

Commercial Leases In Economic Distress: Pre-and Post-Bankruptcy Strategies for Landlords

Negotiating Lease Modifications With Distressed Tenants, Participating in the Bankruptcy Process

Webinar

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The COVID-19 pandemic and related state and local mandates are forcing retail and other businesses nationwide to close or alter their business practices indefinitely. The financing and aid packages created under the CARES Act may offer short-term relief, but many companies will eventually wind up in bankruptcy. Commercial landlords must prepare now to cope with past-due rents and soaring vacancies and seek ways to protect their financial interests.

The Bankruptcy Code offers protection to both landlords and tenants but raises several complex legal issues. The tenant's primary concern is the assumption or rejection of the lease under Chapter 11. However, legal advisers must carefully consider the timing and implications of such decisions (including locations impacted).

There are strategies available to the landlord that can minimize losses before or after a bankruptcy filing. They may include negotiating a rent abatement or other modification of the lease, or participating in the creditor's committee in bankruptcy. It may also have setoff rights concerning deposits held under the lease.

This CLE webinar will guide landlord's counsel in handling the critical legal issues that arise before and after a tenant files for bankruptcy. Counsel C. Jason Kim and Partner Steve Ostrow will offer their perspectives on best practices for commercial landlords to protect their interests and maximize recovery under state law and the Bankruptcy Code.

The panel will review these and other key questions:

- What trends are developing in commercial tenant leases as a result of the current economic crisis?
- What provisions should landlords consider in negotiating and drafting leases or lease modifications to protect against potential losses due to tenant bankruptcy?
- What rights does the Bankruptcy Code give commercial landlords and tenants?
- What are the best and most cost-effective practices for a commercial landlord to pursue when a tenant files for bankruptcy protection?

KEY ATTORNEYS

Steven E. Ostrow

PRACTICE AREAS

Financial Restructuring and Bankruptcy

Real Estate

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Financial & Investment Services



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