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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re

Chapter 11
Case No. 17-41936

HILLSIDE LOFTS LLC

Debtor.

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ORDER APPROVING SALE PROCEDURES
PURSUANT TO SECTION 363 OF THE BANKRUPTCY CODE
REGARDING THE DEBTOR'S SALE OF PREMISES
134-15 HILLSIDE AVENUE, RICHMOND HILL, NEW YORK

Upon the Motion dated July 3, 2017 of the Debtor Hillside Lofts, LLC, by its attorney, for an entry of an Order pursuant to Section 363 of the United States Bankruptcy Code (i) approving the sales procedures in connection with the Debtor's sale of the Debtor's real property located at 134-15 Hillside Avenue, Richmond Hill, New York ("Property") by public auction sale to the highest and best offer ("Auction") all as more fully described in the Motion; the limited objection of the Tax Lien Trusts dated July 11, 2017; and upon the record of the hearings held by the Court on July 18, 2017; and after hearing M. David Graubard, Esq., counsel for the Debtor in support of the application; and Christopher McCann, Esq., attorney for Joseph Zelik in qualified support of the Motion; and Nickloas Karvoles, Esq., counsel for the Tax Lien Trusts in qualified support of the Motion; and William Curtin, Esq., having appeared on behalf of the U.S. Trustee; and the Court having determined that the relief requested in the

Motion is in the best interest of the Debtor's estate, its creditors and other parties in interest, and after due deliberation thereon; and good and sufficient cause appearing therefore, it is hereby

FOUND AND DETERMINED THAT:

(A) This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§157(a) and 1334 Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for the Eastern District of New York.

B) The statutory predicates for the relief sought in the Motion are subsections 363(b)(1), (f) and (m) of the Bankruptcy Code.

C) This matter is a core proceeding pursuant to 28 U.S.C. §157(b)(2)(M).

D) Venue of this case and the Motion in this district is proper under 28 U.S.C. §1408.

E) Good and sufficient notice of the relief sought in the Motion has been given under the circumstances, and no further notice is required; such notice complies with the requirements of Section 363 of the Bankruptcy Code, F.R.B.P. 206 and 6002; and Local Bankruptcy Rule 6004-1(a) ~~and General Order M-383~~. A reasonable opportunity to object or be heard regarding the relief requested in the Motion has been afforded to all interested persons and entities including (i) any party who has previously expressed interest or is reasonably believed to have interest in purchasing the Property; (ii) the Office of the U.S. Trustee for the Eastern District of New York; (iii) any party that has filed a notice of appearance or proof of claim in the Debtor's case; and (iv) any parties reasonably known to have an alleged lien, claim or encumbrance against the Pro perty.

F) The Bid Terms and Conditions of Sale, a copy of which is annexed hereto,

are fair, reasonable and appropriate and are designed to maximize the recovery for the Debtor.

G) The proposed Notice of the Sale and the Publication Notice, annexed to the Motion as Exhibits C and D are appropriate and reasonably calculated to provide all interested parties with timely and proper notice, and no other or further notice is required.

H) The entry of this Sale Procedures Order is in the best interests of the Debtor, its creditors and parties in interest; and it is therefore

~~ORDERED, ADJUDGED AND DECREED THAT:~~

1. The Bidding Procedures are hereby approved.
2. The Debtor is hereby authorized to take any and all actions reasonably necessary or appropriate to implement the Bidding Procedures.
3. The notice procedures for the Auction and Sale Hearing, as described in the Motion, are approved in all respects, and the form of Notice of Sale and Publication Notice are hereby approved.
4. In the event the Debtor seeks to make any material modification to the Bidding Procedures, including without limitation, the withdrawal of the Property from the Auction, the Debtor shall give a 3-day notice to the Office of the U.S. Trustee, together with any proposed modification, which shall also be filed with the Court.
5. The Auction shall take place on August 31, 2017 at 12:00 Noon before the U.S. Bankruptcy Court, Room 3554, 271-C Cadman Plaza East, Brooklyn, NY 11201, or such other room in the Courthouse as the Court may designate.
6. No later than five (5) business days after entry of this Sales Procedures

Order, counsel for the Debtor shall serve a copy of the Notice of Sale, including the Sales Procedures Order and Bidding Procedures upon the following by first class mail, postage prepaid: (i) any party who has previously expressed interest or is reasonably believed to have interest in purchasing the Property; (ii) the Office of the U.S. Trustee for the Eastern District of New York; (iii) any party that has filed a notice of appearance or proof of claim in the Debtor's case; and (iv) any parties reasonably known to have an alleged lien, claim or encumbrance against the Property.

7. As soon as is practicable after entry of the Sales Procedure Order, the Debtor shall have the Publication Notice placed in The New York Times.

8. Any objections to the Proposed Sale must: be in writing, conform to the requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules of the United States Bankruptcy Court for the Eastern District of New York; set forth the name of the objector; set forth the nature and amount of the objector's claims against or interests in the Debtor's estate or property; state the legal and factual basis for the objection and the specific grounds therefor; be filed with the United States Bankruptcy Court for the Eastern District of New York, 271-C Cadman Plaza East, Brooklyn, NY 11201, on or before 4:30 p.m. (EDT) on August 17, 2017; and be served so as to be received by (i) M. David Graubard, Esq., counsel for the Debtor, 71-18 Main Street, Flushing, NY 11367; (ii) Office of U.S. Trustee for the Eastern District of New York, Attn: Nazar Khodorovsky, Esq., 201 Varick Street, Suite 1006, New York, NY 10014; and (iii) any party that has filed a notice of appearance in the Debtor's case.

9. The Sale Hearing to consider approval of the Debtor's entry into and consummation of a transaction with a successful bidder shall be held on September 26,

2017 at 10:00 a.m. (EDT), or such ~~earlier~~ **other** date as may be determined by the Court.

10. The claims of Joseph Zelik as mortgagee, and of NYCTL 2015-A Trust and NYCTL 2016-A Trust, secured Tax Lien creditors, which attach to the proceeds of sale, shall be paid in full at the closing, including all valid post-petition charges.

11. The Debtor is hereby authorized and empowered to take such steps, expend such sums of money and do such other things as may be necessary to implement and effect the terms and requirements established by this Sales Procedures Order.

12. To the extent that the Bidding Procedures and the Sales Procedures Order conflict, the Sales Procedures Order will govern.

**Dated: Brooklyn, New York
July 25, 2017**



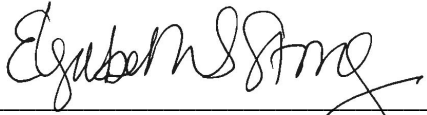

Elizabeth S. Stong
United States Bankruptcy Judge

Exhibit “B”

BID TERMS AND CONDITIONS OF SALE

1. Hillside Lofts LLC will offer for sale real property located at 134-15 Hillside Avenue, Richmond Hill, New York ("Property") at an auction sale to be held at the U.S. Bankruptcy Court, before the Honorable Elizabeth S. Stong, 271-C Cadman Plaza East, Room 3585, Brooklyn, NY 11201 on August , 2017 at 10:00 a.m. (the "Auction"), or such other room in the Courthouse as the Court may designate, at a minimum bid of \$4,200,000 or to any person or entity making a higher and better offer on the terms and conditions hereafter set forth and recited at the Auction. All offers to purchase the Property must comply with these bid terms.

2. The terms and conditions of sale shall include, among other things, the following:

(a) The Property will be sold (i) "as is" and "whereas" with no representations, legal or equitable, of any kind and (ii) with all liens, claims, and encumbrances, and other interests to attach to the proceeds of the sale.

(b) At the Auction, any person or entity, including the original purchaser, intending bid for the Property ("Offeror") is required to submit a certified check equal to ten percent (10%) of the offer ("Deposit") which is non-refundable should the Offeror becomes the successful bidder and then fail to close for any reason, with the Debtor reserving all other rights and remedies.

(c) The balance of the purchase price of the Property shall be paid by the successful Offeror ("Purchaser") by a certified or bank check payable to "M. David Graubard, as attorney," at the closing.

(d) All offers made at the sale shall remain open and irrevocable until

thirty (30) days after entry of an order approving the sale. In the event the order approving the sale is subject to a stay of the Court, the offer shall remain open until such time as either the stay is vacated or the order becomes a final order, whichever is earlier.

(e) The successful Purchaser must execute the Memorandum of Sale consistent with the procedures before the U. S. Bankruptcy Court authorizing an auction sale, and the closing shall take place within thirty days after entry of the order approving the sale to the successful bidder or at such other time as the Debtor and the Purchaser may agree upon. A hearing to approve the sale will be held on August , 2017 at 10:00 a.m. before the Honorable Elizabeth S. Stong, U.S. Bankruptcy Judge.

(f) All bidders, who must pay no less than ten (10%) of the final offer at the Auction, must include evidence satisfactory to the Debtor of such bidder's financial ability to close a purchase of the Property unless the Debtor directs otherwise. If a bid is made more than two business days prior to the Auction, the Debtor will notify the bidder within two business days of receipt whether the bid, including the 10% deposit and evidence of the bidder's financial ability to close, is a qualifying bid, or whether additional evidence is required.

3. All bidders shall provide to Debtor's counsel at or before the Auction the full name and identity of the proposed buyer of the Property.

4. If the transaction contemplated by the first highest and best offer as announced at the Auction is not closed, then the Debtor may accept the next highest and best offer.

5. In the event that the Debtor for any reason does not consummate a sale of

the Property, the sole obligation of the Debtor to the winning Offeror shall be to return the Deposit with interest and such party shall have no further claims, legal or equitable.

6. The Debtor shall accept the highest or best bid offered at the Auction. However, the sale is subject to the entry by the Bankruptcy Court of an order approving the sale and authorizing the Debtor to consummate the transaction.

7. Each bidder at the Auction is required to confirm that it has not engaged in any collusion with respect to the bidding or the Auction.

8. The actual bidding will be transcribed or videotaped to ensure a record.

9. All Offerors shall be deemed to acknowledge that they have had an opportunity to review the Property and all pertinent documents with respect thereto prior to making offers and to have relied solely on their review and upon their own investigation of the Property in making their offers.

10. The successful bidder shall enter into the Memorandum of Sale which incorporates the Bid Procedures and the Rules of the U. S. Bankruptcy Court, and provides for closing within thirty (30) days after the of the Order Approving Sale, immediately after the Auction.