 83 degrees, 44 minutes East, 49.67 feet to an iron pin; thence
5. North 4 degrees, 5 minutes East, 144.15 feet to an iron pin in the Southerly line of Maple Avenue; thence
6. Along same, South 89 degrees, 56 minutes East, 355.12 feet to a stake; thence
7. At right angles to Maple Avenue South 0 degrees, 4 minutes West, 143.11 feet to a stake; thence
8. South 89 degrees, 56 minutes East, 103.29 feet to the Westerly line of Haddonfield Road and the point and place of BEGINNING.

BEING Lot 2B, Block 4213, Tax Map of the Township of Pennsauken

BEING Lot 2, Block 238.01, Tax Map of the Township of Cherry Hill.

EXHIBIT "A"

AMENDMENT TO AGREEMENT OF SALE OF REAL ESTATE

BETWEEN PNCH Associates, LLC, c/o Robert A. Rosin, whose mailing address is 1012 Bethlehem Pike, Suite 103, P.O. Box 400, Spring House, Pennsylvania 19477, referred to herein as the "Seller,"

AND Legacy Assets, whose mailing address is 1200 Narraticon Parkway, Deptford, New Jersey 08096 referred to herein as the "Buyer."

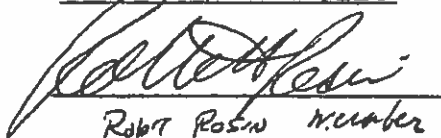
We hereby amend the Agreement for the subject property dated May 27, 2016 by the following:

1. Paragraph 23 shall be amended as follows: The timelines of the contract shall commence upon the full and irrevocable approval of the contract by the United States Bankruptcy Court for the District of New Jersey. This approval shall be satisfactory to the Buyer in its sole and absolute discretion; and,
2. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but which together shall constitute one original Agreement. Signature by facsimile or other electronic method shall bind the parties thereto.


WITNESS:

Date Executed: 7/5/16

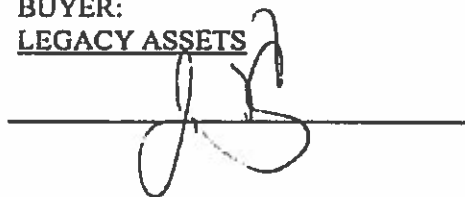
SELLER:
PNCH ASSOCIATES, LLC:


Robert Rosin member

WITNESS:


Date Executed: 7/5/16

BUYER:
LEGACY ASSETS



UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In Re: Case No.: 16-21540
PNCH ASSOCIATES, LLC Chapter: 11
Judge: ABA

NOTICE OF PROPOSED PUBLIC SALE

PNCH Associates, LLC, the Debtor, in this case proposes to sell property of the estate as described below. If you object to the sale, you must file a written objection and serve it on the party named below not later than 7 days before the hearing date.

Address of the Clerk: Clerk, United States Bankruptcy Court
401 Market Street
Camden, NJ 08102

If an objection is filed, a hearing will be held before the Honorable Andrew B. Altenburg on August 16, 2016 at 10 a.m. at the United States Bankruptcy Court, Courtroom no. 4B, 400 Cooper Street, 4th Floor, Camden, New Jersey 08101. (Hearing date must be at least 28 from the date of this notice).

If no objection to the sale is filed the clerk will enter a Certification of No Objection and the sale will be consummated as proposed.

Location, date and time of sale: 400 Cooper Street, 4th Floor, Courtroom 4B, Camden, New Jersey 08101
August 16, 2016 at 10 a.m.

Description of property to be sold: Real Property Located at 7730 and 7740 Maple Avenue, Cherry Hill/Pennsauken, New Jersey, a/k/a Block 4213 Lot 2B on the Tax Map for the Township of Pennsauken and Block 238.01 Lot 2 on the Tax Map for the Township of Cherry Hill.

Terms of sale: The Agreement provides for a purchase price of \$1,600,000 if the closing occurs on or before 9 months from the date of full contract execution and Buyer's receipt of written approval of the transaction by TD Bank (the "Purchase Price"). The purchase price increases to \$1,650,000 if the closing occurs on or before 12 months from the date of full contract execution and to \$1,700,000 if the closing occurs on or before 14 months from said date.

Objections must be served on, and requests for additional information directed to:

Name: Albert A. Ciardi, III, Esq./Ciardi Ciardi & Astin
Address: 2005 Market Street, Suite 3500, Phila., PA 19103
Telephone No.: 2155573550

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

Caption in Compliance with D.N.J. LBR 9003-3(c)

CIARDI CIARDI & ASTIN
Albert A. Ciardi, III, Esquire (AC- 5091)
Jennifer C. McEntee, Esquire (JC - 3558)
One Commerce Square, Suite 3500
2005 Market Street
Philadelphia, PA 19103
(215) 557-3550
(215) 557-3551 fax
aciardi@ciardilaw.com
icranston@ciardilaw.com

In Re:
PNCH ASSOCIATES, LLC,

Debtor.

CASE NO. 16-21540
CHAPTER 11

JUDGE: ABA

**ORDER APPROVING SALE OF CERTAIN REAL PROPERTY LOCATED AT
7730 AND 7740 MAPLE AVENUE, CHERRY HILL/ PENNSAUKEN, NEW
JERSEY A/K/A BLOCK 4213 LOT 2B ON THE TAX MAP FOR THE
TOWNSHIP OF PENNSAUKEN AND BLOCK 238.01 LOT 2 ON THE TAX MAP
FOR THE TOWNSHIP OF CHERRY HILL**

The relief set forth on the following pages, numbered two (2) through (3) is hereby

ORDERED.

In re: PNCH Associates, LLC Proposed Order Page 2 of 3

Case No.: 16-21540

Caption of Order: Order Approving Motion of PNCH Associates, LLC for Authority to Sell Real Property Located At 7730 and 7740 Maple Avenue, Cherry Hill/ Pennsauken, New Jersey a/k/a Block 4213 Lot 2B on the tax map for the Township of Pennsauken and Block 238.01 Lot 2 on the tax map for the Township of Cherry Hill.

Upon consideration of the Motion of the Debtor and Debtor-In-Possession for an Order Pursuant to 11 U.S.C. § 363 for Authority to Sell Certain Real Property Located at 7730 and 7740 Maple Avenue, Cherry Hill/ Pennsauken, New Jersey a/k/a Block 4213 Lot 2B on the tax map for the Township of Pennsauken and Block 238.01 Lot 2 on the tax map for the Township of Cherry Hill, Free and Clear of Liens, Claims and Encumbrances (the "Motion")¹, and after notice and hearing, it is hereby ORDERED, as follows:

1. The Motion is **GRANTED**.
2. The Debtor is authorized and directed to proceed with the sale of the Property.
3. The Property shall be conveyed pursuant to 11 U.S.C. §363 and the terms of the Agreement free and clear of any and all liens, encumbrances, interests and claims thereon, therein, or relating to, and the lien of TD Bank, N.A. on the Property shall attach to the proceeds of the sale with the same force, effect and priority as such lien had immediately prior to the closing of the Sale.
4. The purchase offer set forth in the Motion is the highest and best offer that the Debtor has received to date and constitutes a purchase in good faith and for fair value within the meaning of §363(m) of the Bankruptcy Code and In re Abbots Dairies of Pennsylvania, Inc., 788 F2d 143 (3d Cir. 1986).
5. The Buyer is a good faith Buyer of the Property under Section 363(m) of

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

In re: PNCH Associates, LLC

Case No.: 16-21540

Caption of Order: Order Approving Motion of PNCH Associates, LLC for Authority to Sell Real Property Located At 7730 and 7740 Maple Avenue, Cherry Hill/ Pennsauken, New Jersey a/k/a Block 4213 Lot 2B on the tax map for the Township of Pennsauken and Block 238.01 Lot 2 on the tax map for the Township of Cherry Hill.

the Bankruptcy Code.

6. There exists good and sufficient business justification for the Debtor to sell the Property as set forth in the Motion and for this Court to approve said Motion, as such sale is in the best interest of the estate and its creditors.
7. Any objections timely filed with respect to the sale of the Property, which have not been withdrawn, are overruled.
8. The provisions of Section 363(n) of the Bankruptcy Code have not been violated.
9. The Closing of the Sale of the Property and subsequent transfer will occur pursuant to 11 U.S.C. §1146(a).
10. The brokers' commission will be paid upon proper application with the Court.
11. The Debtor is authorized and directed to execute, deliver, perform under, consummate and implement the Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement this Order.
12. Buyer is not a successor to Debtor or otherwise liable for any liability or claim against the Debtor and each and every holder of any of any such claim or liability is enjoined from commencing, continuing or otherwise pursuing or enforcing any remedy, claim, cause of action or encumbrance against Buyer or the Property if the sale is consummated.

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY	
<i>Caption in Compliance with D.N.J. LBR 9004-2(c)</i>	
Ciardi Ciardi & Astin Albert A. Ciardi, III, Esquire One Commerce Square 2005 Market Street, Suite 3500 Philadelphia, PA 19103 Telephone: (215) 557-3550 Facsimile: (215) 557-3551	
In re:	Case No.: 16-21540
PNCH ASSOCIATES, LLC,	Judge: ABA
Debtor.	Chapter: 11

**NOTICE OF MOTION OF DEBTOR AND DEBTOR-IN-POSSESSION FOR ORDER
PURSUANT TO 11 U.S.C. §363 FOR THE AUTHORITY TO SELL CERTAIN
REAL PROPERTY FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES**

To: Clerk, United States Bankruptcy Court
401 Market Street
Camden, NJ 08102

All Parties on the Service List Attached to the Certificate of Service

PLEASE TAKE NOTICE that on **AUGUST 16, 2016, at 10:00 a.m.**, or as soon thereafter as counsel may be heard, the undersigned attorneys for PNCH Associates, LLC, (“Movant”) will move before the Honorable Andrew B. Altenburg, Jr., 400 Cooper Street, 4th Floor, Courtroom 4B, Camden, New Jersey 08101, for an Order Approving Sale of Certain Real Property Located at 7730 and 7740 Maple Avenue, Cherry Hill/Pennsauken, New Jersey, a/k/a Block 4213 Lot 2B on the Tax Map for the Township of Pennsauken and Block 238.01 Lot 2 on the Tax Map for the Township of Cherry Hill.

PLEASE TAKE FURTHER NOTICE that in accordance with D.N.J. LBR 9013-1(a) a proposed form of Order has been submitted to the Court.

PLEASE TAKE FURTHER NOTICE that pursuant to D.N.J. LBR 9013-1(f), in the event that an objection or other responsive pleading is timely filed to this Motion, oral argument is requested on the return date hereof and the Movant reserves the right to file a reply brief in support of the Motion addressing any points raised in such objection or response. The undersigned waives oral argument unless objections to the Motion are timely filed.

PLEASE TAKE FURTHER NOTICE that in accordance with D.N.J. LBR 9013-1(a) and (d), opposition to the relief requested, if any, shall be filed with the Clerk of the Bankruptcy Court and served upon counsel at least seven (7) days before the hearing date on the Motion, or the Motion may be deemed uncontested in accordance with D.N.J. LBR 9013-1(a) and the relief requested may be granted without a hearing.

PLEASE TAKE FURTHER NOTICE that in accordance with D.N.J. LBR 9013-1(i), unless the Court authorizes otherwise prior to the hearing date hereof, no testimony shall be taken at the hearing except by certification or affidavit.

Dated: July 13, 2016

CIARDI CIARDI & ASTIN

By: /s/ Albert A. Ciardi, III
Albert A. Ciardi, III, Esquire
2005 Market Street
One Commerce Square – Suite 3500
Philadelphia, PA 19103
Phone: 215-557-3550
Fax: 215-557-3551
aciardi@ciardilaw.com

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY	
<i>Caption in Compliance with D.N.J. LBR 9004-2(c)</i>	
Ciardi Ciardi & Astin Albert A. Ciardi, III, Esquire One Commerce Square 2005 Market Street, Suite 3500 Philadelphia, PA 19103 Telephone: (215) 557-3550 Facsimile: (215) 557-3551	
In re:	Case No.: 16-21540
PNCH ASSOCIATES, LLC,	Judge: ABA
Debtor.	Chapter: 11

**CERTIFICATE OF SERVICE OF MOTION OF DEBTOR AND
DEBTOR-IN-POSSESSION FOR ORDER PURSUANT TO
11 U.S.C. §363 FOR THE AUTHORITY TO SELL CERTAIN
REAL PROPERTY FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES**

I, Albert A. Ciardi, III, do hereby certify that I caused to have served a copy of the Motion of the Debtor and Debtor-in-Possession for Order Pursuant to 11 U.S.C. §363 for the Authority to Sell Certain Real Property Free and Clear of Liens, Claims and Encumbrances, along with Notice of Motion and Hearing Date, on the 13th day of July, 2016, via U.S. First Class Mail, postage prepaid on the attached Service List.

Dated: July 13, 2016

CIARDI CIARDI & ASTIN

By: /s/ Albert A. Ciardi, III
Albert A. Ciardi, III, Esquire
2005 Market Street
One Commerce Square – Suite 3500
Philadelphia, PA 19103
Phone: 215-557-3550
Fax: 215-557-3551
aciardi@ciardilaw.com

List of Creditors (from first filing)

Mr. Frank Cerreto
227 Aqua Drive
Riverside, NJ 08075

Mr. Harry Schmidt
2039 Meetinghouse Road
Jamison, PA 18929

United States Attorney's Office
555 4th Street, NW
Washington, DC 20530

Jay's Landscaping
73 North Hill Drive
Mount Holly, NJ 08060

Mr. Robert Rosin
721 Buckley Road
Blue Bell, PA 19422

Merchantville-Pennsauken
Water Commission
6751 Westfield Avenue
Pennsauken Township, NJ 08110

NJ Division of Labor
171 Jersey Street
Trenton, NJ 08611-2400

Office of Tax & Revenue
Office of The Chief Financial Officer
1101 4th Street, SW
Suite W270
Washington, DC 20024

Office of the Attorney General
Richard J. Hughes Justice Complex (HJC)
8th Floor, West Wing
25 Market Street
Trenton, NJ 08625-0080

State of New Jersey
New Jersey Division of Taxation
Information and Publications Branch
50 Barrack Street
Trenton, NJ 08695

TD Bank, N.A.
2005 Market Street
20th Floor
Philadelphia, PA 19103

SEC Headquarters
100 F Street, NE
Washington, DC 20549

US Attorney - Camden Office
1 Port Center, 4th Floor
2 Riverside Drive, Suite 402
Camden, NJ 08103

2002 Interested Parties

Office of the U.S. Trustee
Martha Hildenbrandt, Esquire
Assistant U.S. Trustee
One Newark Center, Suite 2100
Newark, NJ 07102