

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

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In re : Case No. 01-11-_____ ()
FURR'S SUPERMARKETS, INC., : Chapter 11
Debtor. :
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ORDER UNDER 11 U.S.C. §§ 105 AND 363 AUTHORIZING
(I) MAINTENANCE OF EXISTING BANK ACCOUNTS, (II)
CONTINUED USE OF EXISTING BUSINESS FORMS, AND
(III) CONTINUED USE OF EXISTING CASH MANAGEMENT SYSTEM,
AND WAIVING INVESTMENT AND DEPOSIT REQUIREMENTS

Based on (1) the motion, dated February 7, 2001 (the "Motion"),¹ of the above-captioned debtor and debtor-in-possession (the "Debtor"), for an order under 11 U.S.C. §§ 105, 345(b) and 363 authorizing its (i) maintenance of existing bank accounts, (ii) continued use of existing business forms, (iii) continued use of cash management system, and (iv) waiver of the investment and deposit requirements; (2) the Declaration of Steven Mortensen in Support of Chapter 11 Petitions and First-Day Paper dated on February 7, 2001; and (3) the record of the hearing on the Motion; 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

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

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED.

2. Under 11 U.S.C. §§ 105 and 363, the Debtor is authorized to:

(a) designate, maintain and continue to use any and all of its respective collection, depository, payroll and disbursement accounts (collectively, the "Prepetition Bank Accounts") in existence as of February 8, 2001 (the "Petition Date"), with the same account numbers, including, without limitation, the accounts identified on Exhibit A to this Order; and (b) treat the Prepetition Bank Accounts for all purposes as accounts of the Debtor, in its capacity as debtor-in-possession.

~~██████████ All banks at which the Prepetition Bank Accounts are main~~
tained, including, without limitation, those banks set forth on Exhibit A to this Order (collectively, the "Prepetition Banks"), are authorized and directed to continue to service and administer the Prepetition Bank Accounts as accounts of the Debtor, in its capacity as debtor-in-possession, without interruption and in the usual and ordinary course

4. This Order is without prejudice to the Debtor's right to (a) close any of the Prepetition Bank Accounts or (b) open accounts (the "New Accounts," and, together with the Prepetition Bank Accounts, the "Bank Accounts") at any banking institution(s), including the Prepetition Banks. Specifically, the banks are authorized and directed to honor the Debtor's request to (a) close any of the Prepetition Bank Accounts and (b) to open accounts.

5. All banks are restrained from honoring any check, draft or ACH transfer presented, issued or drawn on the Bank Accounts on account of a claim (as

such term is defined in 11 U.S.C. § 101(5)) arising before the Petition Date; except that the banks are authorized and directed to honor checks, drafts, or ACH transfers, which constitute a payment of a claim arising before the Petition Date that has been authorized and provided for in an order of this Court, including, but not limited to, payments of employee and customer claims and other authorized payments,

*wire transfers
or other
orders
for
payment*

subject to availability of collected funds.

6. The Banks are authorized and directed to accept and honor all representations from the Debtor as to which checks, drafts or ACH transfers should be honored or dishonored consistent with orders entered by this Court, whether those checks, drafts or ACH transfers are dated before, on, or after the Petition Date, and whether the Banks believe that the payment is authorized by some other order of the Court. The banks will not be held liable for improperly honoring or dishonoring any check, draft or ACH transfer presented, issued or drawn on the Bank Accounts on account of a claim arising before the Petition Date, which, at the direction of the Debtor was requested to be honored or dishonored, as the case may be, unless the Banks' actions were grossly negligent.

7. For all purposes in this Order, any and all New Accounts, shall be deemed a Bank Account (as if such account had been opened before the Petition Date and listed on Exhibit A) and any and all banks at which those accounts are opened will similarly be subject to the rights and obligations of this Order.

8. The Debtor and the banks are authorized and directed to continue to perform under the terms of the prepetition agreements that exist between them, except to the extent expressly directed by the terms of this Order to the contrary. The parties to the agreements will continue to enjoy the rights and remedies

afforded to them under the agreements except to the extent modified by the terms of this Order or by operation of the Bankruptcy Code.

9. The Debtor is authorized to execute any additional documents as may be required to carry out the intent and purpose of this Order.

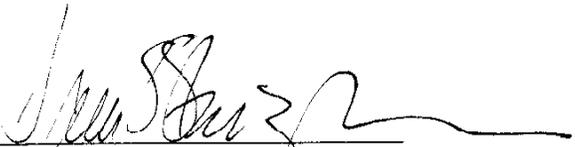
10. The Debtor is authorized to continue to use its existing checks and other business forms, and will not be required to include the legend "Debtor in Possession" or a "debtor in possession number" on those forms.

11. The Debtor is authorized and empowered to continue to manage its cash in a manner consistent with its current practice. (A flowchart showing the Debtor's cash management is attached hereto as Exhibit B.) The Debtor is directed to maintain strict records of all transfers so that all transactions may be readily ascertained, traced and recorded properly on applicable accounts. The Debtor will, to the extent necessary, file a supplemental notice describing the changes to its prior cash management system.

12. The Debtor is authorized to continue its current investment and deposit practices, and, to the extent that any investment or deposit deviates from the approved investment and deposit guidelines established by section 345(b), those guidelines are waived.

13. The Debtor shall serve a signed copy of this Order on all banks whose bank accounts are listed on Exhibit A to this Order by first-class mail, postage prepaid, within three business days after entry of this Order.

Dated: _____



Honorable
United States Bankruptcy Judge