UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,
a Delaware corporation,

Debtor.

Case No. 11-01-10779 SA
Chapter 11

STIPULATED ORDER APPROVING SALE OF CERTAIN STORE EQUIPMENT FREE AND CLEAR OF LIENS

This matter came before the Court on the request of the Debtor in Possession Furr's Supermarkets, Inc. ("Debtor"), with the approval of the Official Committee of Unsecured Creditors of Furr's Supermarkets, Inc. (the "Committee"), and the Debtor's pre- and post-petition lenders (together, the "Lenders").

The Debtor represents as follows:

(a) In August, 2001, the Debtor closed three of its operating grocery stores (##868, 907, 938, and 989) (the "Stores") that had equipment owned by the Debtor such as racks, dairy cases, shelves, deli counters, and similar grocery store equipment (together, the "Equipment");

(b) The Debtor has received the following offers to purchase the Equipment:

(i) For the Equipment at store 868, Fox Plaza, LLC has offered $30,000 in cash;

(ii) For the Equipment at store 907, Fenn Foods has offered $35,000 in cash;

(iii) For the Equipment at store 938, Food City Supermarkets has offered $75,000 in cash; and

(iv) For the Equipment at store 989, Dennis Porter, Inc. has offered $45,000 in cash,

(together, Fox Plaza, LLC, Food City Supermarkets, Dennis Porter, Inc., and Fenn Foods are referred to as the "Buyers").

(c) The Debtor believes that the Buyers' offers represent fair and reasonable value for the Equipment, given that the Equipment is used, old, and would be costly to remove and market, and that removal of the equipment would entail substantial repairs to the leased premises;

(d) Because of, inter alia, the Debtor's pending motion to reject the leases for the Stores, the Debtor must consummate the sale of the Equipment to the Buyers on a very expedited basis;

(e) It is in the best interests of the Debtor and its creditors to approve the sale of the Equipment to the Buyers in accordance with the terms and conditions set forth above; and

(f) The only parties that claim a lien on the Equipment are the Lenders.

The Court having reviewed the above, noting that the Committee and the Lenders have consented to this Order, and being otherwise sufficiently advised, has determined that no further notice is necessary in the particular circumstances prior to entry of this Order, and that entry of this Order is appropriate. It is hereby

ORDERED that Debtor has the authority to sell the Equipment to the Buyers in accordance with the terms and conditions of the Buyers' offers, with the Equipment to be sold to the Buyers free and clear of any and all liens and encumbrances of any kind or nature whatsoever, with all of such liens and encumbrances to attach to the proceeds of the sale to the same extent, priority, and validity as on the Equipment.

It is further ORDERED that all proceeds will be subject to all existing financing orders.

It is further ORDERED that this Order shall be effective immediately upon entry. No automatic stay under Fed. R. Civ. P. 62(a) or Bankruptcy Rule 6004(g) applies to this Order.

THE HONORABLE JAMES S. STARZYNSKI
UNITED STATES BANKRUPTCY JUDGE

Submitted by:

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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:

SEP 1 0 2001

Mary B. Anderson