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UNITED STATES BANKRUPTCY COURT
IN AND FOR THE EASTERN DISTRICT OF WASHINGTON

In re:)
) Case No. 04-08822-PCW-11
THE CATHOLIC BISHOP OF)
SPOKANE a/k/a THE CATHOLIC)
DIOCESE OF SPOKANE,) **NOTICE OF DEBTOR'S**
) **MOTION TO SELL REAL**
) **PROPERTY LOCATED AT**
Debtor.) **707 N CEDAR STREET**
) **[Docket No. 758]**

PLEASE TAKE NOTICE that The Catholic Bishop of Spokane, a Washington corporation sole, the debtor and debtor-in-possession herein (the "Diocese" or the "Debtor"), has filed a Motion [Docket No. 758] requesting that it be authorized to sell certain real property located at 707 N. Cedar Street, Spokane, Washington, legally described as the South 20' of Lot 4 and all of

1 Lots 5 and 6 of Chandler Second Addition, Spokane, Spokane County,
2 Washington (the "Property"). The Diocese has received an offer to purchase
3 the Property for the sum of \$318,000.00 from Mr. Ronnie Rae and Mr. Frank
4 Cikutovich (the "Purchasers"). A true and correct copy of the Real Estate
5 Purchase and Sale Agreement describing the Purchasers' offer (the "Offer") is
6 attached to the Debtor's Motion. In addition to the Purchasers' offer, the
7 Diocese has received other offers to purchase the Property. The Diocese has
8 contacted each of the parties making an offer and has advised them that the
9 Diocese intends to sell the Property to the Purchasers unless a better offer is
10 submitted.
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12 If the Motion is granted, the Debtor will sell the Property to the
13 Purchasers. However, in an attempt to obtain the highest sales price for the
14 Property, the Diocese will conduct an auction five (5) business days after the
15 entry of an Order approving the Motion. The opening bid at the auction will
16 be the Purchasers' bid of \$318,000.00. The first overbid, if any, will be at least
17 five percent (5.0%) more than the opening bid submitted by the Purchasers.
18 All subsequent overbids will be in increments of \$2,000.00 or more until no
19 further bids are submitted. At the conclusion of the auction, the winning
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1 bidder shall deposit \$10,000.00 earnest money with the Dioceses' real estate
2 agent, Hawkins & Edwards, Inc., whose application for employment is
3 currently pending. The earnest money will become nonrefundable five (5)
4 business days following the auction unless the successful bidder advises
5 counsel for the Diocese in writing that it intends to withdraw its bid. In that
6 event, the earnest money shall be returned to such withdrawing bidder and the
7 party who submitted the second highest bid at the auction shall become the
8 successful bidder. Such party shall have two (2) business days to deposit
9 \$10,000 earnest money with the Diocese's real estate agent, which earnest
10 money shall become nonrefundable five (5) business days thereafter unless the
11 Diocese again receives a written notice of the purchaser's intent to withdraw.
12 The sale of the Property shall close no later than December 15, 2005 at which
13 time the entire purchase price shall be paid to the Diocese.
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21 The auction will be conducted at the offices of Paine, Hamblen, Coffin,
22 Brooke & Miller LLP. Any party who intends to participate at the auction
23 must advise the undersigned counsel for the Diocese of that intention within
24 twenty-three (23) days of the date of this Notice. Prior to the auction, any
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1 party intending to make a bid at the auction must deposit \$5,000.00 earnest
2 money with Hawkins & Edwards, Inc.
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4 Upon entry of an Order approving the Motion, the Diocese's real estate
5 agent shall provide notice of the time and location of the auction to all persons
6 who have submitted purchase offers on the Property or who have timely
7 advised counsel for the Diocese of their intent to participate in the auction.
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10 The Property will be sold "where is, as is" and in compliance with the
11 Real Estate Purchase and Sale Agreement, a copy of which is attached as
12 Exhibit "A" to the Motion, and in accordance with the Order approving said
13 Motion, provided, however, that the inspection contingency set forth in the
14 Real Estate Purchase and Sale Agreement is waived. A real estate
15 commission of six percent (6.0%) shall be paid to the Diocese's real estate
16 agent, Hawkins & Edwards, Inc. Such commission shall be split between
17 Hawkins & Edwards, Inc. and the agent for the ultimate purchaser of the
18 Property if such purchaser is represented by a buyer's agent.
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24 The Diocese has requested that the Court enter an Order (i) authorizing
25 the sale of the Property; (ii) ordering that the sale shall be free and clear of all
26 liens, claims and interests, if any; (iii) authorizing the Debtor to enter into the
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1 Purchase and Sale Agreement and to take all steps necessary to consummate
2 the transactions contemplated by the Purchase and Sale Agreement; (iv)
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4 waiving the ten-day waiting period set forth in Bankruptcy Rule 6004(g); (v)
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6 authorizing the payment of the commission earned by the Debtor's real estate
7 agent, Hawkins & Edwards, Inc., upon closing of the sale of the Property,
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9 subject to the approval of pending application to employ and compensate
10 Hawkins & Edwards, Inc.; (vi) approving the auction and overbid procedures
11 described above; and (vii) granting such other and further relief as the Court
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13 deems just and proper.

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15 PLEASE TAKE NOTICE that if you object to the sale of the Property,
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17 you must file a written objection with the Clerk of the United States
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19 Bankruptcy Court for the Eastern District of Washington, 904 W. Riverside
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21 Avenue, Spokane, WA 99210, and serve the same upon the undersigned
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23 counsel for the Diocese not later than twenty-three (23) days from the date of
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25 this Notice. If you fail to timely and properly object, the relief requested may
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27 be granted without hearing and without further notice to you.

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29 Pursuant to Local Rule 2002-1(f)(1) and (2), any objection shall state
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briefly the grounds therefore. If an objection states no grounds, the Court may

1 strike the objection on an ex parte motion of the moving party. The moving
2 party, however, may make such ex parte motion to strike only after the
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4 objecting party fails, within ten (10) days, to respond to a request by the
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6 moving party for a brief statement of the grounds for the objection. If an
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8 objection is filed, and a hearing is set, the opposing party must comply with
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10 Local Rule 9073-1(e)(1) and (2) which state, in part, that an opposing party
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12 shall file and serve any objections, counter-affidavits, or statements under
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14 penalty of perjury or other responding documents no more than three (3) days
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16 prior to the hearing on the application or motion. Further, a copy of any
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18 document intended to be considered by the Court in connection with the
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20 scheduled hearing shall be delivered to the appropriate chambers if the
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22 document has not been filed at least seven (7) days prior to the hearing.

23 DATED this 20th day of October, 2005.

24 PAINE, HAMBLIN, COFFIN,
25 BROOKE & MILLER, LLP

26 By /s/ Michael J. Paukert

27 Michael J. Paukert

28 Shaun M. Cross

29 Attorneys for the Catholic Bishop
30 of Spokane a/k/a the Catholic
Diocese of Spokane

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NOTICE OF DEBTOR'S MOTION TO SELL
PROPERTY LOCATED AT 707 N. CEDAR
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