

TERMS OF SALE

These terms and conditions of sale (the “Terms and Conditions of Sale”) are being promulgated in connection with the United States Bankruptcy Court, Eastern District of New York (the “Bankruptcy Court”) authorized auction sale (the “Sale”) of the Debtor’s interest in the Lease and Real Property subject to all liens, claims and encumbrances. The seller is Richard L. Stern, Chapter 7 Trustee (the “Trustee” and/or the “Seller”) for the Estate of Ronald S. Merrow and Tina L Merrow, debtors (the “Debtors”), debtors in a Chapter 7 case currently pending in the United States Bankruptcy Court for the Eastern District of New York *In re Merrow*, Chapter 7, Case No. 20-72141-reg; The Trustee’s retained attorneys are Rosen & Kantrow, PLLC (“RK”), 38 New Street, Huntington, New York 11743; Telephone (631) 423-8527; Facsimile (631) 423-4536; email: fkantrow@rkdllawfirm.com and or atsionis@rkdllawfirm.com; and website: www.rkdllawfirm.com.

The sale (the “Sale”) will take place at a date and time to be determined by the Trustee in consultation with RK. The Trustee reserves his right to conduct the sale online or by video/telephone conferencing. Under no circumstances shall the Sale take place earlier than thirty (30) days from the date of entry of an Order of the Bankruptcy Court authorizing the Trustee to conduct the Sale.

The Trustee has entered into a stalking horse contract (the “Stalking Horse Offer”). The terms of the Stalking Horse Offer are as follows: (i) Purchase price is \$50,000.00; (ii) All Cash; (iii) No Contingencies; and (iv) Closing shall take place within fifteen (15) days after the entry of a Bankruptcy Court Order confirming the sale. The Trustee may use the Stalking Horse Offer as the reserve sale price at the Sale, such that the Stalking Horse Offer may be the opening bid at the Sale.

In order to be permitted to bid on the Lease and the Real Property, at least two (2) days prior to the commencement of the Sale, and as a condition to be able to bid at the Sale, each prospective bidder must: (i) register with RK; (ii) deliver to RK the original signed Terms and Conditions of Sale; and (iii) tender a bank check in the amount of \$5,000.00 (the “Qualifying Deposit”) made payable to “Richard L. Stern, Chapter 7 Trustee”, which amount shall serve as a good faith deposit against payment of the purchase price by such bidder in the event that such bidder is determined to have made the highest or best bid (the “Successful Bidder”).

Within forty-eight (48) hours after conclusion of the Sale, the Successful Bidder of the Lease and the Real Property shall deliver to the Trustee a bank check which amount must be equal to the full amount (100) percent of the successful bid, minus the Qualifying Deposit. The Successful Bidder for the Lease and Real Property must execute, and thereby agree to be bound by: (i) these Terms and Conditions of Sale; and (ii) a Memorandum of Sale/Contract of Sale/Asset Purchase Agreement. At the conclusion of the Sale, the Trustee, or his representative, will return the Qualifying Deposits to all other bidders. The Trustee, however, shall retain the Qualifying Deposit of the second highest bidder (the “Second Bidder”).

The Successful Bidder, or its assigns, must close on the purchase of the Lease and Real Property as described herein (the "Closing") on a date ("Closing Date") that is not more than fifteen (15) calendar days after the entry of a Bankruptcy Court Order confirming the Sale. **TIME BEING OF THE ESSENCE AS TO THE SUCCESSFUL BIDDER, OR ITS ASSIGNS**, although such Closing Date may be extended solely by the Trustee, in his discretion. The Closing shall take place at a location that is to be determined by the Trustee.

The Bankruptcy Court, prior to the Closing, may enter an Order confirming the Sale.

The Successful Bidder, or its assigns, shall pay all of its expenses as purchaser, including but not limited to its broker's commissions and the Seller shall pay all of its expenses. The Successful Bidder, or its assigns, acknowledges that he, she, or it, will be responsible for any incidental expenses, and for the completion of any transfer forms, if applicable.

In connection with the Closing and Closing Date, the Successful Bidder, or its assigns, is hereby given notice that **Time is of the Essence against the Successful Bidder, or its assigns, and the failure of the Successful Bidder, or its assigns, to close for any reason whatsoever (except as otherwise provided below) including his, her, or its, failure to pay the balance of the Purchase Price on the Closing Date, will result in the Seller retaining the Deposit as liquidated damages and the termination of the Successful Bidder, or its assigns, right to acquire the Lease and Real Property under these Terms and Conditions of Sale.** The Successful Bidder, or its assigns, shall be obligated to close on the Lease and the Real Property and there is no contingency of any kind or nature that will permit the Successful Bidder, or its assigns, to cancel or avoid **his, her, or its**, obligation under these Terms and Conditions of Sale. Further, the Successful Bidder, or its assigns, must demonstrate, to the satisfaction of the Trustee or the Bankruptcy Court, as the case may be, evidence of **his, her, or its**, ability to conclude the transaction upon these Terms and Conditions of Sale, without delay. The Trustee reserves the right to reject any bidder/offeror, who the Trustee, in his sole discretion, believes is not financially capable of consummating the purchase of the Lease and the Real Property. **Expenses incurred by the Successful Bidder, or its assigns, or any competing bidder concerning the performance of any due diligence, such as obtaining due diligence reports, shall be the sole financial responsibility of such bidder and under no circumstances shall the Trustee, or the Debtor's estate, or the Trustee's professionals, be liable or responsible for, or pay, such expenses.**

In the event that the Successful Bidder for the Lease and Real Property, or its assigns, fails to tender the balance of the Purchase Price on the Closing Date, or otherwise perform **his, her, or its**, obligations under these Terms and Conditions of Sale, the Trustee, at his sole option, shall immediately negotiate the Qualifying Deposit of the Second Bidder and shall be further authorized to sell the Lease and Real Property to the Second Bidder, or its assigns, without any further notice or approval of the Bankruptcy Court, without giving credit to the Second Bidder for the Deposit forfeited by the Successful Bidder, and upon such other terms and conditions as the Trustee deems appropriate. Should the Second Bidder, or its assigns, fail to close on the Lease and Real Property within twenty (20) days of receiving from the Trustee, notice, **TIME BEING OF THE ESSENCE**, (at the address

set forth on the bidder registration form) that said Second Bidder is now deemed the Successful Bidder, then the **Sellers shall be: (a) authorized to keep the Qualifying Deposit of the Second Bidder as liquidated damages;** and (b) authorized but not obligated to sell the Lease and Real Property to the next highest bidder, without any further notice or approval of the Court.

The Lease and Real Property is being sold and delivered “**AS IS**”, “**WHERE IS**”, “**WITH ALL FAULTS**”, without any representations, covenants, guarantees or warranties of any kind or nature whatsoever, and free and clear of all monetary liens, claims and encumbrances of whatever kind or nature, such liens, claims, interests and encumbrances, if any, to attach to the proceeds of Sale in such order and priority as they existed immediately prior to the Sale Date. By delivering their respective Qualifying Deposits, all bidders acknowledge that they have had the opportunity to review and perform due diligence on the Lease and Real Property, the state of title thereof and laws, rules and regulations applicable thereto, and the form of the Trustee’s bill of sale that the Trustee will execute to convey the Lease and Real Property, and will rely solely thereon and on their own independent investigations and inspections of the Lease and Real Property in making their bids. All bidders acknowledge that they have conducted their own due diligence in connection with the Lease and Real Property, and are not relying on any information provided by the Trustee, RK or the Trustee’s retained professionals.

The Trustee shall convey the Lease and Real Property by delivery of a bill of sale and execution of those documents deemed customary and necessary in connection with such sale.

Nothing contained in these Terms and Conditions of Sale shall supersede or alter any provisions of Title 11, United States Code (the “Bankruptcy Code”) and/or of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) or otherwise interfere with the jurisdiction of the Bankruptcy Court. To the extent of any conflict between the Bankruptcy Code and/or the Bankruptcy Rules and these Terms and Conditions of Sale, the Bankruptcy Code and/or the Bankruptcy Rules shall govern. All of the terms and conditions set forth in these Terms and Conditions of Sale are subject to modification as may be directed by the Trustee, or by the Bankruptcy Court. The Trustee reserves the right to modify these Terms and Conditions of Sale at the Sale, or thereafter, to maintain consistency with the provisions of the Bankruptcy Code, Bankruptcy Rules, and/or orders of the Bankruptcy Court.

Neither the Trustee, RK, the Trustee’s retained professionals, nor the Debtors’ estate, are liable or responsible for the payment of fees of any broker or agent that has not been retained by an order of the Bankruptcy Court.

These Terms and Conditions of Sale will be read into the record, or specifically incorporated by reference at the Sale of the Lease and Real Property. By making a bid for the Lease and Real Property, all bidders shall be deemed to have acknowledged having read, and understand, these Terms and Conditions of Sale and have agreed to be bound by them.

The trustee shall be a party to the Sale of the Lease and Real Property exclusively in his capacity as Trustee in bankruptcy and not as an individual. If the Trustee is unable to deliver title to the Lease and Real Property in accordance with these Terms and Conditions of Sale for any reason whatsoever, his only obligation will be to refund the Deposit to the Successful Bidder (or Second Bidder) and upon such refund the Successful Bidder (or Second Bidder) will have no recourse or claim against the Trustee, the Trustee's retained professionals, or the Debtors' estate.

The Trustee reserves his right to withdraw the Lease and Real Property from the Sale, either prior or subsequent to the auction, for any reason whatsoever, without notice, as he deems necessary or appropriate.

The Sale of the Lease and Real Property is subject to confirmation by the Bankruptcy Court. The Trustee or the Trustee's attorney shall notify the Successful Bidder whether the Sale is confirmed. Any disputes concerning the Sale shall be determined by the Bankruptcy Court. By participating in the Sale, all bidders consent to the jurisdiction of the Bankruptcy Court to determine such disputes arising in the Debtors' pending case.

THE TRUSTEE'S SALE OF THE LEASE AND THE REAL PROPERTY CONSTITUTES A SALE OF ONLY THE INTERESTS OF THE DEBTOR AND NOT THE INTERESTS OF THE CO-OWNER WHO IS NOT A DEBTOR.

By making a bid for the Lease and Real Property, all bidders shall be deemed to have acknowledged having read, and understand, these Terms and Conditions of Sale and have agreed to be bound by them.

Read to, agreed and accepted by:

Deposit Amount _____

Received _____