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

In re:

SHANGOL, INC.,

Debtor.

Case No.: 16-29313

Chapter 11

Hon. Rosemary Gambardella

Hearing Date: January 10, 2017 at 11:00 a.m.

**Oral Argument Request if Timely Obj.
Filed**

NOTICE OF MOTION FOR ENTRY OF ORDERS: (A) AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS, FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES; (B) APPROVING THE FORM AND MANNER OF NOTICE OF THE SALE; (C) AUTHORIZING THE DEBTOR TO ASSUME AND ASSIGN CERTAIN OF ITS EXECUTORY CONTRACTS IN CONNECTION WITH THE SALE; AND (D) GRANTING OTHER AND RELATED RELIEF

PLEASE TAKE NOTICE that, Shangol, Inc. (the "Debtor") will move before Hon. Rosemary Gambardella on January 10, 2017 at 11:00 a.m., or as soon thereafter as counsel may be heard, at the United States Bankruptcy Court, District of New Jersey, 50 Walnut Street, Newark, New Jersey, for the entry of Orders (A) authorizing the sale of substantially all of the Debtor's assets free and clear of all liens, claims, interests and

encumbrances SUBJECT TO BETTER AND HIGHER OFFERS; (B) authorizing the Debtor to assume and assign certain of its executory contracts in connection with the sale; (D) granting other and related relief; and

PLEASE TAKE FURTHER NOTICE in support of this motion the Debtor has filed the Certification of Albert Nazarian in support of the motion.

PLEASE TAKE FURTHER NOTICE that any answering papers or objections to the Debtors' motion must be filed and served at least seven days before the return date of this motion. If you wish to object to this motion, you must file responding papers stating with particularity the basis of your objection to the motion. All such responsive papers must be filed with the Clerk of the Bankruptcy Court for the District of New Jersey, located at 50 Walnut Street, Newark, New Jersey, and served simultaneously upon, David L. Stevens, as counsel for the debtor, at 1599 Hamburg Turnpike, Wayne, New Jersey; and

PLEASE TAKE FURTHER NOTICE that oral argument is only requested if the motion is contested or so directed by the Court; and

PLEASE TAKE FURTHER NOTICE that this matter does not involve complicated issues of law or fact and therefore no brief is necessary.

Dated: November 30, 2016

SCURA, WIGFIELD, HEYER & STEVENS, LLP

By: /s/ David L. Stevens
David L. Stevens
Attorneys for Debtor

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**UNITED STATES BANKRUPTCY COURT
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In re:

SHANGOL, INC.,

Debtor

Chapter 11

Case No. 16-29313

Hon. Judge: Rosemary Gambardella

Hearing Date: January 10, 2017 at 11:00 a.m.

DEBTOR'S MOTION FOR ENTRY OF AN ORDER: (A) AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS, FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES (SUBJECT TO BETTER AND HIGHER OFFERS); (B) APPROVING THE FORM AND MANNER OF NOTICE OF THE SALE; (C) AUTHORIZING THE DEBTOR TO ASSUME AND ASSIGN CERTAIN OF ITS EXECUTORY CONTRACTS IN CONNECTION WITH THE SALE; AND (D) GRANTING OTHER AND RELATED RELIEF

TO: THE HONORABLE ROSEMARY GAMBARDELLA
UNITED STATES BANKRUPTCY JUDGE

Shangol, Inc. the debtor-in-possession herein, by and through its undersigned counsel,

Scura, Wigfield, Heyer & Stevens, LLP., and Pleasantdale Cocktail Lounge, Inc., by and through

its undersigned counsel, Jerome M. Douglas, Esq, (the affiliated debtors are referred to herein collectively as the “Debtor”), respectfully submits this motion pursuant to sections 105(a), 363(b), (f) and (m), and 541(a) of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”) and Rules 2002, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) for the entry of an orders (A) authorizing the sale of substantially all of the Debtor’s assets, free and clear of all liens, claims, interests and encumbrances **SUBJECT TO HIGHER AND BETTER OFFERS**; (B) approving the form and manner of notice of the sale; (C) authorizing the Debtor to assume and assign certain executory contracts in connection with the sale; and (D) granting other and related relief.

JURISDICTION AND VENUE

This Court has jurisdiction over the Motion pursuant to 28 U.S.C. § 1334. This is a core proceeding under 28 U.S.C. §§ 157(b)(2)(A), (N) and (O).

Venue of this case and the Motion in this judicial district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

The statutory basis for the relief sought by the Motion are Sections 105(a), 363(b), (f) and (m), and 541(a) of the Bankruptcy Code.

BACKGROUND

On October 9, 2016 (the “Petition Date”), Debtor filed its voluntary petition for relief pursuant to Chapter 11 of Title 11 of the United States Code. Since the Petition Date, the Debtor has remained in possession of its assets and continues management of its business as debtor-in-possession pursuant to Section 1107 and 1108 of the Bankruptcy Code.

Submitted simultaneously with and in support of this Motion is the Certification of Albert Nazarian (the “Nazarian Certification”) which sets forth a detailed description of the Debtor’s

business and the facts leading to the filing of this Chapter 11 case. The facts recited within the Nazarian Certification are incorporated herein by reference. No request has been made for the appointment of a trustee or an examiner in this case, and no official committee has yet been appointed by the Office of the United States Trustee.

Shangol, Inc. d/b/a “The Atrium Country Club” operates as a banquet hall and caterer of fine cuisine ideal for exhibitions, galleries, banquets, corporate events, social events, and wedding ceremonies. Its venue and principal assets are located at 609 Eagle Rock Avenue, West Orange, New Jersey 07052. Shangol, Inc. generates approximately \$2.2 million dollars in annual gross sales. The Debtor’s inability to make a settlement payment due to the mortgage holder and to stay an action in the State of New Jersey to foreclose on the real property precipitated the filing of the Chapter 11 case. The Debtor sought bankruptcy relief to obtain additional time to find suitable financing, or in the alternative, sell the substantially all its assets at a fair and reasonable price.

Because the Debtor has been unable to find suitable financing, in order to move this Chapter 11 case forward, the Debtor hereby seeks authority to conduct the sale of substantially all of the Debtor’s assets pursuant to the Purchase Agreement. *See* Certification of Albert Nazarian, Exhibit “A”.

TERMS OF THE SALE AGREEMENT

The pertinent terms of the Purchase Agreement are as follows:

- a. Navnit Brahmbhatt (the “Purchaser”) shall purchase from the Debtor substantially all of the Debtor’s assets (the “Purchased Assets”) including the land and buildings located at 609 Eagle Rock Avenue, West Orange, NJ

07052 as more particularly described in the attached Purchase Agreement¹, the New Jersey Liquor License (License No. 22161624797), and the banquet hall business including, but not limited to, licenses, permits, trademarks, patents, website domain, executory contracts, marketing data, all systems, fixtures, furniture, furnishings, appliances, and equipment therein, trading under the name of "The Atrium Country Club", and all of the following used in the operation of the business.

- a. The Purchaser and Debtor acknowledge that they will comply with the provisions of any statutory bulk sale or similar requirements if applicable to the transaction.
- b. The purchase price shall be \$5,500,000.00, payable as follows:
 - i. Deposit: \$100,000.00
 - ii. Funds via certified check/wire transfer: \$4,600,000.00
 - iii. Financing by Seller: \$800,000.00
- c. The purchase price shall be allocated among the assets of the business as follows:
 - i. Real Estate: \$5,475,000.00
 - ii. Liquor License: \$25,000.00
- d. In addition to the purchase price, Purchaser shall separately pay to Debtor mutually agreed monies, calculated on actual costs based on invoices provided by Purchaser for food, liquor and supplies for unopened cases, and agree to pay accounts receivables that are due to Debtor and as when collected by Purchaser in whole or in part. Purchaser will pay for the usable inventory at its cost price.

¹ Capitalized terms, unless otherwise stated, shall have the meaning ascribed to the terms in the Contract of Sale (the "Purchase Agreement") between the parties.

- e. Debtor will finance a note in the amount of \$800,000.00 at 5% interest only payments for a period of five years, and a balloon payment of \$400,000.00 payable on the anniversary of the 4th year of the note plus any accrued interest at the 5th anniversary of the note.
- f. The Purchased Assets shall be sold free and clear of any and all liens, security interests, encumbrances, and claims, as more particularly described in the Purchase Agreement. All liens, claims, etc. shall attach only to the proceeds of sale with the same priority, validity, force, and effect as they existed with respect to the purchased assets before the closing date.
- g. If the Seller shall fail to make settlement in accordance with the terms hereof, Buyer's remedies shall be either an action for specific performance or a return of the Deposit, plus any out of pocket expenses incurred in pursuing either remedy, including attorneys' fees. If the Buyer shall fail to make settlement in accordance with the terms hereof after all contingencies have been met, Seller shall be entitled to retain the Deposit as liquidated damages. The substantially prevailing party in any action for breach or specific performance shall be awarded damages, including, but not limited to, out of pocket costs, and attorney's fees incurred relative to the action.
- h. All terms and conditions of the Purchase Agreement are subject to Bankruptcy Court Approval.
- a. Purchaser shall assume certain executory contracts (the "Assumed and Assigned Contracts") attached as Exhibit "B" to the Certification of Albert Nazarian.

The proposed sale will be subject to the highest and best offer by a disinterested third-party. The Debtor will continue to solicit higher or better offers and present any made at the sale hearing. The Debtor believes the proposed sale provides the best value to the estate.

LIENS ON THE PURCHASED ASSETS

The Purchased assets may be encumbered by certain mortgages, interests, and other liens. The liens that may encumber the real property include:

- a. Any and all unpaid property taxes owed to the Township of West Orange.
- b. Any and all unpaid municipal charges for water and/or sewer.
- c. Alma Bank in the approximate amount of \$3,800,000.00 secured by a first mortgage lien and UCC-1.
- d. Mortgage lien held by Morris Mehraban in the amount of \$60,000.00
- e. Mortgage lien held by Parham Yedidsion in the amount of \$560,000.00
- f. Tax lien held by New Jersey Division of Taxation in the amount of \$161,624.97.

Alma Bank's UCC-1 is attached to the Certification of Albert Nazarian as Exhibit "C".

The Debtor will provide a copy of the abstract of land tile report prior to the hearing date to approve the sale of the Debtor's assets.

REQUEST FOR RELIEF AND BASIS THEREFOR

I. The Debtor Should be Authorized to Sell the Purchased Assets in Accordance with Sections 105(a), 363(b) and (f), and 541 of the Bankruptcy Code.

The Debtor's interest in the Purchased Assets constitutes property of the bankruptcy estate pursuant to Section 541 of the Bankruptcy Code. 11 U.S.C. § 541. The Debtor-in-Possession may sell the Purchased Assets pursuant Section 363(b)(1) and Section 1107 of the Bankruptcy Code. *See also* Fed. R. Bankr. P. 6004(f)(1)(authorizing sales outside of the

ordinary course of business to be conducted privately or by public auction). A debtor-in-possession is given these rights by Section 1107(a) of the Bankruptcy Code. Additionally, Section 105(a) of the Bankruptcy Code allows the Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a).

II. The Purchaser is a Good Faith Purchaser in Accordance with 11 U.S.C. §363(m).

Although the Bankruptcy Code does not provide guidance regarding circumstances under which a sale of assets can be approved (other than the requirement to provide notice and a hearing), the United States Court of Appeals for the Third Circuit in the seminal case of *In re Abbotts Dairies of Penn., Inc.*, 788 F.2d 143, 149-50 (3d Cir. 1986), interpreted Section 363(b) to require a finding by the Bankruptcy Court that the purchaser of a debtor’s assets be a good faith buyer. The Third Circuit construed the “good faith buyer” standard to mean one who purchases in “good faith” and for “value.” *Abbotts Dairies*, 788 F.2d at 147. Moreover,

Neither the Bankruptcy Code nor the Bankruptcy Rules define ‘good faith.’ In construing this phrase, courts have therefore borrowed from traditional equitable principles, holding the concept of ‘good faith’ speaks to the integrity of a party’s conduct in the course of the bankruptcy sale proceedings. A purchaser’s good faith status at a bankruptcy sale would be destroyed by misconduct involving ‘fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.

In re Tempo Technology Corp., 202 B.R. 363, 367 (Bankr. Del. 1996).

22. The *Abbotts Dairies* court then compared a Section 363(b) purchaser to a buyer at a judicial sale:

The requirement that a purchaser act in good faith . . . speaks to the integrity of his conduct in the course of the sale proceedings. Typically, the misconduct that would destroy a purchaser’s good faith status at a judicial sale involves fraud,

collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.

Abbotts Dairies, 788 F.2d at 147 (quoting *In re Rock Indus. Mach. Corp.*, 572 F.2d 1195, 1198 (7th Cir. 1978)). Finally, the Court noted that “courts have held that ‘[f]air and valuable consideration is given in a bankruptcy sale when the purchaser pays 75% of the appraised value of the assets’.” *Abbotts Dairies*, 788 F.2d at 149 (quoting *In re Rock Indus. Mach. Corp.*, 572 F.2d at 1197 n1; *In re Karpe*, 84 B.R. 926, 933 (Bankr. M.D. Pa. 1988).

Here, the proposed sale satisfies the “good faith” requirements of the *Abbotts Dairies* test. First, the Purchase Price of \$5,500,000.00 is fair, was negotiated in good faith, and exceeds 75% of the appraised value of the assets. The Debtor has diligently sought potential purchasers of the Debtor’s assets and received no offers, consequently the purchase price is fair, whereby the Debtor received no other firm offers. *See* Certification of Albert Nazarian. Secondly, the Debtor has fully disclosed and requested the Court’s approval of the terms and conditions of the proposed sale, and has also provided notice of the sale. *See In re Colony Hill Assoc.*, 111 F.3d 269 (2d Cir. 1997) (determination of “good faith” is based on traditional equitable principles, including whether there has been full disclosure to the Bankruptcy Court). Third, the Debtor has retained a business broker and has been seeking offers to purchase the Purchased Assets for approximately a year prior to the commencement of this bankruptcy case. Only one other potential buyer had expressed an interest to purchase the assets; however, that potential buyer was unable to obtain financing. Consummation of the sale will pay all secured creditors in full and yield significant distribution to unsecured creditors. Fourth, this transaction was negotiated at arm’s length and there have been no allegations that there was any misconduct by the parties related to the Purchase Agreement.

Accordingly, the Purchaser should be deemed a “good faith purchaser” and the Debtor

submits that the sale process has been proposed in good faith pursuant to 11 U.S.C. § 363(m).

III. The Sale is for a Sound Business Purpose.

The Third Circuit appears to have adopted the “sound business purpose” test when examining the reason for an asset sale, first articulated in *Official Comm. Of Unsecured Creditors v. Lionel Corp.*, 722 F.2d 1063, 1067 (2d Cir. 1983); see *In re Indus. Valley Ref. & Air Cond. Supplies, Inc.*, 77 B.R. 15, 20 (Bankr. E.D. Pa. 1987).

In *Lionel*, the Second Circuit held that:

There must be some articulated business justification . . . for using, selling, or leasing property out of the ordinary course of business before the bankruptcy judge may order such disposition under [s]ection 363(b) . . . The rule we adopt requires that a judge determining a [section] 363(b) application expressly find from the evidence presented before him at the hearing a good business reason to grant such an application. *Lionel*, 722 F.2d at 1070-71.

In *Summit Glob. Logistics, Inc.*, the Third Circuit held that:

“In accordance with *Lionel* and subsequent precedent within the Third Circuit, [d]ebtors must prove the following: (1) a sound business purpose for the sale; (2) the proposed sale price is fair; (3) the debtor has provided adequate and reasonable notices; and (4) the buyer has acted in good faith.” *In re Summit Glob. Logistics, Inc.*, 2008 WL 819934, at *9 (Bankr. D.N.J. Mar. 26, 2008).

The proposed sale meets the Third Circuit’s requirement for a sale of substantially all of the Debtor’s assets. A sound business reason exists because the net proceeds from the sale will satisfy all of the Debtor’s allowed secured claims which would otherwise continue to accrue unpaid interest. Allowed unsecured creditors will also be paid pro rata from the private sale, following proceeds first being distributed to classes holding secured and priority claims in accordance with section 507(a) of the Bankruptcy Code. Secondly, the proposed purchase price of \$5,500,000.00 exceeds the value for all of Debtor’s allowed secured claims and is the greatest offer the Debtor has received. Third, the Debtor has provided adequate notice to all parties entitled to receive notice of the proposed sale. Lastly and as demonstrated above, the Purchaser

is a good faith purchaser and has negotiated the Purchase Price at arm's length. Thus, the Debtor respectfully submits that the Purchaser's offer meets the "sound business purpose" test articulated in *Lionel*. Consideration of the above factors in this case weighs in favor of approval of the proposed sale.

IV. The Debtor Should be Authorized to Sell the Purchased Assets Free and Clear of Liens.

Pursuant to Section 363(f), a debtor's property may be sold free and clear of any and all liens, claims or interests in such property if:

- (1) such a sale is permitted under applicable non-bankruptcy law;
- (2) the party asserting such a lien, claim or interest consents to such sale;
- (3) the interest is a lien and the purchase price at which such property is to be sold is greater than the aggregate value of all liens on the property;
- (4) the interest is the subject of a bona fide dispute; or
- (5) the party asserting the lien, claim or interest could be compelled, in a legal or equitable proceeding, to accept a money satisfaction for such interest.

See 11 U.S.C. § 363(f); *In re Elliot*, 94 B.R. 343, 345 (E.D. Pa. 1988).

Section 363(f) is written in the disjunctive; the court may approve a sale "free and clear" provided at least one of the subsections is met. In applying section 363(f)(3), "courts, along with *Collier* maintain that a sale price need only exceed the value of the property, relying on the definition of a secured claim in Section 506(a), which equates such a claim to the value of the collateral securing the claim." *In re Terrace Gardens Park Partnership*, 96 B.R. 707, 717 (Bankr. W.D. Tex. 1989); *In re Collins*, 180 B.R. 447, 450 (Bankr. E.D. Va. 1995)("[C]ourts [applying 363(f)(3)] have found that 'value' should be defined as the secured value, not the face amount of the liens.").

Here, Section 363(f)(3) of the Bankruptcy Code is satisfied. The net Purchase Price, will provide a recovery (commensurate with the value of the assets) for any valid and perfected security interests in the secured assets. *See* Certification of Albert Nazarian. Moreover, pursuant to the Debtor's proposed order, if there are no objections to Debtor's Motion, creditors will have been deemed to consent to the sale of the Purchased Assets free and clear of liens, interests, and encumbrances. Therefore, the Court should permit the Debtor to sell the property free and clear of liens, claims, interest and encumbrances.

Any liens, claims, interests and encumbrances may attach to the proceeds of the sale in the order of their priority, with the same validity, force and effect that they now have as against the Debtor's assets, subject to the rights, claims, defenses and objection of the Debtor and all interested parties with respect to such liens and claims all of which are expressly reserved.

V. The Debtor Should Be Authorized to Assume and Assign the Executory Contracts and Included in the Sale

By way of the Motion, Debtor seeks authority to assume and assign the contracts for future banquet events hosted by the Debtor (the "Assumed and Assigned Contracts") which have been included as **Exhibit "D"** to the Certification of Albert Nazarian, and to assign those contracts to the Purchaser as an integral part of the Sale Motion.

Any contract not assumed shall be deemed rejected, other than with regard to agreements that may be specifically set forth in the Purchase Agreement entered into with the Purchaser.

(i) Assumption

Section 365(a) of the Bankruptcy Code provides that a debtor, "subject to the court's approval, may assume . . . any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a). However, if there has been a default in that executory contract or lease, then the debtor may not assume the contract until it: (A) cures, or provides adequate assurance that it will

promptly cure, the default prior to assumption; (B) compensates, or provides adequate assurance that [it] will promptly compensate, a party . . . to such contract or lease, for any actual pecuniary loss to such party resulting from such default; and (C) provides adequate assurance of future performance under such contract or lease. 11 U.S.C. § 365(b).

Section 365 “enables the [debtor] to maximize the value of the debtor’s estate by assuming executory contracts that benefit the estate and rejecting those that do not.” *In re S.A. Holding Co.*, 357 B.R. 51, 56 (Bankr. D.N.J. 2006). Courts apply the business judgment test in determining whether to approve a debtor’s motion to assume an executory contract or unexpired lease. *Id.* at 56. That lenient test requires the court to allow the debtor to assume a contract so long as the assumption benefits the estate. *In re Central Jersey Airport Services*, 282 B.R. 176, 183 (Bankr. D.N.J. 2002). “Once the debtor meets its burden, the non-debtor party bears the burden of proving that the debtor’s decision derives from bad faith, whim, or caprice.” *Id.* at 183. In addition to satisfying the business judgment test, a debtor must also cure all outstanding prepetition arrears under the contract, and must show adequate assurance of future performance. 11 U.S.C. § 365(b).

In the instant case, the Debtor has satisfied all of the requirements necessary to assume the Assumed and Assigned Contracts because the Debtor has not defaulted on any of the executory contracts. Assumption of the Assumed and Assigned Contracts benefits the estate because it will allow Debtor to then assign the Assumed and Assigned Contracts to the Purchaser, which will realize value for Debtor’s estate and its creditors.

Debtor further requests that any executory contract, unexpired leases, licenses or permits of the Debtor not assumed as part of the Agreement be deemed rejected at Closing (the “Rejected Contracts”), effective as of the date of entry of the Sale Approval Order.

(ii) **Assignment**

“Upon assuming an executory contract, the [debtor] is likewise authorized to assign the executory contract.” *In re Fleming Companies, Inc.*, 499 F.3d 300, 304-05 (3d Cir. 2007). Pursuant to 11 U.S.C. § 365(f), “notwithstanding a provision in an executory contract or unexpired lease of the debtor, or in an applicable law, that prohibits, restricts, or conditions the assignment of such contract or lease, the [debtor] may assign such contract or lease under paragraph (2) of this subsection.” 11 U.S.C. § 365(f)(1).

11 U.S.C. § 365(f)(2) provides as follows:

The [debtor] may assign an executory contract or unexpired lease of the debtor only if –

(A) the [debtor] assumes such contract or lease in accordance with the provisions of this section; and

(B) adequate assurance of future performance by the assignee of such contract or lease is provided, whether or not there has been a default in such contract or lease.

11 U.S.C. § 365(f)(2).

The definition of “adequate assurance of future performance” depends on the facts and circumstances of each case, and should be given “practical, pragmatic construction.” *Carlisle Homes, Inc. v. Azzari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1988). “Although no single solution will satisfy every case, the required assurance will fall considerably short of an absolute guarantee of performance.” *Id.* at 538.

In the instant case, the Purchaser is willing and ready to assume the liability and performance under the Assumed and Assigned Contracts pursuant to the Purchase Agreement. This assumption of liability of future performance serves as evidence that the Purchaser intends to honor such contracts and thus providing an adequate assurance of future performance of the Assumed and Assigned Contracts in accordance with the Purchase Agreement.

(iii) Waiver of Requirement of 6006(d)

Additionally, Bankruptcy Rule 6006(d) provides that “[a]n order authorizing the trustee to assign an executory contract or unexpired lease under § 365(f) is stayed until expiration of 14 days after the entry of the order, unless the court orders otherwise. Fed. R. Bankr. P. 6006(d).

The Debtor respectfully requests that the Court waive the requirement set forth in Bankruptcy Rule 6006(d) because it may be necessary for the sale to close more quickly than two weeks in order to maintain uninterrupted business operations.

WAIVER OF 14 DAY STAY

Pursuant to Fed. R. Bankr. P. 6004(h), unless the Court orders otherwise, orders authorizing the sale of the assets pursuant to Section 363 of the Bankruptcy Code are automatically stayed for fourteen (14) days after entry of the order. The purpose of Rule 6004(h) is to provide sufficient time for an objecting party to request a stay pending appeal before the order can be implemented. *See* Advisory Committee Notes to *Fed. R. Bankr. P. 6004(g)* (redesignated as subsection “h” by the 2005 Bankruptcy Reform Act).

Although Bankruptcy Rules 6004(h) and the Advisory Committee Notes are silent as to when a court should “order otherwise” and eliminate or reduce the stay, bankruptcy commentators have suggested that the period should be eliminated to allow a sale or other transaction to close immediately where there has been no objection to the procedure. *See* 10 Collier on Bankruptcy ¶ 6004.09 (15th ed. rev. 2003).

The Debtor asserts that given the goal of the parties in this case to liquidate assets and bring this case to conclusion in the short term to avoid further operating costs, there is cause to waive the stay and the Debtor requests that upon approval of the sale, the fourteen (14) day period pursuant to Rule 6004(h) be waived by the Court.

NOTICE

Notice of this Application is being provided to the following parties: (i) all unsecured creditors; (ii) secured parties; (iii) counsel for the taxing authorities; (iv) the Office of the United States Trustee for the District of New Jersey; (v) all parties who have filed and served a *Notice of Appearance*; (vi) all persons or entities purporting to have a lien or judgment, through their counsel, if represented, which may be an encumbrance on the assets; (vii) all entities known to the Debtor to have expressed a *bona fide* interest in acquiring the assets; and (viii) any and all persons know to have an ownership interest in the assets. The Debtor submits that no other or further notice is required.

No previous motion for the relief sought herein has been made to this or to any other court. As no novel issue of law is raised and the relevant authorities relied upon by the Debtor are set forth herein, the Debtor respectfully requests that the requirement of filing a brief be waived.

CONCLUSION

WHEREFORE, the Debtor respectfully requests the entry of an order effective immediately: (1) approving the sale of the Purchased Assets in accordance with the Purchase Agreement entered into by the Debtor and Purchaser, free and clear of all liens, claims, interests, and encumbrances; (2) granting the assumption and assignment of certain executory unexpired contracts; and (3) granting such other and further relief, as this Court deems just and proper.

Respectfully submitted,

SCURA, WIGFIELD, HEYER & STEVENS, LLP
Counsel to the Debtor

Dated: December 2, 2016

/s/ David L. Stevens
David L. Stevens

LAW OFFICES OF JEROME M. DOUGLAS, LLC
Proposed Counsel to the Debtor

Dated: December 2, 2016

/s/ Jerome M. Douglas
Jerome M. Douglas

SCURA, WIGFIELD HEYER & STEVENS, LLP

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

In re:

SHANGOL, INC.,

Debtor.

Case No. 16-29313

Chapter 11

Hon. Judge: Rosemary Gambardella

Hearing Date and Time:

January 10, 2017 at 11:00 a.m.

CERTIFICATION OF ALBERT NAZARIAN IN SUPPORT OF DEBTOR'S MOTION FOR ENTRY OF AN ORDERS (A) AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS, FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES (SUBJECT TO BETTER AND HIGHER OFFERS); (B) APPROVING THE FORM AND MANNER OF NOTICE OF THE SALE; (C) AUTHORIZING THE DEBTOR TO ASSUME AND ASSIGN CERTAIN OF ITS EXECUTORY CONTRACTS IN CONNECTION WITH THE SALE; AND (D) GRANTING OTHER AND RELATED RELIEF

I, Shangol, Inc., of full age, certify as follows:

I am the President of Shangol, Inc. ("Shangol") and Pleasantdale Cocktail Lounge, Inc., the Debtor and affiliated debtor in the above captioned Chapter 11 proceeding. I make this certification

in support of Shangol's motion for entry of Orders: (A) authorizing the sale of substantially all of the Debtor's assets, free and clear of all liens, claims, interests and encumbrances SUBJECT TO BETTER AND HIGHER OFFERS; (B) approving the form and manner of notice of the sale; (C) authorizing the Debtor to assume and assign certain executory contracts in connection with the sale; and (D) granting other and related relief.

Shangol d/b/a "The Atrium Country Club" operates as a banquet hall and caterer of fine cuisine ideal for exhibitions, galleries, banquets, corporate events, social events, and wedding ceremonies. Its venue and principal assets are located at 609 Eagle Rock Avenue, West Orange, New Jersey 07052. Shangol generates approximately \$2.2 million dollars in annual gross sales. Shangol's inability to make a settlement payment due to the mortgage holder and to stay an action in the State of New Jersey to foreclose on the real property precipitated the filing of the Chapter 11 case. The Debtor sought bankruptcy relief to obtain additional time to find suitable financing, or in the alternative, sell the real property at a fair and reasonable price.

The Debtor retained a business broker who has been soliciting offers to purchase the business and real estate for approximately a year prior to the commencement of this bankruptcy. I did not wish to publically advertise the sale of our business therefore I retained a broker with extensive experience and connection with similar businesses. The broker was did not have an exclusive listing. During the same period my brothers and I also sought buyers of our own. Unfortunately, Shangol's business had slowed in recent years and our financial statements did not make the purchase of our business attractive.

Since the filing date, and for a year before, the Debtor has unsuccessfully sought suitable financing. It has become clear that the sale of our business is the best plan to move this Chapter 11

case forward and therefore Shangol seeks authority to conduct the sale of substantially all of the Shangol's assets as a going concern. Navnit Brahmhatt (the "Purchaser") has emerged as the likely candidate to purchase substantially all of Shangol's assets.

Shangol has determined that the Purchaser has sufficient assets and credit quality to provide reasonable assurance of adequate performance for the executory contracts that may be assumed, and has indicated that it will submit a fair market value bid for substantially all of the assets belonging to Shangol. The real and personal property of Shangol includes, the land and buildings located at 609 Eagle Rock Avenue, West Orange, NJ 07052 as more particularly described on attached Purchase Agreement, the New Jersey Liquor License (License No. 22161624797), and the banquet hall business including, but not limited to, licenses, permits, trademarks, patents, website domain, executory contracts, marketing data, all systems, fixtures, furniture, furnishings, appliances, and equipment therein, trading under the name of "The Atrium Country Club", and all of the following used in the operation of the business, subject to certain terms and conditions which are outlined in a proposed purchase agreement (the "Purchase Agreement") annexed hereto as **Exhibit "A"**.

Attached hereto as **Exhibit "B"**, is a list of the executory contracts (the "Contracts") that the Shangol will assume and assign to the Purchaser as part of the Purchase Agreement. Shangol has satisfied all of the requirements necessary to assume and assign the Contracts because it has not defaulted on any of the Contracts, and the Purchaser has demonstrated sufficient assets and credit quality to provide reasonable assurance of adequate performance for the executory contracts that may be assumed.

Shangol's assets may be encumbered by certain mortgages, interests, and other liens. The liens that may encumber Shangol's assets include:

- a. Any and all unpaid property taxes owed to the Township of West Orange.
- b. Any and all unpaid municipal charges for water and/or sewer.
- c. Alma Bank in the approximate amount of \$3,800,000.00 secured by a first mortgage lien and UCC-1.
- d. Mortgage lien held by Morris Mehraban in the amount of \$60,000.00
- e. Mortgage lien held by Parham Yedidsion in the amount of \$560,000.00
- f. Tax lien held by New Jersey Division of Taxation in the amount of \$161,624.97.

Alma Bank's UCC-1 is attached hereto as **Exhibit "C"**. Shangol will provide a copy of the abstract of land tile report prior to the hearing date to approve the sale of the Debtor's assets

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

Dated: December 2, 2016

/s/ Albert Nazarian
Albert Nazarian

EXHIBIT A

CONTRACT OF SALE

This Contract of Sale ("Contract"), made this ____ day of ____, 2016, by and between Shangol, Inc. t/a The Atrium Country Club, a NJ corporation, whose address is 609 Eagle Rock Avenue, West Orange, New Jersey 07052, (the "Seller"), and Navnit Brahmhatt, whose address is 494 Union Avenue, Rutherford, New Jersey 07070 ("Buyer").

BACKGROUND

The Seller is the owner of that certain parcel of real property located at 609 Eagle Rock Avenue, West Orange, NJ 07052, and certain banquet business located thereon trading under the name of known as "The Atrium Country Club". The purpose of this Contract is to set forth the terms and conditions under which the Seller is to sell such property and business to the Buyer.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties, intending legally to be bound, agree as follows:

1. Sale of the Property and the Business. Subject to the terms and conditions set forth in this Contract and on the basis of the representations and warranties set forth herein, the Seller shall sell Property and Business to the Buyer, and the Buyer shall purchase from the Seller, the land and buildings located at 609 Eagle Rock Avenue, West Orange, NJ 07052 as more particularly described on attached Exhibit 1 (the "Property"), and the Banquet hall business including all systems, fixtures, and equipment therein, trading under the name of "The Atrium Country Club" (the "Business"), and all of the following used in the operation of the Business.

Seller, through Pleasantdale Cocktail Lounge, Inc., a New Jersey corporation, ("Pleasantdale") also owns a New Jersey Liquor License and is a licensee from the New Jersey ABC (Alcoholic Beverage Control), identified as License No. 22161624797 ("License"). The sale of License to the Business Buyer is included in the sale price and allocated the price of \$25,000.00 (Twenty Five Thousand Dollars).

1.1 All supplies, including, but not limited to, soaps, toilet tissue, facial tissue and other bathroom items, linens, glassware, trash containers, light bulbs and paper towels, stationary and printed material, whether or not bearing identifying names, which are on hand at the close of business on the day immediately preceding the date of the closing called. These items are hereinafter referred to as the Supplies."

1.2 All furniture, furnishings, appliances, equipment and other items (exclusive of the Supplies) used in connection with the ownership, operation, use, maintenance, or occupancy of the Property and the Business (the "FF&E") as will be more particularly set forth in Schedule 1.2, which will be provided within five (5) days of United States Bankruptcy Court approval of this Contract of Sale. Within the same five (5) day time

period, Seller shall provide a list of all the FF&E and personal property including any vehicles and incorporate those items into Schedule 1.2 annexed hereto. Seller will list exclusions of FF&E and personal property to the Buyer on Schedule 1.2.

(a) Seller and Buyer acknowledge that they will comply with the provisions of any statutory bulk sale or similar requirements if applicable to the transaction to be effected by this Agreement. Seller shall be required to complete and file the Asset Transfer Tax Declaration form required by the Department of Treasury of the State of New Jersey and Buyer shall be required to complete and file the form C9600. Seller acknowledges that Buyer shall file with the State of New Jersey, a Notice of Bulk Transfer on form C-9600, as required by law, Seller shall file an Asset Transfer Declaration Form, and Seller agrees to be bound by the escrow requirements imposed by the Division of Taxation following filing of such notice. Seller also agrees to cooperate fully with the Buyer and with the New Jersey Division of Taxation, and to file any forms or to pay any taxes or assessments required, so that the Buyer can obtain the necessary "Licensee Clearance Certificate". Seller's Tax Identification No. is 22-2171139.

1.3 Within five (5) days of United States Bankruptcy Court approval of this Contract of Sale, Seller shall provide all written or oral leasing, service, licensing, maintenance, concession, or other contracts or agreements, respecting the leasing, maintenance, management, ownership, use, possession or operation of any part of the Property or the Business. This list shall be delineated in Schedule 1.3 (the "Contracts").

1.4 License and permits. To the extent permitted under applicable law or regulation, and if it is transferable to Buyers, all, licensees, permits, and authorizations.

1.5 The business telephone number, trademarks, patents, mailing address, website domain name and user name and passwords and all advertising and marketing data for the business.

2. Purchase Price and Payment. The purchase price to be paid by the Buyer to the Seller shall be \$5,500,000 (the "Purchase Price"), payable as follows:

Deposit at the signing of the contract:	\$	100,000.00
Funds via certified check/ wire transfer:	\$	4,600,000.00
Financing by Seller as per Section 2.4	\$	800,000.00

2.1 The sum of \$100,000.00 in certified funds, upon the approval of this Contract of Sale by the United States Bankruptcy Court for the District of New Jersey (the "Deposit"), to be held in escrow by Buyer's Title Insurance Company _____ (the "Escrowee") and to be applied to the purchase price. A separate escrow agreement shall be signed between the parties and the Escrow Agent.

2.2 At the Closing, the difference between the Purchase Price and the deposit monies in certified funds or by wire transfer or by a trust account check.

The purchase price be allocated among the assets of the business related to property as follows:

- | | | |
|----|----------------|-----------------|
| a) | Real Estate | \$ 5,475,000.00 |
| b) | Liquor License | \$ 25,000.00 |

2.3 Additionally, in addition to the purchase price, Buyer shall separately pay to Seller mutually agreed monies, calculated on actual costs based on invoices provided by Seller, for food, liquor and supplies for unopened cases, and agree to pay accounts receivables that are due to Seller and as and when collected by Buyer in whole or in part. Buyer will pay for the usable inventory at its cost price. Seven (7) days prior to Closing, Seller shall provide Buyer with an itemized description of inventory held at the Property and the total cost of such inventory. Seller will finance the cost of inventory for one year and Buyer will pay that amount at the end of first year.

2.4 Seller Financing: Seller will finance a note in the amount of \$800,000.00 (Eight Hundred Thousand Dollars) @ 5% (Five Percent) interest only for a period of five (5) years payments with a balloon payment of \$ 400,000.00 (Four Hundred Thousand Dollars) at the 4th anniversary of the Note and a \$ 400,000.00 (Four Hundred Thousand Dollars) plus any accrued interest at the 5th anniversary of the Note from the closing. Separate instruments to be prepared by the seller's attorney with all its terms and conditions to be attached with the contract as Exhibit 1.3. The draft of the Exhibit to be approved by both the parties within Due Diligence Period. Seller acknowledges that its note and any other security interest shall be subject to and subordinate to the Lender financing required by Buyers lender and seller shall execute any documents to confirm said subordination that are presented to Seller by the Buyer is Lender. To the extent that title is taken in the name of a Limited Liability Company or Corporation, Buyer agrees that such obligation shall be personally guaranteed by creditworthy (in Seller's sole discretion) Members and/or shareholders. Additionally, subject to Lender consent, to the extent that the membership interests/stock shares are not pledged to the primary Lender, they shall be tendered and held by Seller in proportion to the extent of Seller financing, subject to a pledge agreement and stock power.. Any Seller financing is subject to the approval of the Bankruptcy Court.

2.5 Seller Concession. At Closing, Seller shall provide Buyer with a Two Hundred Thousand (\$200,000.00) Dollar concession towards the purchase price.

3. Contingencies. The obligations of the Buyer and the Seller under this Contract shall be expressly conditioned on the following:

3.1 Within five (5) business days of Bankruptcy Court approval, Seller shall provide Buyer with all Due Diligence documents in its possession. For a period of 15 days thereafter (the "Due Diligence Period"), the Buyer, at its sole expense, shall have the right to make such investigations including but not limited to studies and tests, with respect to the Property and the Business as the Buyer deems necessary or appropriate to determine the feasibility of closing the transaction called for hereunder. Buyer may request an additional five calendar (5) days if not concluded with the due diligence in 15 days. If at the end or before the expiration of Due Diligence Period, Buyer is not satisfied with or without reason with his investigation and determines not to proceed with the transaction then Buyer may give a written notice to the Seller of not proceeding with the transaction within the said Due Diligence Period or by the end of the business day on the expiration of the Due Diligence Period and upon such written notice to the Seller and Escrow agent by the Buyer this Contract shall be terminated with all of the Deposit money to be returned to the Buyer with no further recourse or obligation to either party. All Inspections shall occur upon mutually agreed times so as to not disrupt Seller's business and shall be performed by licensed duly insured Inspectors. No consent from Seller or the Bankruptcy Court is required for the release of Deposit to the Buyer upon termination notice by the Buyer to the Seller and Escrow agent. Upon reasonable advance notice to the Seller, the Buyer may conduct such physical inspections on the Property as the Buyer deems necessary to verify the condition of the Property and the Business (including the FF&E). The Seller shall provide the Buyer or its representatives with access to the property and plans, surveys, reports, business records, financial records, business tax returns and other items in the Seller's possession pertaining to the Property or the Business within 3 business days after receipt of the request by the buyer.

At any time prior to expiration of the Due Diligence Period, the Buyer, in its sole and absolute discretion, may elect to terminate this Contract by so notifying the Seller. Buyer will protect the seller from its agents, contractors, employees, or officers, during any investigation hereunder, and the Buyer shall indemnify and hold the Seller harmless from and against any and all loss, cost, damage or expense, including reasonable attorney's fees and court costs, arising as a result of personal injury or property damage caused by actions taken by the Buyer, or its agents, contractors, employees, or officers, on the Property.

3.2 The Buyer, within 45 days after the date on which Contract is fully executed ("Effective Date") must obtain a commitment from its lender and close the transaction within said 45 day period. The Buyer shall diligently pursue its bank in Due Diligence Period for the issuance of commitment from its lender. In the event If a firm mortgage commitment is not received by the Buyer within such 45 day period of Effective Date, Buyer shall then have the right, by notice to the Seller sent before or by the end of such 45 day period, to extend this financing contingency for additional 15 days provided Buyer is diligently proceeding in its Mortgage application or terminate this

contract. In the event Buyer terminates this contract before or by the end of the 45 day financing contingency period because of failure of the financing contingency, the escrow monies will be returned to the Buyer and each party shall be relieved of all liability to the other hereunder. No consent from Seller or the Bankruptcy Court is required to release the Deposit. Buyer's lender at the expense of Buyer will order required third party reports like environmental, appraisal, survey etc.

3.3 Liquor License Contingency: Buyer will apply for the transfer of License and seek an approval from ABC for transfer of the liquor license within 45 days of Effective Date. Should such license transfer not be approved in 45 days, Seller will then avail his license to the Buyer provided it is permissible by the ABC. In such case, Buyer will pay Seller's insurance related to the license, including but not limited to Dram Shop coverage and shall hold Seller harmless from any damages. Buyer may, in its sole discretion, to purchase the existing entity of the seller holding the License. Seller acknowledges that his License is in good standing with ABC. If Buyer does elect to purchase such entity, Seller shall hold Buyer harmless from and against any and all claims and damages arising from Seller's ownership of such entity.

4. Title to Property.

4.1 At the Closing, the Seller shall cause the Property and the improvements thereon to be free from all liens, financial and non financial encumbrances, restrictions, rights-of-way and other matters, excepting only the "permitted exceptions" described in the "Title Commitment" (as hereinafter defined) and which have been previously approved by the Buyer so that at the time of the Closing, title to the Property will be good and marketable, both of record and fact.

4.2 Within 30 days after Effective Date, the Buyer shall order and procure a commitment for title insurance (the "Title Commitment") which will permit a policy of title insurance to be issued to the Buyer as of the date of the Closing insuring a fee simple interest in the Property in the state required by Section 4.1. The Buyer at the request of the Seller shall deliver a copy of the Title Commitment to the Seller upon receipt of such commitment.

4.3 If, upon receipt and examination of the Title Commitment, title to the Property is not in the state required by the Buyer and there are any objections in issuance of the free and clear title by the insurance company, then the Buyer will within 35 days of Effective Date notify the Seller, specifying its objection(s) to the state of title to the Property rendering the title uninsurable. The Seller shall thereupon have a period of 30 days thereafter to cure such liens, encumbrances, and encroachments, provided Buyer advises the Seller of the objections of the title to the seller within the Due Diligence period, as same may be extended in which the Seller, at its option and cost, may seek to remedy the objection(s) or to induce the title company to issue an endorsement to the Title Commitment satisfactory to the Buyer insuring over or

removing such objection(s). Seller at its option may seek an extension of 30 days beyond the Closing Date to remove the said objections to the title required by the Buyer to render the title insurable. The costs of removing any lien, assessment or encumbrance required to be discharged hereunder to remedy any such objection to title to the Property shall be paid by the Seller, including any prepayment penalties or fees incurred in connection therewith, and including the existing mortgage on the Property which shall be satisfied by the Seller at the Closing. If the Seller elects not to remedy any non monetary objection(s), then the Buyer shall notify the Seller either: (a) that the Buyer waives such title defects or objections; or (b) that this Contract is canceled and rescinded, in which case the Escrow monies will be delivered to the Buyer, and the Seller will reimburse Buyer for actual costs incurred by Buyer for the title searches, and third party studies or any other cost incurred by the Buyer in an amount not to exceed \$5,000.00 and Buyer will provide the documentation for these expenses and the rights and obligations of the parties shall thereupon cease, except for such rights and obligations of the parties as may expressly survive such termination.

4.4 If the Buyer's objection(s) to the state of title to the Property are not of a kind or nature which can be remedied by action requiring the payment of money as set forth in Section 4.3 within agreed upon deadlines, or if the Seller elects not to remedy the non monetary title objections as provided in Section 4.3, then the Buyer, within five days thereafter seller's notice and intention not to remedy the title objections, shall notify the Seller either (a) that the Buyer waives such title defects or objections, or (b) that this Contract is canceled and rescinded, in which case the escrow monies will be returned to the Buyer and Seller will reimburse the Buyer for costs set forth above and the rights and obligations of the parties shall thereupon cease, except for such rights and obligations of the parties as may expressly survive such termination.

5. Closing.

5.1 Date and Time. The Closing shall take place at the offices of Bank attorney or as mutually agreed by all the parties on a date and at a time agreeable to the parties within 45 days from Effective Date. Any reasonable extension up to 15 days required by the buyer on account of financing shall be provided by the Seller so long as Buyer provides a written confirmation that Closing shall take place with 15 days extended period and the requested extension is only for the purposes of financing.

5.2 Adjustments. At the Closing, the following items shall be paid by and/or adjusted between the parties:

5.2.1 Real property taxes and personal property taxes shall be adjusted to the date of the Closing based upon the fiscal year of the applicable taxing body. Annual assessments for improvements completed prior to the date of the Closing, whether assessment therefore has been levied or not, annual public sewer and water system benefit charges, and the like, shall be adjusted to the date of the Closing

and assumed thereafter by the Buyer. The realty transfer taxes for this transaction shall be paid by the Seller and the Buyer will pay mansion tax. The cost of deed preparation shall be paid by the Seller. All other costs of the Closing, including, but not limited to, the cost of, state revenue stamps, the Title Commitment, and all title company fees shall be paid by the parties as customary in the State and Town where the Property is located.

5.2.2 Revenues accrued ending on or before 12:00 noon on the date of the Closing shall be the sole property of the Seller. Revenues received after 12:00 noon on the date of the Closing shall be the sole property of the Buyer. All Accounts Payable and Receivables will be adjusted according to the cut off time here.

5.2.3 The Buyer will receive from the Seller Advance deposits for unused gift cards, prepaid and other deposits and advance payments for advance booking for the Banquet events. The Seller shall prepare a list of such deposits by name, date of event and deliver to the Buyer. The Buyer shall review and be entitled to reasonably verify the detail list of such events and Seller to provide the accounting of all such deposits to the Buyer at Closing.

5.2.4 The Seller shall pay and be responsible for payment of all employees' wages, accrued vacation pay, sick leave, bonuses and other benefits (whether insured or self-insured) earned by and due to or accrued to employees of the Seller through 12:00 noon of the date of the Closing, together with F.I.C.A., unemployment and other taxes and benefits. There will be no allocation between the Seller and the Buyer with respect to such items, and all employees will be so notified by the Seller prior to the Closing. On the Closing date, Seller shall terminate all of its Employees. Purchaser, in Purchaser's sole discretion, may offer employment to all any of Seller's employees for such terms and upon such conditions as Purchaser may determine in its absolute discretion.

5.2.5 The Buyer shall assume all purchase orders entered into by the Seller in the regular course of business consistent with past practice as to all items delivered after the Closing, and shall pay all costs and expenses in connection with such purchase orders as to all items delivered after the Closing. Bills for items delivered or services rendered prior to the Closing shall be the obligation of the Seller. A list of pending purchase orders shall be provided to the Buyer at least 10 days before the Closing.

5.2.6 The accounts payable and accounts receivable of the Seller arising out of the operation of the Business prior to the Closing are not included in this Contract, and shall remain the responsibility and property of the Seller. Due accounts receivable which are not received at/before closing must be given to Seller upon receipt by Buyer after Closing and vice versa whereas Seller shall pay all its accounts payable, if any. Seller's accounts receivables received by the Buyer for the Seller's ownership of Business shall be promptly paid back by the Buyer within 3 days business days of

receipt via priority mail with an electronic confirmation to the seller within 3 business days of receipt of such accounts receivables. After Closing, Seller shall pay any accounts payable arising out of Seller's ownership of Business within 3 business days of notification to the Seller by the Buyer of the invoice to be paid by the Seller for Seller's ownership of Business.

5.2.7 Charges and deposits for telephone, water, sewer, gas, fuel, electricity and other utility charges will be adjusted as of the Closing. If possible, such adjustment shall be done by readings as of the close of business on the day immediately preceding the Closing, the issuance of final bills to the Seller, and new accounts started in the Buyer's name as of the Closing. Seller will assign all the utility accounts to the Buyer at the closing.

5.2.8 The Seller shall be responsible for all of its federal or local income, sales tax, or room tax liability relating to the period ending at 12:00 p.m. on the date of the Closing even though such liabilities do not become payable until after the Closing. The Buyer shall be responsible for all of its federal or local income, sales tax including sales or similar taxes applicable to the transaction contemplated by this Contract relating to periods on or after the Closing.

5.2.9 The Seller shall be credited for an amount equal to the monies in house banks and cash registers. Representatives of the Buyer and the Seller shall agree to the balance in each house bank and cash register immediately prior to the Closing.

5.2.10 The Seller will be responsible for obtaining Continued Certificate of Occupancy if only required by the township governing this Banquet facility and if so Buyer will cooperate and make necessary application to get that Certificate of Occupancy. Seller will inquire with the township of West Orange and confirm in writing to the buyer only if the Continued Certificate of Occupancy is not required by the township at the sale of the said facility.

5.2.11 At no cost to Buyer, the Seller will train Buyer for 30 days from the date of closing and will be available to the Buyer for 20 hours a week.

5.2.12 Seller and Buyer acknowledge that they will comply with the provisions of any statutory bulk sale or similar requirements as applicable in the State of NJ to the transaction to be effected by this Agreement. Seller shall be required to complete and file the Asset Transfer Tax Declaration form required by the Department of Treasury of the State of New Jersey and Buyer shall be required to complete and file the form C 9600.

5.2.13 Seller confirms that there are no employment agreements with any employees of Seller, or if any, Seller will provide such employment agreement during the Due Diligence period to the Buyer. Seller will not sign any agreement

pertaining to the employment with any employee after the execution of the contract without the written consent of the Buyer.

6. Documents To Be Delivered At Closing.

6.1 Seller's Documents. At the Closing, the Seller shall, as the case may be, deliver, execute and deliver, or cause to be executed and delivered to the Buyer:

6.1.1 a Certificate of Status from the State of New Jersey certifying that the Seller's entity owning the facility is in good standing;

6.1.2 a A New Jersey Statutory Bargain & Sale Deed with Covenants Against Grantor's Acts conveying to the Buyer all of the Seller's fee simple title and interest in the Property subject only to title matters approved and agreed to by the parties;

6.1.3 a Bill of Sale for the assets of the Business being sold hereunder;

6.1.4 An Assignment and Assumption Agreement for the previously identified Contract(s) to be assumed by the Buyer;

6.1.5 All records pertaining to the FF&E and the Contracts and the Business, in general; and

6.1.6 All keys and other items for the Property and the Business.

6.1.7 Proof that Seller's taxes are paid in full as of the date of closing, as per paragraph 20 below and all tax clearance requirements pursuant to ABC regulations, New Jersey and Federal law. If, however, quarterly taxes have not yet been determined, Seller agrees that a reasonable escrow be held in order to pay same.

6.1.8 The written certificate of the Seller that all of the representations and warranties set forth in Section 7 are true and correct as of the Closing.

6.2 Buyer's Documents. At the Closing, the Buyer shall deliver, execute and deliver or cause to be executed and delivered, as the case may be, to the Seller:

6.2.1 The written certificate of the Buyer that all of the representations and warranties set forth in Section 8 are true and correct as of the Closing;

6.2.2 if this Contract is assigned to a corporation/LLC by the Buyer as permitted pursuant to Section 19.7, then the written certificate of the Secretary of such corporation certifying that the transactions contemplated in this Agreement have been approved by due corporate action;

6.2.3 if this Contract is assigned to a corporation by the Buyer as permitted pursuant to Section 19.7, then a Certificate of Good Standing from the state of incorporation certifying that such corporation is in good standing;

6.3 By the Escrow Holder. At the Closing, the Escrow Agent shall deliver the Escrow Deposit to the Seller.

6.4 Form of Documents. If the form of any document is not specified by an exhibit attached hereto, then the form shall be reasonably satisfactory to counsel for the Seller and the Buyer.

7. Representations and Warranties of the Seller. The Seller represents and warrants to the Buyer, as of the date of this Contract, that:

7.1 Organization. The Seller is a corporation duly organized, validly existing, and in good standing under the laws of the State of New Jersey, and has all requisite corporate power and authority to own, operate, and lease its properties, to carry on its business as now being conducted, to enter into this Contract, and to carry out the transactions contemplated hereby.

7.2 Authorization. The execution, delivery and performance of this Contract and the transactions contemplated hereby have been authorized by due corporate action of the directors and stockholders of the Seller; this Contract has been properly executed by the duly authorized officers of the Seller; and this Contract is the valid and binding obligation of the Seller and is enforceable in accordance with its terms.

7.3 No Violation. The execution of this Contract and the consummation of the transactions contemplated hereby will not violate the terms of the Seller's charter, bylaws, any agreement to which the Seller is a party, or any order, judgment, or decree applicable to the Seller.

7.4 Title to FF&E. The Seller is the owner of the FF&E free of all leases, liens, security interests, claims, charges, imperfections of title, obligations, restrictions, or encumbrances of any kind or nature whatsoever, except for the First Lien and those listed on Schedule 7.4 annexed hereto which will be paid by the Seller at Closing.

7.5 Condition of Property and Business. The Buyer shall have the right during the Due Diligence Period, and upon reasonable advance notice to the Seller, to conduct such physical inspections as the Buyer shall deem necessary or required to verify that the condition of the Property and the Business (including the FF&E) is suitable for the Buyer's intended use. The Buyer accepts all responsibility for such inspections.

Notwithstanding the foregoing: (a) the Seller represents and warrants that it will operate the Banquet facility until the time of closing in the same manner as it is currently being operated; and, all the Kitchen equipments, piping, roof, mechanicals, HVAC, freezer and refrigerators, currently being utilized by the Seller for the operation of the business shall be in working order reasonable wear and tear excepted.

7.6 Contracts. Except for the Contracts, there are no oral or written contracts or commitments related to the Property or the Business to which the Seller is a party or by which it may be bound.

7.7 Consents and Approvals. No consent, approval, or authorization of or designation, declaration, or filing with any governmental authority or other person or entity is required on the part of the Seller in connection with the execution, delivery or performance of this Contract or the consummation of the transactions contemplated hereby.

7.8 Other Agreements. The Seller is not a party to any agreement or instrument or subject to any restriction or any judgment, order, writ, injunction, rule, or regulation, which materially and adversely affects the Property or its condition.

7.9 The Seller has not received, and to the best of its knowledge, information and belief, has no reason to believe that it will receive, oral or written notice of any claim or violation under any inquiry, law, ordinance, or requirement affecting the title to or the use or operation of the Property or the Business.

7.10 Compliance with Laws. To the best of its knowledge, the Seller has complied with all federal, state, and local laws, rules, regulations, and administrative directives which apply to or materially affect the use of the Property. There are no existing or threatened actions, judgments, litigations or liens pending against the Seller anywhere. There are no actions, proceedings or liabilities, including tax liabilities have been instituted or imposed upon the Seller and there are no outstanding audits or investigations of the Seller. To the best of Seller's knowledge there are no violations orders or notices of any kind advised or pending against the Seller from any Federal or State Agency including but not limited to federal taxes, Environmental Department, local Construction code, Board of Health or Fire Department rules and regulations.

7.11 Environmental Matters. To the best of Seller's knowledge, no hazardous materials are, will be, or have been, treated, disposed of or incorporated into,

on or around the Property in violation of any applicable statutes, ordinances or regulations, and the Seller has received no notice of any pending or, to the best of the knowledge of the Seller, threatened action or proceeding arising out of the condition of the Property or any alleged State and local code, violation of environmental, health or safety statutes, rules, ordinances or regulations. Seller acknowledges that there are no outstanding violations to be cured by the Seller as advised by any State or Federal Agency.

7.12 Disclosures. No representation, warranty or covenant made by the Seller herein, or in any certificate or document furnished or delivered by the Seller to the Buyer, contains or will contain any untrue statement of a material fact or omits or will omit any material fact necessary to make the statements contained herein or therein not misleading.

7.13 Warranties True as of the Closing. Except as otherwise provided herein, all representations and warranties contained herein will be true and correct as of the Closing.

7.14 Warranties as to Liquor License

a) That Seller is the sole and unconditional owner of the Business, the License and the furniture, fixtures, equipment and the other assets which are the subject of this Agreement; that the same can be conveyed to Buyer free and clear of all liens, judgments, claims and encumbrances of every nature and kind.

b) Compliance with Liquor Code. That the establishment located at the Premises is fully equipped and in compliance with the provisions of the New Jersey Liquor Code and the rules and regulations of the ABC. All alcoholic beverage taxes and other taxes due under any tax law of the State of New Jersey and all bills for the purchase of alcoholic beverages under the Seller's License have been or will be paid and fully satisfied prior to closing, or out of the proceeds of sale at the time of closing, so that the License is not subject to attachment under New Jersey tax laws in accordance with N.J.S.A. 33:1-26 nor to any outstanding Notices of Obligations or Notice of Delinquency under N.J.A.C. 13.2-24.4.

c) Public Notices. That there will not be, at Closing, any outstanding public notices with respect to the operation of a Banquet business at the Premises other than the current bankruptcy filing.

d) Citations. There are not now, or at the time of closing under the transfer of the License, any pending disciplinary actions against the License, either by the Township of West Orange, or the New Jersey Division of Alcoholic Beverage Control ("ABC"), known to Seller or of which Seller has actual or constructive knowledge, and there have been no investigations of the Seller or its License within the past one year prior to the effective date of this Agreement. There are no citations

threatened against the License of which Seller is aware. In the event that a citation shall be issued during the term of this Agreement, Seller agrees to cure that citation before closing at his cost. However, if a citation is issued during the term of this Agreement and the License shall be revoked in said proceedings or the License is suspended for a period of three (3) days or more as a result of the said proceedings, Buyer shall have the absolute right, option and privilege of withdrawing from this Agreement. Upon such withdrawal, and after notice to Escrow Agent, in writing, the Deposit shall be returned to Buyer. Upon such return of the Deposit, this Agreement shall be null and void and the parties shall have no further liability to one another.

e) **License Renewal/No Conditional Licensing Agreements/Take-Out Beer.** The liquor license in the facility is not subject to any Conditional Licensing Agreement with the ABC or any other party and issued permanently to the Seller.

f) **Licenses and Permits.** That Seller has for the Premises all necessary licenses and permits issued by the appropriate federal, state and local government authorities including but not limited to a current and valid Health License (Preparing and Serving Food License) issued by the local municipality and that said License shall be valid, current and existing at the time of closing.

g) **Authority to Sell.** Seller has no outstanding agreements of sale or options for said Liquor License as of the effective date of this Agreement. Seller has been duly organized and is validly existing and in good standing under the laws of the of the State of New Jersey. Seller has the corporate power and authority to enter into and perform this Agreement and to transfer the License to Buyer by way of a procedure set by ABC (controlling agency for liquor license) of New Jersey. The execution, delivery and performance of this Agreement by the executing officers of Seller have been duly authorized by all requisite corporate action. This Agreement is a legal, valid and binding obligation of Seller and is enforceable against said party in accordance with the terms of this Agreement. The execution, delivery and performance of this Agreement by Business Seller does not conflict with or result in a violation of the Articles of Incorporation or By-Laws of Business Seller or of any agreement, instrument, order, writ, judgment, or decree to which Seller is a party to, or subject to

h) All sales taxes due on sales made by the Seller or to be made by the Seller in respect to operations and any other use of the License prior to the transfer of the License under this Agreement have been or will be paid, and that the Seller is not delinquent in the payment of any taxes, fees, interest or penalties imposed by any State law for which a lien may attach pursuant to N.J.S.A. 54:49-1 or pursuant to the State Tax Uniform Procedure Law, RS. 54:48-1 e seq., or any similar State tax law, except to the extent expressly provided by this chapter.

i) Seller will cooperate with the Buyer with regard to processing the application for the transfer of the LICENSE and will execute all necessary affidavits and/or consents.

j) Seller shall, within forty-eight (48) hours after actual receipt or official notification thereof, notify Buyer of any restrictions or violations occurring with regard to or impacting on the LICENSE in any manner whatsoever subsequent to the signing of this Agreement by Buyer and occurring prior to the transfer of ownership of the LICENSE to Buyer. If Seller cannot cure same to Buyer's satisfaction within thirty (30) days, Buyer may cancel the Agreement, and receive a refund of deposit.

k) **Standing of Liquor License:** Seller's liquor license with the ABC is in good standing.

7.15 Employment Warranties. Seller shall comply with the provisions of WARN ACT for actions required by the Seller if applicable to the Seller.

(i) All of Seller's employees are employees "at will" and none are subject to any written or oral agreement of employment. All the employees will be terminated at the closing and Buyer will rehire the employees.

(ii) No unions or other collective bargaining units have been certified or recognized by Business Seller as representing any of its employees at the facility, and there are no existing union organizing efforts nor representation questions with respect to any of the employees of Business Seller.

(iii) Seller does not maintain, nor has it established, an employer benefit plan within the meaning of ERISA nor any other bonus, profit-sharing compensation, pension, severance, deferred compensation, fringe benefit, welfare, medical, post-retirement health or welfare benefit, medical reimbursement, disability, accident deferred compensation, incentive, bonus, commission, or other plan agreement, policy, trust fund or arrangement which is maintained, sponsored or contributed to by employer or any entity that would be deemed a single employer with Business Seller under Section 414 of the Internal Revenue Code or Section 4001 of ERISA on behalf of any of the employees of Business Seller or their beneficiaries.

7.16 Seller is paying debts as they currently become due. Buyer recognizes that Bankruptcy Court approval of this Contract and Seller's Plan is required. Once the Plan is approved, Seller will not be in default of any Contracts.

7.17 Seller has, and will convey, good and marketable title to the Property.

7.18 To the best of Seller's knowledge and subject to Buyer's Title search, all buildings, driveways and other improvements on the Property are within its boundary lines, and no improvements on adjoining properties extend across the boundary lines of the Property.

7.19 To the best of Seller's knowledge the Property is in full compliance with all federal, state and local laws.

7.20 Seller shall satisfy and pay all judgments and liens of record at closing of title, except as specifically provided for in this Agreement.

7.21 Seller represents that any and all construction, including, electrical or plumbing, and any major system repairs which have been performed at the Property have been completed, where required, with all necessary permits and instructions being duly completed.

7.22 There are no unconfirmed assessments affecting the Property.

7.23 Seller represents that to the best of their knowledge, information and belief, there does not exist any "in ground" abandoned or not in service oil storage tanks on the Property. In the event there are oil tanks on the premises, whether in ground or above ground, Sellers shall remove the same and provide permits, applications and/or all applicable compliance letters prior to closing. In the event there are leaks or contamination or Seller elects not to remove a discovered tank, the Buyers may declare this agreement null and void thereby being entitled to an immediate return of the deposit.

7.24 To the best of Seller's knowledge there are no off site conditions which effect or could affect the Property.

7.25 The Property was never used for the manufacture, disposal, refining, transportation, treatment or storage of any toxic or hazardous substances, which would pollute or deleteriously affect the environment, or regulation of any governmental authority.

7.26 The Property is served by public water service and public sewer service and no wells exist at the Property. The property does have a septic holding hank, which is connected and flushes out to the Town sewer system.

7.27. Seller shall pay all city and state sales tax and all other local, state, and federal taxes, including but not limited to, taxes based on income and withholding taxes, relating to any period up until Closing. Seller hereby agrees to indemnify and hold Buyer harmless against any claim that may be made against Buyer for such taxes, including any interest and penalties.

7.28 Seller represents that there are no creditors except as stated in the Chapter XI bankruptcy filing, which is annexed hereto as "**Schedule 7.28**". If not contained herein, Seller agrees to furnish Buyer, at least Ten (10) days after execution of this Agreement, a list of Seller's existing creditors, containing the names and

business addresses of all such creditors, with the amounts owed to each and also the

names and addresses of all persons who are known to Seller to assert claims against Seller, whether disputed or not. Such list shall be signed and sworn to or affirmed by Seller.

8. Representations and Warranties of the Buyer. The Buyer represents and warrants, as of the date of this Contract, that:

8.1 Validity. This Contract is the valid and binding obligation of the Buyer and is enforceable in accordance with its terms.

8.2 No Violation. The execution of this Contract and the consummation of the transactions contemplated hereby will not violate the terms of any agreement to which the Buyer is a party, or any order, judgment, or decree applicable to the Buyer.

8.3 Consents and Approvals. No consent, approval or authorization of or designation, declaration, or filing with any governmental authority or other person or entity is required on the part of the Buyer in connection with the execution or delivery of this Contract or the consummation of the transactions contemplated hereby.

8.4 Disclosures. No representation, warranty or covenant made by the Buyer herein, or in any certificate or document furnished or delivered by the Buyer contains or will contain any untrue statement of a material fact, or omits or will omit any material fact necessary to make the statements contained herein or therein not misleading.

8.5 Warranties True as of the Closing. All representations and warranties contained herein will be true and correct as of the Closing.

9. Covenants of Seller. The Seller, from and after the date hereof and until the Closing, shall:

9.1 Insurance. Maintain in full force and effect: (a) fire and extended coverage insurance on the Property and the improvements thereon and the FF&E to the extent of the full insurable value thereof; and (b) the existing liability insurance for the Property.

9.2 Compliance with Laws. Comply in all material respects with all governmental laws, rules and regulations applicable to the Property.

9.3 No Liens. Keep the Property and all assets of the Business free of any security interest, lien, charge and encumbrance which will not be satisfied at the Closing.

9.4 Performance of Obligations. Perform in all material respects, all of the Seller's obligations under all material agreements and contracts binding upon the Seller with respect to the Property and the Business and pay all expenses and liabilities with respect to the Property and the Business in the reasonable course of business, unless the obligations, expenses, or liabilities are being contested in good faith.

9.5 Maintenance of Property. Maintain the Property, all improvements thereon, and all FF&E, including, but not limited to, plumbing, electrical systems, alarms, sprinklers, elevators wall coverings, furniture, fixtures, carpeting, drapes, HVAC units, telephones and televisions, in the same order, condition, and repair as on the date hereof, reasonable wear and tear excepted.

9.6 Cooperation with the Buyer. Seller will cooperate with the Buyer in obtaining the consents and authorizations of all persons and entities which are required in order to satisfy the Buyer's conditions of closing and to consummate the transactions contemplated hereby and make all filings with and give all notices to third parties which may be necessary or reasonably required in order to consummate the transactions contemplated hereby.

9.7 Seller and all his partners, directors, assignees will not engage in any similar business within 10 miles radius from the property location for a period of seven (7) years. Seller will not entice or hire any key employee(s) of this business to any of the businesses where seller has an interest or to a third party.

10. Covenants of the Buyer. The Buyer, from and after the date hereof and until the Closing, shall continue its good faith efforts to satisfy all conditions of closing set forth in Section 11.

11. Buyer's Conditions of Closing.

11.1 Conditions. The obligations of the Buyer hereunder are subject to the satisfaction of all of the following conditions, which are for the benefit of the Buyer as of the time of the Closing, except those which are waived in writing by the Buyer:

11.1.1 the representations and warranties set forth in Section 7 shall be true and correct as of the time of the Closing, and the covenants of the Seller set forth in Section 9 shall have been fully performed by the Seller;

11.1.2 all documents referred to in Section 6 which are required to be delivered, or to be executed and delivered to the Buyer, shall be delivered or executed and delivered, as the case may be, to the Buyer at the Closing; and

11.1.3 the Buyer's satisfactory inspection of the Property and the Business in accordance with Section 3.1;

11.1.4 Buyer's attainment of financing pursuant to Section 3.2 hereinabove;

11.1.5 the condition of the Property shall be materially the same as its condition as of the expiration of the Due Diligence Period.

11.1.6 the Buyer's receipt of the Title Commitment within the designated time period for Due Diligence Period and a final examination of title to the Property shall reveal that no title defects or exceptions exist other than Permitted Exceptions.

11.2 Failure of Condition. If, prior to the Closing, the Buyer or Seller elects to cancel this Contract pursuant to any of the conditions set forth in this contract or any of the condition of this contract have not been satisfied as of the time of the Closing, then that party may terminate this Contract by notice delivered to the other, whereupon the Deposit Monies will be returned to the Buyer, and the Buyer shall be relieved of all liability hereunder; or either party may waive the unsatisfied condition or conditions and proceed with the Closing. Neither party shall, however, unreasonably withhold his or its consent to a 30 day extension of the Closing Date if the failure can be cured. The Buyer's waiver of any unsatisfied condition of the Closing shall not constitute a waiver by the Buyer of any other condition or any right or remedy to which the Buyer may be entitled.

12. Seller's Conditions of Closing.

12.1 Conditions. The obligations of the Seller hereunder are subject to the satisfaction of all of the following conditions, which are for the benefit of the Seller as of the time of the Closing, except those which are waived in writing by the Seller:

12.1.1 the representations and warranties set forth in Section 8 shall be true and complete as of the time of the Closing, and the covenants of the Buyer set forth in Section 10 shall have been fully performed by the Buyer;

12.1.2 the Buyer shall have paid the balance of the Purchase Price of \$ 4,600,000 (Four Million Six Hundred Thousand Dollars) after payment of escrow deposit in the amount of \$ 100,000 (One Hundred Thousand Dollars)

12.1.3 Buyer shall have executed all documents required under section 2.4 above

12.1.4 all documents referred to in Section 6 which are required to be delivered or executed and delivered to the Seller, shall be executed and delivered to the Seller at the Closing.

13. Default and Remedies. If the Seller shall fail to make settlement in accordance with the terms hereof, Buyer's remedies shall be either an action for specific performance or a return of the Deposit, plus any out of pocket expenses incurred in pursuing either remedy, including attorneys' fees. If the Buyer shall fail to make settlement in accordance with the terms hereof after all contingencies have been met, Seller shall be entitled to retain the Deposit as liquidated damages. The substantially prevailing party in any action for breach or specific performance shall be awarded damages, including, but not limited to, out of pocket costs, and attorney's fees incurred relative to the action.

14. Indemnification.

14.1 By Buyer. The Buyer, at all times, shall defend, reimburse, indemnify, and hold the Seller, Seller's agent, broker and/or employee harmless from, against, and in respect of any and all claims, costs, expenses (including the reasonable fees of counsel), liabilities, obligations, losses, damages, actions, suits, or proceedings of any nature: (a) arising in connection with the breach by the Buyer of any representation or warranty made by the Buyer, herein or in any exhibit attached hereto; (b) arising from or in connection with the Buyer's failure to perform any covenant made by the Buyer herein; and (c) arising from the assertion against the Seller of any claim for payment or performance of any obligation, debt or liability, whether fixed or contingent, in connection with the Property or the Business on account of any matter arising, occurring or taking place after the Closing.

14.2 By Seller. The Seller, at all times, shall defend, reimburse, indemnify and hold the Buyer harmless from, against, and in respect of any and all claims, costs, expenses (including the reasonable fees of counsel), liabilities, obligations, losses, damages, actions, suits, or proceedings of any nature: (a) arising in connection with the breach by the Seller of any representation or warranty made by the Seller herein; (b) arising from or in connection with the Seller's failure to perform any covenant made by the Seller herein; and (c) arising from or in connection with the assertion against the Buyer of any claim for payment or performance of any obligation,

debt, or liability, whether fixed or contingent, in connection with the Property or the Business on account of any matter arising, occurring or taking place prior to the Closing. Seller shall further indemnify and hold Buyer harmless from any claims, loss, costs, expenses and/or damages arising from Seller unpaid tax liability assessed by any taxing authority.

15. Survival. The covenants, representations, and warranties set forth herein with regard to the Seller and the Business shall not merge into any instrument of transfer executed and delivered to the Buyer at the Closing. Instead, all such covenants, representations, and warranties shall survive the Closing and shall continue in full force and effect until Twelve (12) months after the Closing.

16. Risk of Loss. The risk of loss or damage to the Property by fire or other casualty or cause ("Damage") excepting normal wear and tear prior to the Closing shall be borne by the Seller. Only if losses and damages are in excess of \$50,000.00 (Fifty Thousand Dollars) to restore and repair the property in its current condition, the Buyer at its option may take the insurance proceeds from the Seller's insurance company or terminate the contract. Seller at his option may restore the Business and Property in its current condition regardless of the expenses and in such event Buyer will accept the property in its current condition and not terminate the contract. Only in the event Seller refuses to renovate the property in its prior as is condition and Buyer refuses to accept the insurance proceeds from the seller's insurance carrier then in that event only Buyer in its sole discretion may terminate the contract and upon the written notice of termination by the Buyer to the Seller, Escrow agent will immediately refund all the escrow deposit to the Buyer and upon the return of escrow deposit no party with have any obligation to each other thereafter.

17. Brokerage. Both parties recognize Sanjay Gupta of WithTimes Commercial Realty as the procuring cause for this transaction and Seller to pay the broker an agreed upon real estate commission via separate written agreement due and payable at the Closing. Both the parties will indemnify and hold each other harmless against the claim from any third party against such payment.

18. Notices.

18.1 Manner. Any notice, demand, consent, approval, request, or other communication ("Notice") required or permitted under this Contract shall be in writing and either delivered personally or sent by certified mail, electronic mail between counsel for Seller and Buyer provided sender has proof of sent mail, postage prepaid, return receipt requested, or delivered by an overnight delivery service, or via facsimile.

18.2 Addresses. A Notice must be addressed, in the case of the Seller, at the property address and Copies of all Notices shall be sent to Notice to Buyer shall be addressed to

As to Seller (Shangol)

Joseph Nazarian
609 Eagle Rock Avenue
West Orange, NJ 07052

As to Seller's Attorney:

Joel J. Reinfeld, Esq.
Law Offices of Joel J. Reinfeld
120 Sylvan Avenue, Ste 202
Englewood Cliffs, NJ 07632
Tel. 201-408-5581
Fax. 973-474-9408
Email: joel@joelreinfeldlaw.com

As to Seller (Pleasantdale)

Albert Nazarian
609 Eagle Rock Avenue
West Orange, NJ 07052

As to Pleasantdale's Attorney:

Joel J. Reinfeld, Esq.
Law Offices of Joel J. Reinfeld
120 Sylvan Avenue, Ste 202
Englewood Cliffs, NJ 07632
Tel. 201-408-5581
Fax. 973-474-9408
Email: joel@joelreinfeldlaw.com

As to Buyer:

Navnit Brahmbhatt
494 Union Avenue
Rutherford, New Jersey 07070

As to Buyer's Attorney

Pasricha & Patel LLC
1794 Oak Tree Road
Edison, NJ 08820
email: rishi@pasricha.com
Attn: Rishi K. Desai, Esq.

18.3 Delivery. A Notice delivered personally will be effective upon delivery. Any Notice that is properly mailed will be effective when placed in the U.S. Mail. A Notice delivered by overnight delivery service will be effective 24 hours after delivery to the overnight delivery service.

18.4 Changes. A party may designate, by Notice to the others, substitute addresses or addresses for Notices, and thereafter, Notices are to be directed to those substitute addresses or addressees.

19. Miscellaneous.

19.1 Governing Law. The laws of the State of New Jersey shall govern the validity and construction of this Contract, without regard to the principles of conflicts of laws.

19.2 Consent to Jurisdiction. The parties hereby submit to the jurisdiction and venue of the courts of the State of New Jersey.

19.3 Severability. A ruling by any court that one or more of the provisions contained in this Contract is invalid, illegal or unenforceable in any respect shall not affect any other provision of this Contract. Thereafter, this Contract shall be construed as if the invalid, illegal, or unenforceable provision had been amended to the extent necessary to be enforceable within the jurisdiction of the court making the ruling.

19.4 Counterparts. This Contract may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and one instrument.

19.5 Headings. The Section headings have been included for convenience only, are not part of this Contract and shall not be taken as an interpretation of any provision hereof.

19.6 Binding Effect. This Contract shall inure to the benefit of, and shall be binding upon the parties, their respective successors, assigns, heirs and personal representatives.

19.7 Amendments, Assignments and Modifications. This Contract may be assigned and Buyer will not require any consent from the Seller for this Assignment. This contract can be amended, waived, changed, modified or discharged only by an agreement in writing signed by all of the parties.

19.8 Integration. This Contract represents the parties' final understanding as to all matters included herein, and supersedes all prior written or oral agreements of the parties concerning matters covered herein.

19.9 Waiver of Breaches. Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of that term, covenant or condition or of any other term, covenant or condition of this Contract. Any waiver or relinquishment of any right or power hereunder at any one or more times shall not be deemed a waiver or relinquishment of that right or power at any other time.

19.10 Further Assurances. The parties shall execute and deliver or cause to be executed and delivered such further instruments and documents and shall take such other action as may be reasonably required to more effectively carry out the terms and provisions of this Contract.

20. Tax Clearance Certificate

20.1.1 This Agreement and final settlement are contingent upon receipt by Seller, of a Tax Clearance Certificate for the Business, prior to Closing. The Buyers shall comply with the requirements of New Jersey Bulk Sales Act of the transfer contemplated by this Agreement. The Seller shall cooperate with Buyers in giving such notice and shall, if directed by the division of Taxation, escrow funds at closing in order to obtain the required Tax Clearance Certificate.

20.1.12 Upon execution hereof, Seller agrees to promptly apply to the New Jersey Department of Revenue to obtain the Certificates, and to pursue the same with due diligence, before the closing, so as to obtain the Certificates at the earliest possible date. Copies of the applications and evidence of filing with the aforesaid departments shall be provided to Buyer before the closing.

20.1.3 Seller agrees to and does hereby indemnify and hold Buyer harmless from and against any and all claims as a result of Seller's failure to obtain the Certificates prior to Closing or as a result of Seller's failure to pay any tax claim.

21. **Tax Clearance.**

At or prior to Closing, Seller shall obtain, and provide to Buyer or Buyer's counsel, a Tax Clearance Certificate or letter as required by the ABC, stating that Seller is current in the filing and payment of all taxes, including but not limited to liquor taxes unless Buyer is operating under Seller's liquor license at the time. In such case, all taxes attributable to Seller's operation shall be paid prior to the transfer of the license. Failure of Seller to comply with this section shall be deemed a material breach of this Agreement.

22. **Full Cooperation.** It is agreed that each of the parties shall cooperate fully in the performance of their respective duties with regard to securing the approval of the ABC to transfer the License as aforesaid, time being of the essence. Seller and Buyer agree to execute and deliver, without further consideration, all such other documents and instruments, to furnish such information and to take all such other action as either party may reasonably request from time to time, before or after settlement, in order to effectuate the transfer of the License to the Buyer and to convey, transfer and vest in Buyer, and to put Buyer in possession of, the License, the Premises, and the other assets being conveyed hereunder. The parties shall cooperate fully with each other in connection with any steps required to be taken as part of their respective obligations under this Agreement.

23. **Confidentiality.**

23.1 From and after the date of this Agreement and until the Closing Date, Buyer shall not disclose to any third party (other than its lenders and authorized Representatives), or use for any commercial purpose, any confidential or proprietary information of Sellers, except as necessary to discharge the obligations or exercise the rights of Buyer under this Agreement or any Buyer Document. Without limiting the foregoing, Buyer shall, and shall cause their Representatives to, comply with all confidentiality obligations under the Confidentiality Agreement. From and after the Closing Date, Sellers shall not disclose to any third party (other than their authorized Representatives), or use for any commercial purpose, any confidential or proprietary information relating to the Companies, the Catering Facility or the Business, except as necessary to discharge their obligations or exercise the rights of Sellers under this Agreement or any Seller Document or as may be required to perform their obligations under applicable Law, including tax filings of the Sellers. The parties shall not at any time disclose the terms of this Agreement or any Seller Document or Buyer Document for purposes of dissemination to the general public.

23.2 Sellers and Buyer agree that they will not make, and will not allow any of their Affiliates or equity holders to make, any press releases or other public announcements with respect to the transactions contemplated hereby without the prior approval of Buyer or the Sellers' Representative (in their sole and absolute discretion),

as the case may be, except (a) as may be required by applicable Law or Buyer's Lender or deemed advisable by either party's attorneys in connection with a legal proceeding, or to their accountants, attorneys, other professionals, employees and lenders and prospective lenders, as may be necessary in order to negotiate and consummate the transaction contemplated herein, (b) as reasonably required in connection with the enforcement of any right or remedy relating to this Agreement or the transactions contemplated herein, (c) for press releases or other public announcements issued after the Closing by Buyer or its Affiliates that do not include the amount of consideration involved hereunder or the name of Sellers or their Affiliates, or (d) for press releases or other public announcements issued after the Closing by Sellers or their Affiliates that do not include the amount of consideration involved hereunder (or any other financial metric such as proceeds, rate of return or multiples of money) or the name of Buyer or its Affiliates. If a party, in connection with any legal proceeding or pursuant to applicable Law is required by Law to disclose, or it is deemed advisable by such party's attorney that the party disclose, the transactions contemplated hereby, such party will, to the extent it is legally permitted to do so, give the other parties prompt written notice of such request or requirement and will seek any appropriate protective order reasonably requested by the other parties. Nothing herein shall prevent any party hereto or any of its Affiliates which is a private equity or other investment fund from making customary disclosures to its investors or potential investors.

23. **Bankruptcy.** All terms and conditions of this Contract of Sale are subject to Bankruptcy Court Approval.

IN WITNESS WHEREOF, the parties have executed this Contract, under seal, on the day and year first above written.

SELLER:
SHANGOL, INC.

ATTEST:

Secretary By: _____ (SEAL)
President

BUYER:

By: _____ (SEAL)

AS TO ALL TERMS & CONDITIONS REGARDING
THE TRANSFER OF THE LIQUOR LICENSE:

SELLER:
PLEASANTDALE COCKTAIL LOUNGE, INC.

ATTEST:

Secretary

By: _____(SEAL)
President

ESCROW AGENT

BY _____(SEAL)

Witness

LIST OF EXHIBITS

Exhibit 1	Legal Description for Property
Exhibit 1.2	Licenses and Permits
Exhibit 1.3	Mortgage/Note for Seller financing
Exhibit 1.4	List of Encumbrances, leases and contracts
Exhibit 1.5	List of Inventory
Exhibit 1.6	List of personal property with exclusions
Exhibit 1.7	List of Creditors

EXHIBIT B

The Atrium
Future Bookings
All Transactions

11/02/16

Num	Name	Name Address	Name Street1	Name Street2	Name City	Name Stat
12418	ROMANO/	276 North 11th Street Newark, NJ 07107	276 North 11th Street		Newark	NJ
12426	Romero, Ashley and Eric	527 N 5th Street Newark, NJ 07107	527 N 5th Street		Newark	NJ
12427	Frey/Correa	Carlo Correa 46 Exton Avenue North Arlington, NJ ...	Carlo Correa	46 Exton Avenue	North Arlington	NJ
12431	Braxton/James	Curtis James 65 Chamberlain Avenue Paterson, NJ ...	Curtis James	65 Chamberlain Avenue	Paterson	NJ
12432	PASSAIC VALLEY HIGH SCHOOL	E. MAIN STREET LITTLE FALLS, NJ 07424	E. MAIN STREET		LITTLE FALLS	NJ
12433	Montesde Oca/Diaz	Edwin Diaz 498 Belgrove Kearny, NJ 07082	Edwin Diaz	498 Belgrove	Kearny	NJ
12438	Moldavsky, Elena and Serge	11 Doby Road Mendham, NJ 07945	11 Doby Road		Mendham	NJ
12441	Doss/Nematalla	Mina Nematalla 41 East 43rd Street Bayonne, NJ 0...	Mina Nematalla	41 East 43rd Street	Bayonne	NJ
12442	11th Hour Rescue Benefit	Stacey Hudnik 33 Reger Road Syuccasunna, NJ 0...	Stacey Hudnik	33 Reger Road	Syuccasunna	NJ
12443	Graves/Watkins	Jason Watkins 145 Vassar Avenue Newark, NJ 07...	Jason Watkins	145 Vassar Avenue	Newark	NJ
12444	Thompson/Harris	David Harris 233 Propect Street Apt. 1B East Orang...	David Harris	233 Propect Street Apt. 1B	East Orange	NJ
12448	ELEGANT BRIDAL					
12450	Zinatti/Wigfall	Salic Wigfall 1269 Mirian Pl 2nd Floor	Salic Wigfall	1269 Mirian Pl	Hillside	NJ
12453	Brown, Maureen	811 Cleveland A ve. LINDEN, NJ 07036	811 Cleveland A ve.		LINDEN	NJ
12454	ROSELLE PARK H.S.					
12455	TADMI Inc.	287 Scotland Road Orange, NJ 07050	287 Scotland Road		Orange	NJ
12456	Dalmida, Theresa	117 Grace Street Irvington, NJ 07111	117 Grace Street		Irvington	NJ
12457	Jones/Trotma	MarlonTrotma 258 11th Ave. Newark, NJ 07103	MarlonTrotma	258 11th Ave.	Newark	NJ
12458	Gourdine, Thomas	107 Grace Street Roselle, NJ 07203	107 Grace Street		Roselle	NJ
12459	Breaking the Chain	Evan Robbing 38 Marian Road Verona, NJ 07044	Evan Robbing	38 Marian Road	Verona	NJ
12461	Vinson Sr., Andrea & Eugene	768 40th Street Irvington, NJ 07111	768 40th Street		Irvington	NJ
12462	Lamour,Quetteline	857 Chancellor Ave. Irvington, NJ 07111	857 Chancellor Ave.		Irvington	NJ
12463	Ernst/Paganelli	Daniel Paganelli 3357 Riverside Station Blvd. Secus...	Daniel Paganelli	3357 Riverside Station Bl...	Secusus	NJ
12466	Circle of Rainbow Sisters seeking Spririt	Maritza Brown 5 Linden Court West Orange, NJ 07...	Maritza Brown	5 Linden Court	West Orange	NJ
12469	Dorson Community Foundation	Sonia Scott 280 S. Harrison Street Suite 300 East O...	Sonia Scott	280 S. Harrison Street S...	East Orange	NJ
12470	Ravo, Michelle & Fred	8 Amerdora Drive Nutcong, NJ 07857	8 Amerdora Drive		Nutcong	NJ
12472	Doctor/Morton	Helen Morton 10 Hilltop Place Monclair, NJ 07042	Helen Morton	10 Hilltop Place	Monclair	NJ
12474	Costa/Pizko	Scott Pizko 8 chambers Place Randoph, NJ 07869	Scott Pizko	8 chambers Place	Randoph	NJ
12475	Gelin/Francios	Fred Francios 482 West 6th Ave. Roselle, NJ 07203	Fred Francios	482 West 6th Ave.	Roselle	NJ
12476	Thomas/Petroutsos	Spiro Petroutsos 1803 Summit Avenue Union City, ...	Spiro Petroutsos	1803 Summit Avenue	Union City	NJ
12479	Ruggiero/Robertson	Chris Robertson 19-20 Chandler Drive Fairlawn, NJ ...	Chris Robertson	19-20 Chandler Drive	Fairlawn	NJ
12482	Nelson/Voegele	Frederick Voegele 60A Mara Road Lake Hiawatha, ...	Frederick Voegele	60A Mara Road	Lake Hiawatha	NJ
12485	Ramos/Lopez					
12489	Ricketts/Belfon	Kedron Belfon 5 Brighton Avenue East Orange NJ ...	Kedron Belfon	5 Brighton Avenue	East Orange	NJ
12492	Jemerson/St. Louis	Joel St. Louis 1939 Sunset Place Scotch Plains, NJ ...	Joel St. Louis	1939 Sunset Place	Scotch Plains	NJ
12494	Gonzalez/Kovacs	Jonathan Kovacs 38 Troy Drive Apt. C Springfield, ...	Jonathan Kovacs	38 Troy Drive Apt. C	Springfield	NJ
12496	Vandyke/Garner	Raheem Garner 14 Amboy St. Vauxhall, NJ 07088	Raheem Garner	14 Amboy St.	Vauxhall	NJ
12499	Martin/Dui	Albert Dui 95 Miller Street Wallington. NJ 07057	Albert Dui	95 Miller Street	Wallington.	NJ
12503	Zeta Phi Beta Sociedly Inc.	Francoise Le Grand PO Box 1001 Newark, NJ 07...	Francoise Le Grand	PO Box 1001	Newark	NJ
12507	Fladgeh/Hall	Andrell Hall 3390Clifton Ave. Newark, NJ 07104	Andrell Hall	3390Clifton Ave.	Newark	NJ
12511	Gascom, Carla	262 West Mount Pleavant Ave. Lingston, NJ 07039	262 West Mount Pleavan...		Lingston	NJ
12513	Grant/Richardson	Ramone Richardson 1133 Woolley Avenue Union, ...	Ramone Richardson	1133 Woolley Avenue	Union	NJ
12514	Brooks, Stephane	37 Argyle Terrace Irvington, NJ 07111	37 Argyle Terrace		Irvington	NJ
12516	Zorrilla/Barba	Franco Barba 240 Vasser Drive Piscataway, NJ 08...	Franco Barba	240 Vasser Drive	Piscataway	NJ
12518	Feliciano/Lamberty	Jason Lamberty 1309 43rd Street North Bergen, NJ ...	Jason Lamberty	1309 43rd Street	North Bergen	NJ
12519	Molnar/Fredericks	David Fredericks 4 City Hall Plaza Apt. 106 Rahway...	David Fredericks	4 City Hall Plaza Apt. 106	Rahway.	NJ
12524	Boykin/Bell	Daniel Bell 8 Tulip Drive Apt. 2P Fords, NJ 08863	Daniel Bell	8 Tulip Drive Apt. 2P	Fords	NJ
12526	Jack & Jill America	North Jersey Chapter	North Jersey Chapter			

The Atrium
Future Bookings
All Transactions

11/02/16

Num	Name	Name Address	Name Street1	Name Street2	Name City	Name Stat
12528	Lewis, Iris & Jared	30 River Hill Road Livingston, NJ 07039	30 River Hill Road		Livingston	NJ
12529	Rich, Aisha & Charles	30 Brookwood St. East Orange, NJ 07018	30 Brookwood St.		East Orange	NJ
12530	NAACP	Kim Cotton Mary Puryear 87 Roosevele Ave.	Kim Cotton	Mary Puryear	East Orange	NJ
12531	Bhurasingh, Sheldon	1352 South End Parkway Plainfield, NJ 07060	1352 South End Parkway		Plainfield	NJ
12533	Okeke, Amarachi	187 Ampree Parkway Bloomfield, NJ 07003	187 Ampree Parkway		Bloomfield	NJ
12534	Hanna/Naguib	Tamer Naguib 700 Newark Ave., #312 Jersey City, ...	Tamer Naguib	700 Newark Ave., #312	Jersey City	NJ
12536	Janelle Inc.	Marlon Harding 47 Kings Rd, Rockaway, NJ 07866	Marlon Harding	47 Kings Rd,	Rockaway	NJ
12539	Zeta Phi Beta Societly Inc.	Francoise Le Grand PO Box 1001 Newark, NJ 07...	Francoise Le Grand	PO Box 1001	Newark	NJ
12540	Jorge/Kngblauich	Mathew Kngblauich 42 Spruce St. Fairview, NJ 07...	Mathew Kngblauich	42 Spruce St.	Fairview	NJ
12542	Duran/Bryant	Jemar Bryant 304 Jouet Street Roselle, NJ 07203	Jemar Bryant	304 Jouet Street	Roselle	NJ
12543	Clark/Hanna	Nikiel Hanna 113 Eaglewood Ave. Englewood, NJ ...	Nikiel Hanna	113 Eaglewood Ave.	Englewood	NJ
12544	Torres/Ramos	David Ramos 639 N 7th Street Newark, NJ 07107	David Ramos	639 N 7th Street	Newark	NJ
12545	Perciballi/Ganthier	Andrew Ganthier 1480 US Highway 46 Apt 138B	Andrew Ganthier	1480 US Highway 46	Parsippany	NJ
12546	Mellilo/Decker	Ryan Decker 196 Tehama Street Rahway, NJ 07065	Ryan Decker	196 Tehama Street	Rahway	NJ
12547	Pierre/Dufrene	Ernst Dufrene 2044 Pleasant Parkway Union, NJ 0...	Ernst Dufrene	2044 Pleasant Parkway	Union	NJ
12550	Sanabria/	Rudy 186 Ridge Street st Floor Newark, NJ 07104	Rudy	186 Ridge Street st Floor	Newark	NJ
12551	Home Depot - 2	399 Springfield Ave. Newark, NJ 07103	399 Springfield Ave.		Newark	NJ
12552	Madden, Darlene	32 Sheridan Ave. West Orange, NJ 07052	32 Sheridan Ave.		West Orange	NJ
12553	Calvary Baptist Church	Diana Hutchinson 66 S. Grove Street E. Orange, NJ...	Diana Hutchinson	66 S. Grove Street	E. Orange	NJ
12554	Rodrigues/Paredes	Luis Paredes 395 Ridge Road North Arlington, NJ ...	Luis Paredes	395 Ridge Road	North Arlington	NJ
12555	Manzano/Torres	Luz Torres 28 Eagle Rock Village- Apt. 4A Budd Lak...	Luz Torres	28 Eagle Rock Village- A...	Budd Lake	NJ
12556	Patama, James and Cheryl	91 Irwin Street Springfield, NJ 07081	91 Irwin Street		Springfield	NJ
12557	Chung/Cheon	Andy Cheon 230A Roff Avenue Palisades Park, NJ ...	Andy Cheon	230A Roff Avenue	Palisades Park	NJ
12561	Sacks/	Robyn 10 Danberry Lane Bridgewater, NJ 08807	Robyn	10 Danberry Lane	Bridgewater	NJ
12564	ESSEX COUNTY ED. ASSOC.	350 Main Street Suite 3 West Orange, NJ 07052 S...	350 Main Street Suite 3		West Orange	NJ
12565	ESSEX COUNTY ED. ASSOC.	350 Main Street Suite 3 West Orange, NJ 07052 S...	350 Main Street Suite 3		West Orange	NJ
12566	ESSEX COUNTY ED. ASSOC.	350 Main Street Suite 3 West Orange, NJ 07052 S...	350 Main Street Suite 3		West Orange	NJ
12567	ESSEX COUNTY ED. ASSOC.	350 Main Street Suite 3 West Orange, NJ 07052 S...	350 Main Street Suite 3		West Orange	NJ
12568	Estrada/Valdes	Hedrix Valdes 1 Rustie Ridge Rd. Apt 17A Little Fal...	Hedrix Valdes	1 Rustie Ridge Rd. Apt 1...	Little Falls	NJ
12569	Giordano/Mooga	Ved Mooga 6698 Anboy Road Staten Island, NY 1...	Ved Mooga	6698 Anboy Road	Staten Island	NY
12570	Doris/Caniyah					
12571	Bascom/Akpeere	Andrew Akpeere 95 South Essex Ave, Orange, NJ ...	Andrew Akpeere	95 South Essex Ave,	Orange	NJ
12572	Smith, Florence	200 Mountr Pleasant Ave. Apt. K-9 West Orange, N...	200 Mountr Pleasant Ave...		West Orange	NJ
12573	The SDAventist Church of the Orang...	270 Reynolds Terrance Orange, NJ 07050	270 Reynolds Terrance		Orange	NJ
12580	Miller, Theresa	14 Mountain View Avenue Suffern, NY 10901	14 Mountain View Avenue		Suffern	NY
12588	Luzardo, Monica and Joseph	847 Gibbons Court Elizabeth, NJ 07202	847 Gibbons Court		Elizabeth	NJ
12626	Mendez, Orlando	610 Riverside Drive Cranford, NJ 07016	610 Riverside Drive		Cranford	NJ
12633	Kearay High School	336 Devon St Kearny, NJ 07032 Attn: Laurie Keim	336 Devon St		Kearny	NJ
12637	Murphy/Atzbi	Mike Atzbi 90 Highview Tr. Dover, NJ 07801	Mike Atzbi	90 Highview Tr.	Dover	NJ
12651	Guillen, Gloria	262 Lansdowaie Avenue Union, NJ 07083	262 Lansdowaie Avenue		Union	NJ
12671	Puchaloska/Rudnicki	Tom Rudnicki 155 Spruce Avenue Garwood, NJ 07...	Tom Rudnicki	155 Spruce Avenue	Garwood	NJ
12673	Del Vicario/Ambrosio	Patrick Ambrosio 3 Blanche Street Secyucus, NJ 0...	Patrick Ambrosio	3 Blanche Street	Secyucus	NJ
12674	Zaher, Anwaar	10 East Wilson Street Middlesex, NJ 08846	10 East Wilson Street		Middlesex	NJ
12683	Murimo/Greco	Mathew Greco 155 Preston Avenue Staten Island, N...	Mathew Greco	155 Preston Avenue	Staten Island	NY
12692	Breheney, Lauren	90 Tree Top Court Bloomingdale, NJ 07403	90 Tree Top Court		Bloomingdale	NJ
12694	Northern NJ Black Nurse Assoc.					
12704	Simpkins/Cole	Steven Cole 250 Prospect St. #702 East Orange, N...	Steven Cole	250 Prospect St. #702	East Orange	NJ
12707	Araned/Florio	Ricgard Florio 16 Vincent Tr. Whippany, NJ 07981	Ricgard Florio	16 Vincent Tr.	Whippany	NJ
12709	Clinton, Samantha	Edward 24 Erwin Place West Orange, NJ 07052	Edward	24 Erwin Place	West Orange	NJ

The Atrium
Future Bookings
All Transactions

11/02/16

Num	Name	Name Address	Name Street1	Name Street2	Name City	Name Stat
12716	Bacoths/Butts	Tyrone Butts 270 99 Mathesona Ave. Unit 202	Tyrone Butts	270 99 Mathesona Ave.	Bonita Springs	FL
12722	Ashaybullyameen, Masjahid	224 North 18th Street East Orange NJ 07014	224 North 18th Street		East Orange	NJ
12723	Dave/Caiazzo					

Total

EXHIBIT C


Provided by Signature
Information Solutions

New Jersey State UCC Report

Reference:
SHANGOL
Account Number:
696839197

Public Record Information For the Sole Use Of:

SCURA MEALEY WIGFIELD & HEYER LLP
1599 HAMBURG TPKE
WAYNE, NJ 07470

Attention:

Search Number: UCC-274-1089

Name Searched: SHANGOL, INC.

Address Requested: NO
County: ALL, NJ
Municipality: ALL
Street Address: NONE

UCC's for This Address Only? NO

Notice

The following information is derived from a State Index and a proprietary Database of public records abstracts. While the Database is maintained to a high level of accuracy, Charles Jones does not certify or warrant its accuracy, adequacy or completeness. Copies and updates are available upon request at scheduled prices.

Finding

See attached sheets for UCC Filings & UCC Filing Copies found in the State Index and our Database that meet your Information Request.

Thru Date:
9/28/16
Search Fee: \$55.00

Report Date:
9/30/16

Total Pages: 7

LT/MT

(DETAIL# 1)

DIVISION OF COMMERCIAL RECORDING
STATE: NJ

UCC: 26286655

FILE DATE: 12/04/12

EXPIRATION DATE: 12/04/17

SECURED PARTY:

ALMA BANK

28-31 31ST

ASTORIA, NY 11102

DEBTOR(S):

SHANGOL, INC.

PLEASANTDALE COCKTAIL LOUNGE, INC.

609 EAGLE ROCK AVE, WEST ORANGE, NJ 07052

COLLATERAL: EQUIPMENT

FIXTURES

INVENTORY

MACHINERY

ACCOUNTS

COMMENTS: ALL PAGES

*** End of Abstract ***

=====

26286655 #9

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

DESMOND CANNOVA

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**DESMOND CANNOVA
c/o ALMA BANK
28-31 31ST STREET
ASTORIA, NEW YORK 11102**

2012 DEC -4, A 9 01
DEPARTMENT OF TREASURY
UCC SECTION
FILED

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME-insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

SHANGOL, INC.

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

609 EAGLE ROCK AVENUE

CITY

WEST ORANGE

STATE

NJ

POSTAL CODE

07052

COUNTRY

USA

1d. SEE INSTRUCTIONS

ADD'L INFOR RE

ORGANIZATION

DEBTOR

1e. TYPE OF ORGANIZATION

corporation

1f. JURISDICTION OF ORGANIZATION

New Jersey

1g. ORGANIZATIONAL ID #, if any

☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME-insert only one debtor name (2a or 2b)-do not abbreviate or combine names

2a. ORGANIZATION'S NAME

PLEASANTDALE COCKTAIL LOUNGE INC.

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

609 EAGLE ROCK AVENUE

CITY

WEST ORANGE

STATE

NJ

POSTAL CODE

07052

COUNTRY

USA

2d. SEE INSTRUCTIONS

ADD'L INFOR RE

ORGANIZATION

DEBTOR

2e. JURISDICTION OF ORGANIZATION

2f. ORGANIZATIONAL ID #, if any

☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P)-insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

ALMA BANK

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

28-31 31ST STREET

CITY

ASTORIA

STATE

NY

POSTAL CODE

11102

COUNTRY

USA

4. This FINANCING STATEMENT covers the following collateral:

SEE EXHIBIT A ATTACHED

4 PAGE ATTACHMENT

2544784
4557092

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☒ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2 (OPTIONAL FEE) (optional)

8. OPTIONAL FILER REFERENCE DATA

FILING OFFICE COPY - UCC FINANCING STATEMENT (FORM UCC 1) (REV. 05/22/02)

UCC FINANCING STATEMENT ADDENDUM
FOLLOW INSTRUCTIONS (front and back) CAREFULLY

26286655

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME

**SHANGOL, INC. and
PLEASANTDALE COCKTAIL LOUNGE INC.**

9b. INDIVIDUAL'S LAST NAME

10. MISCELLANEOUS:

DEPARTMENT OF THE TREASURY
UCC SECTION
FILED
2017 DEC -4 A 9:01

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME—insert only one name (11a or 11b) — do not abbreviate or combine names

11a. ORGANIZATION'S NAME

11b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

11c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

11d. SEE INSTRUCTIONS

ADD'L INFOR RE
ORGANIZATION
DEBTOR

11e. TYPE OF ORGANIZATION

11f. JURISDICTION OF ORGANIZATION

11g. ORGANIZATIONAL ID #, if any

☐ NONE

12. ☐ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME—insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

12c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

13. This FINANCING STATEMENT covers ☐ timber to be cut or ☐ as-extracted collateral, or is filed as a ☐ fixture filing.

16. Additional collateral description:

14. Description of real estate:

**Premises: 609 Eagle Rock Avenue
West Orange, New Jersey 07052**

County: Essex

Block: 152.22

Lot: 1412.01

File #1915

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

☐ Debtor is a TRANSMITTING UTILITY

☐ Filed in connection with a Manufactured-Home Transaction—effective 30 years

☐ Filed in connection with a Public-Finance Transaction—effective 30 years

ANNEXED TO FINANCING STATEMENT
UCC-1
ALMA BANK
WITH SHANGOL, INC. and PLEASANTDALE COCKTAIL LOUNGE INC.

EXHIBIT A

All right, title and interest of Debtor in and to (i) all leases and other agreements affecting the use of occupancy of the premises described in Exhibit B attached hereto (hereinafter called the "Premises"), now or hereafter entered into, (ii) all rents, issues and profits of the Premises, (iii) all awards or payments including interest thereon, which may be made with respect to the Premises, whether from the exercise of the right of eminent domain (including any transfer made in lieu of the exercises of said rights) or for any other injury to or decrease in the value of the Premises, (iv) all proceeds of any and all unearned premiums on any insurance policy covering the Premises, and (v) all machinery, equipment, fixtures, goods, furnishings, furniture, chattels and other property of every kind and nature whatsoever owned by Debtor or in which Debtor has or shall have an interest, now or hereafter located upon the premises, including, without limitation, all building materials and supplies, furnaces, boilers, oil burners, engines, refrigeration, air condition and sprinkler systems, awnings, screens, window shades, motors, dynamos, incinerates, plants and shrubbery, and all other equipment, liquor licenses machinery, appliances, fittings and fixtures, whether personal property, inventory or fixtures, and goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the Premises, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators, and related machinery and equipment, fire preventing and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposal, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennas, trees and plants, and all other items of property appurtenant to or used in connection with the Premises all of which, including replacements and additions thereto, whether now owned or hereafter from time to time acquired by the Debtor, together with all substitutions, replacements, additions, attachments, accessories, accretions, their component parts thereto or thereof, all other items of like property and all accounts, insurance, and contract rights covering or relating to any or all thereof, whether now in existence or hereafter arising and relating to, situated or located on, or used or usable in connection with, the operation of the Premises.

EXHIBIT B

Real property in the Township of West Orange, County of Essex, State of New Jersey, described as follows:

TRACT I

BEGINNING at a point on the Northerly sideline of Eagle Rock Avenue (43.0 feet from centerline and on westerly line of Lot 953) distant westerly 205.83 feet along various courses from the intersection of said sideline with the westerly sideline of Forest Avenue; thence

1. Along the Northerly sideline of Eagle Rock Avenue North 73 degrees, 52 feet 00 inches West 502.12 feet to a point on the lands of Essex County; thence
2. North 23 degrees, 02 feet, 00 inches East 212.38 feet to a point; thence
3. South 59 degrees, 33 feet, 00 inches East 15.66 feet to a point; thence
4. South 73 degrees, 52 feet, 00 inches East 565.66 feet to a point; thence
5. South 31 degrees, 40 feet, 00 inches West 65.96 feet to a point; thence
6. North 58 degrees, 20 feet, 00 inches West 45.00 feet to a point; thence
7. South 31 degrees, 40 feet, 00 inches West 161.37 feet to a point of BEGINNING.

TRACT II

BEGINNING at a point on the Northerly sideline of Eagle Rock Avenue (33 feet from centerline) distant westerly 214.73 feet along various courses from the intersection of said sideline with the westerly sideline of Forest Avenue and running thence:

1. North 73 degrees, 52 feet, 00 inches West 60.00 feet to a point; thence
2. North 31 degrees, 40 feet, 00 inches East 161.37 feet to a point; thence
3. North 73 degrees, 52 feet, 00 inches West 466.52 feet to a point; thence
4. North 23 degrees, 02 feet, 00 inches East 55.78 feet to a point; thence
5. South 59 degrees, 33 feet, 00 inches East 15.66 feet to a point; thence
6. South 73 degrees, 52 feet, 00 inches East 565.66 feet to a point; thence
7. South 31 degrees, 40 feet, 00 inches West 65.96 feet to a point; thence
8. North 58 degrees, 20 feet, 00 inches West 45.00 feet to a point; thence
9. South 31 degrees, 40 feet, 00 inches West 161.37 feet to a point of BEGINNING.

ALSO BEING DESCRIBED AS FOLLOWS:

All that certain Lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Township of West Orange, County of Essex State of New Jersey:

BEGINNING at a point in the northerly sideline of Eagle Rock Avenue, said point being North 31 degrees 40 minutes East 18.68 feet from a point in the right of way of Eagle Rock Avenue which is 196.05 feet northwesterly and westerly from the intersection of the said northerly sideline of Eagle Road Avenue with the westerly sideline of Forest Avenue and from said point of beginning, running; thence

1. North 31 degrees 40 minutes East 161.37 feet to a point; thence
2. South 58 degrees 20 minutes East 45.00 feet to a point; thence
3. North 31 degrees 40 minutes East 65.96 feet to a point; thence

4. North 73 degrees 52 minutes West 565.66 feet to a point; thence
5. North 59 degrees 33 minutes West 15.66 feet to a point; thence
6. South 23 degrees 02 minutes West 212.38 feet to a point in the northerly sideline of Eagle Rock Avenue; thence
7. Along the northerly sideline of Eagle Rock Avenue, South 73 degrees 52 minutes East 502.12 feet to the point and place of BEGINNING.

Said premises known as and by street address 609 Eagle Rock Avenue, West Orange, New Jersey 07052.

Block 152.22, Lot 1412.01.