

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

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U.S. BANKRUPTCY COURT
ALBUQUERQUE, NM

In re:

FURR'S SUPERMARKETS, INC.,

Case No. 11-01-10779 SA

Chapter 11

Debtor.

**ADDENDUM TO AMENDED MOTION FOR APPROVAL OF WIND-DOWN
BUDGET, SETTLEMENT, AND RELATED MATTERS, FILED AUGUST 8,
2001; AND AMENDED NOTICE OF DEADLINE TO OBJECT TO
ALLOWANCE OF CLAIMS OF SECURED LENDERS**

The Debtor, by counsel, submits this Addendum to amend and clarify several provisions in the Amended Motion for Approval of (i) Wind-Down Budget (ii) Approval of Cash Collateral Stipulation, (iii) Authority to Apply Funds and Operate in Accordance With the Wind-Down Budget Without Further Court Order, (iv) Approval of Employee Retention Plan, (v) an Order Directing Disbursement of Fleming Sale Proceeds and Other Debtor Property, (vi), Approving the Settlement of All Estate Claims Against the Secured Lenders, and (vii) Allowing Claims of Secured Lenders, filed August 10, 2001 (the "Amended Motion"), as follows:

1. Paragraph 4 of the Amended Motion is amended and restated as follows:

4. Professional fees for services rendered through June 19, 2001 would be paid pursuant to the approved budget for professional fees through such date referenced in the Final Order (1) Authorizing Debtor to Obtain Secured Financing, (2) Granting Adequate Protection and (3) Granting Other Relief, entered March 14, 2001 (the "Final DIP Order"). The Wind-Down Budget as it relates to professional fees constitutes the approved supplemental budget for such fees contemplated under the DIP loan agreement and comprises a cap for unpaid professional fees (except for the fees paid from the sales proceeds to Peter J. Solomon Co. Ltd), whether incurred before or after June 19, 2001. All such fees, to the extent of the amounts provided for under both budgets, comprise and consume the carve-out granted in the Final DIP Order. Any professional fees to be paid to Peter J. Solomon Co. Ltd as costs of sale would be in

9/5

addition to the budgeted amounts. To the extent the Wind-Down Budget includes payments to professionals, the Debtor would not make any such payments except in accordance with prior and future orders of this Court.

2. Paragraphs 18(a) and (b) of the Amended Motion, which relate to disbursement of the Initial Sales Proceeds, any Inventory Underpayment, and the Debtor's Other Liquid Assets, are amended to read:

(a) First, to Heller, as agent for the DIP lenders, the amount needed to pay the DIP loan in full. The first funds used to pay the DIP loan shall be the proceeds from the sale of the Debtor's real property leases (subject to the provisions of the co-lender agreements between the Secured Lenders), and then shall be from the remaining Initial Sales Proceeds, Inventory Underpayment, and Debtor's Other Liquid Assets;

(b) Second, to pay the costs of sale, including the amounts owed by the Debtor to Peter J. Solomon Co. Ltd., and the amount of the success bonus owed by the Debtor to George Golleher and Greg Mays. If the total amount due to Peter J. Solomon, George Golleher, and/or Greg Mays is not known at closing, the Debtor would pay all known amounts due at closing, and would escrow an amount sufficient to pay any additional amounts that may become due after the Debtor's remaining assets have been liquidated; and

3. The second sentence of paragraph 22 of the Amended Motion is deleted and replaced by the following:

To facilitate the proposed claims allowance, each Secured Lender wishing to have its claim allowed shall (i) on or before 1:00 p.m. MDT on Friday, August 17, 2001, provide to Debtor's counsel, Jacobvitz, Thuma & Walker P.C., 500 Marquette N.W., Suite 650, Albuquerque, New Mexico 87102 ("JTW"), a separate notice setting forth the amount and basis of the Secured Lender's claim, which Debtor shall serve that day on the parties on the limited matrix by overnight courier service to the extent street addresses are reasonably available, and otherwise by U.S. mail; and (ii) on or before August 17, 2001, file with the Court a proof of claim, without attaching any supporting documents, and deliver a copy of thereof, with any supporting documents, to JTW; PROVIDED HOWEVER, that the above filing and service deadlines shall be Tuesday, August 21, 2001 rather than Friday, August 17, 2001 with respect to Secured Lenders CS First Boston, Windward Capital Associates, L.P., and the management and director owners of the Senior PIK notes. JTW will make copies of the supporting documents available to all interested parties through

Albuquerque Legal, 500 Copper Avenue, NW, Albuquerque, NM 87102, tel. (505) 766-9500. To obtain a copy of any supporting documents, an interested party must make payment arrangements with Albuquerque Legal satisfactory to Albuquerque Legal for copying and/or shipping charges. Neither Debtor nor JTW will pay any such charges. The foregoing procedure is not a formal bar date order for the Secured Lenders or any other party; the Secured Lenders may modify, supplement, or amend any proofs of claim filed pursuant to this procedure. The foregoing procedure does not apply to the DIP loan, which is a post-petition loan and does not need to be allowed.

In addition to the foregoing amendments to the Amended Motion, the Notice of Deadline to Object to the Amended Motion and Notice of Final Hearing on any Objections, served August 10, 2001 is amended as follows:

The deadline to object to the Amended Motion remains August 23, 2001, except only as follows: (i) the deadline to object to the relief requested in the Amended Motion that the claims of the Secured Lenders be allowed as set forth in their proofs of claims, subject to the terms and conditions set forth in the Amended Motion, shall be **Friday, August 24, 2001** for claims, notice of which is served on or before August 17, 2001; and shall be **Monday, August 27, 2001** for claims, notice of which is served after August 17, 2001 but on or before August 21, 2001.

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