

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

FILED
12:00 MIDNIGHT

AUG 22 2001

DROP BOX

United States Bankruptcy Court
No. 11-011079 SA
District of New Mexico

IN RE:
FURR'S SUPERMARKETS, INC.,

Debtor.

**KELEHER REALTY, INC.'S AND WERNER KINDERMANN'S OBJECTION
TO DEBTOR'S AMENDED MOTION FOR APPROVAL OF WIND-DOWN
BUDGET AND OTHER RELIEF (DOCKET NO. 8778)**

COME NOW Keleher Realty, Inc. and Werner Kindermann, by and through their attorneys Kelcher & McLeod, P.A. (James C. Jacobsen), and as their objection to the Debtor's Amended Motion for Approval of Wind-Down Budget and other related relief, Docket Entry No. 877, state:

1. Objectors are Lessors of Debtor's Stores 879 (Keleher Realty), 881 and 844 (Kindermann).
2. As part of the Fleming Purchase, the Debtor must cure various defaults in Objector's leases, as well as those of other lessors whose leases are being assumed and assigned. The amount of arrearages for real estate leases was initially reported by the Debtor as exceeding \$3.2 million.
3. So far as Objectors are aware, Debtor has no ability to pay the amounts required to cure defaults in assumed leases other than through the proceeds of the Fleming sale.

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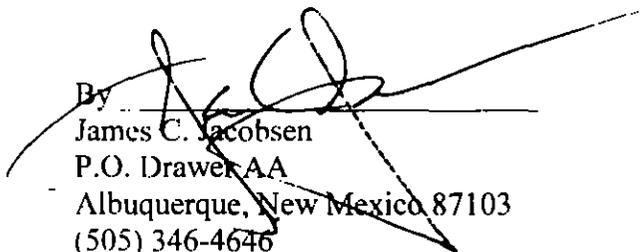
4. The Court's Order approving the Fleming sale, entered July 3, 2001, provides in Paragraph 13 that the Debtor may not expend or distribute any portion of the proceeds of the Fleming sale without further order of the Court.

5. The Debtor's Amended Motion for Approval of Wind-Down Budget, Paragraph 18, proposes to use the Fleming Sale proceeds in various ways, including paying the DIP loan, success bonuses, and secured lenders on the closing date, from the closing escrow, but is silent as to paying cure amounts due lessors.

6. Objectors are aware that cure amounts must be paid before the various leases can be assumed and assigned, but in the absence of information to the contrary, must assume that the cure, the assumption and the assignment will occur simultaneously at closing. As such, and in accordance with previous orders of the Court, it appears appropriate that the Court specifically authorize payment in full of all lease default cure amounts from the closing escrow, before any DIP lenders or secured creditors are paid.

WHEREFORE, Keleher Realty, Inc. and Werner Kindermann pray the Court enter its order directing that lease default cure amounts, if not sooner paid from other sources, be paid from the closing escrow prior to payment of DIP lenders and secured creditors, and granting such other and further relief as the Court deems just and appropriate.

Respectfully submitted,
KELEHER & McLEOD, P.A.

By 
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I certify that I mailed and faxed a true copy of the foregoing Objection to:

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and mailed a copy to:

United States Trustee
P.O. Box 608
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this 22d day of August, 2001


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