

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,

Case No. 11-01-10779 SA
Chapter 11

Debtor.

**ORDER RESULTING FROM PRELIMINARY HEARING ON MOTION OF
UNITED FOOD AND COMMERCIAL WORKERS UNION LOCALS 540 AND
1564 FOR ORDER ALLOWING AND REQUIRING IMMEDIATE PAYMENT
OF ADMINISTRATIVE EXPENSES**

On October 4, 2001 at 9:00 a.m. a preliminary hearing was held on the Motion of United Food and Commercial Workers Union Locals 540 and 1564 for Order Allowing and Requiring Immediate Payment of Administrative Expenses (the "Motion"), which together with a Memorandum of Points and Authorities, was filed September 21, 2001. Counsel appeared at the preliminary hearing as noted on the record, including counsel for United Food and Commercial Workers Union Locals 540 and 1564 (the "Unions"); the Debtor; the United States Trustee ("UST"); the Official Committee of Unsecured Creditors ("Committee"); Heller Financial, Inc. as agent for Fleet Capital Corporation, Bank of America N.A., Heller Financial, Inc. and Metropolitan Life Insurance Company; and Metropolitan Life Insurance Company.

The Court, having reviewed the record and heard and considered argument of counsel, and being sufficiently advised, hereby

ORDERS:

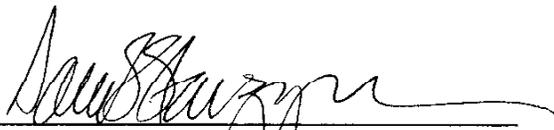
1. As a threshold matter, the Court will determine whether and to what extent the severance pay benefits should be allowed as an administrative expense pursuant to

Bankruptcy Code §503(b) assuming (without deciding) that all allegations in the Motion and attachments thereto are true.

2. The Memorandum of Points and Authorities that accompanied the Motion shall be the Unions' opening brief in support of the Motion.

3. Debtor shall have until October 22, 2001 to file and serve a brief setting forth its legal position on the relief sought in the Motion for allowance of severance pay benefits as an administrative expense pursuant to Bankruptcy Code §503(b). If the Committee, UST, and/or any creditor opposes the relief sought in the Motion on such issue, such parties may, but are not required, to file and serve a brief setting forth their legal position on such issue by October 22, 2001. Service shall be made on counsel approving this order.

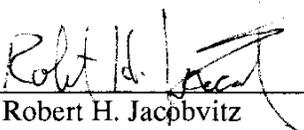
4. The Unions and any party in interest supporting the Motion may, but are not required, to file and serve a reply brief in support of the Motion by November 1, 2001. Service shall be made on counsel approving this order.



THE HONORABLE JAMES S. STARZYNSKI
UNITED STATES BANKRUPTCY JUDGE

Submitted and approved 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:

OCT 29 2001

Mary B. Anderson