

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

GRACIOUS HOME LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 16-13500 (MKV)

(Jointly Administered)

NOTICE OF EXTENSION OF BID DEADLINE

1. On May 24, 2017, the above-captioned debtors and debtors-in-possession (the “Debtors”) filed with the Bankruptcy Court for the Southern District of New York their motion for entry of (I) an Order (A) Approving the Bidding Procedures for the Sale of the Assets, (B) Establishing the Notice Procedures and Approving the Form and Manner of Notice Thereof, and (C) Scheduling a Sale Hearing, and (D) Granting Related Relief and (II) an Order (A) Approving the Sale of the Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (B) Approving the Assumption and Assignment of Certain Executory Contracts and Leases Related Thereto, and (C) Granting Related Relief (the “Motion”).²

2. On May 31, 2017, the Court entered the Bidding Procedures Order. The Bidding Procedures Order established the Bid Deadline (as that term is defined therein) for June 16, 2017 at 4:00 p.m. (prevailing Eastern Time).

3. By and through this Notice, the Debtors hereby extend the Bid Deadline from June 16, 2017 at 4:00 p.m. (prevailing Eastern Time) to **June 20, 2017 at 4:00 p.m. (prevailing Eastern Time)** (the “Extended Bid Deadline”).

4. Only Qualified Bidders will be entitled to make bids at the Auction. Each bidder who submits a Qualified Bid shall be a “Qualified Bidder.” A Qualified Bidder, that desires to make a bid shall deliver a written offer to the Bid Notice Parties **by no later than the Extended Bid Deadline** and otherwise comply with the Bidding Procedures. **FAILURE TO ABIDE BY THE BIDDING PROCEDURES MAY RESULT IN A BID FOR THE PURCHASED**

¹ The Debtors in these chapter 11 cases and the last four digits of their tax identification numbers are: Gracious Home LLC (6822); Gracious Home Holdings LLC (3251); Gracious Home Payroll LLC (3681); GH East Side LLC (3251); GH West Side LLC (3251); GH Chelsea LLC (3251) and Gracious (IP) LLC (3251). The latter four entities are disregarded for tax purposes and do not have their own tax identification numbers, but use that of Gracious Home Holdings LLC. The address of the Debtors’ corporate headquarters is 1210 Third Avenue, New York, New York 10021.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion. Any summary of the Bidding Procedures and the Bidding Procedures Order contained herein or in the Motion are qualified in their entirety by the actual terms and conditions thereof. To the extent that there is any conflict between any such summary and such actual terms and conditions, the actual terms and conditions shall control. An amended Motion was filed on June 2, 2017 to conform to the requirements of the Bidding Procedures Order. No changes were made to the substantive relief sought in the Motion.

ASSETS TO NOT BE CONSIDERED. A bid must be submitted to (a) the Debtors, 1210 Third Avenue, New York, New York Attn: Robert Morrison (rmorrison@gracioushome.com); (b) counsel for the Debtors, Trenk, DiPasquale, Della Fera & Sodono, P.C., 347 Mt. Pleasant Ave., Suite 300, West Orange, New Jersey 07052, Attn: Joseph J. DiPasquale (jdipasquale@trenklawfirm.com) and Irena M. Goldstein (igoldstein@trenklawfirm.com); (c) financial advisor and investment banker to the Debtors, B. Riley & Co., 420 Lexington Avenue, Suite 3001, 420 Lexington Avenue, New York, New York 10022, Attn: Perry M. Mandarino (pmandarino@brileyco.com) and Adam M. Rosen (arosen@briley.com); (d) counsel for the Committee, Seward & Kissel LLP, One Battery Park Plaza, New York, New York 10004, Attn: John R. Ashmead (ashmead@sewkis.com) and Robert J. Gayda (gayda@sewkis.com); and (e) financial advisor to the Committee, Wyse Advisors LLC, 85 Broad Street, 18th Floor, New York, NY 10004, Attn: Mike Wyse, (mwyse@wyseadvisorsllc.com) (collectively, the “Bid Notice Parties”). Instructions for how to submit a “Qualified Bid” can be found in the Bidding Procedures Order and the Bidding Procedures, which are available for download at <https://cases.primeclerk.com/GraciousHome>. The failure to abide by the procedures and deadlines set forth in the Bidding Procedures Order and the Bidding Procedures may result in the denial of your bid. The Debtors, in their sole and absolute discretion in consultation with the respective representatives and advisors for the Committee (and the DIP Lender if it does not submit a Bid), shall make a determination regarding whether a bid is a Qualified Bid and whether any of the Bidding Procedures may be waived and will notify all bidders before the Auction whether their bids have been determined to be Qualified Bids.

5. Copies of the Stalking Horse Agreement and Form APA and the proposed Sale Order are available upon request to the Debtors’ noticing agent, Prime Clerk, at (855) 388-4575 for U.S. – based parties or (646) 795-6966 for International parties, and are available for download at <https://cases.primeclerk.com/GraciousHome>.

6. **ANY INTERESTED BIDDER SHOULD CONTACT THE DEBTORS’ ADVISORS AT:** B. Riley & Co., 420 Lexington Avenue, Suite 3001, 420 Lexington Avenue, New York, New York 10022, Attn: Perry M. Mandarino and Adam M. Rosen and by e-mail at pmandarino@brileyco.com and arosen@brileyco.com.

Dated: New York, New York
June 16, 2017

**TRENK, DiPASQUALE,
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