

**Debtors' Motion for an Order for Authority to (a) Convey Certain *De Minimis* Value Real Property and (b) Establish and Implement Expedited Procedures for the Future Conveyance of *De Minimis* Value Real Property (the "*De Minimis* Property Motion")**

By the *De Minimis* Property Motion, the Debtors seek authority to (a) convey certain real property with *de minimis* value without receiving any payment, and (b) establish and implement expedited procedures by which the Debtors may convey such property in the future.

*De Minimis Property Conveyance.* The Debtors seek authority to convey 58 parcels of land, located at ten of their properties, which the Debtors assert are no longer necessary to the operation of the Debtors' businesses or reorganization of their estates (each, a "*De Minimis Parcel*"). The Debtors want to convey these properties without receiving payment in return because (i) the *De Minimis* Parcels have little to no value to the Debtors (many of which have been valued by tax authorities at \$0 to \$1000), (ii) the maintenance of such parcels is unduly burdensome to the Debtors' estates, (iii) any other action related to these properties would cost the Debtors more than such properties are worth, (iv) the Debtors have thus far been unable to consummate a commercially acceptable sale of the *De Minimis* Parcels, and (v) the intended recipients would accept the *De Minimis* Parcels but not purchase them.

The Debtors further maintain that (a) many of the *De Minimis* Parcels are considered non-buildable by the Debtors and other developers, thus making it impossible for the Debtors to realize any significant value from them, (b) many of the *De Minimis* Parcels expose the Debtors to significant tax liability and liabilities related to safety risks that can be eliminated through the proposed conveyances, (c) in most cases, the *De Minimis* Parcels are connected to developed parcels the Debtors had previously deeded away that should have been deeded to the owners of the surrounding parcels simultaneously but the documentation was inadvertently overlooked.

*Conveyance Procedures.* The Debtors also seek to establish the following expedited procedures to convey property worth less than \$50,000 that they identify as *De Minimis* Parcels in the future, where the Debtors determine that such conveyance is in the best interest of their estates (the "*Conveyance Procedures*"):

- (a) The Debtors are authorized to convey *De Minimis* Parcels with a fair market value equal to or less than \$2,000 without further notice or order of the Court.
- (b) For *De Minimis* Parcels with a fair market value greater than \$2,000 and up to \$5,000:
  - (i) the Debtors are authorized to convey such assets without further order of the Court;
  - (ii) the Debtors, as promptly as possible following the conveyance of such assets, will give written notice of such conveyance (the "*Conveyance Notice*") to (a) the counsel for the Debtors' postpetition lenders, (b) counsel for the Committee, (c) the United States Trustee, (d) any known holder of a lien, claim, encumbrance or interest

against the specific assets to be conveyed, and (e) any party that has requested special notice (collectively, the “Notice Parties”); and

- (iii) the Conveyance Notice will specify (a) the asset or assets that were conveyed and the Debtor-owner thereof, (b) the value of the conveyed assets as reflected on the Debtors’ books and/or schedules, or if no such value is available, an estimated value, and (c) the estimated cost of removal and disposal of such assets.
- (c) For *De Minimis* Parcels with a fair market value greater than \$5,000 and up to \$50,000:
- (i) the Debtors will send an Conveyance Notice for each such conveyance to the Notice Parties at least ten days prior to the conveyance of such asset;
  - (ii) if none of the Notice Parties serves the Debtors with a written objection to the proposed conveyance within seven days after the date the Debtors send the Conveyance Notice (the “Conveyance Notice Period”) or any such objection is resolved, the Debtors will be authorized to dispose of the assets described in the Conveyance Notice, and pay costs associated therewith without further notice or Court order; and
  - (iii) if the Debtors receive a written objection from any Notice Party prior to the expiration of the Conveyance Notice Period, and the Debtors are unable to resolve such objection, the Debtors will not convey the assets that are the subject of the objection (but may proceed to convey any other assets set forth in the Conveyance Notice to which no objection was timely served in accordance herewith) without first obtaining the Court’s approval for the conveyance of that specific asset with respect to which an objection was timely served.

The Debtors assert that implementation of the Conveyance Procedures allows them to avoid the unnecessary administrative expenses and time incurred by attorneys that would be required to obtain Court approval for each conveyance. Given that the proposed conveyances of *De Minimis* Parcels do not generate any proceeds, the Debtors believe it is especially important to streamline the process and avoid any transaction expenses related thereto.