

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

In re:)	Chapter 11
CB HOLDING CORP., <u>et al.</u> , ¹)	Case No. 10-13683 (MFW)
Debtors.)	Jointly Administered
WATERPART, LLC, by its managing agent, CAMCO MANAGEMENT,)	Re: Docket Nos. 729 & 734
v.)	Adv. Proc. No. 11-50481 (MFW)
BUGABOO CREEK HOLDINGS, INC.)	Re: Adv. Docket No. 16

¹ The other Debtors, and the last four digits of each of their tax identification numbers, are: 1820 Central Park Avenue Restaurant Corp. (5151); Bugaboo Creek Acquisition, LLC (4629); Bugaboo Creek Holdings, Inc. (0966); Bugaboo Creek of Seekonk, Inc. (1669); CB Holding Corp. (8640); CB VII, Inc. (9120); CB VIII, Inc. (1468); Charlie Brown North (6721); Charlie Brown's Acquisition Corp. (8367); Charlie Brown's at Clifton, Inc. (7309); Charlie Brown's Mark Corp. (3569); Charlie Brown's Montclair, Inc. (4223); Charlie Brown's 1981, Inc. (7781); Charlie Brown's of Allentown, L.L.C. (8420); Charlie Brown's of Alpha, Inc. (9083); Charlie Brown's of Berwyn, LLC (3347); Charlie Brown's of Blackwood, L.L.C. (5698); Charlie Brown's of Bloomsburg, LLC (3326); Charlie Brown's of Brielle, Inc. (8115); Charlie Brown's of Carlstadt, Inc. (6936); Charlie Brown's of Chatham, Inc. (2452); Charlie Brown's of Commack LLC (4851); Charlie Brown's of Denville, Inc. (1422); Charlie Brown's of East Windsor, LLC (2747); Charlie Brown's of Edison, Inc. (8519); Charlie Brown's of Egg Harbor Twp, LLC (none); Charlie Brown's of Franklin, LLC (5232); Charlie Brown's of Garden City, LLC (7440); Charlie Brown's of Hackettstown, L.L.C. (7493); Charlie Brown's of Harrisburg, LLC (1085); Charlie Brown's of Hillsborough, Inc. (0344); Charlie Brown's of Holtsville, LLC (0138); Charlie Brown's of Jackson, LLC (3478); Charlie Brown's of Lacey, L.L.C. (6282); Charlie Brown's of Lakewood, Inc. (0156); Charlie Brown's of Langhorne, LLC (3392); Charlie Brown's of Lynbrook LLC (2772); Charlie Brown's of Maple Shade, Inc. (0404); Charlie Brown's of Matawan, Inc. (8337); Charlie Brown's of Middletown LLC (7565); Charlie Brown's of Oradell, Inc. (0348); Charlie Brown's of Pennsylvania, Inc. (6918); Charlie Brown's of Piscataway, LLC (8285); Charlie Brown's of Reading, LLC (1214); Charlie Brown's of Scranton, LLC (9817); Charlie Brown's of Selinsgrove, LLC (6492); Charlie Brown's of Springfield, LLC (9892); Charlie Brown's of Staten Island, LLC (1936); Charlie Brown's of Tinton Falls, Inc. (6981); Charlie Brown's of Toms River, LLC (5492); Charlie Brown's of Union Township, Inc. (8910); Charlie Brown's of Trexlertown, LLC (6582); Charlie Brown's of Wayne, Inc. (4757); Charlie Brown's of West Windsor, Inc. (0159); Charlie Brown's of Williamsport LLC (8218); Charlie Brown's of Woodbury, Inc. (0601); Charlie Brown's of York, LLC (0980); Charlie Brown's of Yorktown, LLC (7855); Charlie Brown's Restaurant Corp. (7782); Charlie Brown's Steakhouse Fishkill, Inc. (9139); Charlie Brown's Steakhouse Woodbridge, Inc. (1906); Charlie Brown's, Inc. (4776); Jonathan Seagull Property Corp. (7248); Jonathan Seagull, Inc. (9160); The Office at Bridgewater, Inc. (3132); The Office at Cranford, Inc. (3131); The Office at Keyport, Inc. (1507); The Office at Montclair, Inc. (3128); The Office at Morristown, Inc. (3127); The Office at Ridgewood, Inc. (2949); The Office at Summit, Inc. (3126); and What's Your Beef V, Inc. (4719). The Debtors' address is 1450 Route 22 West, Mountainside, NJ 07092.

**ORDER APPROVING COMPROMISE AND SETTLEMENT OF
ADVERSARY PROCEEDING COMMENCED BY WATERPART, LLC**

Upon consideration of the motion (the "Motion")² of the Debtors for an order approving the Settlement Agreement (as amended); and upon consideration of the notice of amendment to the Settlement Agreement filed by the Debtors on May 16, 2011 [ECF No. 779]; and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. § 1334 and that this matter is a core matter pursuant to 28 U.S.C. § 157(b); and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors' estates and their creditors; and it appearing that the settlement and compromise embodied in the Settlement Agreement is fair and reasonable and a sound and prudent exercise of the Debtors' business judgment; and it appearing that due notice of the Motion has been given, and that no further notice need be given; and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The Settlement Agreement, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, and all of its terms, are hereby approved. The Debtors are authorized to enter into the Settlement Agreement.
3. The Debtors are authorized to execute and deliver any documents or other instruments that may be reasonably necessary to consummate the resolution contemplated by the Settlement Agreement.

² Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

4. *In accordance with the Settlement Agreement, and except as expressly provided therein, Waterpart shall, and hereby does, for itself and its affiliates, subsidiaries, related entities, successors and predecessors-in-interest, heirs, agents, officers, employees, advisors, accountants, representatives, and assigns, including, without limitation, Camco, irrevocably and unconditionally waives, surrenders, releases, discharges, and foregoes any and all rights, demands, claims, actions, suits, causes of action, damages, costs, and expenses of any kind that Waterpart or Camco now, or in the future, whether asserted or unasserted, contingent or fixed, liquidated or unliquidated, choate or inchoate, known or unknown, may be entitled to assert against the Debtors, their affiliates, subsidiaries, related entities, successors and predecessors-in-interest, heirs, agents, officers, employees, advisors, accountants, representatives, and assigns, with respect to its rights to and interests in the Liquor License as detailed in the Complaint.*

5. *In accordance with the Settlement Agreement, and except as expressly provided therein, the Debtors shall, and hereby do, for themselves and their affiliates, subsidiaries, related entities, successors and predecessors-in-interest, heirs, agents, officers, employees, advisors, accountants, representatives, and assigns, irrevocably and unconditionally waive, surrender, release, discharge, and forego any and all rights, demands, claims, actions, suits, causes of action, damages, costs, and expenses of any kind that the Debtors, jointly or severally, might now, or in the future, whether asserted or unasserted, contingent or fixed, liquidated or unliquidated, choate or inchoate, known or unknown, may be entitled to assert against either of Waterpart or Camco, their affiliates, subsidiaries, related entities, successors and predecessors-in-interest, heirs, agents, officers, employees, advisors, accountants, representatives, and assigns, with respect to its rights to and interests in the Liquor License as detailed in the Complaint.*

6. The Debtors and Waterpart are authorized and empowered to take any and all actions necessary to implement the terms of this Order. On or before the Payment Date, and in no event later than the Payment Date, without the need for any additional action by the Debtors or direction from this Court, the Escrow Agent shall release the Settlement Sale Price and shall immediately transfer it to the Debtors, to be applied in accordance with the terms of the Settlement Agreement.

7. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry

8. This Court shall retain jurisdiction to implement, interpret, and enforce the terms of the Settlement Agreement and this Order.

Dated: May 17, 2011



THE HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

Settlement Agreement

Amended Settlement Agreement

THIS AMENDED SETTLEMENT AGREEMENT (this "Settlement Agreement"), dated as of May 10, 2011, is by and between Bugaboo Creek Holdings, Inc. ("Bugaboo"), and Waterpart, LLC ("Waterpart" and together with the Debtors, the "Parties").

RECITALS:

A. On or about August 16, 1994, Watertown Arsenal Associates, L.P., a predecessor-in-interest to Waterpart, and Bugaboo entered into a lease (the "Lease") for certain real property located at 617 Arsenal Street, Watertown, Massachusetts. A true and correct copy of the Lease was attached to the Complaint (as defined below).

B. On November 17, 2010, Bugaboo and certain related debtor entities (collectively, the "Debtors") each filed separate, voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

C. On February 4, 2011, Waterpart, through its managing agent Camco Management Company, Inc. ("Camco"), commenced adversary proceeding no. 11-50481 by filing a complaint (the "Complaint") against Bugaboo seeking, among other things, a declaratory judgment confirming its alleged exclusive ownership of and interest in a certain Massachusetts liquor license, License Number 13360062 (the "Liquor License"), as granted to it in the Lease. A true and correct copy of the Complaint was attached as Exhibit 1 to the Original Agreement (as defined below).

D. On April 14, 2011, Waterpart and the Debtors entered into that certain settlement agreement (the "Original Agreement") resolving the issues alleged in the Complaint and providing for the transfer of the Liquor License to Waterpart on the terms set forth in the Original Agreement.

E. On April 21, 2011, the Debtors filed a motion (the "Waterpart 9019 Motion") with the Bankruptcy Court seeking approval of the Original Agreement, which is currently scheduled to be heard on May 17, 2011 (the "May 17th Hearing").

F. On April 25, 2011, the Debtors and SE Asian Bistro of Watertown, Inc., entered into a purchase and sale agreement (the "Sale Agreement") for the Liquor License in accordance with the terms of the Sale Agreement, and the Debtors filed a motion (the "Sale Motion") with the Bankruptcy Court seeking approval of the Sale Agreement, which is scheduled to be considered by the Bankruptcy Court at the same time as this Settlement Agreement.

G. Within two (2) business days of the date hereof, Waterpart will deposit the full amount of the Settlement Sale Price (as defined below) with Krokidas & Bluestein LLP, acting as escrow agent (the "Escrow Agent") in accordance with the terms hereof and any order approving the terms of this Settlement Agreement and authorizing the Debtors' entry into this Settlement Agreement.

H. The Parties have negotiated in good faith and have reached an agreement by which the Debtors and Waterpart desire to settle the disputes set forth in the Complaint on the terms and conditions provided for herein.

A G R E E M E N T:

NOW, THEREFORE, subject to the terms and conditions of this Settlement Agreement, and in consideration of the mutual promises and covenants contained herein and the recitals stated above, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

1. Purchase of Liquor License. Subject to the approval of the Bankruptcy Court, the Debtors agree to sell the Liquor License to Waterpart for \$25,000 (the "Settlement Sale Price"). Upon payment of the Settlement Sale Price, which shall occur no later than three (3) business days (the "Payment Date") after approval of this Settlement Agreement by the Bankruptcy Court in accordance with the terms hereof and without any additional action by the Debtors, the Complaint shall be withdrawn, with prejudice, and otherwise deemed dismissed. Waterpart shall file all necessary papers or pleadings with the Bankruptcy Court to effectuate such withdrawal of the Complaint. The Settlement Sale Price shall be paid by Waterpart to the Escrow Agent within two (2) business days of the date hereof to be held and applied in accordance with the terms hereof. On or before the Payment Date, without the need for any additional action by the Debtors or direction from the Bankruptcy Court, the Escrow Agent shall release the Settlement Sale Price and shall immediately transfer it to the Debtors, to be applied in accordance with the terms of this Settlement Agreement.

2. Release and Waiver of Claims. In consideration and contingent upon the Parties satisfying their obligations hereunder, and effective as of the date of the Original Agreement,

Waterpart shall, and hereby does, for itself and its affiliates, subsidiaries, related entities, successors and predecessors-in-interest, heirs, agents, officers, employees, advisors, accountants, representatives, and assigns, including, without limitation, Camco, irrevocably and unconditionally waives, surrenders, releases, discharges, and foregoes any and all rights, demands, claims, actions, suits, causes of action, damages, costs, and expenses of any kind that Waterpart or Camco now, or in the future, whether asserted or unasserted, contingent or fixed, liquidated or unliquidated, choate or inchoate, known or unknown, may be entitled to assert against the Debtors, their affiliates, subsidiaries, related entities, successors and predecessors-in-interest, heirs, agents, officers, employees, advisors, accountants, representatives, and assigns, with respect to its rights to and interests in the Liquor License as detailed in the Complaint.

The Debtors shall, and hereby do, for themselves and their affiliates, subsidiaries, related entities, successors and predecessors-in-interest, heirs, agents, officers, employees, advisors, accountants, representatives, and assigns, irrevocably and unconditionally waive, surrender, release, discharge, and forego any and all rights, demands, claims, actions, suits, causes of action, damages, costs, and expenses of any kind that the Debtors, jointly or severally, might now, or in the future, whether asserted

or unasserted, contingent or fixed, liquidated or unliquidated, choate or inchoate, known or unknown, may be entitled to assert against either of Waterpart or Camco, their affiliates, subsidiaries, related entities, successors and predecessors-in-interest, heirs, agents, officers, employees, advisors, accountants, representatives, and assigns, with respect to its rights to and interests in the Liquor License as detailed in the Complaint.

3. Representations and Warranties.

The Parties represent and warrant that (a) they have read and understand the terms of this Settlement Agreement, (b) they have the full power, authority, and legal right to execute and deliver this Settlement Agreement, and (c) they have entered into this Settlement Agreement for reasons of their own and not based upon representations of any other party not stated herein. This Settlement Agreement shall not be construed against either of the Parties, but it will be given a reasonable interpretation.

The Parties represent that they have been advised by independent counsel of their choosing in the negotiation of the terms and conditions contained herein. The Parties expressly represent, warrant, and affirm that the terms and conditions of this Settlement Agreement are fair and reasonable and that they are entering into the settlement memorialized hereby of their own accord and without any undue pressure, duress, or influence.

Waterpart acknowledges and understands that the Debtors have fiduciary duties and that the Court may not approve this Settlement Agreement on the terms and conditions set forth herein or may direct that the Debtors and Waterpart engage in other related activities.

4. Execution and Effectiveness. This Settlement Agreement may be executed for the Debtors and Waterpart in counterparts, each of which, when taken together, shall be deemed to constitute one instrument. The execution may be by facsimile or imaged signature. This Settlement Agreement is subject to approval by the Bankruptcy Court, but effective as of the date of the Original Agreement, when approved. The Debtors shall file a notice with the Bankruptcy Court of their entry into this Agreement within two (2) business days of the date hereof. The Debtors intend to seek approval of the Waterpart 9019 Motion and this Agreement at the May 17th Hearing and withdraw the Sale Motion on the record of the May 17th Hearing.

5. Governing Law. This Settlement Agreement and any claim, counterclaim, or dispute of any kind or nature whatsoever arising out of or in any way relating hereto, directly or indirectly, shall be governed by and construed in accordance with the laws of the state of New York. The Parties consent to the exclusive jurisdiction of the Bankruptcy Court for the adjudication of any claim arising out of and/or concerning the interpretation or enforcement of this Settlement Agreement.

6. Binding Effect. This Settlement Agreement, when approved, effective as of the date of the Original Agreement, will bind and inure to the benefit of each of the Parties' respective predecessors, successors, trustees, receivers, directors, officers, employees, shareholders, agents, beneficiaries, and assigns.

7. Entire Agreement. This Settlement Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter hereof, and any and

all prior agreements or understandings between and among the Parties are hereby terminated and canceled in their entirety and are of no further force or effect.

8. Effect of Amendment. The Debtors and Waterpart have amended the Original Agreement in its entirety to read as set forth in this Settlement Agreement, and it has been agreed that all rights and obligations under the Original Agreement shall be governed by and deemed to be outstanding under this Settlement Agreement with the intent that the terms of this Settlement Agreement shall supersede the terms of the Original Agreement (which shall hereafter have no further effect upon the parties thereto other than with respect to any action, event, representation, warranty, or covenant occurring, made, or applying prior to the date of this Settlement Agreement), and all references to the Original Agreement in any other document shall be deemed to refer to this Settlement Agreement and the provisions hereof; provided, however, that it is agreed and understood that this Settlement Agreement does not constitute a novation, satisfaction, or payment of any obligations under the Original Agreement except as expressly modified by this Settlement Agreement, nor does it operate as a waiver of any right, power or remedy of any party under the Original Agreement, except as provided herein. If the Waterpart 9019 Motion is not approved on May 17, 2011 (including approval on the record of the May 17th Hearing), or such other date as may be agreed to by the Debtors and Waterpart or ordered by the Bankruptcy Court, this Settlement Agreement shall be void and of no further force and effect, and the parties' hereto rights, claims, causes of action, and defenses would be reserved, including any rights of Waterpart under or related to the Complaint and/or for any breach of the Original Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Settlement Agreement has been duly executed by the Debtors and Waterpart as of the date first set forth above.

The Debtors

By: _____

NAME: Gary Lembo

TITLE: Chief Restructuring Officer

Waterpart, LLC

By: _____

NAME:

TITLE:

IN WITNESS WHEREOF, this Settlement Agreement has been duly executed by the Debtors and Waterpart as of the date first set forth above.

The Debtors

By: 

NAME: Gary Lembo

TITLE: Chief Restructuring Officer

Waterpart, LLC

By: _____

NAME:

TITLE:

IN WITNESS WHEREOF, this Settlement Agreement has been duly executed by the Debtors and Waterpart as of the date first set forth above.

The Debtors

By: _____

NAME: Gary Lembo

TITLE: Chief Restructuring Officer

Waterpart, LLC

By: Robert Wolff

NAME: Robert Wolff

TITLE: Managing Member
Waterpart, LLC