

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW MEXICO  
ALBUQUERQUE DIVISION

In re: § Case No. 01-10779  
§ (Chapter 11)  
FURR'S SUPERMARKETS, INC., §  
§  
Debtor. §

COMPAQ'S OBJECTION TO AMENDED NOTICE OF  
FINAL HEARING ON § 365(F)(2) ADEQUATE ASSURANCE  
REQUIREMENT FOR ASSIGNMENT OF LEASES TO NEWCORP

Compaq Financial Services Corporation f/k/a Compaq Capital Corporation ("CFS") objects to the showing (or lack thereof) of adequate assurance of future performance in respect of Newcorp, a proposed assignee, submitted by Furr's Supermarkets, Inc. (the "Debtor"), on the following grounds:

ADEQUATE ASSURANCE

1. The Debtor has served its Amended Notice of Final Hearing on § 365(f)(2) Adequate Assurance Requirement for Assignment of Leases to Newcorp (the "Amended Notice").<sup>1</sup> Although the Debtor has provided some *pro forma* financial information in respect of Newcorp, a proposed assignee that will be created for the purpose of taking title to certain stores, the Debtor has provided insufficient financial information for the Debtor to carry its burden. For example, it does not appear that Newcorp has its financial backing in place. The Debtor's own documents, for instance, show that Chase Bank has not committed to fund a loan to Newcorp. Chase does not even appear to have completed its "due diligence and underwriting efforts." See letter dated July 20, 2001 from Chase Bank to Mr. Carroll McLarty. Nor does the Debtor's evidence show the amount and source of any other up front capitalization and working capital funds, and whether any such funds are presently

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<sup>1</sup> CFS previously objected to the Newcorp assignment. Now that the Debtor has served its second Notice regarding Newcorp, CFS is objecting a second time out of an abundance of caution.

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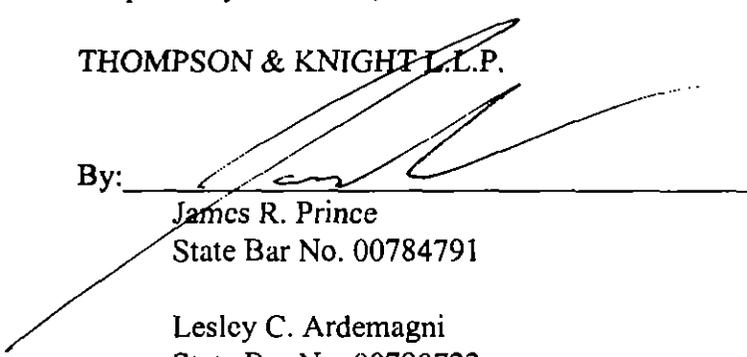
committed. As such, CFS objects to the Debtor's assumption and assignment to Newcorp on grounds of lack of adequate assurance of future performance.

WHEREFORE, PREMISES CONSIDERED, CFS prays for an Order denying the Debtor's attempt to assume some but not all of the equipment that is the subject of the CFS Lease Agreement and related schedules, denying any request to assume and assign the CFS lease to Newcorp without providing adequate assurance of performance, and granting CFS such other and further relief as is just and warranted.

Respectfully submitted,

THOMPSON & KNIGHT L.L.P.

By: \_\_\_\_\_

  
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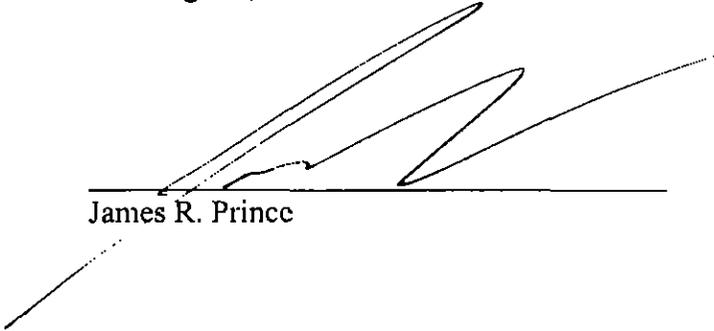
ATTORNEYS FOR COMPAQ FINANCIAL  
SERVICES CORPORATION

CERTIFICATE OF SERVICE

I hereby certify that on this, the 2 day of August, 2001, a true and correct copy of the above and foregoing was served upon the parties listed below *via* facsimile and Federal Express:

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