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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF IDAHO

In re:)
Sawtooth Enterprises, Inc.) Chapter 11
dba The Buckin' Bagel) Case No. 96-3050 ACH
Debtor.) **MOTION FOR ENTRY OF ORDER**
) **APPROVING SALE OF PROPERTY**
) **FREE AND CLEAR OF LIENS**
) **& NOTICE OF HEARING**

Debtor pursuant to 11 U.S.C. §363(b) and 363(f)(1) moves this Court for an order authorizing it to sell the personal property described below to Timothy Wells free and clear of liens and interests for the total price described below. This motion is also made under Rules 4001 and 9014 of the U.S. Bankruptcy Rules and Local Rule 2002.1. The property will be sold as described herein unless a written objection is filed to the proposed sale on or before January 8, 1997. The Debtor filed this proceeding on November 27, 1996. At that time it owned various personal property which was located in four locations which are leased from third parties. The Debtor shall not be reorganizing its debts but rather shall be liquidating assets. As a part of that process the Debtor must elect within sixty days of the bankruptcy filing whether to assume or reject the four leasehold locations. The Debtor also believes that if the personal property is not quickly sold its value to buyers will steadily decline. Debtor has not appraised this property, but believes the value being received represents at least the price which would be received if it were liquidated by a third party.

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Prior to obtaining the offer contained herein the debtor not only marketed the personal property by itself, but also listed the personal property for sale with Arthur Berry & Company a licensed Realtor. Numerous Buyers were given an opportunity to submit bids for the personal property and over seven bids were received on the property. The bids varied among the buyers between bids on some of the assets to bids on all the assets. The bid selected also is not subject to the Arthur Berry & Company listing agreement and so if the sale is approved a Realtor's commission will not have to be paid. The Buyer is familiar with the property as he is a former employee of the Debtor and is the President of the Debtor. The Buyer is therefore an insider. The sale shall be closed immediately after the hearing on this matter upon Debtor receiving the cash described herein. Debtor believes these prices represent the value of the property . Debtor further believes that the assets have more value if they can be sold in conjunction with some of the premises leases as the buyer does not have to remove the property or incur substantial additional sums to reopen at a different location. Further the debtor will not incur the expense of removing the property from the leaseholds in the event the leases were rejected. The personal property to be purchased from the debtor is described on Exhibit "A" which is attached hereto and incorporated herein by this reference. This includes all personal property owned by the debtor except the following personal property which is not being sold and which is located at the commissary(see crossed out items contained on last two pages of exhibit): Nissan Truck; white desk, gray desk, black desk, brown desk, table, bookcase, 5 dough racks, 250 Proofing boards, HP DeskJet printer, Micron Desktop Computer Millinia; Epson action laser 1400 printer, 2 4 drawer file cabinets particle board locker, gas griddle w/ 2 burners, hand vegetable slicers, Cratco drink dispenser, Toro snow blower, Brother Intellifon plain paper

MOTION FOR ENTRY OF ORDER APPROVING SALE OF PROPERTY, Page 2

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lazeer, 3 four shelf plastic shelving units, floor fan, 6 four wheel dolly, 4 foot step ladder, Royal cash register, 16 five gallon buckets, 64 50 lb bags of flour, 20x40 walk in refer., Tomy lift gate' vegetable sink' 3 tub sink, fisher faucet.

Debtor has found a buyer, an insider, to purchase these assets for the price of \$165,000.00 cash to be paid at closing. The Buyer is Tim Wells. The buyer has also agreed to cure all lease arrearage owing on the Ketchum and the Boise-Main street location which were owed as of November 27, 1996. The debtor shall be required to pay from the proceeds any post petition lease arrearage owed to these two landlords through the date an order is entered in this proceeding approving this sale. After an order is entered approving the sale, then the buyer shall also pay any arrearage accruing to the landlord.

While the buyer is an insider the debtor believes the offer of Tim Wells is the best price available at this time. As indicated above debtor also received offers from other interested third parties whose bids did not equal or exceed the offer from Mr. Wells. Also his offer covers all four locations which shall allow a faster elimination of accruing administrative expenses.

The Debtor believes the following persons or entities may claim a lien or interest in the property to be sold:

1. Bank of America Idaho, N.A. which claims a lien by virtue of a security agreement and UCC-1 financing statement claiming a lien on all equipment, inventory and general intangibles existing or after acquired on file with the Secretary of State of Idaho as instruments B583138 & B6317412 filed August 21, 1995 & October 8, 1993 respectively.

Debtor is indebted to Bank of America in the amount of approximately \$430,000.00.

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2. U.S. Bank successor in interest to West One Bank claims a lien in the following equipment: Crathco Disp. D25-4 3 gal. Tanks, Scotsman SCE170A Ice Machine, Star 502F, 2 3 Comp. P434 LA blue/white, Lincoln Tomato King 043N, 3 Cambro DR Dunnage Rack, Metro Seal posts and shelves, 2 Hobart Dishwashers, Veg. Sink' 3 Bus. Carts, 2 Vollrath HT warmers, 1 Amana RCS 710B Microwave and Smallwares invoices numbers 215005, 215006, 218227, 218513, 218557, 218558, 218560, 219049 & 219202. This lien is by virtue of a UCC-1 financing statement filed with the Secretary of State in approximately March 1996. The loan was made to Austin Stewert, however, debtor claims all right title and interest in the property as it has paid the down payment and all monthly payments on the indebtedness. The amount owed to this creditor is approximately \$6,500.00.

3. Austin Stewert, the former President, director and shareholder of the debtor claims an ownership interest in the personal property described in subparagraph 2 above which is secured by U.S. Bank.

4. L.D.P. Leasing Company also claims an ownership interest in the personal property described in exhibit "A" marked with an "***". The debtor entered a five year lease with this entity.

5. ATT Capital Corp. May claim an ownership interest in some of the personal property to be sold herein, by virtue of its three year lease.

6. Sonna Building Associates is the landlord of the real property located on Main Street Boise, Idaho, whose lease is to be assumed and assigned pursuant to this offer and 11 U.S.C. 365.

7. Black Bear, Inc. is the landlord of the Ketchum, Idaho facility whose lease is to

be assumed and assigned pursuant to this offer and 11 U.S.C. 365.

8. Margaret Mead Trust is the landlord of the Fairview, Idaho property whose lease is to be rejected and the personal property located in that premises shall be removed by the buyer under the terms of the offer.

9. Express Building, LLC is the landlord of the commissary building in which some of the personal property is located whose lease is to be rejected and the personal property located in that premises shall be removed by the buyer under the terms of the offer.

2. The personal property is being sold subject to the any personal property taxes on that property. The sale is "as is" "where is" and without any warranty. No commissions shall be paid.

This offer and Debtor's acceptance is contingent upon Bankruptcy Court approval. The Buyer shall pay the Debtor cash on the date of the sale to be closed immediately after this Court enters its order.

PROPOSED DISTRIBUTION OF PROCEEDS

Once the sale is closed and the Buyer pays the sum of \$165,000.00 cash plus pays all prepetition arrearage to the landlords on the Main street, Boise location and on the Ketchum location together with any obligation owed to these two landlords that arises after the court approves the motion and any other obligation imposed on the buyer by the closing, then the Debtor-in-possession proposes to distribute the proceeds from the sale as follows:

1. All reasonable closing costs.
2. To Black Bear, Inc. the landlord of the Ketchum facility, all rent due for the period of time from November 27, 1996 through the entry of an order approving this sale. The

court to enter an order allowing the debtor to immediately assume the lease and assign it to the buyer pursuant to 11 USC 365(f), with the buyer to assume all further obligations under the lease.

3. To the Sonna Building Associates, the landlord of the Main Street Boise location, all rent due for the period of time from November 27, 1996 through the entry of an order approving this sale. The court to enter an order allowing the debtor to immediately assume the lease and assign it to the buyer pursuant to 11 USC 365(f), with the buyer to assume all further obligations under the lease.

4. To Margaret Mead Trust all rent accrued from November 27, 1996 through the date of rejection of the lease, which amount shall not exceed sixty days, which would be an allowed administrative expense of the estate;

5. To Express Building LLC all rent accrued from November 27, 1996 through the date of rejection of the lease, which amount shall not exceed sixty days, which would be an allowed administrative expense of the estate;

6. The amount of the proceeds remaining after the payments of the above described amounts shall be paid in the following percentages to Bank of America, US Bank and LDP Leasing. As the buyer did not allocate any value to each asset the percentages to be paid are calculated using the total value described in the schedules for each creditor divided by the total value of the assets to be sold:

a. To Bank of America 80.8%;

b. To U.S. Bank 6.4%, based on a presumed value of \$5,000.00 of the assets which appear to be its collateral;

c. To LDP Leasing 12.8%, based upon a presumed value of \$10,000.00 of

the property being sold which is owned by it.

5. There are not sufficient proceeds available to pay any other party from these proceeds.

Wherefore the Debtor-in-Possession moves this court as follows:

1. For an order approving the sale of the personal property and authorizing the sale to Mr. Wells for the sum of \$165,000.00 plus cure of the lease arrearage as described above;

2. For an order authorizing the distribution of the proceeds as described above:

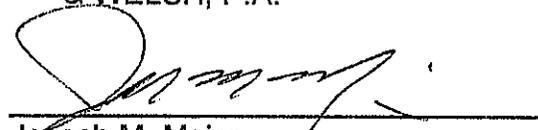
3. For such other relief as is appropriate under the circumstances.

NOTICE & NOTICE OF HEARING

Debtor is asking the Court to approve the sale and proposed distribution at a hearing before the United States Bankruptcy Court for the District of Idaho, on the **13th day of January, 1997 at 9:30 o'clock a.m.** at the fifth floor of the federal building and United States Court House 550 W. Fort Street, MSC 042, Boise, ID 83724. If you oppose this compromise you must file a written objection with the Bankruptcy Court by 5:00 p.m. on January 8th, 1997. You should also serve a copy of this written objection on counsel for Debtor, Joseph M. Meier, COHO, HUMPHREY, GREENER & WELSH, P.A., 815 W. Washington, Boise, ID 83702.

DATED this 24th day of December, 1996.

COSHO, HUMPHREY, GREENER
& WELSH, P.A.


Joseph M. Meier

ASSET LIST

DOWNTOWN

Value	Qty	Equipment
200	23	Black Chairs
200	3	Small Black Tables
30	1	Large Black Table
65	2	Large Black Square Tables
1000	30	The Buckin' Bagel Log Chairs
100	5	Cowhide Bar Chairs
150	5	Small Round Oak Tables
300	4	Square Oak Tables
300	3	Large Round Oak Tables
100	1	Pine Coffee Table
100	4	Lounge Chairs
80	2	Wooden Baby Chairs at \$71.95
0	2	Wooden Garbage Barrels
400	1	Cherry Coffee Hutch with Marble Top
500	1	3 Door Beverage Display Unit
500	1	Panasonic 7500 Cash Register
	1	Panasonic 7500 Cash Register *
100	1	Epson Thermal Printer
	1	Epson Thermal Printer *
300	1	Spartan Refrigerated Showcase
500	1	Spartan 15 Basket Bagel Showcase
100	1	Savory Conveyer Toaster
100	1	Panasonic Type V10 Thermal Printer
500	1	True Sandwich Prep Unit 3 Door
400	1	True Sandwich Prep Unit 2 Door
1000	1	Astra Espresso Machine
200	2	Coffee Grinders
0	2	Paper Cup Dispensers
0	1	Small Sink and Cabinet Unit
200	1	Scotsman Ice Machine
75	2	Wells Lite Line Soup Warmer
150	1	Panasonic Commercial Microwave
200	1	Micron DX4 100Mhz W/16MB and Monitor
100	1	Firefighter Safe
100	1	HP LaserJet 4L
0	1	Quicktel XEBA External Fax
10	1	4 Drawer Metal File Cabinet
10	1	AT&T Cordless Phone

8,572.00



Value	Qty	Equipment
0	1	TI 10 Key Calculator
100	1	JVC Stereo Receiver
500	1	6' Steel Table
100	1	Teac 5CD Player
10	2	Plastic Roll Carts
200	22	Wire Bagel Baskets at \$21
0	3	6' Stainless Steel Shelves
75	1	Kenmore 13 Cubic Foot Freezer Chest
500	1	Hobart LX18H Dishwasher <i>U.S.</i>
50	1	3 Basin Stainless Sink
0	1	Utensil Rack
		9' x 16' x 8' Walk In w/1
2500	1	1/2 HP High Humidity Coil
100	1	Vegetable Sink <i>U.S.</i>
	1	Hobart Slicer *
50	1	Stainless Steel Work Bench
200	1	Stainless Steel Bagel Trough
75	1	Star 2 Burner Hot Plate
100	4	4 Shelf Wire Storage Rack
20	1	2 Shelf Wire Storage Rack
	1	4' x 4' Gas Hood
2000	1	Gas Kettle with Hood
6000	1	20 Pan Reed Rotating Over
50	26	Aluminum Bagel Sleeves
10	1	3 Bin Dunnage Cart <i>U.S.</i>
0	1	Floor Fan
100	14	Framed Pictures
100	2	Wall Boxes
250	1	Wood Sculpture with Neon Lasso
0	1	Half Barrel Display Case
25	1	Old Saddle
150	2	Ceiling Fans
100	5	Black Bar Chairs
100	1	Bar Table with Marble Top
100	4	Stereo Speakers
100	50'	Track Lighting
20	1	3 Shelf Black Wall Unit

13,095

* Is property leased from L. P. P. Leasing

FAIRVIEW

Value	Qty	Equipment
	10	Bagel Racks with Boards *
	3	Shelf Storage Units 4 Shelf *
500	29	Black Chairs
100	5	Black Bar Chairs
150	1	Bar Corner Unit
75	2	Baby High Chairs
0	1	Wooden Garbage Barrel
250	1	Pine Coffee Hutch
100	3	Rubber Maid Carts
	1	True 2 Door Beverage Display Cooler *
	1	Epson Thermal Receipt Printer *
	1	Panasonic 7500 Cash Register *
	1	Spartan Refrigerated Show Case *
750	1	True Sandwich Prep Unit
	1	Savory Conveyor Toaster *
	1	True Sandwich Prep Unit *
	1	Bagel Display Case 16 Basket *
150	1	Front Counter Buildout
20	1	Storage Racks 3 Shelf
200	1	Amana Commercial Microwave US
75	1	IDEA Hitec Food Warmer US
75	1	IDEA Hitec Food Warmer US
	1	ASTRA Espresso Machine *
50	1	Coffee Grinder
70	2	Commodity Cart 3 Bin US
500	1	Scotsman Ice Machine (Small) US
25	1	Shelf Display Unit 7 Compartment
	1	Reed Oven 4 Shelf Rotating with Bagel Tray and Baking Sleeves *
	1	Bagel Kettle (Gas) *
	25	Wire Bagel Baskets *
10	1	Long Single Shelf
200	1	Stainless Steel Sink 1 Well
200	1	General Slicer
50	1	Star 2 Burner Electric Hot Plate US
200	2	Stainless Steel Tables
200	1	Chest Freezer
500	1	Hobart Dishwasher US
300	1	Stainless Steel Sink 3 Well
50	1	Utensil Storage Rack
25	1	6' Ladder

5025

Value	Qty	Equipment
25	1	Shop Vac
	1	Shelf Storage Unit 3 Rack*
100	1	Canon BJC-210 Printer
100	1	Constream Digital Audio Receiver
200	1	Fischer Receiver with Remote
300	1	Dell 433 SL Desk Top Computer
75	1	GE Cordless Telephone
25	1	CASIO Ten Key
	1	Sentry Sage
50	1	4 Drawer Steel File Cabinet
500	10	Framed Pictures Western Theme
		Track Lighting
100	2	Audio Speakers
100	2	Ceiling Fans
		Glass Wear, Plastic Wear, Misc. Kitchen Tools
50	2	Wheeled Garbage Cans Plastic Gray
80	4	Plastic Trash Cans
50	2	Electric Signs
<u>1755.00</u>	1	Walkin Retarder/Refer* 8 x 17'6"8"2.5" high*
	1	Sta-Pro 4' x 4' Vapor Hood

*Shaded areas have no value ← Leased from LOP, Leasing

KETCHUM

Value	Qty	Equipment
500	1	Three Door Reach In Beverage Cooler
120	6	24" Wooden Tables
300	20	Oak Chairs
50	1	Lighted 12 Basket Bagel Display Case
200	1	2 Wand Ferra Espresso Machine
20	1	Log Chair
	3	3 x 5' Chalk boards
10		Radio Shack Stereo
100	1	Receiver
75	1	Pioneer CD Player
50	1	Milano Espresso Bean Grinder
200	1	2 Door Delfield Refrigerated Sandwich Unit
10	4	Garbage Cans
100	1	Savory Industrial Toaster
10	1	Hamilton Beach Blender
600	1	Ruby Industrial Juicer
10	6	Metal Baking Trays
6000	1	Reed 5 Shelf Rotating Pizza Over with Bagel Counter and Exhaust Hood
200	1	Large Bagel Kettle and Steam Hood
4000	1	9 x 12' Cold Storage Unit
100	1	Canon BJ 200ex Printer
10	2	Telephones
10	3	3 x 5' Pin Boards
150	1	Fire Fyter Safe
10	1	4 Drawer Steel File Cabinet
150	1	Amana Radarange Microwave Oven
	1	Wooden Locker with Lock
10	1	Sentry Lock Box
200	4	2 Bin Commodity Bins
500	1	Scotsman Ice Machine (Small)
175	5	4 Shelf Storage Racks
100	1	Trash/Counter Buildout
150	1	Epson Thermal Receipt Printer
500	1	Migali Sandwich Prep Unit
400	1	Migali Sandwich Prep Unit
500	1	Panasonic Cash Register
50	1	Wood Build Out Display Case
200	18	Bagel Baskets
500	1	Hobart 20 Qt. Mixer
5000	1	Molline 350 Lb. Mixer

21,770

Value	Qty	Equipment
50	1	6' Ladder
2000	1	Proof Box
75	1	Star 2 Burner Electric Hot Plate
50	1	1 Well Prep Sink with Faucet
200	2	Prep Stainless Steel Prep Tables with Poly Surface
100	1	Berkel Slicer
10	1	Wet Dry Vac
15	1	Small Porcelain Sink
100	1	3 Well Stainless Steel Sink with Faucet
200	1	Hobart Dishwasher
150	1	Rheem 60 Gallon Electric Hot Water Heater
200	1	Hobart 6' Upright Freezer
500		Small Kitchen Tools
500		Cookware
300		Plastic Items

1250

COMMISSARY

Value	Qty	Equipment
200	1	Moline Spiral Mixer 350 lb.
500	1	Bagel Former/Divider
500	1	Bagel Former/Divider
50	1	Electric Air Compressor 4 Gallon
500	1	Federal Proof Box
200	1	Hobart Slicer
100	1	Hobart Chopper
300	1	Hobart Mixer 60 Qt.
200	1	Hobart Mixer 20 Qt.
200	2	Poly Top Work Tables
		White Desk
		Gray Desk
		Black Desk
		Brown Desk
		Table
		Bookcase
850	17	Dough Racks
	5	Dough Racks*
300	12	Commodity Bins
2500	550	Proofing Boards at \$4.65
(approx.)		
	250	Proofing Boards at \$46.5*
600	12	Log Chairs
100	1	Small Reefer.
50	1	HP DeskJet 600 Printer
500	1	Micron Desktop Computer Millinia
50	1	Epson Action Laser 1400 Printer
50	2	File Cabinet Steel 4 Drawer
50	1	Particle Board Locker
		Misc. Kitchen Tools
50	1	Deep Fryer
50	2	Heated Display Cases
25	1	Lincoln Lettuce King
25	1	Stainless Steel Cart
25	1	Small. Electric Oven
50	1	Gas Griddle with 2 Burners
30	2	Hand Vegetable Slicers
25	1	Elect. Bagel Slicer
50	1	Crateo Drink Dispenser
25	1	Toro 3HP Snow Blower
50	1	Brother Intellifon Plain Paper Laserfax

7300

Value Qty Equipment

Value	Qty	Equipment
90	3	4 Shelf Plastic Shelving Units
25	1	Floor Fan
25	1	6 Wheel Flat Dolly
25	1	4 Ft. Stepladder
200	20	Cookie Baking Pans
50	1	Royal Cash Register
150	6	Plastic Lawn Tables
240	24	Plastic Lawn Chairs
80	8	Plastic Storage Bins
0	40,000	16 Oz. Cups
0	52,000	12 Oz. Cups
0	30,000	Cream Cheese Labels
20	1	Dolly
0	13,000	Freezer Bags
0	50,000	Paper Bags
200	10	Rack Covers
160	16	5 Gallon Buckets Malt
320	64	50 Lb. Bags Flour
30,000	1	Nissan Refer Truck 30K Gross 103K Miles
1000	1	Tommy Lift Gate
	1	Vegetable Sink
	1	3 Tub Sink
	1	Fisher Faucet
800	1	Honda Accord 163K Miles
5000	1	20 x 40 Walkin Refer
<u>800</u>	1	HONDA ACCORD Automobile 163,000 miles

1690