UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEW MEXICO

FILED
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U.S. BANKRUPTCY COURT
ALBUQUERQUE, N.M.

In re:

FURR'S SUPERMARKETS, INC.,

Case No. 11-01-10779-SA
Chapter 11

Debtor.

MOTION TO SELL MISCELLANEOUS REAL AND PERSONAL PROPERTY FREE AND CLEAR OF LIENS AND INTERESTS

Furr's Supermarkets, Inc., debtor in possession (the "Debtor"), pursuant to Bankruptcy Code §363(b)(1) and Bankruptcy Rule 9019, files this motion for an order allowing the Debtor to sell miscellaneous real and personal property free and clear of liens and interests, and in support hereof states:

1. On February 8, 2001, the Debtor commenced this bankruptcy case by filing a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. Pursuant to Bankruptcy Code §§1107(a) and 1108, Debtor has retained possession of its assets, as Debtor in Possession.

2. By August 31, 2001, the Debtor closed its grocery stores and ceased operating as a retail grocery business.

I. Proposed Sale of Store 860 Equipment to Ted Pennington

3. The Debtor owns most of the personal property in Store #860, located in Farmington, New Mexico, such as shelves, refrigeration units, bakery equipment and fixtures, deli equipment, meat department equipment, etc. (together, the "Store 860 Equipment"). The Store 860 Equipment does not include any personal property that is leased to the Debtor by third parties.

4. Mr. Ted Pennington has offered to purchase the Store 860 Equipment for $20,000 in cash.

5. The Debtor wishes to accept the offer, and believes it is in the best interests of the estate.

1183

II. Proposed Auction Sale of Store 903 Equipment

6. The Debtor would like to conduct an auction sale of its personal property located at its closed grocery store no. 903 in Clovis, New Mexico ("Store 903"). The Debtor owns most of the personal property in Store #903, such as shelves, refrigeration units, bakery equipment and fixtures, deli equipment, meat department equipment, etc. (together, the "Store 903 Equipment"). The Store 903 Equipment does not include any personal property that is leased to the Debtor by third parties.

7. The Debtor has asked Walter Parker to conduct the auction. Mr. Parker has agreed to conduct the auction on the same terms and conditions as the prior auctions he has already conducted for the Debtor, namely, payment of a 20% commission, and reimbursement of certain out-of-pocket expenses.

8. The Debtor has agreed to pay the landlord for Store 903 the sum of $5,500 as consideration for being able to conduct the auction of the Store 903 Equipment on-site.

9. The Debtor would like to conduct the auction on October 24, 2001.

III. Proposed Sale of Store 967 Equipment to Dr. Elstein

10. The Debtor owns most of the personal property in Store #967, located in Midland, Texas, such as shelves, refrigeration units, bakery equipment and fixtures, deli equipment, meat department equipment, etc. (together, the "Store 967 Equipment"). The Store 967 Equipment does not include any personal property that is leased to the Debtor by third parties.

11. Dr. Dan Elstein, the landlord, has offered to purchase the Store 967 Equipment for $20,000 in cash.

12. The Debtor wishes to accept the offer, and believes it is in the best interests of the estate.

III. Proposed Sale of Store 989 Equipment to Dennis Porter, Inc.

13. The Debtor owns most of the personal property in Store #989, located in Andrews, Texas, such as shelves, refrigeration units, bakery equipment and fixtures, deli equipment, meat department equipment, etc. (together, the "Store 989 Equipment"). The Store 989 Equipment does not include any personal property that is leased to the Debtor by third parties.

14. Dennis Porter, Inc. has offered to purchase the Store 989 Equipment for $30,000 in cash.

15. The Debtor wishes to accept the offer, and believes it is in the best interests of the estate.

IV. Proposed Sale of Unimproved Real Property in Kermit Texas

16. The Debtor owns certain unimproved real property in Winker County, Texas, described as 5.53 acres out of the S/2 of the SW/4, Section 27, Block B-3, PSL Survey, with a street address of East Avenue and Hwy. 302, Kermit, Texas.

17. The Debtor has received an offer from Jimmy R. Bliss to purchase the property for $25,000, "as is, where is," subject only to the representation and warranty that the Debtor owns the property.

18. The Debtor believes that the offered price is fair and reasonable, and represents fair market value for the property.

19. The Debtor also asks that the Court approve the payment by the Debtor, from the sales proceeds, of a 6% sales commission to Jack D. Michel, Michel Real Estate, 107 E. Winkler, Kermit Texas 79745. Mr. Michel was the listing broker for the sale.

Proposed Sales are in the Best Interests of Creditors

20. It is in the best interests of the Debtor and its creditors to approve the sale of the personal and real property described above in accordance with the terms and conditions set forth herein.

21. The only parties that claim a lien or other interest in the real and personal property are the Debtor's pre- and post-petition secured lenders (the "Lenders").

22. The real and personal property would be sold free and clear of liens and interests, with all liens and interests attaching to the sale proceeds.

23. The personal property would be transferred by bill of sale executed by the Debtor, "as is and where is," with no representations or warranties made by the Debtor.

24. It is in the best interests of the Debtor and its creditors to approve the sales set forth above in accordance with the terms and conditions set forth above.

WHEREFORE, Furr's respectfully requests that this Court enter an order granting the relief requested herein, and for all other just and proper relief.

JACOBVITZ, THUMA & WALKER.