

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address James C. Bastian, Jr. - Bar No. 175415 Mark Bradshaw - Bar No. 192540 Melissa Davis Lowe – Bar No. 245521 SHULMAN HODGES & BASTIAN LLP 8105 Irvine Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: jbastian@shblp.com; mbradshaw@shblp.com; mlowe@shblp.com <input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: (Proposed Attorney) for PJ Elite, LLP	FOR COURT USE ONLY
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**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - SAN FERNANDO VALLEY DIVISION**

In re: PJ ELITE, LLC, a California limited liability company Debtor(s).	CASE NO.: 1:13-bk-10443-MT CHAPTER: 11 <p style="text-align: center;">NOTICE OF SALE OF ESTATE PROPERTY</p>
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Sale Date: 03/11/2013	Time: 10:00 am
Location: Courtroom 302, 21041 Burbank Blvd., Woodland Hills, CA 91367	

Type of Sale: Public Private **Last date to file objections:** 02/25/2013

Description of property to be sold: See Attached

Terms and conditions of sale: See Attached

Proposed sale price: \$ 1,200,000.00

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

Overbid procedure (if any): See Attached

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

March 11, 2013 at 10:00 a.m.

Courtroom 302

21041 Burbank Blvd.

Woodland Hills, CA 91367

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Mark Bradshaw, Esq.

Shulman Hodges & Bastian LLP

8105 Irvine Center Drive, Suite 600

Irvine, CA 92618

Tel: (949) 340-3400

Fax: (949) 340-3000

E-mail: mbradshaw@shbllp.com

Date: 02/06/2013

In re

**PJ ELITE, LLC, a
California limited liability company,**

NOTICE OF SALE OF ESTATE PROPERTY

Description of Property to be Sold:

The "Purchased Assets" are hereby defined as all of Seller's rights, title and interest in and to the fourteen (14) Papa John's franchise pizza stores as listed in Exhibit A attached hereto (each, individually, a "Store" and, collectively, the "Stores") together with any and all tangible and intangible property relating to the Business and the Stores and used in connection with the Business and the Stores, wherever located, including, without limitation:

(1) The Leases (hereafter defined) and leased real properties for each Store location, together with all rights and privileges inuring to the benefit of such leased real property in which the Store operations are location and all improvements and fixtures location with the leased properties or attached thereto.

(2) All furniture, fixtures, equipment, machinery, furnishings, service and maintenance equipment, tools, signs, telephones, other communications and antenna equipment, televisions and video equipment, vehicles, inventories, supplies, silver, linen, china, glassware, tableware, uniforms, consumables;

(3) All computers and computer software, telecommunication systems, point of sale cash registers and software, office equipment, office, maintenance and other supplies, packaging materials and supplies, and office furniture located at the Stores on the Closing Date and used by Seller in the operation of the Business;

(4) All inventories and cash in the registers located at each of the Stores on the Closing Date and used by Seller in the operation of the Business (collectively, the "Inventory");

(5) All of Seller's rights under its Franchise Agreements with Papa Johns, Inc. ("Franchisor") with respect to the Stores (collectively, the "Franchise Agreements");

(6) All customer lists, vendor lists, supplier lists, and the contact information for such customers, suppliers and vendors; all records, documents and instruments relating to the Purchased Assets and the Business (except those records and documents described as Excluded Assets in **Section 1.2 of the APA**); all procedural manuals relating to the Purchased Assets (collectively, the "Lists & Records"); subject to Seller's right to retain copies thereof which Seller reasonably requires for its records, reporting obligations, winding-up or dissolution;

(7) All rights of Seller under express or implied warranties from the suppliers of the Purchased Assets, to the extent transferable (but excluding such rights insofar as the same pertain to liabilities retained by Seller hereunder);

(8) All signage, supplies, leases (to the extent transferable), and leasehold improvements;

(9) All transferable right, title and interest of Seller in and to all intangible property rights, including, but not limited to, formulas, know-how, domain names, websites, website addresses for the Stores, telephone numbers, trade names, trademarks, trademark registrations, copyrights, copyright registrations, certification marks, and other similar property and the registrations and applications for registration thereof owned by Seller or, where not owned, used by Seller in the Business and all licenses and other agreements to which Seller is a party (as licensor or licensee) or by which Seller is bound relating to any of the foregoing kinds of property or rights to any "know-how" or disclosure or use of ideas, to the extent Seller has the right to sell or assign such rights and property (collectively, the "Intangible Property");

(10) All transferable approvals, authorizations, certifications, consents, variances, permissions, licenses and permits to or from, or filings, notices or recordings to or with, federal, state and local governmental authorities as held or effected by Seller in connection with the Purchased Assets or the Business; and,

(11) All of Seller's right, title and interest to the contracts listed on Schedule 1.1(B)(11), but only to the extent transferable, plus any contracts that Buyer decides to added so Schedule 1.1(B)(11) between the date of this Agreement and the Closing, and less any contracts that Buyer decides not to assume between now and the Closing (collectively, the "Assumed Contracts".)

All of the Purchased Assets shall be sold, assigned, transferred, conveyed and delivered to Buyer free and clear of all liens pursuant to Section 363(f) of the Bankruptcy Code, whether arising prior to or subsequent to the Petition Date.

Terms and Conditions of Sale:

In summary, the principal terms of the sale of the Assets shall be as follows (the Debtor is referred to at times as the "Seller" in the following summary):

Buyer:	PJ Management Services Inc., a California corporation or its assigns
Purchase Price:	\$1,200,000 subject to overbids. This amount will be credited for any post-petition financing provided by Buyer and any accrued and unpaid management fees owed to Buyer.
Closing:	March 15, 2013.
Assets Being Transferred:	All of Debtor's rights, title and interest in and to the fourteen (14) Papa John's franchise pizza stores, including: (i) the real property together with all rights, privileges inuring to the benefit of such real property and leased property in which the store operations are located and all improvements and fixtures located within the leased properties or attached thereto (collectively, the "Improvements"), (ii) all furniture, fixtures, equipment, machinery, furnishings, service and maintenance equipment, tools, signs, telephones, other communications and antennae equipment, televisions and video equipment, computer equipment and software, vehicles, inventories, supplies, silver, linen, china, glassware, tableware, uniforms, consumables, leases, licenses, deposits, reserve accounts, and other property of any kind whatsoever, whether located on site or stored offsite, used in connection

	with the ownership or operation of the stores (collectively, the “Personal Property”), and any other tangible and intangible property relating to the Restaurants. The Debtor is not in possession of any customer information and as such, no such information will be transferred.
Bankruptcy Court Approval	The sale is subject to notice to creditors, approval by the Bankruptcy Court, and higher and better bids received by Seller through and including the Bankruptcy Court hearing to confirm the sale. Payment of any and all real estate brokers’ commissions is also subject to notice to creditors and approval by the Bankruptcy Court.
Purchase Without Warranties	Buyer acknowledges and agrees that, to the maximum extent permitted by law, the sale contemplated by this Addendum is made “as-is,” “where-is,” and “with all faults,” except as specifically provided in this Addendum. Seller and Brokers and agents herein have not made, do not make, and specifically negate and disclaim any representations, warranties, promises, covenants, Addendums, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, concerning or respecting (i) value of the Property; (ii) income to be derived from the Property; (iii) suitability of the Property, or lack thereof for any activity or use which Buyer may intend to conduct thereon, including any possibilities or limitations for future development; (iv) habitability, merchantability, marketability, profitability, or fitness for a particular purpose, of the Property, or lack thereof; (v) manner, quality, state of repair, or lack of repair of the Property; (vi) nature, quality, or condition of the Property, or any portion, system, or component thereof, including without limitation, water, soil, and geology; (vii) compliance of the Property or its operation, or lack thereof, with any laws, ordinances, regulations, rules, or orders of any applicable governmental authority or body, including Buyer’s agreement to purchase their own home warranty and comply with any and all government requirements and retrofit, at Buyer’s expense, prior to close of escrow; (viii) manner or quality of engineering, design, construction or materials, if any, incorporated into the Property; (ix) compliance or lack of compliance with any land use, building and safety, or other laws, ordinances, regulations, rules, orders, or other requirements imposed or enforced by any governmental or non-governmental body, including without limitation the Americans with Disabilities Act of 1990; (x) the presence or absence at, on, under, or adjacent to the Property, of materials described as “hazardous substances, hazardous materials, or toxic substances” or by similar terms under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S. Code §§9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S. Code §§1801, et seq.), the Resource Conservation and Recovery Act (42 U.S. Code §§6901, et seq.), the Toxic Substance Control Act (15 U.S. Code §2601, et seq.), the Clean Water Act (33 U.S. Code §1251, et seq.), California Health and Safety Code §25117 or 25316), or other statutes and laws, all as amended and including all regulations issued thereunder; (xi) the content, completeness or accuracy of any Due Diligence materials or Preliminary Report regarding Title to the Property; (xii) the conformity or lack of conformity of the improvements to any plans or specifications for the Property, including any plans and specifications that may have been or may be provided to Buyer; (xiii) the conformity or lack of conformity of the Property to past, current, or future applicable zoning or building requirements; (xiv) any deficiency of any undershoring, drainage, or other aspects, systems, or components of or affecting the Property; (xv) the fact, if applicable, that all or a portion of the Property may be located on or near any natural hazard zone as determined by any governmental agency or body; (xvi) the existence of vested land use, zoning, or building entitlements affecting the Property or any other property; or (xvii) any other matter. Without in any manner limiting the foregoing, Buyer hereby acknowledges and agrees that (i) Seller’s Broker, has provided (and will hereafter provide) to Buyer various materials and information relating to the Property, including, without limitation, information and materials relating to the condition of the Property, and (ii) all such materials and information so provided to Buyer by Seller’s Broker shall, for all purposes of this Addendum, be deemed to have been disclosed to Buyer by the Seller, as well.
Jurisdiction of the Bankruptcy Court	Any and all disputes which involve in any manner the Estate or John M. Wolfe, Debtor, arising from the Agreement and/or its addendums or relating in any manner to the Property, shall be resolved only in the United States Bankruptcy Court, Central District of California.
Sale Subject to	The following bidding procedures (“Bidding Procedures”) are approved and

Overbidding	<p>the Debtor is authorized to utilize these Bidding Procedures in the connection with the marketing of the Assets for sale:</p> <p>a. Potential overbidders must bid an initial amount of at least \$50,000 over the Purchase Price offered by PJ Management Services, Inc. (“Buyer”), <u>plus</u> amounts to pay any break-up fee approved by the Court (not to exceed \$50,000)¹, <u>plus</u> amounts to pay any brokers’ fee associated with a qualifying overbid. Minimum bid increments thereafter shall be \$25,000. The Debtor shall have sole discretion in determining which overbid is the best for the Debtor’s Estate and will seek approval from the Court of the same at the hearing on the Sale Motion.</p> <p>b. Overbids must be in writing and be received by the Debtor and the Debtor’s counsel, Shulman Hodges & Bastian LLP to the attention of James C. Bastian, Jr., 8105 Irvine Center Drive, Suite 600, Irvine, CA 92618, with a copy by electronic mail to Douglas S. Draper, ddraper@hellerdraper.com, on or before 5:00 p.m. (California time) on March 6, 2013.</p> <p>c. Overbids must be accompanied by certified funds in an amount equal to three percent (3%) of the overbid purchase price.</p> <p>d. The overbidder must also provide evidence of having sufficient specifically committed funds to complete the transaction or a lending commitment for the bid amount and such other documentation relevant to the bidder’s ability to qualify as the purchaser of the Assets (as that term is defined in the Procedures Motion) and ability to close the sale and immediately and unconditionally pay the winning bid purchase price at closing.</p> <p>e. The overbidder must seek to acquire the Assets on terms and conditions not less favorable to the Estate than the terms and conditions to which the Buyer has agreed to purchase the Assets including closing on the sale transaction in the same time parameters as the Buyer.</p> <p>f. All competing bids must acknowledge that the Assets are being sold on an “AS IS” basis without warranties of any kind, expressed or implied, being given by the Debtor, concerning the condition of the Assets or the quality of the title thereto, or any other matters relating to the Assets. The competing bid buyer must represent and warrant that he/she is purchasing the Assets as a result of their own investigations and are not buying the Assets pursuant to any representation made by any broker, agent, accountant, attorney or employee acting at the direction, or on the behalf of the Debtor. The competing bidder must acknowledge that he/she has inspected the Assets, and upon closing of the sale governed, the Buyer forever waives, for himself/herself, their heirs, successors and assigns, all claims against the Debtor, its attorneys, agents and employees, the Estate, arising or which might otherwise arise in the future concerning the Assets. All competing bidders meeting the requirements set forth in (a) to (f) above will be referred to herein as “Qualified Bids” or “Qualified Bidders.”</p> <p>g. If overbids are received, the final bidding round for the Assets shall be held at the hearing on the Sale Motion in order to allow all potential bidders the opportunity to overbid and purchase the Assets. At the final bidding round, the Debtor will, in the exercise of its business judgment and subject to Court approval, accept the bidder who has made the highest and best offer to purchase the Assets, consistent with these Bidding Procedures (“Successful Bidder”). Buyer shall be entitled to use its break-up fee in the calculation of all bids and such fee shall be payable if any other party acquires the assets of the Debtor.</p> <p>h. No later than March 8, 2013 at 3:00 P.M., the Debtor shall file and serve a report identifying any overbids that have been received, which report shall include a redlined copy of the asset purchase agreement showing all changes proposed by each overbidder.</p> <p>i. At the hearing on the Sale Motion, the Debtor may seek entry of an</p>
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¹ The Buyer’s break-up fee is payable if the assets are sold to any party other than the Buyer in any form of transaction.

	<p>order, inter alia, authorizing and approving the following:</p> <ol style="list-style-type: none"> i. The sale of the Assets to the Successful Bidder. ii. In the event the Successful Bidder fails to close on the sale of the Assets within the time parameters approved by the Court, the Debtor shall retain the Successful Bidder's Deposit and will be released from the obligation to sell the Assets to the Successful Bidder and the Debtor may then sell the Assets to the first back-up bidder approved by the Bankruptcy Court at the hearing on the Sale Motion ("First Back-Up Bidder"). iii. In the event First Back-Up Bidder fails to close on the sale of the Assets within the time parameters approved by the Bankruptcy Court, the Debtor shall retain the First Back-Up Bidder's Deposit and will be released from the obligation to sell the Assets to the First Back-Up Bidder and the Debtor may then sell the Assets to the second back-up bidder approved by the Court at the hearing on the Sale Motion ("Second Back-Up Bidder").
<p>Free and Clear of Liens and Encumbrances</p>	<p>The Property shall be delivered to the Buyer free and clear of all liens and encumbrances. Any liens and interests against the Property that are not paid in full through escrow shall attach to the sale proceeds generated through the sale with the same force, effect, validity, and priority as such liens or interests had with respect to the Property prior to the sale.</p>
<p>Good Faith Finding</p>	<p>The proposed sale has been brought in good faith and has been negotiated on an "arms length" basis. The negotiations with the Buyer have resulted in an offer to sell the Estate's interest in the Property that will have substantial benefit. Accordingly, the sale is in good faith and should be approved. The Debtor shall request such a finding pursuant to Bankruptcy Code Section 363(m) at the hearing on this Sale Motion.</p>
<p>Waiver of Rule 6004(h)</p>	<p>The Debtor requests that the Court waive the fourteen-day stay of the order approving the sale of the Property under Federal Rules of Bankruptcy Procedure 6004(h) such that the sale of the Property can close as soon as possible after entry of the Court order approving the Sale Motion and the Agreement.</p>

EXHIBIT "A"

STORE LOCATIONS

Store #	Store Name	Address
1870	Newhall	23120 Lyons Ave., Ste. 1&2, Santa Clarita, CA 91321
2021	Simi Tapo	2202 Tapo Street, Simi Valley, CA 93063
2039	Ventura	5722 Telephone Road, Ste. 14, Ventura, CA 93003
2080	Camarillo	1877 E. Daily Dr., Ste. G, Camarillo, CA 93010
2081	Chatsworth	10316 DeSoto Ave., Chatsworth, CA 91311
2132	Canyon Country	18934-B Soledad Canyon, Canyon Country, CA 91351
2259	West Hills	22330 Sherman Way, Canoga Park, CA 91303
2260	Tarzana	19907 Ventura Blvd., Woodland Hills, CA 91364
2292	Canoga Park	20442 Sherman Way, Canoga Park, CA 91306
2481	Simi Madera	1308 Madera Rd., #B-6, Simi Valley, CA 93065
2488	South Oxnard	1411 W. Channel Island B, Oxnard, CA 93033
2693	Thousand Oaks	2072 E. Ave de los Arboles #B, Thousand Oaks, CA 91362
3273	Saugus	27927 Seco Canyon Rd, Bldg E-1, Santa Clarita, CA 91350
3537	North Oxnard	2350 Vineyard St. B3, Oxnard, CA 93036

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
8105 Irvine Center Drive, Suite 600, Irvine, CA 92618

A true and correct copy of the foregoing document entitled: **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On *(date)* 02/06/2013, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:
James C Bastian jbastian@shbllp.com; Mark Bradshaw mbradshaw@shbllp.com, sswartzell@shbllp.com
Katherine Bunker kate.bunker@usdoj.gov
Barry S Glaser bglaser@swjlaw.com
United States Trustee (SV) ustpreion16.wh.ecf@usdoj.gov

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On *(date)* _____, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on *(date)* 02/06/2013, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

US Bankruptcy Court; Attn: Hon. Maureen A. Tighe, Bin on 1st Floor

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

02/06/2013 Steven P. Swartzell
Date *Printed Name*

/s/ Steven P. Swartzell
Signature