

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW MEXICO

FILED  
of \_\_\_\_\_ o'clock \_\_\_\_\_ M  
SEP 20 2002  
United States Bankruptcy Court  
Albuquerque, New Mexico

In re

FURR'S SUPERMARKETS, INC.,

Debtor.

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

**Excluded Fees, Post-Conversion Services, and Allocation Statement of Skadden, Arps Under Carve Out Procedures Order**

1. All capitalized terms in this Statement have the meanings defined in Exhibit A ("Carve-Out and Other Procedures") to the "Order Adopting Carve-Out Procedure, Setting Deadlines, and Granting Other Relief," entered August 22, 2002.

2. **Excluded Fees.** Skadden, Arps, Slate, Meagher & Flom LLP believes that none of its fees or costs (whether or not allowed or paid) are "Excluded Fees."

3. The Debtor in Possession did not make any payments of fees or expenses to Skadden, Arps. Skadden, Arps gave the Debtor in Possession a credit in the amount of \$42,885.69 for the first work performed at the beginning of the case, arising from a prepetition payment, which the Court's Order authorizing the Debtor

18-16

and Debtor in Possession to employ Skadden, Arps required be credited against fees incurred postpetition. All other amounts deducted from Skadden, Arps's request for fees and expenses in this case are determined in accordance with the "Stipulation Regarding Final Fee Application of Skadden, Arps, Slate, Meagher & Flom LLP," filed and served on or about August 26, 2002 (the "Skadden Stipulation").

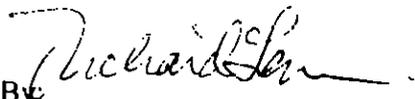
4. **Post-Conversion Services.** Skadden, Arps rendered Post-Conversion services but does not intend to seek payment from a Carve-Out for any such services, as set forth in paragraph 3 of the Skadden Stipulation.

5. **Allocation Statement.** Skadden, Arps has stipulated with the United States Trustee (the sole objector to Skadden, Arps fee applications) to the allowance of its fees and expenses in the total amount shown in the table below. The Skadden Stipulation has not yet been approved by the Court. If it is approved, the allocation of Skadden, Arps fees and expenses among the Pre-Closing Carve-Out Period and the Post-Closing Carve-Out Period, which is based on the tables in the Fee Applications showing the periods during which fees and expenses were incurred, and on the Stipulation, is as follows:

Fee Application	Requested	Disallowed	Pre-Closing Carve-Out Period	Post-Clos- ing Carve- Out Period	Total Allowed
First Interim, Fees	1,233,971.75	209,185.05	1,024,786.70	0.00	1,024,786.70
First Interim. Costs	114,445.41	6,949.00	107,496.41	0.00	107,496.41
Second Interim, Fees	150,168.00	0.00	133,073.50	17,084.50	150,168.00
Second Interim. Costs	24,343.43	0.00	21,869.36	2,474.07	24,343.43
Supplement N.M. Taxes	5,410.00	5,410.00	0.00	0.00	0.00
Second Supple- ment. Fees	47,077.50	15,025.50	0.00	32,052.00	32,052.00
Second Supple- ment, Costs	1,153.46	0.00	0.00	1,153.46	1,153.46
<b>Total</b>	<b>1,576,569.55</b>	<b>236,569.55</b>	<b>1,287,225.97</b>	<b>52,764.03</b>	<b>1,340,000.00</b>

Dated: Los Angeles, California  
September 18, 2002

SKADDEN, ARPS, SLATE,  
MEAGHER & FLOM LLP

By:   
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