

Attorney or Party Name, Address, Telephone & FAX Numbers, and California State Bar Number
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**UNITED STATES BANKRUPTCY COURT
 CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION**

In re
 BROADWAY/WORKMAN, LLC,

 Debtor.

**Case No. 2:11-bk-47977-BB
 Chapter 11**

NOTICE OF SALE OF ESTATE PROPERTY

Sale Date:	October 31, 2012	Time:	2:00 p.m.
Location:	Courtroom 1475, U.S. Bankruptcy Court, 255 E. Temple St., Los Angeles, CA 90012		

Type of Sale: Public Private Last date to file objections: not yet set

Description of Property to be Sold: Real property located at 2631 N. Broadway, Los Angeles, CA, along with all fixtures, furnishing and equipment that may be premised at the Property.

Terms and Conditions of Sale: Free and clear of all liens, claims and interests.

Proposed Sale Price: \$6.525 million, or higher amount established through bid procedures. Purchase price payable part in cash and part through assumption of existing loan with US Bank.

See attached "Notice Of Bidding And Sale Procedures."

Overbid Procedure (If Any): **Deadline to submit bids and 4% deposit is September 26, 2012.**

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:
**October 31, 2012 @ 2:00 p.m.,
 Courtroom 1475, U.S. Bankruptcy Court, 255 E. Temple St., Los Angeles, CA 90012**

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e:mail address):

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DATED: September 11, 2012

(United States Bankruptcy Case No. 2:11-bk-47977-BB)

NOTICE OF BIDDING AND SALE PROCEDURES

The following bidding and proposed sale procedures (the "**Bidding Procedures**") have been approved and authorized by Order entered on September 4, 2012, by the Honorable Sheri Bluebond, United States Bankruptcy Judge of the United States Bankruptcy Court for the Central District of California, Los Angeles Division (the "**Bankruptcy Court**"), in the chapter 11 case of Broadway/Workman, LLC. (the "**Debtor**"), and assigned Case No. 2:11-bk-47977-BB. The Bidding Procedures shall govern any auction conducted in connection with the proposed sale of the real property located at 2631 N. BROADWAY, LOS ANGELES, CALIFORNIA, along with all fixtures, furnishing and equipment that may be premised at the Property (the "**Property**").

A. Determination of "Qualified Bidder" Status

1. **Material to be Delivered by Bid Deadline:** In order to participate in the auction (the "**Auction**"), which will be conducted at the Sale Hearing (see below), and be deemed a "Qualified Bidder," each potential bidder ("**Potential Bidder**") must provide to Howard M. Ehrenberg, the duly appointed and acting chapter 11 trustee (the "**Trustee**"), no later than the close of business on September 26, 2012 (the "**Approval Submission Deadline**"):

(a) **Deposit:** A good faith deposit (the "**Initial Deposit**") in the amount of \$65,250.00 (1% of \$6,525,000.00), with such payment to be made to the Estate in cash or cash equivalent (including a wire transfer or a cashier's check);

(b) **Assumption Package:** A completed Loan Assumption Package which will allow the Servicer to begin its review of the Potential Bidder to determine whether such bidder qualifies to assume the US Bank Note debt. Any interested proposed bidder may obtain a copy of the Loan Assumption Package by contacting: Nick Co, Farris Lee Investments, ncoo@farislee.com, (949) 221-1811.

(c) **Proof of Funds:** Evidence in a form satisfactory to the Trustee, which shall include a non-contingent commitment from a lender or financier that it will immediately fund the balance of the purchase price which the proposed overbidder offers to pay or other evidence demonstrating the ability to close;

(d) Reasonable evidence that such Potential Bidder has a reputable character, reputation, credit history and business and is financially capable of consummating the proposed transaction and containing such financial and other information that will allow the Trustee to make a reasonable determination, in his sole discretion, as to the Potential Bidder's financial capabilities and business expertise to consummate the transaction.

(e) **Written Bid:** A written bid in the form of a "marked up" asset purchase agreement (the "**Overbid APA**") with no contingencies, no additional representations and warranties and no changes in timing. The Trustee wishes to be clear

NOTICE OF BIDDING AND SALE PROCEDURES

in stating that a proposed bidder must otherwise be prepared to sign an asset purchase agreement that is substantially in the form as the APA (the "**Buyer APA**") utilized between the Estate and the stalking horse buyer (the "**Buyer**"), BCBA Broadway, LLC. The minimum purchase price is \$6,525,000.00. The Potential Bidder must agree to assume the existing secured debt currently being serviced by U.S. Bank National Association (hereinafter "**US Bank**" or "**Servicer**"), as Trustee, as successor-in-interest to Bank of America, N.A., as Trustee, as successor to Wells Fargo Bank, N.A., as Trustee, for the Registered Holders of Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2006-C26 ("**US Bank**"), securing that promissory note (the "**US Bank Note**") with an outstanding principal balance of approximately \$3,950,000 (the "**Outstanding Principal Balance**"). The Overbid APA must be unconditional, irrevocable, and contain no contingencies other than (1) the Qualified Bidder being determined, at the Sale Hearing, and after the conclusion of the Auction, to be the highest bidder (the "**Successful Bidder**"); and (2) approval of the proposed sale of the Property by the Bankruptcy Court. No due diligence or financing contingencies will be permitted. Further, the Overbid APA may not contain a closing date that is later than Buyer APA.

(f) The Overbid APA shall contain an agreement, that upon preliminary approval by the Servicer (discussed below), and no later than 3 days prior to the Scheduled Auction Date (defined below), the Potential Bidder shall submit an additional deposit (the "**Additional Deposit**") of \$195,750.00 (made by cashier's check or wire transfer), which together with the Initial Deposit, shall be refundable only if the Potential Bidder is not determined to be the Successful Bidder at the Auction or if the Bidder is the Successful Bidder at the Auction but the sale could not be consummated because of the failure of a condition to the Bidder's obligation to perform or close. All Deposits, other than those of the Successful Bidder, and the Back-Up Bidder (see below), shall be returned within three (3) business days of the Sale Hearing. The Bidder's Deposit will be applied to the total purchase price. The Back-Up Bidder's Deposit will be held until the earlier of (a) the close of escrow of the sale to the Successful Bidder; or (b) 60 days following the Sale Hearing. If, however, the Successful Bidder fails to close, then the Back-Up Bidder's Deposit shall be applied towards the Back-Up Bidder's purchase price obligation pursuant to the Back-Up Bid. If the Back-Up Bidder fails to close, its Deposit will be forfeited to the Estate;

(g) Reasonable evidence in the form of a declaration or affidavit that such Qualified Bidder may be entitled to a good faith purchaser finding under 11 U.S.C. § 363(m).

2. Qualified Bidder status shall be determined by the Trustee in his sole discretion. No Potential Bidder shall have standing to challenge another prospective bidder's compliance with these qualification requirements.

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B. Assumption Approval Process

1. Trustee's Review of Proposed Bidders.

The Trustee will review all materials submitted to him by Proposed Bidders, as outlined in set forth above. Of all timely materials submitted to the Trustee by Proposed Bidders, the Trustee will select the top three bids (the "**Top Proposed Bidders**"). The Top Proposed Bidders will be selected by the Trustee in his sole discretion. In selecting such Top Proposed Bidders, the Trustee will consider, among other things, the following factors (i) the proposed overbid amount; and (ii) the qualifications of the Proposed Bidder to close the transaction.

The Trustee shall expeditiously return to those Proposed Bidders who are not deemed "Top Proposed Bidders" each of their respective deposits.

2. Note Servicer's Review of the Top Proposed Bidders.

The Trustee will submit the Top Proposed Bidders' bid materials to the Note Servicer for its review. Within 30 days of the submission of such materials to the Note Servicer, the Note Servicer shall, in its sole discretion, make a determination as to which (if any) if the Top Proposed Bidders qualify for assumption of the US Bank Note debt. Such qualified bidders shall be deemed Preapproved Overbidders.

Only Preapproved Overbidder shall be allowed to bid at any subsequent auction for the sale of the Property. The Trustee shall expeditiously return to those Top Proposed Bidders who are not deemed "Preapproved Overbidders" each of their respective deposits.

Notably, this initial preapproval by the Note Service is a prerequisite to any proposed buyer's assumption of the US Bank Note. The Note Servicer shall have an additional ten (10) business days after the entry of an Order approving the sale of the Property to finally and definitively approve the assumption of the US Bank Note debt by such successful bidder (the "**Final Assumption Approval**").

C. Qualified Bids.

A "Qualified Bid" shall be any bid received from a Preapproved Overbidder that meets the requirements of the paragraph above and is submitted on or before the Approval Submission Deadline.

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B. The Sale Hearing

The Trustee will file a motion for approval of the sale, subject to overbid (the "**Sale Motion**"), such that the hearing on the Sale Motion (the "**Sale Hearing**") will be conducted on **October 31, 2012 at 2:00 p.m. in Courtroom 1475 of the United States Bankruptcy Court, Central District of California, Los Angeles Division.**

The auction (the "**Auction**") be conducted at the Sale Hearing. After the bidding has concluded, the Trustee will request that the Court approve the sale of the Property to the highest and best bidder, free and clear of all liens, claims and interests.

C. Break Up Fee

If a Qualified Bidder successfully overbids Buyer and provided that Buyer is not in default of the terms of the APA, Buyer will be entitled to a break-up fee in the amount of \$125,000.00 (the "**Break-Up Fee**"). The Break-Up Fee will be payable upon the Court's approval of the successful bidder other than Buyer and the closing of the sale with the Successful Bidder, or the Back-Up Bidder.

D. Auction Sale Procedures

The Auction Sale shall be governed by the following procedures:

1. Only Buyer and the Qualified Bidders shall be entitled to make any bids at the Auction;
2. Buyer and the Qualified Bidders shall appear in person at the Sale Hearing, or through a duly authorized representative;
3. As described above, the Minimum Overbid shall be at least \$6,525,000.00;
4. Qualified Bidders and Buyer may then submit successive bids in minimum increments of at least \$50,000.00 of value more than the Minimum Overbid;
5. The Auction shall continue until there is only one offer for the Property that the Trustee determines in his sole discretion is the highest and best bid (the "**Successful Bid**"). In making his decision, the Trustee shall consider, without limitation, the amount of the purchase price, the form of consideration being offered, the net cash proceeds to be received by the bankruptcy estate, any requested changes to the APA by the bidding party, the likelihood of the bidder's ability to close a transaction and perform thereunder, and the timing thereof. The Qualified Bidder submitting such Successful Bid shall become the "**Successful Bidder**" and shall have such rights and responsibilities of the purchaser, as set forth in the Overbid APA.
6. Any Qualified Bidder's bid or the Successful Bid is irrevocable.
7. The Successful Bid shall be subject to Court approval.

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E. Back-Up Bidder: The second highest bidder shall have the option but not the obligation to be designated as the "**Back-Up Bidder**," and the second highest bid shall be designated the "**Back-Up Bid**." If the Successful Bidder fails to consummate the Sale by the Closing Date described in the APA, or such further date as agreed to by the Successful Bidder and the Trustee, because of a breach or failure to perform on the part of the Successful Bidder, the Back-Up Bid will be deemed to be the new Successful Bid and the Trustee will be authorized to consummate the sale with the Back-Up Bidder without further order of the Bankruptcy Court. In such case, the defaulting Successful Bidder's deposit shall be forfeited to the Trustee, and the Trustee specifically reserves the right to seek all available damages against the defaulting Successful Bidder. The Back-Up Bidder shall be required to close the sale by the earlier of (i) 30 days following the expiration of the Successful Bidder's deadline to close the sale; or (ii) 30 days from the date that the Successful Bidder informs the Trustee in writing, or confirmed in writing by the Trustee, that it will not close the sale. If the Back-Up Bidder fails to timely close its deposit will be forfeited to the Estate.

EACH BIDDER SHALL BE DEEMED TO ACKNOWLEDGE AND REPRESENT THAT IT HAS HAD AN OPPORTUNITY TO INSPECT AND EXAMINE THE DEBTOR'S BUSINESS AND CONDUCT ANY AND ALL DUE DILIGENCE REGARDING SUCH PROPERTY PRIOR TO MAKING ITS BID, THAT IT HAS RELIED SOLELY UPON ITS OWN INDEPENDENT REVIEW, INVESTIGATION AND/OR INSPECTION OF ANY DOCUMENT(S) AND/OR THE PROPERTY IN MAKING ITS BID, AND THAT IT DID NOT RELY UPON OR RECEIVE ANY WRITTEN OR ORAL STATEMENTS, REPRESENTATION, PROMISES, WARRANTIES OR GUARANTEES WHATSOEVER, WHETHER EXPRESS, IMPLIED, BY OPERATION OR LAW, OR, WITH RESPECT TO THE DEBTOR'S BUSINESS, OR THE COMPLETENESS OF ANY INFORMATION PROVIDED IN CONNECTION WITH THE DEBTOR'S BUSINESS OR THE AUCTION. BY PARTICIPATING IN THE AUCTION, EACH BIDDER ACKNOWLEDGES AND AGREES TO BE BOUND BY EACH AND EVERY TERM AND CONDITION SET FORTH IN THESE BIDDING PROCEDURES.