



1. Bank of America is a secured creditor of the Debtor with a security interest in all of the property proposed to be sold by Debtor. The amount of Bank of America's secured claim as of the date of the Debtor's petition in bankruptcy, November 27, 1996, was \$440,940.82, including principal, accrued interest and attorney's fees and costs actually expended as of that date. Additional interest and attorney's fees have been incurred postpetition. The amount of Bank of America's claim may be reduced by a settlement agreement between Bank of America, debtor and others, pursuant to which Bank of America had agreed to accept a cash payment of \$422,628.24, the principal balance owing to it, as full payoff under its loan documents, in return for certain performance by Debtor and others. There may be a dispute regarding whether the settlement agreement remains in effect, and if it does, whether Bank of America is entitled to additional attorneys' fees and costs occasioned by Debtor's repudiation of the agreement. In any event, the amount of Bank of America's claim, with or without reference to the settlement agreement, greatly exceeds the amount of the proceeds of the proposed sale of the property which is the subject of the instant motion.

2. All of the proceeds of the proposed sale of property are subject to Bank of America's first priority perfected security interest, as stated by Debtor's Motion, page 3, numbered

paragraph 1. Therefore, such proceeds are Bank of America's cash collateral pursuant to 11 U.S.C. § 363(a).

3. Debtor's Motion, as amended by the First and Second Amendments, provides that Bank of America's cash collateral will be used to pay Debtor's administrative expense for postpetition rent at its four (4) leased business locations, with only the remaining proceeds to be paid to the secured creditors Bank of America and US Bank.

4. Bank of America does not consent to such use of its cash collateral. Debtor has offered Bank of America no adequate protection for such use of Bank of America's cash collateral.

5. Bank of America does not consent to the sale of the equipment.

6. Debtor has failed to demonstrate that the consideration to be paid by Mr. Wells for the equipment is fair and adequate, or that Mr. Wells' offer is the best available.

7. The Second Amendment to Debtor's Motion does not specify the distribution of the additional proceeds of the sale which originally were to be paid to LDP Leasing. Bank of America asserts that if this sale is approved, those additional proceeds should go to Bank of America, and requests clarification from the Debtor on this point.

DATED this 8th day of January, 1997

HAWLEY TROXELL ENNIS & HAWLEY LLP

By: Patrick V. Collins  
Patrick V. Collins  
Attorneys for Bank of America  
National Trust and Savings  
Association

PROOF OF SERVICE

I hereby declare under penalty of perjury that I am a citizen of the United States, am over the age of eighteen years, and not a party to the within action; my business address is Hawley Troxell Ennis & Hawley LLP, 877 West Main Street, Suite 1000, Boise, Idaho 83702.

On this date, I served a copy of **OBJECTION TO MOTION FOR ENTRY OF ORDER APPROVING SALE OF PROPERTY FREE AND CLEAR OF LIENS** on the following parties, by placing a true copy thereof enclosed in a sealed envelope with postage thereof fully prepaid, in the United States Post Office mail box at Boise, Idaho, addressed as follows:

Joseph M. Meier  
Cosho, Humphrey, Greener &  
Welsh, P.A.  
815 W. Washington  
Boise, Idaho 83702

U.S. Mail, Postage Prepaid  
 Hand Delivered  
 Overnight Mail  
 Telecopy

Gary McClendon  
Assistant U.S. Trustee  
304 N. 8th Street, Suite 347  
P. O. Box 110  
Boise, Idaho 83701

U.S. Mail, Postage Prepaid  
 Hand Delivered  
 Overnight Mail  
 Telecopy

Executed on January 8, 1997, at Boise, Idaho.

  
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Patrick V. Collins