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U.S. BANKRUPTCY COURT
ALBUQUERQUE, NM

ATTORNEY FOR:
Andrews ISD and City of Andrews
Andrews County Tax Office
Midland County Tax Office
Wichita County Tax Office

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW MEXICO**

IN RE
FURR'S SUPERMARKETS, INC.

CASE NO. 01-10779-SA

DEBTOR

CHAPTER 11

AMENDED

**OBJECTION TO THE DEBTOR'S AMENDED MOTION FOR (i) APPROVAL OF
WIND-DOWN BUDGET... (vi) APPROVING THE SETTLEMENT OF SALE
ESTATE CLAIMS AGAINST THE SECURED LENDERS...**

TO THE HONORABLE BANKRUPTCY JUDGE:

NOW COME Andrews Independent School District and City of Andrews,
Andrews County Tax Office, Midland County Tax Office and Wichita County Tax
Office, herein referred to as claimants, and file their Amended Objection to the Debtor's
Amended Motion for (i) Approval of Wind-Down Budget... (vi), Approving the
Settlement of Sale Estate Claims Against the Secured Lenders... and would show the
Court the following:

- 1. Claimants are political subdivisions of the State of Texas.

ASD

2. There are property taxes for the year 2000 and estimated taxes for the year 2001 on the Debtor's property. These property taxes were duly assessed in accordance with the laws of the State of Texas and constitute a valid, liquidated secured claim against the Debtor's property and are entitled to priority over other secured claims under 11 U.S.C. § 506. The Tax Authorities have each filed a pre-petition secured claim as follows:

- a). Andrews ISD and City of Andrews in the amount of **\$15,225.11**
- b). Andrews County Tax Office in the amount of **\$10,160.59**
- c). Midland County Tax Office in the amount of **\$8,495.19**
- d). Wichita County Tax Office in the amount of **\$10,601.08**

3. While the debtor has proposed in its motion to retain funds in the amount of \$350,000.00 as adequate protection for taxes on the Texas and New Mexico properties, that amount is entirely inadequate. No less than the amount of **\$44,481.97** should be retained and segregated for Andrews Independent School District and City of Andrews, Andrews County Tax Office, Midland County Tax Office and Wichita County Tax Office alone.

4. The laws of the State of Texas, Property Tax Code, Section 32.05(b), give the tax lien securing property taxes priority over any other claim lien against these properties. These tax claims are entitled to priority as a secured claim, and over other secured claims, according to the 11 U.S.C. § 506. Stanford v. Butler, 826 F.2d 353 (5th Cir. 1987).

5. Inasmuch as these claims are secured claims, they are entitled to interest on the

6. WHEREFORE, claimants pray that the Court deny the relief being requested by this Motion and order the retention and segregation of no less than \$44,481.97 for Andrews Independent School District and City of Andrews, Andrews County Tax Office, Midland Count Tax Office and Wichita County Tax Office, order payment of delinquent taxes from the proceeds of this sale, including all applicable post-petition interest, and further request other and such relief as is just and proper.

Dated: August 27, 2001

Respectfully submitted,

PERDIJE BRANDON FIELDER

By Laura J. Monroe
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CERTIFICATE OF SERVICE

I hereby certify that the foregoing Objection to the Debtor's Amended Motion for (i) Approval of Wind-Down Budget, (vi) Approving the Settlement of Sale Estate Claims Against the Secured Lenders... to: Furr's Supermarkets, Inc., 4411 The 25 Way NE, Suite 100, Albuquerque, NM 87109; Robert H. Jacobvitz and David T. Thuma, Attorney for Debtor, JACOBVITZ, THUMA & WALKER, P.C., 500 Marquette NW, Suite 650, Albuquerque, NM 87102; Richard D. Levin and Stephen J. Lubben, SKADDEN, ARPS, SLATE, MEAGHER & FLOM, L.L.P., 300 South Grand Avenue, Suite 3400, Los Angeles, CA 90071-3144 on August 27, 2001, by First Class U.S. Mail and facsimile.

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