

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,

Case No. 7-01-10779-SA
Chapter 7

Debtor.

**AGREED ORDER APPROVING ADDITIONAL PAYMENTS TO CATHY DAVIS
UNDER HER INDEPENDENT CONTRACT, AND APPROVING PAYMENTS
TO JOEL DAVIS UNDER THE SAME CONTRACT**

This matter came before the Court upon the agreement of Yvette J. Gonzales, the Chapter 7 Trustee in the above-captioned bankruptcy case, the United States Trustee's office, Heller Financial, Inc., as agent, and the Metropolitan Life Insurance Company (together, the "Secured Lenders"), and the Court, being duly advised in the premises, FINDS:

A. On February 8, 2001, the Debtor Furr's Supermarkets, Inc. (the "Debtor") commenced this bankruptcy case by filing a voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

B. On December 19, 2001, the Debtor converted the case to a Chapter 7 case. The Trustee was appointed as the Chapter 7 trustee on the same day.

C. Before it ceased operations and terminated all of its employees, the Debtor maintained the Furr's Supermarkets, Inc. Pension Plan (the "Pension Plan") and the Furr's Supermarkets, Inc. 401(k) plan (the "401(k) plan").

D. Since the Debtor has ceased operations permanently, the Pension Plan and 401(k) plan need to be terminated in an orderly manner, and the funds in the plans distributed in accordance with law.

F. Ms. Cathy Davis ("C. Davis") was the Debtor's employee in charge of administering the Pension Plan and the 401(k) plan. Pursuant to a Court order entered March 22, 2002 and docketed as #1615 (the "Prior Court Order"), the Trustee signed an independent contractor agreement with C. Davis (the "Agreement") so that C. Davis could assist the Trustee in the termination of the Pension Plan and the 401(k) plan.

F. The Agreement ends on July 31, 2002. While C. Davis will have completed a substantial portion of the needed work by that deadline, she will not be able to complete all needed work by then.

G. It is in the best interests of the estate and creditors to grant the relief set forth below so that all work needed to be done by C. Davis can be completed.

H. All additional amounts the Trustee is required to pay C. Davis and her son Joel Davis ("J. Davis") hereunder are to be paid from the funds in the Pension Plan.

I. Pursuant to the settlement reached by the Trustee and the Secured Lenders, any surplus in the Pension Plan will inure to the benefit of the Secured Lenders. Because of that, entry of this Order is appropriate.

J. No further notice is necessary in the particular circumstances prior to entry of this order;

IT IS, THEREFORE, ORDERED:

1. The Agreement is hereby modified as follows:

a. In addition to the payments required under the Agreement, the Trustee may also pay C. Davis \$50/ hour, plus gross receipts tax, for up to 130 hours of work (or a maximum additional payment of \$6500 plus gross receipts tax);

b. The Trustee may also pay J. Davis \$20/ hour, plus gross receipts tax, for up to 80 hours of work (or a maximum payment of \$5000 plus gross receipts tax) for work done under the supervision of C. Davis in retrieving and compiling information needed to terminate the Pension Plan and the 401(k) plan;

c. The term of the Agreement shall be extended until December 28, 2002, to allow for additional work and payments set forth above. The only additional payments the Trustee is allowed to make under the Agreement are those set forth above.

2. All amounts set forth above will be paid from the Pension Plan assets.

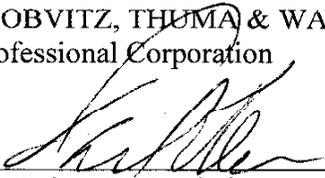
3. Except as set forth herein, the Agreement and the Prior Court order shall be unmodified and remain in full force and effect.



THE HONORABLE JAMES S. STARZYNSKI
UNITED STATES BANKRUPTCY JUDGE

Submitted by:

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a Professional Corporation

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I hereby certify that a true and correct copy of the foregoing was either electronically transmitted, faxed, delivered or mailed to the listed counsel and parties on:

JUL 22 2002

Mary B. Anderson