

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
 :
THE CHRISTIAN BROTHERS' INSTITUTE, *et al.* : Case No.: 11-22820 (RDD)
 :
 :
Debtors. : (Jointly Administered)
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**ORDER PURSUANT TO 11 U.S.C. §§ 105(a) AND 363 AND RULE
6004 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE (I)
APPROVING SALE PROCEDURES IN CONNECTION WITH THE
SALE OF CERTAIN REAL ESTATE, (II) APPROVING CERTAIN
BIDDING PROTECTIONS, (III) SCHEDULING AN AUCTION AND A SALE
HEARING, AND (IV) APPROVING THE FORM OF NOTICE OF SUCH SALE**

Upon the motion, dated November 15, 2011 (the "Motion")¹ of The Christian Brothers' Institute, debtor and debtor in possession ("CBI" or the "Debtor"), for, among other things, the entry of an order pursuant to 11 U.S.C. §§ 105(a) and 363 and Rule 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") (a) approving sale procedures in connection with the sale of certain real estate identified in the Motion, (b) approving certain bidding protections, (c) scheduling an auction and a sale hearing, and (d) approving the form of notice of such sale procedures and bidding protections, the auction and the sale; and upon the accompanying Schwartzman Affidavit; and there being due and sufficient notice of that portion of the Motion seeking the relief granted herein; and upon the record of the December 1, 2011 hearing held by the Court; and there being no opposition to the relief granted herein; and the Court having determined that the relief granted herein is in the best interest of the Debtor, its estate, creditors and other parties in interest; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

¹ Capitalized term not otherwise defined herein shall have the meaning ascribed to it in the Motion.

FOUND AND DETERMINED THAT:

A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(a) and 1334(b) and the Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for the Southern District of New York, dated July 10, 1984 (Ward, Acting C.J.).

B. The statutory predicates for the relief sought in the Motion and the basis for the approvals and authorizations herein are 11 U.S.C. §§ 105 and 363 and Rules 2002 and 6004 of the Bankruptcy Rules.

C. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N), and (O).

D. Venue of this case and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

E. Good and sufficient notice of the relief sought in the Motion has been given under the circumstances, and no further notice is required, and such notice complied with all applicable requirements of 11 U.S.C. §§ 102 and 363, Rules 2002, 6004 and 9008 of the Bankruptcy Rules and any other applicable provision of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and any Administrative Orders. A reasonable opportunity to object or be heard regarding the relief requested in the Motion (including, without limitation, with respect to the proposed Sale Procedures, as defined below, and the Break-Up Fee) has been afforded to all interested persons and entities including, but not limited to: (i) the Office of the United States Trustee for the Southern District of New York; (ii) counsel for the Committee; (iii) counsel to HVA; (iv) counsel to Country Bank; and (v) all other parties that have filed a notice of appearance and demand for service of papers in this bankruptcy case under Bankruptcy Rule 2002 (the "Bidding Procedures Notice Parties").

F. The Debtor's proposed notice of the Sale Procedures (as defined below), the Auction (if necessary) and the Sale Hearing, as set forth in the Motion, is appropriate and reasonably calculated to provide all interested parties with timely and proper notice, and no other or further notice is required.

G. The sale procedures substantially in the form attached hereto as **Exhibit "A"** (the "Sale Procedures") are fair, reasonable and appropriate and are designed to maximize the recovery for the Debtor and its estate.

H. The Debtor has demonstrated a compelling and sound business justification for authorizing the payment of the Break-Up Fee.

I. The Break-Up Fee has been negotiated at arms' length, is fair and reasonable and approval thereof is justified in light of the substantial amount of time expended by HVA and the benefit provided to the Debtor's estate and creditors by the Sale contemplated in the Purchase Agreement.

J. The Debtor's agreement to pay, and payment of the Break-Up Fee in accordance with the Purchase Agreement, is in good faith and in the exercise of the Debtor's good business judgment that such payment is in the best interest of the Debtor, its estate and other parties in interest. Such payment, under the conditions set forth in the Motion, the Purchase Agreement and in this Procedures Order, is (i) an actual and necessary cost of preserving the Debtor's estate, within the meaning of Bankruptcy Code § 503(b), (ii) of substantial benefit to the Debtor's estate, its creditors and all parties in interest herein, (iii) reasonable and appropriate, and (iv) necessary to ensure that HVA will continue to pursue its proposed Purchase Agreement.

K. The entry of this Procedures Order is in the best interests of the Debtor, its estate, its creditors and parties in interest; and it is, therefore

ORDERED, ADJUDGED AND DECREED THAT:

1. The Sale Procedures attached hereto as **Exhibit "A,"** and incorporated herein by reference, are approved in all respects and shall apply with respect to, and shall govern all proceedings related to, (i) the Purchase Agreement, (ii) the Auction, and (iii) the Sale.

2. The Break-Up Fee and payment thereof by the Debtor on the terms and conditions contained in the Purchase Agreement are approved. The Break-Up Fee, as earned as provided in the Purchase Agreement, shall be accorded treatment as a superpriority administrative expense claim in the Chapter 11 case, senior to (x) any liens and claims of any prepetition secured lender, and (y) all other administrative claims at any time allowed in the Debtor's Chapter 11 case.

3. The Debtor is authorized to take any and all actions necessary or appropriate to implement the Sale Procedures.

4. 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 Auction and Sale Hearing, in substantially the form attached hereto as **Exhibit "B,"** is approved.

5. Notwithstanding anything herein or in the Sale Procedures to the contrary, the Purchase Agreement is deemed a Qualified Bid, and HVA is deemed a Qualified Bidder.

6. If a Qualified Bid is timely received in accordance with the Sale Procedures from an entity other than HVA, the Auction shall be scheduled for **January 5, 2012, at 10:00 a.m. (ET)** at the offices of Tarter Krinsky & Drogin LLP, 1350 Broadway, 11th Floor, New York, New York 10018 unless rescheduled to a later date in accordance with the Sale Procedures.

7. No later than three (3) business days after entry of this Procedures Order, CBI (or its agents) shall serve a copy of the Procedures Order (including the Notice of Auction and Sale Hearing substantially in the form attached as **Exhibit "B"** hereto) upon the following by first-

class mail: (i) the Office of the United States Trustee for the Southern District of New York; (ii) counsel for HVA; (iii) counsel to the Committee; (iv) counsel to Country Bank; (v) all other entities (or counsel therefor) known to have asserted any liens, claims or encumbrances in or upon the Premises; (vi) all federal, state and local regulatory or taxing authorities or recording offices that are reasonably known by CBI to have an interest in the relief requested by the Motion; (vii) all parties known by CBI to have expressed a *bona fide* interest in acquiring the Premises; (viii) the Internal Revenue Service; (ix) the United States Attorney's office; and (x) all entities who have filed a notice of appearance and request for service of papers in the Debtors' cases (collectively, the "Auction and Sale Notice Parties").

8. No later than five (5) business days after entry of the Procedures Order, CBI (or its agents) shall cause the Notice of Auction and Sale Hearing substantially in the form attached as **Exhibit "B"** hereto to be served upon all other known prepetition creditors of the Debtors.

9. No later than five (5) business days after entry of the Procedures Order by the Bankruptcy Court, CBI (or its agents) shall arrange to place an advertisement in *Real Estate Weekly* (the "Advertisement") advertising the Sale of the Premises and advising interested parties of the Bid Deadline, date of Auction and how such parties could receive additional information. The Advertisement shall contain the salient terms set forth in the Notice of Auction and be published by no later than December 7, 2011.

10. Any objections to the Sale of the Premises 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 Southern 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 Southern District of New York, 300 Quarropas Street, White Plains, New York 10601 on or before **4:00 p.m. (ET) on December 30, 2011**; and be served so as to be received by (i) undersigned attorneys for the Debtor, Tarter Krinsky & Drogin LLP, 1350 Broadway, New York, New York 10018 (Attn: Scott S. Markowitz, Esq.), (ii) counsel to the Committee, Pachulski Stang Ziehl & Jones, 10100 Santa Monica Boulevard, 13th Floor, Los Angeles, California 90067 (Attn: James I. Stang, Esq.) (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Paul K. Schwartzberg, Esq), with a copy to the Court's chambers, no later than **4:00 p.m. (ET) on December 30, 2011**.

11. 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 **January 6, 2012 at 10:00 a.m. (ET)** unless rescheduled to an earlier or later date in accordance with the Sale Procedures.

12. 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 Procedures Order.

13. As provided by Bankruptcy Rule 6004(h), this Procedures Order shall not be stayed for 14 days after the entry thereof and shall be effective and enforceable immediately upon the entry thereof.

14. This Court shall retain jurisdiction over any matters related to or arising from the implementation of this Procedures Order, including (but not limited to) the right to amend this

Procedures Order.

Dated: White Plains, New York
December 1, 2011

/s/Robert D. Drain
HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

SALE PROCEDURES

The following sale procedures (the “Sale Procedures”), which were approved by order (the “Sale Procedures Order”) of the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) dated December __, 2011, shall govern the sale / auction process for the Premises, as such term is defined in that certain Agreement of Purchase and Sale (the “Sale Agreement”) between The Christian Brothers’ Institute (the “Seller”) and Harlem Village Academies (the “Purchaser”) dated as of November 9, 2011. The Seller will seek entry of an order from the Bankruptcy Court authorizing and approving the sale of the Premises¹ free and clear of liens, claims, encumbrances, and interests, to the Purchaser or such other Successful Bidder (as defined below) as may be made at the Auction (as defined below).

1. Approvals. The proposed sale shall in all respects be subject to approval by the Bankruptcy Court and in compliance with (i) the applicable provisions of the Bankruptcy Code, (ii) the Bankruptcy Rules, (iii) other applicable rules and law, and (iv) the terms of the Sale Agreement.

2. Assets to be Sold. The assets to be sold shall consist of the Premises and such sale shall be free and clear of liens, claims, encumbrances and interests as provided in the Sale Agreement.

3. Sale As Is, Where Is. The Premises shall be sold as is, where is, without any representation or warranty of any type whatsoever, other than as may be contained in the Sale Agreement.

4. Qualification of Bidders. Any potential bidder who wishes to submit a bid with respect to the Premises must demonstrate to the satisfaction of the Seller that such potential bidder is a “Qualified Bidder.” A Qualified Bidder is a potential bidder, other than the Purchaser, who delivers to the Seller a written and binding offer on or before the Bid Deadline (as defined below) that:

- (i) is a bid for the Premises in their entirety for a cash price equal to or greater than \$13,300,000;
- (ii) states that the bidder is prepared to enter into a legally binding purchase and sale agreement for the acquisition of the Premises on terms and conditions no less favorable to the Seller than the terms and conditions contained in the Sale Agreement (as determined by the Seller in its reasonable business judgment);
- (iii) is accompanied by a clean and duly executed purchase agreement (the “Modified Sale Agreement”) and a marked Modified Sale Agreement reflecting the variations from the Sale Agreement;

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to such term in the Sale Agreement.

- (iv) states that the bidder's offer is irrevocable until the closing of the purchase of the Premises if such bidder is the Successful Bidder;
- (v) does not request or entitle the bidder to any transaction or break-up fee, expense reimbursement or similar type of payment;
- (vi) fully discloses the identity of each entity that will be bidding for the Premises or otherwise participating in connection with such bid;
- (vii) is accompanied by a cash deposit or cashier's check in the amount of \$1,300,000 (the "Good Faith Deposit"), which Tarter Krinsky & Drogin LLP will hold in a segregated account containing only deposits received from Qualified Bidders;
- (viii) states that the bidder is financially capable of consummating the transaction contemplated by the Modified Sale Agreement;
- (ix) contains such financial and other information that will allow the Seller and the Creditors' Committee (to the exclusion of all other parties) to make a reasonable determination as to the bidder's financial and other capabilities to consummate the transaction contemplated by the Modified Sale Agreement;
- (x) does not contain any due diligence or financing contingencies of any kind;
- (xi) contains evidence that the bidder has received debt and/or equity funding commitments or has financial resources readily available sufficient in the aggregate to finance the purchase of the Premises, which evidence is satisfactory to the Seller and the Creditors' Committee in their reasonable discretion;
- (xii) includes evidence of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery, and closing of the Modified Sale Agreement; and
- (xiii) contains other information reasonably requested by the Seller.

A competing bid meeting the above requirements shall constitute a "Qualified Bid". The Seller shall make a determination regarding whether a bid is a Qualified Bid and shall notify bidders whether their bids have been determined to be qualified by no later than December 27, 2011, at 4:00 p.m. (ET).

Notwithstanding anything herein to the contrary, the Sale Agreement is hereby deemed a Qualified Bid, and the Purchaser is deemed a Qualified Bidder.

5. Bid Deadline. **All Qualified Bids must be submitted by no later than December 19, 2011, at Noon (ET) (the “Bid Deadline”).** Prior to the Bid Deadline, Qualified Bidders shall deliver written copies of their bids to: (a) counsel to the Seller, Tarter Krinsky & Drogin LLP, 1350 Broadway, 11th Floor, New York, New York 10018, Attn: Scott S. Markowitz, Esq.; (b) counsel to the Official Committee of Unsecured Creditors (the “Committee”), Pachulski Stang Ziehl & Jones, 10100 Santa Monica Boulevard, 13th Floor, Los Angeles, California 90067, Attn: James I. Stang, Esq.; and (c) counsel to the Purchaser, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022, Attn: Gregory P. Pressman, Esq. and Karen S. Park, Esq. Nothing herein shall modify the obligations of Seller set forth in Section 14(c) of the Sale Agreement.

6. Auction. In the event that the Seller receives by the Bid Deadline one or more bids that they deem in their discretion to constitute Qualified Bids (other than by the Purchaser), the Seller shall conduct an auction with respect to the Premises (the “Auction”). The Auction shall take place on **January 5, 2012, at 10:00 a.m. (ET) (the “Auction Time”)** at the offices of Tarter Krinsky & Drogin LLP, 1350 Broadway, 11th Floor, New York, New York 10018, or such other place and time as the Seller shall notify all Qualified Bidders, the Committee, the Purchaser, and other invitees via e-mail or facsimile not later than one (1) business day before the Auction Time (or re-scheduled Auction Time, as applicable). If, however, no such other Qualified Bid is received by the Bid Deadline, then the Auction will not be held, and Seller shall so notify Purchaser no later than one (1) business day after the Bid Deadline. The Auction shall be governed by the following procedures:

- (i) Only representatives of the Seller, the Committee, the Purchaser, and Qualified Bidders may participate at the Auction;
- (ii) Only the Purchaser and other Qualified Bidders shall be entitled to make any subsequent bids at the Auction;
- (iii) Purchaser and each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the sale;
- (iv) Bidding shall commence at the amount of the highest and best Qualified Bid submitted by the Qualified Bidders by the Bid Deadline;
- (v) The Purchaser and other Qualified Bidders shall participate in person at the Auction (or through a method designated by Seller), through a duly authorized representative with authority to bind the entity;

- (vi) The Auction will be conducted so that Purchaser and each Qualified Bidder will be informed of the previous bid;
- (vii) Qualified Bidders may submit successive bids in increments of at least \$50,000;
- (viii) The Auction shall continue until there is only one offer that the Seller determines, subject to Bankruptcy Court approval, is the highest and best offer submitted at the Auction from among the Qualified Bidders and the Purchaser (the "Successful Bid"). The bidder submitting such Successful Bid shall become the "Successful Bidder," and shall have such rights and responsibilities set forth in the Sale Agreement or the Modified Purchase Agreement, as applicable;
- (ix) At the end of the Auction, the Seller shall also announce the next highest and otherwise best offer after the Successful Bid (the "Next Highest Bid," and the Qualified Bidder that submitted such bid, the "Next Highest Bidder");
- (x) All Qualified Bidders at the Auction shall be deemed to have consented to the core jurisdiction of the Bankruptcy Court and waived any right to a jury trial in connection with any disputes relating to the Auction, these sale procedures, and the construction and enforcement of the Qualified Bidders' Modified Purchase Agreement(s), as applicable; and
- (xi) The Seller will arrange for the actual bidding at the Auction to be transcribed.

7. Break-Up Fee and Expense Reimbursement. Subject to Bankruptcy Court approval, Purchaser shall be entitled to payment of a break-up fee and reimbursement for expenses incurred in connection with the transaction contemplated in the Sale Agreement in an aggregate amount equal to \$250,000 which shall be payable to Purchaser only if:

- (i) Seller does not proceed with the sale of the Premises to Purchaser as a result of receiving a Higher and Better Offer, and the closing of such Higher and Better Offer is consummated; or
- (ii) Seller does not proceed with the transaction contemplated in the Sale Agreement as a result of accepting, or otherwise pursuing, an Alternative Transaction, and the closing on such Alternative Transaction is consummated; or
- (iii) The conditions set forth in Section 19 of the Sale Agreement (*Conditions Precedent to Obligation of Seller to Close*) have been satisfied or waived in writing by Purchaser, and Purchaser has

represented to Seller that it is ready, willing and able to consummate the transaction contemplated by the Sale Agreement, but Seller fails to so consummate such transaction by the Closing Outside Date.

8. Sale Hearing. The Successful Bid (or the Purchaser if no other Qualified Bid is received by the Bid Deadline) will be subject to approval by the Bankruptcy Court. Please be advised that the hearing to approve the sale of the Premises to the Successful Bidder (the "Sale Hearing") will take place on **January 6, 2012, at 10:00 a.m. (ET)**, or at such time thereafter as counsel may be heard, in the Bankruptcy Court. The Sale Hearing may be adjourned with the consent of the Successful Bidder from time to time on notice to creditors and other parties in interest, or without further notice other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing.

9. Acceptance of the Successful Bid. The Seller shall have accepted a Qualified Bid only when (a) the Bankruptcy Court has approved the Successful Bid and an order approving such bid has been docketed and (b) definitive documentation has been executed in respect thereof.

10. Closing. The closing to the Successful Bidder shall take place at the offices of counsel to the Seller, Tarter Krinsky & Drogin LLP, 1350 Broadway, New York, New York 10018 by no later than April 4, 2012. Except as otherwise provided in the Sale Agreement, in the case that Purchaser is the Successful Bidder, in the event that, for any reason, the Successful Bidder fails to close the sale transaction contemplated by its Successful Bid, then, without notice to any other party or further court order, the Seller shall be authorized to close with the Next Highest Bidder.

11. Return of Good Faith Deposit. Good Faith Deposits submitted by Qualified Bidders (other than the Successful Bidder and the Next Highest Bidder) that have not been forfeited shall be returned within two (2) business days of the entry of the order approving the sale of the Premises. The Good Faith Deposit of the Successful Bidder shall be held until the closing of the Sale and applied in accordance with the Sale Agreement or the Modified Purchase Agreement, as applicable. Within two (2) business days of the entry of the order approving the sale of the Premises, the Good Faith Deposit of the Next Highest Bidder shall be returned to such Next Highest Bidder. In the event the Successful Bidder fails to close pursuant to the Sale Agreement or the Modified Purchase Agreement, as applicable, the Next Highest Bidder shall be granted two (2) business days after receiving notice from the Seller that the Successful Bidder defaulted to deliver the Good Faith Deposit to Seller's counsel or such Next Highest Bidder shall lose its status as Next Highest Bidder and not be entitled to close the Sale.

EXHIBIT B

TARTER KRINSKY & DROGIN LLP
Attorneys for The Christian Brothers' Institute, et al.
Debtors and Debtors-in-Possession
1350 Broadway, 11th Floor
New York, New York 10018
(212) 216-8000
Scott S. Markowitz, Esq.
Eric H. Horn, Esq.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
: :
THE CHRISTIAN BROTHERS' INSTITUTE, *et al.* : Case No.: 11-22820 (RDD)
: :
Debtors. : (Jointly Administered)
----- X

**NOTICE OF AUCTION OF REAL ESTATE LOCATED AT 74 WEST 124TH
STREET, NEW YORK, NEW YORK, AND SALE HEARING**

PLEASE TAKE NOTICE that pursuant to the *Debtor's Motion for entry of Orders: (I) Pursuant to 11 U.S.C. § 105(a) and 363 and Rule 6004 of the Federal Rules of Bankruptcy Procedure (a) Approving Sale Procedures in Connection with the Sale of Certain Real Estate located at 74 West 124th Street, New York, New York (formerly known as Rice High School), (b) Approving Certain Bidding Protections, (c) Scheduling an Auction and a Sale Hearing, and (d) Approving the Form of Notice of such Sale Procedures and Bidding Protections, the Auction and the Sale; and (II) Pursuant to 11 U.S.C. § 105(a) and 363 and Rule 6004 of the Federal Rules of Bankruptcy Procedure (a) Authorizing and Approving the Sale to Harlem Village Academies or to Another Qualified Bidder Submitting a Higher or Otherwise Better Offer Free and Clear of All Liens, Claims, encumbrances and interests, (b) approving the Purchase Agreement, and (c) Granting Related Relief (the "Sale Motion") filed with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") on November 15, 2011 and under the terms of the Agreement of Purchase and Sale (the "Purchase Agreement") between The Christian Brothers' Institute ("CBI" or the "Debtor") (as seller) and Harlem Village Academies (as the stalking horse bidder) (the "Stalking Horse Bidder"), the Debtor is selling the premises located at 74 West 124th Street, New York, New York (the "Premises") subject to higher and better offers.*

PLEASE TAKE FURTHER NOTICE that in accordance with the *Order Pursuant to 11 U.S.C. § 105(a) and 363 and Rule 6004 of the Federal Rules of Bankruptcy Procedure (a) Approving Sale Procedures in Connection with the Sale of Certain Real Estate, (b) Approving Certain Bidding Protections, (c) Scheduling an Auction and a Sale Hearing, and (d) Approving the Form of Notice of such Sale Procedures and Bidding Protections, the Auction and the Sale (the "Procedures Order")*, approved by the Bankruptcy Court, the Debtor will conduct an auction

(the "Auction") with respect to the sale of the Premises if a Qualified Bid by any entity other than the Stalking Horse Bidder is timely received. The Auction will take place on **January 5, 2012, at 10:00 a.m. (ET)** at the offices of Tarter Krinsky & Drogin LLP, 1350 Broadway, New York, New York 10018. All interested parties are invited to prequalify for the Auction and to present competing offers to purchase the Premises in compliance with the Sale Procedures (as defined below).

PLEASE TAKE FURTHER NOTICE that consideration of competing offers and attendance at the Auction is subject to certain terms and conditions and procedures described in the Procedures Order (collectively, the "Bidding Procedures").¹

PLEASE TAKE FURTHER NOTICE that if the Debtor receives a Qualified Bid (at least \$13,300,000), the Debtor will conduct the Auction. Bidding at the Auction will commence with the highest bid and continue in increments of not less than \$50,000 until all parties have made their final offers. At the conclusion of the bidding, the Debtor will announce its determination as to the person or entity (the "Successful Bidder") submitting the highest or otherwise best bid for the Premises (the "Successful Bid"). At the end of the Auction, the Debtor shall also announce the next highest and otherwise best offer after the Successful Bid (the "Next Highest Bid") and the Qualified Bidder that submitted such bid (the "Next Highest Bidder").

PLEASE TAKE FURTHER NOTICE that a hearing to approve the Sale of the Premises (the "Sale Hearing") will be held on **January 6, 2012 at 10:00 a.m. (ET)** at the Bankruptcy Court before the Honorable Robert D. Drain. If the Debtor does not receive any Qualified Bids (other than the Purchase Agreement), the Debtor will report such result to the Bankruptcy Court at the Sale Hearing and, upon approval by the Bankruptcy Court, proceed with a sale of the Premises to the Stalking Horse Bidder under the Purchase Agreement. If however, the Debtor receives one or more Qualified Bids (other than the Purchase Agreement) and the Auction is conducted, the Debtor will notify the Bankruptcy Court of the results of the Auction and present both the Successful Bid and Next Highest Bid to the Bankruptcy Court for approval at the Sale Hearing. The Sale Hearing may be adjourned, from time to time, without further notice to creditors or parties in interest other than by announcement of the adjournment in open court or on the Bankruptcy Court's docket.

PLEASE TAKE FURTHER NOTICE that if you seek to object to the sale of the Premises, you must comply with the terms for making such objections as set forth in the Procedures Order. If any party fails to timely file and serve an objection in accordance with the Procedures Order, the Bankruptcy Court may disregard such objection.

This Notice is qualified in its entirety by the Procedures Order. All persons and entities are urged to read the Procedures Order and its provisions carefully. To the extent that this Notice is inconsistent with the Procedures Order, the terms of the Procedures Order shall govern.

¹ Each capitalized term not otherwise defined herein shall have the meaning ascribed to it in the Sale Procedures of the Procedures Order, as applicable.

Copies of the Procedures Order, the Purchase Agreement and the Sale Motion are available from the undersigned counsel for the Debtor upon written request or online at either <http://www.newmarkkf.com/capitalgroup/74west124> or www.pszjlaw.com/creditor-37.html.

Dated: New York, New York
December ____, 2011

TARTER KRINSKY & DROGIN LLP
Attorneys for The Christian Brothers' Institute, et al.
Debtors and Debtors-in-Possession

By: _____
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