

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re FURR'S SUPERMARKETS, INC.,

Case No. 01-10779-SA
Chapter 11

Debtor.

**ORDER ALLOWING ADMINISTRATIVE CLAIM AND
GRANTING IN PART MOTION SEEKING ORDER REQUIRING
PAYMENT OF ACCRUED HEALTH AND WELFARE FUNDS**

On September 13, 2001, New Mexico United Food and Commercial Workers Union and Employers Health and Welfare Fund (the "Fund") filed a Motion Seeking Order Requiring Payment of Accrued Health and Welfare Funds (the "Motion"). In the Motion, the Fund requested an order directing payment of the contribution due to the Fund on September 20, 2001, based on hours worked by covered employees during August 2001.

A preliminary hearing on the Motion was held on October 4, 2001, and a final hearing was held on October 16, 2001 (the "Final Hearing"). Based on argument, and all of the evidence heretofore received,

IT IS HEREBY ORDERED that the Motion is granted in part, as follows:

1. IT IS ORDERED that the claim of the New Mexico United Food and Commercial Workers Union and Employers Health and Welfare Fund in the sum of \$659,442.60 (the "Final Contribution") is allowed as an administrative expense claim.

2. IT IS FURTHER ORDERED that, due to concerns regarding potential administrative insolvency, Furr's Supermarkets, Inc. ("Debtor"), with the consent of MetLife, Inc., Heller Financial, Inc., and any other secured lenders (the "Lenders"), shall make immediate payment to the Fund of seventy percent (70%) of the Final Contribution, or

\$461,609.82. The payment shall be made from the reserve account established by the Debtor's Counsel, at the Wells Fargo Bank, styled "Jacobvitz, Thuma & Walker f.b.o. Furr's Supermarkets, Inc." (the "Reserve Account"). All funds in the Reserve Account are from the Fleming sales transaction, and constitute Lenders' collateral. The payment shall be from the [REDACTED] September 26, 2001, identified below.

3. IT IS FURTHER ORDERED that the payment is being made from the Lender's cash collateral and will be subject to the terms of the Final First Post-Closing Order Supplementing the Final Order (1) Authorizing Debtor to Obtain Secured Financing, (2) Granting Adequate Protection and (3) Granting Other Relief to Permit Short-Term Financing and Use of Cash Collateral, entered September 26, 2001, and Lenders therefore shall have a replacement lien on Debtor's assets for the use of their collateral to fund this payment.

4. IT IS FURTHER ORDERED that this Order does not prejudice the Fund's right to seek payment of the remaining thirty percent (30%) of the Final Contribution, or \$197,832.78, in the future, as an allowed administrative claim, although all proofs of claim presently filed by the Fund as to this Contribution shall be deemed withdrawn.

5. IT IS FURTHER ORDERED that the balance remaining from the \$750,000.00 in the Lenders' collateral reserved for this payment, \$288,390.18, shall be paid to the Lenders, from the Reserve Account [REDACTED]

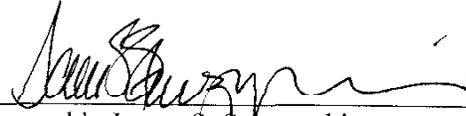
6. IT IS FURTHER ORDERED that nothing in this Order in any way affects any other pending motions, disputes or claims involving the Debtor, the Lenders and other parties.

7. IT IS FURTHER ORDERED that payment Ordered herein shall be made

immediately after the entering of this Order, or as soon as practicable thereafter.

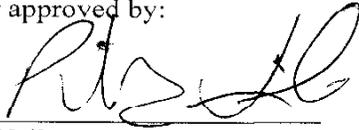
Dated this ____ day of October, 2001.

BY THE COURT:



Honorable James S. Starzynski
United States Bankruptcy Judge

Order approved by:



Pilar Vaile
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Attorney for the Unsecured Creditors' Committee

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 19 2001

Mary B. Anderson