

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW MEXICO

In re:  
FURR'S SUPERMARKETS, INC.,  
Debtor.

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

**ORDER APPROVING SETTLEMENT OF ADVERSARY PROCEEDING 03-1139-M**  
**(Specs Refrigeration, Inc.)**

THIS MATTER came before the Court on the Chapter 7 Trustee's Motion to Approve Settlement of Adversary Proceeding 03-1139-M (Specs Refrigeration, Inc.). The Court, being sufficiently advised, hereby FINDS:

1. The Chapter 7 Trustee's Motion to Approve Settlement of Adversary Proceeding 03-1139-M (the "Motion") was filed on June 8, 2004.

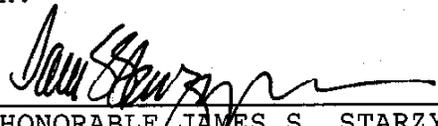
2. Notice of the filing of the Motion was mailed by first class United States mail, postage prepaid, on June 8, 2004, to all persons listed on the limited matrix as set forth in the original Notice filed herein, and was sufficient and proper in the circumstances. The deadline to file an objection expired on July 1, 2004, which includes three days for service by mail. No objections to the Motion were filed.

3. The Settlement should be approved.

4. Upon entry of this Order, Defendants (as defined in the Motion) will pay the Trustee upon the terms set out in the Motion. Upon payment, the Adversary Proceeding will be dismissed with prejudice. The parties have further agreed that, upon

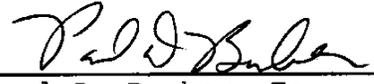
payment of \$19,005.00 to the Trustee by the Defendants, this settlement shall resolve all claims, counterclaims and causes of action held by the Trustee against the Defendants, and by the Defendants against the Trustee, and the Trustee and the Defendants shall mutually release each other from any and all such claims, with the exception of the Defendants' pre-petition unsecured claims in this matter. The Defendants specifically reserve their rights with regard to any pre-petition unsecured claims in Case No. 7-01-10779-SA, including without limitation any rights to receive payment on such claims to the extent permitted by applicable bankruptcy law, and to the extent that there is a distribution to holders of allowed pre-petition unsecured claims.

IT IS THEREFORE ORDERED that the Chapter 7 Trustee's Motion to Approve Settlement of Adversary Proceeding 03-1139-M is granted, and the settlement of Adversary Proceeding 03-1139-M is approved as set forth in the Motion.

  
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THE HONORABLE JAMES S. STARZYNSKI  
UNITED STATES BANKRUPTCY JUDGE

Submitted by:

DAVIS & PIERCE, P.C.

  
\_\_\_\_\_  
Paul D. Barber, Esq.  
Attorneys for Chapter 7 Trustee  
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(505) 243-6129

Approved:

Telephonic approval given 07/13/04 7/13/04

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Additional Parties Entitled to Notice:

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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 14 2004

Mary B. Anderson