

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,

Case No. 11-01-10779 SA
Chapter 11

Debtor.

ORDER FINDING ADEQUATE ASSURANCE

THIS MATTER comes before the Court on the following motions and notices filed by the Debtor Furr's Supermarkets, Inc. (the "Debtor"):

- A. Motion for Order Approving Sale of Some or All of Debtor's Operating Assets and Granting Related Relief, filed June 1, 2001;
- B. Motion for Order Approving Procedure Relating to the §365(f)(2) Adequate Assurance Requirement for Assignment of Leases, filed July 16, 2001;
- C. Amended Motion For Order Approving Procedure Relating To The §365(B)(1) Cure and Adequate Assurance Requirements for Assumption of Leases, filed July 16, 2001;
- D. Various Notices Relating to the §365(f)(2) Adequate Assurance Requirement for Assignment of Store Leases, Lease Estoppel, and of Final Hearing, served July 26, 2001, July 31, 2001, August 1, 2001, August 17, 2001, August 22, 2001, and August 23, 2001 (together, the "Adequate Assurance Notices").

Objections to the Debtor's Adequate Assurance Notices were filed and not withdrawn by Claus Dolling ("Dolling"), LSF Bassett ("Bassett"), and Weingarten Realty ("Weingarten"). Final hearings on the Adequate Assurance Notices and the objections thereto were held on August 7, 2001

(with respect to objections filed by Bassett and Dolling), August 9, 2001 (with respect to the objection filed by Weingarten), and August 30, 2001 (again with respect to Weingarten).

The Court, having heard the arguments of counsel and the testimony of witnesses, having reviewed the exhibits introduced by the parties, and other being duly advised in the premises, FINDS as follows:

A. The Adequate Assurance Notices given by the Debtor were appropriate under the particular circumstances.

B. Good cause exists for the entry of this Order.

C. The proposed assignment of the lease for the Debtor's store #918 to Erica, Inc. satisfies the requirements of 11 U.S.C. § 365(f)(2), and Dolling's objection thereto is overruled, provided that Erica obtain, prior to the proposed assignment of the lease, financing in the approximate amounts and kinds testified to by Mr. Raymond E. Schalek at the final hearing on the Motion held August 7, 2001. If Erica does not obtain such financing before closing of the transactions contemplated under the Asset Purchase Agreement between the Debtor and Fleming Companies, Inc., as amended, then the Court's finding of adequate assurance will be withdrawn.

D. The proposed assignment of the lease for the Debtor's store #933 to Big 8 Foods, Ltd satisfies the requirements of 11 U.S.C. §365(f)(2), and Bassett's objection thereto is overruled, provided that the affiliates of Big 8 Foods Ltd, namely Big 8 Supermarkets, L.C., Edd Powell Partnership, and Edd and Ethel Powell 1993 Trust, agree to be liable for all obligations under the lease to the same extent as Big 8 Foods Ltd. If the affiliates of Big 8 Foods Ltd are unwilling to become so obligated, then the Court's finding of adequate assurance will be withdrawn.

E. The proposed assignment of the lease for the Debtor's store #878 to Safeway, Inc. satisfies the requirements of 11 U.S.C. §365(f)(2), and Weingarten has consented thereto. This

Court earlier entered an order sustaining Weingarten's objection to the proposed assignment of this store lease to Supermarket Enterprises, LLC. That order is superseded by this Order.

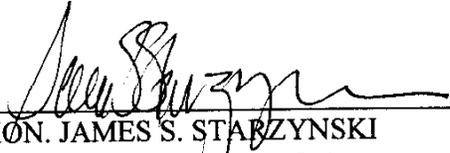
F. The proposed assignment of the lease for the Debtor's store #886 to Whole Food Markets, Inc. or one of its affiliates satisfies the requirements of 11 U.S.C. §365(f)(2), and Weingarten has consented thereto. This Court earlier entered an order sustaining Weingarten's objection to the proposed assignment of this store lease to Supermarket Enterprises, LLC. That order is superseded by this Order.

G. The other proposed assignments of the leases set forth in Exhibit A hereto satisfy the requirements of 11 U.S.C. §365(f)(2), and no objections thereto were filed.

H. The Court hereby incorporates by reference its oral findings announced in open court on August 9, 2001, pursuant to Bankruptcy Rule 7052 and Rule 52 of the Federal Rules of Civil Procedure.

IT IS THEREFORE ORDERED:

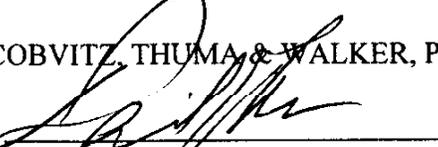
1. The Debtor's motion for a finding of adequate assurance is granted as set forth herein.
2. This Order shall be effective immediately upon entry. No automatic stay under Fed. R. Civ. P. 62(a) applies to this Order.



HON. JAMES S. STARZYNSKI
United States Bankruptcy Judge

Submitted and Approved:

JACOBVITZ, THUMA & WALKER, P.C.

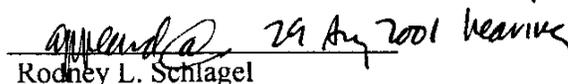
By: 

David T. Thuma
500 Marquette, NW, #650
Albuquerque, NM 87102
(505) 766-9272

Attorneys for the Debtor

Approved:

BUTT, THORNTON & BAEHR, P.C.

By:  29 Aug 2001 hearing JTB

Rodney L. Schlagel
P.O. Box 3170
Albuquerque, NM 87190-3170
(505) 884-0777
(505) 889-8870 (fax)

Attorneys for Weingarten Realty

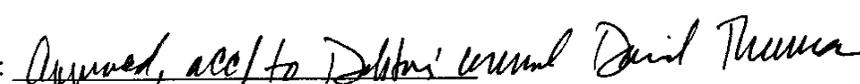
GARDERE, WYNNE & SEWELL, L.L.P.

By: _____

Merrill Kaliser
3000 Thanksgiving Tower
1601 Elm Street
Dallas, TX 75201
(214) 999-4774
(214) 999-3774 (fax)

Attorneys for Claus Doelling

BUSH, CRADDOCK & RENEKER, L.L.P.

By:  JTB

Kevin T. White
3100 Monticello Avenue, Suite 550
Dallas, TX 75205-3442
(214) 750-3550
(214) 750-3551 (fax)

Attorneys for LSF Basett, L.P.

I hereby certify that a true and correct copy
of the foregoing was either electronically
transmitted, faxed, delivered or mailed to
the listed counsel and parties on:

AUG 31 2001

Mary B. Anderson

LEASE ASSIGNMENTS

STORE NO.	LANDLORD	PURCHASER
917	Claus Dolling	MAL Enterprises, Inc.
878	Weingarten Realty	Safeway, Inc.
882	CA New Mexico LLC	Safeway, Inc.
904	MALEASE 15 Safe Corp.	Safeway, Inc. (sublease to MAL Enterprises, Inc.)
916	Lakeway Shopping Center	Safeway, Inc. (Sublease to Erica, Inc.)
945	Surway Assoc. Ltd.	Safeway, Inc.
912	Kawanakoa, Abigail K. Alta Mae Haugland (ground lease)	W&N Enterprises, Inc.
914	Bandem Partnership	W&N Enterprises, Inc.
933	LSF Bassett, L.P.	Big 8 Foods, Ltd.
934	Furrs 6 LLC	Big 8 Foods, Ltd.
935	G.G.I.A. II, Limited	Big 8 Foods, Ltd.
936	Lincoln Trust as Custodian for Daniel Elstein, M.D. Rollerver IRA	Big 8 Foods, Ltd.
937	Furrs 8 LLC	Big 8 Foods, Ltd.
947	Weingarten Realty Investors	Big 8 Foods, Ltd.

Exhibit A

STORE NO.	LANDLORD	PURCHASER
918	Claus Dolling	Erica, Inc.
928	Dyer Street Triangle JT Venture	Erica, Inc.
948	Western Properties Assocs Two Green/Watkins (ground lease)	Erica, Inc.
977	Rosche One Interests, L.P.	Erica, Inc.
987	Tri State Commercial	Erica, Inc.
875	Furrs 2 LLC Mountain Run Partners Ltd.	Smith's Food & Drug Centers, Inc.
876	Mossman-Gladden (ground lease) Furrs 1 LLC	Smith's Food & Drug Centers, Inc.
879	Keleher Realty, Inc.	Smith's Food & Drug Centers, Inc.
884	Werner Kinderman	Smith's Food & Drug Centers, Inc.
891	Seville East	Smith's Food & Drug Centers, Inc.
897/887	Developers Diversified Realty Corp.	Smith's Food & Drug Centers, Inc.
899	Centeramerica Property Trust, L.P.	Smith's Food & Drug Centers, Inc.
885	(Owned by Furr's--fee interest to be transferred)	Pay and Save, Inc.
888	P.O.B. Apollo Santa Fe L.P.	Pay and Save, Inc.
889	Nydes Properties	Pay and Save, Inc.

STORE NO.	LANDLORD	PURCHASER
901	Rosche One Interests, L.P.	Pay and Save, Inc.
993	Sunwest N.O.P., Inc.	Pay and Save, Inc.
874	River Oaks Properties, Ltd.	Raley's of New Mexico, Inc.
881	Werner Kinderman	Raley's of New Mexico, Inc.
896	Cruz Alta Plaza	Raley's of New Mexico, Inc.
886	Weingarten Realty	Whole Foods Market Southwest, L.P.
913	Greer Enterprises	Fleming Companies, Inc.