

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

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U.S. BANKRUPTCY COURT
ALBUQUERQUE, N.M.

In Re:

Furr's Supermarkets, Inc.,
a Delaware Corporation

Debtor.

No. 11-01-10779 SA

**LIMITED OBJECTION OF EARTHGRAINS BAKING COMPANIES
TO MOTION FOR ORDER APPROVING SALE OF SOME OR
ALL OF DEBTOR'S ASSETS AND GRANTING RELATED RELIEF**

Earthgrains Baking Companies, Inc. ("Earthgrains") by its attorney, Donald R. Fenstermacher, P.C., for its Limited Objection to the Debtor's Motion for Order Approving Sale of Some or All of Debtor's Operating Assets and Granting Relief (the "Motion"), states:

1. The Debtor filed the Motion on May 31, 2001, and objections to the Motion are due on or before June 21, 2001, pursuant to a Notice issued by counsel for the Debtor. This Objection is timely filed.

2. The Motion requests, in part, entry of an order "determining that the defaults set forth on Exhibit 2 are the only defaults under the Debtor's executory contracts and unexpired leases that must be cured as a condition to assumption and assignment." (Motion, page 3, ¶vi.) On June 13, 2001, the Debtor served a Notice of Revision of Exhibits to the Motion, including a revised Exhibit 2.

3. Earthgrains is a party to an executory contract, in the nature of a Supply Agreement, with the Debtor. Neither the Debtor's original Motion nor the revised Exhibits served on June 13, 2001, list the Earthgrains Supply Agreement among the defaults which must be cured as a condition to assumption and assignment.

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4. The Supply Agreement between Earthgrains and Furr's is an executory contract, under which the Debtor is in default, which default must be cured as a condition to any assumption or assignment of the contract.

5. There is no basis upon which the Court could enter an order which denied Earthgrains the right to have the Debtor's default under the executory contract cured as a condition to assumption or assignment. Earthgrains objects to the entry of any such order.

6. The Court should deny any request by the Debtor to enter an order which in any way impairs or reduces Earthgrains' rights as the holder of an executory contract with the Debtor.

7. If the Debtor did not intend to obtain such an order with respect to the Earthgrains Supply Agreement, any order on the Motion should clarify that the Debtor must cure any default under the Supply Agreement as a condition of assumption and/or assignment of the Supply Agreement.

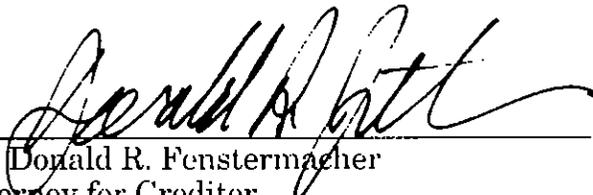
8. The Supply Agreement further provides that it is not assignable without Earthgrains' consent. Earthgrains has not consented to any assignment and any attempted assignment without Earthgrains' prior written consent would constitute a breach under the Agreement. Earthgrains objects to entry of any order which would authorize assignment without Earthgrains' consent.

9. If the Debtor intends to assume the Supply Agreement, Earthgrains is entitled to proper and specific notice of the proposed assumption, and to an opportunity for a hearing, and to present evidence regarding the Debtor's defaults

under the Supply Agreement and the payments and other actions necessary to cure those defaults as a condition of any assumption.

WHEREFORE, Creditor Earthgrains Baking Companies, Inc., prays the Court that the Debtor's Motion be granted only upon terms which provide that the Supply Agreement is an executory contract which must be cured as a condition of any assumption; that the Supply Agreement cannot be assigned without Earthgrains' prior written consent; and that any attempted assignment would be a breach of the Supply Agreement; and for all such other and further relief as may be proper and just.

DONALD R. FENSTERMACHER, P.C.

By: 
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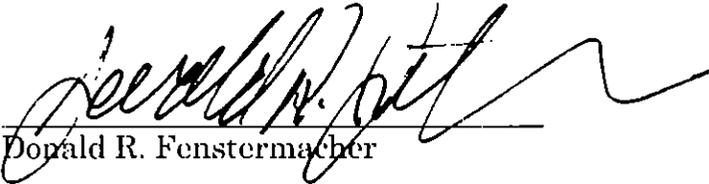
I hereby certify that on June 15, 2001, a true and correct copy of the foregoing Limited Objection was hand delivered to:

Jacobvitz, Thuma & Walker, P.C.
Robert H. Jacobvitz and David T. Thuma
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