

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW MEXICO

In re:

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

Case No. 11-01-10779 SA  
Chapter 11

Debtor.

**ORDER APPROVING SALE OF CERTAIN PHARMACY ASSETS FREE AND  
CLEAR OF LIENS**

This matter came before the Court on the Debtor in Possession Furr's Supermarkets, Inc.'s (the "Debtor's") Motion to Sell Certain Pharmacy Assets Free and Clear of Liens, filed September 27, 2001 and docketed as docket no. 1116 (the "Motion"). The Court FINDS as follows:

A. No objections to the Motion have been filed, and the October 8, 2001 deadline to object has expired.

B. The Debtor represented in the Motion as follows:

(i) In August, 2001, the Debtor closed six of its operating grocery stores (##898, 908, 938, 954, 966, and 967) that had in-store pharmacies (together, the "In-Store Pharmacies");

(ii) The Debtor put out for bid the pharmacy inventory and prescription records for the In-Store Pharmacies (together, the "Pharmacy Assets");

(iii) Walgreen Co. ("Walgreen") submitted the high bid for the purchase of the Pharmacy Assets free and clear of liens, which bid was cash in the amount of \$122,000 for the pharmacy records and approximately \$267,000 for the pharmacy inventory (the "Walgreen Bid"); and

(iv) Under the terms of the Walgreen Bid, and applicable law, the Debtor must consummate the sale of the Pharmacy Assets to Walgreen on a very expedited basis.

C. It is in the best interests of the Debtor and its creditors to approve the sale of the Pharmacy Assets to Walgreen in accordance with the terms and

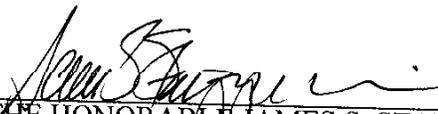
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D. The Pharmacy Assets should be sold free and clear of liens, with all liens attaching to the sale proceeds.

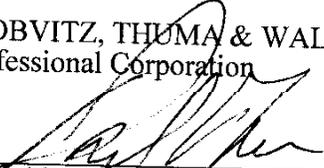
The Court HEREBY ORDERS that Debtor has the authority to sell the Pharmacy Assets to Walgreen in accordance with the terms and conditions of the Walgreen Bid, with the Pharmacy Assets to be sold to Walgreen free and clear of any and all liens and encumbrances of any kind or nature whatsoever, with all of such liens and encumbrances to attach to the proceeds of the sale.

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

  
THE HONORABLE JAMES S. STARZYNSKI  
UNITED STATES BANKRUPTCY JUDGE

Submitted by:

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Attorneys for the Debtor in Possession

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:

OCT 11 2007

Mary B. Anderson