

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW MEXICO

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In re : 01-11-01-10779 (SA)  
FURR'S SUPERMARKETS, INC., : Chapter 11  
Debtor. :

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ORDER AUTHORIZING (A) PAYMENT OF PREPETITION  
EMPLOYEE OBLIGATIONS AND (B) CONTINUATION  
OF EMPLOYEE BENEFIT PLANS AND PROGRAMS POSTPETITION

Upon the motion, dated February 7, 2001 (the "Motion"),<sup>1</sup> of the above-captioned debtor and debtor-in-possession (the "Debtor"), for an order under 11 U.S.C. §§ 105, 507 and 1113(f) (i) authorizing the Debtor to pay to, or for the benefit of, currently active and former employees and independent contractors (collectively, the "Employees") (a) unpaid prepetition wages, fees, salaries, holiday and vacation pay, sick leave pay and other excused leave pay earned before the Petition Date (as defined in the Motion); (b) workers' compensation claims arising before the Petition Date; (c) reimbursable business expenses incurred before the Petition Date; and (d) employee benefit claims arising before the Petition Date (all prepetition obligations owed to or for the benefit of Employees, the "Prepetition Employee

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<sup>1</sup> Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Motion.

Obligations"), (ii) authorizing the Debtor to continue postpetition the Employee benefit plans and programs in effect immediately before the filing of this case, (iii)

withholding and payroll-related taxes relating to prepetition periods and (iv) directing all banks to honor prepetition checks for payment of Prepetition Employee Obligations; and this Court having determined that granting the relief requested in the Motion is in the best interests of the Debtor, its estate and creditors; and it appearing that notice of the Motion, as described therein, was adequate and proper under the circumstances, and that no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED.
2. The Debtor is authorized to pay or otherwise honor the

Prepetition Employee Obligations to, or for the benefit of, the Employees.

3. <sup>Subject to the provisions of paragraph 9 of this order relating to executive compensation,</sup> The Debtor is authorized to continue postpetition the employee benefit plans and programs in effect immediately before the filing of this case.

4. The banks upon which any checks are drawn in payment of the Prepetition Employee Obligations, either before, on or after the Petition Date, are authorized and directed to honor such checks upon presentation any such checks.

██████████ That checks are authorized and directed to cash on the representa-  
tions of the Debtor as to which checks are in payment of the Prepetition Employee  
Obligations.

6. The Debtor is authorized to pay any and all withholding taxes, social security taxes and other payroll taxes (local, state and federal), whether such taxes relate to the period before or after the Petition Date.

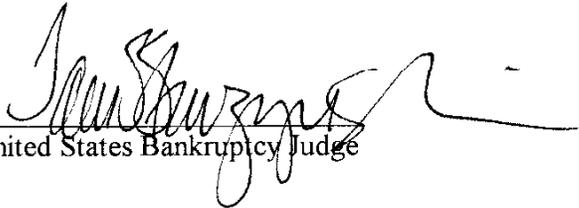
7. The banks upon which any checks are drawn in payment of such taxes, whether before, on, or after the Petition Date, are authorized and directed to honor such checks upon presentation any such checks.

8. Neither the provisions contained herein, nor any payments made by the Debtor under the Motion, shall be deemed an assumption of any Employee benefit plan, program or contract, or otherwise affect the Debtor's rights under 11 U.S.C. §§ 365, 1113, or 1114 to assume or reject any executory contract between the Debtor, any Employee, or any provider of employee services or benefits.

9. Notwithstanding the foregoing, this Order does not authorize the payment of any "golden parachute"-type severance payment to any former executive of the Debtor. In addition, the United States Trustee and, after its formation, the Unsecured Creditors Committee shall have 20 days after the entry of this Order to object to the <sup>payment of prepetition</sup> salary and other compensation <sup>advances</sup> of any officer of the Debtor whose base salary exceeds \$200,000 per year. As soon as practicable after the entry

of this Order, the Debtor shall provide to the United States Trustee a list of officers covered by the preceding sentence, indicating their salaries and other compensation, and a list of former executives receiving severance benefits, indicating the payments and other benefits that they receive.

Dated: February \_\_, 2001

  
United States Bankruptcy Judge