

I R E L L & M A N E L L A L L P  
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March 12, 2004

Ms. Yvette J. Gonzales  
P. O. Box 1037  
Placitas, New Mexico 87043

Dear Ms. Gonzales:

We thank you for affording us the opportunity of continuing to represent you in your capacity as chapter 7 trustee of Furr's Supermarkets, Inc., a Delaware corporation ("Furr's"). The purpose of this letter is supplement the Engagement letter dated June 16, 2003 to Ms. Yvette Gonzales from Irell & Manella LLP (the "I&M Engagement Letter") to reflect our continuing and expanded representation of you.

Unless otherwise defined, all capitalized terms used in this letter are used as defined in the I&M Engagement Letter.

We understand that you, in your capacity as chapter 7 trustee of Furr's, will petition the Court to expand the scope of your retention of I & M as described in the I & M Engagement Letter to include other issues arising under or relating to ERISA as may be requested by the Trustee and that I & M agrees to perform, including but not limited to ERISA issues arising in Adversary Proceeding 03-1072 captioned *Yvette J. Gonzales, Trustee v. Sun Life Assurance Company of Canada* (the "Preference Action"). We understand from you that, in the Preference Action, the Trustee asserts that under 11 U.S.C. §547(b), she is entitled to avoid and recover from Sun Life Assurance Company of Canada ("Sun Life") payments from Furr's to Sun Life in the approximate amount of \$180,000 as preferential transfers for certain insurance coverages and that Sun Life claims, in part, that, due to the application of ERISA, Furr's did not have an interest in the property transferred to Sun Life during the preference period sufficient to permit avoidance. The Trustee has requested that I&M act as special counsel or co-counsel to advise the Trustee in connection with ERISA-based defenses raised by Sun Life in the Sun Life Preference Action. We understand that Jacobvitz, Thuma & Walker will be lead counsel in the Preference Action, and that our role will be limited to advising such lead counsel and the Trustee regarding ERISA-based defenses and other ERISA issues.

You have agreed to petition the Court to permit you to pay us at this time an additional post-petition retainer in the amount of \$15,000. Such retainer will be held as described in the I&M Engagement Letter.

**EXHIBIT**

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Ms. Yvette J. Gonzales  
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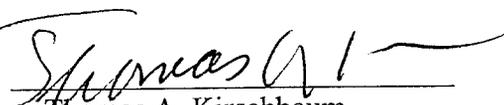
Please note that my hourly rate is now \$555, and that of Zoila Villacorta, my ERISA associate, is now \$395.

Except as set forth above, all other terms and conditions of your retention of us that are set forth in the I&M Engagement Letter, and in the Standard Terms of Retention made a part of the I&M Engagement Letter, will continue to apply.

If this letter accurately reflects your understanding of our relationship, please acknowledge your approval and acceptance of these terms by signing and returning the enclosed copy of this letter. I would be pleased to answer any questions you might have.

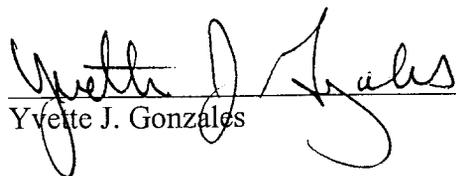
Very truly yours,

IRELL & MANELLA LLP

By:   
Thomas A. Kirschbaum

The undersigned hereby agrees that the terms and conditions in this letter, the I&M Engagement Letter, and the Standard Terms of Retention attached to the I&M Engagement Letter, shall apply to services rendered by Irell & Manella LLP on behalf of the undersigned.

Dated: 3-17-04

  
Yvette J. Gonzales

TAK:tak  
Enclosures

cc: Robert H. Jacobvitz, Esq.  
Thomas D. Walker, Esq.