

BANKRUPTCY SALE PROCEDURE

The bankruptcy real estate sale process is as follows:

Once an offer is accepted by the Trustee and after all buyer's contingencies are removed, the Trustee will petition the court for a hearing date to confirm the sale by filing a document with the bankruptcy court called the "Motion to Sell," in which the Trustee will spell out the terms of the accepted offer to the judge and instructions for overbidding in court. Generally, about ten days after the buyer's contingencies are removed, we will get a court hearing date.

It usually takes 4 - 6 weeks for us to get into court after the "Motion" is filed. On the day of the hearing, just before the offer is confirmed, the judge will ask if any other qualified buyers will make a bid on the property. At that time, we can have a sort of auction with bidding, etc., though in recent years, I have not seen many overbidders show up in court; but if another party overbids successfully, then their offer is confirmed at that time..

After the judge confirms the sale, we will close about two weeks after the court date.

Some things to keep in mind about overbidders: 1). Overbidders must bid a higher price; 2). Overbidders must bid subject to the terms and conditions of the initially accepted offer, which means they bid without ANY contingencies; 3). Overbidders must be able to close within about two weeks of the court date; and 4). The original offeror may participate in the bidding if desired.

Please use the following language in your original offer if no special addendum is required/provided:

"Sale is subject to bankruptcy court approval and possible overbidding. Property is sold "as is" with no warranties of any kind. Seller will make no repairs to the property."