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U.S. BANKRUPTCY COURT
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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re

FURR'S SUPERMARKETS, INC.,

Debtor.

Case No. 11-01-10779-SA
Chapter 11

DECLARATION OF THOMAS J. SIKORSKI
IN SUPPORT APPLICATION TO RETAIN
PETER J. SOLOMON COMPANY LIMITED

Thomas J. Sikorski states that the following is true to the best of his knowledge, information and belief:

1. I am a director of Furr's Supermarkets, Inc. (the "Debtor"), a corporation organized under the laws of the state of Delaware.

2. I have been a member of the Debtor's board of director's since 1995 and have knowledge of most aspects of the Debtor's business and its restructuring efforts.

3. I am also a managing director of Windward Capital ("Windward"). I have held this position since 1995. Windward, together with its affiliates, is the Debtor's largest shareholder.

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4. I submit this Declaration in support of the Debtor's application to retain Peter J. Solomon Company Limited ("PJS") in this chapter 11 case.

5. Except as otherwise indicated, all facts in this Declaration are based upon my personal knowledge, my review of relevant documents, or my opinion, based upon my experience and knowledge of the Debtor's operations and financial condition. If I were called upon to testify, I could and would testify competently to the facts herein. I am authorized to submit this Declaration.

6. The Debtor's Board and its management require the assistance of experienced financial advisors to advise and assist them with regard to various strategic alternatives that may form the basis of the Debtor's reorganization, including the restructuring of its existing indebtedness, obtaining new debt or equity financing, or selling some or all of its assets. In addition, the court-approved post-petition financing agreement requires that the Debtor retain a financial advisors to perform these services.

7. For these reasons, the Debtor began the process of interviewing and selecting an investment banker shortly after commencing the case.

8. The Debtor contacted several investment banking firms about retention in the Debtor's case. Three firms soon emerged as the primary candidates: PJS, Merrill Lynch, and Houlihan Lokey Howard & Zukin.

9. These three firms where then evaluated based upon their general reputation as investment bankers, their experience with the retail sector, and the members of their proposed team. Price, of course, was also a significant consideration. Members of Debtor's Board and management interviewed each of these three candidates. I was involved in all aspects of the process. Although each candidate offered different strengths, the Board concluded that each was highly experienced and qualified.

10. Merrill Lynch required a significant, up-front retainer that the Debtor, under the terms of its post-petition financing agreement, could not provide. The decision between Houlihan Lokey and PJS was a difficult one. Although the decision was not based solely on price, the Debtor ultimately concluded that PJS could provide the services that the Debtor will likely require on the most reasonable and favorable terms, including financial terms.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed this __th day of May, 2001, at New York, New York.

Thomas J. Sikorski