UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,
a Delaware corporation,

Case No. 7-01-10799-SA
Chapter 7

Debtor.

ORDER GRANTING THE CHAPTER 7 TRUSTEE'S
MOTION TO RELEASE $500,000 HELD IN THE COURT REGISTRY

This matter came before the Court on Yvette J. Gonzales, the Chapter 7 Trustee's (the "Trustee's") Motion to Release $500,000 Held in the Court Registry, filed July 25, 2002, and the Court, being sufficiently advised in the premises, FINDS:

1. On February 8, 2001, Furr's Supermarkets, Inc. (the "Debtor") filed a voluntary petition under chapter 11 of the United States Bankruptcy Code. The Debtor converted its Chapter 11 case to a Chapter 7 case on December 19, 2001, and the Trustee was appointed the Chapter 7 trustee.

2. On August 31, 2001, the Debtor closed the transactions pursuant to which it sold a substantial portion of its assets to Fleming Companies, Inc. or it designees (the "Fleming Transaction").

3. In response to a motion filed by the Debtor on September 6, 2001 seeking authority to use cash collateral and other relief, on September 18, 2001 the Court entered its First Order Arising Out of Emergency Hearing Supplementing Final Order (1) Authorizing Debtor to Obtain Secured Financing, (2) Granting Adequate Protection, and

(3) Granting Other Relief, to Permit Short-Term Financing and Use of Cash Collateral, docketed as #1079 (the "First Post-Closing Order").

4. The First Post-Closing Order provides, *inter alia*, that $500,000 of the proceeds generated by the Fleming Transaction were to be held in escrow pending resolution of certain disputed claims of Pinnacle Logistics, Inc. ("Pinnacle") and Countrywide Logistics, Inc. (Countrywide") (the "$500,000 Escrow").

5. On May 30, 2002, the $500,000 Escrow ($500,000), together with other funds ($2 million), was deposited in the registry of the United States Bankruptcy Court for the District of New Mexico pursuant to an Order Directing the Transfer of Funds into the Court Registry. The $500,000 Escrow currently is held in the Court registry.

6. In the Court's Judgment entered December 20, 2001 in adversary proceeding No. 01-01099, the Court ruled that neither Pinnacle nor Countrywide had any lien claim to any of the Debtor's assets relating to the funds in escrow. The Court's judgment is now final and nonappealable.

7. Based on the Court's ruling, the $500,000 Escrow should be released and paid over to the estate's secured lenders, as provided in the Court's Stipulation and Consent Order (I) Approving Compromise and Settlement Between the Trustee on Behalf of the Estate, Heller Financial, Inc., Bank of America, N.A., Fleet Capital Corporation, and Metropolitan Life Insurance Company and (II) Resolving all Objections Thereto, entered July 24, 2002.

8. Pinnacle and Countrywide do not oppose the relief requested in the Motion.

9. Entry of this Order without further notice or hearing is proper in the particular circumstances.

It is therefore ORDERED that the Clerk of the United States Bankruptcy Court for the District of New Mexico (the "Clerk") is directed to transfer to estate's secured lenders Heller Financial, Inc., as agent, and the Metropolitan Life Insurance Company, as directed in writing by Jonathan B. Alter as counsel for Metropolitan Life Insurance Company, (i) the $500,000 Escrow currently held in the Court registry; and (ii) the interest earned on such $500,000, less the fees to be paid to the Clerk for administering such $500,000, which fees the Clerk is authorized to disburse to the party entitled to the fees.

THE HONORABLE JAMES S. STARZYNSKI
UNITED STATES BANKRUPTCY JUDGE

Submitted and approved:

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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:

NOV 20 2002

Mary B. Anderson