

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
BL RESTAURANTS HOLDING, LLC, <i>et al.</i> , ¹)	Case No. 20-10156 (MFW)
)	
Debtors.)	(Jointly Administered)
)	
)	Related to Docket Nos. 16

NOTICE OF FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

PLEASE TAKE NOTICE that on January 27, 2020, the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) filed the *Debtors’ Motion for an Order (A) Approving Asset Purchase Agreement and Authorizing Sale of Debtors’ Assets, Free and Clear of All Liens, Claims, Interests, and Encumbrances; (B) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (C) Granting Related Relief* [Docket No. 16] (the “Sale Motion”)² seeking approval of, among other things, the sale (the “Sale”) of all or substantially all of the Debtors’ assets (the “Assets”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that attached as Exhibit A to the Sale Motion is the Asset Purchase Agreement dated January 26, 2020 (the “Stalking Horse Agreement”), by and among BL Restaurants Holding, LLC, BL Restaurant Operations, LLC, BL Restaurant Franchises, LLC, and BL Hunt Valley, LLC as sellers and BLH Acquisition Co., LLC as buyer (“BLH AcqCo” or the “Stalking Horse Purchaser”).

PLEASE TAKE FURTHER NOTICE that the Debtors and Stalking Horse Purchaser have amended the Stalking Horse Agreement by the First Amendment to Asset Purchase Agreement dated April 23, 2020 (the “Stalking Horse Agreement Amendment”), by and among BL Restaurants Holding, LLC, BL Restaurant Operations, LLC, BL Restaurant Franchises, LLC, and BL Hunt Valley, LLC as sellers and BLH Acquisition Co., LLC as buyer.

PLEASE TAKE FURTHER NOTICE that a copy of the Stalking Horse Agreement Amendment is attached hereto as **Exhibit A**.

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each of the Debtors’ respective federal tax identification numbers, are as follows: BL Restaurants Holding, LLC (6665); BL Restaurant Operations, LLC (7062); BL Restaurant Franchises, LLC (6923); and BL Hunt Valley, LLC (9513). The Debtors’ headquarters and mailing address is: 4550 Beltway Drive, Addison, TX 75001.

² Capitalized terms not otherwise defined in this notice shall have the meanings ascribed to them in the Sale Procedures Order (as defined herein) or the Sale Motion, as applicable.

A copy of the Sale Motion, Stalking Horse Agreement Amendment, and related sale pleadings can be viewed on the Court's website at <https://ecf.deb.uscourts.gov> and on the website of the Debtors' noticing and claims agent, Epiq Corporate Restructuring, LLC, at <https://dm.epiq11.com/BarLouie>. Further information may be obtained by calling Epiq Corporate Restructuring, LLC at: 866-977-0766 (toll-free; domestic) or 503-597-5541 (international) or emailing at BarLouie@epiqglobal.com.

Dated: April 23, 2020
Wilmington, Delaware

/s/ Domenic E. Pacitti

Domenic E. Pacitti (DE Bar No. 3989)
Michael W. Yurkewicz (DE Bar No. 4165)
Sally E. Veghte (DE Bar No. 4762)

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Counsel to the Debtors

EXHIBIT A
Stalking Horse Agreement Amendment

FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

This FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT (the “Amendment”) is entered into as of April 23, 2020, by and among BL Restaurants Holding, LLC, a Delaware limited liability company (“BL Holding”), BL Restaurant Operations, LLC, a Delaware limited liability company (“BL Operations”), BL Restaurant Franchises, LLC, a Delaware limited liability company (“BL Franchises”), BL Hunt Valley, LLC, a Maryland limited liability company (“BL Hunt”), and together with BL Holding, BL Operations and BL Franchises, “Sellers”), and BLH Acquisition Co., LLC, a Delaware limited liability company (together with its permitted successors, designees and assigns, “Buyer”). Sellers and Buyer are referred to collectively herein as the “Parties”.

WHEREAS, Sellers and Buyer are parties to that certain Asset Purchase Agreement, dated as of January 26, 2020 (the “APA”);

WHEREAS, Section 9.5 of the APA permits amendment of the APA pursuant to a written amendment; and

WHEREAS, the Parties desire to amend the APA as set forth herein.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and agreed, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. Capitalized terms used in this Amendment and not otherwise defined herein shall have the meaning ascribed to them in the APA.

2. Amendments to APA. The APA is hereby amended and modified in the following manner:

(a) Additional Excluded Restaurants. The definition of “Additional Excluded Restaurants” located in Article I of the APA is hereby deleted and removed from the APA.

(b) Breakup Fee. The definition of “Breakup Fee” located in Article I in the APA is hereby amended by replacing “three percent (3%)” with “one and one quarter percent (1.25%)”.

(c) Expense Reimbursement. The definition of “Expense Reimbursement” located in Article I of APA is hereby deleted and removed from the APA.

(d) Sale Order Deadline. The definition of “Sale Order Deadline” located in Article I of the APA is hereby amended by replacing “March 31, 2020” with “April 30, 2020”.

(e) Purchase and Sale of Purchased Assets - Bank Accounts. Section 2.1(b) of the APA is hereby amended and restated in its entirety to read as follows: “(b) to the extent permitted, all bank accounts of Sellers, except for the Excluded Bank Account;”.

(f) Cure Amount Cap. Section 2.3(a) of the APA is hereby amended by replacing “\$2,007,621” with “\$3,500,000”.

(g) Schedule Updates. Section 2.7(a) of the APA is hereby amended and restated in its entirety to read as follows:

“Notwithstanding anything to the contrary in this Agreement, and without any increase or decrease in the Purchase Price (other than any resulting increase or decrease in Cure Amounts), the Buyer may, in its sole discretion, revise, amend or modify this Agreement and any schedule setting forth the Purchased Assets and the Excluded Assets prior to the Closing to (i) include in the definition of Purchased Assets (pursuant to the applicable schedule) and to exclude from the definition of Excluded Assets, any Contract or other asset of the Sellers not previously included in the Purchased Assets and require (A) the Sellers to file a notice of assumption and assignment with the Bankruptcy Court and (B) the Sellers to provide any necessary notice to the parties to any such Contract and (ii) to exclude from the definition of Purchased Assets (pursuant to the applicable schedule) and to include in the definition of Excluded Assets, any Assumed Contract, Assumed Plan or other asset of the Sellers previously included in the Purchased Assets and not otherwise included in the definition of Excluded Assets; provided that no such change of a schedule, the definition of the Purchased Assets or the definition of the Excluded Assets shall reduce the amount of the Purchase Price below the amount of the Credit Bid; provided further that, Buyer agrees to reimburse Sellers for any Liabilities or losses reasonably incurred in connection with any such removal of a Purchased Asset occurring after April 23, 2020, solely to the extent such Liabilities or losses are not covered by the DIP Budget, including, without limitation, costs of closing the restaurants at such locations, including de-imaging costs, and Liabilities for employee claims for accrued vacation, accrued payroll, accrued and unused vacation and accrued expenses and Liabilities which may arise under the Workers Adjustment and Retraining Notification Act of 1988, in each case to the extent constituting an Administrative Claim or a claim for which non-payment results in personal liability to directors and officers. Each Seller covenants and agrees that it will wind down and close such restaurants as soon as commercially reasonable and will take all commercially reasonable measures to avoid or mitigate any losses and Liabilities.”

(h) Deliveries at Closing. Section 2.9(a)(vi) of the APA is hereby amended and restated in its entirety to read as follows: “a management agreement, substantially in the form attached as Exhibit C hereto (the “Management Agreement”), duly executed by Sellers;”.

(i) Antitrust Notifications. Notwithstanding the provisions of Section 5.5 of the APA, the Parties hereby agree that no filings are required to be made with the United States Federal Trade Commission and/or the United States Department of Justice relating to the Contemplated Transactions.

(j) Availability of Business Records. Section 6.3 of the APA is hereby amended by adding the following sentence immediately before the third sentence thereof which begins “Buyer acknowledges that Sellers have the right . . .”:

“Without limitation of any of the foregoing, such assistance by Buyer to Sellers shall include reasonable assistance to Sellers by the Transferred Employees after the Closing with respect to the wind down of the Chapter 11 Cases, which shall include (x) maintaining and overseeing the Excluded Bank Account, and (y) during the pendency of the Chapter 11 Cases, maintaining the accounting infrastructure and assisting in the compilation of the Monthly Operating Reports and other reporting and filings that are required to be filed with the Bankruptcy Court.”

(k) Conditions to Buyer’s Obligations. Section 7.1(f) of the APA is hereby amended by replacing “Auction” with “Closing”.

(l) Termination of Agreement. Section 8.1(e) of the APA is hereby amended and restated in its entirety to read as follows:

“by Buyer, if (i) the Sale Procedures Order shall not have been entered by the Bankruptcy Court on or before February 28, 2020, (ii) the Sale Order shall not have been entered by the Bankruptcy Court on or before April 30, 2020, (iii) at any time after entry of the Sale Procedures Order, such Sale Procedures Order (including, without limitation, the provisions therein relating to the bid protections) is reversed, stayed, vacated or otherwise modified by the Bankruptcy Court, or (iv) at any time after entry of the Sale Order, such Sale Order is reversed, stayed, vacated or otherwise modified;”

(m) Breakup Fee and Expense Reimbursement. Section 8.3 of the APA is hereby amended by deleting “and Expense Reimbursement” and “or Expense Reimbursement” from the title of such Section and in each other location where they appear in clauses (a), (b) and (c) of such Section.

3. Amendments to Disclosure Schedule. The Disclosure Schedule accompanying the APA is hereby amended and modified in the following manner:

(a) Continuing Restaurants. Schedule 1.1(a) of the Disclosure Schedule is hereby amended and restated in its entirety as set forth on Exhibit A hereto.

(b) Excluded Restaurants. Schedule 1.1(b) of the Disclosure Schedule is hereby amended and restated in its entirety as set forth on Exhibit B hereto.

4. Ratification. Except as modified by this Amendment, the APA remains unchanged and in full force and effect in its entirety, and is hereby ratified and confirmed in all respects. . Whenever the APA is referred to in the APA or in any other agreements, documents and instruments, such reference shall be deemed to be to the APA as amended by this Amendment. Notwithstanding the foregoing, references to the date of the APA, and references to “the date

hereof” and “the date of this Agreement” or words of like import shall continue to refer to January 26, 2020

5. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement. The exchange of copies of this Amendment and of signature pages by facsimile transmission or portable document format shall constitute effective execution and delivery of this Amendment as to the parties and may be used in lieu of the original agreement for all purposes. Signatures of the parties transmitted by facsimile or portable document format shall be deemed to be their original signatures for all purposes.

6. Entire Agreement; No Third Party Beneficiaries. This Amendment (including all Schedules and Exhibits), the APA (including all Schedules and Exhibits) and the Related Agreements contain the entire agreement among the parties hereto with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters. Nothing in this Amendment, express or implied, is intended to confer upon any Person, other than the parties hereto, and their respective successors, legal representatives and permitted assigns, any legal or equitable right, remedy or claim under or by reason of this Amendment.

7. Governing Law. THIS AMENDMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW THAT WOULD REQUIRE THE APPLICATION OF ANY OTHER LAW.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the date first written above.

SELLERS:

BL RESTAURANTS HOLDING, LLC
BL RESTAURANT OPERATIONS, LLC
BL RESTAURANT FRANCHISES, LLC
BL HUNT VALLEY, LLC

By: _____
Name: Thomas Fricke
Title: Chief Executive Officer

BUYER:

BLH ACQUISITION CO., LLC

By: _____
Name: Jonathan Balch
Title: Vice President

EXHIBIT A**Schedule 1.1(a)
Continuing Restaurants**

Unit #	Unit Name	Address
407	Dearborn	47 W. Polk St., Chicago, IL 60605
490	Tampa	2223 N Westshore Blvd #202, Tampa, FL 33607
587	Lyndhurst	24337 Cedar Road, Lyndhurst, OH 44124
588	Perrysburg	4150 Levis Commons Blvd, Perrysburg, Ohio 43551
589	Kirkwood	110 S. Kirkwood Rd, Kirkwood, MO
601	Foxboro	232 Patriot Place, Foxborough, MA 02035
602	Poconos	1280 Highway 315, Suite 1801
750	Denver	8332 Northfield Blvd., Denver CO 80238
769	Bolingbrook	619 E. Boughton Road #A Bolingbrook, IL 60440
770	Livonia	37716 West Six Mile Road, Livonia, MI 48152
774	Clinton Township	17460 Hall Rd. #152, Clinton Township, MI 48038
1201	Woodlands	24 Waterway Avenue, Suite 175R, The Woodlands, Texas 77380
1204	Westlake	9 Main Street, Crocker Park, Westlake, OH 44145
1206	Hampton	3530 Von Schilling Drive, Ste. M-102, Hampton, VA 23666
1207	Tempe	2000 East Rio Salado Parkway, Suite 1220, Tempe, Arizona 85281
1305	La Cantera	15900 La Cantera Parkway, San Antonio, TX 78256
1312	Ashburn	20586 East Hampton Plaza, Ashburn, VA
1313	Arlington	4001 Bagpiper Way, Arlington, TX 76018
1317	Gainesville	14081 Promenade Commons St., Gainesville, VA 20155
1401	Jordan Creek	7105 Mills Civic Parkway, Suite 150, West Des Moines, IA 50266
1402	Chesterfield	103 Chesterfield Valley Dr. Chesterfield, MO 63005

Unit #	Unit Name	Address
1405	St Charles	1650 Beale Street, Ste 180 St. Charles, MO 63303
1407	Firewheel	340 Coneflower, Dr., Garland, TX
1408	Herndon	13195 Parcher Ave., Herndon, VA 20170
1409	Orlando UCF	4100 N. Alafaya, Suite 110, Orlando, FL 32817
1416	Park Lane	8166 Pak Lane, Suite C310, Dallas, TX 75231
1505	Baybrook	700 Baybrook Mall, Ste G110, Friendswood, TX 77546
1508	Center Valley	2960 Center Valley Parkway, Ste 700, Center Valley, PA 18034
1512	Brier Creek	8401 Brier Creek Parkway, Raleigh, NC 27617
1515	Allen	190 E. Stacy Rd., Suite 1000, Allen, TX 75002
1601	North Shore	330 North Shore Dr., Bldg 1B, Pittsburgh, PA 15212
1603	East Brunswick	755 State Highway 18, Room 405A, East Brunswick, NJ 08816
1604	Northridge	9301 N. Tampa Ave., Suite 218, Northridge, CA 91324
1607	Orlando Airport	7015 South Semoran Blvd., Orlando, FL 32822
1610	Westgate	6770 North Sunrise Blvd., Ste G-118, Glendale, AZ 85305
1616	Downey	8860 Apollo Way, Ste 304, Downey, CA 90242
1706	Lakewood	711 W. Alaska Drive, Lakewood, CO 80266
1707	Music Factory	The Music Factory at Las Colinas, 360 W. Las Colinas Blvd, Irving, TX 75039
1709	Stonebridge	15001 Potomac Town Place, Ste 100, Woodbridge, VA 22191
1713	Tustin	2467 Park Ave, Tustin, CA 92782
1801	Orlando I-Drive	8510 International Drive, Orlando, FL 32819
1804	Bellevue	8119 Sawyer Bron Rd., Ste 101, Nashville, TN 37221
1805	White Marsh	8133 Honeygo Boulevard, #8C, Baltimore, MD 21236
1901	Winter Park	460 N. Orlando Ave., #122, Winter Park, FL 32789
17905	Novi	44375 Twelve Mile Rd., Ste G-152, Novi, MI 48377

Unit #	Unit Name	Address
17909	Auburn Hills	4390 Baldwin Rd., Auburn Hills, MI 48326
17916	Murfreesboro	2615 Medical Center Parkway, Ste 2395, Murfreesboro, TN 37129
17918	Nashville	314 11th Avenue South, Nashville, TN 37203
17926	Coconut Creek	4443 Loyons Rd., Suite D-101, Coconut Creek, FL 33073
17929	Dearborn MI	22269 Michigan Ave., Dearborn, MI 48124
Corporate	Addison TX	4550 Beltway Drive, Addison, TX 75001

EXHIBIT B
Schedule 1.1(b)
Excluded Restaurants

Unit #	Unit Name	Address
436	Evanston	1033 W. Loyola Avenue, Chicago, IL 60626
460	BL NAPERVILLE	22 E. Chicago Avenue Naperville, IL 60540
465	Waterfront	244 W Bridge St., West Homestead, PA 15120
466	Hyde Park	5500 S. Shore Dr., Chicago, IL 60637
583	BL CENTRAL WEST END	14 Maryland Plaza, St. Louis, MO 63108
590	BL FLINT	4360 Miller Rd., Ste E-1, Flint, MI 48507
592	BL RICHMOND	11788 W Broad St. Richmond VA 23233
593	BL WATER STREET	1114 North Water Street, Milwaukee, WI 53202
597	BL BEAVERCREEK	4492 Glengarry Dr. Beavercreek, OH 45440
598	BL DC	701 7th St., NW, Washington, DC 200001
754	BL BAYSHORE	5750 Bayshore Drive, Glendale, WI 53217
755	BL BUFFALO	1 Walden Galleria P105, Buffalo, NY 14225
758	Ann Arbor	401 East Liberty Suite 200 Ann Arbor, MI 48104
761	Boynton Beach	1500 Gateway Blvd. #100 Boynton Beach, FL 33426
772	BL WESTMINSTER	10661 Westminster Blvd #900 Westminster, CO 80020
780	BL CENTENNIAL	6911 S. Vine Street. Centennial, CO 80122
1101	Cleveland	1352 West Sixth St., Cleveland, OH 44113
1102	BL KANSAS CITY MO	14th & Walnut St., Power and Light District, Kansas City, MO 64105
1105	Providence	One Union Station, Providence, RI 02903
1106	BL RIVER NORTH	335 North Dearborn Street, Chicago, Illinois 60610
1108	BL FORT WORTH TX	2973 West 7th, Ft Worth, TX 76107
1202	Zona Rosa	8600 NW Prairie View Rd., Kansas City, MO 64153

Unit #	Unit Name	Address
1205	BL ROCKVILLE MD	150 Gibbs St., Rockville, MD 20850
1208	BL CLEARWATER	27001 US Highway 19, Suite 1065, Clearwater, FL 33761
1301	BL MIDTOWN MIAMI	3201 N. Miami Avenue Ste 106, Miami, FL 33127
1303	BL STONE OAK	22610 US Highway 281 N, #105, San Antonio, TX 78258
1304	Geneva	1602 Commons Drive, Suite 6000, Geneva, Illinois 60134
1306	Fenway	121 Brookline Ave, Boston, MA 02215
1308	Crystal City	320 S. 23rd Street, Crystal City, VA
1309	BL HURST TX	1101 Melbourne Rd., Ste 6600, Hurst, TX 76053
1311	Charlotte	8760 JM Keynes Drive, Charlotte, NC 28262
1318	Greece	98 Greece Ridge Center Drive, Rochester, NY - Mall at Greece Ridge, NY
1403	Hunt Valley	118 Shawan Rd., Hunt Valley, MD 21030
1404	BL OAKLEY STATION	3100 Vandercar Way, Cincinnati, OH 45209
1406	BL GREENVILLE	1117 Woodruff Road, Suite A, Greenville, SC 29607
1410	Bensalem	600 Rock Hill Drive, Bensalem, PA 19020
1411	BL COLORADO SPRINGS	3255 Cinema Point, Colorado Springs, Colorado 80922
1412	BL WILLOWBROOK	2000 Willowbrook Mall #8000A, Houston, TX 77070
1413	BL TOLEDO	5001 Monroe Street, R2, Toledo, OH 43623
1506	BL AUSTIN LANDING	10267 Penny Lane, Miamisburg, OH 45342
1507	Polaris	1611 Polaris Parkway, Columbus, OH 43240
1511	BL FORT COLLINS	321 East Foothills Parkway, Fort Collins, CO 80525
1516	BL HENRIETTA	935 Jefferson Rd., Rochester, NY 14623
1518	BL MANASSAS	9501 Liberia Ave, Manassas, VA 20110
1520	BL WARRINGTON	1500 Main Street, Warrington, PA 18976
1521	BL MILFORD	1201 Boston Post Rd., Ste No. 2034, Milford, CT 06460
1523	Denver Tech	8000 E. Belleview Ave, Greenwood Village, CO 80111

Unit #	Unit Name	Address
1602	BL WHEATON	1106 Veirs Mills Rd, Wheaton, MD 20902
1606	BL WEST HARTFORD	51 Isham Rd., West Hartford, CT 06107
1612	BL OWINGS MILLS	10080 Reisterstown Rd., Ste. 20, Owings Mills, MD 21117
1615	BL STRONGSVILLE	10 Southpark Center, Store No. GL10, Strongsville, OH 44136
1703	BL MASSAPEQUA	One Sunrise Mall, Space 304, Massapequa, NY 11758
1704	BL ANDERSON TOWNE CENTER	7480 Beechmont Avenue, Cincinnati, OH 45255
1711	BL WOODBRIDGE	675 U.S. Highway 1S, Ste 8, Iselin, NJ 08830
1716	Southlands	6100 S. Main Street, Aurora, CO 80016
1717	Paramus	Westfield Garden State Plaza, 1 Garden State Plaza, Suite B2, Paramus, NJ 07652
1803	Dania Beach	Dania Pointe, Space M100, Dania Beach, FL
1806	Kendall	11745 Sherri Lane, Miami, FL 33183
17915	Rochester Hills	1488 North Rochester Rd., Rochester Hills, MI 48307
17923	BL HUNTSVILLE	365 The Bridge Street #100, Huntsville, AL 35806
19901	Columbus OH	504 North Park Street, Columbus, OH 43215

EXHIBIT C

Form of Management Agreement

(See Attached).

MASTER INTERIM MANAGEMENT AGREEMENT

BETWEEN

BLH ACQUISITION CO., LLC

AND

**BL RESTAURANTS HOLDING, LLC,
BL RESTAURANT OPERATIONS, LLC,
BL RESTAURANT FRANCHISES, LLC,**

AND

BL HUNT VALLEY, LLC

(COLLECTIVELY AS THE “MANAGER”)

This Master Interim Management Agreement (this “Agreement”), dated as of [●], 2020, is entered into by and among BLH Acquisition Co., LLC, a Delaware limited liability company (the “Owner”) and BL Restaurants Holding, LLC, a Delaware limited liability company, BL Restaurant Operations, LLC, a Delaware limited liability company, BL Restaurant Franchises, LLC, a Delaware limited liability company, and BL Hunt Valley, LLC, a Maryland limited liability company (collectively, the “Manager”), effective as of the Closing Date of the transactions contemplated by the Asset Purchase Agreement (as defined below) (the “Effective Date”).

WHEREAS, Owner and Manager have entered into that certain Asset Purchase Agreement, dated as of January 26, 2020, as amended by that certain Amendment to Asset Purchase Agreement, dated as of [●], 2020; a true and correct copy of the Asset Purchase Agreement without Schedules or Exhibits is attached to this Agreement as Exhibit A (the “Asset Purchase Agreement”). The Asset Purchase Agreement and this Agreement were approved by Order of the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) that was entered in the Manager’s chapter 11 cases on or about [●], 2020 (the “Sale Order”).¹ As a consequence, pursuant to the Sale Order, on [●], 2020: (i) Manager received authority to sell to Owner substantially all the assets at each restaurant listed on Schedule 1 of this Agreement (with each restaurant on Schedule 1 a “Restaurant” and collectively the “Restaurants”), and (ii) the leases for the Restaurants listed on Schedule 2 (the “Leases”) were assigned from Manager to Owner. Capitalized terms used but not otherwise defined in this Agreement shall have the meanings ascribed to them in the Asset Purchase Agreement.

WHEREAS, each Restaurant is a casual-dining restaurant including the (i) on premise sale and consumption of alcohol under the respective Liquor Licenses held or used by Manager and listed on Schedule 3 of this Agreement (each a “Liquor License” and collectively the “Liquor Licenses”) and/or (ii) sale of food under the respective Permits in the name of Manager and listed on Schedule 4 (each a Permit” and collectively the “Permits”).

WHEREAS, Owner and Manager desire the operation of each of the Restaurants to continue without interruption until Owner obtains from the relevant state and/or local government

¹ See *BL Restaurants Holding, LLC, et al.*, Case No. 20-10156 (MFW) (Bankr. D. Del. [●], 2020) [Docket No. [●]]

regulatory authorities the Liquor Licenses and/or Permits, as applicable, at each such Restaurant in its name either through transfer or initial application.

NOW, THEREFORE, for and in consideration of the sum of ten dollars (\$10.00) paid in hand, and other good and valuable consideration as provided herein and in the Asset Purchase Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The “Term” shall commence on the Effective Date and shall terminate for each Restaurant upon the earliest of: (a) Owner’s receipt via transfer from the Manager or through initial application for license issuance from the pertinent state and/or local regulatory authority(ies) of each Liquor License and Permit for said Restaurant, (b) two (2) Business Days after the date that Manager receives written notice of termination from Owner, or (c) one year from the Effective Date (unless this Agreement is otherwise terminated prior to the earliest of such dates pursuant to the terms hereof or by mutual agreement of the parties).

2. During the Term, Manager shall remain the licensed retail vendor of alcohol and/or food for the Restaurants, as applicable, and in such capacity shall manage, control, and operate, pursuant to and subject to the Sale Order, the Restaurants to the extent required for each Liquor License and/or Permit, as applicable, to remain effective. Manager shall have exclusive control over all activities of the Restaurants, and the Restaurants’ premises, relating to the purchase, storage, distribution, possession, transportation and sale of beer and alcoholic beverages. Manager shall use all commercially reasonable efforts to ensure that the Restaurants comply with all federal, state and local laws concerning the purchase, storage, distribution, possession, transportation and sale of beer and alcoholic beverages, and shall be responsible for any and all citations arising therefrom (the “Citations”). Manager hereby appoints Owner as its agent to assist with operation of the Restaurants. Pursuant to its appointment as Manager’s agent and subject to the following sentence, Owner shall be entitled to take any and all action on behalf of Manager hereunder, including opening of any bank accounts and to collect all revenues generated by the Restaurants during the Term (the “Revenues”), and shall be solely responsible for and obligated to pay all costs, expenses, liabilities, and obligations, including reasonable compensation for performing the services required of Manager pursuant to this Agreement and in accordance with the Asset Purchase Agreement and the insurance obligations of Manager set forth in Section 6 below (individually a “Liability” and collectively the “Liabilities”) arising out of, related to, or associated with the Restaurants during the Term. Notwithstanding the foregoing, during the Term and if and to the extent requested by Owner, Manager shall collect and retain all Revenues related to the sale of alcohol at the Restaurants set forth on Schedule 5 (the “Specified Restaurants”) and shall be responsible for and obligated to pay all costs, expenses, liabilities, and obligations related to such sales at the Specified Restaurants; provided, however, if such Revenues are not sufficient to pay such costs, expenses, liabilities, and obligations in full, Manager shall pay all amounts equal to the difference of the sum of such costs, expenses, liabilities and obligations less such Revenues (such amounts, “Shortfalls”); provided, further, that, to the extent permitted by applicable law, Owner agrees to reimburse Manager for any such Shortfalls and for any Citations. The Revenues from the sale of alcohol at each Specified Restaurant, less the costs, expenses, liabilities and obligations set forth in the preceding sentence, shall be deposited by Manager into an escrow account on terms reasonably acceptable to Manager and Owner, which escrow account shall provide that such net Revenues (if any) shall be released at the expiration of the Term for such Specified Restaurant to

(i) Owner if Owner has received all requisite Liquor License for such Specified Restaurant and as permitted by applicable law, or (ii) Manager in all other circumstances. Notwithstanding anything contained herein to the contrary, all employees necessary for the operation of the Restaurants shall be provided by the Owner, and Manager shall have no duty or authority to take action as an employer with respect to any such employee or to enter into any contract on behalf of the Owner, without the Owner's prior written consent (except that, for purposes of New Jersey liquor law only, (a) such employees will be deemed employees of Manager, (b) such employees shall be authorized to work on the licensed premises, and (c) all actions of the Manager will be as agent of the Owner); provided, however, Owner shall make available to Manager (for purposes of carrying out this Agreement) the services of certain former officers or employees of Manager, to the extent they are hired and in the employ of Owner (in particular, those officers or employees whose names are included on the Liquor Licenses and/or Permits); provided further, however, Manager shall be permitted to give direction and control such employees as related to alcohol services, and Manager shall be responsible for the actions of all employees related to alcohol services as if such employees were employees of Manager.

3. For valuable consideration received, and in order to induce Manager to enter into this Agreement, Owner and Manager covenant and agree as follows, which covenants and agreements shall survive the termination of this Agreement:

(a) Manager shall have no duties or responsibilities under this Agreement other than those specified herein and no implied obligations shall be read into this Agreement;

(b) Neither Manager, nor its bankruptcy estates or any of its Affiliates, employees, officers, directors, managers, members, representatives, agents, attorneys, direct or indirect equityholders, successors, predecessors or assigns, will be liable to Owner for, and Owner releases and forever discharges Manager, its bankruptcy estates and its Affiliates, employees, officers, directors, managers, members, representatives, agents, attorneys, direct or indirect equityholders, successors, predecessors and assigns from, any and all claims, liabilities, actions, suits, judgments, losses, injuries, damages, costs and expenses arising out of or connected with any act or omission of Manager, its bankruptcy estates or its Affiliates, employees, officers, directors, managers, members, representatives, agents, attorneys, direct or indirect equityholders, successors, predecessors and assigns pursuant to this Agreement or with respect to the performance of Manager's obligations under this Agreement, except for claims arising out of such Person's gross negligence, fraud, or willful misconduct;

(c) Other than with respect to the gross negligence, fraud or willful misconduct of the Manager Indemnified Parties (as defined below) as finally determined by a court of competent jurisdiction, and Citations only to the extent Owner cannot indemnify, defend, and hold harmless Manager for Citations under applicable law, Owner agrees to indemnify, defend and hold harmless and discharges Manager and its Affiliates, employees, officers, directors, managers, members, representatives, agents, attorneys, direct or indirect equityholders, successors, predecessors and assigns from and against any and all claims, actions, demands, judgments, losses, costs, expenses, damages and liabilities (including, without limitation, attorneys' fees and other expenses of litigation) arising out of or

resulting from any escrow arrangement entered into by Manager pursuant to Section 2 hereof.

(d) During the Term, except as provided below and herein, all purchases and services rendered with respect to the operation of the Restaurants shall be in the name of the Owner, including, without limitation, all utility service and all accounts for the purchase of inventory. The foregoing notwithstanding, purchases of alcohol inventory and liquor liability insurance for the Restaurants shall be made by Owner on behalf of and in the name of Manager as provided below, such purchases to be paid from the Revenues as set forth herein; and

(e) Nothing in this Agreement or the Asset Purchase Agreement shall be deemed to be a transfer of any Liquor Licenses or Permits unless and until such transfer is duly approved by all applicable Governmental Entities having applicable licensing authority, and each Liquor License and Permit is issued in the name of Owner or its designee. Notwithstanding the foregoing, Owner agrees to: (i) pay for all applicable annual license fees and/or license renewal fees which become owed to the licensing authorities as of and after the Effective Date in connection with the maintenance of each Liquor License and Permit; and (ii) provide all funds necessary to maintain each Liquor License and Permit in full force and effect (including the providing of letters of credit and/or bonds as required by the various Governmental Entities). If prior to the issuance or transfer of all Liquor Licenses and Permits, one or more of the Liquor Licenses or Permits are required to be renewed or otherwise require action by the licensee or permittee of record to fulfill any administrative or legal responsibility associated with said Liquor License(s) or Permit(s), Manager agrees to use commercially reasonable efforts to cooperate in good faith with and facilitate the filing of state and/or local license renewal applications of any such Liquor License or Permit so as to secure the continued ability to sell and serve alcohol and food at the Restaurants to the extent allowed by applicable law or under the authority of the Bankruptcy Court and Sale Order entered thereby; provided, however, that Owner shall pay any license fees and expenses required to be paid as part of such renewals or actions (including the providing of letters of credit and/or bonds as required by the various Governmental Entities).

4. Manager agrees that all equipment, facilities and personal property necessary for operating the Restaurants including, without limitation, glassware, dishwashing equipment, dispensing equipment, barware, pouring devices, storage areas and facilities, and cash registers shall be maintained by Owner, and shall be insured during the term of this Agreement for the benefit of Owner in accordance with this Agreement and the Asset Purchase Agreement (all such costs with respect to such insurance (including any premiums) to be paid for by Owner, except to the extent that net Revenues held by Manager, if any, for the Specified Restaurants are sufficient to pay for such costs with respect to the Specified Restaurants and Owner so elects to use such net Revenues, to the extent permitted under applicable law). Owner agrees that Manager shall be named as an additional loss payee under any insurance policies maintained by Owner.

5. Manager shall, at the sole cost and expense of Owner, use commercially reasonable efforts to maintain and/or keep all Permits valid. Without limiting any other term of this Agreement, Revenues will be used to pay for all alcohol sold and served at the Restaurants, as well

as for Owner's costs and expenses in operating the Restaurants pursuant to this Agreement; provided, however, if such Revenues are not sufficient to pay for such costs, expenses, liabilities, and obligations with respect to the alcohol sold and served at the Restaurants, they shall be paid in accordance with Section 2 above. All alcohol purchases shall be made in customary fashion and, to the extent required by applicable law, Owner shall pay to Manager a refundable security deposit equal to the value of the alcohol inventory on hand as of the Effective Date, which Manager shall deposit into a checking account maintained by Manager in the name of the holder of the Liquor License and/or Permit, as applicable, and, to the extent permitted by applicable law, such account shall be utilized for the purpose of making any such purchases.

6. During the full Term hereof, Owner shall keep in full force and effect: (a) commercial general liability insurance with limits of at least \$10,000,000.00 per occurrence for personal injury and death and property damage, which shall, among other risks, include coverage against all claims arising out of alleged liquor law or dram shop liability, and such commercial general liability policy shall name Manager as additional insureds for so long as the Liquor Licenses and Permits are held or used by Manager; and (b) worker's compensation insurance as required by law. Notwithstanding the foregoing, to the extent required by applicable law, Owner may instead, at its sole discretion, require Manager to keep in full force and effect such insurance policies, with such policies naming Owner as additional insureds thereunder, which such policies will be maintained at Owner's sole cost and expense. During the full Term hereof, Manager shall: (i) use commercially reasonable efforts to keep each Liquor License and Permit in full force and effect; and (ii) to the extent that Manager's obligations under this Agreement are insurable, maintain commercial general liability insurance for the benefit of Owner insuring Manager's obligations under this Agreement, in accordance with Manager's standard corporate insurance policies, processes and procedures (all such costs with respect to such insurance (including any premiums) to be paid for by Owner).

7. In the event that either party violates: (a) any provision of this Agreement other than those related to Legal Requirements (as defined below) and maintenance of the insurance coverages required pursuant to Section 6 above) and such violation remains uncured for five (5) business days after notice thereof to the violating party or (b) any Legal Requirement (i) after issuance of a final decision is either not appealed or is upheld on appeal, or (ii) upon the issuance of a second citation alleging a violation of any Legal Requirement prior to a finding as per (i) hereof, where there is a finding of the applicable authority adverse to Owner or Manager, the non-violating party shall have the right to terminate this Agreement immediately after five (5) business days' written notice to the violating party; provided, however, that if a violation above can be cured by payment of a fine or otherwise, the non-violating party may not terminate this Agreement if the violating party cures such violation within the earlier to occur of (i) the time required by law or set forth in the citation, or (ii) ten (10) business days after such decision is upheld on appeal, or if no appeal is filed, the last day permitted for filing an appeal. Upon the issuance or transfer to Owner of the required Liquor License or Permits for a Restaurant, Manager shall (i) deliver promptly the original Liquor License(s) or Permit(s), as the case may be, for such Restaurant to Owner or to the pertinent Governmental Entity, (ii) notify the pertinent Governmental Entity that it is surrendering the original Liquor License(s) or Permit(s), as the case may be, and desires that they be canceled, and/or (iii) take such other action with respect to the pertinent Governmental Entity as it may require to effect and confirm the cancellation of the original Liquor License(s) or Permit(s), as the case may be, and as if it had actually surrendered the original Liquor License(s)

or Permit(s); provided, however, that, the foregoing notwithstanding, (i) Owner shall retain to the fullest extent allowed by applicable laws the right to sell and transfer to a legally qualified purchaser any Liquor License upon securing the appropriate Liquor License Approval pursuant to applicable Legal Requirements, and (ii) upon Owner's written request, Manager shall use commercially reasonable efforts to cooperate with Owner to sell and transfer such Liquor License(s) designated by Owner and held by Manager to one or more third parties identified by Owner to the extent that such sale and transfer is permitted by applicable Legal Requirements, and the proceeds of any such sale and transfer shall inure to Owner. "Legal Requirements" shall mean and include all those laws applicable to maintaining each relevant Liquor License and obtaining its respective Liquor License Approval.

8. All alcohol to be purchased for service or sale at the Restaurants shall be purchased in the name of Manager unless Owner or its designee is permitted to make such purchases in its name under applicable law or under the authority of the Bankruptcy Court and Sale Order entered thereby.

9. Owner, in the name of and on behalf of Manager, shall collect all sales tax from the sales of food, beverages and other personal property at the Restaurants and shall prepare all required sales tax reports and remit the total sales tax due in connection with the operation of each Restaurant for each month or partial month during the Term.

10. Time is of the essence in this Agreement. Owner agrees to work diligently to secure the Liquor License Approvals at the Restaurants and all necessary authorizations, consents and approvals to transfer the Permits at the Restaurants in its name, and Manager agrees to cooperate in good faith with Owner at Owner's sole cost and as reasonably may be necessary.

11. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware.

12. This writing contains the entire agreement between the parties hereto with respect to the subject matter of this Agreement, and all negotiations or prior understandings are merged herein. No modification or amendments to this Agreement shall be effective unless in writing and signed by each party hereto.

13. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their successors, assigns, transferees, personal representatives, executors, and heirs, provided that no party may assign any of its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld.

14. Notwithstanding the foregoing, nothing herein is intended to waive, alter or amend any obligations of Owner or Manager under the Asset Purchase Agreement.

Nothing contained herein shall be construed as to constitute the relationship hereby created as an employment, an agency, partnership, or a joint venture, Manager having no authority to make any binding agreement or commitment on behalf of Owner.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

MANAGER:

**BL RESTAURANTS HOLDING, LLC
BL RESTAURANT OPERATIONS, LLC
BL RESTAURANT FRANCHISES, LLC
BL HUNT VALLEY, LLC**

By: _____
Name:
Title:

OWNER:

BLH ACQUISITION CO., LLC

By: _____
Name:
Title:

**SCHEDULE 1
RESTAURANTS**

<u>Store</u>	<u>Location</u>	<u>Assignee Entity/Owner</u>

SCHEDULE 2
LEASES

**SCHEDULE 3
LIQUOR LICENSES**

<u>Loc #</u>	<u>Name</u>	<u>State</u>	<u>Description</u>	<u>Issuer</u>	<u>Permit/Lic #</u>

SCHEDULE 4
PERMITS

<u>Loc #</u>	<u>Name</u>	<u>State</u>	<u>Description</u>	<u>Issuer</u>	<u>Permit/Lic #</u>

SCHEDULE 5
SPECIFIED RESTAURANTS

<u>Store</u>	<u>Location</u>	<u>Assignee Entity/Owner</u>

Exhibit A

Asset Purchase Agreement