

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW MEXICO

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

In re:

FURR'S SUPERMARKETS, INC.,)
a Delaware corporation)
Tax I.D. No. 75-2364418 (Federal:)
02-159595-0 (New Mexico))
)
Debtor.)
_____)

No. 11-01-10779-SA

MOTION FOR RELIEF FROM STAY

The CIT Group/Equipment Financing, Inc. ("Creditor") moves the Court pursuant to 11 U.S.C. § 362(d) and Bankruptcy Rules 4001 and 9014 for relief from the automatic stay. As grounds for this Motion, Creditor states:

1. On February 8, 2001, Furr's Supermarkets, Inc., ("Debtor") filed for relief under 11 U.S.C. Chapter 11.
2. For good consideration, Debtor entered into a Master Lease Agreement with Creditor, dated March 26, 1999, for the lease of certain equipment (the "Equipment"). A copy of the Master Lease Agreement and its attached Schedule A, listing the Equipment, is attached hereto as *Exhibit A*. Pursuant to the Notice of Revision of Exhibits to Debtor's Motion for Order Approving Sale of Some or All of Debtor's Operating Assets and Granting Related Relief, Debtor has classified the Master Lease Agreement as a "secured financing contract." The Master Lease Agreement is hereinafter referred to as "Contract." Under the Contract, Creditor retains a security interest in the Equipment.
3. Debtor has failed to make pre-petition monthly payments of \$26,073.62 each for the months of December, 2000 through February, 2001, plus late charges of \$3,407.39; and post-petition payments of \$26,073.62 each for the month of March, 2001, and

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the months of August, 2001 through October, 2001, plus late charges of \$1,540.00, for a total past due amount of \$187,462.73.

3. Upon information and belief, the wholesale value of the Equipment is approximately \$200,000.00. As of October 1, 2001, the payoff balance under the Contract is \$615,348.19.

4. The automatic stay should be terminated as to the Equipment because the Equipment is not necessary to an effective reorganization, and Debtor has no equity in the Equipment. In addition, Creditor will not be adequately protected unless the stay is terminated because: (1) the value of the Equipment is steadily declining through use and depreciation; and (2) Debtor is not making monthly payments as required by the Contract.

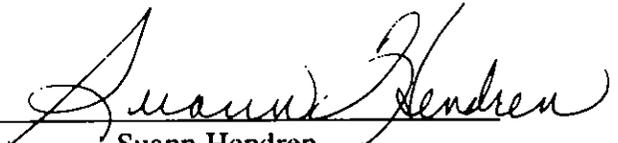
5. Undersigned counsel attempted to reach counsel for Debtor to seek concurrence in the relief sought in this motion but was unable to reach counsel for Debtor.

WHEREFORE, Creditor requests the following relief:

6. That the automatic stay be terminated with respect to the Equipment in order to permit Creditor to repossess and sell the Equipment for a reduction of the debt under the Contract.

7. Such other and further relief as the Court deems proper.

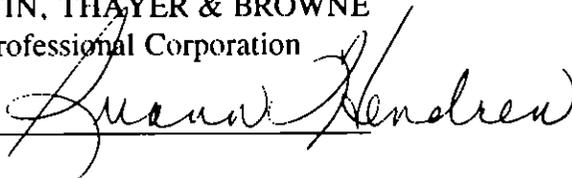
SUTIN, THAYER & BROWNE
A Professional Corporation

By 
Suann Hendren

Attorneys for The CIT Group/Equipment
Financing, Inc.
P. O. Box 1945
Albuquerque, New Mexico 87103
(505) 883-2500
600420

We hereby certify under penalty of perjury
that we have mailed a copy of the foregoing
pleading to Robert Jacobvitz, David Thuma,
David Levin, counsel for Debtor, Office of the
U. S. Trustee, and William E. Davis, counsel
for the Unsecured Creditors Committee
this 4 day of October, 2001.

SUTIN, THAYER & BROWNE
A Professional Corporation

By 

Master Lease Agreement

MASTER LEASE AGREEMENT ("Master Lease") dated as of ~~XX~~ March 26, 1999 between The CIT Group/Equipment Financing, Inc. (Lessor),

having a place of business at 900 Ashwood Parkway, Suite 600 Atlanta GA 30338
Address City State Zip Code

and Furr's Supermarkets, Inc. ("Lessee"),

having a place of business at 1730 Montano Road, N.W. Albuquerque NM 87107
Address City State Zip Code

This Master Lease Agreement provides a set of terms and conditions that the parties hereto intend to be applicable to various transactions for the lease of personal property. Each lease contract shall be evidenced by an equipment schedule ("Schedule") executed by Lessor and Lessee that explicitly incorporates the provisions of this Master Lease Agreement and that sets forth specific terms of that particular lease contract. Where the provisions of a Schedule conflict with the terms hereof, the provisions of the Schedule shall prevail. Each Schedule shall constitute a complete and separate lease agreement, independent of all other Schedules, and without any requirement of being accompanied by an originally executed copy of this Master Lease Agreement. The term "Lease" when used herein shall refer to an individual Schedule.

One originally executed copy of the Schedule shall be denominated "Originally Executed Copy No. 1 of 1 originally executed copies" and such copy shall be retained by Lessor. If more than one copy of the Schedule is executed by Lessor and Lessee, all such other copies shall be numbered consecutively with numbers greater than 1. Only transfer of possession by Lessor of the originally executed copy denominated "Originally Executed Copy No. 1" shall be effective for purposes of perfecting an interest in such Schedule by possession.

1. Equipment Leased and Term.

This Lease shall cover such personal property as is described in any Schedule executed by or pursuant to the authority of Lessee, accepted by Lessor in writing and identified as a part of this Lease (which personal property with all replacement parts, additions, repairs, accessions and accessories incorporated therein and/or affixed thereto is hereinafter called the "Equipment"). Lessor hereby leases to Lessee and Lessee hereby hires and takes from Lessor, upon and subject to the covenants and conditions hereinafter contained, the Equipment described in any Schedule. **Notwithstanding the commencement date of the term of this Lease with respect to any item of Equipment, Lessee agrees that all risk of loss of the Equipment shall be on Lessee from and after shipment of the Equipment to Lessee by the seller thereof, F.O.B. seller's point of shipment, the date of such shipment being hereinafter called "date of shipment."** The term of this Lease with respect to any item of Equipment shall be for the period as set forth in the Schedule. Lessee hereby gives Lessor authority to insert the actual commencement date and date of first monthly rental for any item of Equipment in any Schedule as well as such items as serial numbers if such are not already inserted when such Schedule is executed by Lessee. "Seller" as used in this Lease means the supplier from which Lessor acquires any item of Equipment.

2. Rent.

The aggregate rent payable with respect to each item of Equipment shall be in the amount shown with respect to such item on the Schedule. Lessee shall pay to Lessor the aggregate rental for each item of Equipment for the full period and term for which the Equipment is leased, such rental to be payable at such times and in such amounts for each item of Equipment as shown in the applicable Schedule.

All rent shall be paid at Lessor's place of business shown above, or such other place as Lessor may designate by written notice to the Lessee. **All rents shall be paid without notice or demand and without abatement, deduction or set off of any amount whatsoever.** The operation and use of the Equipment shall be at the risk of Lessee and not of Lessor and the obligation of Lessee to pay rent hereunder shall be unconditional.

3. Destruction of Equipment.

If any Equipment is lost, totally destroyed, damaged beyond repair or taken by governmental action, the liability of the Lessee to pay rent therefor may be discharged by paying to Lessor all the rent due thereon, plus all the rent to become due thereon less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise for such loss or damage.

In the event of partial destruction of any Equipment, the rent due and to become due thereon shall not abate and Lessee shall, at its own expense, cause such Equipment to be restored to usable condition, but Lessor shall, upon receiving satisfactory evidence of such restoration, promptly pay Lessee the proceeds of any insurance or compensation received by reason of such damage. If the estimated cost of restoring such Equipment exceeds 50% of the unmatured rent therefor, such Equipment shall, on notice by Lessee, be deemed, for all purposes hereof, to be totally destroyed and the liability of the Lessee to pay rent therefor shall be discharged if Lessee pays the rent described in the preceding paragraph of this Section.

Lessor shall not be obligated to undertake by litigation or otherwise the collection of any claim against any person for loss or damage to the Equipment.

Except as expressly provided above, the total or partial destruction of any Equipment or the total or partial loss of use or possession thereof to Lessee shall not release or relieve Lessee from the duty to pay the rent herein provided.

4. No Warranties by Lessor; Maintenance and Compliance with Laws.

Lessor, not being the manufacturer of the Equipment, nor manufacturer's agent, **MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, QUALITY, DESIGN, CONDITION, CAPACITY, SUITABILITY, MERCHANTABILITY OR PERFORMANCE OF THE Equipment OR OF THE MATERIAL OR WORKMANSHIP THEREOF, IT BEING AGREED THAT THE Equipment IS LEASED "AS IS" AND THAT ALL SUCH RISKS, AS BETWEEN LESSOR AND LESSEE, ARE TO BE BORNE BY LESSEE AT ITS SOLE RISK AND EXPENSE**, Lessee accordingly agrees not to assert any claim whatsoever against Lessor based thereon. Lessee further agrees, regardless of cause, not to assert any claim whatsoever against Lessor for loss of anticipatory profits or consequential damages. Lessor shall have no obligation to install, erect, test, adjust or service the Equipment. Lessee shall look to the manufacturer and/or Seller for any claims related to the Equipment. Lessor hereby acknowledges that any manufacturer's and/or Seller's warranties are for the benefit of both Lessor and Lessee.

No oral agreement, guaranty, promise, condition, representation or warranty shall be binding; all prior conversations, agreements or representations related hereto and/or to the Equipment are integrated herein.

Lessee agrees, at its own cost and expense:

- (a) to pay all shipping charges and other expenses incurred in connection with the shipment of the Equipment by the Seller to Lessee;
- (b) to pay all charges and expenses in connection with the operation of each item of Equipment;
- (c) to comply with all governmental laws, ordinances, regulations, requirements and rules with respect to the use, maintenance and operation of the Equipment; and
- (d) to make all repairs and replacements required to be made to maintain the Equipment in good condition, reasonable wear and tear excepted.

5. Insurance.

Lessee shall maintain at all times on the Equipment, at its expense, all-risk physical damage insurance and comprehensive general and/or automobile (as appropriate) liability insurance (covering bodily injury and property damage exposures including, but not limited to, contractual liability and products liability) in such amounts, against such risks, in such form and with such insurers as shall be satisfactory to Lessor; provided, that the amount of all-risk physical damage insurance shall not on any date be less than the greater of the full replacement value or a sum equal to all the rent due thereon, plus all rent to become due. Each physical damage insurance policy will name Lessor as loss payee. Each liability insurance policy will name Lessor as additional insured. Each insurance policy will also require that the insurer give Lessor at least thirty (30) days prior written notice of any alteration in or cancellation of the terms of such policy and require that Lessor's interests be continued insured regardless of any breach or violation by Lessee or others of any warranties, declarations or conditions contained in such insurance policy. In no event shall Lessor be responsible for premiums, warranties or representations to any insurer or any agent thereof. Lessee shall furnish to Lessor a certificate or other evidence satisfactory to Lessor that such insurance coverage is in effect, but Lessor shall be under no duty to ascertain the existence or adequacy

of such insurance. The insurance maintained by Lessee shall be primary without any right of contribution from insurance which may be maintained by Lessor. Lessee shall be liable for all deductible portions of all required insurance. Lessor may, at its own expense, for its own benefit, purchase insurance in excess of that required under this Lease Agreement. Physical damage insurance proceeds shall be applied as set forth in Section 6.

6. Loss and Damage.

Lessee agrees to assume and bear the entire risk of any partial or complete loss with respect to the Equipment from any and every cause whatsoever including theft, loss, damage, destruction or governmental taking, whether or not such loss is covered by insurance or caused by any default or neglect of Lessee. Lessee agrees to give Lessor prompt notice of any damage to or loss of any Equipment. All physical damage insurance proceeds shall be payable directly to Lessor. Following payment of such loss, and if no Event of Default as defined in Section 11 has occurred and remains continuing, Lessor will then:

- (a) transfer to Lessee Lessor's rights to such Equipment "as-is, where-is and with all defects," without recourse and without representation or warranty, express or implied, other than a warranty that the Equipment is free and clear of any liens created by Lessor; and
- (b) remit to Lessee any physical damage insurance proceeds arising out of such loss in excess of the sum due the Lessor.

Lessee shall determine in the exercise of its reasonable judgment whether the Equipment is damaged beyond repair, subject to Lessor's approval. In the event of damage or loss which does not result in damage beyond repair or a total loss of the Equipment or any item thereof, Lessee shall cause the affected Equipment to be restored to the condition required by the terms of this Lease. Upon completion of such repair and after supplying Lessor with satisfactory evidence thereof (and provided no Event of Default has occurred and remains continuing), Lessee shall be entitled to receive any insurance proceeds or other recovery to which Lessor would otherwise be entitled in connection with such loss up to the amount expended by Lessee in making the repair.

Lessor shall not be obligated to undertake by litigation or otherwise the collection of any claim against any person for loss of, damage to, or governmental taking of the Equipment, but Lessor will cooperate with Lessee at Lessee's expense to pursue such claims.

Except as expressly provided above, the total or partial destruction of any Equipment or Lessee's total or partial loss of use or possession thereof shall not release or relieve Lessee from its obligations under this Master Lease or any Schedule including the duty to pay the rent(s) herein provided.

7. Taxes.

Lessee agrees that, during the term of this Lease, in addition to the rent and all other amounts provided herein to be paid, it will promptly pay all taxes, assessments and other governmental charges (including penalties and interest, if any, and fees for titling or registration, if required) levied or assessed:

- (a) upon the interest of Lessee in the Equipment or upon the use or operation thereof or on the earnings arising therefrom; and
- (b) against Lessor on account of its acquisition or ownership of the Equipment or any part thereof, or the use or operation thereof or the leasing hereof to Lessee, or the rent herein provided for, or the earnings arising therefrom, exclusive, however, of any taxes based on net income of Lessor.

Lessee agrees to file, in behalf of Lessor, all required tax returns and reports concerning the Equipment with all appropriate governmental agencies, and within not more than 45 days after the due date of such filing to send Lessor confirmation, in form satisfactory to Lessor, of such filing.

8. Lessor's Title, Right of Inspection and Identification of Equipment.

Title to the Equipment shall at all times remain in Lessor and Lessee will at all times protect and defend, at its own cost and expense, the title of Lessor from and against all claims, liens and legal processes of creditors of Lessee and keep all the Equipment free and clear from all such claims, liens and processes. The Equipment is and shall remain personal property. Upon the expiration or termination of this Lease with respect to any item of Equipment:

- (a) Lessee at Lessee's sole expense shall return such Equipment unencumbered to Lessor at the place where the rent is payable or to such other place as Lessor and Lessee agree upon, and in the same condition as when received by Lessee, reasonable wear and tear resulting from use thereof alone excepted; or

- (b) in lieu of returning such Equipment to Lessor, Lessee agrees that Lessee will, upon request of Lessor, store such Equipment on Lessee's premises, at an inside location protected from the weather and elements, without charge to Lessor for a period of 180 days following the date of expiration or termination of this Lease. During such storage period Lessee shall not use the Equipment for any purpose. Upon expiration of such storage period Lessee will return such Equipment to Lessor in accordance with the provisions of (a) above.

Lessor shall have the right from time to time during reasonable business hours to enter upon Lessee's premises or elsewhere for the purpose of confirming the existence, condition and proper maintenance of the Equipment and during any period of storage Lessor shall also have the right to demonstrate and show the Equipment to others. The foregoing rights of entry are subject to any applicable governmental laws, regulations and rules concerning industrial security. Lessee shall, upon the request of Lessor, and at its own expense firmly affix to the Equipment, in a conspicuous place, such a decalcomania or metal plate as shall be supplied by Lessor showing the Lessor as the owner and lessor of such Equipment.

9. Possession, Use and Changes in Location of Equipment.

So long as Lessee shall not be in default under the Lease it shall be entitled to the possession and use of the Equipment in accordance with the terms of this Lease. The Equipment shall be used in the conduct of the lawful business of Lessee, and no item of Equipment shall be removed from its location shown on the Schedule, without the prior written consent of Lessor. Lessee shall not, without Lessor's prior written consent, part with possession or control of the Equipment or attempt or purport to sell, pledge, mortgage or otherwise encumber any of the Equipment or otherwise dispose of or encumber any interest under this Lease.

10. Performance of Obligations of Lessee by Lessor.

In the event that the Lessee shall fail duly and promptly to perform any of its obligations under the provisions of Sections 4, 5, 6, 7, and 8 of this Lease, Lessor may, at its option, perform the same for the account of Lessee without thereby waiving such default, and any amount paid or expense (including reasonable attorneys' fees), penalty or other liability incurred by Lessor in such performance, together with interest at the rate of 1 1/2% per month thereon (but in no event greater than the highest rate permitted by relevant law) until paid by Lessee to Lessor, shall be payable by Lessee upon demand as additional rent for the Equipment. Lessee shall be responsible for and pay to Lessor a returned check fee, not to exceed the maximum permitted by law, which fee will be equal to the sum of (i) the actual bank charges incurred by Lessor plus (ii) all other actual costs and expenses incurred by Lessor. The returned check fee is payable upon demand as additional rent under this Lease.

11. Default.

An Event of Default shall occur if:

- (a) Lessee fails to pay when due any installment of rent and such failure continues for a period of 10 days;
- (b) Lessee shall fail to perform or observe any covenant, condition or agreement to be performed or observed by it hereunder and such failure continues uncured for 15 days after written notice thereof to Lessee by Lessor;
- (c) Lessee ceases doing business as a going concern, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts as they become due, files a voluntary petition in bankruptcy, is adjudicated a bankrupt or an insolvent, files a petition seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar arrangement under any present or future statute, law or regulation or files an answer admitting the material allegations of a petition filed against it in any such proceeding, consents to or acquiesces in the appointment of a trustee, receiver, or liquidator of it or of all or any substantial part of its assets or properties, or if it or its shareholders shall take any action looking to its dissolution or liquidation;
- (d) within 60 days after the commencement of any proceedings against Lessee seeking reorganization, arrangement, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceedings shall not have been dismissed, or if within 60 days after the appointment without Lessee's consent or acquiescence of any trustee, receiver or liquidator of it or of all or any substantial part of its assets and properties, such appointment shall not be vacated; or
- (e) Lessee attempts to remove, sell, transfer, encumber, part with possession or sublet the Equipment or any item thereof.

Upon the occurrence of an Event of Default, Lessor shall have all the rights and remedies provided by applicable law and by this Lease. Notwithstanding that this Agreement is a lease and title to the Equipment is at all times in Lessor, Lessor may nevertheless at its option choose those rights and remedies of a secured party under the Uniform Commercial Code. In addition, Lessor, at its option, may:

- (a) declare all sums due and to become due hereunder immediately due and payable, but in no event shall the Lessee, upon demand by Lessor for payment of the unpaid rent, upon acceleration of the maturity thereof or otherwise, be obligated to pay any amount in excess of that permitted by law;
- (b) proceed by appropriate court action or actions or other proceedings either at law or equity to enforce performance by the Lessee of any and all covenants of this Lease and to recover damages for the breach thereof;
- (c) demand that Lessee deliver the Equipment forthwith to Lessor at Lessee's expense at such place as Lessor may designate; and
- (d) Lessor and/or its agents may without notice or liability or legal process, enter into any premises of or under control or jurisdiction of Lessee or any agent of Lessee where the Equipment may be or by Lessor is believed to be, and repossess all or any item thereof, disconnecting and separating all thereof from any other property and using all force necessary or permitted by applicable law so to do, Lessee hereby expressly waiving all further rights to possession of the Equipment and all claims for injuries suffered through or loss caused by such repossession; Lessor may sell or lease the Equipment at a time and location of its choosing provided that the Lessor acts in good faith and in a commercially reasonable manner, but the Lessor shall nevertheless, be entitled to recover immediately as liquidated damages for loss of the bargain and not as a penalty any unpaid rent that accrued on or before the occurrence of the event of default plus an amount equal to the difference between the aggregate rent reserved hereunder for the unexpired term of this Lease and the then aggregate rental value of all Equipment for such unexpired term, provided, however, that if any statute governing the proceeding in which such damages are to be proved specifies the amount of such claim, Lessor shall be entitled to prove as and for damages for the breach an amount equal to that allowed under such statute. The provisions of this paragraph shall be without prejudice to any rights given to the Lessor by such statute to prove for any amounts allowed thereby. Should any proceedings be instituted by or against Lessor for monies due to Lessor hereunder and/or for possession of any or all of the Equipment or for any other relief, Lessee shall pay a reasonable sum as attorneys' fees.

No remedy of Lessor hereunder shall be exclusive of any remedy herein or by law provided, but each shall be cumulative and in addition to every other remedy.

12. Indemnity.

Lessee agrees that Lessor shall not be liable to Lessee for, and Lessee shall indemnify and save Lessor harmless from and against any and all liability, loss, damage, expense, causes of action, suits, claims or judgments arising from or caused directly or indirectly by:

- (a) Lessee's failure to promptly perform any of its obligations under the provisions of Sections 4, 5, 6, 7 and 8 of this Lease; or
- (b) injury to persons or damage to property resulting from or based upon actual or alleged use, operation, delivery or transportation of any or all of the Equipment or its location or condition; or
- (c) inadequacy of the Equipment, or any part thereof, for any purpose or any deficiency or defect therein or the use or maintenance thereof or any repairs, servicing or adjustments thereto or any delay in providing or failure to provide any thereof or any interruption or loss of service or use thereof or any loss of business; and shall, at its own cost and expense, defend any and all suits which may be brought against Lessor, either alone or in conjunction with others upon any such liability or claim or claims and shall satisfy, pay and discharge any and all judgments and fines that may be recovered against Lessor in any such action or actions, provided, however, that Lessor shall give Lessee written notice of any such claim or demand. Lessee agrees that its obligations under this Section 12 shall survive the expiration or termination of this Lease.

13. Assignment, Notices and Waivers.

This Lease and all rights of Lessor hereunder shall be assignable by Lessor without Lessee's consent, but Lessee shall not be obligated to any assignee of Lessor except after written notice of such assignment from Lessor. Following such assignment,

solely for the purpose of determining assignee's rights hereunder, the term "Lessor" shall be deemed to include or refer to Lessor's assignee. Without the prior written consent of Lessor, Lessee shall not assign this Lease or its interests hereunder or enter into any sub-lease with respect to the Equipment covered hereby, it being agreed Lessor will not unreasonably withhold its consent to a sub-lease of the Equipment. All notices to Lessor shall be delivered in person to an officer of the Lessor, or shall be sent

19. Special Provisions.

If Lessee is a corporation, this Lease is executed by authority of its Board of Directors. If Lessee is a partnership or joint venture, this Lease is executed by authority of all its partners or co-venturers.

Dated: March 26, 1999

Lessee:

Furr's Supermarkets, Inc.

Name of individual, corporation or partnership

By  Title VP-Finance

If corporation, have signed by President, Vice President or Treasurer, and give official title.
If owner or partner, state which.

Lessor:

THE CIT GROUP/EQUIPMENT FINANCING, INC.

By  Title Senior Credit Analyst

GARY L. EATON

If Lessee is a partnership, enter:

Partners' names

Home addresses

Equipment Schedule No. 1, dated March 26, 1999, to Master Lease Agreement, dated

March 26, 1999, between THE CIT GROUP/EQUIPMENT FINANCING, INC. ("Lessor") and

Furr's Supermarkets, Inc. ("Lessee").

This Equipment Schedule incorporates the terms and conditions of the above-referenced Master Lease Agreement.

This is Originally Executed Copy No. 1 of 1 originally executed copies. Only transfer of possession by Lessor of Originally Executed Copy No. 1 shall be effective for purposes of perfecting an interest in this Schedule by possession.

The Equipment listed on this Schedule will be located at

4904 4th Street N.W. & 1730 Montano Road, N.W. Albuquerque Bernalillo NM 87107
 Address City County State Zip Code

LEASE TERM: The term of this Lease for the items described in this Schedule shall be 48 months.

RENTALS: For said term or any portion thereof, Lessee shall pay to Lessor the stated aggregate rentals, each in the amount of \$25,132.67 and payable in 48 equal, successive, monthly payments as stated, of which the first is due on the first monthly rental date set forth below, and the others on a like date of each month thereafter, until fully paid.

Item No.	Description of Equipment (Include make, kind of unit, year, model and serial number.)	Aggregate Rental	Monthly Rental
	See Attached Schedule	\$1,206,369.16	\$25,132.67

Item No.	Date Lease Term Commences	Date of First Monthly Rental	Renewals (No. of Years and Amount per Year)	Purchase Option Price
	4/1/99	5/1/99	N/A	\$1.00

The Lease term commences on 4/1/99

The first Monthly Rental is due on 5/1/99

The Lease term may be renewed for N/A months with the Monthly Rental for such renewal term of N/A

The Lessee has the option to purchase the Equipment as of the last day of the initial Lease term for \$1.00

Special Provisions Instructions

The Lessee shall take all action necessary to assure that its computer-based systems are able to effectively process data including dates and date sensitive functions. The Lessee represents and warrants that the Year 2000 problem (that is, the inability of certain computer applications to recognize and correctly perform properly date-sensitive functions involving certain dates prior to and after December 31, 1999) will not result in a material adverse effect on the Lessee's business condition or ability to perform hereunder. Upon request, the Lessee shall provide assurance acceptable to the Lessor that the Lessee's computer systems and software are or will be Year 2000 compliant on a timely basis. The Lessee shall immediately advise Lessor in writing of any material changes in the Lessee's Year 2000 plan, timetable or budget.

See attached Rider for Early Purchase Option terms.

Accepted: March 26, 1999

Lessee:

Furr's Supermarkets, Inc.

By [Signature] Title VP-Finance

Lessor:

The CIT Group/Equipment Financing, Inc.

By [Signature] Title Senior Credit Analyst
Gary L. Eaton

Schedule A

This Schedule A, attached to and made a part of Equipment Schedule No. 1 dated March 26, 1999, to Master Lease dated March 26, 1999 between Furr's Supermarkets, Inc. as Lessee and The CIT Group/Equipment Financing, Inc. as Lessor.

Collateral Description

The following equipment along with all present and future attachments and accessories thereto and replacements and proceeds thereof including amounts payable under any insurance policy:

One (1) new Xerox DP96LPSMX Copier (s/n: T1N-015029) including System Controller and Single Feed Stacker (additional s/n's: 4WH-851061 and 4W2-680369)

One (1) new Xerox 4090II-I Printing System (s/n: 64N-100020) including Finisher, Hi Cap Stacker and Hi Cap Feeder (additional s/n's: M11-822027, 35P-158851, 66N-041993, 8D7-005225)

Various computer equipment as more fully described below:

One (1) Computer system 75-233 Intel TX Teac 3.5 FDD including midtower case/250 watt PS/FCC-B/512K cache, Pentium 233 MHz CPU, heatsink w/ ball bearing fan for Pentium, 32MB memory DIMM for P-II AL440LX motherboard, 3.2 IDE ultra hard disk drive, CBL internal 2 IDE hard disk drive, 24X INT CD-ROM drive, 4MB PCI video card w/ 3D, Etherlink SL 10/100 PCI NIC card and 15" .28mm digital icon monitor. *S/N:*

Two (2) Motorola Elan option cards *S/N: 16814333, 16815760*

One (1) Teledata 2-line speaker phone with message waiting light *S/N:*

Thirty (30) Belk Fastcat5 7' Patches

Fifteen (15) Equus Pentium 233MMX Special including mini tower case/PS, Amptron Pentium MMX 512 cache, Pentium 233MMX CPU and fan, 1.44MB Mitsumi floppy drive, Seagate 3.2GB hard drive and 32MB DIMM Soram chip. *S/N: 72831, 72832, 72833, 72834, 72835, 72836, 72837, 72839, 72840, 72841, 72842, 72843, 72844, 72845*

Eight (8) Computer system 75-233 Intel TX Teac 3.5 FDD including midtower case/250 watt PS/FCC-B/512K cache, Pentium 233 MHz CPU, heatsink w/ ball bearing fan for Pentium, 32MB memory DIMM for P-II AL440LX motherboard, 3.2 IDE ultra hard disk drive, CBL internal 2 IDE hard disk drive, 24X INT CD-ROM drive, 4MB PCI video card w/ 3D, KB at standard 104 economy/Win95, MS mouse, Etherlink SL 10/100 PCI NIC card and 15" .28mm digital icon monitor. *S/N:*

One (1) OMI International Triceps processor *s/n: 570141001452*

One (1) OMI International K370 Biceps processor *s/n: 3813A09298*

Two (2) Hewlett-Packard LaserJet 3100XI all-in-one printers (with two (2) HP toner cartridges for LJ 5L) *S/N: SUSBC019446, SUSBC019401*

Four (4) ITT Teltrex telephones S/N:

Twenty-five (25) FST Ethernet IMP match ADPR 8P to STP/100 Ohms, 1+2, 3+6 from 100baseT shielded.

One (1) Hewlett-Packard LaserJet 5Si 24PPM printer S/N: SUSJK206320

One (1) Hewlett-Packard JetDirect EX Plus3 printer S/N:

One (1) 3COM SSII dual speed hub 500 24P

One (1) 3COM SSII switch 3300 12 port

One (1) 3COM SSII switch 3300 24 port

Two (2) 3COM SSII dual speed hub 500 12P

Seven (7) 3COM office connect hub 8port

One (1) Equus Pentium 233MMX special including FIC 512K motherboard AT, Pentium 233MMX CPU with fan, mini tower case/PS, Seagate 3.2GB hard drive, 1.44MB Samsung floppy drive, 32MB DIMM Soram chip, PCI 4MB Virge S3 64-bit DRAM, 3COM 3C905BTX, Keytronic 104 WIN95 Keyboard, Microsoft serial mouse and mousepad. S/N: 72947

Fifteen (15) AOC 15" monitors S/N: EDA080189282, EDA080188450, EDA080146710, EDA080146656, EDA080189269, EDA080189252, EDA080189262, EDA080147489

EDA080146654, EDA080148456, EDA080189267, EDA080189273, EDA080189274, EDA080189283, EDA080146952

Ten (10) LANtech UTP patch cord R, category 5, 5'

One (1) Motorola 6520 MPR "ETN" S/N: 7149513

Two (2) ETN FT100S V35 w/ 7' DB25M to M34M cable S/N: 19290995, 19540743

One (1) Serial Data v.24 S/N: 16829137

Various radio frequency equipment as more fully described below:

One (1) ECCMAST

Eight (8) Unistrut wall brackets

Two (2) 21 dBi Parabolic Antenna

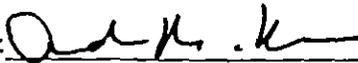
One (1) 60' Low Loss Heliax RF Cable

Three (3) AirLan Plus 2Mbps

One (1) miscellaneous hardware set

Furr's Supermarkets, Inc.

The CIT Group/Equipment Financing, Inc.

By: 

By: 

Title: VP-Finance

Title: Senior Credit Analyst

RIDER TO EQUIPMENT SCHEDULE NO. 1

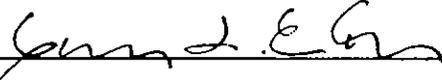
[Redacted]

Furr's Supermarkets, Inc. AS LESSEE AND
The CIT Group/Equipment Financing, Inc. AS LESSOR

1. This Rider is incorporated into and forms a part of the above-referenced Lease. Terms defined in the Lease shall have the same meanings when used in this Rider unless otherwise defined.
2. The Lessee shall not have the right to purchase the Equipment at any time during the first twelve months of the Lease.
3. *Provided that no default under the Lease has occurred and Lessee gives Lessor at least 60 days (but not more than 120 days) prior written notice of its intention to purchase the Equipment, the Lessee shall have the right, at any time after the twelfth (12th) month of the Lease to purchase all, but not less than all of the Equipment on any rent payment date for an amount equal to the purchase price of the Equipment ("Purchase Price") computed as set forth below plus (i) the applicable Early Purchase Option Fee (as defined below); (ii) all rentals, late charges and other amounts due under the Lease to the date of purchase; (iii) any sales, use and other taxes (other than taxes measured by Lessor's income) due in*

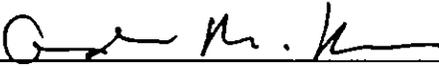
6. The Total Purchase Price shall be paid in cash on or prior to the rent payment date on which the Equipment is purchased. Upon payment to Lessor of the Total Purchase Price, Lessor shall transfer all of its interest in the Equipment to the Lessee, **"AS IS" and "WHERE IS"** AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EITHER EXPRESSED OR IMPLIED, except that Lessor shall warrant that the Equipment is free and clear of any liens created by Lessor.

The CIT Group/Equipment Financing, Inc. [Lessor]

By: 

Title: Senior Credit Analyst

Furr's Supermarkets, Inc. [Lessee]

By: 

Title: VP - Finance

UNITED STATES
U. S. BANKRUPTCY COURT
DISTRICT OF NEW MEXICO
Albuquerque, New Mexico

21010394 B
October 9, 2001

Code	Case #	City	Amount
STAY 1/1	01-10779		75.00 CH
Judge - James Starbuck - Bankruptcy			
Debtor - FURRY'S APPL. CO., INC.			

TOTAL → 75.00

FROM: SUTIN
CR 125857

10/10/01