UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,

Debtor.

Case No. 11-01-10779-SA
Chapter 11

ORDER GRANTING IN PART DEBTOR'S MOTION TO REJECT TWO UNEXPIRED LEASES AND SUBLEASES OF NONRESIDENTIAL REAL PROPERTY AND TO REJECT CERTAIN EQUIPMENT LEASES AND

THIS MATTER came before the Court (a) on the Motion to Reject Two Unexpired Leases and Subleases of Nonresidential Real Property and to Reject Certain Equipment Leases and Executory Contracts with Sonitrol and Qualex filed on August 2, 2001 (Doc. No. 800) JSS (the "Motion") filed by the debtor in possession Furr's Supermarkets, Inc. ("Debtor"), represented by Skadden, Arps, Slate, Meagher & Flom, LLP and Jacobvitz, Thuma & Walker, P.C. (Thomas D. Walker), and upon the stipulation set forth in this Order by and between Debtor and Dana Commercial Credit, Inc. ("Dana"), assignee of the lessor's interest in those equipment lease agreements by and between Debtor and Qualex, Inc. ("Qualex"), also known as "Express Stop."

Having reviewed the Motion and this stipulation, and being otherwise advised in the matter, THE COURT FINDS: (a) Debtor commenced this case by filing a voluntary petition on February 8, 2001 in this Court under chapter 11 of title 11 of the United States Bankruptcy Code; (b) the Debtor continues to operate its business and manage its properties as debtor-in-possession under Bankruptcy Code §§ 1107(a) and 1108; (c) Debtor filed the Motion on August 2, 2001; (d) on August 2, 2001, Notice of the Motion (the "Notice") was

mailed by first class United States mail, postage prepaid, to all persons on (1) the limited mailing matrix maintained in the above-captioned bankruptcy case, and (2) on the Exhibit "A," copies of which were attached to the original of the Notice filed with the Clerk of the Bankruptcy Court, as shown by the certificate of service on the Notice filed with the Court; (e) the Notice provided for a deadline to object to the Motion of August 27, 2001; (f) the Notice was sufficient and appropriate in the particular circumstances; (g) the deadline to object to the Motion expired on August 27, 2001, and no objections to the Motion were timely filed with respect to the Equipment Leases (as defined below); (h) Debtor and Dana

Code §365 have been satisfied with respect to the relief granted by this Order; and, (j) entry of this Order, without further notice, is appropriate.

THEREFORE, THE COURT ORDERS:

1. As used in this Order, the following terms are defined as follows:

a. The "Equipment Leases" means all the equipment leases and/or executory contracts by and between Debtor and Qualex, Inc. also known as "Express Stop," for photo finishing equipment and associated services, at every location and under every agreement, including without limitation, the Master Lease Agreement #3001077 between Debtor and Qualex, Inc. dated as of June 10, 1994, the letter agreement executed November 1, 1994, and the various Lease Schedules and Amendments to Lease Schedules, including, without limitation, those identified on the Exhibit "B" attached to the Motion and to this Order.

b. The "Leased Property" means the personal property leased under, by

and through the Equipment Leases.

2. The Debtor's rejection of the Equipment Leases for Leased Property is approved. The effective of such rejection is August 31, 2001 or the Closing Date for the purchase of Debtor's assets, whichever date is later.

3. If the Debtor has not already done so, the Debtor will surrender the Leased Property under the Equipment Leases, and the Debtor is deemed to have surrendered such Leased Property, effective as of August 31, 2001 or the Closing Date for the purchase of Debtor's assets, whichever date is later.

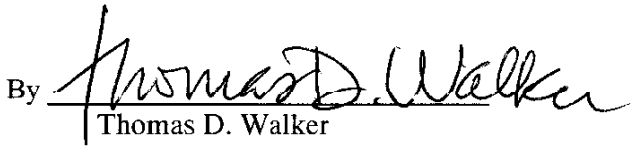
4. The automatic stay provided by 11 U.S.C. §362(a) is terminated as to the Equipment Leases and the Leased Property to permit Dana to take possession of such Leased Property, effective as of August 31, 2001 or the Closing Date for the purchase of Debtor's assets, whichever date is later.

5. This Order does not resolve any issues, claims or defenses regarding allowance, amount, or payment of administrative expense claims, if any, of Dana; all such issues, claims and defenses being preserved without prejudice.

JAMES S. STARZYNSKI
U.S. Bankruptcy Judge

AGREED TO SUBMITTED BY:

JACOBVITZ, THUMA & WALKER, P.C.

By 
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and

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AGREED:

STEVE H. MAZER, ESQ.

Approved by telephone 8/29/01 TDW
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122 Tenth Street NW
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(505) 243-1112
(505) 243-2998 (Facsimile)
Attorney for Dana Commercial Credit, Inc.

Store Number	Store Address	City and State	Lessor	Equip*	Schedule #
874	13201 Lomas NE	Albuquerque, NM	Qualex, Inc.	G740	3002517
875	5850 Eubank NE	Albuquerque, NM	Qualex, Inc.	G340	3001524
876	4601 Louisiana NE	Albuquerque, NM	Qualex, Inc.	N1801	3001078
877	2910 Juan Tabo NE	Albuquerque, NM	Qualex, Inc.	N1801	3001080
878	2280-B Wyoming NE	Albuquerque, NM	Qualex, Inc.	N1801	3001082
879	3701 Constitution NE	Albuquerque, NM	Qualex, Inc.	N1801	3001081
880	108 Juan Tabo NE	Albuquerque, NM	Qualex, Inc.	N1801	3002354
881	3301 Southern Blvd	Albuquerque, NM	Qualex, Inc.	N1801	3001077
882	3301 Coors Blvd NW	Albuquerque, NM	Qualex, Inc.	G340	3002353
884	111 Coors Blvd NW	Albuquerque, NM	Qualex, Inc.	G340	3000076
886	5815 Wyoming NE	Albuquerque, NM	Qualex, Inc.	N1801	3001000
891	2110 Pacheco	Santa Fe, NM	Qualex, Inc.	G740	3002518
894	206 Mills Avenue	Las Vegas, NM	Qualex, Inc.	G340	3002097
896	1100 Paseo Del Pueblo S	Taos, NM	Qualex, Inc.	G340	3001525
897	535 Central Ave	Los Alamos, NM	Qualex, Inc.	G520	3001795
898	102 Caldwell	Belen, NM	Qualex, Inc.	G740	3002516
899	901 California St, NW	Socorro, NM	Qualex, Inc.	G340	3002355
907	1602 West Main	Artesia, NM	Qualex, Inc.	N1801	3002356
918	North Turner & Sanger	Hobbs, NM	Qualex, Inc.	N1801	3001737
932	3100 Lee Trevino	El Paso, TX	Qualex, Inc.	N1801	3001079
945	8050 W. Mesa Dr	El Paso, TX	Qualex, Inc.	G340	3001283
946	6910 N. Mesa Dr.	El Paso, TX	Qualex, Inc.	G520	3001738
950	11705 Montwood Drive	El Paso, TX	Qualex, Inc.	G740	3002459
952	951 N. Resler Drive	El Paso, TX	Qualex, Inc.	G340	3005006

* G = Gretag Master Lab
N = Noritsu 1801 Microlab

EXHIBIT B