

SILVERMANACAMPORA LLP  
Attorneys for Kenneth P. Silverman, Esq.,  
Chapter 7 Trustee  
100 Jericho Quadrangle-Suite 300  
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(516) 479-6300  
David J. Mahoney  
Brett S. Silverman

Hearing Date: October 1, 2013  
Time: 10:00 a.m.

Objections Due: September 24, 2013  
Time: 4:00 p.m.

Auction: October 10, 2013  
Time: 11:00 a.m.

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK

-----X  
In re:

AGAPE WORLD, INC., *et al.*,

Debtors.

Chapter 7  
Case No.: 09-70660 (DTE)  
(substantively consolidated)

-----X  
**NOTICE OF HEARING ON TRUSTEE'S MOTION FOR ENTRY OF ORDER  
(I) AUTHORIZING AND APPROVING SALE OF THE ESTATE'S INTEREST IN AND TO  
A CERTAIN NOTE AND MORTGAGE SECURED BY THE COOPERATIVE  
SHARES AND PROPRIETARY LEASE FOR THE APARTMENT KNOWN  
AS AND LOCATED AT 229 EAST 14<sup>TH</sup> STREET, APT. 4W, NEW YORK,  
NEW YORK, TO ANISH JAIN, SUBJECT TO HIGHER OR BETTER OFFERS,  
FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES;  
(II) ESTABLISHING AUCTION AND NOTICE PROCEDURES; (III) FIXING THE  
DATE FOR THE SALE CONFIRMATION HEARING; AND (IV) GRANTING RELATED RELIEF**

**PLEASE TAKE NOTICE**, that upon the motion (the "Motion") of Kenneth P. Silverman, Esq., the chapter 7 trustee (the "Trustee") of the above-captioned substantively consolidated bankruptcy estate of Agape World, Inc., *et al.* (collectively, the "Debtors"),<sup>1</sup> by and through his attorneys, SilvermanAcampora LLP, the Trustee will move before the Honorable Dorothy T. Eisenberg, United States Bankruptcy Judge, United States Bankruptcy Court for the Eastern District of New York, Alfonse M. D'Amato U.S. Courthouse, 290 Federal Plaza, Central Islip, New York on **October 1, 2013 at 10:00 a.m.** (the "Hearing") seeking the entry of an order: (i) under §§105 and 363 of Title 11, United States Code, Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure, and Rule 6004-1 of the Court's Local Bankruptcy Rules, authorizing and approving the terms and conditions of sale between the Trustee and Anish Jain

<sup>1</sup> The substantively consolidated estates are: Agape World, Inc., Agape Merchant Advance LLC, Agape Community LLC, Agape Construction Management, LLC, Agape World Bridges LLC, and 114 Parkway Drive South LLC.

for the Trustee's rights, title and interest in and to an Interest-Only Note and Loan Security Agreement (the "Loan"), secured by the cooperative shares and proprietary lease for Unit 4W, located at 229 East 14th Street, New York, New York and also known as, 227-229 East 14th Street Housing Development Fund Corporation, between the Debtors and Roland Lyons, and related documents and information, subject to higher or better offers at a public auction sale (the "Auction"), free and clear of all liens, claims, encumbrances, security interests and other restrictions on transfer (collectively, the "Liens"), with such Liens to attach to the net proceeds of the sale, if any, in the amount and priority as they currently exist; (ii) approving certain auction procedures for the Auction; (iii) approving the form, time and scope of notice of the Auction; (iv) fixing the date for the sale confirmation hearing; and (v) granting such other and further relief as this Court deems just and proper. Copies of the Motion and all Exhibits thereto are enclosed with this Notice.

**PLEASE TAKE FURTHER NOTICE**, that objections, if any, to the relief requested in the Motion must be (i) electronically filed with the Bankruptcy Court; (ii) delivered to Chambers of the Honorable Dorothy T. Eisenberg; and (iii) served upon SilvermanAcampora LLP, to be received no later than **4:00 p.m. on September 24, 2013**, at 100 Jericho Quadrangle, Suite 300, Jericho, New York 11753, Attn: Brett S. Silverman, Esq.; and (iv) mailed to the office of the United States Trustee, 560 Federal Plaza, Central Islip, New York 11722.

**PLEASE TAKE FURTHER NOTICE**, that the Hearing may be adjourned without further notice other than the announcement of such adjournment in open Court.

**PLEASE TAKE FURTHER NOTICE**, that you need not appear at the Hearing if you do not object to the relief requested in the Motion.

Dated: Jericho, New York  
September 9, 2013

**SILVERMANACAMPORA LLP**  
Attorneys for Kenneth P. Silverman, Esq.,  
Chapter 7 Trustee

By: s/ David J. Mahoney  
David J. Mahoney  
Brett S. Silverman  
100 Jericho Quadrangle - Suite 300  
Jericho, New York 11753  
(516) 479-6300

**SILVERMANACAMPORA LLP**  
Attorneys for Kenneth P. Silverman, Esq.,  
Chapter 7 Trustee  
100 Jericho Quadrangle-Suite 300  
Jericho, New York 11753  
(516) 479-6300  
David J. Mahoney  
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**Hearing Date: October 1, 2013**  
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**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK**

-----X  
In re:

AGAPE WORLD, INC., *et al.*,

Debtors.  
-----X

Chapter 7  
Case No.: 09-70660 (DTE)  
(substantively consolidated)

**TRUSTEE'S MOTION FOR ENTRY OF ORDER (I) AUTHORIZING AND APPROVING SALE OF THE ESTATE'S INTEREST IN AND TO A CERTAIN NOTE AND MORTGAGE SECURED BY THE COOPERATIVE SHARES AND PROPRIETARY LEASE FOR THE APARTMENT KNOWN AS AND LOCATED AT 229 EAST 14<sup>TH</sup> STREET, APT. 4W, NEW YORK, NEW YORK, TO ANISH JAIN, SUBJECT TO HIGHER OR BETTER OFFERS, FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES; (II) ESTABLISHING AUCTION AND NOTICE PROCEDURES; (III) FIXING THE DATE FOR THE SALE CONFIRMATION HEARING; AND (IV) GRANTING RELATED RELIEF**

**TO: HONORABLE DOROTHY T. EISENBERG  
UNITED STATES BANKRUPTCY JUDGE:**

Kenneth P. Silverman, Esq., the chapter 7 trustee (the "Trustee") of the above-captioned substantively consolidated bankruptcy estate of Agape World, Inc., *et al.* (collectively, the "Debtors"),<sup>1</sup> by and through his attorneys, SilvermanAcampora LLP, submits this motion (the "Motion") seeking the entry of an order: (i) under §§105 and 363 of Title 11, United States Code (the "Bankruptcy Code"), Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 6004-1 of the Court's Local Bankruptcy Rules (the "Local Rules"), authorizing and approving the terms and conditions of sale between the Trustee and Anish Jain (the "Stalking Horse Agreement") for the Trustee's rights, title and interest in and to an Interest-Only Note and Loan Security Agreement (the "Loan"), secured by cooperative shares and proprietary lease for Unit 4W, located at 229 East 14th Street, New York, New York

<sup>1</sup> The substantively consolidated estates are: Agape World, Inc., Agape Merchant Advance LLC, Agape Community LLC, Agape Construction Management, LLC, Agape World Bridges LLC, and 114 Parkway Drive South LLC.

and also known as, 227-229 East 14th Street Housing Development Fund Corporation (the “Cooperative Apartment”), between the Debtors and Roland Lyons (“Lyons”), and related documents and information (collectively, the “Supporting Documents” and, together with the Loan, the “Sale Assets”), subject to higher or better offers at a public auction sale (the “Auction”), free and clear of all liens, claims, encumbrances, security interests and other restrictions on transfer (collectively, the “Liens”), with such Liens to attach to the net proceeds of the sale, if any, in the amount and priority as they currently exist; (ii) approving certain auction procedures for the Auction (the “Auction Procedures”); (iii) approving the form, time and scope of notice of the Auction (the “Notice Procedures” and, together with the Auction Procedures, the “Sale Procedures”); (iv) fixing the date for the sale confirmation hearing; and (v) such other and further relief as this Court deems just and proper, and respectfully represents as follows:<sup>2</sup>

### **Case Background**

1. At all relevant times, Debtor Agape World, Inc. (“Agape”) was a domestic corporation with principal places of business located at 150 Motor Parkway, Suite 106, Hauppauge, New York; 64-13B Grand Avenue, Maspeth, New York; and 82-11 37th Avenue, Suite 602, Jackson Heights, New York.

2. On February 5, 2009, an involuntary chapter 7 petition was filed by four petitioning creditors (the “Petitioning Creditors”) pursuant to Bankruptcy Code §303(b), against Agape in the United States Bankruptcy Court for the Eastern District of New York, commencing the above-captioned bankruptcy proceeding (the “Agape Case”).

3. On February 9, 2009, the Petitioning Creditors filed a motion to appoint an interim chapter 7 trustee under Bankruptcy Code §303(g) (the “Trustee Motion”).

4. On February 12, 2009, the Court granted the Trustee Motion and entered an

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<sup>2</sup> The Court has jurisdiction over the subject matter and the parties to this core proceeding pursuant to 28 U.S.C. §§1334 and 157(a) and (b)(2)(A), (M), (N) and (O), and the Order of Reference of the United States District Court for the Eastern District of New York. Venue of this proceeding in this court is proper under 28 U.S.C. §1408. The statutory predicates for the relief requested in this Motion are Bankruptcy Code §§ 105 and 363, Bankruptcy Rules 2002, 6003, and 6004, and the Court’s Local Rules 6004-1(i).

order directing the Office of the United States Trustee to immediately appoint an interim chapter 7 trustee to the Agape Case.

5. On February 12, 2009, Kenneth P. Silverman, Esq., was appointed the interim chapter 7 trustee, has since duly qualified as the permanent Trustee in the Debtors' cases, and is currently acting in that capacity.

6. On March 4, 2009, the Court entered an Order for relief in the Agape Case.

7. On April 14, 2009, the Court entered an Order substantively consolidating the Debtors' bankruptcy cases.

### **The Loan**

8. Prior to the commencement of the Debtors bankruptcy proceeding, the Debtors made the Loan to Lyons, which had a principal balance in excess of \$835,000.<sup>3</sup>

9. The Loan is secured by the cooperative share and proprietary lease for the Cooperative Apartment.

10. On June 22, 2007, the Debtors perfected their security interest in the Loan and the Cooperative Apartment by filing both UCC1 and UCC1 Cad Financing Statements with the New York City Department of Finance – Office of the City Register.

11. Despite due demand, Lyons has defaulted on the Loan and failed to satisfy the same.

12. Lyons, upon information and belief, does not earn sufficient amounts of money to satisfy the loan in full, let alone make any interest payments on the Loan. Lyons is, however, current on any and all obligations owed to the building, such as taxes and maintenance, and upon information and belief, the building has no reason or desire to assist any party in a dispossession proceeding of Lyons.

13. The Cooperative Apartment is located in a low income housing development. As such, in order to be an occupant/owner of any unit in the building, the proposed occupant must

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<sup>3</sup> Among the documents underlying the Loan is a: (i) loan security agreement; (ii) promissory note; and (iii) an assignment of lease for the Cooperative Apartment.

first meet certain maximum income requirements, as well as, be approved by the co-op board.

14. Due to these issues, the Trustee's options were limited with respect to the liquidation of the Loan. The Trustee could either (a) commence a proceeding to foreclose the Loan and embark on what could be a extremely costly eviction proceeding to reclaim the Cooperative Apartment from Lyons (an "Eviction"), or (b) sell the Loan "as is", "where is".

15. In weighing his options, the Trustee determined that even if he were successful in dispossessing Lyons from the Cooperative Apartment, he would face an even greater challenge finding a purchaser for the Cooperative Apartment that would be able to satisfy both the maximum earning limits and approval by the co-op board.

16. As such, the Trustee determined that selling the Loan would provide a greater net benefit to the Debtors' estate and their creditors, as opposed to embarking into uncertain and possibly extremely costly and risky litigation.

#### **The Stalking Horse Contract**

17. Based on the foregoing challenges in connection with liquidating the Loan, the Trustee engaged in the negotiations of a stalking horse contract with Anish Jain ("Jain"), a party introduced to the Trustee by Maltz (defined below), for the sale of the Sale Assets.

18. On June 28, 2013, Jain executed the Stalking Horse Agreement, by which he will purchase the Sale Assets, "as is", "where is", for a sum of \$50,000, subject to higher or better offers at the Auction.

19. All interested parties are encouraged to review the Stalking Horse Agreement in its entirety, a copy of which is annexed hereto as **Exhibit A**.

#### **The Proposed Sale**

20. By this Motion, the Trustee seeks to sell the Sale Assets, free and clear of all Liens, subject to higher or better offers, and "as is", "where is", without any warranties, guarantees and/or representation regarding the condition of the Sale Assets.

21. During the pendency of this bankruptcy proceeding, the Trustee, through his

attorneys and his retained auctioneer, David R. Maltz & Co., Inc. ("Maltz"),<sup>4</sup> has analyzed the liquidation value of the Sale Assets.

22. The Trustee has been advised by Maltz that the value of the Sale Assets is significantly less than the value of the Loan for a variety of reasons, which include, but are not limited to, (a) enforcement and collectability of the Loan from Lyons, (b) the fact that the Cooperative Apartment is located in a low income housing project, (c) Lyons currently occupies the premises, and would need to be dispossessed from the Cooperative Apartment by a purchaser, and (d) occupancy and ownership of the Cooperative Apartment is subject to approval from the co-op board.

23. Based on the foregoing issues, the Trustee believes that the purchase price set forth in the Sale Contract is fair and reasonable given the circumstances, particularly with such price being subject to higher or better offers.

24. Therefore, the Trustee seeks approval to sell the Sale Assets to Jain or another party who offers a higher or better offer at the Auction, which is scheduled for 11:00 a.m. (EST) on October 10, 2013.

### **The Proposed Sale Procedures**

25. The Trustee seeks the Court's approval of the following Sale Procedures, which are comprised of the Auction and Notice Procedures contained in the proposed Terms and Conditions of Sale (the "Terms of Sale") which are attached to the Sales Procedure Order (defined below) as **Exhibit 1**.

**A. Auction Procedures**

26. The Debtor intends to conduct the Auction on **October 10, 2013 at 11:00 a.m.**

27. The Trustee seeks to utilize the Terms of Sale for the Auction.

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<sup>4</sup> On August 28, 2013, the Court approved the Trustee's retention and employment of Maltz as auctioneer for the Sale Assets. Maltz has advised the Trustee that its marketing efforts shall consist of, among other things, insertion of the Sale Assets into a multi-property auction brochure to 10,000+ recipients via USPS mail, presence of information on the Sale Assets on 200+ real estate and auction specific web sites, presence of information on the Sale Assets on Maltz's web site which received 100,000 page views every month, inclusion of the Sale Assets on Maltz's weekly email broadcast to 20,000+ recipients newspaper, and contacting known interested parties through prior business dealings.



28. The Sale Assets are being sold as a group, and will not be offered as separate lots, given that the shares of the Cooperative Apartment, the UCC's, and the proprietary lease are inextricably inter-twined with the Loan.

29. All parties-in-interest are urged to read the proposed Terms of Sale in their entirety for a complete description of all of the terms and conditions of the Trustee's proposed Auction process. See **Exhibit B**.

**B. Notice Procedures**

30. The Trustee proposes that the Sale Procedures Order and Terms of Sale be provided to: (i) all parties having filed notices of appearance in the Debtors' cases as of the filing of this Motion; (ii) the Office of the United States Trustee; (iii) Jain, (iv) the Cooperative Apartment Board for 229 East 14<sup>th</sup> Street, New York, New York; and (v) all parties who have previously expressed interest in purchasing the Sale Assets (collectively, the "Service Parties"). Notice will be in the form of a copy of the Sale Procedures Order (defined below), including the Auction Procedures.

31. Moreover, copies of the Sale Procedures Order and the Auction Procedures shall be posted on the Trustee's website located at [www.agapeworldbankruptcy.com](http://www.agapeworldbankruptcy.com).

32. The Trustee respectfully represents that service in the aforementioned manner conforms with service approved by this Court in other sales of the Debtors' assets by the Trustee, and complies with the Court's Order Establishing Noticing Procedures entered on July 8, 2009.

**C. Scheduling of the Sale Confirmation Hearing**

33. The Trustee respectfully requests that the Court schedule a hearing to confirm the results of the Auction for October 15, 2013 (the "Sale Confirmation Hearing").

34. The Trustee respectfully submits that the proposed Sale Procedures are fair and reasonable, and, as such, he requests that the Court enter an order in a form similar to that attached as **Exhibit B** (the "Sale Procedures Order"), (a) approving the Sale Procedures, (b) scheduling the Sale Confirmation Hearing, and (c) authorizing the Trustee to conduct the

Auction.

**Basis for Relief Requested**

35. Bankruptcy Code §363(b)(1) provides that the Trustee, after notice and hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.<sup>5</sup> The terms of such sale are generally within the sound discretion of the trustee. See *In re Bakalis*, 220 B.R. 525 (Bankr. E.D.N.Y. 1998).

36. The Trustee respectfully submits that compelling business justifications, as disclaimed above, exist for the approval of this Motion and the sale of the Sale Assets. Accordingly, the Trustee respectfully requests that the Court authorize him to sell the Sale Assets to Jain, or the highest or best offeror at the Auction.

37. At this time, the Trustee is unaware of any Liens asserted against the Sale Assets or the Cooperative Apartment. The Trustee, however, intends to sell the Sale Assets free and clear of Liens, with such Liens to attach to the proceeds of the sale.

38. In this case, the Trustee has determined that the value received for the sale of the Sale Assets, net of any commissions and disbursements due to Maltz for his services

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<sup>5</sup> Bankruptcy Code §363 provides, in relevant part, as follows:

(b) (1) The trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.

\* \* \*

(f) The trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if

\* \* \*

(1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;

\* \* \*

(2) such entity consents;

\* \* \*

(5) such entity could be compelled, in a legal or equitable proceeding to accept a money satisfaction of such interest.

11 U.S.C. §363(b)(1), (f)(1), (2) and (5).

Although Bankruptcy Code §363 does not set forth a standard for determining when it is appropriate for a court to authorize the sale or disposition of a debtor's assets, the Second Circuit, in applying this section, has required that it be based upon the sound business judgment of the trustee. See *e.g. Committee of Equity Security Holders v. Lionel Corp. (In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir. 1983).

rendered to the estate, will provide the Debtors' unsecured creditors with a significant benefit.

39. Accordingly, the Court should authorize the Sale as contemplated herein.

#### **Notice of this Motion**

40. The Trustee has served the Notice of Hearing, this Motion, and all Exhibits attached hereto, upon: (i) the Office of the United States Trustee; (ii) Jain; (iii) Nicholas Cosmo, the former principal of the Debtors; (iv) the Cooperative Board for 229 East 14<sup>th</sup> Street, New York, New York; (v) Roland Lyons; (vi) all parties having filed a Notice of Appearance in this case; and (vii) all appropriate taxing authorities. Moreover, copies Notice of Hearing, this Motion, and all Exhibits attached hereto have been posted on the Trustee's website located at [www.agapeworldbankruptcy.com](http://www.agapeworldbankruptcy.com). The Trustee respectfully represents that service in the aforementioned manner is consistent with service done for other asset sales in this case and complies with the Court's Order Establishing Noticing Procedures entered on July 8, 2009.

#### **Conclusion**

41. Based upon the foregoing, the Trustee submits that the sale of the Sale Assets as outlined herein, to Jain, or the person or entity making the highest or best offer at the Auction, is, and will be, a reasonable exercise of the Trustee's sound business judgment, is in the best interests of the Debtors, their estate, and their creditors, and should be approved in all respects.

42. No previous application for the relief requested herein for the Sale Assets has been made to this or any other Court.

***[Remainder of the page intentionally left blank]***

**WHEREFORE**, the Trustee respectfully requests that this Court grant this Motion and enter the annexed Sale Procedures Order: (i) authorizing and approving the Trustee's proposed sale of the Sale Assets to Jain, or the successful bidder at the Auction, free and clear of all Liens, with such Liens, if any, to attach to the proceeds of sale in the amount and priority as they currently exist; (ii) approving the Sale Procedures; (iii) fixing October 15, 2013, at 10:00 a.m. as the date for the Sale Confirmation Hearing, or as soon thereafter as the movant may be heard; and (iv) granting related relief as this Court deems proper.

Dated: Jericho, New York  
September 9, 2013

**SILVERMANACAMPORA LLP**  
Attorneys for Kenneth P. Silverman, Esq.,  
Chapter 7 Trustee

By: s/ David J. Mahoney  
David J. Mahoney  
Brett S. Silverman  
100 Jericho Quadrangle - Suite 300  
Jericho, New York 11753  
(516) 479-6300

# ***EXHIBIT A***

## TERMS AND CONDITIONS OF SALE

1. These Terms and Conditions of Sale (this "**Agreement**") are being promulgated in connection with the sale by Kenneth P. Silverman, Esq., solely in his capacity as the Chapter 7 trustee (the "**Trustee**") of the substantively consolidated bankruptcy estate of Agape World, Inc., *et al.* (collectively, the "**Debtors**"), Case No. 09-70660 (DTE), pending in the United States Bankruptcy Court for the Eastern District of New York (the "**Bankruptcy Court**"), of the Debtors' interest in certain assets, as expressly defined on **Schedule "A"** annexed hereto (the "**Acquired Assets**"), which is incorporated herein and made a part hereof, to Anish Jain, or his designee, nominee or assign (collectively, the "**Purchaser**" and, together with the Trustee, the "**Parties**" and each a "**Party**"), subject to higher or better offers at a public auction sale (the "**Auction**").
2. The Acquired Assets are being sold "as is", "where is", without any representations, covenants, guarantees or warranties of any kind or nature whatsoever, except as set forth herein.
3. The total purchase price (the "**Purchase Price**") shall be the aggregate of: (i) Fifty Thousand and 00/100 Dollars (\$50,000.00) (the "**Agreement Amount**"); and (ii) an amount equal to any increase to the Agreement Amount which is the result of the Purchaser's bidding, if any, at the Auction (the "**Bid Increase**").
4. Purchaser has previously delivered to the Trustee's counsel, SILVERMANACAMPORA LLP, Attn: Brett S. Silverman, Esq., the amount of Five Thousand and 00/100 Dollars (\$5,000.00) (the "**Deposit**").
5. The closing of the transaction contemplated by this Agreement (the "**Closing**") shall take place at the offices of SilvermanAcampora LLP, 100 Jericho Quadrangle, Suite 300, Jericho, New York 11753, commencing at 11:00 a.m. local time on a date to be determined in accordance with the terms and conditions of the Auction as approved by the Bankruptcy Court by the entry of an order confirming the sale of the Acquired Assets (the "**Sale Order**").
6. At the Closing: (i) the Trustee will deliver to Purchaser (A) Bill of Sale, which shall transfer, assign, convey, and deliver to Purchaser, all of the Debtor's estate's right, title and interest in and to the Acquired Assets, free and clear of all liens, claims, interests, encumbrances, indebtedness and restrictions on transfer, which shall attach solely to the proceeds of the Auction, as contemplated by sections 363(b), (f) and (m) of Title 11, United States Code (as amended, the "**Bankruptcy Code**") in the same priority and validity as they existed prior to the transfer of the Acquired Assets, (B) the Acquired Assets in "as is", "where is" condition with no representations or warranties; (C) a Release and Assignment of any documents, security interests, or other intangibles which make up the Acquired Assets; and (D) such other documents as the parties may deem reasonably necessary according to industry customs and standards; (ii) Purchaser agrees to (X) deliver to the Trustee the entire Purchase Price by a bank check, federal funds or wire transfer, made payable to "Kenneth P. Silverman, Esq., as Chapter 7 Trustee", less the Deposit, which has already been delivered to the Trustee's counsel, (Y) execute such documents as necessary to satisfy all of the terms and conditions of this Agreement and the Sale Order, and (Z) authorize the release of the Deposit to the Trustee.

7. At Closing, Purchaser is responsible for, and shall pay any and all New York State or local Transfer Taxes or other Taxes that may apply, if any.
8. Purchaser shall be obligated to purchase the Acquired Assets as contemplated herein, and there is no contingency of any kind or nature, other than explicitly set forth herein, that will permit Purchaser to cancel this Agreement.
9. In the event that the Purchaser fails to Close, for any reason other than the Trustee's inability to deliver the Acquired Assets to the Purchaser in a manner consistent with the terms and conditions contained herein or in the Sale Order, the Purchaser shall forfeit the Deposit to the Debtors' estate, it being the agreement of the parties that as between Purchaser and the Trustee herein, such shall be the Trustee's sole remedy against Purchaser in such event.
10. Subject to the approval of the Bankruptcy Court, the initial competing bid at the Auction for the Acquired Assets shall be Seventy Thousand (\$70,000) Dollars, and any and all subsequent bids (collectively, "**Subsequent Bids**") must be in the minimum increments of Ten Thousand Five Hundred (\$10,000) Dollars ("**Bid Increments**") (i.e. after the initial competing bid of \$70,000, the next Subsequent Bid must be \$80,000), and shall also be subject to all the terms and conditions contained herein. In the event that a third party qualifies to bid (which shall be defined by the bidding procedures to be approved by the Bankruptcy Court, but shall also include, but not be limited to a minimum deposit in the amount of \$7,000, to be delivered in a manner consistent with the bidding procedures), and places a Subsequent Bid, the Purchaser shall have the right, but not the obligation, to submit Bid Increases in amounts equal to or greater than the Bid Increments.
11. The Trustee will obtain an order of the Bankruptcy Court authorizing him to sell the Acquired Assets to Purchaser together with all of the Debtor's estate's right, title and interest in and to the Acquired Assets, free and clear of any and all liens, claims or interests, encumbrances of whatever kind or nature, indebtedness and restrictions on transfer, as contemplated by Bankruptcy Code §§ 363(b), (f) and (m), to Purchaser. By delivering the Deposit, Purchaser acknowledges that it has had the opportunity to review and inspect the Acquired Assets and will rely solely thereon and on its own independent investigation and inspection of the Acquired Assets. Neither the Trustee nor any of his representatives make any representations or warranties with respect to the conditions and/or permissible uses of the Acquired Assets. The Purchaser acknowledges that it has conducted its own due diligence concerning the Acquired Assets, and is not relying on any information provided by the Trustee or his retained professionals. Notwithstanding the above, the parties agree to be bound by the provisions of this Agreement as to the allocation and attribution of damage and loss as set forth herein.
12. Nothing contained in this Agreement is intended to supersede or alter any provisions of the Bankruptcy Code, or otherwise interfere with the jurisdiction of the Bankruptcy Court. This Agreement is subject to modification as may be directed by the Trustee or by the Bankruptcy Court, subject, however, to the consent of Purchaser should any material change effect the price, terms or the Acquired Assets as set forth in the annexed **Schedule "A"**. The Trustee reserves the right to modify this Agreement, subject to the foregoing, to maintain consistency with the provisions of the Bankruptcy Code and/or prior Orders of the Bankruptcy Court. The Purchaser's obligations hereunder shall be of no force or effect unless and until the Bankruptcy Court enters the Order(s) described herein approving this Agreement and confirming any sale contemplated herein.

13. By tendering the Deposit and executing this Agreement, Purchaser acknowledges that it has read all of the terms and conditions of sale contained herein, and has agreed to be bound by the same.
14. If the Trustee is unable to deliver the Acquired Assets in accordance with this Agreement and the Sale Order, for any reason whatsoever, his only obligation will be to refund the Deposit, without interest, and Purchaser will have no recourse against the Trustee, the Trustee's retained professionals, or the Debtors' estate.
15. Purchaser warrants and represents that it has the full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement constitutes a valid and legally binding obligation of Purchaser, enforceable in accordance with its terms and conditions.
16. No broker, finder or other entity acting under either the Trustee's and/or Purchaser's authority is entitled to any broker's commission or any other fee in connection with the transaction contemplated by this Agreement, other than the Trustee's retained Auctioneer, who shall be compensated in accordance with its approved retention.
17. The Acquired Assets shall be delivered in accordance with the terms and conditions of this Agreement and the Sale Order, in their current condition, "as is", "where is".
18. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors, designees, nominees, and/or permitted assigns. Purchaser may not assign either this Agreement or any of its rights, interests or liabilities hereunder without the prior written approval of the Trustee, provided, however, that Purchaser may after the Closing assign any or all of its rights hereunder.
19. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by each of the Parties. No waiver by any Party of any default, misrepresentation or breach of warranty, covenant or agreement made or to be performed hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty, covenant or agreement made or to be performed hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.
20. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction if such invalidity or unenforceability does not destroy the basis of the bargain between the Parties.
21. Each of Purchaser and the Trustee will bear their own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transaction contemplated hereby.
22. The Trustee makes no representation or warranty as to the condition of, or the Debtors' interest in, any of the Acquired Assets conveyed hereunder, and the Trustee hereby transfers and conveys any and all of the Debtor's rights, title and interests in and to said Acquired Assets.



23. All notices, requests, demands and other communications related to any matter arising hereunder and under any Order approving sale shall be in writing and delivered by hand or mailed by registered or certified mail, return receipt requested, first class postage pre-paid, and addressed as follows:

If to the Trustee:  
Kenneth P. Silverman, Esq.  
Chapter 7 Trustee  
c/o Silverman Acampora LLP  
100 Jericho Quadrangle, Suite 300  
Jericho, NY 11753  
Attn: Brett S. Silverman, Esq.

If to Purchaser:

c/o A. Jain

And/or such other Purchaser as is named in a Sale Order.

24. Each Party covenants that at any time, and from time to time, after the Closing Date, it will execute such additional instruments and take such action as may be reasonably requested by the other party to confirm, perfect or otherwise carry out the intent and purpose of this Agreement.
25. All Exhibits attached hereto are incorporated herein by reference, and any blanks in such Exhibits, or missing relevant information, if any, will be filled in as required in order to consummate the transactions contemplated herein and in accordance with this Agreement.
26. This Agreement is subject to the approval of the Bankruptcy Court.

I have received a copy and read this Agreement and agree to be bound by all of the terms and conditions contained herein.

Dated: June 28, 2013

**Anish Jain**

*s/ Anish Jain*

NAME:

ADDRESS:

TELEPHONE:

**MEMORANDUM OF SALE**

Anish Jain (the "**Purchaser**") has this \_\_\_ day of June, 2013, agreed to purchase the Debtor's interest in certain assets defined on **Schedule "A"** annexed to this Agreement, from Kenneth P. Silverman, Esq., solely in his capacity as the Chapter 7 trustee (the "**Trustee**") of the substantively consolidated bankruptcy estate of Agape World, Inc., *et al.* (collectively, the "**Debtors**"), Case No. 09-70660 (DTE), pending in the United States Bankruptcy Court for the Eastern District of New York, for the sum of Fifty Thousand and 00/100 Dollars (\$50,000.00) and hereby promises and agrees to comply with all of the terms and conditions contained in the Agreement, to which this Memorandum of Sale is annexed.

**Anish Jain**

*s/ Anish Jain*

NAME:

ADDRESS:

TELEPHONE:

Received from Purchaser the sum of Five Thousand and 00/100 Dollars (\$5,000.00) cashiers check made payable to "KENNETH P. SILVERMAN, ESQ., AS CHAPTER 7 TRUSTEE", as a deposit for the purchase of the Acquired Assets pursuant to the annexed Agreement.

**SILVERMANACAMPORA LLP**

Attorneys for Kenneth P. Silverman, Esq.

Chapter 7 Trustee

By: *s/ David J. Mahoney*

Ronald J. Friedman David J. Mahoney

Brett S. Silverman

100 Jericho Quadrangle, Suite 300

Jericho, New York 11753

Tel. (516) 479-6300

Fax. (516) 479-6301

## Schedule "A"

In connection with, and subject to the Terms and Conditions of Sale (the "**Agreement**") which are being promulgated in connection with the sale by Kenneth P. Silverman, Esq., solely in his capacity as the Chapter 7 trustee (the "**Trustee**") of the substantively consolidated bankruptcy estate of Agape World, Inc., *et al.* (collectively, the "**Debtors**"), Case No. 09-70660 (DTE), pending in the United States Bankruptcy Court for the Eastern District of New York (the "**Bankruptcy Court**"), of the Debtors' interest in certain assets, as expressly defined on **Schedule "A"** annexed hereto (the "**Acquired Assets**"), to Anish Jain, or his designee, nominee or assign (collectively, the "**Purchaser**"), subject to higher or better offers at a public auction sale, the Trustee shall transfer all of the Debtors' rights, title and interests in and to the following assets:

Documents:

1. The following documents (collectively, the "**Documents**") in the Trustee's possession concerning the loan made by the Debtors to Roland Lyons ("**Lyons**");
  - a. Loan Security Agreement dated June 12, 2007 (the "**Security Agreement**");
  - b. Interest Only Note (the "**Note**") and, together with the Security Agreement, (the "**Loan**");
  - c. UCC Financing Statements dated June 20, 2007;
  - d. Financing Term Sheet Offer dated May 4, 2007;
  - e. Copy of the 227-229 East 14<sup>th</sup> Street Housing Development Fund Corporation Stock Certificate (the "**Stock Certificate**") dated July 28, 1987 in the name of Roland Lyons for 250 shares in connection with 229 East 14<sup>th</sup> Street, Apt. 4W, New York, New York (the "**Real Property**");
  - f. Closing Statement for the Loan dated June 12, 2007;
  - g. Title Company Endorsement and related documents dated June 12, 2007;
  - h. Assignment of Proprietary Lease dated June 12, 2007; and

Purchaser acknowledges that Lyons occupies the Real Property under the terms and conditions of a Proprietary Lease.

Purchaser further acknowledges that the Real Property is located in an apartment building which has a governing homeowners association (the "**229 HOA**") and certain restrictions on ownership/tenancy of the Real Property.

The Trustee makes no representations or warranties as to, among other things, the Documents, the ability of Purchaser to collect on the Loan, and/or evict Lyons from the premises, collect rent from Lyon, or whether the 229 HOA would approve Purchaser's or a subsequent transferee's ownership or tenancy of the Real Property.

# ***EXHIBIT B***

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK

-----X  
In re:

AGAPE WORLD, INC., *et al.*,

Debtors.  
-----X

Chapter 7  
Case No.: 09-70660 (DTE)  
(substantively consolidated)

**ORDER APPROVING TRUSTEE'S MOTION FOR ENTRY OF ORDER  
(I) AUTHORIZING AND APPROVING SALE OF THE ESTATE'S  
(II) INTEREST IN AND TO A CERTAIN NOTE AND MORTGAGE SECURED  
BY THE COOPERATIVE SHARES AND PROPRIETARY LEASE FOR THE  
APARTMENT KNOWN AS AND LOCATED AT 229 EAST 14<sup>TH</sup> STREET, APT. 4W,  
NEW YORK, NEW YORK, TO ANISH JAIN, SUBJECT TO HIGHER OR BETTER  
OFFERS, FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES; (II)  
ESTABLISHING AUCTION AND NOTICE PROCEDURES; (III) FIXING THE DATE  
FOR THE SALE CONFIRMATION HEARING; AND (IV) GRANTING RELATED RELIEF**

Upon the motion dated September 9, 2013 (the "Motion") of Kenneth P. Silverman, Esq., the chapter 7 trustee (the "Trustee") of the above-captioned substantively consolidated bankruptcy estate of Agape World, Inc., *et al.* (collectively, the "Debtors"),<sup>1</sup> seeking the entry of an order: (i) under §§105 and 363 of Title 11, United States Code (the "Bankruptcy Code"), Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 6004-1 of the Court's Local Bankruptcy Rules (the "Local Rules"), authorizing and approving the terms and conditions of sale between the Trustee and Anish Jain (the "Stalking Horse Agreement") for the Trustee's rights, title and interest in and to an Interest-Only Note and Loan Security Agreement (the "Loan"), secured by cooperative shares and proprietary lease for Unit 4W, located at 229 East 14th Street, New York, New York and also known as, 227-229 East 14th Street Housing Development Fund Corporation (the "Cooperative Apartment"), between the Debtors and Roland Lyons ("Lyons"), and related documents and information (collectively, the "Supporting Documents" and, together with the Loan, the "Sale Assets"), subject to higher or better offers at a public auction sale (the "Auction"), free and clear of all

<sup>1</sup> The substantively consolidated estates are: Agape World, Inc., Agape Merchant Advance LLC, Agape Community LLC, Agape Construction Management, LLC, Agape World Bridges LLC, and 114 Parkway Drive South LLC.

liens, claims, encumbrances, security interests and other restrictions on transfer (collectively, the "Liens"), with such Liens to attach to the net proceeds of the sale, if any, in the amount and priority as they currently exist; (ii) approving certain auction procedures for the Auction (the "Auction Procedures"); (iii) approving the form, time and scope of notice of the Auction (the "Notice Procedures" and, together with the Auction Procedures, the "Sale Procedures"); (iv) fixing the date for the sale confirmation hearing; and (v) such other and further relief as this Court deems just and proper; and upon the record of the hearing on the Motion (the "Hearing") held before the Honorable Dorothy T. Eisenberg on October 1, 2013, the transcript of which is incorporated by reference herein; and the Trustee having appeared at the Hearing by his counsel; and proper notice of the Motion having been provided pursuant to the Court's Order Establishing Noticing Procedures entered on July 8, 2009 (the "Noticing Order"); and all objections and opposition, if any, to the Motion or the proposed terms and conditions to the sale (the "Terms of Sale") having been resolved or overruled; and it being in the best interests of the Debtors, their estate and their creditors, it is hereby

**ORDERED**, that service of the Notice, Motion and proposed order, having been provided to: (i) the Office of the United States Trustee; (ii) Jain; (iii) Nicholas Cosmo, the former principal of the Debtors; (iv) the Cooperative Board for 229 East 14<sup>th</sup> Street, New York, New York; (v) Roland Lyons; (vi) all parties having filed a Notice of Appearance in this case; and (vii) all appropriate taxing authorities. Moreover, copies Notice of Hearing, this Motion, and all Exhibits attached hereto have been posted on the Trustee's website located at [www.agapeworldbankruptcy.com](http://www.agapeworldbankruptcy.com) complies with this Court's Order Establishing Noticing Procedures entered on July 8, 2009 and is otherwise sufficient; and it is further

**ORDERED**, that the Motion is approved to the extent set forth herein; and, it is further

**ORDERED**, that the Trustee is authorized to sell the Sale Assets to Jain, or another person or entity who makes a higher or better offer for the Sale Assets at the Auction; and, it is further

**ORDERED**, that the Terms of Sale as annexed hereto as **Exhibit 1** for the proposed Auction are hereby approved; and, it is further

**ORDERED**, that Maltz, on the Trustee's behalf, is authorized to conduct the Auction on **October 10, 2013 at 11:00 a.m.**; and, it is further

**ORDERED**, that a hearing to confirm the results of the Auction shall be held by the Court on **October 15, 2013 at 10:00 a.m.** (the "Sale Hearing"); and, it is further

**ORDERED**, that any objections to the Sale shall be presented to the Court at the Sale Hearing; and, it is further

**ORDERED**, that the Trustee is authorized to execute such documents and expend such funds necessary to effectuate the terms and conditions of this Order.

**SO ORDERED:**

# **EXHIBIT 1**



## TERMS AND CONDITIONS OF SALE

1. These Terms and Conditions of Sale (these "**Terms of Sale**") are being promulgated in connection with the public auction sale (the "**Auction Sale**") by Kenneth P. Silverman, Esq., as the chapter 7 trustee (the "**Trustee**") of the substantively consolidated bankruptcy estate of Agape World, Inc., *et al.* (collectively, the "**Debtors**"), Case No. 09-70660 (DTE), pending in the United States Bankruptcy Court for the Eastern District of New York (the "**Bankruptcy Court**"), of the Debtors' interest in certain assets, as expressly defined on Schedule "A" annexed hereto (the "**Acquired Assets**"), which is incorporated herein and made a part hereof.

2. The Auction Sale is being conducted pursuant to sections 363(b), (d) and (f) of Title 11, United States Code (the "**Bankruptcy Code**"), and shall be held on October 10, 2013 at 11:00 a.m., at the offices of David R. Maltz & Co., Inc. ("**Maltz**"), 39 Windsor Place, Central Islip, NY 11722, New York.

3. The Trustee, through Maltz (the Trustee's retained auctioneer), has received and accepted an offer in the amount of \$50,000.00 to purchase the Acquired Assets, subject to higher or better offers tendered at the Auction Sale, with the next bid in the minimum amount of \$70,000.00

4. In order to be permitted to bid on the Acquired Assets, prior to the commencement of the Auction Sale, each prospective bidder must deliver to Maltz or the Trustee a teller or bank check in the amount of Fifteen Thousand Dollars (\$15,000.00) (the "**Qualifying Deposit**") payable to Kenneth P. Silverman, Esq. Chapter 7 Trustee, which amount 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 Property (the "**Successful Bidder**"). Within 48 hours after conclusion of the Auction Sale, the Successful Bidder shall deliver to the Trustee by wire transfer, teller check, or bank check an amount equal to 25% of its successful bid minus the Qualifying Deposit (together with the Qualifying Deposit, the "**Deposit**"). The Successful Bidder must execute, and thereby agree to be bound by (i) these Terms and Conditions of Sale, and (ii) a Memorandum of Sale. At the conclusion of the Auction Sale, the Trustee or his representative will return the Qualifying Deposits to all other bidders

5. The closing of the transaction contemplated by these Terms of Sale (the "**Closing**") shall take place at the offices of SilvermanAcampora LLP, attorneys for the Trustee, at 100 Jericho Quadrangle, Suite 300, Jericho, New York 11753, commencing at 11:00 a.m. (EST) on a date to be determined, but in no event later than Fifteen (15) Days after the conclusion of the Auction Sale (the "**Closing Date**"). **TIME BEING OF THE ESSENCE as to the Successful Bidder**, although the Closing Date may be extended solely by the Trustee at his option and discretion.

6. At the Closing: (i) the Trustee will deliver to the Successful Bidder: (A) an assignment of the Acquired Assets, which shall transfer, assign, convey, and deliver to the Successful Bidder, all of the Debtors' estate's right, title and interest in, and to the Acquired Assets, free and clear of any other liens, claims, or encumbrances, (B) the Acquired Assets in "as is", "where is" condition with no representations or warranties, (C) such other documents as the parties may deem necessary; and (ii) the Successful Bidder agrees to (X) deliver to the Trustee the entire Purchase Price by **only** a bank check, teller's check, or wire transfer, made payable to "Kenneth P. Silverman, Esq., as Chapter 7 Trustee", less **only** the Deposit, which has already been delivered to the Trustee, (Y) execute such documents as necessary to satisfy all of these Terms of Sale and the Sale Order (as defined below), and (Z) authorize the release of the Deposit to the Trustee.

7. The Successful Bidder shall be obligated to close title to the Acquired Assets. There are no contingencies of any kind or nature that will permit the Successful Bidder, or any other qualifying bidder, to cancel or avoid their obligation under these Terms of Sale other than the Trustee's inability to deliver insurable title to the Acquired Assets. In the event that the Successful Bidder fails to Close title to the Acquired Assets for any reason whatsoever, including failure to tender the entire Purchase Price at the Closing, the Successful Bidder shall forfeit (a) the Deposit to the Debtors' estate, and (b) the right to obtain title to the Acquired Assets. In the event that (a) the Trustee is unable to deliver the Acquired Assets in a manner consistent with these Terms of Sale, or (b) the Court fails to enter the Sale Order (as defined in ¶9, below), the Deposit will not be forfeited, and the Deposit shall be returned to the Successful Bidder promptly, without interest. In the event that the Trustee fails to close, it is acknowledged that return of the Deposit is the Trustee's only obligation hereunder, and the Successful Bidder will have no recourse against the Trustee, the Trustee's retained professionals, the Debtors or the Debtors' estate. As stated above, **Time is of the Essence against the Successful Bidder.** Purchaser further acknowledges that they will be responsible for the completion of any ACRIS forms, if required.

8. The Successful Bidder shall have demonstrated, to the sole satisfaction of the Trustee or the Court, as the case may be, evidence of its ability to conclude the transaction upon these Terms of Sale, without delay. The Trustee reserves the right to reject any offeror, who in the sole discretion of the Trustee, is not financially capable of consummating the purchase of the Property. **Expenses incurred by the Successful Bidder, or any 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, the Trustee's retained professionals, the Debtors or the Debtors' estate be responsible for, or pay, such expenses.**

9. The Trustee shall seek an order of the Bankruptcy Court prior to the Closing to confirm the result of the Auction Sale of the

Acquired Assets to the Successful Bidder (the "Sale Order").

10. In the event that the Successful Bidder for the Acquired Assets fails to tender the payment of the balance of the Purchase Price on the Closing Date, or otherwise perform any of its obligations under these Terms of Sale, the Trustee, at his sole option and discretion, shall be authorized to sell the Acquired Assets to the "Second Highest Bidder" from the Sale Auction, without any further notice, and without giving the "Second Highest Bidder" 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 Acquired Assets, 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 of its obligations to Close, the Trustee shall be authorized to sell the Acquired Assets to the next highest or best bidder at the Sale Auction, without the necessity of any further notice. All bidders who execute a copy of these Terms of Sale shall be bound to all terms and conditions contained herein.

11. The Acquired Assets are 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, 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, approvals for ownership, and/or occupancies, if any, as may exist or encumber the Acquired Assets or any portion(s) thereof; and (f) environmental conditions. By delivering their respective Qualifying Deposits, all bidders acknowledge that they have had the opportunity to review and inspect the Acquired Assets, 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 the Acquired Assets in making their bids. Neither the Trustee, nor any of his retained professionals make any representations or warranties with respect to the permissible uses of the Acquired Assets. All bidders acknowledge that they have conducted their own due diligence in connection with the Acquired Assets, and are not relying on any information provided by the Trustee, or the Trustee's retained professionals

12. Each bidder hereby expressly agrees and acknowledges that neither the Trustee, nor any of his retained professionals have made any representations or warranties, nor is such bidder relying on any statements or information provided by the Trustee, nor any of his retained professionals, including, but not limited to any representations, warranties, statements or information 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 Acquired Assets or this Auction Sale, which might be pertinent to the purchase of the Acquired Assets, including, without limitation, (i) the current or future real estate or other tax liability, assessment or valuation of the Acquired Assets or transfer thereof; (ii) the potential qualification of the Acquired Assets 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 availability of any financing for the purchase, alteration, rehabilitation or operation of the Acquired Assets from any source, including, but not limited to, any state, city or federal government or institutional lender; (iv) the current or future use of the Acquired Assets; (v) the presence or absence of any laws, ordinances, rules or regulations issued by any governmental authority, agency or board and any violations thereof. The Trustee is not liable or bound in any manner by expressed or implied warranties, guaranties, promises, statements, representations or information pertaining to the Acquired Assets, 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.

13. The Trustee shall convey the Acquired Assets by delivery of an Assignment of the Acquired Assets. 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.

14. None of the Trustee, his retained professionals, the Debtors, or their estate is liable or responsible for the payment of fees of any broker or other agent. The only commissions that the Debtors' estate may be liable for are those of (a) David R. Maltz & Co., Inc., which has been retained pursuant to an Order of the Bankruptcy Court, and (b) of the Trustee, both of which remain subject to Bankruptcy Court approval.

15. Nothing contained in these Terms of Sale are intended to supersede or alter any provisions of the Bankruptcy Code, or otherwise interfere with the jurisdiction of the Bankruptcy Court. These Terms 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 of Sale, subject to the foregoing, to maintain consistency with the provisions of the Bankruptcy Code and/or prior Orders of the Bankruptcy Court.

16. By tendering the Deposit and executing these Terms of Sale, all bidders acknowledge that they have read all of the terms and conditions contained herein, and have agreed to be bound by the same. Moreover, all bidders who execute these Terms of Sale warrant and represent that they have the full power and authority to execute and deliver these Terms of Sale and to perform the obligations hereunder. These Terms of Sale constitute a valid and legally binding obligation of the bidder who executes them, and is enforceable upon such bidder in

accordance with these Terms of Sale.

17. These Terms of Sale shall be binding upon, and inure to the benefit of the Parties hereto, and their respective successors, designees and/or permitted assigns. No Party hereto may assign either these Terms of Sale or any of the rights, interests or liabilities hereunder without the prior written approval of the other Party.

18. Each of bidders who tender Qualifying Deposits, and the Trustee will bear their own costs and expenses (including legal fees and expenses) incurred in connection with these Terms of Sale and the transaction contemplated hereby.

19. These Terms of Sale will be read into the record, or specifically incorporated by reference, at the Auction Sale.

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

21. The Auction Sale of the Acquired Assets is subject to confirmation by the Trustee, and approval of the Bankruptcy Court.

22. All Exhibits attached hereto are incorporated herein and made a part hereof by reference.

23. The Trustee or the Trustee's attorney shall notify the Successful Bidder whether the Auction Sale is confirmed. The Bankruptcy Court shall determine any disputes concerning the Auction Sale of the Acquired Assets. By participating in the Auction Sale, all bidders consent to the jurisdiction of the Bankruptcy Court to determine such disputes under the Debtors' pending case.

24. Pursuant to E.D.N.Y. L.B.R. 6004-1 no appraiser, auctioneer or officer, director, stockholder, agent, employee or insider of any appraiser, or relative of any of the foregoing, shall purchase directly or indirectly, or have a financial interest in the purchase of, any Assets of the estate that the appraiser has been employed to appraise or sell, including, but not limited to the Acquired Assets.

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

By: \_\_\_\_\_

Date: \_\_\_\_\_

**MEMORANDUM OF SALE**

The undersigned purchaser has this 10<sup>th</sup> day of September, 2013, agreed to purchase of the Debtors' interest in certain assets, as expressly defined on Schedule "A" (the "**Acquired Assets**") annexed to Terms and Conditions of Sale (the "**Terms of Sale**"), to which this Memorandum is attached and made a part thereof, from Kenneth P. Silverman, Esq., (the "**Trustee**") in his capacity as the chapter 7 Trustee for the bankruptcy estate of Agape World, Inc., *et al.*, Case No. 09-70660 (DTE), pending in the United States Bankruptcy Court for the Eastern District of New York (the "**Bankruptcy Court**"), and being sold by the Trustee for the highest or best offer as the Trustee in his sole discretion determines, subject to Bankruptcy Court approval, and hereby promises and agrees to comply with the terms and conditions of the Auction Sale for the Acquired Assets, as set forth in the annexed Terms of Sale.

\_\_\_\_\_  
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 \$15,000.00 as a non-refundable deposit for the purchase of the Property pursuant to the Terms of Sale, except to the extent as provided in the Terms of Sale.

Kenneth P. Silverman, Esq., Chapter 7 Trustee

Silverman Acampora LLP, Attorneys for the Trustee  
100 Jericho Quadrangle Suite 300  
Jericho, NY 11753  
(516) 479-6300  
(516) 479-6301 Fax

This is to verify that the offer for the above captioned property is for the sum of \$\_\_\_\_\_.

\_\_\_\_\_  
David R. Maltz & Co., Inc.

**ATTORNEY INFORMATION**

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Phone \_\_\_\_\_