

TERMS AND CONDITIONS OF A VIRTUAL PUBLIC AUCTION SALE

1. On April 1, 2026 (“Filing Date”), Sterling Garden LLC (“Debtor”), through counsel, filed a voluntary petition under Chapter 7 of Title 11, United States Code (“Bankruptcy Code”) in the United States Bankruptcy Court, Southern District of New York (“Court”).

2. On April 2, 2026, Gregory Messer was appointed as the interim Chapter 7 Trustee (“Trustee”), has since duly qualified and is the permanent Trustee administering the Debtor’s estate.

3. The Debtor is the owner of the real properties located at and known as: (i) 1410-1453 Bayshore Avenue, Bronx, New York [Block 05414, Lot 0233] (“Bayshore Property”); and, to the extent necessary (ii) 126 Husson Avenue, Bronx, New York 10473 [Block 3448, Lot 16] (“Husson Property”, and the Bayshore Property are “Properties”).

4. The Properties are encumbered by mortgages, both held by JCL Capital Partners 2016 LLC Series G (“Lender”) for no less than \$976,000 (“Lender Liens”).

5. Subject to Court Order entered on June 11, 2026, the Trustee is authorized to sell the Properties free and clear of all liens, claims, encumbrances and interests (collectively, “Interests”) at a public auction. See ECF No. 18.

6. These Terms and Conditions of Sale (“Sale Terms”) are promulgated in connection with the Court authorized public auction sale (“363 Sale”) of the Debtor’s Properties set forth herein.

7. Pursuant to an Order entered on June 3, 2026, the Court approved the retention of MYC & Associates, Inc. as the Trustee’s broker (“Broker”) to sell the Properties. See ECF No. 15.

8. The 363 Sale will be held on **October 29, 2026, at 1:00 p.m.**, prevailing Eastern time (“Sale Date”). The bids will be submitted online and/or telephonic and directions on how to submit an online and/or telephonic bid can be found on the Broker’s website at www.MYCorp.com.

9. The Trustee, through his Broker, first will solicit bids for the Bayshore Property, and to the extent that the Trustee does not anticipate, in his sole discretion, that the highest and best bid received at auction of the 363 Sale of the Bayshore Property will pay for the estate carveout (agreed to by the Lender and the Trustee (as defined in the Carveout Agreement)) and the Lender Liens, in their entirety, the Trustee shall promptly solicit bids and conduct a Sale of the Husson Property. The 363 Sale of the Properties is subject to Court approval.

10. At, or prior to the 363 Sale, each Bidder (defined herein) with the submission of its bid, shall provide written evidence of its/their ability to close on the 363 Sale of each of the Properties. Copies of bid submissions shall be shared with the Lender.

I. Submitting Bids for the Bayshore Property

11. In order to be permitted to submit a bid on the Bayshore Property at the 363 Sale, each prospective bidder (each as “Bidder”, and all “Bidders”) must deliver to the Broker an executed copy of these Sale Terms for the 363 Sale and, a wire or official cashier’s or bank check (as determined by the Trustee) made payable to “Gregory Messer, Chapter 7 Trustee” in the amount of \$50,000 (“Bayshore Qualifying Deposit”), which shall serve as a partial good faith deposit against payment of the purchase price by such competing Bidder as the Trustee, in his sole discretion determines to have made the highest or best bid for the Bayshore Property (“Bayshore Successful Purchaser”).

12. The initial bid of the Bayshore Property at the 363 Sale will be \$200,000 (“Bayshore Initial Bid”) with bid increments of \$25,000 or an amount the Trustee and his retained professionals deems appropriate at the 363 Sale.

13. At the 363 Sale, the Bayshore Property shall be auctioned for sale with the bidding to remain open until there are no higher bids tendered.

14. At the conclusion of the bidding, the Trustee shall determine the Bayshore Successful Purchaser and the Bidder making the second highest or best bid on the Bayshore Property (“Bayshore Second Highest Bidder”) and announce such results at the 363 Sale.

15. The Bayshore Successful Purchaser and the Bayshore Second Highest Bidder, will, at the time and place of the conclusion of the 363 Sale, sign a memorandum(s) of sale (“Bayshore Memorandum(s) of Sale”) in accordance with these Sale Terms.

II. Submitting Bids for the Husson Property

16. In order to be permitted to submit a bid on the Husson Property at the 363 Sale, each prospective Bidder must deliver to the Broker an executed copy of these Sale Terms for the 363 Sale and, a wire or official cashier’s or bank check (as determined by the Trustee) made payable to “Gregory Messer, Chapter 7 Trustee” in the amount of \$50,000 (“Husson Qualifying Deposit”), along with the Bayshore Qualifying Deposit are “Qualifying Deposits”), which shall serve as a partial good faith deposit against payment of the purchase price by such competing Bidder as the Trustee, in his sole discretion determines to have made the highest or best bid for the Husson Property (“Husson Successful Purchaser”, along with the Bayshore Successful Purchaser are “Successful Purchaser”).

17. The initial bid for the Husson Property at the 363 Sale will be \$450,000 (“Husson Initial Bid”) with bid increments of \$25,000 or an amount the Trustee and his retained professionals deems appropriate at the 363 Sale.

18. If the Trustee, in his business judgment, determines to sell the Husson Property at the 363 Sale, the bidding shall remain open until there are no higher bids tendered.

19. At the conclusion of the bidding, the Trustee, in his business judgment, shall determine the Husson Successful Purchaser and the Bidder making the second highest or best bid on the Husson Property (“Husson Second Highest Bidder”, along with the Bayshore Second Highest Bidder are the “Second Highest Bidders”) and announce such results at the 363 Sale.

20. The Husson Successful Purchaser(s) and the Husson Second Highest Bidder(s) will, at the time and place of the conclusion of the 363 Sale, sign a memorandum(s) of sale (“Husson Memorandum(s) of Sale”) in accordance with these Sale Terms.

III. Sale Terms Applicable to Both Properties

21. The Sale Terms set forth below apply to the 363 Sale of the Bayshore Property, and to the extent the Trustee sells the Husson Property, then such terms apply to the Properties. For avoidance of doubt, to the extent the Trustee does not sell the Husson Property such terms shall be applicable only to the 363 Sale of the Bayshore Property.

22. At the conclusion of the 363 Sale, the Broker or the Trustee will return the Qualifying Deposits to all Bidders, except for the Successful Purchasers and the Second Highest Bidders. Within 48 hours after conclusion of the 363 Sale, the Successful Purchasers shall deliver to the Trustee, by certified check or bank check made payable to “Gregory M. Messer, Chapter 7 Trustee” or by wire in immediately available federal funds, an amount equal to ten (10%) percent of the bids submitted at the 363 Sale by the Successful Purchasers, *minus* such Successful Purchasers’ applicable Qualifying Deposits (together with the Qualifying Deposits are “Initial Deposits”), plus a six (6%) percent buyer’s premium of the amount of the bids by the Successful Purchasers for each of the Properties (“Buyers’ Premiums”).

23. The Buyers’ Premiums shall be deemed to have been earned immediately upon the fall of the hammer and are due within 48 hours after the conclusion of the 363 Sale. Failure of the Successful Purchasers of each of the Properties to tender both (i) the ten (10%) percent Initial Deposits of the highest or best bid at the 363 Sale and (ii) the Buyers’ Premiums within 48 hours after conclusion of the 363 Sale, shall result in an immediate: (a) default under these Sale Terms and the Memorandums of Sale; and (b) forfeiture of all earnest monies paid, including without limitation, any part of the Initial Deposit paid. The Trustee shall retain the Qualifying Deposits of the Second Highest Bidders until the Closing (as defined herein) with the Successful Purchasers.

24. The Successful Purchasers (and the Second Highest Bidders in the event of a Successful Purchasers’ Default (as hereinafter defined) are solely responsible for paying the 6% Buyers’ Premiums by such Successful Purchasers, and Second Highest Bidders as applicable, at the 363 Sale. The amount highest or best bid by the Successful Purchasers at the 363 Sale, together with the Buyers’ Premiums are defined herein as the “Purchase Price” for each of the Properties.

25. The 363 Sale of the Properties are subject to the entry of an Order confirming the 363 Sale by the Court. Accordingly, the Trustee shall seek the entry of an Order confirming the 363 Sale from the Court (“Sale Confirmation Order”).

26. Each of the Successful Purchasers must pay the balance of the Purchase Price for each of the Properties to the Trustee by wire in immediately available federal funds unless the Trustee in his sole discretion authorizes payment of the balance Purchase Price by bank or cashier's check.

27. Each of the Successful Purchasers must close title on each of the Properties 45 days after the entry of the Sale Confirmation Order ("Closing Date(s)"). **TIME BEING OF THE ESSENCE** as each of the Successful Purchasers, although such Closing Date may be extended by the Trustee, in his sole and reasonable discretion in consultation with the Lender. The Trustee has no obligation to extend the Closing Date(s).

28. But to the extent that the Trustee grants any such extension to either of the Successful Purchasers, the party shall provide to the Trustee, at least two (2) business days prior to the scheduled Closing Date, an additional, non-refundable deposit equal to ten (10%) percent of such Highest Bid ("Additional Deposits"). The Additional Deposit shall be made by wire in immediately available federal funds unless the Trustee in his sole discretion authorizes payment of the Additional Deposit by bank or cashier's check and, together with the Initial Deposit, shall be deemed the "Deposit".

29. In addition, all closing adjustments shall be made as of the original Closing Date. Further, each of the Successful Purchasers shall also be responsible for all real estate taxes, costs, fees, and expenses incurred by the Debtor's estate after the original Closing Date through the date of the actual closing of the 363 Sale of each of the Properties. Each of the Successful Purchasers shall also be responsible for any additional interest, fees, and other amounts due to the mortgage holder(s) and any other party asserting a lien against the Bayshore Property or Husson Property from the original Closing Date through the actual closing of the 363 Sale. If such Successful Purchaser fails to close on or before the extended Closing Date, the Trustee shall retain the Deposit related to Bayshore Property or Husson Property and such Successful Purchaser waives all rights to the Deposit related to the Bayshore Property or Husson Property.

30. If either of the Successful Purchasers fail to post the total required ten (10%) percent Initial Deposit within 48 hours following the 363 Sale or if either of the Successful Purchasers fail to Close on the 363 Sale of Bayshore Property or the Husson Property, as set forth and required herein ("Successful Purchaser's Default"), the Trustee, in his sole and absolute discretion, may, within three (3) business days of such Successful Purchaser's Default, deem the Second Highest Bidders to hold all benefits and obligations under the Sale Terms and Memorandum of Sale, as the new Successful Purchasers ("New Successful Purchasers").

31. In the event of the Successful Purchaser's Default, then, within 48 hours after notification by the Trustee that the Second Highest Bidder is the New Successful Purchaser of the Bayshore Property or the Husson Property, the New Successful Purchaser shall deliver to the Trustee, by wire in immediately available federal funds, unless the Trustee in his sole discretion authorizes payment by bank or cashier's check made payable to "Gregory M. Messer, Chapter 7 Trustee", an amount equal to ten (10%) percent of the bid submitted at the 363 Sale by the New Successful Purchaser minus such New Successful Purchaser's Qualifying Deposit (together with the New Successful Purchaser's Qualifying Deposit, "New Initial Deposit"). Failure of the New

Successful Purchaser to tender the ten (10%) percent New Initial Deposit shall result in an immediate: (a) default under these Sale Terms and the Memorandum of Sale; and (b) forfeiture of all earnest monies paid, including without limitation, any part of the New Initial Deposit paid. The Trustee may close on the 363 Sale of the Bayshore Property or the Husson Property with the New Successful Purchaser without further order of the Court.

32. Each of the New Successful Purchasers shall not receive credit for any monies or funds paid by each of the Successful Purchaser if paid by such Successful Purchaser. The New Successful Purchaser must close title no later than thirty (30) days following receipt of written notice to the New Successful Purchasers of Successful Purchaser's Default ("New Successful Purchaser's Closing"), **TIME BEING OF THE ESSENCE** as to the New Successful Purchasers, although such Closing Date may be extended by the Trustee, as determined in his sole discretion, but the Trustee has no obligation to extend the Closing Date.

33. To the extent that the Trustee grants any such extension to either of the New Successful Purchasers, such party shall provide to the Trustee at least two (2) business days prior to the scheduled Closing Date an additional, nonrefundable deposit equal to ten (10%) percent of the Purchase Price ("New Additional Deposit"). The New Additional Deposit shall be made by wire in immediately available federal funds unless the Trustee in his sole discretion authorizes payment of the New Additional Deposit by bank or cashier's check made payable to "Gregory M. Messer, Chapter 7 Trustee" and, together with the New Initial Deposit, shall be deemed the "New Deposit". In addition, all adjustments shall be made to the original Closing Date. Further, each of the New Successful Purchasers shall also be responsible for all real estate taxes, costs, fees, and expenses incurred by the Debtor's estate after the New Successful Purchaser's Closing through the date of the actual closing of the 363 Sale of the Bayshore Property or the Husson Property. Each of the New Successful Purchasers shall also be responsible for any additional interest due any mortgage holder(s) or other party asserting a lien against the Bayshore Property or the Husson Property from the New Successful Purchaser's Closing through the actual closing of the 363 Sale of the Bayshore Property or the Husson Property.

34. Each of the closings shall take place at a location as determined by the Trustee.

35. At or before each respective Closing, each of the Successful Purchasers, or each of the New Successful Purchasers, as the case may be, shall pay any and all costs and expenses in connection with the Closing related to obtaining a survey; fee title or mortgage insurance; title company endorsement, search and escrow charges; environmental, engineering or other inspections; appraisals, reports and other costs of due diligence, and County, State, City, or other real property transfer, deed or documentary tax, or other taxes imposed upon the 363 Sale due in connection with the transfer of each of the respective Properties.

36. Each of the Successful Purchasers and the New Successful Purchasers (as the case may be) acknowledge that they will be responsible for the completion of any transfer forms, if required. The Trustee shall not be required to execute any form of title affidavit (but may in its sole and absolute discretion) and all title exceptions customarily omitted from a title policy on account of such title affidavit shall be deemed permitted exceptions. Each of the Successful Purchasers, or the New Successful Purchasers (as the case may be) acknowledge that it will be

responsible for the preparation of all Closing documents required including, but not limited to, transfer tax forms. In connection with the Closing and Closing Date, each of the Successful Purchasers or the New Successful Purchasers, as the case may be, is hereby given notice that **TIME IS OF THE ESSENCE** against each of the Successful Purchasers or the New Successful Purchasers, as the case may be, and the failure of each of the Successful Purchasers or the New Successful Purchasers, as the case may be, to close for any reason whatsoever (except as otherwise provided herein) including its failure to pay the balance of such Purchase Price on the Closing Date, will result in an immediate forfeiture of the Deposit, or New Deposit, as the case may be related to the Bayshore Property or the Husson Property, and the termination of such Successful Purchaser's or such New Successful Purchaser's, as the case may be, right to acquire such under these Sale Terms and the Memorandum of Sale related to the Bayshore Property or the Husson Property.

37. The Successful Purchasers, or the New Successful Purchasers, as the case may be, shall be obligated to close title to the Property and, except as expressly set forth herein, there is no contingency of any kind or nature that will permit such Successful Purchaser, or such New Successful Purchaser (as the case may be) to cancel or avoid its obligation under these Sale Terms and the Memorandum of Sale other than the Trustee's inability to deliver insurable title to the Property. Further, the Successful Purchaser or the New Successful Purchaser (as the case may be) shall have demonstrated, to the satisfaction of the Trustee, evidence of its ability to conclude the transaction upon these Sale Terms and the Memorandum of Sale, without delay. **THE 363 SALE IS NOT SUBJECT TO ANY FINANCING CONTINGENCY.**

38. The Trustee reserves the right to reject any Bidder who the Trustee believes is not financially capable of consummating the purchase of either of the Properties. Expenses incurred by the Successful Purchasers, or any other Bidder, concerning any due diligence shall be the sole responsibility of such Successful Purchasers or Bidders and, under no circumstances shall the Broker, the Trustee, his other retained professionals, or the estate be responsible for, or pay, such expenses. The foregoing shall not be deemed to imply a contingency upon the results of any such due diligence.

39. 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. If the Successful Purchaser is unable to obtain title insurance, then the Trustee, in his sole discretion, shall have the option but not the obligation to obtain title insurance on behalf of the Successful Purchasers at the expense of the Successful Purchasers to be paid at the Closing.

40. The Successful Purchasers shall order an examination of title of the Bayshore Property or the Husson Property ("Title Report") within five (5) days from the date of the Sale Confirmation Order from a reputable title insurance company or abstract company doing business in the New York City area. The Successful Purchasers shall furnish a copy of the Title Report to the Trustee's counsel within four (4) days of the Successful Purchasers' receipt of the Title Report.

41. The Broker, the Trustee, his other retained professionals, or the estate have not made and do not make any representations or warranties as to the physical condition, expenses, operations, value of the land or buildings thereon, or any other matter or thing affecting or related

to the Properties or this 363 Sale, which might be pertinent to the purchase of the Properties, including, without limitation, (i) the current or future real estate tax liability, assessment or valuation of the Properties; (ii) the potential qualification of the Properties 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 Properties, 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 Properties; (iv) the availability of any financing for the purchase, alteration, rehabilitation or operation of the Properties 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 Properties; (vi) the current or future rents, other operating incomes or expenses; (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) the compliance or non-compliance with environmental laws and the presence or absence of underground fuel storage tanks, any asbestos, any lead paint or other hazardous materials anywhere on the Properties, or notes or notices of violations of law or municipal ordinances, orders or requirements noted or issued by any governmental department, agency or bureau having authority as to but not limited to lands, housing, buildings, fire, health, environment and labor conditions affecting the Properties.

42. Each of the Bidders hereby expressly agrees and acknowledges that no such representations or warranties have been made, and that the Broker, the Trustee, his retained professionals or the estate, shall not be liable or bound in any manner by expressed or implied warranties, guarantees, promises, statements, representations or information pertaining to the Properties, made or furnished by the Broker, the Trustee, his retained professionals or any real estate broker, agent, employee, servant or other person or professional representing or purporting to represent the Broker, the Trustee, his retained professionals or the estate unless such warranties, guarantees, promises, statements, representations or information are expressly and specifically set forth in writing within these Sale Terms and the Memorandums of Sale.

43. The Properties are being sold **“AS IS” “WHERE IS”, “WITH ALL FAULTS”**, pursuant to Bankruptcy Code section 363 and without any representations, covenants, guarantees or warranties of any kind or nature, and free and clear of any monetary liens, claims, interests or encumbrances of whatever kind or nature, with any liens, if any, to attach to the proceeds of the 363 Sale in such order and priority as they existed immediately prior to the actual closing on the 363 Sale of the Properties, and the 363 Sale of the Properties is 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) any leases; and (f) environmental conditions; provided, however, the Properties shall be delivered free and clear of any and all monetary liens. By delivering their respective Qualifying Deposits, all Bidders acknowledge that they have had the opportunity to review and inspect each Property, the state of title thereof and laws, rules, and regulations applicable thereto, and will rely solely thereon and on their own independent investigations and inspections of such Properties in making their bids. Neither the Broker, the Trustee, nor his retained professionals or any of their collective representatives makes any representations or warranties with respect to the permissible uses of any

of the Properties including, but not limited to, the zoning of such Properties. All Bidders acknowledge that they have conducted their own due diligence in connection with such Property and do not rely on any information provided by Broker, the Trustee, or his retained professionals. The Properties will be sold subject to all violations requiring corrective action.

44. Each of the Properties shall be delivered vacant of occupancies and tenancies at each Closing.

45. The Trustee shall convey title to each of the Properties by delivery of a quitclaim or Trustee Deed.

46. Nothing contained in these Sale Terms is intended to supersede or alter any provisions of the Bankruptcy Code, any orders entered in the Debtor's bankruptcy case or otherwise interfere with the jurisdiction of the Court.

47. All the terms and conditions set forth in these Sale Terms are subject to modification as may be directed by the Trustee, in his sole discretion, or by the Court. The Trustee reserves the right to modify these Sale Terms at any time. The Trustee, in his sole discretion, reserves the right to withdraw either of the Properties from the 363 Sale.

48. These Sale Terms will be read into the record, or specifically incorporated by reference, at the 363 Sale of the Properties. By making a bid on either of the Properties, all Bidders will be deemed to have acknowledged having read and understood these Sale Terms and have agreed to be bound by them. If the Trustee is unable to deliver either of the Properties in accordance with these Sale Terms for any reason whatsoever, the Trustee's and the Broker's only obligation will be to refund the Deposit, or New Deposit (if paid to the Trustee) related to the Bayshore Property or the Husson Property, without interest, to such Successful Purchaser, or the New Successful Purchaser, as the case may be, and upon such refund, the Successful Purchaser or the New Successful Purchaser, as the case may be, will have no claim or recourse against the Broker, the Trustee, his retained professionals and/or the estate and shall have no further rights under these Sale Terms or Bayshore Memorandum of Sale or the Husson Memorandum of Sale.

49. The Court retains jurisdiction over the marketing and sale of the Properties and shall determine any disputes concerning the Sale of the Properties. By participating in the 363 Sale, all Bidders, including each of the Successful Purchasers and the New Successful Purchasers (as the case may be), consent to the jurisdiction of the Court to determine such disputes under the Debtor's pending case.

I have read these Sale Terms and agree to be bound by them.

Date: _____ by: _____