

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 AUTHORIZING THE TRUSTEE TO EXECUTE RELEASE OF
MORTGAGE**

This matter came before the Court on the agreement of Yvette J. Gonzales, the Chapter 7 Trustee in the above-captioned bankruptcy case (the "Trustee"), the United States Trustee's Office, and the secured lenders of the bankruptcy estate. The Court, being duly advised in the premises, HEREBY FINDS:

A. On February 8, 2001, Furr's Supermarkets, Inc. (the "Debtor") filed a voluntary petition in this Court under Chapter 11 of the Bankruptcy Code. On December 19, 2001, the chapter 11 case was converted to a case under chapter 7. On the same day the Trustee was appointed the Chapter 7 trustee for the Debtor's bankruptcy estate, in which capacity she continues to serve.

B. On or about September 1, 1995, Floho Partners, a New Mexico general partnership ("Floho") executed a Mortgage, Deed of Trust, Assignment of Rents and Security Agreement in favor of the Debtor (the "Mortgage"). The Mortgage secured repayment of a promissory note payable to the Debtor in the original principal amount of \$1,057,000 (the "Note"). The

Mortgage encumbered certain real property owned by Floho on South Broadway, Albuquerque, in Bernalillo County, New Mexico, commonly referred as Furr's store No. 866 ("Store 866"). The Note was also secured by a mortgage on certain real property in El Paso, Texas.

C. Floho paid the Note in full on or about December 11, 1995. At about the same time, the Debtor released its mortgage on the El Paso property. Through inadvertence, the Debtor never released the Mortgage.

D. On several occasions since 1995, Floho asked the Debtor to release the Mortgage. The Debtor never released the Mortgage.

E. State Street Bank and Trust Company, the current mortgage holder on Store 866 is foreclosing its lien on Store 866. The Mortgage is a cloud on the title of Store 866. The mortgage holder has asked the Trustee to execute a release of Mortgage in the form attached hereto as Exhibit A (the "Release of Mortgage").

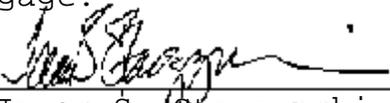
F. The Trustee has reviewed the documents given to her by the mortgage holder, and she and her counsel are satisfied that the Mortgage has no value to the estate because the indebtedness it once secured has been paid in full. The Trustee therefore has sought entry of this Agreed Order.

G. The estate's secured lenders and the United States

consent to the relief given hereunder.

I. No further notice is required before entry of this Order, given the particular circumstances.

IT IS THEREFORE ORDERED that the Trustee may execute the Release of Mortgage and take and all other action necessary or desirable to release the Mortgage.



James S. Starzynski
United States Bankruptcy Judge

Submitted and Approved:
JACOBVITZ, THUMA & WALKER, P.C.

By: approved and submitted by e-mail 6/30/03

David T. Thuma
500 Marquette, NW, #650
Albuquerque, NM 87102
(505) 766-9272

Attorneys for Chapter 7 Trustee

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

By: approved 6/30/2003

Paul M. Fish
500 4th St., N.W., #1000
Albuquerque, New Mexico 87103-2168
(505) 848-1800
(505) 848-1882 (fax)

Attorneys for Heller Financial, Inc., as agent for Fleet Capital Corporation, Bank of America N.A., Heller Financial, Inc. and Metropolitan Life Insurance Company

OFFICE OF THE UNITED STATES TRUSTEE

By: approved 6/30/2003

Ronald E. Andazola
P.O. Box 608
Albuquerque, New Mexico 87103
(505) 248-6544

BINGHAM MCCUTCHEON LLP

By: approved 6/30/2003

Jonathan B. Alter

One State Street

Hartford, CT 06103399 Park Avenue

(860) 240-2969

Attorneys for Metropolitan Life Insurance Company

I hereby certify that on July 1, 2003, a true and correct copy of the foregoing was either electronically transmitted, faxed, delivered, or mailed to the listed counsel and parties.


Mary B. Anderson
Mary B. Anderson

RELEASE AND DISCHARGE OF
MORTGAGE, DEED OF TRUST, ASSIGNMENT
OF RENTS AND SECURITY AGREEMENT

Yvette J. Gonzales, Chapter 7 Trustee of the Estate of FURR'S SUPERMARKETS, INC., ("Trustee"), Bankruptcy No. 7-01-10779-SA (Bankr. N.M.), filed on February 8, 2001, under that certain Mortgage, Deed of Trust, Assignment of Rents and Security Agreement from Floho Partners, a New Mexico general partnership, to Furr's Supermarkets, Inc., a Delaware corporation, dated September 1, 1995, recorded on September 11, 1995, in the Records of Bernalillo County, New Mexico, in Book BCR-95-22, Pages 118 through 142 (the "Mortgage"), hereby releases and discharges all of the real and personal property described in the Mortgage from the lien and operation thereof and certify that the indebtedness secured thereby and described therein has been fully paid and satisfied.

WITNESS my hand and seal this _____ day of April, 2003.

FURR'S SUPERMARKETS, INC., a
Delaware corporation

By _____
Yvette J. Gonzales, Chapter 7 Trustee
of the Estate of Furr's Supermarkets,
Inc., Bankruptcy No. 7-01-10779-SA
(Bankr. N.M.)

