

Stockton Trustees Approve Amended Showboat Sales Agreement that Increases Purchase Price to \$23 Million, Provides Additional Benefits

Buyer Gets Tax Benefits by Extending Settlement until January 2016

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Galloway, NJ - Stockton University will receive an additional \$1 million to the purchase price, for a total of \$23 million, as a result of amending its sales agreement with Tower Investments, Inc. to extend settlement on the Showboat property until Jan. 15, 2016.

The university's Board of Trustees today voted to accept the Amended and Restated Agreement of Sale on the former casino hotel in Atlantic City.

"The new agreement is positive for Tower Investments and its CEO, Bart Blatstein, and for Stockton University," said University Interim President Harvey Kesselman.

The buyer will receive substantial tax benefits by closing in the new year, and Stockton will benefit in a number of ways:

- the purchase price was increased by \$1 million, to \$23 million;
- the current escrow funds totaling \$1.1 million, which previously had been intended to be applied toward the purchase price, will be released to Stockton for costs incurred since September;
- another \$1 million will be deposited in escrow to be applied toward either the purchase proceeds or liquidated damages;
- the buyer has also agreed to pledge a personal guaranty for the purchase price;
- the buyer will cover carrying costs from the previous closing date of Nov. 9 through the new closing date in the amount of \$500,000 a month, which when prorated totals approximately \$1.1 million, to be paid in advance.

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“Stockton is pleased to be working with Bart Blatstein and Tower Investments, given their record of successful community partnerships in Atlantic City and Philadelphia,” said Kesselman. “We plan to continue working together in ways that will benefit Stockton and Tower Investments, and contribute to the renaissance of Atlantic City.”

The transaction includes a proposed affiliation agreement that outlines internships for Stockton students in the Hospitality and Tourism Management program at Blatstein’s hotel operation.

It also provides Stockton with use of the Boardwalk property’s entertainment venue for performances.

Stockton purchased the Showboat for \$18 million in December 2014 with plans to develop a residential campus in Atlantic City. But land-use restrictions placed on the property at different times by owners thwarted these efforts, leading Stockton to move to sell the 1.73 million-square-foot facility, which includes two hotel towers, parking lots and garages.

Click for the redacted [Amended and Restated Agreement of Sale](#).

Click for the [Exhibits to the Amended and Restated Agreement](#).

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