

15 # 1695842

ASSET PURCHASE AGREEMENT

This Agreement made as of May ____, 2019 by and among NUEVA ERA SUPERMARKET, INC., a Rhode Island corporation with a principal address of 701 Cranston Street, Providence, Rhode Island 02907 ("Seller"); ANTONIO VALDEZ, with a mailing address of 155 Waterman Avenue, Cranston, Rhode Island 02910 ("Seller's Shareholder"); and VALERY A. BLANCO REYES and YANEIRO M. BLANCO REYES, both with a mailing address of 2174 DAVIDSON AVE. Bst, Bronx New York 10453 (collectively "Buyer") or their NOMINEE.

WHEREAS, subject to the terms and conditions hereof, Seller and Seller's Shareholder desire that Seller sell, transfer and assign to Buyer, and Buyer desires to purchase from Seller, substantially all of Seller's assets used in connection with Seller's grocery store business known as *NUEVA ERA SUPERMARKET*, Located at 701 Cranston Street, Providence, Rhode Island 02907 (the "Business"); and

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties hereto agree as follows:

SECTION 1. PURCHASE AND SALE OF ASSETS.

1.1 Sale of Assets. Upon the terms and subject to the conditions set forth in this Agreement and the performance by the Parties hereto of their respective obligations hereunder, Seller agrees to sell, assign, transfer and deliver to Buyer, and Buyer agrees to purchase from Seller, Seller's right, title and interest in and to the properties and assets of Seller, including but not limited to (a) inventory, grocery store equipment, computers, the trade name "*Nueva Era Supermarket*", any website and domain names, telephone numbers, leasehold improvements, the business name and, other tangible personal property and all goodwill associated with the Business (collectively, the "Purchased Assets"). A list of the tangible personal property included in the Purchased Assets is set forth on Exhibit A hereto.

1.2 Assumed Liabilities. Buyer will not assume any liabilities or obligations of Seller or any obligations or liabilities relating to the Purchased Assets., with the exception of Buyer's assumption of Seller's Loan from *EASTERN FUNDING*, which has an approximate outstanding balance of \$275,000.00. As of the date of this Agreement, Seller warrants and represents that all of outstanding obligations, rent, utilities, etc. have been satisfied in full, including any debts owed to its suppliers, equipment providers and, further, that there exists no liens against any of the Purchased Assets. To the extent that any obligations or liens exist against the Purchased Assets, that they will be paid at the time of Closing as hereinafter set forth, with the exception of the *Eastern Funding* loan.

1.3 Purchase Price. The amount of the total purchase price (the "Purchase Price") payable by the Buyer to Seller for the Purchased Assets shall be FOUR

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HUNDRED FIFTEEN THOUSAND and 00/100 (\$415,000.00) Dollars payable as follows: NINE THOUSAND and 00/100 (\$9,000.00) Dollars shall be paid in cash, wire transfer or certified funds as a deposit (the "Deposit") upon execution of this Agreement. Said deposit shall be held in escrow by Seller's attorney, ROBERT A. PERETTI, ESQ., The balance of the purchase price in the amount of FOUR HUNDRED SIX THOUSAND and 00/100 (\$406,000.00) Dollars shall be paid as follows:

(i) TWO HUNDRED SEVENTY FIVE THOUSAND and 00/100 \$275,000.00) Dollars (approximately) by the assumption of the outstanding balance of Seller's loan from Eastern Funding; and

(ii) ONE HUNDRED THIRTY-ONE THOUSAND and 00/100 (\$131,000.00) Dollars (approximately) (i.e. - the remaining balance after the assumption of the *Eastern Funding* loan) shall be in the form of a purchase money mortgage from Seller (or Seller's designee(s)), upon the following terms and conditions: Seller (or Seller's designee(s)) shall provide purchase money financing to Buyer in the form of a Negotiable Promissory Note in the amount of ONE HUNDRED THIRTY-ONE THOUSAND and 00/100 (\$131,000.00) Dollars (approximately) (i.e. - the remaining balance after the assumption of the *Eastern Funding* loan), due and payable within EIGHTEEN (18) MONTHS from execution, at either no interest or the applicable short-term federal rate set by the Internal Revenue Service and shall contain no prepayment penalty. However, said Note shall contain a "default rate" of interest of Twelve Percent (12%) in the event Buyer fails to pay off the Promissory Note on or before the maturity date. Buyer shall also grant Seller a second position security interest and UCC-1 financing statement on the assets being purchased hereunder; and the unconditional Personal Guaranty of VALERY A. BLANCO REYES and YANEIRO M. BLANCO REYES.

1.4 Purchase Price Allocation. The Parties agree to allocate the Purchase Price (and all other capitalized costs) among the Purchased Assets for tax purposes as follows:

Furniture & Fixtures	\$ _____ .00
Equipment	\$ _____ .00
Goodwill	\$ _____ .00
Inventory	\$ _____ .00
Leasehold Interest	\$ _____ .00

TOTAL	\$415,000.00
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1.5 Conveyance. To enable the Seller to make conveyance as provided in this Agreement, Seller shall, at the time of delivery of the bill of sale, use the purchase money, or any portion thereof, to clear the title of any or all encumbrances or liens or other expenses of the Seller's business including income taxes, sales taxes, utilities, rent and any other expenses.

1.6 Execution of Lease. This Agreement is subject to Buyer's ability to successfully execute an appropriate lease with the owner of the premises located at 701 Cranston Street, Providence, Rhode Island 02907. The term of said lease shall be for ten (10) years with at least one (1) five (5) year option to renew. Seller shall not have any obligation under said lease or for any renewal periods under said lease. Buyer shall be entitled to a return of its deposit paid hereunder in the event that it is not able, after the exercise of all reasonable diligence, to successfully negotiate a lease with the landlord/owner.

1.7 The Closing. The closing of the transactions contemplated by this Agreement will take place at the offices of Seller's attorney, ROBERT A. PERETTI, Esq., 1536 Westminster Street, Providence RI 02909 at a mutually convenient time, on or before June 13, 2019 (the "Closing Date").

1.8 Prepaid Expenses. Buyer and Seller agree that all taxes, insurance, prepaid expenses, deposits, property taxes, license fees, license renewal fees and other municipal charges shall be prorated and adjusted accordingly as of the date of the closing.

1.9 Risk of Loss. The Purchased Assets shall remain insured as they are presently and the Seller shall bear the risk of loss through the closing date.

1.10 Deliveries by Seller at Closing. At the Closing, Seller, as applicable, shall deliver or cause to be delivered to Buyer the following:

- (a) The Purchased Assets;
- (b) A Bill of Sale;
- (c) All licenses, permits, approvals and operating rights, if any, which may be necessary for the operation of Seller's business. All fees or taxes associated with the transfer of these items shall be paid by the Buyer.
- (d) Seller shall deliver to Buyer at Closing Corporate Resolutions, dated as of the closing, certifying as to the resolutions adopted by the shareholders, duly authorizing the execution, delivery and performance of this Agreement and the execution and delivery of all instruments and documents contemplated under this Agreement.
- (e) A certificate of good standing for the corporation from the Rhode Island Secretary of State and a letter of good standing from the Rhode Island Division of Taxation. If a letter of good standing from the Rhode Island Division of Taxation is not returned as of the date of closing, Seller shall provide buyer with a certification letter from Seller's certified public accountant attesting to the fact that all of Seller's tax returns have been filed and all taxes paid.
- (f) All other documents, assignments and other instruments which, in the opinion of Buyer, are necessary or appropriate to vest in Buyer title to the Purchased Assets

to be transferred by Seller pursuant to this Agreement.

1.11 Deliveries by Buyer at Closing. At the Closing, Buyer shall deliver or cause to be delivered to Seller the following:

(a) Payment of the Purchase Price.

(b) Buyer shall deliver to Seller at Closing Corporate Resolutions, dated as of the closing, certifying as to the resolutions adopted by the shareholders of buyer, duly authorizing the execution, delivery and performance of this Agreement and the execution and delivery of all instruments and documents contemplated under this Agreement.

(c) a written release of Seller and Seller's shareholder and a written assumption executed by Buyer and *Eastern Funding* of Seller's outstanding loan obligation.

(d) All other documents, schedules, endorsements, assignments, instruments, writings and other items required to be delivered by Buyer at or prior to the Closing pursuant to this Agreement or otherwise required or reasonably requested in connection herewith.

1.12 Further Assurance. Seller, from time to time after the Closing at the request of Buyer and without further consideration, will execute and deliver further instruments of transfer and assignment and take such other action as Buyer may reasonably require to effectively transfer and assign to, and vest in, Buyer the Purchased Assets free and clear of any Liens.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF SELLER.

As a material inducement to Buyer to enter into this Agreement, Seller represents and warrant to Buyer as follows.

2.1 Organization. Seller is a Rhode Island Business Corporation, validly existing and in good standing under the laws of the State of Rhode Island, with full power and authority to own or lease its properties and to conduct its business in the manner and in the places where such properties are owned or leased or such business is currently conducted or proposed to be conducted. The Seller is duly qualified to do business in each jurisdiction where such qualification is required, except where the lack of such qualification would not have a material adverse effect on the Seller or the Business. The execution and delivery of this Agreement does not and the consummation of the transactions contemplated hereunder will not, violate any provision of the Seller's certificate of incorporation or its By-Laws.

2.2 Authority. Seller has the authority to enter into this Agreement and to consummate the transactions contemplated hereunder and each representative who has executed this Agreement on behalf of the Seller has authority to do so.

2.3 Taxes. Seller has paid or caused to be paid all federal, state, local, foreign and other taxes, including, without limitation, income taxes, excise taxes, sales taxes, use taxes, gross receipts taxes, franchise taxes, employment, payroll and payroll-related taxes, withholding taxes, stamp taxes, transfer taxes, environmental taxes and property taxes, whether or not measured in whole or in part by net income, and all deficiencies, or other additions to tax, interest, fines and penalties owed by it (collectively, "Taxes"), related to the Business and required to be paid by them through the date hereof, whether disputed or not, except where the failure to pay or file any such tax would not result in a material adverse effect on Seller. Neither the Internal Revenue Service nor any other governmental authority is now asserting or, to the knowledge of Seller or Shareholder, threatening to assert against Seller or Shareholder any deficiency or claim for additional Taxes.

2.4 Compliance with Laws. Seller's operation of the Business is in compliance in all material respects with all applicable statutes, ordinances, permits, rules and regulations promulgated by any federal, state, municipal or other governmental authority and Seller has not received notice of a violation or alleged violation of any such statute, ordinance, order, permit, rule or regulation.

2.5 Insurance. Seller has been covered since its formation by insurance in scope and amount customary and reasonable for the Business in which it has engaged during the aforementioned period.

2.6 Title. Seller has good and marketable title to all of the tangible Purchased Assets free and clear of all Liens. Upon the sale, assignment, transfer and delivery of the Purchased Assets to Buyer hereunder and under the Seller Documents, there will be vested in Buyer good and marketable title to the Purchased Assets, free and clear of all security interests, mortgages, encumbrances, liens or charges of any kind or nature granted by Seller with the exception of the obligation to *Eastern Funding*, and, further, Seller shall indemnify and hold Buyer harmless against any and all losses, claims, demands, actions, costs, fees and expenses, including reasonable attorney's fees incurred or arising from the same.

2.7 Condition of Assets. Buyer has had an opportunity to inspect all of Seller's Assets and finds the same in good repair, have been well maintained and are in good operating condition and suitable for the purposes for which they are presently used and presently proposed to be used. Buyer is accepting the assets of the Seller "AS IS" and without warranties of any kind, either express or implied.

2.9 Inventory. The inventory of Seller consists of food and grocery products, meats, deli products and produce. Buyer has had an opportunity to inspect all of Seller's inventory and is satisfied with the current condition thereof and is accepting the same "AS IS"; Buyer shall have the right to reinspect the food and grocery products on the day before the Closing to insure that said products are of comparable quantity and quality.

2.10 No Litigation. Seller is not now involved in, nor, to the knowledge of Seller or Member, is Seller or Member threatened to be involved in, any litigation or legal or other proceedings related to or affecting the Business or any of the Purchased Assets. The

Business is not subject to any adverse order, injunction or decree of any court or federal, state, municipal or other governmental department, commission, board, agency or instrumentality.

2.11 No Pension/Profit Sharing. Seller represents that it has no pension or profit sharing plan or other employee benefit plans which may have any unfunded liabilities which could, in the opinion of Buyer's counsel, create any possible liability for the Buyer following the closing.

2.12 Financial Statements. Buyer hereby acknowledges that it has had ample opportunity to review and inspect the desired financial statements and other financial information related to Seller and Buyer acknowledges and agrees that it is satisfied with Seller's financial condition.

2.13 Change in Circumstances. Seller shall promptly advise Buyer in writing of any material adverse change in circumstances in the financial condition of Seller's business occurring from the date of this Agreement through the closing.

2.13 Licenses. As of the date of this Agreement, Seller is the holder of all licenses, permits and authorizations from all individuals and governmental entities necessary for the conduct of the Business and the same shall be transferred to Buyer in connection with this transaction.

2.14 Brokers. Seller has not retained any broker or finder or other Person who would have any claim against any of the parties to this Agreement for a commission or brokerage fee in connection with this Agreement or the transactions contemplated hereby.

2.15 Disclosure. The representations, warranties and statements contained in this Agreement and in the certificates, exhibits and schedules delivered by Seller and/or the Member to Buyer pursuant to this Agreement do not contain any untrue statement of a material fact, and, when taken together, do not omit to state a material fact required to be stated therein or necessary in order to make such representations, warranties or statements not misleading in light of the circumstances under which they were made.

2.16 Employee Benefit Plans. Seller has no employee benefit plan established or maintained for employees of Seller, or to which contributions have been made by Seller.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF BUYER.

As a material inducement to Seller entering into this Agreement, Buyer hereby represents and warrants to Seller as follows:

3.1 Brokers. Buyer has not retained any broker or finder or other Person who would have any claim against any of the parties to this Agreement for a commission or brokerage fee in connection with this Agreement or the transactions contemplated hereby.

3.2 Buyer or Buyer's nominee is or will be at the time of closing a Business Corporation or Limited liability Company, validly existing and in good standing under the laws of the State of its incorporation or organization.

3.3 The execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby will not violate any provision of its By-Laws or Operating Agreement (as the case may be).

3.4 Buyer acknowledges that the books, records and business plan of Seller contain information that is confidential in nature. Buyer agrees that it shall not disclose or discuss any such confidential information with any party, other than its attorney and accountant.

SECTION 4. CONDITIONS PRECEDENT TO OBLIGATION OF BUYER.

Buyer's obligation to consummate the transaction contemplated by this Agreement is subject to the satisfaction, on or prior to the Closing, of each of the following conditions, unless waived by Buyer in writing:

4.1. Approval of Eastern Funding. Buyer shall have received approval from *Eastern Funding* to assume the loan obligations of Seller.

4.2. Lease. Buyer shall have entered into a satisfactory lease with Seller's landlord.

4.3. Gross Sales. Seller's financial records shall reflect average gross sales figures of approximately Twenty Five Thousand and 00/100 (\$25,000.00) Dollars per week over a satisfactory period of time prior to Closing

4.4. Accuracy of Representations and Warranties. The representations and warranties of Seller contained in this Agreement will be true and correct in all material respects as of the Closing with same effect as though made at such time.

4.5. No Material Adverse Effect. None of the schedules, documents or other information to be furnished by Seller to Buyer pursuant to this Agreement will disclose any fact, circumstance or matter, or any change in or development in connection with any matter disclosed in the original schedules or documents previously delivered by Seller to Buyer, which has, or could reasonably be expected to have, a material adverse effect on the Purchased Assets or on the Business; and there will have been no other changes or developments affecting either the Purchased Assets or the Business since the date hereof which have, or could reasonably be expected to have, a material adverse effect on Seller or the Business or the Purchased Assets.

4.6. Asset Transfer. Seller will have delivered to Buyer bills of sale, assignments, and other instruments of transfer and assignment satisfactory to Buyer, transferring to Buyer all of the Purchased Assets, free and clear of all Liens (except the

obligation to *Eastern Funding*).

SECTION 5. CONDITIONS PRECEDENT TO OBLIGATION OF SELLER.

The obligation of Seller to consummate the transaction contemplated by this Agreement is subject to the satisfaction, on or prior to the Closing, of the following conditions, unless waived by Seller in writing:

5.1 Release of Seller. Seller shall have been unconditionally released from its obligations and Seller's shareholder shall have been unconditionally released from his personal guaranty of that certain promissory note and mortgage to Eastern Funding.

5.2 Accuracy of Representations and Warranties. The representations and warranties of Buyer contained in this Agreement will be true in all material respects as of the Closing with the same effect as though made at such time.

5.3 Consents. All consents and approvals required to be obtained by Buyer in connection with the consummation of the transactions contemplated hereby will have been obtained without conditions materially and adversely affecting Seller or its business or properties.

SECTION 7. NOTICES.

All notices and other communications required to be given hereunder, or which may be given pursuant or relative to the provisions hereof, will be in writing and will be deemed to have been given when delivered in hand or mailed, postage prepaid, by first class United States mail, certified return receipt requested or by prepaid overnight courier service, with proof of delivery (e.g. UPS, FedEx, etc.) as follows:

If to Seller to:

NUEVA ERA SUPERMARKET
ATTN: Antonio Valdez
701 Cranston Street
Providence, RI 02907

with a copy to:

Robert A. Peretti, Esq.
1536 Westminster Street
Providence, RI 02909

If to Buyer to:

Valery A. Blanco Reyes
Yaneiro M. Blanco Reyes

with copy to:

SECTION 8. TERMINATION and DEFAULT

8.1 Termination. This Agreement may be terminated at any time prior to the Closing:

- (a) by the mutual consent of Buyer and Seller; or
- (b) by the inability of Buyer to assume the Seller's loan obligation with Eastern Funding Corp.
- (c) the failure of Buyer to enter into an acceptable lease with Seller's Landlord;
- (d) by either Buyer or Seller if there has been a material misrepresentation, material breach of warranty or material breach of covenant on part of the Seller or Shareholder, on the one hand, or Buyer, on the other, in the representations, warranties and covenants set forth in this Agreement and such material misrepresentation or breach of warranty or breach of covenant is not cured by the breaching party within Ten (10) business days following the receipt by the breaching party of a notice from the non-breaching party of any such breach.

8.2 Effect of Termination. In the event of termination of this Agreement by either Buyer or Seller as provided in Section 8.1 hereof, all provisions of this Agreement shall terminate and there shall be no liability on the part of the Buyer or the Seller or their respective officers, managers or members, except that: (i) Sections 9.6 (governing law) and 9.9 (expenses) hereof shall survive indefinitely, and (ii) the parties shall remain liable for their breaches of this Agreement prior to the time of such termination.

8.3 Default If either party defaults under the provisions of this Agreement, the non-defaulting party shall be entitled to such monetary damages as may have been sustained by said non-defaulting party as a result of the default, including all compensatory damages and equitable remedies including but not limited to specific performance.

SECTION 9. MISCELLANEOUS.

9.1 Assignability; Effect. This Agreement is not assignable by Buyer or Seller except with the written consent of the other, except that Buyer may assign its rights under this Agreement to a nominee entity, wholly owned or controlled by Buyer. This Agreement will be binding upon and will inure to the benefit of, the parties hereto and their respective successors and assigns.

9.2 Headings. The subject headings used in this Agreement are included for purposes of convenience only and will not affect the construction or interpretation of any of

its provisions.

9.3 Amendments; Waivers. This Agreement may not be amended or modified, nor may compliance with any condition or covenant set forth herein be waived, except by a writing duly and validly executed by Buyer, Seller or, in the case of a waiver, the party waiving compliance. No delay on the part of any Party in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any waiver on the part of any Party of any such right, power or privilege, or any single or partial exercise of any such right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege.

9.4 Entire Agreement. This Agreement, together with the schedules, attachments and exhibits hereto, and the agreements executed and delivered in connection with the consummation of the transactions contemplated hereby, constitute the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersedes and cancels any and all prior arrangements, understandings and agreements between them relating to the subject matter hereof and thereof.

9.5 Survival. All representations and warranties contained herein shall or otherwise in writing relative to the transactions contemplated under this Agreement shall be true and correct at Closing. All other obligations of Buyer that continue on after the Closing date shall survive post Closing and shall remain as continuing and enforceable contractual obligations.

9.6 Severability. In the event that any provision or any portion of any provision of this Agreement will be held to be void or unenforceable, then the remaining provisions of this Agreement (and the remaining portion of any provision held to be void or unenforceable in part only) will continue in full force and effect.

9.7 Governing Law. This Agreement and the transactions contemplated hereby will be governed and construed by and enforced in accordance with the internal laws of the State of Rhode Island without regard to its provisions concerning conflicts of laws.

9.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which will constitute the same instrument.

9.9 Expenses. Each Party will pay its own expenses incident to the negotiation, preparation and performance of this Agreement and the transactions contemplated hereby, including all fees and expenses of its counsel and accountants for all activities of such counsel and accountants undertaken pursuant to this Agreement, whether or not the transactions contemplated hereby are consummated.

9.10 Interpretation. Whenever the words "include," "includes," or "including," are used in this Agreement, they will be deemed to be followed by the words "without limitation." Except as otherwise provided herein, reference to a Party's "knowledge" means that Party's actual knowledge and the knowledge that the Party would have obtained

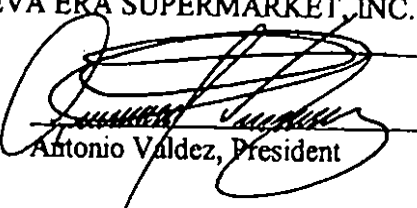
after due inquiry.

9.11 Construction. The Parties have been represented by counsel of their own choosing and participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The Parties intend that each representation, warranty, and covenant contained herein shall have independent significance. If any Party has breached any representation, warranty, or covenant contained herein in any respect, the fact that there exists another representation, warranty, or covenant relating to the same subject matter (regardless of the relative levels of specificity) which the Party has not breached shall not detract from or mitigate the fact that the Party is in breach of the first representation, warranty or covenant. All defined phrases, pronouns, and other variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the actual activity of the organization, person or persons may require.

IN WITNESS WHEREOF, Seller and Buyer have caused this Asset Purchase Agreement to be executed as a sealed document as of the date first above written.

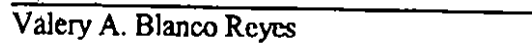
SELLER:

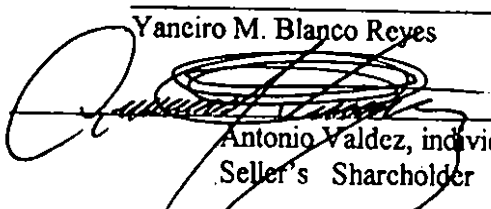
NUEVA ERA SUPERMARKET, INC.

By: 

Antonio Valdez, President

BUYER:


Valery A. Blanco Reyes


Yanciro M. Blanco Reyes

AGREED and ASSENTED TO:

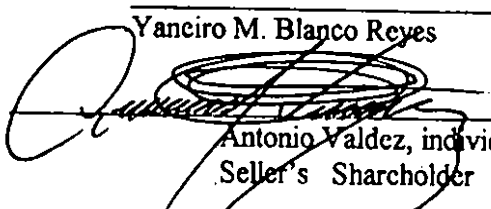

Antonio Valdez, individually as
Seller's Shareholder

EXHIBIT "A"
(List of Purchased Assets)