

BIDDING PROCEDURES

1. These Bidding Procedures are promulgated in connection with the public auction sale (the "Auction Sale") of certain the real property known as Unit 34C at the Beacon Court Condominium, 151 East 58th Street, New York, New York (the "Apartment").
2. The Auction Sale for the Apartment shall be held on July 21, 2009, at 1:00 p.m. (the "Sale Date") at the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, Courtroom 723, New York, New York 10004.
3. The seller of the Apartment is Salvatore LaMonica, Esq., as the Chapter 7 Trustee (the "Trustee") of the estate (the "Estate") of Marc S. Dreier (the "Debtor"), which Chapter 7 case is pending before the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") under Case No. 09-10371, before the Honorable Stuart M. Bernstein, Chief Judge for the Southern District of New York. The sale of the Apartment is being conducted pursuant to Bankruptcy Code sections 363(b), (d) and (f), free and clear of liens claims and encumbrances and in accordance with the Order of the Bankruptcy Court.
4. The Trustee seeks to solicit bids for the sale of the Estate's right, title and interest in the Apartment. After the Auction Sale, the Trustee will determine in his sole and absolute discretion which bid is the highest or best bid for the Apartment.
5. In order for prospective bidders to attend the inspections for the Apartment they must provide the Auctioneer with proof that they have the required Qualifying Deposit (as defined below).

The Auction Sale Requirements

6. Prior to the Auction Sale, each prospective bidder must deliver a certified check or bank check in the amount of five hundred thousand dollars (\$500,000.00) (the "Qualifying Deposit") payable to "Salvatore LaMonica, Esq., as Trustee" in order to be permitted to bid on the Apartment, which Qualifying Deposit shall serve as a partial good faith deposit against payment of the purchase price by such competing bidder as the Trustee determines to have made the highest or best bid for the Apartment. By July 23, 2009, at 1:00 p.m., the Successful Bidder shall deliver to the Trustee, by certified check or bank check an amount equal to ten percent (10%) of its successful bid, minus the Qualifying Deposit (together with the Qualifying Deposit, the "Deposit"). At the conclusion of the Auction Sale the Successful Bidder must execute, and thereby agree to be bound by (i) these Bidding Procedures, and (ii) the Memorandum of Sale, a copy of which is annexed to these Bidding Procedures.
7. At the conclusion of the Auction Sale, after the Trustee has determined which bidder is the Successful Bidder, the Trustee, or his representative, will return the Qualifying Deposit to all other bidders, except for the second highest bidder. The second highest bidder's Qualifying Deposit shall be returned once the Successful Bidder posts the required (10%) of its successful bid as provided in these Bidding Procedures.

8. The Successful Bidder must pay the balance of the Purchase Price (the difference between the amount of the successful bid and the Deposit) to the Trustee, by certified check, bank check, federal funds or wire transfer at the closing of title to the Apartment. The Successful Bidder must close title to the Apartment on or before **August 28, 2009, at 11:00 a.m.** (the "Closing") at the offices of the attorneys for the Trustee, LaMonica Herbst & Maniscalco LLP, 3305 Jerusalem Avenue, Wantagh, New York 11793, **TIME BEING OF THE ESSENCE AS TO THE PURCHASER(S)**, although such date may be extended solely by the Trustee.

9. Prior to the Closing, the Trustee shall file with the Bankruptcy Court an Affirmation seeking an Order confirming the sale of the Apartment to the Successful Bidder.

10. The Successful Bidder shall comply with any and all condominium declaration(s) relating to the Apartment, including, without limitation, completing any necessary forms or applications in connection with the Closing.

11. The Successful Bidder shall pay any Condominium, County, State, City or Town, or other real property transfer taxes incurred by the transfer of the Apartment by the Estate at the Closing. In connection with the Closing, the Successful Bidder is hereby given notice that **TIME BEING OF THE ESSENCE AS TO THE SUCCESSFUL BIDDER. The Successful Bidder's failure to close for any reason whatsoever (except as otherwise provided below), including the failure to pay the balance of the Purchase Price on the date of the Closing, will result in the Trustee retaining the Deposit as liquidated damages and the termination of the respective Successful Bidder's right to acquire the Apartment under these Bidding Procedures.** The Successful Bidder shall be obligated to close title to the Apartment and there is no contingency of any kind or nature that will permit the Successful Bidder to cancel or avoid its obligation under these Bidding Procedures other than the Trustee's inability to deliver insurable title to the Apartment. Further, the Successful Bidder shall have demonstrated, to the sole satisfaction of the Trustee, evidence of its ability to conclude the transaction upon these Bidding Procedures without delay. The Trustee reserves the right to reject any offeror, who in the sole and absolute discretion of the Trustee, the Trustee believes is not financially capable of consummating the purchase of the Apartment. **Expenses incurred by the Successful Bidder, or any other competing bidder, concerning any due diligence, such as obtaining title reports or environmental inspections, shall be the sole responsibility of such bidder, and under no circumstances shall the Trustee or the Estate or the Trustee's professionals be responsible for, or pay, such expenses.**

12. In the event that the Successful Bidder fails to (a) tender by July 23, 2009, at 1:00 p.m., by certified check or bank check, an amount equal to ten percent (10%) of its successful bid, (b) tender the payment of the balance of the Purchase Price on the Closing Date, or (c) otherwise perform any of their obligations under these Bidding Procedures, the Trustee, at his sole option, shall be authorized to sell the Apartment to the Second Highest Bidder without any further notice and without giving credit for the Deposit forfeited by the Successful Bidder, and upon such other terms and conditions as the Trustee deems appropriate. Should the Second Highest Bidder fail to close on the Apartment within such time as the parties may agree, but not to exceed thirty (30) days after notice from the Trustee to the Second Highest Bidder, the Trustee shall be authorized to sell the Apartment to the next highest or best bidder, without the necessity of any further notice. All bidders will be bound by these Bidding Procedures.

13. The Trustee or the Trustee's professionals have not made, and do not make, any representations as to the physical condition, rents, leases, expenses, operations, value of the land or buildings thereon, or any other matter or thing affecting or related to the Apartment or this Auction Sale, which might be pertinent to the purchase of the Apartment, including, without limitation, (i) the current or future real estate tax liability, assessment or valuation of the Apartment; (ii) the potential qualification of the Apartment for any and all benefits conferred by or available under federal, state or municipal laws, whether for subsidies, special real estate tax treatment, insurance, mortgages, or any other benefits, whether similar or dissimilar to those enumerated; (iii) the compliance or non-compliance of the Apartment, in its current or any future state, with applicable present or future zoning ordinances or other land use law or regulation, or the ability to obtain a change in the zoning or use, or a variance in respect to the Apartment; (iv) the availability of any financing for the purchase, alteration, rehabilitation or operation of the Apartment from any source, including, but not limited to, any state, city or federal government or institutional lender; (v) the current or future use of the Apartment; (vi) the present and future condition and operating state of any and all machinery or equipment on the Apartment and the present or future structural and physical condition of any building thereon or its suitability for rehabilitation or renovation; (vii) the presence or absence of any laws, ordinances, rules or regulations issued by any governmental authority, agency or board and any violations thereof; (viii) any present or future issues concerning subdivision or non-subdivision of the Apartment; or (ix) the compliance or non-compliance with environmental laws and the presence or absence of underground fuel storage tanks, any asbestos or other hazardous materials anywhere on the Apartment. Each bidder hereby expressly agrees and acknowledges that no such representations have been made. The Trustee is not liable or bound in any manner by expressed or implied warranties, guaranties, promises, statements, representations or information pertaining to the Apartment, made or furnished by the Trustee or any real estate broker, agent, employee, servant or other person or professional representing or purporting to represent the Trustee unless such warranties, guaranties, promises, statements, representations or information are expressly and specifically set forth in writing by the Trustee.

14. The Apartment is being sold "**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 any and all liens, judgment or mortgage, or adverse claims to title, of whatever kind or nature, such liens, if any, to attach to the proceeds of sale in such order and priority as they existed immediately prior to the Sale Date, and subject to, among other things (a) any state of facts that an accurate survey may show; (b) any covenants, restrictions and easements of record; (c) any state of facts a physical inspection may show; (d) any building or zoning ordinances or other applicable municipal regulations and violations thereof; (e) all leases, if any, as may exist or encumber the Apartment or any portion(s) thereof; and (f) environmental conditions. By delivering a Qualifying Deposit, all bidders acknowledge that they have had the opportunity to review and inspect the Apartment, the state of title thereof and laws, rules and regulations applicable thereto, and the form of the Trustee's Deed that the Trustee will execute to convey the Apartment, and will rely solely thereon and on their own independent investigations and inspections of the Apartment in making their bids. Neither the Trustee nor any of his representatives make any representations or warranties with respect to the permissible uses of the Apartment, including, but not limited to, the zoning of the Apartment. All bidders acknowledge that they have conducted their own due diligence in connection with the Apartment, and are not relying on any information provided by the Trustee,

the Auctioneer or the Trustee's professionals.

15. The Trustee shall convey the Apartment by delivery of a Quitclaim Deed. The quality of title shall be that which any reputable title insurance company authorized to do business in the State of New York is willing to approve and insure. The Trustee may at his option arrange for the issuance of a title insurance policy by such a company at the sole cost and expense of the Successful Bidder.

16. Neither the Trustee, Trustee's counsel, the Auctioneer, nor the Estate is liable or responsible for the payment of fees of any broker. The only broker or auctioneer commissions that the estate may be liable for are those of the Auctioneer, which was retained pursuant to an Order of the Bankruptcy Court.

17. Nothing contained in these Bidding Procedures is intended to supersede or alter any provisions of Title 11 of the United States Code (the "Bankruptcy Code") or otherwise interfere with the jurisdiction of the Bankruptcy Court. All of the terms and conditions set forth in these Bidding Procedures are subject to modification as may be directed by the Trustee and subject to Court approval. The Trustee reserves the right to modify these Bidding Procedures at the Auction Sale or thereafter to maintain consistency with the provisions of the Bankruptcy Code and/or prior orders of the Court.

18. These Bidding Procedures will be read into the record, or specifically incorporated by reference, at the Auction Sale of the Apartment. By making a bid for the Apartment, all bidders will be deemed to have acknowledged having read these Terms and Conditions of Sale and have agreed to be bound by them.

19. If the Trustee is unable to deliver title to the Apartment in accordance with these Bidding Procedures for any reason whatsoever, his only obligation will be to refund the Deposit, together with any interest earned thereon, if any, to the Successful Bidder, and upon such refund, the Successful Bidder will have no claim or recourse against the Trustee, the Trustee's professionals or the Auctioneer for the Estate.

20. The Trustee reserves his right to withdraw the Apartment from the Auction Sale, either prior to or subsequent to the Auction Sale, for any reason whatsoever, as he deems necessary or appropriate.

21. The Auction Sale of the Apartment is subject to confirmation by the Trustee and the Bankruptcy Court.

22. The Trustee or the Trustee's attorney shall notify the Successful Bidder whether the Auction Sale is confirmed. The Trustee may reject any offer that he determines in his business judgment should not be confirmed. The Bankruptcy Court shall determine any disputes concerning the Auction Sale of the Apartment. By participating in the Auction Sale, all bidders consent to the jurisdiction of the Bankruptcy Court to determine such disputes under the Debtor's pending case.

23. The Apartment shall be delivered vacant of tenancies, but AS IS, and not broom clean

upon closing.

I have read these Bidding Procedures and agree to be bound by them.

By: _____

Date: _____

MEMORANDUM OF SALE

The undersigned has this _____ day of _____, 2009, agreed to purchase the real property known as Unit 34C at the Beacon Court Condominium, 151 East 58th Street, New York, New York (the "Apartment") being sold by Salvatore LaMonica Esq., as the Chapter 7 Trustee for the Estate of Marc S. Dreier, for the sum of \$ _____ DOLLARS and hereby promises and agrees to comply with the terms and conditions of the sale of the Apartment, as set forth in the annexed Bidding Procedures.

PURCHASER (Signature)	PURCHASER (Signature)
PRINT NAME OF PURCHASER	PRINT NAME OF PURCHASER
ADDRESS	ADDRESS
TELEPHONE NUMBER	TELEPHONE NUMBER
FAX NUMBER	FAX NUMBER

Received from _____ the sum of \$ _____ 00,000.00 DOLLARS, as a non-refundable deposit for the purchase of the Apartment pursuant to the Bidding Procedures.

Salvatore LaMonica, Esq. Chapter 7 Trustee
c/o LaMonica Herbst & Maniscalco LLP
Attorney for the Trustee, Attn: Gary F. Herbst, Esq.
3305 Jerusalem Avenue
Wantagh, NY 11793
Telephone: (516) 826-6500; Facsimile: (516) 826-0222

This is to verify that the successful bid in the above sale was for the sum of \$ _____.

RICHARD B. MALTZ, AUCTIONEER
DCA # 1240836

ATTORNEY INFORMATION

Name _____
Address _____

Phone _____