

How to Acquire Real Estate being Sold by the US **Bankruptcy** Court

Below is an outline of the typical disposition process of commercial real estate through bankruptcy court's trustee lists the asset with a real estate broker.

1. Prospective purchaser submits an offer to the bankruptcy trustee's listing agent.
2. The parties negotiate the terms of the offer.
3. Agree on offer and sign purchase agreement subject to approval of the US Bankruptcy Court.
4. Purchaser will typically have time to do inspections, satisfy any contingencies.
5. Once the contingency period is up, the Bankruptcy Trustee will file a Motion to Approve Sale with the US Bankruptcy Court (this notice must be given at least 21 days prior to the desired hearing date). Prior to filing Motion to Approve Sale, Purchaser must provide appropriate proof of financial qualification to close.
6. The court will give notice of the offer to all interested parties. At any time up to and until the Judge approves the sale, any person may make a higher competing bid that could be approved by the Court. Generally, any competing bids submitted prior to the Court approving a sale will not be entertained unless accompanied by appropriate proof of financial qualification to close and minimal or no contingencies.
7. At the hearing, the judge decides on an offer and issues an order authorizing the property to be sold.
8. Once that order is officially entered, there is a 14-day waiting period from the date the order is entered before the closing can occur (it's possible for the judge to approve waiving this 14-day period if desired).
9. Closing takes place.
 - a. Generally, all sales are "as is" and without recourse.
 - b. Generally, all sales are "cash at closing."



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DISCLAIMER: This outline is provided for informational purposes only and is based solely on our understanding and experience. Due to many variables, the actual process on any given sale may differ significantly from the above outline and the above is not to be relied on by anyone as the definitive guide on their specific transaction.