

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

FILED
at _____ o'clock ____ M

JUL 03 2001

In re:

FURR'S SUPERMARKETS, INC.,

United States Bankruptcy Court
Albuquerque, New Mexico
Case No. 11-01-10779 SA
Chapter 11

Debtor.

Order (i) Approving Asset Purchase Agreement with Fleming Companies, Inc., (ii) Authorizing the Sale of All or Substantially All of the Debtor's Operating Assets and the Transactions Contemplated by Asset Purchase Agreement, and (iii) Granting Related Relief

On June 1, 2001, Furr's Supermarkets, Inc., debtor and debtor in possession (the "Debtor"), filed and served its "Motion for Order Approving Sale of Some or All of Debtor's Operating Assets and Granting Related Relief" (the "Sale Motion"). In the Sale Motion, the Debtor requested authorization to sell part or all of its assets to a purchaser to be determined following an Auction.

On June 25, 2001, the Debtor filed and served its "Emergency Motion to Approve Termination Fee and Other Bidding Protections" (the "Termination Fee Motion"), which recited that the Debtor had entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with Fleming Companies, Inc. ("Fleming") and that the Debtor intended that the bid evidenced by the Asset Purchase Agreement would serve as the "stalking horse" bid at the Auction, scheduled for June 27, 2001. The Debtor requested Court authorization to pay to Fleming a termination fee if the Debtor accepted an "Alternative Offer" (as defined in the Asset Purchase Agreement) at the Auction subject to and upon closing of the sale pursuant to the Alternative Offer. On June 26, 2001, this Court held a hearing on the Termination Fee Motion. The amount of the Termination Fee was the subject of an

710

objection by the Unsecured Creditors Committee and a contested hearing, following which the Court entered an order granting the relief requested by the Debtor.

On June 29, 2001, the Court held a hearing on the Sale Motion (the "Sale Hearing"). The Court has reviewed the Sale Motion, the materials submitted in support thereof, and all Objections to the Sale Motion, and has considered the testimony of witnesses and other evidence and the argument of counsel made on the record at the Sale Hearing. Based thereon, the evidence admitted at the hearing, and argument of counsel, at the conclusion of the hearing, the Court made oral findings of fact and conclusions of law on the record, as permitted by Bankruptcy Rule 7052, as made applicable to this contested matter by Bankruptcy Rule 9014. In addition, on July 2, 2001, the Court made Supplemental Findings of Fact and Conclusions of Law For Approval of Debtor's Motion to Sell Assets. In addition, the Court

FINDS THAT:

A. The Court has jurisdiction over the Sale Motion under 11 U.S.C. §§ 157 and 1334. This matter is a core proceeding under 28 U.S.C. § 157(b)(2)(A). Venue of this case and of proceedings to consider the Sale Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for the relief sought in the Sale Motion include sections 363(b), (f), and (m), 365, and 1146(c) of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code"), and Fed. R. Bankr. P. 2002, 6004, 6006, and 9014.

C. As evidenced by the Certificates of Service on file with the Court and the representations of counsel made at the Sale Hearing, the notice given by the Debtor of the Sale

Motion, the Sale Hearing, and the Auction has been provided as described in the Sale Motion. This notice was timely, adequate, appropriate, and reasonable, and no further notice is required.

D. The Unsecured Creditors Committee and the Debtor assert there may exist a preferential or fraudulent transfer claim under §§547 and/or 548 of the Bankruptcy Code against Fleming, and said claim will be released by the mutual release provisions of the Asset Purchase Agreement.

E. The evidence at the Sale Hearing and the record in the case demonstrate that both a sound business justification and exigent circumstances presently exist to justify the immediate approval of the Asset Purchase Agreement between the Debtor and Fleming and the transactions contemplated therein. Specifically:

1. The commitment of the Debtor's debtor-in-possession ("DIP") lenders (the "DIP Lenders") to finance the Debtor's operations will expire on August 10, 2001. Without DIP financing, the Debtor will be unable to continue operations. The DIP Lenders have given notice that the Debtor is in currently in default and that, according to the DIP Lenders, they have the right to terminate funding at any time.

2. The Debtor and its professionals, including its investment advisor Peter J. Solomon Company, engaged in a marketing process intended to generate the highest and best possible bid for its assets. All entities likely to be interested in the Debtor's assets were given an opportunity to participate in the process. The bidding procedures, both in substance and as employed by the Debtor, provided bidders with flexibility to tailor and submit their bids and the Debtor with flexibility to consider all bids. Fleming's bid, as evidenced in the Asset Purchase Agreement, represents the best bid received at the Auction.

3. The Debtor currently is operating at a substantial loss. Any delay in the approval of the sale will result in substantial losses to the estate and its creditors.

4. If the sale is not approved (i) the Debtor likely will not be able to improve operating results significantly in the coming months, and (ii) there exists a substantial risk that operating results would decline significantly from current levels. Without DIP financing, the Debtor likely will not be able to continue operations at all. Even if DIP financing continues, if operating results deteriorate, the ultimate consideration realized from a later sale would be less than that offered by Fleming.

5. Under these circumstances, time does not exist to permit the Debtor to consummate the Asset Purchase Agreement under a reorganization plan. In light of the consideration offered by Fleming and the other factors above, the approval of the Asset Purchase Agreement and the transactions contemplated thereunder at this time are in the best interest of the estate.

F. A copy of the Asset Purchase Agreement, executed by the Debtor and by Fleming, is attached hereto as Exhibit A. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Asset Purchase Agreement.

G. Subject to its terms and conditions, the Asset Purchase Agreement provides for the sale by the Debtor to Fleming of the Purchased Assets, which constitute a substantial portion of the Debtor's assets. On the Closing Date, the Debtor will (among other things) assume and assign the Leases for certain of its Store Properties (other than Rejected Properties), and transfer the corresponding owned personal property, to Fleming or Third Party Purchasers designated by Fleming. The Asset Purchase Agreement contemplates that, for up to 60 days after Closing, the Debtor may continue to operate, under a Management Agreement, certain Store Properties for

which Fleming has not yet designated a Third Party Purchaser. The Management Agreement will be subject to Court approval after notice and a hearing. Thereafter, all Purchased Assets not transferred to Third Party Purchasers will be transferred to Fleming. Neither this Sale Order nor the Asset Purchase Agreement modify any rights of lessors under Bankruptcy Code §365 during the term of the Management Agreement.

H. The Asset Purchase Agreement further provides that before the Debtor assumes and assigns any Lease or other Purchased Contract to Fleming or a Third Party Purchaser, the Debtor shall file a motion in this Court, on notice (which the Debtor may request be shortened notice) to the other party to the Lease or Contract, Heller Financial, Inc. (as agent for Fleet Capital Corporation, Bank of America N.A., Heller Financial, Inc. and Metropolitan Life Insurance Company), Metropolitan Life Insurance Company, the Official Committee of Unsecured Creditors, and the United States Trustee, requesting approval of the assumption and assignment. At the hearing on that motion, the Court will be asked to resolve all issues related to the proposed assumption and assignment, including issues relating to amounts necessary to cure defaults, the adequacy of any assurance provided as to the assignee's future performance, and all other issues related thereto.

I. The Debtor and Fleming are not affiliates. The Debtor and Fleming entered into the Asset Purchase Agreement only after intense, arms-length negotiations, conducted without collusion, and with the mutual understanding that Fleming's offer, evidenced by the Asset Purchase Agreement, would be subject to overbid at the Auction. There are no undisclosed agreements between Fleming and the Debtor relating to the Asset Purchase Agreement or the transactions contemplated therein. No evidence has been submitted that the Debtor, Fleming, or any other party has engaged in conduct that would cause or permit the Asset Purchase

Agreement or the transactions contemplated thereunder to be avoided under 11 U.S.C. § 363(n). Fleming entered into the Asset Purchase Agreement in good faith, as that term is used in 11 U.S.C. § 363(m), and is entitled to the protection of that section.

J. The Purchase Price to be paid by Fleming under the Asset Purchase Agreement constitutes the best offer for the Purchased Assets and will provide a greater return on the Purchased Assets than would be provided by any other practical available alternative. The Debtor's decision to enter into the Asset Purchase Agreement and to seek this Court's approval thereof constitutes a sound exercise of the Debtor's business judgment.

K. The Purchase Price under the Asset Purchase Agreement constitutes reasonably equivalent value and fair consideration for the Purchased Assets ^{JSS} and other benefits received by Fleming under the Purchase Agreement as those terms are used in the Bankruptcy Code and applicable State law.

L. At Closing, the Debtor may transfer the Purchased Assets free and clear of all liens and other interests of any other party therein (including Encumbrances), except for the Permitted Encumbrances and Assumed Liabilities identified in the Asset Purchase Agreement, because with respect to each entity asserting a lien or other interest in the Purchased Assets, one or more of the standards set forth in 11 U.S.C. § 363(f) has been satisfied.

M. All provisions of the Asset Purchase Agreement, including the mutual releases in section 8.10 of the Asset Purchase Agreement, were an inducement for each party to enter into the Asset Purchase Agreement and constitute consideration for the enforceability of such agreement, although the Court is not here determining how much, if any, of the Purchase Price should be allocated thereto.

N. The sale of the Purchased Assets under the Asset Purchase Agreement is a necessary step toward confirmation of a plan.

O. Heller Financial, Inc., as agent for Fleet Capital Corporation, Bank of America N.A., Heller Financial, Inc. and Metropolitan Life Insurance Company, and the Official Committee of Unsecured Creditors, support the sale and have approved this Order.

P. Except as expressly set forth in the Asset Purchase Agreement, the (i) transfer of the Purchased Assets to Fleming, or the Third Party Purchasers, as the case may be, and (ii) assumption and assignment to Fleming, or the Third Party Purchasers, as the case may be, of the Purchased Contracts, if any, and the assumption of the Assumed Liabilities do not and will not subject any of Fleming or the Third Party Purchasers to any liability by reason of such transfer under (i) the laws of the United States, any state, territory or possession thereof, based in whole or in part, directly or indirectly, including without limitation, any theory of antitrust, environmental, successor or transferee liability, labor law, de facto merger, or substantial continuity, or (ii) any employment contract, understanding or agreement, including without limitation collective bargaining agreements, employee pension plans, or employee welfare or benefit plans. As set forth in the Asset Purchase Agreement, neither Fleming nor any Third Party Purchaser is assuming any of the Debtors' obligations to its employees (including without limitation any obligations under the Debtors' collective bargaining agreements).

Q. For these reasons, the Court's approval at this time of the Asset Purchase Agreement, and the Debtor's consummation of the transactions contemplated therein, are in the best interests of the Debtor, its estate, creditors, and all other parties in interest.

R. In addition to the foregoing, at the Sale Hearing the Court made additional, oral findings of fact and conclusions of law on the record, in accordance with Fed. R. Bankr. P. 7052.

S. On July 3, 2001, the United States Bankruptcy Court for the District of New Mexico, the Honorable Mark B. McFeeley presiding, entered an order resolving the objections to

the Sale Motion filed by General Electric Company, GE Lighting and G.E. Capital Business Asset Funding Corp.

T. The Court reserves the right to issue an opinion. This is a final order.

In view of the foregoing, the Court hereby **ORDERS THAT**:

1. The Asset Purchase Agreement is approved. The Debtor is authorized under 11 U.S.C. § 363(b) to execute all of the Transaction Agreements; and, except for issues reserved under paragraph 10 with respect to the transfer of Liquor Licenses, and issues reserved under paragraph 12 with respect to the Debtor's assumption and assignment of any unexpired lease or executory contract to a specific assignee, the Debtor is authorized under 11 U.S.C. § 363(b) to consummate the transactions contemplated under the Asset Purchase Agreement. The Debtor is further authorized to take any action and execute and deliver any additional instrument or document that may be reasonably necessary, desirable, or appropriate to implement the Asset Purchase Agreement, to effect the sale of the Purchased Assets thereunder, to cause the Closing to occur, and to perform the Debtor's obligations under the Asset Purchase Agreement after Closing.

2. The transfer of the Purchased Assets at or after Closing to Fleming or to a Third Party Purchaser shall constitute a legal, valid, and effective transfer thereof, and shall vest Fleming or the Third Party Purchaser, as the case may be, with all of the Debtor's right, title, and interest thereto or therein.

3. On and after the Closing, Fleming or its Third Party Purchasers will acquire the respective Purchased Assets transferred to each free and clear of all liens, claims, and encumbrances (including Encumbrances), as provided by 11 U.S.C. § 363(f), except for the Permitted Encumbrances and Assumed Liabilities identified in the Asset Purchase Agreement.

and Fleming JS

All liens, claims, and encumbrances against the Purchased Assets that are released in accordance with the preceding sentence, and are not paid at Closing from the proceeds of the sale, shall

attach to the proceeds of the Sale in the order of their priority, with the same validity, force and effect that they now have against the Purchased Assets ^{or with respect to any claims against Fleming JS} subject to any claims and defenses the Debtor or any other party may possess with respect thereto. Without limiting the foregoing:

(a) The New Mexico Taxation and Revenue Department ("TRD") has agreed not to assert successor liability against Fleming under § 7-1-63, NMSA 1978 or otherwise with respect to any state tax or other liability of the Debtor. Without limiting the generality of paragraph 5, Fleming shall have no liability or obligations under § 7-1-61C, NMSA 1978 on account of its purchase of the Purchased Assets. TRD reserves the right to assert a claim solely to the sale proceeds only based on § 7-1-61B and C, NMSA 1978, including the priority that § 7-1-61, NMSA 1978 or other statutes that allegedly create in favor of TRD vis a vis other creditors, which shall be adjudicated at a later time.

(b) With regard to TRD's alleged statutory right and obligation to insure that taxes arising from the business of selling alcohol are paid as a condition to transferring the Liquor Licenses under § 7-1-82(A), NMSA 1978, the TRD has agreed to assert a claim solely to the Sale proceeds, and the TRD has reserved the right to assert after entry of this order that § 7-1-82(A), NMSA 1978 has the effect of creating a super-priority lien against the sale proceeds attributable to the Liquor Licenses or transfer thereof. The TRD has agreed not to assert that the Court has no power to order the transfer the Liquor Licenses without requiring payment of state taxes. The provisions of this paragraph 3(b) shall not operate as a precedent in any other bankruptcy case.

4. Under the Purchase Agreement, Permitted Encumbrances includes current Taxes that are not yet due and payable, that may be subsequently paid without penalty or that are being contested in good faith in appropriate proceedings, and notwithstanding the immediately preceding paragraph, nothing in this Order shall release any tax lien on Purchased Assets that secures the payment of Taxes that, as of the Closing Date, have not yet become due and payable. Fleming, or its Third Party Purchasers, as the case may be, shall be liable for any taxes owing by the lessee under any Leases assumed by Debtor and assigned to Fleming or such Third Party Purchaser, attributable to tax periods that occur in whole or in part prior to such assumption and assignment but that became due after such assumption and assignment.

5. Except as expressly set forth in or contemplated by the Asset Purchase Agreement, the (i) transfer of the Purchased Assets to Fleming, or the Third Party Purchasers, as the case may be, and (ii) assumption and assignment to Fleming, or the Third Party Purchasers, as the case may be, of the Purchased Contracts, if any, and the assumption of the Assumed Liabilities do not and will not subject any of Fleming or the Third Party Purchasers to any liability by reason of such transfer under (i) the laws of the United States, any state, territory or possession thereof, based in whole or in part, directly or indirectly, including without limitation, any theory of antitrust, environmental, successor or transferee liability, labor law, de facto merger, or substantial continuity, or (ii) any employment contract, understanding or agreement, including without limitation collective bargaining agreements, employee pension plans, or employee welfare or benefit plans. As set forth in the Asset Purchase Agreement, neither Fleming nor any Third Party Purchaser is assuming any of the Debtors' obligations to its employees (including without limitation any obligations under the Debtors' collective bargaining agreements). Except as expressly permitted or contemplated by the Asset Purchase Agreement,

all persons and entities holding claims or interests of any nature with respect to the Purchased Assets are barred from asserting those claims or interests against Fleming or any Third Party Purchaser, the successors or assigns of any of them, or the Purchased Assets.

6. The terms of this Order and the Asset Purchase Agreement shall be binding in all respects upon, and shall inure to the benefit of, the Debtor, its estate and creditors, Fleming, the Third Party Purchasers, the respective affiliates, successors and assigns of each of them, all persons asserting an interest in the Purchased Assets, and any trustee, responsible person, estate administrator, or similar person appointed for or in the Debtor's chapter 11 case or any subsequent case under the Bankruptcy Code in which the Debtor is the debtor. No plan of reorganization confirmed in the Debtor's chapter 11 case may contain provisions inconsistent with this Order or the Asset Purchase Agreement.

7. Fleming and the Debtor are each authorized and directed to perform all of their obligations under the Asset Purchase Agreement, subject to the terms and conditions therein and in this Order.

8. Except as provided in paragraph 10 of this Order, notwithstanding any non-bankruptcy law, the Debtor may transfer operating licenses and permits to Fleming or the Third Party Purchasers free and clear of all liens and similar interests, with all such interests to attach to the proceeds of the sale solely to the same extent, priority and validity, and subject to the same limitations and defenses, that exist prior to the Sale, even if there are outstanding taxes or other liabilities with respect to these licenses and permits.

9. Except as provided in paragraph 10 of this Order, notwithstanding any non-bankruptcy law, no governmental authority or official shall withhold or delay approval of a transfer of a license or permit because of any outstanding taxes or other liabilities.

10. The following provisions apply with respect to certain objections to the Sale Motion filed by "Liquor Wholesalers" (as defined below):

(a) Desert Eagle Distributing Company, The New Mexico Beverage Company, Southern Wine & Spirits, National Distributing Company, Premier Distributing Co. and Joe G. Maloof & Co. collectively are referred to as the "Liquor Wholesalers."

(b) Desert Eagle Distributing Company filed objections to the Sale Motion on June 20, 2001. New Mexico Beverage Company, Southern Wine & Spirits and National Distributing Company, filed objections to the Sale Motion on June 20, 2001. Premier Distributing Co. filed objections to the Sale Motion on June 21, 2001. Premier Distributing Co. filed objections to the Sale Motion on June 21, 2001. Joe G. Maloof & Co filed objections to the Sale Motion on June 21, 2001. The forgoing collectively are called the "Objections."

(c) The Liquor Wholesalers asserted one or more of the following grounds for the Objections to the transfer, assignment, sale or lease of any licenses that permit Debtor to engage in the retail sale of alcoholic beverages in New Mexico (the "Liquor Licenses"), without first paying the Liquor Wholesalers in full (collectively, the "Grounds"): (i) that such transfer, assignment, sale or lease of the Liquor Licenses would violate the Liquor Control Act of the state of New Mexico, including §60-6B-3, NMSA 1978; ~~(ii) that such transfer, assignment, sale or lease of the Liquor Licenses would violate the Eleventh Amendment to the United States Constitution;~~ (ii) that pursuant to the Liquor Control Act, payment of the Liquor Wholesalers is a condition precedent to transfer to the Liquor Licenses; (iii) that an attempt to order the New Mexico Alcohol and Gaming Division to transfer the Liquor Licenses would violate state law and would be unconstitutional under the United States Constitution, including the Eleventh Amendment; (iv) that such transfer, assignment, sale or lease of the Liquor Licenses would

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violate the Eleventh Amendment to the United States Constitution (v) that such transfer, assignment, sale or lease of the Liquor Licenses would violate the Twenty First Amendment to the United States Constitution; (vi) that failure of N.M. Alcohol and Gaming Division to approve such transfer, assignment, sale or lease of the Liquor Licenses would not violate the automatic stay or Bankruptcy Code §525; (vii) that the Court lacks jurisdiction over the N.M. Alcohol and Gaming Division, and its Director, to order the Division or Director to approve the transfer, assignment, sale or lease of the Liquor Licenses; and (viii) that the Court cannot order the N.M. Alcohol and Gaming Division, or its Director, to approve the transfer, assignment, sale or lease of the Liquor Licenses unless the Director is joined as a party to this contested matter, but the Director cannot be so joined.

(d) The Objections, insofar as they assert any of the Grounds, are not resolved by this Order, and shall be resolved prior to Closing by further proceedings to be conducted in accordance with a schedule to be determined by this Court (and all defenses by any party are preserved).

11. The mutual releases in section 8.10 of the Asset Purchase Agreement are hereby approved in full as fair and reasonable under the circumstances.

12. Because this Order does not authorize the Debtor to assume and assign any unexpired lease or executory contract to a specific assignee, all Objections to the Sale Motion based on (a) the Debtor's failure to specify accurately or completely the amount necessary to cure defaults under a lease or contract, (b) the Debtor's failure to identify a specific assignee and provide adequate assurance of that assignee's future performance, (c) whether a lease or contract is assignable, (d) whether an agreement between the Debtor and a third party is an operating lease or a financing lease, or (e) any other matter relating to assumption and assignment under

Section 365 of the Bankruptcy Code are hereby overruled, without prejudice, as not ripe for review. The Court will hear and determine all such matters when the Debtor files motions to assume and assign the Leases and Purchased Contracts to Fleming or a Third Party Purchaser, in accordance with the procedure set forth in the Asset Purchase Agreement.

13. Except as provided in paragraph 10, all Objections to the Sale Motion based on the argument that the Objector is entitled to immediate payment of its claim from the proceeds of the Sale are hereby overruled. The Bankruptcy Code does not require the immediate payment of secured claims upon the sale of collateral. Notwithstanding the foregoing, the Debtor shall not expend or distribute any portion of the proceeds of the Sale, without further Order of this Court.

14. Before Closing, the Debtor shall file a motion setting forth the manner in which it proposes to use the Sale proceeds and seeking this Court's approval thereof. The motion (a) shall propose adequate protection (i) for all parties asserting a lien, claim, or interest in or against the Purchased Assets, and (ii) with respect to the portion of the Sale proceeds alleged to be allocable to any claim against Fleming that is released under the Asset Purchase Agreement; and (b) may seek approval of the payment of secured or other claims at Closing as the Debtor deems necessary, desirable, or appropriate; provided, however, the Debtor shall in no event propose any distribution of the Escrow Amount, except upon the terms and subject to the conditions of the Asset Purchase Agreement. The Debtor shall serve the motion on the Committee and all parties asserting a lien, claim, or interest in or against the Purchased Assets, the Committee, the United States Trustee, and Fleming, and shall schedule the hearing thereon before the Closing Date. Nothing in this order shall prevent a party asserting a lien, claim, or interest in or against the Purchased Assets prior to Closing, or any other party in interest, from objecting to the Debtor's

proposed use of the sale proceeds, or from seeking to require payment in full from the sale proceeds of the particular lien, claim or interest.

15. Except the objections of General Electric Company, GE Lighting and GE Lighting and Capital Business Asset Funding Corp., each filed June 18, 2001, all other Objections to the Sale Motion, if not settled or withdrawn by this order, or deferred for resolution pursuant to paragraph 10 of this Order, are hereby overruled on the merits, for the reasons set forth on the record at the Sale Hearing and in this Order. The objections to the Sale Motion filed by General Electric Company, GE Lighting and G.E. Capital Business Asset Funding Corp. have been resolved by an order entered on July 3, 2001 by the United States Bankruptcy Court for the District of New Mexico, the Honorable Mark B. McFeeley presiding.

16. Except as provided in paragraph 10 of this Order, this Order is binding upon and shall govern the acts of all entities including, without limitation, all filing agents and officers, title agents, title companies, recorders and registrars of mortgages and deeds, administrative agencies, governmental departments, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or to report or insure any title or state of title in or to any of the Purchased Assets.

17. Except as provided in paragraph 10 of this Order, each federal, state, and local governmental agency or department shall accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Asset Purchase Agreement.

18. The transfer of the Purchased Assets under the Asset Purchase Agreement has the effect of a transfer under section 1146(c) of the Bankruptcy Code and, accordingly, shall not be

taxed under any law imposing a stamp tax or a sale, transfer, or any other similar tax. All filing and recording officers are hereby directed to accept for filing or recording, and to file or record immediately upon presentation thereof, any documents related to the Asset Purchase Agreement without payment of any such taxes.

19. Fleming and the Debtor may amend the Asset Purchase Agreement and any related agreements, documents, or other instruments as necessary, desirable, or appropriate to effect the present intent of the parties thereto, but any amendment that imposes additional, material obligations on the Debtor, reduces the Purchase Price, or has any other material adverse effect on the Debtor's estate or the rights of creditors, will not be effective without this Court's approval, after notice to the DIP Lenders, the Creditors' Committee, the United States Trustee, and the signatories to this Order.

20. The provisions of this Order are non-severable.

21. The failure in this Order to refer to any specific provision in the Asset Purchase Agreement shall not be construed as a failure to approve that provision. It is this Court's intention to approve and authorize the consummation of the Asset Purchase Agreement in full.

22. Nothing in this Order or the Asset Purchase Agreement ~~(except in respect of inventory as specifically set forth in clause (iii) of Section 4.1(a) of the Asset Purchase Agreement)~~ shall or shall be deemed to constitute a determination as to the allocation of the Purchase Price among the various Purchased Assets and other benefits received by Fleming under the Asset Purchase Agreement (including but not limited to an allocation of the Purchase Price with respect to the mutual releases in section 8.10 of the Asset Purchase Agreement), or preclude any party in interest from requesting such a determination by the Court at any time. JSB

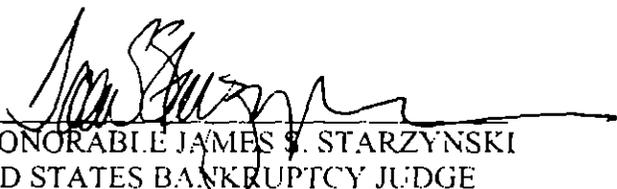
23. This Order shall be effective immediately upon entry. No automatic stay under Fed. R. Civ. P. 62(a) applies to this Order.

24. So long as the Debtor's chapter 11 case remains open, this Court shall retain exclusive jurisdiction to hear and determine all matters relating to the Asset Purchase Agreement, including without limitation all disputes relating to the rights and obligations of all parties affected by this Order, all disputes relating to the performance by the Debtor and Fleming of their obligations under the Asset Purchase Agreement, and all disputes with respect to the Escrow Amount.

25. Debtor shall invest or disburse all proceeds received under the Asset Purchase Agreement pursuant to further order of the Court, after notice to the DIP Lenders, the Creditors'

Committee, the United States Trustee, and the signatories to this Order. *If no order is entered prior to closing directing the investment or disbursement of sale proceeds, all such proceeds shall be deposited in a segregated, interest bearing account pending further order of the Court.*

JB 26 "After notice," as used in this Order, means after notice and opportunity for a hearing on any objections.

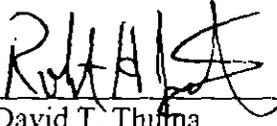

THE HONORABLE JAMES S. STARZYNSKI
UNITED STATES BANKRUPTCY JUDGE

Submitted and approved by:

Skadden, Arps, Slate, Meagher & Flom, LLP
Richard D. Levin
300 South Grand Avenue, Suite 3400
Los Angeles, California 90071-3144
(213) 687-5000

and

JACOBVITZ, THUMA & WALKER, P.C.

By: 
David T. Thuma
500 Marquette, NW
Suite 650
Albuquerque, NM 87102
(505) 766-9272

Attorneys for the Debtor

APPROVED:

PEPPER HAMILTON, L.L.P.
I. William Cohen *approved @ full disclosure hearing JBS*
100 Renaissance Center, 36th Floor
Detroit, Michigan 48243-1157
(313) 259-7110
(313) 259-7926 (fax)

and

DAVIS & PIERCE, P.C. *as to FORM ONLY*

By: 
William F. Davis
P.O. Box 6
Albuquerque, New Mexico 87103-0003
(505) 243-6129
(505) 247-3185 (fax)

Attorneys for the Official Committee of
Unsecured Creditors of Furr's Supermarkets, Inc.

LATHAM & WATKINS
David S. Heller
233 South Wacker Drive
Sears Tower, Suite 5800
Chicago, Illinois 60606-6401
(312) 876-7700
(312) 993-9767 (fax)

and

MODRALL SPERLING ROEHL HARRIS & SISK, P.A.

By: Paul M. Fish

Paul M. Fish
500 4th St., N.W., #1000
Albuquerque, New Mexico 87103-2168
(505) 848-1800
(505) 848-1882 (fax)

Attorneys for Heller Financial, Inc., as agent for Fleet
Capital Corporation, Bank of America N.A., Heller
Financial, Inc. and Metropolitan Life Insurance Company

BINGHAM DANA LLP

By: _____

Ronald J. Silverman
399 Park Avenue
New York, New York 10022-4689
(212) 318-7868
(212) 752-5378 (fax)

and

J. D. Behles & Associates, P.C.

Jennie Deden Behles *apparent@jdbehles.com* *JDB*
P.O. Box 849

Albuquerque, New Mexico 87103
(505) 243-9756
(505) 243-7262 (fax)

Attorneys for Metropolitan Life Insurance Company

SCOTT, HULSE, MARSHALL, FEUILLE,
FINGER & THURMOND, P.C.

By: *Robert Feuille* JS
Robert Feuille
201 East Main, 11th Floor Chase Tower
El Paso, Texas 79901
(915) 533-2493
(915) 533-2493 (fax)

Attorneys for Dessert Eagle Distributing Company of New Mexico, LLC
and Dantex Construction Company

HISEY & CADIGAN

By: *Mike Cadigan*
Mike Cadigan
6400 Uptown blvd. NE, Suite 570-W
Albuquerque, New Mexico 87110
(505) 830-2076
(505) 830-2385 (fax)

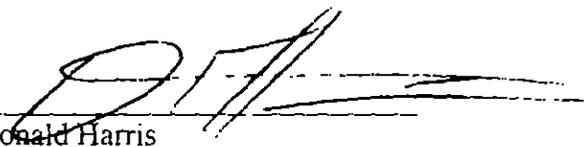
Attorneys for New Mexico Beverage Co. Inc., Southern Wine &
Spirits of New Mexico, and National Distributing Co.

SUTIN, THAYER & BROWNE
a Professional Corporation

By: *Gail Gottlieb*
Gail Gottlieb
P.O. Box 1945
Albuquerque, New Mexico 87103
(505) 883-2500
(505) 888-6565 (fax)

Attorneys for Premier Distributing Co., Inc.

NEW MEXICO TAXATION & REVENUE DEPARTMENT

By: 

Donald Harris
P.O. Box 8485
Albuquerque, New Mexico 87198-8485
(505) 841-6583
(505) 841-6315 (fax)

Attorneys for New Mexico Taxation & Revenue Dept.

KRAFSUR GORDON MOTT, P.C.

By: _____

Carlos Miranda
P.O. Box 1322
El Paso, Texas 79947-1322
(915) 545-1133
(915) 545-4433 (fax)
Attorneys for La Feria Park & Shop, Inc. River Oaks
Properties, Green/Watkins Partnership and Lakeway Shopping Center


SCOTT & KIENZLE

By: _____

Duncan Scott
P.O. Box 587
Albuquerque, New Mexico 87103-0587
(505) 246-8600
(505) 246-8682 (fax)

Attorneys for Los Lunas Shopping Center-East,
a New Mexico Limited Partnership

LINEBARGER HEARD GOGGAN BLAIR
GRAHAM PENA & SAMPSON, LLP

By: _____

David G. Aelvoet
711 Navarro, Suite 300
San Antonio, Texas 78205
(210) 225-6763
(210) 226-4308 (fax)

Attorneys for Tax Authorities

STRASBURGER & PRICE, L.L.P

By: Approved and submitted by JS

Jeffrey Fine
901 Main Street
Dallas, Texas 75202
(214) 651-4583
(214) 659-4074 (fax)

Attorneys for MDFC Equipment Leasing Corporation, a
Subsidiary of Boeing Capital Corporation

MARCHIONDO, VIGIL & ASSOCIATES, P.C.

By: _____

Kim Middlebrooks
315 Fifth Street
Albuquerque, New Mexico 87102
(505) 247-0751
(505) 247-0758 (fax)

Attorneys for Joe G. Maloof and Company

ASSET PURCHASE AGREEMENT

between

**FURR'S SUPERMARKETS, INC.
as Seller**

and

**FLEMING COMPANIES, INC.
as Purchaser**

Dated June 25, 2001



TABLE OF CONTENTS

Page

ARTICLE I
DEFINITIONS

Section 1.1 Definitions 2
Section 1.2 Terms Generally 11

ARTICLE II
SALE AND PURCHASE OF PURCHASED ASSETS

Section 2.1 Sale and Purchase of the Purchased Assets 11
Section 2.2 Rejected Properties 13
Section 2.3 Excluded Assets 14

ARTICLE III
LIABILITIES ASSUMED

Section 3.1 Assumption of Liabilities 15

ARTICLE IV
PURCHASE PRICE

Section 4.1 Purchase Price for Purchased Assets 17
Section 4.2 Reduction of Purchase Price 19
Section 4.3 Payment of Initial Purchase Price 20
Section 4.4 Adjustments to Cash Consideration 20

ARTICLE V
REPRESENTATIONS AND WARRANTIES

Section 5.1	<u>Representations and Warranties of Seller</u>	21
Section 5.2	<u>Representations and Warranties of Purchaser</u>	27

ARTICLE VI
CERTAIN LIMITATIONS ON REPRESENTATIONS AND WARRANTIES

Section 6.1	<u>Certain Limitations</u>	29
Section 6.2	<u>Disclosure Schedules</u>	29
Section 6.3	<u>Survival of Representations and Warranties</u>	29

ARTICLE VII
EMPLOYEE MATIERS

Section 7.1	<u>Workers' Compensation & Other Claims</u>	30
Section 7.2	<u>Employee Interviews</u>	30
Section 7.3	<u>Benefits</u>	30

ARTICLE VIII
ADDITIONAL COVENANTS

Section 8.1	<u>Approval of this Agreement</u>	31
Section 8.2	<u>Access to Information; Confidentiality</u>	32
Section 8.3	<u>Notification of Certain Matters</u>	33
Section 8.4	<u>Further Action</u>	33
Section 8.5	<u>Inspection</u>	34
Section 8.6	<u>Conduct of the Business</u>	34
Section 8.7	<u>Public Announcements</u>	35
Section 8.8	<u>Filings and Authorizations; Including HSR Act Filing</u>	35
Section 8.9	<u>Cure of Defaults</u>	36
Section 8.10	<u>Mutual Release</u>	36
Section 8.11	<u>Utilities</u>	37
Section 8.12	<u>Title Documents</u>	38
Section 8.13	<u>Environmental Reports</u>	39
Section 8.14	<u>Risk of Loss</u>	40

ARTICLE IX
CONDITIONS TO THE CLOSING

Section 9.1	<u>Conditions to Obligations of Purchaser</u>	40
Section 9.2	<u>Conditions to Obligations of Seller</u>	42

ARTICLE X
CLOSING

Section 10.1	<u>Closing</u>	43
Section 10.2	<u>Documents to be Delivered at Closing by Seller</u>	43
Section 10.3	<u>Deliveries at Closing by Purchaser</u>	45

ARTICLE XI
TERMINATION, AMENDMENT AND WAIVER

Section 11.1	<u>Termination</u>	45
Section 11.2	<u>Effect of Termination</u>	46
Section 11.3	<u>Termination Payments; Expenses</u>	47

ARTICLE XII
INDEMNIFICATION

Section 12.1	<u>Seller's Indemnity</u>	47
Section 12.2	<u>Purchaser's Indemnity</u>	48
Section 12.3	<u>Indemnification Procedure</u>	48
Section 12.4	<u>Limitations on Indemnification</u>	49

ARTICLE XIII
MISCELLANEOUS

Section 13.1	<u>Expenses</u>	50
Section 13.2	<u>Governing Law; Forum</u>	50
Section 13.3	<u>Notices</u>	51
Section 13.4	<u>Headings</u>	51

Section 13.5	<u>Successors and Assigns; Binding Effect</u>	51
Section 13.6	<u>Entire Agreement</u>	53
Section 13.7	<u>Counterparts; Effectiveness</u>	53
Section 13.8	<u>Severability</u>	53
Section 13.9	<u>Third Party Beneficiaries</u>	53
Section 13.10	<u>Amendments, Modification and Waiver</u>	54
Section 13.11	<u>Further Assurances</u>	54

LIST OF SCHEDULES AND EXHIBITS

SCHEDULES

Schedule 2.1(e)	Contracts
Schedule 2.1(f)	Permits
Schedule 2.3(e)	Other Excluded Assets
Schedule 2.3(f)	Claims Against Third Parties
Schedule 2.3(h)	Manager Benefit Plans
Schedule 4.2	Reduction of Purchase Price
Schedule 4.4(a)	Original Equipment Cost
Schedule 5.1(d)	Consents, Approvals and Authorizations
Schedule 5.1(f)(i)	Owned Real Property
Schedule 5.1(f)(ii)	Leased Real Property
Schedule 5.1(g)	Labor Matters
Schedule 5.1(i)	Sales Information
Schedule 5.1(l)	Environmental Matters
Schedule 5.2(d)	Government Consents

EXHIBITS

Exhibit A	Form of Bill of Sale
Exhibit B	Form of Assumption Agreement
Exhibit C	Inventory Valuation
Exhibit D	Form of Power of Attorney for the Pharmacy Licenses
Exhibit E	Form of Lease for the Liquor Licenses
Exhibit F	Form of Trademark Assignment

ASSET PURCHASE AGREEMENT, dated as of June 25, 2001 (this "**Agreement**"), by and among FURR'S SUPERMARKETS, INC., a Delaware corporation ("**Seller**"), and FLEMING COMPANIES, INC., an Oklahoma corporation ("**Purchaser**").

WHEREAS, on February 8, 2001, Seller filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "**Bankruptcy Code**") with the United States Bankruptcy Court for the District of New Mexico (the "**Bankruptcy Court**"), Case No. 01-010779-SA (the "**Chapter 11 Case**"), and Seller remains in possession and control of its assets and business as a debtor in possession;

WHEREAS, on June 1, 2001, Seller filed a motion with the Bankruptcy Court (the "**Sale Motion**"), in which among other things it moved for an order approving the sale of part or all of its operating assets to a purchaser to be determined at an Auction (as defined in the Sale Motion) to be held on June 27, 2001;

WHEREAS, Seller served notice of the Sale Motion on all parties entitled thereto, in accordance with the Bankruptcy Code and the Bankruptcy Rules;

WHEREAS, the Sale Motion recited that, before the Auction, Seller might enter into an asset purchase agreement for a Proposed Sale (as defined in the Sale Motion) of all or substantially all of its assets;

WHEREAS, Exhibit 4 to the Sale Motion described certain Bidding Procedures (as defined in the Sale Motion), to be used in connection with the consideration of any competing proposal to purchase Seller's assets;

WHEREAS, Seller has determined that it is in Seller's best interest to sell to Purchaser or its assignees or designees and Purchaser or its assignees or designees desires to purchase the Purchased Assets (as defined herein), and Purchaser or its assignees or designees desires to assume certain liabilities of Seller, all on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, Seller intends that the transactions contemplated in this Agreement will constitute the Proposed Sale; and

WHEREAS, subject to the entry of the Sale Order (as defined herein) and on the terms and conditions set forth herein, Purchaser shall purchase the Purchased Assets.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Action" means any claim, charge, action, suit, arbitration, mediation, inquiry, proceeding or investigation by any private Person or Governmental Authority before any Governmental Authority.

"Actual Inventory Purchase Price" has the meaning set forth in Section 4.1(a).

"Affiliate" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the first mentioned Person.

"Aggrieved" has the meaning set forth in Section 12.3(a).

"Agreement" means this Agreement, including the Schedules and the Exhibits, as amended from time to time in accordance with its terms.

"Alternative Offer" means any proposal or offer to Seller from any Person other than Purchaser or its Affiliates for the purchase and sale of any part of the Purchased Assets and Store Properties (except Rejected Properties and Other Rejected Properties) that if accepted and consummated, would make it impossible for Seller to perform its obligations under and to consummate this Agreement.

"Assumed Liabilities" has the meaning set forth in Section 3.1(a).

"Assumption Agreement" means an Assignment and Assumption Agreement, dated the Closing Date, between Seller and Purchaser, or Purchaser's assignees or designees, in substantially similar form to the Assignment and Assumption Agreement attached as Exhibit B.

"**Auction**" has the meaning set forth in the Sale Motion.

"**Bankruptcy Code**" has the meaning set forth in the Recitals.

"**Bankruptcy Court**" has the meaning set forth in the Recitals.

"**Bankruptcy Rules**" means the Federal Rules of Bankruptcy Procedure, the Bankruptcy Court's local rules, and any order entered by the Bankruptcy Court at any time.

"**Base Period**" means Seller's four (4) week period ended June 23, 2001.

"**Bidding Procedures**" has the meaning set forth in the Sale Motion.

"**Bill of Sale**" means a Bill of Sale, dated the Closing Date, between Seller and Purchaser, or Purchaser's assignees or designees, in substantially similar form to the Bill of Sale attached as Exhibit A.

"**Books and Records**" has the meaning given in Section 2.1(c).

"**Business Day**" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in the City of New York.

"**Bylaws**" means the bylaws of Seller, as amended through the date hereof.

"**CAM Charges**" means common area maintenance charges relating to the Leases for the leased Store Properties.

"**Cash Consideration**" has the meaning set forth in Section 4.1.

"**Casualty**" has the meaning set forth in Section 8.14.

"**Casualty Notice**" has the meaning set forth in Section 8.14.

"**Certificate of Incorporation**" means the Certificate of Incorporation of Seller, as amended through the date hereof.

"**Chapter 11 Case**" has the meaning set forth in the Recitals.

"Chapter 11 Expenses" means the costs incurred and expenses paid or payable by Seller in connection with the administration of the Chapter 11 Case, including, (a) professionals' fees and expenses allowed under Section 330 of the Bankruptcy Code, (b) fees and expenses payable to the United States Trustee under Section 1930 of title 28, United States Code, and (c) expenses of members of the Creditors' Committee.

"Claim" has the meaning set forth in Section 12.3(a).

"Closing" has the meaning set forth in Section 10.1.

"Closing Date" has the meaning set forth in Section 10.1.

"Code" means the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated thereunder.

"Confidentiality Agreement" means the Confidentiality Agreement, by and between Purchaser and Seller.

"Consent" means a consent, approval, authorization, waiver or notification from any Governmental Authority or other Person.

"Creditors' Committee" means the official committee of unsecured creditors, as appointed by the United States Trustee in the Chapter 11 Case.

"Deposit" shall mean a \$2,000,000 deposit paid by Purchaser to Seller's counsel on June 20, 2001 which accompanied its initial bid for the Purchased Assets.

"Encumbrance" means any claim, charge, encumbrance, option, hypothecation, easement, right-of-way, encroachment, covenant, restriction, reservation, security interest, lien, pledge, deed of trust or mortgage against or with respect to tangible or intangible property or rights, whether imposed by agreement, understanding, law, equity, or otherwise.

"Environmental Consultant" has the meaning set forth in Section 8.13.

"Environmental Laws" means all federal, state, local and foreign statutes, judicial decisions, regulations and ordinances concerning pollution or protection of the environment, public health and safety or employee health and safety as enacted and in effect on or prior to the Closing Date.

"Equipment Lease" has the meaning set forth in Section 2.1(b).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, together with the rules and regulations promulgated thereunder.

"ERISA Affiliate" has the meaning set forth in Section 3.1(b).

"Escrow Amount" has the meaning set forth in Section 4.1.

"Estimated Inventory Purchase Price" has the meaning set forth in Section 4.1(b).

"Excluded Assets" has the meaning set forth in Section 2.3.

"Excluded Liabilities" has the meaning set forth in Section 3.1(b).

"Final Order" means an order entered by the Bankruptcy Court (i) that has not been reversed, modified, or withdrawn and that remains in full force and effect, (ii) as to which the time to appeal or seek rehearing has expired and no appeal or request for rehearing is pending, and (iii) that is not the subject of a stay.

"Governmental Authority" means any United States federal, state or local or any foreign government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal or judicial or arbitral body.

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Hazardous Materials" means all substances defined as hazardous substances in the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. Section 300.5, or substances defined as hazardous substances, hazardous materials, toxic substances, hazardous wastes, pollutants or contaminants, under any applicable Environmental Law, including but not limited to, petroleum (including crude oil or any fraction thereof, asbestos, asbestos containing materials and polychlorinated biphenyls).

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

"Indemnitor" has the meaning set forth in Section 12.3(a).

"Initial Purchase Price" has the meaning set forth in Section 4.1(a).

"Intellectual Property" has the meaning set forth in Section 2.1(g).

"Inventory" has the meaning set forth in Section 2.1(k).

"Inventory Count" has the meaning set forth in Section 4.1(a).

"Inventory Reconciliation" has the meaning set forth in Section 4.1(b).

"IRS" means the Internal Revenue Service.

"Knowledge" of Seller means the actual knowledge after due inquiry of Steve Stork, Steven Mortensen, Steven Smart, Greg Mays, Terry Wallock and George Golleher.

"Law" means any federal, state, local or foreign statute, law, ordinance, regulation, rule, code, order, other requirement or rule of law.

"Lease" means a lease, sublease, license and use or occupancy agreement or other arrangement conveying the right to use Leased Real Property.

"Leased Real Property" means the real property leased or subleased by Seller pursuant to Leases for Store Properties listed in Schedule 5.1(f)(i), including, to the extent also leased by Seller, all buildings and other structures, facilities or improvements currently or hereafter located thereon, all fixtures of Seller attached or appurtenant thereto and all easements, licenses, rights and appurtenances relating to the foregoing, provided, that Leased Real Property does not include the head office of Seller or other real property which is not a Store Property.

"Liquor Licenses" means the licenses required to sell liquor products as they are and have been sold in the Store Properties.

"Losses" means losses, damages, claims and out-of-pocket expenses relating to the Store Properties.

"Major Title Defect" has the meaning set forth in Section 8.12(f).

"Management Agreement" has the meaning set forth in Section 13.5(c).

"Manager Benefit Plans" has the meaning set forth in Section 2.3(h).

"Material Adverse Change" means a decline in Same Store Sales for the four (4) week period ending at the end of the last complete business week prior to the Closing Date of more than ten percent (10%) from Seller's Same Store Sales for the Base Period.

"Material Adverse Effect" means, with respect to Seller, any circumstance, event, change or effect that is materially adverse to (i) the business, operations, results of operation or financial condition of Seller, taken as a whole, (ii) the Purchased Assets, or (iii) the validity or enforceability of this Agreement or the ability of Seller to perform its obligations hereunder in a timely fashion; other than, in each case (A) general changes in the U.S. economy, (B) general changes in the industries in which Seller does business, (C) changes arising from the filing, commencement and continuation of the Chapter 11 Case or (D) changes arising from the announcement of the transactions contemplated hereby.

"Other Rejected Property" has the meaning set forth in Section 4.2(a).

"Outside Date" has the meaning set forth in Section 11.1(e).

"Owned Real Property" means the real property owned by Seller listed on Schedule 5.1(f)(i), including all buildings and other structures, facilities or improvements currently or hereafter located thereon and all fixtures of Seller attached or appurtenant thereto and all easements, licenses, rights and appurtenances relating to the foregoing.

"PACA Bond" has the meaning set forth in Section 8.10.

"Permits" means all licenses, permits, certificates of authority, authorizations, approvals, registrations, franchises and similar consents granted or issued by any Governmental Authority, excluding Pharmacy Licenses and Liquor Licenses.

"Permitted Encumbrances" means:

(i) mechanics', carriers', workers', repairers', materialmen's, warehousemen's, landlord's and other similar Encumbrances arising or incurred in the ordinary course of

business, except for any such Encumbrance that (i) constitutes an Encumbrance against Seller's leasehold interest under any Lease or against any other Purchased Asset, or (ii) Seller must discharge in connection with the cure of defaults under any Lease, Purchased Contract, or other agreement to be assumed and assigned hereunder.

(ii) Encumbrances arising or resulting from any action taken by Purchaser:

(iii) Encumbrances for current Taxes, assessments and other governmental charges not yet due and payable or that may subsequently be paid without penalty or that are being contested in good faith by appropriate proceedings:

(iv) any other covenants, conditions, restrictions, reservations, rights, claims, rights-of-ways, easements and other encumbrances or matters affecting title that do not individually or in the aggregate materially adversely affect the value or use by Purchaser of any of the Real Property; and

(v) zoning, building, land use, and other similar restrictions imposed by law, statute, rule, regulation, ordinance, order or process promulgated by any Governmental Authority.

"Person" means an individual, corporation, partnership, association, limited liability company, trust, joint venture, unincorporated organization, other entity or group (as defined in Section 13(d)(3) of the Securities Exchange Act).

"Pharmacy Licenses" means the licenses required to operate the pharmacies as they are and have been operated in the Store Properties.

"Pharmacy Powers of Attorney" has the meaning set forth in Section 2.1(h).

"Proposed Sale" has the meaning set forth in the Sale Motion.

"Purchased Assets" has the meaning set forth in Section 2.1.

"Purchased Contracts" has the meaning set forth in Section 2.1(e).

"Purchase Price" means the Initial Purchase Price and the Inventory Purchase Price.

"**Purchaser**" has the meaning set forth in the Recitals.

"**Real Property**" means the Leased Real Property and the Owned Real Property.

"**Rejected Property**" has the meaning set forth in Section 2.2(a).

"**Rejected Property Notice**" has the meaning set forth in Section 2.2(a).

"**Rejection Deadline**" has the meaning set forth in Section 2.2(a).

"**Release**" means any release, spill, emission, discharge, leaking, pumping, injection, deposit, disposal or discharge of Hazardous Materials into the indoor or outdoor environment (including ambient air, surface water, groundwater, and surface or subsurface strata) or into or out of any property, including the movement of Hazardous Materials through or in the air, soil, surface water, groundwater or property.

"**Released Claims**" has the meaning set forth in Section 8.10.

"**Reports**" has the meaning set forth in Section 8.13.

"**Review Period**" has the meaning set forth in Section 8.12(d).

"**Sale Motion**" has the meaning set forth in the Recitals.

"**Sale Order**" has the meaning set forth in Section 8.1(b).

"**Sales Information**" has the meaning set forth in Section 5.1(i).

"**Same Store Sales**" means average weekly sales from the Store Properties in the aggregate (excluding Rejected Properties and Other Rejected Properties).

"**Seller**" has the meaning set forth in the Recitals.

"**Store Cash**" has the meaning set forth in Section 2.1(j).

"**Store Properties**" means the sixty-six (66) store properties of the Seller that are listed in Schedule 5.1(f)(i) and (ii) and "**Store Property**" means any one of the Store Properties.

"Supply Agreement" means the supply agreement between Seller and Purchaser, as it may be amended or any successor agreement thereto, relating to the supply of groceries, frozen foods, perishables and health and beauty care products and general merchandise by Purchaser to Seller.

"Survey" has the meaning set forth in Section 8.12(c).

"Tangible Personal Property" has the meaning set forth in Section 2.1(b).

"Taxes" means all taxes, levies or other like assessments, charges or fees (including estimated taxes, charges and fees), including income, corporation, gross receipts, franchise, license, transfer, excise, property, sales, use, ad valorem, value-added, license, payroll, pay as you earn, withholding, social security and franchise or other governmental taxes or charges, imposed by the United States or any state, county, local or foreign government or subdivision or agency thereof, and such term shall include any interest, penalties or additions to tax attributable to such taxes.

"Tax Return" means any report, return, statement or other written information required to be supplied to a taxing authority in connection with Taxes.

"Termination Fee" shall have the meaning set forth in Section 11.3(a).

"Termination Payment Order" has the meaning set forth in Section 8.1(a).

"Third Party Purchaser" has the meaning set forth in Section 13.5(b).

"Title Company" has the meaning set forth in Section 8.12(a).

"Title Documents" has the meaning set forth in Section 8.12.

"Trademark Assignment" means the trademark and trade name assignment agreement, dated the Closing Date, between Seller and Purchaser, substantially in the form of the trademark and trade name assignment set out in Exhibit F.

"Transaction Agreements" means the Trademark Assignment, the Bills of Sale, the Assumption Agreements, the Pharmacy Powers of Attorney, the Liquor License Leases and the deed referred to in Section 10.2(c).

"Transfer Taxes" means any and all sales, transfer, conveyance, deed, recording and/or documentary stamp taxes, fees and similar costs and charges relating to, or with respect to, the conveyance and transfer of the Purchased Assets.

"Warehouse" means the warehouse and storage facility of the Seller located at El Paso, Texas.

Section 1.2 Terms Generally. As used in this Agreement (a) words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other genders as the context requires. (b) the terms "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement and not to any particular provision of this Agreement, and Article, Section, paragraph, Exhibit and Schedule references are to the Articles, Sections, paragraphs, Exhibits and Schedules to this Agreement unless otherwise specified and (c) the word "including" and words of similar import, when used in this Agreement, shall mean "including, without limitation," unless otherwise specified.

ARTICLE II

SALE AND PURCHASE OF PURCHASED ASSETS

Section 2.1 Sale and Purchase of the Purchased Assets. Subject to the terms and conditions of this Agreement and the Sale Order, on the Closing Date, Seller shall unconditionally transfer, sell, assign, and deliver to Purchaser, or to its assignees and designees as provided herein, and Purchaser, or its assignees and designees as provided herein, shall purchase from Seller, on an "as is" and "where is" basis all of Seller's right, title and interest in, to and under any and all Store Properties and the assets located therein or set forth below (other than properties or assets included in the Excluded Assets) (collectively, the "**Purchased Assets**"), free and clear of all Encumbrances, other than the Assumed Liabilities and the Permitted Encumbrances, if any. Subject to Section 2.2 of this Agreement, the Purchased Assets shall consist of the following (and only the following):

(a) Fee simple title to the Owned Real Property and all of Seller's rights, titles and interests under the Leases.

(b) All furniture, fixtures, equipment, machinery, materials, and spare and replacement items therefor together with all warranties existing for the benefit of Seller and all of Seller's rights against the manufacturers or suppliers thereof (the "**Tangi-**

ble Personal Property") located at any Store Property owned by the Seller or leased by Seller under a lease agreement or arrangement with third parties (an "**Equipment Lease**"). Notwithstanding the foregoing, if at Closing Seller is unable to convey to Purchaser any Tangible Personal Property that is currently the subject of an Equipment Lease, free and clear of the lessor's interest, Seller shall either (i) assume and assign the Equipment Lease to Purchaser, or (ii) reject the Equipment Lease. In either case, the Purchase Price will be adjusted in the manner set forth in Section 4.4(a).

(c) All operating data and business records, including prescription files, located at the Store Properties which relate to the Purchased Assets (the "**Books and Records**").

(d) All assignable rights to telephone lines and numbers currently used by each Store Property and keys to the Store Properties and safe combinations.

(e) Certain of the contracts, agreements and purchase orders entered into by Seller, which are listed in Schedule 2.1(e) (other than contracts included in the Excluded Assets) that are expressly assumed by Purchaser at the Closing upon written notice to Seller prior to the Closing (the "**Purchased Contracts**"); provided, that prior to Closing, Purchaser shall notify Seller in writing which Purchased Contracts, if any, it is acquiring.

(f) All Permits owned or held by Seller which relate to the Store Properties and Tangible Personal Property, as listed in Schedule 2.1(f).

(g) All trade names, trademarks and service marks of the Seller, including the trade name Furr's and the related logo, trademarks and service marks which shall be assigned pursuant to the Trademark Assignment Agreement (the "**Intellectual Property**").

(h) All Pharmacy Licenses, which shall be transferred and assigned to Purchaser (i) on an interim basis by an executed power or powers of attorney (the "**Pharmacy Powers of Attorney**") substantially in the form of the power of attorney in Exhibit D pursuant to Section 10.2(k) and Section 10.3(f) and (ii) fully and finally pursuant to Section 8.4.

(i) All Liquor Licenses, which shall be transferred and assigned to Purchaser (i) on an interim basis by an executed lease or leases (the "**Liquor License**

Leases") substantially in the form of the lease in Exhibit E, pursuant to Section 10.2(l) and Section 10.3(f) and (ii) fully and finally pursuant to Section 8.4.

(j) Five thousand dollars (\$5,000) in cash at each of the Store Properties (the "**Store Cash**").

(k) All items of good and saleable inventory, including inventory paid for by Seller but not delivered at the time of the Inventory Count, supplies, packaging materials and other consumables of Seller located in each of the Store Properties, and such items of Seller's inventory located at the Warehouse, in each case excluding damaged, short-dated, private label, and out of season inventory, merchandise related to firearms or ammunition that can not be sold to Purchaser and other inventory not generally recognized as good and saleable (the "**Inventory**").

Section 2.2 Rejected Properties.

(a) Notwithstanding the foregoing subsections 2.1 (a) through (k), no later than thirty (30) days after the entry of the Sale Order, Purchaser may, by one or more written notices to Seller (each, a "**Rejected Property Notice**"), elect not to purchase up to twenty-six (26) of the Store Properties (each, a "**Rejected Property**" and collectively, the "**Rejected Properties**"). Purchaser may deliver Rejected Property Notices to Seller at any time up to and including the forty-fifth (45th) day after the entry of the Sale Order (the "**Rejection Deadline**"), except that if by the thirtieth (30th) day after the entry of the Sale Order, Purchaser has delivered Rejected Property Notices to Seller designating less than twenty (20) Rejected Properties, Purchaser may thereafter until the Rejection Deadline deliver Rejected Property Notices designating no more than six (6) additional Rejected Properties. The designation of a Rejected Property in a Rejected Property Notice shall be irrevocable. If a Rejected Property is a Leased Real Property, at the Closing Date, Seller shall not assign the Lease to Purchaser and Purchaser shall not assume the obligations thereunder. There shall be no adjustment to the Purchase Price as a result of the election of Purchaser to designate up to twenty-six (26) Rejected Properties.

(b) Purchaser will not purchase any of the assets described in subsections 2.1 (a) through (k) that relate solely to or are located at the premises of a Rejected Property.

(c) Notwithstanding any provision of the Supply Agreement, Seller will not be liable for any charges under the Supply Agreement related to the termination of the Supply Agreement with respect to a Store Property if Purchaser rejects such Store

Property and no longer supplies products to such Rejected Property, after such termination.

Section 2.3 Excluded Assets. Any provision of this Agreement to the contrary notwithstanding, any asset (of any nature, whether tangible or intangible, fixed, real, personal wherever situated, owned, held or used by Seller) or property which is not a Purchased Asset shall not be sold or assigned by Seller to Purchaser pursuant to this Agreement (collectively, the "**Excluded Assets**"), including, without limitation:

(a) The minute books, stock books, corporate seals and other corporate records of Seller relating to its organization and existence; provided, however, that after execution of this Agreement, Seller shall, on request by Purchaser, provide copies of such books, records and other materials not previously provided to Purchaser.

(b) The Purchase Price.

(c) All Tax Returns of Seller; provided, however, that after execution of this Agreement, Seller shall, on request by Purchaser, provide copies of such Tax Returns not previously provided to Purchaser.

(d) Any cash in the Store Properties, cash equivalents, New Mexico and Texas lottery scratchers, food stamps, New Mexico WIC checks, Texas WIC vouchers, postage stamps, Furr's gift certificates, coupons and other non-cash currency, money orders, undeposited, uncollected and returned checks, accounts receivable, bank accounts, certificates of deposit, treasury bills, treasury notes and marketable securities, except for the Store Cash of Store Properties that are not Rejected Properties.

(e) Any assets, properties or contracts listed in Schedule 2.3 (c) including contracts relating to in-store photo processing equipment and Sensormatic security tag systems.

(f) All rights, claims, credits, causes of action, condemnation proceedings, rights of set-off or other rights against third parties and the proceeds thereof, including any rights concerning any litigation in which Seller is a claimant, including all causes of actions under Chapter 5 of the Bankruptcy Code, except the rights and warranty claims against manufacturers and suppliers of Inventory and Tangible Personal Property relating to the Purchased Assets, and any claims released under this Agreement.

(g) Insurance policies of the Seller.

(h) All rights and claims relating to plans maintained for the benefit of managers and other certain employees of the Seller (the "**Manager Benefit Plans**") that are listed in Schedule 2.3(h).

(i) The Warehouse and all Tangible Personal Property located therein.

(j) Head Office of Seller located at 4411 The 25 Way N.E., Albuquerque, New Mexico and all Tangible Personal Property and assets located therein.

(k) Any and all prepaid rentals, other prepaid payments, security deposits, electric, gas, sewer and water deposits, deposited with the landlord under each Lease or with the relevant utility company.

(l) The Rejected Properties.

ARTICLE III

LIABILITIES ASSUMED

Section 3.1 Assumption of Liabilities.

(a) Assumed Liabilities. In connection with its acquisition of the Purchased Assets, and upon the terms and subject to the conditions set forth herein, Purchaser or its assignees or designees shall assume and become responsible for all liabilities and obligations whatsoever of Seller that arise out of or relate to the ownership of the Purchased Assets or the operation of Seller's business relating to the Purchased Assets, arising after the Closing and whether known or unknown, disclosed or undisclosed, matured or unmatured, accrued, absolute, contingent or otherwise, including the following liabilities and obligations (collectively, the "**Assumed Liabilities**"):

(i) all obligations to be performed under the Leases, the Purchased Contracts, and any other agreement, lease, license, permit, application, or commitment to be assigned to Purchaser and expressly assumed under this Agreement;

(ii) all liabilities and obligations, commencing on the Closing Date, pursuant to Section 7.1;

(iii) executory obligations arising or continuing after the Closing Date under the Purchased Contracts;

(iv) all Taxes allocable to Purchaser pursuant to Section 4.4(b) accruing from and after the Closing Date; and

(v) all liabilities or obligations under any Equipment Lease in the event that any Tangible Personal Property subject to such Equipment Lease cannot be acquired by Purchaser and Purchaser expressly assumes such Equipment Lease.

The foregoing are the only liabilities of Seller to be assumed by Purchaser in connection with the transactions contemplated by this Agreement or otherwise. Under no circumstance shall this Agreement be construed as obligating Purchaser to assume, perform, discharge, satisfy, or otherwise take responsibility for performance of any liabilities or obligations of Seller other than the Assumed Liabilities.

(b) Excluded Liabilities. Other than the Assumed Liabilities, Purchaser shall not assume and shall not be liable for any liabilities of Seller, regardless of the type or nature of such liabilities (collectively, the "**Excluded Liabilities**"), including:

(i) all liabilities which arise, whether before, on or after the Closing, out of, or in connection with, the Excluded Assets or any Excluded Property;

(ii) all liabilities of Seller relating to any event or condition giving rise to liability which occurs prior to the Closing;

(iii) all liabilities attributable to, incurred in connection with, arising from, or relating to, any bonus, incentive, deferred compensation, medical, health, life or other insurance, welfare, fringe benefit, severance, termination, retention, consulting, change of control, employment, stock option, stock appreciation right, stock purchase, phantom stock or other equity-based performance, vacation, pension, retirement or any other incentive, compensation or benefit plan, program, policy, agreement or arrangement (including any employee benefit plan as described in Section 3(3) of ERISA), sponsored, maintained, contributed to or required to be contributed to at any time by Seller or any trade or business which together with Seller would be deemed (or at any time would have been) a "single employer" within the meaning of Section 4001 of ERISA (each an "**ERISA Affiliate**"), for the benefit of any current or former employee, officer, director,

agent or consultant of Seller, or any ERISA Affiliate, whether formal or informal and whether legally binding or not; and

(iv) all liabilities relating to any product liability or similar claims, regardless of when made or asserted with respect to any product sold, manufactured or assembled by or on behalf of Seller on or prior to the Closing;

(v) Chapter 11 Expenses;

(vi) all Taxes for any period (or portion thereof) ending on or prior to the Closing Date other than Taxes allocable to Purchaser pursuant to Section 4.4(b);

(vii) liabilities or obligations in respect of any indebtedness for borrowed money or other interest-bearing obligations;

(viii) trade payables or general unsecured claims;

(ix) all amounts that must be paid under Section 365(b)(1)(A)-(B) of the Bankruptcy Code to permit Seller to assume and assign to Purchaser each Lease, Purchased Contract, Equipment Lease and other agreement to be assigned to Purchaser under this Agreement; which amounts Seller shall pay or provide for in accordance with Section 8.9;

(x) the contracts listed in Schedule 2.3(c); and

(xi) the Manager Benefit Plans.

ARTICLE IV

PURCHASE PRICE

Section 4.1 Purchase Price for Purchased Assets.

(a) On June 20, 2001, Purchaser paid to Seller the Deposit by wire transfer. The consideration for the Purchased Assets shall, subject to adjustment as provided in Sections 4.1(b), 4.2 and 4.4, consist of (i) fifty-seven million U.S. dollars in cash (\$57,000,000) (the "**Cash Consideration**"), (ii) assumption of the Assumed Liabilities (together (i) and (ii), the "**Initial Purchase Price**"), and (iii) the amount in

cash equal to the aggregate value of the Inventory as of the Closing Date determined in accordance with the valuation process ("**Inventory Count**") set out in Exhibit C attached hereto (the "**Actual Inventory Purchase Price**"). The Initial Purchase Price and the Inventory Purchase Price are hereinafter referred to collectively as the "**Purchase Price**."

(b) (i) The Inventory Count shall be conducted over a period of 4 days prior to Closing and, following completion of the Inventory Count, Seller and Purchaser shall estimate the amount of the Inventory Purchase Price ("**Estimated Inventory Purchase Price**").

(ii) Upon Closing, Purchaser shall pay the Estimated Inventory Purchase Price to Seller.

(iii) Promptly after Closing, but in any event no later than ten (10) days after Closing, Seller shall prepare and deliver to Purchaser a proposed reconciliation (the "**Inventory Reconciliation**") of the valuation of the Inventory from the date that the Inventory Count ends until the Closing Date for each Store Property.

(iv) (A) If the Actual Inventory Purchase Price is greater than the Estimated Inventory Purchase Price, then Purchaser shall pay the amount by which the Actual Inventory Purchase Price exceeds the Estimated Inventory Purchase Price to Seller on the first Business Day immediately following the determination of the Actual Inventory Purchase Price.

(B) If the Actual Inventory Purchase Price is less than the Estimated Inventory Purchase Price then Seller shall pay the amount by which the Estimated Inventory Purchase Price exceeds the Actual Inventory Purchase Price to Purchaser on the first Business Day immediately following the determination of the Actual Inventory Purchase Price.

(v) Purchaser shall have seven (7) days to review the Inventory Reconciliation. If Purchaser disagrees with the computation or calculation contained in the Inventory Reconciliation, Seller and Purchaser shall, within three (3) days following the delivery to Purchaser of the Inventory Reconciliation, meet and confer in good faith to resolve any disagreements regarding the Inventory Reconciliation. If the parties are unable to resolve such disagreements, the matter shall be submitted to the Bankruptcy Court for a determination, which determination shall be final and binding on the parties.

(c) Seller shall hold back two million dollars (\$2,000,000) of the Cash Consideration in escrow ("**Escrow Amount**") for one year following the Closing Date. The Escrow Amount shall be applied, if at all, in accordance with Article XII of this Agreement.

Section 4.2 Reduction of Purchase Price. The Purchase Price shall be reduced as follows:

(a) If prior to the Closing it is discovered that a Store Property is subject to a violation or violations of any Environmental Law and such violation or violations could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, Purchaser shall have the right, at Purchaser's option, to either (i) proceed with the Closing with the affected Store Property "as is" and take an assignment of Seller's claim against any party potentially responsible for remediation of any contamination giving rise to the violation or (ii) designate such Store Property as a Rejected Property (regardless of whether Purchaser has designated 26 Store Properties as Rejected Properties under Section 2.2 of this Agreement) ("**Other Rejected Properties**"), in which case Purchaser shall be relieved of any further obligations or liabilities under this Agreement with respect to the affected Store Property in violation of Environmental Law. If a Store Property is excluded from the sale of the Purchased Assets as set forth above, then (x) if the Store Property is one listed on Schedule 4.2, the Purchase Price shall be reduced by the amount provided on Schedule 4.2 for that Store Property but shall not be reduced if the Store Property is not listed on Schedule 4.2, (y) the Inventory at such Store Property shall be disregarded for purposes of calculating the Purchase Price, and (z) no property or assets (including Inventory) located at such Store Property shall be sold to Purchaser pursuant to this Agreement.

(b) As provided in Section 8.12(c).

(c) As provided in Section 8.14.

(d) If a supplemental disclosure by Seller pursuant to Section 6.2 would have, or would be reasonably expected to have, a Material Adverse Effect on a Store Property, then Purchaser shall have the right, at Purchaser's option, to either (i) proceed with the Closing with the affected Store Property "as is" or (ii) designate such Store Property as an Other Rejected Property, in which case the parties hereto shall be relieved of any further obligations or liabilities under this Agreement with respect to such Other Store Property. If a Store Property is excluded from the sale of the Purchased Assets as set forth above, then (x) if the Store Property is one listed on Schedule 4.2, the Purchase Price shall be reduced in amount provided on Schedule 4.2, but shall not be

reduced if the Store Property is not listed on Schedule 4.2, (y) the Inventory at such Store Property shall be disregarded for purposes of calculating the Purchase Price, and (z) no property or assets (including, without limitation, Inventory) located at such Store Property shall be sold to Purchaser pursuant to this Agreement.

Section 4.3 Payment of Initial Purchase Price. Purchaser shall pay Seller the Initial Purchase Price at Closing as follows:

- (a) Seller shall apply the Deposit toward payment of the Initial Purchase Price; and
- (b) Purchaser shall pay the Initial Purchase Price as adjusted, in accordance with Section 4.4, less the Deposit, to Seller by wire transfer in immediately available funds.

Section 4.4 Adjustments to Cash Consideration.

(a) In the event that Seller is unable to deliver the leased Tangible Personal Property free and clear of all Encumbrances, other than Assumed Liabilities and Permitted Encumbrances in accordance with Section 2.1, then, at Purchaser's sole discretion, Seller shall either reject the Equipment Lease pertaining to such Tangible Personal Property or the Seller shall assume and assign any such lease to Purchaser, in which case the Cash Consideration shall be reduced by the aggregate amount of:

- (i) the present value of all future lease payments required under such lease; and
- (ii) the fair market value of the Tangible Personal Property at the end of the applicable lease term, present value adjusted.

The parties agree that a discount factor of nine percent (9%) will be applied to any present value calculation and that the fair market value means fifteen percent (15%) of the original equipment cost calculated in Schedule 4.4(a) unless a higher percentage is specified in the applicable lease.

(b) Basic Prorations; Taxes; Utilities; Fees.

(i) On the Closing Date, real property taxes, personal property taxes, CAM Charges, utilities, local business or other license fees or Taxes generally computed on a periodic or per diem basis, and other similar periodic charges and rent or

other charges, if any, due under each Lease for each of the Leased Store Properties shall be prorated between Purchaser and Seller as of the Closing Date in accordance with the principles set forth in Section 164(d)(1) of the Code.

(ii) Personal property taxes for 2001 that are subject to proration pursuant to this Section 4.4(b)(i) shall be computed on the basis of actual amounts billed for such year or, if not so billed, on the basis of one hundred percent (100%) of actual taxes assessed or levied in 2000, adjusted to reflect changes in assessments or rates of taxes known to be in effect for 2001.

(iii) All prorated amounts shall be reflected as appropriate adjustments to the amount to be paid to Seller at the Closing Date.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of Seller. Seller hereby represents and warrants to Purchaser as follows:

(a) Good Standing. Except as a result of the commencement of the Chapter 11 Case, Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to own, lease and operate the Purchased Assets and to carry on the operation of its business at the Store Properties as now being conducted by it and, subject to Bankruptcy Court entry of the Sale Order, to sell and convey the Purchased Assets to Purchaser. Seller is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the property owned, leased or operated by it with respect to its business or the nature of the business conducted by it makes such licensing or qualification necessary, except in such jurisdictions where the failure to be so duly qualified or licensed or in good standing would not have a Material Adverse Effect.

(b) Authority. Subject to Bankruptcy Court entry of the Sale Order and to approval by the board of directors of Seller, Seller has the requisite corporate power and authority to execute and deliver this Agreement and the Transaction Agreements and, assuming due execution and delivery of the Transaction Agreements, to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Transaction Agreements and, assuming due execution and delivery of

the Transaction Agreements, the performance of its obligations hereunder and thereunder have been or will be duly and validly authorized by all necessary corporate action of Seller and no other corporate proceedings on the part of Seller are necessary to authorize the execution, delivery and, assuming due execution and delivery of the Transaction Agreements, performance of this Agreement and the Transaction Agreements other than the obtaining of the approval of the board of directors of Seller. This Agreement has been duly executed and delivered by Seller and, upon Bankruptcy Court entry of the Sale Order and due execution and delivery of the Transaction Agreements, this Agreement and the Transaction Agreements will constitute the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with its terms.

(c) Non-violative Agreement. Subject to the entry of the Sale Order and to approval by the board of directors of Seller, neither the execution and delivery of this Agreement or the Transaction Agreements, nor the performance by Seller of its obligations hereunder and thereunder will (i) conflict with or result in any breach of any provision of the Certificate of Incorporation or Bylaws (or similar organizational documents) of Seller; (ii) result in a violation or breach of, or constitute a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, mortgage, letter of credit, other evidence of indebtedness, guarantee, license, lease or agreement or similar instrument or obligation relating to the business of Seller or to which Seller is a party or by which Seller or any of the assets used or held for use by Seller may be bound or (iii) assuming that the Consents referred to in subsection (d) below have been obtained or made, as the case may be, violate any Governmental Order to which Seller is subject, excluding from the foregoing clauses (ii) and (iii) such requirements, defaults, breaches, rights or violations that would not have a Material Adverse Effect or that would prevent or delay the consummation of the transactions contemplated hereby. The representation in the preceding sentence shall not apply to any such breach, violation, or default of or under a provision of an agreement or other document that is rendered unenforceable by the Bankruptcy Code.

(d) Consents, Approvals and Authorizations. Except as set forth on Schedule 5.1(d), subject to the entry of the Sale Order, no Consent of any Governmental Authority is required in connection with the execution and delivery of this Agreement or the Transaction Agreements by Seller or the performance by Seller of its obligations hereunder and thereunder, except (i) compliance with any applicable requirements of the HSR Act, (ii) filings required by the Bankruptcy Code and the Bankruptcy Rules and (iii) such other Consents of any Governmental Authority the failure of which to be obtained, individually or in the aggregate, or made would not be reasonably expected to have a Material Adverse Effect.

(e) Personal Property. At the Closing, Seller will own or hold under a valid lease all Tangible Personal Property, free and clear of any Encumbrance, except for Permitted Encumbrances and Assumed Liabilities, and except where the failure to hold such property would not be reasonably expected to have a Material Adverse Effect.

(f) Real Property.

(i) Owned Real Property. Schedule 5.1(f)(i) contains a complete and correct legal description of all Owned Real Property.

(A) Seller will have upon the Closing Date, good, valid and insurable fee simple title to the Owned Real Property subject only to Permitted Encumbrances.

(B) Except as listed on Schedule 5.1(f)(i), there are no outstanding options or rights of first refusal to purchase the Owned Real Property, or any material portion thereof or interest therein.

(C) There are no pending or, to the Knowledge of Seller, threatened condemnation proceedings, lawsuits, or administrative actions relating to the Owned Real Property or other matters which adversely affect the current use or occupancy thereof.

(D) To the Knowledge of Seller, all facilities located at the Owned Real Property have received all approvals of Governmental Authorities (including material licenses and Permits) required in connection with the ownership or operation thereof, and have been operated and maintained in accordance with applicable laws, and regulations in all material respects.

(E) Except as set forth on Schedule 5.1(f)(i), there are no leases, subleases, licenses, concessions, or other agreements, written or oral, granting to any third party the right of use or occupancy of any portion of the Owned Real Property or interest therein.

(F) Except as set forth on Schedule 5.1(f)(i), there are no third parties in possession of any parcel of Owned Real Property.

(ii) Leased Real Property. Schedule 5.1(f)(ii) contains a complete and correct list of all Leased Real Property.

(A) True, correct and complete copies of all Leases relating to the Leased Real Property have heretofore been delivered or made available by Seller to Purchaser. The Leases have not been modified, supplemented or amended, except as set forth on Schedule 5.1(f)(ii).

(B) Except as limited by the Bankruptcy Code, all Leases are valid, binding and in full force and effect and are enforceable by Seller and grant the lessee under the applicable Lease the exclusive right to use and occupy the premises leased thereby.

(C) Seller has good, marketable and valid title to the leasehold estate or other interest created under each Lease free and clear of all Encumbrances except Permitted Incumbrances and is not in default under any Lease, except (1) for defaults relating to the insolvency or the financial condition of Seller or the commencement of the Chapter 11 Case, (2) where such default would not materially and adversely impair the ability of Purchaser to conduct the business as presently conducted on the Leased Real Property, and (3) for such defaults as will be cured in connection with Seller's assumption and assignment of the Leases.

(D) To the Knowledge of Seller, no party to any Lease has repudiated any material provision thereof and Seller has not received from, or delivered to, the other party to any Lease notice of the termination thereof.

(E) Except as set forth on Schedule 5.1(f)(ii), there are no material disputes, oral agreements, or forbearance programs in effect as to any Lease.

(F) All facilities operated by Seller which are located at the Leased Real Property have received all material approvals of Governmental Authorities (including material licenses and Permits) required in connection with the operation thereof, and have been operated and maintained in accordance with applicable laws, rules, and regulations in all material respects.

(G) As of the Closing Date, Seller will not be in default under (except for defaults of the type referred to in Section 365(b)(2) of the Bankruptcy Code) or violation of (and no event will have occurred

which with notice or lapse of time would constitute a default or violation) any term, condition or provision of (i) any Lease which would give rise to a right to terminate any such Lease, or (ii) any order, injunction or decree applicable to the property, except for defaults or violations which could not reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect.

(H) Seller does not have Knowledge of any insolvency or bankruptcy proceeding involving any landlord under any Lease. Seller has not received notice from the landlord under any Lease that it is disputing the calculation of any rent or other amount to be paid by Seller under such Lease. There is no material tenant improvement work required to be performed or allowances payable by any landlord under the Leases which work has not been completed and fully paid for, or allowance fully paid to the Seller, and there is no such tenant improvement work or allowance which is hereafter required to be performed or paid.

(g) Labor Matters. Except as set forth on Schedule 5.1(g), (i) Seller is not a party to or bound by any collective bargaining agreement or other labor union contract applicable to persons employed by Seller, (ii) there are no unfair labor practice charges or complaints, or any current union representation questions, involving employees of Seller pending against Seller before the National Labor Relations Board, and (iii) to the Knowledge of Seller there is no labor strike, lockout, organized slowdown or organized work stoppage in effect or threatened against Seller other than, in cases of clauses (ii) and (iii), those matters which would, individually or in the aggregate, not have a Material Adverse Effect.

(h) Certain Fees. Seller has not employed any financial advisor or finder and has not incurred any liability for any financial advisory or finders' fees in connection with this Agreement or the transactions contemplated hereby, except Peter J. Solomon Company, whose fees and expenses will be paid by Seller in accordance with Seller's agreement with such firm.

(i) Sales Information. Seller has made available to the Purchaser certain unaudited sales information set out in Schedule 5.1(i), and will make available certain unaudited sales information to Purchaser between the date of this Agreement and Closing, for the Store Properties (the "**Sales Information**"), and the Sales Information presents fairly in all material respects the sales of the Store Properties and other information set forth therein as of the dates indicated thereon and has been prepared on a basis consistent with the Seller's historical internal period reports for the Store Properties.

(j) To the Knowledge of Seller, there are no pending or threatened condemnation, zoning, expropriation, eminent domain or similar proceedings affecting the Real Property, and Seller has not received any written notice of any such proceeding.

(k) All of the Inventory is owned by and was acquired by Seller in the ordinary course of business. All items of Inventory are generally of a quality useable and saleable in the ordinary course of business. All items of Inventory in existence on the Closing Date will be located at the Stores or in the Warehouse. No item included in the Inventory has been the subject of a recall initiated by a Governmental Authority. To the Knowledge of Seller, the Inventory (i) will be of a quality and purity that complies with current United States Food and Drug Administration and United States Department of Agriculture regulations and (ii) will not be adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act, as amended, or within the meaning of any applicable state or municipal law.

(l) Environmental. Except as disclosed on Schedule 5.1(l) to this Agreement, to the Knowledge of Seller:

(i) The Store Properties comply with all Environmental Laws, except for such non-compliance which could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect;

(ii) Seller has all Permits, licenses and other authorizations that are required pursuant to Environmental Laws for the occupation and operation of the Store Properties, except for such Permits, licenses or other authorizations the absence of which could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect;

(iii) Seller has not received any written notice regarding any actual violation or any liabilities or potential liabilities (including any investigatory, remedial or corrective obligations) under Environmental Laws, in each case relating to Store Properties except for notice of such violations or liabilities which could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect; and

(iv) To the Knowledge of Seller, Seller has made available to Purchaser all reports, notices and correspondence in Seller's possession relating to environmental matters with respect to the Store Properties; and

(v) During the period of operation by Seller of the Store Properties, there have been no Releases of Hazardous Material by Seller in, on, under or affecting the Real Property at concentrations requiring remediation under applicable Environmental Laws which would reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect. Prior to the period of ownership or operation by Seller of any of the Store Properties, to the Knowledge of Seller there were no Releases of Hazardous Material in, on, under or affecting the Store Properties at concentrations requiring remediation under applicable Environmental Laws.

Section 5.2 Representations and Warranties of Purchaser. Purchaser hereby represents and warrants to Seller the following:

(a) Good Standing. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and has all requisite corporate power and authority to own, lease and operate the properties owned, leased and operated by it and to carry on its operations and business as now being conducted.

(b) Authority. Purchaser has the requisite corporate power and corporate authority to execute and deliver this Agreement and the Transaction Agreements and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Transaction Agreements and the performance by Purchaser of its obligations hereunder and thereunder have been or, by the Closing Date, will have been duly and validly authorized by the board of directors of Purchaser and no other corporate or stockholder proceeding on the part of Purchaser is necessary to authorize the execution, delivery and performance of this Agreement or the Transaction Agreements. This Agreement and the Transaction Agreements have been duly executed and delivered by Purchaser and constitute, assuming due authorization, execution and delivery of this Agreement and the Transaction Agreements by Seller, valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their terms, except that such enforcement may be subject to or limited by (i) bankruptcy, insolvency or other similar laws, now or hereafter in effect, affecting creditors' right generally, and (ii) the effect of general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

(c) Non-violative Agreement. Neither the execution and delivery of this Agreement or the Transaction Agreements, nor the performance by Purchaser of its obligations hereunder and thereunder will (i) conflict with or result in any breach of any provision of the certificate of incorporation or bylaws (or similar organizational docu-

ments) of Purchaser; (ii) result in a violation or breach of, or constitute a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, mortgage, letter of credit, other evidence of indebtedness, guarantee, license, lease or agreement or similar instrument or obligation relating to the business of Purchaser or to which Purchaser is a party or by which Purchaser or any of the assets used or held for use by Purchaser may be bound or (iii) assuming that the Consents referred to in subsection (d) below have been obtained or made, as the case may be, violate any Governmental Order to which Purchaser is subject, excluding from the foregoing clauses (ii) and (iii) such requirements, defaults, breaches, rights or violations that would not have an effect that is materially adverse to Purchaser's business, operations or financial condition, or that would prevent or delay the consummation of the transactions contemplated hereby.

(d) Consents, Approvals and Authorizations. Except as set forth on Schedule 5.2(d), no Consent of any Governmental Authority is required in connection with the execution and delivery of this Agreement and the Transaction Agreements by Purchaser or the performance by Purchaser of its obligations hereunder and thereunder, except (i) compliance with any applicable requirements of the HSR Act, (ii) filings required pursuant to the Bankruptcy Code and the Bankruptcy Rules and (iii) such other Consents the failure of which to be obtained or made would not be reasonably expected to have an effect that is materially adverse to Purchaser's business, operations or financial condition, or that would prevent or delay the consummation of the transactions contemplated hereby.

(e) Certain Fees. Purchaser has not employed any financial advisor or finder and has not incurred any liability for any financial advisory or finders' fees in connection with this Agreement or the transactions contemplated hereby, except The Food Partners, whose fees and expenses will be paid by Purchaser.

(f) Financing. Purchaser has on the date of execution of this Agreement and will have at the Closing sufficient available funds (through existing credit arrangements, commitment letters or otherwise) to pay the Purchase Price and all fees and expenses required to be paid in connection with the transactions contemplated hereby.

ARTICLE VI

CERTAIN LIMITATIONS ON REPRESENTATIONS AND WARRANTIES

Section 6.1 Certain Limitations. Each of the parties is sophisticated and experienced in complex business transactions and has been advised by knowledgeable counsel and, to the extent it deemed necessary, other advisors in connection with this Agreement. Accordingly, each of the parties hereby acknowledges that there are no representations or warranties by or on behalf of either party hereto or any of its respective Affiliates or representatives other than those expressly set forth in this Agreement.

Section 6.2 Disclosure Schedules. The representations and warranties made in this Agreement by Seller will be deemed for all purposes to be qualified by the applicable disclosures made in the Schedules, whether or not in the case of any particular representation or warranty such representation or warranty refers to the Schedule in which the disclosure is made or to any other Schedule. The inclusion of an item on a Schedule does not constitute an admission that such item is material to Seller's business. From time to time prior to the Closing, Seller shall, by written notice to Purchaser, amend the Schedules hereto relating to the representations and warranties in this Agreement to reflect any matters hereafter arising or which hereafter come to their attention which, if existing, occurring or known to Seller at the date of this Agreement, would have been required to be set forth or described in the Schedules to this Agreement.

Section 6.3 Survival of Representations and Warranties.

(a) The representations and warranties of Seller and Purchaser contained in this Agreement and in any certificate or writing delivered pursuant hereto shall only survive for twelve (12) months following the Closing Date.

(b) EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES MADE BY SELLER UNDER ARTICLE V OF THIS AGREEMENT, ALL THE PURCHASED ASSETS TO BE CONVEYED, ASSIGNED, TRANSFERRED AND DELIVERED PURSUANT TO THIS AGREEMENT SHALL BE CONVEYED, ASSIGNED AND TRANSFERRED ON AN "AS IS" AND "WHERE IS" BASIS WITH ALL FAULTS, WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, IN FACT OR BY LAW WITH RESPECT TO THE PURCHASED ASSETS, AND WITHOUT ANY RECOURSE AGAINST THE SELLER EXCEPT PURSUANT TO ARTICLE XII OF THIS AGREEMENT.

ARTICLE VII

EMPLOYEE MATTERS

Section 7.1 Workers' Compensation & Other Claims. Purchaser shall not be obligated to hire any of Seller's employees or have any liability under the Manager Benefit Plans. Seller shall be responsible for all workers' compensation, sexual harassment, discrimination and other claims relating to the employees of Seller at the Store Properties arising out of events occurring prior to the Closing Date, including without limitation all obligations arising under or related to the Manager Benefit Plans, with the exception of any claims relating to any act of Purchaser, a potential Third Party Purchaser (as hereinafter defined) or a Third Party Purchaser. Purchaser shall be responsible for all workers' compensation, sexual harassment, discrimination and other claims relating to the employees of Purchaser at the Store Properties arising out of events occurring after the Closing Date.

Section 7.2 Employee Interviews. Prior to the Closing, Purchaser or the Third Party Purchasers shall interview all of the employees who desire to be employed by Purchaser or the Third Party Purchasers after the Closing; provided, Purchaser and the Third Party Purchasers shall have no obligation to hire any of the employees. Such interviews shall be conducted, consistent with applicable Law and at such times and places as shall be mutually agreeable to Purchaser (or the Third Party Purchasers) and reasonable efforts will be made by Purchaser (and the Third Party Purchasers) and Seller to ensure that such interviews will occur at least two (2) weeks before the Closing Date.

Section 7.3 Benefits. Neither Purchaser nor any Third Party Purchaser is obligated to assume, or to comply with any collective bargaining agreement or employment contract negotiated by Seller with any union or with any of its employees. With respect to any employees whom Purchaser or any Third Party Purchaser may decide to hire, neither Purchaser nor any Third Party Purchaser is not obligated to carry over any fringe benefit eligibility, length of service, vacation, sick leave, or other entitlement or any benefit, policy or practice accrued by such employees during their term of employment with Seller or to assume any obligation under any Manager Benefit Plan.

ARTICLE VIII

ADDITIONAL COVENANTS

Section 8.1 Approval of this Agreement.

(a) Seller shall file a motion and supporting papers (including a proposed order) in form and substance reasonably satisfactory to Seller and Purchaser seeking the entry of an order by the Bankruptcy Court approving the payment of the Termination Fee (the "**Termination Payment Order**"). Seller shall use its reasonable best efforts to cause the entry of the Termination Payment Order as promptly as possible and, in any event, before the Auction.

(b) Seller shall use its reasonable best efforts to cause the entry of an order approving this Agreement (the "**Sale Order**") by the Bankruptcy Court as promptly as possible. The Sale Order shall be in form and substance reasonably satisfactory to both Seller and Purchaser and shall, among other things, (i) approve this Agreement, (ii) authorize Seller to consummate the transactions contemplated in this Agreement, (iii) provide that Purchaser shall acquire the Purchased Assets under this Agreement free and clear of all Encumbrances, other than Assumed Liabilities and Permitted Encumbrances, (iv) provide that Purchaser is not and shall not become, by virtue of the consummation of the transactions contemplated in this Agreement, liable for the Excluded Liabilities, (v) include a finding that, at the Closing, Purchaser or its designees or assignees shall acquire the Purchased Assets under this Agreement in "good faith," as that term is used in Section 363(m) of the Bankruptcy Code, and is entitled to the benefits of that section, and (vi) order that no automatic stay under Rule 62(a) of the Federal Rules of Civil Procedure applies to the Sale Order, and that the parties to this Agreement may cause the Closing to occur as soon as practicable after the entry of the Sale Order.

(c) Purchaser shall use its reasonable best efforts to assist Seller in obtaining the approval of the entry of the Termination Payment Order, the Sale Order, and each order authorizing the assignment or transfer of Purchased Assets to Purchaser or a Third Party Purchaser, including providing evidence to show adequate assurance of future performance by Purchaser and any Third Party Purchaser, as required under Section 365(b)(1)(C) of the Bankruptcy Code.

(d) Unless the Termination Payment Order is not entered or does not become a Final Order, none of Purchaser or any of its Affiliates, advisors or agents shall seek to be paid or otherwise receive any compensation pursuant to Section 503(b) of the

Bankruptcy Code or otherwise for making a substantial contribution in the Chapter 11 Case.

Section 8.2 Access to Information; Confidentiality.

(a) Upon reasonable advance notice, Seller shall, and shall cause each of its respective officers, directors, employees and other agents to afford the officers, directors, employees and other agents of Purchaser reasonable access during normal business hours to the officers, directors, employees, agents, properties, offices, plants and other facilities of Seller and to all books and records, and shall furnish Purchaser with all financial, operating and other data and information, including the Sales Information, (other than any Alternative Offer received prior to the date hereof) with respect to the Purchased Assets as Purchaser, through its officers, employees or agents may reasonably request. Without limiting the foregoing, Purchaser shall have the right to have reasonable access to the Store Properties in order to conduct, at Purchaser's discretion, Phase I environmental site assessments of any of the Store Properties, which assessments may include the visual inspection of site conditions; review of pertinent records, if available, regarding environmental conditions at the Store Properties; and discussions with relevant employees of Seller regarding environmental conditions. In exercising its rights hereunder, Purchaser shall not interfere with the conduct of the business of Seller prior to Closing. Purchaser shall promptly notify Seller if it becomes aware of any fact or circumstance that would suggest that any representation or warranty made by Seller hereunder is untrue or inaccurate in any material respect.

(b) Subject to written waivers previously granted by Seller, the Confidentiality Agreement shall remain in full force and effect. Notwithstanding the existence of the Confidentiality Agreement, Seller acknowledges and agrees that following the Auction, Purchaser shall commence discussions with prospective Third Party Purchasers and landlords regarding the purchase of certain of the Store Properties. Seller has previously granted waivers to Purchaser from the obligations under the Confidentiality Agreement to permit discussions between Purchaser and certain of its independent retail customers regarding the possible purchase of certain Store Properties. Purchaser shall continue such discussions notwithstanding the terms of the Confidentiality Agreement. In the event that it is requested by any potential Third Party Purchaser, Seller shall promptly grant a written waiver to Purchaser regarding the Confidentiality Agreement and to the potential Third Party Purchaser regarding any confidentiality agreement they have executed with Seller.

(c) No investigation pursuant to this Section 8.2 shall affect any representations or warranties of the parties herein or the conditions to the obligations of the parties hereto.

(d) Seller shall provide Purchaser with drafts of all documents, motions, orders, filings or pleadings that Seller proposes to file with the Bankruptcy Court which relate to (i) this Agreement or the transactions contemplated hereunder, (ii) entry of the Termination Payment Order and Sale Order and (iii) the purchase of the Purchased Assets, and will provide Purchaser with a reasonable opportunity to review such documents in advance of their service and filing to the extent reasonably practicable under the circumstances.

Section 8.3 Notification of Certain Matters. Seller shall give prompt notice to Purchaser, and Purchaser shall give prompt notice to Seller, of (i) the occurrence or nonoccurrence of any event the occurrence or nonoccurrence of which would be likely to cause any representation or warranty contained in this Agreement to be materially untrue or inaccurate (without giving effect to any limitation as to "materiality" set forth therein), (ii) any failure of Seller or Purchaser, as the case may be, to comply materially with or satisfy materially any covenant, condition or agreement to be complied with or satisfied by it hereunder and (iii) the occurrence or non-occurrence of any event the occurrence or non-occurrence of which would have a Material Adverse Effect; provided, however, that the delivery of any notice pursuant to this Section 8.3 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

Section 8.4 Further Action.

(a) Upon the terms and subject to the conditions hereof, each of the parties hereto shall use its reasonable best efforts to take or cause to be taken all appropriate action and to do or cause to be done all things necessary, proper or advisable under applicable Laws to consummate the transactions contemplated by this Agreement as promptly as practicable, including using its reasonable best efforts (i) to obtain all Permits and Consents of Governmental Authorities and parties to contracts with Seller as are necessary for the consummation of the transactions contemplated by this Agreement, (ii) to fully assign and transfer licenses necessary to conduct businesses and operations as they are and have been conducted at the Store Properties, including the Pharmacy Licenses and the Liquor Licenses, and (iii) to fulfill the conditions to the Closing.

(b) Each party hereto agrees to cooperate in obtaining any other Consents and approvals that may be required in connection with the transactions contem-

plated by this Agreement; provided, however, that no party hereto shall be required to compensate any third party to obtain any such Consent or approval.

Section 8.5 Inspection.

(a) From and after the Closing Date, Purchaser and Seller will each permit the agents, representatives, attorneys and accountants of the other party hereto, at all reasonable times during regular business hours, to inspect and copy, at the expense of such other party, the books, files, records, and accounts of such other party then in its possession relating to periods prior to Closing, for any reasonable purpose including, (i) analysis or verification of amounts payable in respect of Taxes for which Seller is not liable under Section 4.4(b) hereof, (ii) reconciliation of claims or other liabilities, and (iii) administration of the Chapter 11 Case; provided, however, that any such inspection or copying shall be done so as not to interfere with such other party's business and shall be subject to the terms and conditions of a confidentiality agreement to which such other party and its agents, representatives, attorneys and accountants shall be subject.

(b) Purchaser shall preserve all documents, books and records concerning the Purchased Assets which Seller delivers to Purchaser pursuant to this Agreement for a period of two (2) years from the Closing Date. During such two (2) year period, on reasonable notice and during normal business hours, Purchaser shall allow Seller full access to all such documents relating to the Purchased Assets, shall permit Seller to make copies thereof and extracts therefrom, and shall grant to Seller access to the knowledge of such Purchaser's personnel as necessary to assist Seller in the Chapter 11 Case, including assisting with the process of investigating and attempting to resolve claims filed in the Chapter 11 Case, and, at Seller's expense, consulting and testifying as necessary. Purchaser at all times will determine the assigned duties of its personnel and will reasonably accommodate Seller's request for support subject to their availability to carry out their responsibilities.

Section 8.6 Conduct of the Business. Seller agrees that, during the period from the date hereof until the earlier of the Closing or the termination of this Agreement, except as (i) otherwise expressly contemplated hereby or (ii) consented to by Purchaser in writing, Seller:

(a) shall use its reasonable efforts to cause its business operations to be conducted in the ordinary course consistent with past practice;

(b) shall not engage in any extraordinary transactions without obtaining the prior written consent of Purchaser;

(c) shall not cease operations at any of the Store Properties except Rejected Properties;

(d) except with respect to Rejected Properties, shall not change its pricing strategy in a manner inconsistent with past practice, display signs indicating that Seller is moving its operations or closing its business, conduct any going out of business or liquidation sales relating to the Store Properties, or permit Inventory levels in the Store Properties to be reduced below historical levels for the applicable Store Property;

(e) shall comply with all of its obligations under the Leases, and to the extent it is in default of its obligations under any of the Leases, shall cure such default;

(f) shall not amend, modify or terminate any Lease;

(g) shall use commercially reasonable efforts to maintain the goodwill of, and preserve its relationship with, customers, suppliers, brokers, agents and others with whom Seller has relationships relating to the operation of the Purchased Assets;

provided, that Seller shall not be in breach of this Section 8.6 if it closes any one hour photo department in any Store Property.

Section 8.7 Public Announcements. Except as required to be filed with the Bankruptcy Court, neither Seller, Purchaser nor any of their respective Affiliates, shall issue or cause the publication of any press release or other public announcement with respect to the transaction contemplated hereby, this Agreement or the other transactions contemplated hereby without prior consultation with the other party, except such disclosure as may be required by Law or by any listing agreement with a national securities exchange.

Section 8.8 Filings and Authorizations; Including HSR Act Filing.

(a) Purchaser and Seller shall promptly file all necessary registrations and filings, including, but not limited to, filings under the HSR Act and submissions of additional information requested by any Governmental Authority. Both Purchaser and Seller further agree that they will, and will cause their respective Affiliates to, comply with any applicable post-Closing notification requirements of any antitrust, trade competition, investment or control reporting or similar law or regulation of any Government Authority with competent jurisdiction. Both Purchaser and Seller agree to cooperate with and promptly to consult with, to provide any reasonably available information with

respect to, and to provide, subject to appropriate confidentiality provisions, copies of all presentations and filings to any Governmental Authority to the other party or its counsel.

(b) In addition to the covenants set forth in (a) above, Purchaser shall use its best efforts to ensure that the consents, approvals, waivers or other authorizations from Governmental Authorities, including antitrust clearance under the HSR Act, are obtained as promptly as practicable and that any conditions established by any such Governmental Authorities are wholly satisfied. In fulfillment of this covenant, Purchaser agrees, among other steps or actions and without limiting the scope of Purchaser's obligations, to:

(i) offer and agree to an order providing for the divestiture by Purchaser and its Affiliates of such properties, assets, operations or businesses of Purchaser and such properties, assets, or operations of the Seller as are necessary to permit Purchaser fully to complete the transactions contemplated by this Agreement;

(ii) offer and agree to hold separate such properties, assets, operations or business, pending the satisfaction or termination of any such conditions, restrictions or agreements affecting the Purchaser's full rights of ownership of Seller (or any portion thereof) as may be necessary to permit Purchaser fully to complete the transactions contemplated by this Agreement;

(iii) satisfy any additional conditions imposed by Governmental Authorities with respect to the acquisition of Seller; and

(iv) oppose fully and vigorously any litigation relating to this Agreement or the transactions contemplated hereby, including to appeal promptly any adverse decision or order by any Governmental Authority.

Section 8.9 Cure of Defaults On or before the effective date of the assignment of any Lease, Purchased Contract or other agreement thereunder, Seller will pay or provide for all amounts that must be paid under Section 365(b)(1)(A)-(B) of the Bankruptcy Code, in the manner directed or approved by the Bankruptcy Court, to permit Seller to assume and assign to Purchaser or any Third Party Purchaser such Lease, Purchased Contract or other agreement.

Section 8.10 Mutual Release Effective upon the Closing, Seller and Purchaser, on behalf of themselves, and each of their respective subsidiaries, affiliates, officers, directors, employees, agents, attorneys, successors and assigns, and in the case of Seller,

on behalf of the estate created by the Chapter 11 Case, release and discharge each other and each of their respective subsidiaries, affiliates, officers, directors, employees, agents, attorneys, successors and assigns, of and from all claims, demands and causes of action, whether known or unknown, secured or unsecured, matured or unmatured, absolute, liquidated or contingent, including without limitation any and all claims and causes of action arising under Chapter 5 of the Bankruptcy Code ("**Released Claims**"). arising prior to the date of this Agreement, except (i) Released Claims arising from this Agreement, (ii) Released Claims arising from or related to the purchase of products by Seller from Purchaser in the ordinary course of business and (iii) claims in respect of certain pre-petition unpaid amounts owed to Purchaser for the sale of perishable products for which Purchaser currently holds rights against a surety bond issued by Frontier Insurance Company for Purchaser's benefit (the "**PACA Bond**"). Anything to the contrary notwithstanding, Purchaser agrees to look solely to the PACA Bond for recovery on account of the pre-petition amounts owed by Seller to Purchaser for the sale of perishable products. The parties understand and acknowledge that they may not have knowledge of all facts giving rise to a Released Claim; nonetheless, it is their intent to release each other from all Released Claims as an integral part of the transactions contemplated by this Agreement.

Section 8.11 Utilities. Promptly following the entry of the Sale Order, the parties shall notify the gas, water, telephone and electric utility companies servicing the Store Properties that Purchaser shall be responsible for the payment of, and shall promptly pay all obligations incurred therefor on or after the Closing Date for the Store Properties. Seller shall request the gas, water and electric utility companies to cause meters to be read as of the Closing Date, Seller shall be responsible for the payment of, and shall promptly pay, all charges for such services incurred and provided through the Closing Date. Seller shall request the telephone company to render a bill for telephone service incurred at the Store Properties through the Closing Date, and Seller shall be responsible for the payment of such bills. In the event that after the Closing Date, any provider of phone, gas, water, or electric utilities seeks payment from Purchaser of unpaid phone, gas, water or electric utilities provided to Seller or the Store Properties prior to the Closing Date, Seller shall pay such unpaid amounts as promptly as is required (after reasonable notice from Purchaser) to avoid any discontinuation of utility service to Purchaser or the Store Properties, provided Seller receives satisfactory evidence that such charges apply to periods occurring prior to the Closing Date. To the extent that Purchaser pays such unpaid amounts, Seller shall promptly reimburse Purchaser for the cost of such payments.

Section 8.12 Title Documents. Purchaser shall obtain the following as promptly as practicable following the date of this Agreement (the "**Title Documents**"):

(a) A commitment for an owner's policy of title insurance for the Owned Real Property issued by a national title insurance company reasonably acceptable to the parties (the "**Title Company**") and legible copies of all documents that are the basis for exceptions to coverage in the commitment; and

(b) A commitment for leasehold policies of title insurance for the Leased Real Property issued by the Title Company and legible copies of all documents that are the basis for exceptions to coverage in the commitment.

(c) Purchaser shall obtain a plat of a survey (the "**Survey**") of the Owned Real Property. The Survey shall be certified to Purchaser and the Title Company as made in accordance with the current "Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys" established and adopted by the American Land Title Association and American Congress on Surveying and Mapping, and meeting the accuracy requirement of an "Urban" survey as defined therein, showing all buildings and other improvements, if any, all encroachments, if any, all set-back lines, if any, and all areas affected by any easements or other instruments of record, if any (the recording data in respect of which shall be marked on the plats), containing metes and bounds description of such parcels to the extent that metes and bounds descriptions are provided in the jurisdiction in which the Owned Real Property is located, setting forth the flood zone designations, if any, in which such parcels are located.

(d) After Purchaser's receipt of the Title Documents, Purchaser shall deliver copies thereof to Seller and Purchaser shall have ten (10) days (the "**Review Period**") from receipt of such copies in which to notify Seller of any objections Purchaser has to any Major Title Defects and any other defects disclosed in the Title Documents. Any matters reflected in the Title Documents or Survey to which Purchaser does not object in writing within the Review Period or to which Purchaser objects but subsequently waives such objection, shall be deemed to be Permitted Encumbrances to the status of Seller's title.

(e) With respect to Owned Real Property, Seller shall cure or secure the undertaking of the Title Company to insure Purchaser or its assignees and designees, and their successors and assigns against all Major Title Defects to which Purchaser objects within the Review Period. If Seller is unable to cure any Major Title Defect or obtain the undertaking of the Title Company to insure against such Major Title Defect, Purchaser, at its option, may waive its objection and purchase the affected Real Property

with a reduction in the Purchase Price equal to the amount of the Major Title Defect, if ascertainable, or in the case of Leased Real Property, designate such Store Property as an Other Rejected Property. If a Store Property is excluded from the sale of the Purchased Assets as set forth above, then (i) if the Store Property is one listed on Schedule 4.2, the Purchase Price shall be reduced by the amount provided on Schedule 4.2 for that Store Property but shall not be reduced if the Store Property is not listed on Schedule 4.2, (ii) the Inventory at such Store Property shall be disregarded for purposes of calculating the Purchase Price, and (iii) no property or assets (including Inventory) located at such Store Property shall be sold to Purchaser pursuant to this Agreement

(f) For purposes of this Section 8.12, "**Major Title Defects**" shall mean any conditions of title that, individually or in the aggregate, can reasonably be expected to materially interfere with Purchaser's operation of any of the Owned Real Property and any other matter not cured by the entry of the Sale Order authorizing the conveyance of the Owned Real Property free and clear of all interests within the meaning of 11 U.S.C. Section 363.

Section 8.13 Environmental Reports. Subject to Seller's rights under the Leases and applicable law, Purchaser may, at Purchaser's expense, cause an environmental engineering firm (the "**Environmental Consultant**") to conduct environmental, safety, and health investigations, assessments, and audits, including surface and subsurface soil and groundwater sampling, of the Real Property and the use thereof by Seller. All work by the Environmental Consultant shall be coordinated by Purchaser and Seller and is to commence as soon as possible following entry of the Sale Order. The scope of the Environmental Consultant's work may include, (i) on-site or visual inspections of the Real Property and the use thereof, (ii) interviews with appropriate employees, (iii) a review of files, documents, information, records, data, reports, and other materials, in Seller's possession or control relating to the compliance of the Real Property with Environmental Laws, (iv) taking of samples and conducting tests of surface and subsurface soils and waters at such depths and locations at the Real Property at the Environmental Consultant deems prudent, and (v) undertaking such other investigations and performing such other tasks as the Environmental Consultant reasonably believes are necessary to prudently discharge its undertaking; provided, that Purchaser shall hold Seller harmless for any damage to the Real Property, the Purchased Assets or injury to Persons or loss caused by Purchaser or its Environmental Consultant conducting any of the foregoing in this Section 8.13(a). If Purchaser causes the Environmental Consultant to perform such work, Purchaser shall deliver copies of the written reports by the Environmental Consultant of its work (the "**Reports**") to Seller upon receipt by Purchaser. The Reports shall be addressed to Purchaser and Seller.

Section 8.14 Risk of Loss. Seller shall bear all risk of loss with respect to the Store Properties and the Purchased Assets prior to the Closing Date. Seller agrees to continue to carry or cause to be carried to the Closing Date the insurance coverage which is presently carried relating to the Store Property. In the event of any loss or damage prior to the Closing Date to any of the Purchased Assets by fire or other casualty (a "**Casualty**"), Seller shall promptly provide Purchaser with all pertinent information regarding the Casualty (the "**Casualty Notice**"), and Purchaser shall have the right, at Purchaser's option, to either (a) proceed with the Closing with the damaged property "as is," take an assignment of Seller's interest in any insurance proceeds and reduce the Purchase Price by the amount of the deductible under Seller's insurance policy, or (b) designate such Store Property as an Other Rejected Property in which case the parties hereto shall be relieved of any further obligations or liabilities under the terms of this Agreement with respect to the affected Store Property. If a Store Property is excluded from the sale of the Purchased Assets as set forth above, then (i) if the Store Property is one listed on Schedule 4.2, the Purchase Price shall be reduced by the amount provided on Schedule 4.2 for that Store Property but shall not be reduced if the Store Property is not listed on Schedule 4.2, (ii) the Inventory at such Store Property shall be disregarded for purposes of calculating the Purchase Price, and (iii) no property or assets (including Inventory) located at such Store Property shall be sold to Purchaser pursuant to this Agreement.

ARTICLE IX

CONDITIONS TO THE CLOSING

Section 9.1 Conditions to Obligations of Purchaser. The obligations of Purchaser to effect the Closing shall be subject to the prior and/or simultaneous fulfillment or written waiver by Seller of each of the following conditions:

(a) Entry of Sale Order. The Sale Order shall have been entered within ninety (90) days after the date hereof, shall have become a Final Order, shall be in full force and effect on the Closing Date, and shall be in form and substance reasonably acceptable to Purchaser. Notwithstanding the foregoing, Purchaser may waive the requirement that the Sale Order be a Final Order and may cause the Closing to occur at any time after the Sale Order's entry, so long as on the Closing Date (i) all other conditions to Closing are satisfied or waived, and (ii) the Sale Order is in full force and effect and is not the subject of a stay.

(b) Representations and Warranties; Covenants.

(i) The representations and warranties of Seller set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except that to the extent such representations and warranties expressly speak as of an earlier date, such representations and warranties shall be true in all respects as of such specified date), and Purchaser shall have received a certificate signed on behalf of Seller by the chief executive officer and the chief financial officer of Seller to such effect.

(ii) Seller shall have performed in all material respects all of the obligations, covenants and agreements required to be performed by it under this Agreement at or prior to the Closing Date and Purchaser shall have received a certificate signed on behalf of Seller by the chief executive officer and the chief financial officer of Seller to such effect.

(c) HSR Act. The applicable waiting period (and any extension thereof) under the HSR Act shall have expired or been terminated. Seller and Purchaser shall have received all Consents or approvals and made all applications, requests, notices and filings with any Person or Governmental Authority required to be obtained or made in connection with the consummation of the transactions contemplated by this Agreement.

(d) No Order. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, injunction or other Governmental Order (whether temporary, preliminary or permanent) which is in effect and has the effect of making the transactions contemplated by this Agreement illegal or otherwise restraining or prohibiting consummation of such transactions or which would otherwise materially adversely affect or interfere with the operation of the business following Closing; provided, however, that the parties hereto shall use all reasonable best efforts to have any such order or injunction vacated.

(e) No Material Adverse Change. A Material Adverse Change shall not have occurred; provided, however, if a Material Adverse Change has occurred, Purchaser may (i) terminate this Agreement or (ii) reduce the Purchase Price by an amount equal to \$150,000 for every 0.1% decline in excess of ten percent (10%) but less than fifteen percent (15%) below Same Store Sales for the Base Period and \$200,000 for every 0.1% decline in excess of fifteen percent (15%) below Same Store Sales for the

Base Period; provided, further that Purchaser shall not have any right to reduce the Purchase Price in accordance with this Section 11.1(e) after September 7, 2001.

(f) Closing Deliveries. Seller shall have delivered or caused to be delivered to Purchaser each of the items listed in Section 10.2 hereof.

(g) This Agreement shall not have been terminated pursuant to Article XI.

(h) Seller shall have entered into the Transaction Agreements and the Transaction Agreements shall be in full force and effect.

(i) Purchaser shall have received an ALTA owner's policy of title insurance issued by the Title Company conforming to the requirements of Section 8.12, insuring in Purchaser fee simple title to the Owned Real Property, with a survey endorsement, and with such exceptions to coverage which are Permitted Encumbrances.

Section 9.2 Conditions to Obligations of Seller. The obligations of Seller to effect the Closing shall be subject to the prior and/or simultaneous fulfillment or written waiver by Purchaser of each of the following conditions:

(a) Entry of the Sale Order. The Sale Order shall have been entered, shall have become a Final Order, and shall be in full force and effect on the Closing Date. The Sale Order shall be in form and substance reasonably acceptable to Seller and shall provide, among other things, that as of the Closing, Seller shall have no further obligations under the Leases, Purchased Contracts, or any other agreement assumed and assigned to Purchaser under this Agreement. Purchaser may waive the requirement that the Sale Order be a Final Order, as provided in Section 9.1(a) above.

(b) Representations and Warranties; Covenants.

(i) The representation and warranties of Purchaser set forth in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except that to the extent such representations and warranties expressly speak as of an earlier date, such representations and warranties shall be true in all respects as of such specified date), and Seller shall have received a certificate signed on behalf of Purchaser by duly authorized executive and financial officers to such effect.

(ii) Purchaser shall have performed in all material respects all of the obligations, covenants and agreements required to be performed by Purchaser under this Agreement at or prior to the Closing Date and Seller shall have received a certificate signed on behalf of Purchaser by the chief executive officer and the chief financial officer of Purchaser to such effect.

(c) HSR Act. The applicable waiting period (and any extension thereof) under the HSR Act shall have expired or been terminated. Seller and Purchaser shall have received all Consents or approvals and made all applications, requests, notices and filings with any Person or Governmental Authority required to be obtained or made in connection with the consummation of the transactions contemplated by this Agreement.

(d) No Order. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation or other Governmental Order (whether temporary, preliminary or permanent) which is in effect and has the effect of making the transactions contemplated by this agreement illegal or otherwise restraining or prohibiting consummation of such transactions; provided, however, that the parties hereto shall use all reasonable best efforts to have any such order or injunction vacated.

(e) This Agreement shall not have been terminated pursuant to Article XI.

(f) Purchaser or its assignees or designees shall have entered into the Transaction Agreements and the Transaction Agreements shall be in full force and effect.

ARTICLE X

CLOSING

Section 10.1 Closing. The closing (the "**Closing**") of the transactions contemplated in this Agreement shall take place by the earlier of August 31, 2001 or the waiver or satisfaction of the conditions set forth in Article IX (the "**Closing Date**") at the office of Seller in Albuquerque, New Mexico, or such other time and place as the parties may agree.

Section 10.2 Documents to be Delivered at Closing by Seller. At the Closing, Seller shall properly execute (if necessary) and deliver (or cause to be delivered) to Purchaser:

- (a) The Bills of Sale.
- (b) The Assumption Agreements.
- (c) A special warranty deed (or the equivalent thereof) for each Owned Real Property parcel, in recordable form, duly executed and acknowledged by Seller, and sufficient to convey to Purchaser, fee simple title to of the Owned Real Property free and clear of all Encumbrances except for Permitted Encumbrances.
- (d) An assignment and assumption agreement of lease for each Lease, in recordable form, duly executed and acknowledged by Seller, and sufficient to convey to Purchaser or its designee or assignee, Seller's right, title and interest in and to each Lease, free and clear of all Encumbrances except for Permitted Encumbrances.
- (e) All forms and returns required in connection with the payment of Transfer Taxes and of recording the deeds.
- (f) FIRPTA affidavit affirming that Seller is not a "foreign person."
- (g) An assignment for each Equipment Lease to be assigned, in the form and substance agreed by the parties and the applicable lessors.
- (h) A file-stamped copy of the Sale Order and a copy of the docket sheet for the Chapter 11 Case showing its entry.
- (i) The certificates of Seller referred to in Section 9.1(b) hereof.
- (j) A cross-receipt acknowledging receipt of the Cash Consideration.
- (k) The Pharmacy Powers of Attorney.
- (l) The Liquor License Leases.
- (m) The Trademark Assignment.
- (n) Such other documents and instruments as are contemplated in this Agreement or as Purchaser or Purchaser's counsel may reasonably request in order to evidence or consummate the transactions contemplated by this Agreement or to effectuate the purpose or intent of this Agreement.

Section 10.3 Deliveries at Closing by Purchaser. At the Closing, Purchaser shall execute, or in the case of the Assumption Agreements and Bills of Sale for Store Properties that are purchased by Third Party Purchasers, cause its assignees and designees to execute (if necessary) and deliver (or caused to be delivered) to Seller:

- (a) The Purchase Price as provided in Section 4.3.
- (b) The Bills of Sale.
- (c) The Assumption Agreements.
- (d) The certificates of Purchaser referred to in Section 9.2(b) hereof.
- (e) A cross-receipt acknowledging receipt of the Purchased Assets.
- (f) The Pharmacy Powers of Attorney.
- (g) The Liquor License Leases.
- (h) The Trademark Assignment.
- (i) Such other documents and instruments as are contemplated in this Agreement or as Seller or Seller's counsel may reasonably request in order to evidence or consummate the transactions contemplated by this Agreement or to effectuate the purpose or intent of this Agreement.

ARTICLE XI

TERMINATION, AMENDMENT AND WAIVER

Section 11.1 Termination. Notwithstanding anything herein to the contrary, this Agreement may be (and, in the case of Section 11.1(d) will be) terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

- (a) by mutual written consent of Purchaser and Seller; or
- (b) by Purchaser if the board of directors of Seller determines, in good faith, after consultation with outside counsel, and evidenced by a duly adopted board

resolution, that, in order to comply with its fiduciary duties under applicable Law, it is required to and does enter into, execute and deliver a definitive agreement with respect to an Alternative Offer;

(c) by Purchaser or Seller if the Bankruptcy Court, any other court of competent jurisdiction in the United States, or other Governmental Authority shall have issued an order, decree, ruling or taken any other action restraining, enjoining or otherwise prohibiting the purchase of the Purchased Assets on the terms and conditions contained herein and such order, decree, ruling or other action shall have become a Final Order or otherwise become final;

(d) automatically, without any further action by either party, if the Sale Order shall not have been entered by the Bankruptcy Court on or prior to July 31, 2001;

(e) by either Seller or Purchaser if the Closing shall not have occurred on or before October 1, 2001 (the "**Outside Date**"); provided, however, that the right to terminate this Agreement under this Section 11.1(e) shall not be available to any party whose failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing, the failure to enter the Sale Order or the failure of the Sale Order to become a Final Order on or prior to the Outside Date;

(f) by Seller if Seller accepts an Alternative Offer;

(g) by Purchaser upon the entry of a Bankruptcy Court order converting the Chapter 11 Case to a case under Chapter 7 of the Bankruptcy Code;

(h) by Seller (provided, that it is not in material breach of any representation, warranty or covenant or other agreement contained herein) if there is a material breach by Purchaser of any representation or warranty of Purchaser under this Agreement, which breach is not cured within seven (7) days following written notice to Purchaser; or

(i) by Purchaser (provided, that it is not in material breach of any representation, warranty or covenant or other agreement contained herein) if there is a material breach by Seller of any representation or warranty of Seller under this Agreement, which breach is not cured within seven (7) days following written notice to Seller.

Section 11.2 Effect of Termination. In the event of the termination of this Agreement pursuant to Section 11.1, this Agreement shall forthwith become void and have no effect and there shall be no liability on the part of any party hereto or its Affiliates, directors, officers, shareholders, or agents, except under Sections 8.2, 8.7 and 11.3.

Section 11.3 Termination Payments; Expenses.

(a) In the event that this Agreement is terminated (i) by Purchaser (or by Seller if Purchaser is also entitled to terminate at such time pursuant to such provision) pursuant to Section 11.1(b), or (ii) by Seller pursuant to Section 11.1(f), and at such time Purchaser is not in breach of any representation and warranty, covenant or agreement contained herein, then Seller shall pay to Purchaser three million dollars (\$3,000,000) ("**Termination Fee**") at the closing of the transaction pursuant to the accepted Alternative Offer. Such payment shall be made by wire transfer of immediately available funds to an account designated by Purchaser. The Termination Fee shall be secured by a lien on the proceeds from the sale received by Seller pursuant to the accepted Alternative Offer.

(b) In the event that this Agreement is terminated as a result of a material breach of this Agreement by Purchaser, or the Closing fails to occur by the Outside Date as a result of a breach by Purchaser, and provided that there is no material breach by Seller of any of its representations and warranties under this Agreement, then the Deposit shall be retained by Seller as a non-exclusive termination fee and Purchaser shall have no rights to the Deposit. In the event that the transaction fails to close for any other reason, then the Deposit shall be paid to Purchaser.

(c) The provisions of Section 11.3(a) shall be the exclusive remedy of Purchaser in the event that this Agreement is terminated pursuant to Section 11.1; provided, that in no event shall Seller be liable for any punitive or consequential damages that may be imposed on or be otherwise incurred or suffered by the specified person.

ARTICLE XII

INDEMNIFICATION

Section 12.1 Seller's Indemnity. Seller shall indemnify and hold Purchaser and its officers and directors and their respective successors and assigns harmless from and with respect to any and all Losses related to or arising directly or indirectly out of (i) any breach by Seller of any of its covenants, warranties, or representations in this Agreement, (ii) any failure of the Real Property to be in compliance with all applicable laws, codes, and ordinances, including Environmental Laws, as of the Closing, (iii) any sales tax audit assessments relating to the business of the Store Properties prior to the Closing, and (iv) any and all Losses related to or arising out of the operation of the Purchased Assets prior to the Closing Date.

Section 12.2 Purchaser's Indemnity. Purchaser shall indemnify and hold Seller and its officers and directors, successors and assigns harmless from and with respect to any and all Losses related to or arising directly or indirectly from and with respect to any breach by Purchaser of any of its covenants, warranties, or representations in this Agreement, and any and all Losses related to or arising out of the ownership or operation by Purchaser of the Purchased Assets and the Store Properties after the Closing.

Section 12.3 Indemnification Procedure.

(a) If any party to this Agreement (the "**Aggrieved**") desires to make a claim against the other party to this Agreement (the "**Indemnitor**") in connection with any Losses for which the Aggrieved is entitled to indemnification hereunder (a "**Claim**"), the Aggrieved shall notify the Indemnitor of such Claim and the amount and circumstances surrounding it. The failure of the Aggrieved to give such notice shall only relieve the Indemnitor of its obligations under this Article XII to the extent, if any, that the Indemnitor shall have been prejudiced thereby. Upon receipt of such notice from the Aggrieved, the Indemnitor shall be entitled, at the Indemnitor's election, to assume or participate in the defense of such Claim. In any case in which the Indemnitor assumes the defense of the Claim, the Indemnitor shall give the Aggrieved ten (10) calendar days notice prior to executing any settlement agreement and the terms thereof and the Aggrieved shall have the right to approve or, with a reasonable basis therefor, reject any settlement and related expenses. Upon rejection of any settlement and related expenses, the Aggrieved shall assume control of the defense of such Claim and the liability of the Indemnitor with respect to such Claim shall be limited to the amount or the monetary equivalent of the rejected settlement and related expenses.

(b) The Aggrieved shall retain the right to employ its own counsel and to discuss matters with the Indemnitor related to the defense of any Claim, the defense of which has been assumed by the Indemnitor pursuant to Section 12.3(a), but the Aggrieved shall bear and shall be solely responsible for its own costs and expenses in connection with such participation. All decisions of the Indemnitor shall be final, and the Aggrieved shall cooperate with the Indemnitor in the defense of the Claim, including refraining from taking any position adverse to the Indemnitor.

(c) With respect to liquidated Claims, if within thirty (30) days after receiving notice thereof the Indemnitor has not contested such Claim in writing, the Indemnitor will pay the full amount thereof within ten (10) days after the expiration of such period.

(d) If the Indemnitor fails to give notice of the assumption of the defense of any Claim (which may include a reservation of rights) within a reasonable time period not to exceed fifteen (15) days after receipt of written notice thereof from the Aggrieved, the Indemnitor shall no longer be entitled to assume (but shall continue to be entitled to participate in) such defense. The Aggrieved may, at its option, continue to defend such Claim and, in such event, the Indemnitor shall indemnify the Aggrieved for all reasonable fees and expenses incurred in connection therewith. The Indemnitor shall be entitled to participate at its own expense and with its counsel in the defense of any Claim the defense of which it does not assume. Prior to effectuating any settlement of such Claim, the Aggrieved shall furnish the Indemnitor with written notice of any proposed settlement in sufficient time to allow the Indemnitor to act thereon. Within fifteen (15) days after the giving of such written notice, the Aggrieved shall be permitted to effect such settlement unless the Indemnitor (i) reimburses the Aggrieved in accordance with the terms of this Article XII for all reasonable fees and expenses incurred by the Aggrieved in connection with such Claim, (ii) assumes the defense of such Claim, and (iii) takes such other actions as the Aggrieved may reasonably request as assurance of the Indemnitor's ability to fulfill its obligations under this Article XII in connection with such Claim.

(c) The parties agree that, so long as the Chapter 11 Case is pending, the Bankruptcy Court shall have exclusive jurisdiction to resolve all disputes regarding the indemnification procedures set forth in this Agreement and the respective rights of Seller and Purchaser to the Escrow Amount.

Section 12.4 Limitations on Indemnification. The indemnification obligations of Seller and Purchaser under this Article XII are subject to the following limitations:

(a) The obligations of Seller to indemnify Purchaser shall become operative only after and to the extent the aggregate amount of Losses exceeds \$200,000;

(b) Neither party shall have any indemnification obligation with respect to any matters that are not brought to its attention in writing within one year after the Closing Date.

(c) Seller's total potential indemnification liability to Purchaser shall not exceed the Escrow Amount.

(d) Seller shall hold back the Escrow Amount until the later of (i) one year following expiration of the indemnification contained in this Article XII, or (ii) final disposition of all Claims made hereunder; provided, that one year following the Closing

Date, any amounts in excess of the amount of any Claims shall be distributed to Seller and Seller shall be released from its obligations under this Article XII.

ARTICLE XIII

MISCELLANEOUS

Section 13.1 Expenses. Except as set forth in Article XI, Seller and Purchaser shall each bear the expenses incurred by them in connection with the preparation and negotiation of this Agreement and the consummation of the transactions contemplated by this Agreement. Purchaser and Seller shall each pay one-half of (i) all real estate transfer taxes, recording fees, filing fees and similar taxes or fees, if any, in connection with the transfer of any interests in Real Property to Purchaser, (ii) all use, transfer and sales taxes and similar taxes, if any, in connection with the sale of the Purchased Assets and the purchase of any Tangible Personal Property subject to an Equipment Lease by Seller, (iii) the fees and expenses of the Inventory service companies that perform the physical count of Inventory in connection with the Closing, and (iv) except for Hart-Scott-Rodino fees which shall be paid by Purchaser, all filing and application fees payable to Governmental Authorities in order to obtain any consents or approvals or other ordinary and customary costs incurred with respect to notices, approvals and/or licenses that must be obtained as a condition of Closing.

Section 13.2 Governing Law; Forum. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of New York and, to the extent applicable, the Bankruptcy Code. Each party:

- (i) agrees that any action or proceeding arising out of or relating to this Agreement shall be heard and determined in Bankruptcy Court;
- (ii) irrevocably submits to the jurisdiction of such court in any such action or proceeding;
- (iii) consents that any such action or proceeding may be brought in such court and waives any objection that such party may now or hereafter have to the venue or jurisdiction or that such action or proceeding was brought in an inconvenient court; and
- (iv) agrees that service of process in any such action or proceeding may be effected as provided in Bankruptcy Rule 7004.

Section 13.3 Notices. Any and all notices, requests, demands and other communications permitted under or required pursuant to this Agreement shall be in writing and shall be deemed given if personally delivered, faxed or if mailed, postage prepaid, certified or registered mail, return receipt requested, to the parties at the addresses set forth below, or at such other addresses as they may indicate by written notice given as provided in this Section 13.3:

If to Purchaser:

Fleming Companies, Inc.
1945 Lakepointe Dr.
Lewisville, TX 75029
Attention: Neal Rider
Executive Vice President
and Chief Financial Officer
Tel: 972-906-8106
Fax: 972-906-1555

With required copies to:

McAfee & Taft, P.C.
10th Floor, Leadership Square
211 North Robinson Avenue
Oklahoma City, OK 73102
Attention: Louis J. Price, Esq.
Tel: 405-552-2253
Fax: 405-235 0439

If to Seller:

Furr's Supermarkets, Inc.
4411 The 25 Way N.E. Suite 100
Albuquerque, New Mexico 87109
Attention: Mr. Steven L. Mortensen
Tel: 505-761-2931
Fax: 505-944-2692

With required copies to:

Skadden, Arps, Slate, Meagher &
Flom LLP
Four Times Square
New York, New York 10036
Attention: Howard L. Ellin, Esq.
Tel: 212-735-3000
Fax: 212-735-2000

Section 13.4 Headings. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

Section 13.5 Successors and Assigns; Binding Effect.

(a) Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, directly or indirectly, including, by operation of law, by any party hereto without the prior written consent of the other parties hereto. Subject to the preceding sentence, this Agreement and all of the provisions hereof shall be binding

upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(b) Assignment and Transfer of Purchased Assets. Purchaser shall have the right to assign its rights and obligations hereunder with respect to any Purchased Assets to one or more third parties (each, a "**Third Party Purchaser**"). Purchaser may, by one or more notices (each, a "**Third Party Purchaser Notice**") to Seller, designate one or more Third Party Purchasers and the Purchased Assets to be transferred to each. Purchaser may deliver a Third Party Purchaser Notice to Seller up to three (3) days prior to the expiration of the Management Agreement described in this Section 13.5 (the "**Assignment Deadline**").

As soon as practicable after the receipt of each Third Party Purchaser Notice, Seller shall file, duly serve, and diligently prosecute a motion in the Bankruptcy Court seeking authorization, as necessary, to assume and assign any designated Lease or other Purchased Contract or otherwise transfer any designated Purchased Assets to the Third Party Purchaser. A copy of any Lease or other Purchased Contract to be so assigned shall be attached to such motion. In ruling on the motion, the Bankruptcy Court shall resolve disputes (if any) relating to the amount necessary to cure any defaults thereunder, whether Purchaser or the proposed Third Party Purchaser has provided adequate assurance of its future performance thereunder, and any other issue relating to the Lease or Purchased Contract to be assigned. Any order entered before the Closing Date approving such an assignment and transfer shall be effective on the later of the date that it becomes a Final Order and the Closing Date. Any such order entered after the Closing Date shall be effective when it becomes a Final Order.

Seller and a Third Party Purchaser acquiring Purchased Assets in accordance with this Section 13.5 shall execute an assumption agreement, bill of sale, or other document of transfer consistent with the provisions hereof.

On the Assignment Deadline, all Purchased Assets not theretofore assigned or transferred to a Third Party Purchaser or designated for transfer to a Third Party Purchaser in a timely delivered Third Party Purchaser Notice shall be transferred to Purchaser.

Nothing in this Section 13.5 shall relieve Purchaser of its obligations hereunder with respect to the payment of the Purchase Price or its obligations with respect to any Purchased Assets or Assumed Liabilities that are not transferred to Third Party Purchasers.

(c) Seller agrees to operate those Store Properties which have not been assigned to a Third Party Purchaser for up to sixty (60) days following the Closing Date pursuant to a management agreement to be negotiated, agreed and executed within two (2) weeks of the entry of the Sale Order ("**Management Agreement**"). Seller shall manage the Store Properties which have not been assigned to any Third Party Purchaser pursuant to the terms of the Management Agreement which terms shall include that Purchaser finances all expenses of operation of Seller during the term of the Management Agreement.

Section 13.6 Entire Agreement. This Agreement and the Confidentiality Agreement, including any exhibits or schedules hereto, constitute the entire agreement among the parties hereto with respect to the subject matter hereof and supersede all other prior agreements or understandings, both written and oral, between the parties or any of them with respect to the subject matter hereof. The only representations and warranties made by the parties hereto with respect to the subject matter hereof are the representations and warranties contained in or made pursuant to this Agreement.

Section 13.7 Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be deemed an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received counterparts hereof signed by the other party hereto.

Section 13.8 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provision of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated herein is not affected in any manner materially adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner.

Section 13.9 Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended or shall be construed to create any third party beneficiaries.

Section 13.10 Amendments, Modification and Waiver.

(a) Except as may otherwise be provided herein, any provision of this Agreement may be amended, modified or waived by the parties hereto through a written instrument executed by each of the parties.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law.

Section 13.11 Further Assurances. From time to time after the Closing Date, at Purchaser's request and without further consideration, but at Purchaser's expense, Seller shall execute and deliver or cause to be executed and delivered such further instruments of conveyance, assignment and transfer and shall take such other action as Purchaser may reasonably request in order more effectively to convey, transfer, reduce to possession or record title to any of the Purchased Assets purchased pursuant to this Agreement. On Purchaser's request, Seller shall cooperate and use its best efforts to have its officers, directors, employees and agents cooperate with Purchaser on or after the Closing Date by furnishing information, evidence, testimony and other assistance in connection with any actions, proceedings, arrangements or disputes involving Purchaser and which are based on contracts, leases, arrangements or acts of Seller which were in effect or occurred on or prior to the Closing Date. Purchaser shall reimburse Seller, as is appropriate, for the reasonable out-of-pocket expenses, which it incurs in connection with such cooperation.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by its duly authorized officer as of the day and year first written above.

FURR'S SUPERMARKETS, INC.

By: 
Name: Stephen L. Mortensen
Title: President & COO

FLEMING COMPANIES, INC.

By: _____
Name:
Title:

06/26/01 10:24
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26/25/2001 23:08

4052380438
CONTROLLER
SKADDEN ARPS + 9197298515589695520

MCAFFEE AND TAFT
TEL:405 840 7233

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IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by its duly authorized officer as of the day and year first written above.

FURR'S SUPERMARKETS, INC.

By: _____
Name:
Title:

FLEMING COMPANIES, INC.

By: Neal Rider
Name: NEAL RIDER
Title: EXECUTIVE VICE PRESIDENT
? CHIEF FINANCIAL OFFICER

FORM OF BILL OF SALE

THIS BILL OF SALE is executed and delivered as of [], 2001, by and among FURR'S SUPERMARKETS, INC., a Delaware corporation ("**Seller**"), and [], a [] corporation ("**Purchaser**").

W I T N E S S E T H :

WHEREAS, Seller and Purchaser are parties to an Asset Purchase Agreement, dated June 25, 2001 (the "**Asset Purchase Agreement**"), providing for, among other things, the transfer and sale to Purchaser of all of Seller's rights, titles and interests in and to the Purchased Assets (as that term is defined in the Asset Purchase Agreement), on the terms and conditions provided in the Asset Purchase Agreement; and

WHEREAS, all capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Asset Purchase Agreement and all references to Schedules refer to Schedules to the Asset Purchase Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, all parties hereto agree as follows:

Section 1. Sale of Purchased Assets. Seller hereby conveys, grants, transfers, sells, assigns, delivers and confirms, and by this Bill of Sale does convey, grant, transfer, sell, assign, deliver and affirm unto Purchaser, its successors and assigns to its and their own use and behalf forever, all the Purchased Assets (other than any Equipment Lease, Purchased Contracts, Intellectual Property, Pharmacy Licenses, Liquor Licenses, Owned Real Property, Leased Real Property and Permits), but not the rights, titles and interests in and to the Excluded Assets, at or relating exclusively to the Store Property described on Schedule 1 hereto.

Section 2. Appointment. Seller, to the extent that it may lawfully do so and subject to the terms and conditions of the Asset Purchase Agreement, hereby constitutes and appoints Purchaser, its successors and assigns as Seller's true and lawful attorney, with full power of substitution, in Seller's name, place and stead, but

on behalf and for the benefit of Purchaser, its successors and assigns, to demand and receive any and all of the Purchased Assets transferred hereby, and to give receipts and releases for and in respect of the same, and any part thereof, and from time to time to institute and prosecute in Seller's name, or otherwise, for the benefit of Purchaser, its successors and assigns, any and all proceedings at law, in equity or otherwise, which Purchaser, its successors or assigns, may deem proper for the collection or reduction to possession of any of the Purchased Assets transferred hereby or for the collection and enforcement of any claim or right of any kind hereby sold, conveyed, transferred or assigned, or intended so to be, and to do all acts and things relating to the Purchased Assets transferred hereby which Purchaser, its successors or assigns shall deem desirable, and Seller hereby declares that the foregoing appointment and any and all powers so granted, are coupled with an interest and are, and shall be, irrevocable by Seller or by Seller's dissolution or in any other manner or for any reason whatsoever.

Section 3. Further Assurances. Seller hereby covenants that, from time to time after the delivery of this instrument, at Purchaser's reasonable request and at Purchaser's cost, it will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, any and all such further acts, deeds, conveyances, transfers, assignments, powers of attorney and assurances as reasonably may be required to fully convey, transfer to and vest in Purchaser, and to put Purchaser in possession of, any of the Purchased Assets transferred hereby and, in the case of contracts and rights, if any, which cannot be effectively transferred to Purchaser without the consent of third parties, to use its reasonable best efforts to obtain such consents promptly and if any be unobtainable, to use its reasonable best efforts to assure to Purchaser the benefits thereof.

Section 4. No Third Party Beneficiaries. Nothing in this Bill of Sale, express or implied, is intended or shall be construed to confer upon, or give to, any Person, other than Purchaser and its successors and assigns, any remedy or claim under or by reason of this instrument or any terms, covenants or condition hereof, and all the terms, covenants and conditions, promises and agreements in this Bill of Sale shall be for the sole and exclusive benefit of Purchaser and its successors and assigns.

Section 5. Binding Effect. This Bill of Sale is executed by, and shall be binding upon, Seller and Purchaser, their successors and assigns, for the uses and purposes above set forth and referred to, effective immediately upon its delivery to Purchaser.

Section 6. Headings. The section headings contained herein are for convenience only and shall not be construed as a part of this Bill of Sale.

Section 7. Governing Law. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of New York, and to the extent applicable, the Bankruptcy Code, as provided for and in accordance with the Asset Purchase Agreement.

Section 8. No Waiver. Nothing in this Bill of Sale shall constitute a waiver of or limitation upon any of Seller's or Purchaser's rights, powers and remedies under the Asset Purchase Agreement and, in the case of any conflict, the terms, provisions and conditions of the Asset Purchase Agreement shall govern.

Section 9. Counterparts. This Bill of Sale may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which when taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Seller and Purchaser have caused this Bill of Sale to be duly executed by their respective duly authorized officers as of the date first written above.

FURR'S SUPERMARKETS, INC.

By: _____
Name: []
Title: []

[Purchaser]

By: _____
Name: []
Title: []

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT, dated as of [], 2001 (this "**Agreement**"), by and among FURR'S SUPERMARKETS, INC., a Delaware corporation ("**Seller**"), and [], a [] corporation ("**Purchaser**").

W I T N E S S E T H :

WHEREAS, Seller and Purchaser are parties to an Asset Purchase Agreement, dated as of June 25, 2001 (the "**Asset Purchase Agreement**"), providing for, among other things, the assignment to Purchaser of the Purchased Contracts (as that term is defined in the Asset Purchase Agreement) and the assumption by Purchaser of the Assumed Liabilities (as that term is defined in the Asset Purchase Agreement), on the terms and conditions provided in the Asset Purchase Agreement; and

WHEREAS, all capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Asset Purchase Agreement and all references to Schedules refer to Schedules to the Asset Purchase Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, all parties hereto agree as follows:

Section 1. Assignment. Subject to the terms and conditions of the Asset Purchase Agreement, Seller hereby assigns, transfers, sets over and conveys to Purchaser, its successors and assigns, all of Seller's rights, titles and interests in and to the Purchased Contracts listed on Schedule 1 hereto and the lease of the Store Property listed on Schedule 2 hereto.

Section 2. Assumption. Effective as of the Closing Date and subject to the terms and the conditions set forth in the Asset Purchase Agreement, Purchaser shall assume and become responsible for the Purchased Contracts and Lease listed on the Schedules hereto.

Section 3. Further Assurances. Seller and Purchaser agree to cooperate at all times from and after the date hereof with respect to the matters described herein and to execute such further assignments, releases, acceptances,

amendments, notifications and other documents as may be reasonably requested for the purpose of giving effect to, evidencing or giving notice of the transactions contemplated by this Agreement.

Section 4. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

Section 5. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which when taken together shall constitute but one and the same instrument.

Section 6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, and to the extent applicable, the Bankruptcy Code, as provided for and in accordance with the Asset Purchase Agreement.

Section 7. No Waiver. Nothing in this Agreement shall constitute a waiver of or limitation upon any of Seller's or Purchaser's rights, powers, obligations, duties and remedies under the Asset Purchase Agreement and, in the case of any conflict, the terms, provisions and conditions of the Asset Purchase Agreement shall govern.

Section 8. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9. Headings. The section headings contained herein are for convenience only and shall not be construed as a part of this Agreement.

Section 10. Amendment. This Agreement may not be amended except by a document executed and delivered by all parties hereto.

IN WITNESS WHEREOF, Seller and Purchaser have duly executed this Agreement by causing this Agreement to be executed by their respective duly authorized officers as of the date first written above.

FURR'S SUPERMARKETS, INC.

By: _____

Name: []

Title: []

[Purchaser]

By: _____

Name: []

Title: []

**Inventory Purchase
General Guidelines**

- 1.) Washington and RGIS inventory services (the "Inventory Services") will be utilized to count Non-Perishable Departments.
- 2.) Store Management Teams will be utilized to count Perishable Departments.
- 3.) Both Buyer and Seller have the right to have observers and/or participate in the counting process.
- 4.) Both parties will share equally the costs of Inventory Services.
- 5.) The Cost Complement percentage will be applied to Furr's regular shelf retail price (not Furr's Club price). (See attachment page 6).
- 6.) Inventory will include pre-paid orders (i.e., Fleming shipments paid but not received).
- 7.) Cost Complement includes the cost of product.
- 8.) All Furr's private label will be excluded from Inventory. Fleming private label will be counted (i.e., Best Yet, Marquee brands).
- 9.) Also excluded from Inventory are all consignment items, damaged, spoiled, unsaleable, salvage items (defined as merchandise that has been returned by a customer and is awaiting return to the vendor), merchandise that is

contained in packaging that is ripped or mutilated, or an out of code date as indicated in this exhibit, supplies or packaging material containing Seller's name or logo.

- 10.) All items excluded from Store inventory shall be removed from Stores within three business days, failing which Purchaser may dispose of the excluded inventory in any way Purchaser sees fit.

Furr's Supermarkets, Inc.

Departmental Inventory Instructions

Grocery

The following items are classified as grocery: Dry Goods (jams, cereal, bread, canned goods, carbonated beverage, juice, coffee, baby foods, pet foods, paper products, household cleaning, detergents, sugar, flour, oils, baking needs, condiments, cookies, crackers, chips, tobacco) dairy products, (milk, chilled juice, cultured products, eggs) frozen foods, (pizza, juice, ice cream, dinners)

Grocery Inventory counted by: Independent Inventory Service at retail (shelf stock and back room)
Acceptable Code Life: 20 Days

Except for:

Dairy which is 2 days

Bakery which is 2 days

Snacks which is 5 days

Meat / Wall Deli

Fresh Frozen Meat (Beef, Ground Beef, Pork, Lamb, Veal, Poultry, Fowl)

Smoked Meats (ham)

Package Lunchmeats (Bacon-Sausage)

Package Cheese

Dough/Biscuits

All Fresh/Frozen Seafood when no service seafood is present. Dips, Breadings, Salads, seasonings *etc.*

Frozen Products: Pizzas, Corn Dogs, Breaded Meats, Retail Packaged Seafood

An independent inventory service performs the actual Meat Market inventory. The Market Manager will use the following procedures to prepare for inventory:

Exact Weight Cases: each full case in the back room is marked with Pack size and unit retail. Random Weight Cases - retail is pulled from the price book and marked on the case. Actual case weight is on the box. Partial Cases and Sales Floor are counted by the inventory service.

Meat / Deli Inventory counted by: Independent Inventory Service
Acceptable Code Life: Case Merchandise - 2 Days
Back Room - 4 Days

Produce

Produce inventory is comprised of all Fresh Fruits and Vegetables, all berries, all melons, all package salads, Hispanic spices, refrigerated jar salad dressings, 20 lb. bag beans and rice, Harmony snacks; bulk and pkg., assorted tofu and Asian products, bag peanuts and pistachios, and assorted, non refrigerated products to include, tray nuts and dried fruit, Mariani dried fruit, Melissa specialty, jar fruit, apple chips, jar garlic and croutons.

Produce Inventory counted by: Store Management Team
Acceptable Code Life: All good and saleable product

Non Foods

Non food inventory is comprised of health and beauty care items including hair care, cosmetics, oral hygiene, shave, first aid products, hand and body lotions, facial, deodorant, stomach, eye care, feminine hygiene, feminine medicine, analgesics, foot care, vitamins, diet aids, adult nutritional products, baby formula, diapers and baby wipes, incontinence products, and contraceptives. Non food general merchandise includes candy, light bulbs, greeting cards, toys, charcoal and logs, automotive additives, insecticide, coffee filters, kitchen gadgets, cookware and bakeware, foil pans, mops and

brooms, cake decorating, sponges and soap pads, glassware, sunglasses and reading glasses, pet supplies, birdseed, candles, large and small plastics, school and office supplies, seasonal general merchandise, personal appliances, kitchen appliances and health care items such as crutches, humidifiers and diabetic supplies.

Non - Foods Inventory counted by: Independent Inventory Service
Acceptable Code Life: N/A

Service Center

Service center inventory is comprised of candy and gum on checkstand racks and within video department, film and one time use cameras, batteries, prepaid phone cards, blank audio and video tapes, photo processing, carpet cleaning equipment rental and supplies, single and multi-pack individual serving packs of Keebler and Nabisco cookies and crackers, and movies for sale.

Service Center Inventory counted by: Independent Inventory Service
Acceptable Code Life: All good & saleable

Video Rental

Video Rental inventory is comprised of all new release and catalog video titles.

Cost: \$8.50 per video
Video Rental Inventory counted by: Independent Inventory Service
Acceptable Code Life: All good & saleable

Floral

Floral inventory consists of all potted plants, blooming and green, all fresh bouquets, all cold case arrangements, baskets, vases, novelty floral items, balloons, assorted plant food, potting soil and other accessories related to Floral.

Floral Inventory counted by: Store Management Team
Acceptable Code Life: All good & saleable

Seafood

Seafood Inventory applies only in full-service seafood stores and includes the following: All Fresh and Frozen Seafood Items, Dips, Breadings, Salads, Seasonings etc. Seafood Inventory is conducted by our store personnel. The seafood manager will use the following procedures to prepare for inventory: Exact Weight Cases: each full case in the back room is marked with Pack size and unit retail. Random Weight Cases - retail is pulled from the price book and marked on the case. Actual case weight is on the box.

Seafood Inventory counted by: Store Management Team
Acceptable Code Life: All good & saleable product

Bakery and Tortilleria

The bakery includes fresh and frozen cakes, theme cakes (birthday & anniversary), icings and fillings, frozen doughs, mixes, decorating kits, fresh baked breads & rolls, tortillas, cookies, donuts and an assortment of other pastries. Bakery inventory is conducted by our store personnel. The bakery manager will use the following procedures to prepare for inventory: Exact Weight Cases: each full case in the back room is marked with Pack size and unit retail. Random Weight Cases - retail is pulled from the price book and marked on the case. Actual case weight is on the box.

Cost: Furr's cost of ingredients
Bakery Inventory counted by: Store Management Team
Acceptable Code Life: 2 Days

Pharmacy

Pharmacy includes prescription drugs.

Cost:

Use half full methodology at Furr's cost of prescriptions

Pharmacy Inventory counted by:

Independent Inventory Service

Acceptable Code Life:

All good & saleable

Service Deli

Deli is comprised of many meats, cheeses and meal replacement products. Items include ham, beef, turkey and chicken, Fresh chicken (rotisserie and fried), prepared salads, meats and an assortment of other entrees and side dishes. Deli Inventory is conducted by our store personnel. The Deli manager will use the following procedures to prepare for inventory: Exact Weight Cases - each full case in the back room is marked with Pack size and unit retail. Random Weight Cases - retail is pulled from the price book and marked on the case. Actual case weight is on the box.

Service Deli Inventory counted by:

Store Management Team

Acceptable Code Life:

2 Days

Liquor

Liquor inventory is comprised of beer, wine, spirits and cocktail mixers (ginger ale, tonic etc...).

Liquor Inventory counted by:

Independent Inventory Service

Acceptable Code Life:

All good & saleable

Supplies

Supplies classified as the following items without Furr's logos and in full case quantities. Plastic and paper bags, meat trays, meat and poultry pads, food containers and lids, janitorial and maintenance, labels, register tapes.

Cost: Furr's cost of supplies
Supplies Inventory counted by: Store Management Team
Acceptable Code Life: N/A

Retail Inventory Cost Complements

<u>Retail Depts:</u>	<u>Dept</u>	<u>Cost Complement %</u>
Grocery	01	68.79
Meat	02	64.96
Produce	03	56.38
Non-Foods	04	71.35
Service Center	05	70.38
Floral	06	55.96
Seafood	08	70.70
Deli	13	50.79
Liquor	15	84.56

Cost Departments

Bakery	09
Pharmacy	11
Video (5)	12
Tortilleria	19
Supplies	

**LIMITED POWER OF ATTORNEY FOR USE OF PHARMACY
CERTIFICATES AND PERMITS**

KNOW ALL MEN BY THESE PRESENTS:

That Furr's Supermarkets, Inc., a Delaware corporation (the "Seller"), acting through its President Steven L. Mortensen, has made, constituted, and appointed, and by these presents do make, constitute and appoint _____ (the "Purchaser") its true and lawful attorney-in-fact for and in its name, place, and stead for the following limited purpose:

1. From this date until the use of this Limited Power of Attorney is no longer permitted by law (the "Termination Date"), Purchaser may act in Seller's stead with respect to the use of (i) the certificates issued to Seller by the United States Drug Enforcement Agency listed on Exhibit A hereto for pharmacies at the grocery stores listed on Exhibit A hereto (together, the "Certificates"), and (ii) all permits issued to Seller by the New Mexico Board of Pharmacy listed on Exhibit A hereto for pharmacies at the grocery stores listed on Exhibit A hereto (together, the "Permits").
2. Seller gives and grants unto Purchaser full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done with respect to the Certificates and Permits as fully, with the same force and effect, and to all intents and purposes, as Seller might or could do, without limitation,

with full power of substitution and revocation, and Seller hereby ratifies and confirms all that Purchaser shall lawfully do or cause to be done by virtue of its role as Seller's attorney-in-fact under this document.

3. Any actions taken by Purchaser prior to the Termination Date pursuant to this Limited Power of Attorney shall be fully effective and enforceable despite later termination of this Limited Power of Attorney pursuant to the terms hereof.

LIQUOR LICENSES LEASE

This Liquor Licenses Lease (the "Lease") is entered into this ___ day of _____, 2001, between Furr's Supermarkets, Inc., a Delaware corporation (the "Lessor"), and _____, a _____ (the "Lessee").

RECITALS

- A. Lessor is the owner of the Dispenser's Licenses set forth on Exhibit A hereto and all rights appurtenant thereto (individually, a "License," together, the "Licenses"), issued by the Alcohol and Gaming Division, Regulation and Licensing Department, State of New Mexico (the "Division").
- B. Lessor operates one of the Licenses in each of the retail grocery stores described on the attached Exhibit A (individually a "Store," together, the "Stores"). The Stores are currently leased by Lessor from various third party landlords.
- C. Pursuant to a certain Asset Purchase Agreement dated June 25, 2001 (the "Agreement") executed by and between Lessor and [Fleming Companies, Inc./Lessee], Lessor has agreed to sell, and Lessee has agreed to purchase, certain property, including the Licenses and all of Lessor's interest in the Stores.
- D. The purchase price provided for in the Agreement includes the price of the Licenses.
- E. The Agreement provides that if the Licenses transfer has not been completed prior to Closing (as defined in the Agreement), Lessor will enter into an agreement allowing the Lessee to operate under the Licenses until they are transferred.
- F. Lessee will seek Division approval of a transfer of ownership of the Licenses from Lessor to Lessee.
- G. Pending approval of the sale of the Licenses to Lessee, Lessor and Lessee wish to enter into this Lease, subject to approval of the Division.

WHEREFORE, in consideration of the mutual covenants contained in this Lease, and other good and valuable consideration, including execution of the Agreement, Lessor and Lessee agree as follows:

AGREEMENT AND LEASE:

Section 1. Lease of Licenses. Lessor hereby leases the Licenses to Lessee, for their use in the Stores.

Section 2. Term. This Lease shall commence the date hereof, or upon approval of the Lease by the Division, whichever occurs later, and shall terminate upon Division approval of the transfer of ownership of the Licenses from Lessor to Lessee.

Section 3. Rent. Lessee shall pay Lessor rent of \$100.00 per month per License, payable on the first day of each month.

Section 4. Expenses. Lessee will pay all licensing fees and taxes during the term of the Lease, and all application fees in connection with the leasing and transfer of the Licenses.

Section 5. Compliance with law. Lessee at all times will comply with all applicable statutes and regulations to maintain the Licenses in good standing.

Section 6. Lessor Cooperation. Lessor shall take all action reasonably necessary to assist Lessee in the transfer of the Licenses to Lessee, and in obtaining Division approval thereof.

Section 7. Assignment. Lessee may assign its rights under this Lease, subject to approval of the Division, without the consent of Lessor.

Section 8. Indemnity. Lessee hereby agrees to indemnify, hold harmless, and defend Lessor from and against, and to reimburse Lessor on demand for, any liability, damage, cost, loss, or expense imposed on or reasonably incurred by Lessor, including reasonable attorneys' fees and costs, associated with use of the Licenses after the date hereof.

Section 9. Duplicate Originals. This Lease may be executed simultaneously in one or more counterparts, which together shall constitute one instrument. A facsimile signature shall be deemed an original signature.

Section 10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico.

Section 11. Entire Agreement, Modifications. This Lease, the Agreement, and the other documents executed in connection with the Agreement constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, supersede all prior and contemporaneous agreements and understandings of the parties in connection therewith, and confer no rights or benefits upon any person not a party hereto. No modification or termination of this Lease shall be binding unless executed in writing by the parties hereto.

Section 12. Further Assurances. Each party hereto agrees that after Closing, it will from time to time, upon request of the other party, take or cause to be taken such further action as the other may reasonably request to carry out the transactions contemplated under this Lease including assistance that may be needed by either of them in connection with the preparation of financial statements, regulatory filings, and other similar requirements.

Section 13. Waiver. Any term or provision of this Lease may be waived in writing at any time by the party that is entitled to the benefits thereof. The failure of either party at any time or times to require performance of any provision hereof shall in no manner affect such party's right at a later time to enforce the same. No waiver by any party of a condition or of the breach of any term, covenant, representation, or warranty contained in this Lease, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or waiver of any other condition or of the breach of any other term, covenant, representation, or warranty of this Lease.

Section 14. Captions. Section headings and subheadings in this Lease are for convenience of reference only and shall not otherwise affect the meaning hereof.

Section 15. Construction. This Lease will not be construed as a joint enterprise, a partnership, or any relationship other than one of independently contracting parties. This Lease is to be construed to effect the normal and reasonable expectations of sophisticated parties. Neither party will take actions that would frustrate the other's reasonable expectations concerning the benefits to be enjoyed hereunder. This Lease has been prepared by Lessor and its professional advisors and reviewed by Lessee and its professional advisors, Lessor, Lessee, and their respective advisors believe that this Lease is the product of all of their efforts, that it expresses

their agreement, and that it should not be interpreted in favor of or against either Lessor or Lessee.

Section 16. Severability. If any provision of this Lease is determined to be illegal or unenforceable, such determination will not affect any other provisions of this Lease and all such other provisions will remain in full force and effect.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease on the date set forth above.

FURR'S SUPERMARKETS, INC.

By: _____
Name: Steven L. Mortensen
Title: President

[LESSEE]

By: _____
Name: []
Title: []

SCHEDULE A
ASSIGNED TRADEMARKS

Registered Mark	Country	Registration No. (Application No.)	Registration Date (Application Date)

Common Law Marks

SELLER DISCLOSURE SCHEDULE TO

ASSET PURCHASE AGREEMENT

between

FURR'S SUPERMARKETS, INC.

as Seller

and

FLEMING COMPANIES, INC.

as Purchaser

Dated June 25, 2001

The numbers assigned to the Schedules of this Disclosure Schedule are given for reference purposes only. Any matter or item disclosed on any Schedule shall not be deemed to be material (whether singularly or in the aggregate) or deemed to give rise to circumstances which may result in a Seller Material Adverse Effect or Material Adverse Change solely by reason of it being so disclosed herein. Any matter or item disclosed pursuant to any Schedule shall be deemed to be disclosed for all purposes under the Asset Purchase Agreement and any matter disclosed in one Schedule of this Disclosure Schedule will be deemed disclosed with respect to the other Schedules. All capitalized terms not otherwise defined in this Disclosure Schedule shall have the meanings ascribed to them in the Asset Purchase Agreement.

Schedule 2.1(e)

<u>Contract</u>	<u>Nature of Agreement</u>	<u>Term</u>	<u>Start</u>	<u>End</u>	<u>Annual Cost</u>	<u>Term Notice</u>	<u>Assignable</u>
ADVO	Distribute our weekly circulars in major markets	3 years	02/01/2000	02/04/2003	n/a	n/a	No
CATALINA	Support various marketing programs including: Checkout Coupon Machines, Furry Club Cards, Data Entry, Data Mining Software, Direct Mail, etc.	2 years	06/01/2000	06/01/2002	n/a	60 days	Yes w notice
COINSTAR	Supplies coin counting machines in El Paso and Albuquerque locations	3 years	08/03/2000	08/02/2003	n/a	30 days prior to end of term	No
ESCRIP	Supports our card-based Community Rewards program that donates a % of qualified purchases to registered organizations	3 years	09/05/2000	09/04/2003		90 days prior to end of term	No
ALBUQUERQUE PUBLISHING COMPANY	Albuquerque newspaper - ROP ads	1 year	10/01/2000	09/03/2001	n/a	30 days	Yes
DAILY TIMES	Farmington newspaper - Ad distribution	2 years	02/01/2000	01/31/2002	n/a	30 days	No
MEALS.COM	Provides an internet based meal planning database/software	3 years	11/01/2000	11/01/2003			
THE SANTA FE NEW MEXICAN	Santa Fe newspaper - ROP ads	1 year	02/09/2001	02/08/2002	n/a	30 days	No
NEWS AMERICA	Provides revenue-generating advertisements in stores including: coupon dispensers, shelf ads, cart ads, floor graphics and order dividers	3 years	11/30/2001	11/29/2004	n/a	30 days for cause only	No
OSO GRAND	Supports the harts.com website	month-to month	6/21/2000	n/a		30 days	
CRESKRI CLUBS COVERLIS PRINTING SERVICES AND EQUIPMENT SUPPLY AGRI MENT	Prints weekly circulars and other advertising materials	2 years	03/12/2001	03/11/2003	n/a	60 days	No
UTPA UTILITIES SPONSORSHIP PROGRAM	Advertising sponsorship	3 years	06/15/1999	06/15/2002	n/a	n/a	n/a
PLANEET	Provides an internet-based coupon program	1 year	09/28/2000	09/28/2001	n/a	60 days	Yes
VIA VERDE VENDING	Operates crane vending machines in our locations	3 years	03/19/1999	03/18/2002	n/a	n/a	n/a
IWAY	Provides development and support of Online Shopping	5 years	07/31/1997	07/30/2002	n/a	60 days	Yes
8 of A	Handles online shopping transaction clearing	5 years	08/01/1997	08/01/2002	n/a	60 days	Yes

EQUIPMENT LEASES

Lease #	Vendor	Address	City	State	Zip	Country	End Date	Description	Store #	Notes
0140-1-25	Advanta						Various			
6007	Bane of America	1602 West Main	Artesia	NM		USA	1/31/01	Equipment lease - Location -907; see Note #2	907	Note #2
0309-10	Cisco					USA	5/31/02	Equipment lease - Location -222	222	
0309-01	CIJ					USA	3/25/03	Equipment lease - Location -222	222	
4769	Comdisco					USA	3-31-03	Equipment lease - Location - various	various	
4770	Comdisco					USA	3-31-03	Equipment lease - Location - various	various	
4771	Comdisco					USA	3-31-03	Equipment lease - Location - various	various	
4700-1-AS	Comdisco					USA	12-31/02	Equipment lease - Location - various	various	
0315-01	Compaq					USA	5/31/02	Equipment lease - Location - various	various	
0503-01	Econocom	321 S. Main	Anthony	TX		USA	3/31/03	Equipment lease - Location -954	954	
0511-01	FKCC	701 E. Main S.E.	Los Lunas	NM		USA	12/7/02	Equipment lease - Location -862	862	
0524-1-25	Express Stop					USA	various	Equipment lease - Location - various	various	
0609-01	Finova	951 N. Resler Drive	El Paso	TX		USA	12/1/01	Equipment lease - Location -952	952	
0609-02	Finova	3100 Lee Trevino	El Paso	TX		USA	12-31-01	Equipment lease - Location -932; see Note #1	932	Note #1
0609-03	Finova	3518 Montana	El Paso	TX		USA	12-31-01	Equipment lease - Location -934; see Note #1	934	Note #1
0609-04	Finova	5514 Alameda	El Paso	TX		USA	12-31-01	Equipment lease - Location -936; see Note #1	936	Note #1
0609-05	Finova	11705 Montwood Ave	El Paso	TX		USA	12-31/01	Equipment lease - Location -950; see Note #1	950	Note #1
0609-06	Finova	3701 Constitution EN	Albuquerque	NM		USA	12/31/02	Equipment lease - Location -879	879	
0609-07	Finova	1700 E. 20th	Farmington	NM		USA	10/31/03	Equipment lease - Location -811	811	
0609-08	Finova	701 E. Main S.E.	Los Lunas	NM		USA	10/31/03	Equipment lease - Location -862	862	
0609-09	Finova	3301 Southern Blvd	Rio Rancho	NM		USA	10/31/03	Equipment lease - Location -881	881	
0609-10	Finova	5514 Alameda	El Paso	TX		USA	10-31-03	Equipment lease - Location -936	936	
0609-11	Finova	115 Americas Ave S.	El Paso	TX		USA	10/31/03	Equipment lease - Location -944	944	
0612-1-2	Fluid Process					USA	month-to-	Equipment lease - Location - various	various	

Lease #	Vendor	Address	City	State	Zip	Country	End Date	Description	Store #	Notes
0705-01	GE- Pittsburgh					USA	month	various		
6874	GE-MedLife	13201 Lomas NE	Albuquerque	NM		USA	5/31/03	Equipment lease - Location -222	222	
6891	GE-MedLife	2119 Pacheco	Santa Fe	NM		USA	2/28/02	Equipment lease - Location -874	874	
6898	GE-MedLife	102 Caldwell	Belen	NM		USA	2/28/02	Equipment lease - Location -891	891	
6899	GE-MedLife	901 California St. NW	Socorro	NM		USA	2/28/02	Equipment lease - Location -898	898	
0718-174	Greenleaf					USA	various	Equipment lease - Location - various	various	
0805-20	Heller	8115 North Loop Drive	El Paso	TX		USA	8/31/04	various		
0805-21	Heller	321 S. Main	Anthony	TX		USA	8/31/04	Equipment lease - Location -953	953	
0805-22	Heller	9820 Railroad Dr	El Paso	TX		USA	8/31/04	Equipment lease - Location -954	954	
0805-23-90	Heller					USA	8/31/04	Equipment lease - Location -271	271	
0805-01	Hewlett Packard					USA	1/1/00	Equipment lease - Location - various	various	
0805-03	Hewlett Packard					USA	7/1/00	Equipment lease - Location -222; see Note #3	222	Note #3
0805-04	Hewlett Packard					USA	2/1/00	Equipment lease - Location -222; see Note #3	222	Note #3
0805-06	Hewlett Packard					USA	7/31/02	Equipment lease - Location -222; see Note #3	222	Note #3
	IBM					USA	month-to-month	Equipment lease - Location -222	222	
	IBM					USA	month-to-month	Equipment lease - Location -222	222	
	IBM					USA	month-to-month	Equipment lease - Location -222	222	
0913-01	Imaging Concepts					USA	10/26/03	Equipment lease - Location -171	171	
1210	Leasing Associates					USA	2/28/02	Equipment lease - Location -101	101	
1212	Leasing Associates					USA	2/28/01	Equipment lease - Location -101	101	
1214	Leasing Associates					USA	1/31/03	Equipment lease - Location -101	101	
1222	Leasing Associates					USA	6/30/01	Equipment lease - Location -101	101	
1226	Leasing Associates					USA	8/31/03	Equipment lease - Location -101	101	
1235	Leasing Associates					USA	1/31/02	Equipment lease - Location -101	101	
1237	Leasing Associates					USA	4/30/02	Equipment lease - Location -101	101	
1238	Leasing Associates					USA	4/30/02	Equipment lease - Location -101	101	
1239	Leasing Associates					USA	5/30/02	Equipment lease - Location -101	101	
1240	Leasing Associates					USA	8/31/03	Equipment lease - Location -101	101	

Lease #	Vendor	Address	City	State	Zip	Country	End Date	Description	Store #	Notes
1241	Leasing Associates					USA	8/31/03	Equipment lease - Location -101	101	
1243	Leasing Associates					USA	9/30/02	Equipment lease - Location -101	101	
1245	Leasing Associates					USA	8/31/02	Equipment lease - Location -101	101	
1247	Leasing Associates					USA	4/30/03	Equipment lease - Location -101	101	
1249	Leasing Associates					USA	10/31/03	Equipment lease - Location -101	101	
1250	Leasing Associates					USA	7/31/02	Equipment lease - Location -101	101	
1251	Leasing Associates					USA	8/31/02	Equipment lease - Location -101	101	
1252	Leasing Associates					USA	8/31/02	Equipment lease - Location -101	101	
1255	Leasing Associates					USA	5/31/02	Equipment lease - Location -101	101	
1256	Leasing Associates					USA	5/31/02	Equipment lease - Location -101	101	
1258	Leasing Associates					USA	1/31/05	Equipment lease - Location -101	101	
1259	Leasing Associates					USA	5/31/03	Equipment lease - Location -101	101	
1260	Leasing Associates					USA	7/31/02	Equipment lease - Location -101	101	
1261	Leasing Associates					USA	7/31/02	Equipment lease - Location -101	101	
1262	Leasing Associates					USA	9/30/02	Equipment lease - Location -101	101	
1263	Leasing Associates					USA	9/30/02	Equipment lease - Location -101	101	
1264	Leasing Associates					USA	3/31/03	Equipment lease - Location -101	101	
1265	Leasing Associates					USA	4/14/03	Equipment lease - Location -101	101	
1267	Leasing Associates					USA	9/30/02	Equipment lease - Location -101	101	
1268	Leasing Associates					USA	10/31/02	Equipment lease - Location -101	101	
1269	Leasing Associates					USA	6/30/03	Equipment lease - Location -101	101	
1270	Leasing Associates					USA	6/30/03	Equipment lease - Location -101	101	
1271	Leasing Associates					USA	1/31/03	Equipment lease - Location -101	101	
1272	Leasing Associates					USA	12/31/02	Equipment lease - Location -101	101	
1273	Leasing Associates					USA	2/14/03	Equipment lease - Location -101	101	
1274	Leasing Associates					USA	3/15/03	Equipment lease - Location -101	101	
1275	Leasing Associates					USA	11/30/02	Equipment lease - Location -101	101	
1276	Leasing Associates					USA	9/14/03	Equipment lease - Location -101	101	
1277	Leasing Associates					USA	10/14/03	Equipment lease - Location -101	101	
1278	Leasing Associates					USA	9/14/03	Equipment lease - Location -101	101	
1279	Leasing Associates					USA	9/14/03	Equipment lease - Location -101	101	
1280	Leasing Associates					USA	3/1/03	Equipment lease - Location -101	101	
1281	Leasing Associates					USA	9/30/02	Equipment lease - Location -101	101	
1282	Leasing Associates					USA	12/31/02	Equipment lease - Location -101	101	
1283	Leasing Associates					USA	12/31/02	Equipment lease - Location -101	101	
1284	Leasing Associates					USA	10/14/04	Equipment lease - Location -101	101	
1286	Leasing Associates					USA	12/31/02	Equipment lease - Location -101	101	

Lease #	Vendor	Address	City	State	Zip	Country	End Date	Description	Store #	Notes
1288	Leasing Associates					USA	1/14/03	Equipment lease - Location -101	101	
1289	Leasing Associates					USA	4/14/03	Equipment lease - Location -101	101	
1290	Leasing Associates					USA	4/30/03	Equipment lease - Location -101	101	
1291	Leasing Associates					USA	5/14/03	Equipment lease - Location -101	101	
1292	Leasing Associates					USA	5/14/03	Equipment lease - Location -101	101	
1293	Leasing Associates					USA	5/31/03	Equipment lease - Location -101	101	
1294	Leasing Associates					USA	5/14/03	Equipment lease - Location -101	101	
1295	Leasing Associates					USA	7/31/03	Equipment lease - Location -101	101	
1298	Leasing Associates					USA	7/31/03	Equipment lease - Location -101	101	
1299	Leasing Associates					USA	11/30/03	Equipment lease - Location -101	101	
1300	Leasing Associates					USA	10/31/04	Equipment lease - Location -101	101	
1301	Leasing Associates					USA	9/30/03	Equipment lease - Location -101	101	
1302	Leasing Associates					USA	9/30/03	Equipment lease - Location -101	101	
6075	MDFC (Boeing)	5850 Eubank NE	Albuquerque	NM		USA	1/15/01	Equipment lease - Location -875; see Note #4	875	Note #4
6696	MDFC (Boeing)	1100 Paseo del Pueblo S.	Taos	NM		USA	1/15/01	Equipment lease - Location -896; see Note #4	896	Note #4
6775	MDFC (Boeing)	5850 Eubank NE	Albuquerque	NM		USA	1/15/01	Equipment lease - Location -875; see Note #4	875	Note #4
6794	MDFC (Boeing)	206 Mills Avenue	Las Vegas	NV		USA	11/15/01	Equipment lease - Location -894	894	
6796	MDFC (Boeing)	1100 Paseo del Pueblo S.	Taos	NM		USA	1/15/01	Equipment lease - Location -896; see Note #4	896	Note #4
6845	MDFC (Boeing)	8050 W. Mesa	El Paso	TX		USA	10/15/00	Equipment lease - Location -945; see Note #4	945	Note #4
6846	MDFC (Boeing)	6910 N. Mesa	El Paso	TX		USA	7/1/01	Equipment lease - Location -946	946	
6875	MDFC (Boeing)	5850 Eubank NE	Albuquerque	NM		USA	1/15/01	Equipment lease - Location -875; see Note #4	875	Note #4
6894	MDFC (Boeing)	206 Mills Avenue	Las Vegas	NV		USA	11/15/01	Equipment lease - Location -894	894	
6896	MDFC (Boeing)	1100 Paseo del Pueblo S.	Taos	NM		USA	1/15/01	Equipment lease - Location -896; see Note #4	896	Note #4
6945	MDFC (Boeing)	8050 W. Mesa	El Paso	TX		USA	10/15/00	Equipment lease - Location -945; see Note #4	945	Note #4
6946	MDFC (Boeing)	6910 N. Mesa	El Paso	TX		USA	7/1/01	Equipment lease - Location -946	946	
3004-01	MDFC (Boeing)	7800 Enchanted Hills NE	Rio Rancho	NM		USA	12/20/05	Equipment lease - Location -812	812	
3004-02	MDFC (Boeing)	10765 Kenworthy Drive	El Paso	TX		USA	12/20/05	Equipment lease - Location -951	951	
3004-03	MDFC (Boeing)	8100 Ventura NE	Albuquerque	NM		USA	12/20/05	Equipment lease - Location -871	871	
1315-1-30	Motorola					USA	various	Equipment lease - Location -222	222	

Lease #	Vendor	Address	City	State	Zip	Country	End Date	Description	Store #	Notes
1605	Petroleum Capital					USA	10/31/04	Equipment lease - Location - various	various	
5603	Pinney Bowes					USA	4/10/01	Equipment lease - Location -171	171	
1901-54 66	Savin Dallas, TX					USA	various	Equipment lease - Location - various	various	
1901-153	Savin Troy, MI					USA	various	Equipment lease - Location - various	various	
1905	Sensormatic					USA	various	Equipment lease - Location - various	various	
5700	Sensormatic					USA	12/31/01	Equipment lease - Location - various	various	
5702	Sensormatic					USA	12/31/01	Equipment lease - Location - various	various	
5704	Sensormatic					USA	12/31/01	Equipment lease - Location - various	various	
5706	Sensormatic					USA	12/31/01	Equipment lease - Location - various	various	
5707	Sensormatic					USA	12/31/01	Equipment lease - Location - various	various	
1920	Sonitrol					USA	various	Equipment lease - Location - various	various	
2005-137	Texas Medical					USA	12/31/04	Equipment lease - Location - various	various	
	Xerox					USA	unknown	Equipment lease - Location -171	171	
	Xerox					USA	unknown	Equipment lease - Location -171	171	
	Xerox					USA	unknown	Equipment lease - Location -171	171	
	Xerox					USA	unknown	Equipment lease - Location -171	171	

Notes:

- 1 4 stores - Finova - equipment was on sale/leasebacks. We re-purchased the equipment from Finova at the end of the lease, and the purchase price is being financed by Finova.
- 2 FSI has not signed a lease renewal. This is an equipment sale/leaseback. The lease will continue on a month-to-month basis.
- 3 Still using this, no new leases, paying on a month-to-month basis.
- 4 FSI has not signed a lease renewal. These are equipment sale/leasebacks. The leases will continue on a month-to-month basis.

LEASE OR CONTRACT NAME ADDRESS CITY STATE/ PROVINCE POSTAL CODE COUNTRY DESCRIPTION OF CONTRACT OR LEASE

American Greetings	Dan Moraczewski	One American Greetings	Cleveland	OH	44144-2398	USA	Greeting Cards
Anderson News	Christopher Henry	1800 Northwestern Drive	El Paso	TX	79912	USA	Magazines, Books Baking Nuts
Berton	<i>Do not have a copy of the contract</i>						
Coke	Jay Toups		Phoenix	AZ		USA	Eggs
Cal-Maine Foods							Pharmacy Drug Warehouse
Cardinal Health							Dairy Products
Creamland Dairies, Inc.	Barry Beaman						
Earthgrains							Fresh Packaged Baked Goods
Feko							Housewares
Feko		9234 W. Belmont Ave.	Franklin Park	IL	60131	USA	Housewares
Energizer	John K Caldwell	3506 Nutwood Lane	Spring	TX	77389	USA	Batteries
E-Z Foil							
Faucet Queen	Joe Blaz	850 Foreal Edge Drive	Vernon Hills	IL	60061	USA	Hardware
General Electric Lighting	<i>Do not have a copy of the contract</i>						
Goody Hair Care (copy not signed)	Matthew Marger						
Gourmet Award Foods (SW)	Bryan C.	5101 Highland Place Drive	Dallas	TX	75236	USA	Specialty, Natural and Ethnic Foods
Harz Mountain	<i>Do not have a copy of the contract</i>						
Holiday Candy		2455 Marriodale Ave.	Los Angeles	CA	90032-3592	USA	Gourmet, Hispanic and Novelty Candy
Ingram							
Kodak (Eastman)	Muzi MacKenzie						Film
Kodak (Qualex)	Bruce Swinsky	4 concourse Parkway Suite 300	Atlanta	GA	30328	USA	Film Processing
McCormick & Company, Inc		9550 Skillman Street, Suite 101, I.B-114	Dallas	TX	75243-8257	USA	Spice, Herb, Seasoning and Flavorings
Miracle Candle	Richard Garcia Jr	P.O. Box 1758	Laredo	TX	78044	USA	Candles
Mission Foods							
Nature's Bounty Vitamins	Jim Mitchell	90 Orville Dr.	Bohemia	NY	11716	USA	Vitamins

LEASE OR CONTRACT **NAME** **ADDRESS** **CITY** **STATE/ PROVINCE** **POSTAL CODE** **COUNTRY** **DESCRIPTION OF CONTRACT OR LEASE**

Nature's Bounty Vitamins	Jim Kitchell	910 East Sandhill Ave.	Carson	CA	90746	USA	Vitamins
NJC	Karen E. Rohrer	National Data Plaza	Atlanta	GA	330329-2010	USA	Insurance Claims
PDX	Danny G. Addison	101 Jim Wright Freeway, Suite 200	El Worth	TX	76108-2253	USA	Software
Pepsi Cola Bottling Group	David Depoy						
Pharmacist Staffing, Inc	Lerry Johnson	P.O. Box 9253	Albuquerque	NM	87119	USA	Pharmacy Personnel
Pro-Pack International Inc.							
Rug Doctor	Jerry Hunter	P.O. Box 7750	Fresno	CA	93747	USA	Carpet and Upholstery Care Products
Rug Doctor	Jerry Hunter	2788 N. Larkin Ave	Fresno	CA	93727	USA	Carpet and Upholstery Care Products
Shasta	Dan Rosado	2109 Luna Rd. # 100	Carrollton	TX	75006	USA	Beverage Products
Signature Brands							
Sundown Vitamins	David Kronrad						Vitamins
Texas Medical Screening	John Campion	118 Camino Santa Maria	San Antonio	TX	78228	USA	Texas Medical
Wells' Dairy Inc.							

LEASE OR CONTRACT	NAME	ADDRESS	CITY	STATE/ PROVINCE	POSTAL CODE	COUNTRY	DESCRIPTION OF CONTRACT OR LEASE
CONTRACT	UFCW, Local 1564	P.O. Box 80390	Albuquerque	New Mexico	87198	USA	Retail Bargaining Agreement (New Mexico)
CONTRACT	UFCW, Local 1564	P.O. Box 80390	Albuquerque	New Mexico	87198	USA	Retail Bargaining Agreement (Farmington, New Mexico)
CONTRACT	UFCW, Local 1564	P.O. Box 80390	Albuquerque	New Mexico	87198	USA	Retail Bargaining Agreement (J or C, New Mexico)
CONTRACT	UFCW, Local 1564	P.O. Box 80390	Albuquerque	New Mexico	87198	USA	Retail Bargaining Agreement (Las Cruces, New Mexico)
CONTRACT	UFCW, Local 1564	P.O. Box 80390	Albuquerque	New Mexico	87198	USA	Retail Bargaining Agreement (Los Lunas, New Mexico)
CONTRACT	UFCW, Local 1564	P.O. Box 80390	Albuquerque	New Mexico	87198	USA	Meat Bargaining Agreement (Bernalillo/Sandoval Counties)
CONTRACT	UFCW, Local 1564	P.O. Box 80390	Albuquerque	New Mexico	87198	USA	Meat Bargaining Agreement (New Mexico)
CONTRACT	UFCW, Local 540	1200 Golden Key Circle Suite 301	El Paso	Texas	79925	USA	Retail Bargaining Agreement (El Paso, Texas)
CONTRACT	UFCW, Local 540	P.O. Box 80390	Albuquerque	New Mexico	87198	USA	Meat Bargaining Agreement (Farmington, New Mexico)
CONTRACT	UFCW, Local 540	1200 Golden Key Circle Suite 301	El Paso	Texas	79925	USA	Retail Bargaining Agreement (Alpine, Texas)
CONTRACT	UFCW, Local 540	1200 Golden Key Circle Suite 301	El Paso	Texas	79925	USA	Meat Bargaining Agreement (Andrews, Texas)
CONTRACT	UFCW, Local 540	1200 Golden Key Circle Suite 301	El Paso	Texas	79925	USA	Meat Bargaining Agreement (El Paso, Texas)
CONTRACT	UFCW, Local 540	P.O. Box 80390	Albuquerque	New Mexico	87198	USA	Meat Bargaining Agreement (Las Cruces, New Mexico)
CONTRACT	UFCW, Local 540	1200 Golden Key Circle Suite 301	El Paso	Texas	79925	USA	Meat Bargaining Agreement (Alpine, Texas)
CONTRACT	UFCW, Local 540	1200 Golden Key Circle Suite 301	El Paso	Texas	79925	USA	Retail Bargaining Agreement (Midland, Texas)
CONTRACT	UFCW, Local 540	1200 Golden Key Circle Suite 301	El Paso	Texas	79925	USA	Meat Bargaining Agreement (Midland, Texas)
LEASE	Imaging Concepts	8000 Pan American Fwy NE	Albuquerque	New Mexico	87113	USA	Lease Agreement regarding 2 copiers and 2 fax machines
LEASE	Leasing Associates	P.O. Box 243	Houston	Texas	77001	USA	Lease Agreement regarding Vehicles
LEASE	Primey Boxes Credit Corp	201 Merrifield Seven	Norwalk	Connecticut		USA	Lease Agreement regarding Mailing Equipment
LEASE	Alternative Business Systems, Inc	4601 McLeod Rd NE	Albuquerque	New Mexico	87109	USA	Lease Agreement regarding Copier Equipment at Stores
CONTRACT	American Insurance Services	P.O. Box 2095	Railway	New Jersey	07065	USA	Contract for Claims Index Services

LEASE OR CONTRACT NAME ADDRESS CITY STATE/ PROVINCE POSTAL CODE COUNTRY DESCRIPTION OF CONTRACT OR LEASE

LEASE OR CONTRACT	NAME	ADDRESS	CITY	STATE/ PROVINCE	POSTAL CODE	COUNTRY	DESCRIPTION OF CONTRACT OR LEASE
	Group						
CONTRACT	Automatic Data Processing	One ADP Boulevard	Roseland	New Jersey	07068	USA	Contract for Payroll and Tax Services
CONTRACT	Watts, Johnson & Company	1111 Third Avenue	Seattle	Washington	98101	USA	Contract for Investment Consulting
CONTRACT	Warburg, Pincus Counsellors, Inc	466 Lexington Ave.	New York	New York	10017-3147	USA	Contract for Investment Consulting (ERISA)
CONTRACT	PNB Financial	P.O. Box 271	Lubbock	Texas	79804	USA	Pension Trust Agreement
CONTRACT	CIGNA Retirement and Investment	6600 E. Campus Circle Dr Suite 320	Irving	Texas	75063	USA	401(k) Plan Administration
CONTRACT	Preferred Services, Inc.	1420 Carlisle NE Suite 202	Albuquerque	New Mexico	87110	USA	Safety Consulting Services
CONTRACT	Scruggs Consulting	2020 Long Tail Trail	Argyle	Texas	76226-4500	USA	Risk Management and Information Consulting
CONTRACT	Medical Control	123 North Post Oak Lane Suite 400	Houston	Texas	77024	USA	Health Benefits Administration
CONTRACT	Injury Management Organization	14675 Midway Rd. Suite 115	Dallas	Texas	75244	USA	Medical Consulting Services (Work injuries)
CONTRACT	Diversified Group Administrators	311 South Central Ave	Canonsburg	Pennsylvania	15317	USA	Medical Claims Processing and Administration
CONTRACT	Sun Life Assurance Company	One Sun Life Exec. Park	Wellesley Hills	Massachusetts	02481	USA	Life and Disability Insurance Benefit Administration
CONTRACT	Altel (Local Office - Abq)	3137 E. Elwood St. #130	Phoenix	Arizona	85034-7290	USA	Cellular Phone Service
CONTRACT	Qwest Dex	5737 Menaul NE	Albuquerque	New Mexico	87110	USA	"
CONTRACT	Employers Unive. Inc.	5600 Wyoming NE Ste. 100	Albuquerque	New Mexico	87109	USA	Yellow Page Advertising
CONTRACT	Employers Unive. Inc.	3200 Carlisle NE Ste. 227	Albuquerque	New Mexico	87110	USA	Review of Unemployment Program & manage claims
CONTRACT	Employers Unive. Inc.	P.O. Box 49000	Arvada	Colorado	80006	USA	"
CONTRACT	Monster.com (Representative-David Uthan)	5 Cook Tower Place	Maynard	Massachusetts	01754	USA	Internet Recruitment
CONTRACT	Wells Fargo Bank of New Mexico	2611 Waterfront Parkway East Dr. #100	Indianapolis	Indiana	46214	USA	"
CONTRACT	Wells Fargo Bank of New Mexico	200 Tomias NW	Albuquerque	New Mexico	87102	USA	Direct Deposit Third Party Payroll Service
LEASE	Advanta	1020 Laurel Oak Rd.	Voorhees	New Jersey	08043-7228	USA	Carry equipment lease for Somrol
CONTRACT	Security Concepts, Inc	P.O. Box 536	Las Cruces	New Mexico	88004	USA	Security Guard Services
LEASE	Alpha Security, Inc.	7011 Loreto Rd.	El Paso	Texas	79903	USA	Security Equipment
CONTRACT	Pinkerton's, Inc	1155 Westmoreland Dr Ste 200	El Paso	Texas	79925	USA	Security and Investigation Services
CONTRACT	Miracle Delivery Service	515 S. Kansas St.	El Paso	Texas	79901	USA	Armored Car Services
CONTRACT	JLS Security Patrol & Investigations	P.O. Box 36407	Albuquerque	New Mexico	87176	USA	Security Patrol & Investigations

LEASE OR CONTRACT	NAME	ADDRESS	CITY	STATE/ PROVINCE	POSTAL COUNTRY CODE	DESCRIPTION OF CONTRACT OR LEASE
CONTRACT	Four Corners Security Co	203 East Ute St	Farmington	New Mexico	87401	Armored Car Services
CONTRACT	Brink's, Inc.	2525 Alamo Ave., NE	Albuquerque	New Mexico	87106	Armored Car Services
LEASE	Somind	8804 Washington NE, Ste B	Albuquerque	New Mexico	87113	Security Monitoring
CONTRACT	Preferred Maintenance, Inc	P.O. Box 40329	Albuquerque	New Mexico	87196	Janitorial Services
CONTRACT	Marsh USA, Inc	3131 N. Camelback Rd, Ste 400	Phoenix	Arizona	85016	Broker - Insurance
CONTRACT	AFCO	Dept LA21315	Pasadena	California	91185-1315	Finance - Insurance Premiums
CONTRACT	Sensormatic	951 Yamato Rd., C-40	Boca Raton	Florida	33431-0070	Camera Systems; EAS Equip; Possem Equip; Labels;
LEASE	Nexco Corporation	5000 Wyoming NE, Ste. 200	Albuquerque	New Mexico	87109	Maintenance Agreements
CONTRACT	Teletrust	P.O. Box 2450	Lubbock	Texas	79408	Copying Equipment
CONTRACT	Thyssen Dover Elevator					Pay Phone Rental (12/31/97 - 05/01/03)
MEAT DEPT						Monthly check for proper operation and safety (end date - 04/01/06)
CONTRACT	Farmer John	3049 E. Vernon Ave	Los Angeles	California	90058-1385	Pork-2 Years- Volume Goals
CONTRACT	D.P.I	3734 Collections Center	Chicago	Illinois	60693	Specialty Items- 2 Years
CONTRACT	Joseph Gallo Farms	P.O. Box 775	Atwater	California	95301	Cheeses- Tonnage
CONTRACT	Home	P.O. Box 53000	Lubbock	Texas	79453	Lunch Meat-to-nnage
CONTRACT	Jimmy Dean	8000 Centerview Pkwy, Suite 400	Cordova	Tennessee	38018	Sausage- Tonnage
CONTRACT	Smithfield	P.O. Box 2587	Smithfield	Virginia	23431	Hams- 1 Year
CONTRACT	Pulgram Pade	2777 Stemmons Freeway, Suite 850	Dallas	Texas	75207	Poultry- 2 Years
CONTRACT	Arizona Meat	1102 West Grant Rd	Tucson	Arizona	85705-5397	Ground Beef- 2 Years
CONTRACT	Butterball	7711 Gross Point Rd	Skokie	Illinois	60076	Turkey- 2 Years
CONTRACT	Budwig	7077 Orangewood, Suite 104	Garden Grove	California	92841	Meats-1 Year
DEPT.						
CONTRACT	Seattles Best	P.O. Box 2409	Seattle	California	98111-2409	Coffee- 2 Years
CONTRACT	DP I	3734 Collections Center	Chicago	Illinois	60693	Specialty Items- 2 Years
CONTRACT	Zack's Farms	P.O. Box 12556	Fresno	California	93778	Poultry- Tonnage
CONTRACT	Pepsi	P.O. Box 841890	Dallas	Texas	45284-1890	Beverage- 3 Years
CONTRACT	Blue Ridge Dark	3301 Atlantic Ave	Brooklyn	New York	11208	Salads-1 Year
CONTRACT	Sarah Lee Kahns	5200 S. Alameda St.	Vernon	California	91958	Tonnage- Meats

LEASE OR CONTRACT NAME ADDRESS CITY STATE/ PROVINCE POSTAL CODE DESCRIPTION OF CONTRACT OR LEASE

CONTRACT	Carolina Turkey	P.O. Box 589	Mount Olive	North Carolina	28365	USA	Tonnage- Meats
CONTRACT	Smithfield	P.O. Box 447	Smithfield	Virginia	23431	USA	Meats- Tonnage
CONTRACT	Conagra Poultry	P.O. Box 726	Farmersville	Louisiana	71241	USA	Poultry- Tonnage
PRODUCE							
CONTRACT	Ci Inquila	17314 State Hwy 249 Suite 340	Houston	Texas	77064	USA	Bananas- 1 Year
CONTRACT	Dole	600 Giffon Dr.	Arlington	Texas	76006	USA	Salads- 2 Years
CONTRACT	Fresh Express	P.O. Box 91150	Albuquerque	New Mexico	87199	USA	Salads- 2 Years
CONTRACT	Peter Rabbit Carrots	85810 Grapefruit Blvd	Coachella	California	92236	USA	Carrots- 1 Year
CONTRACT	Melissas	P.O. Box 21127	Los Angeles	California	90021	USA	Specialties- 1 Year
CONTRACT	Mann Packing	3201 Fisher Ct	Arlington	Texas	76001	USA	Vegetables- 1 Year
SUPPLIES							
CONTRACT	Bundl	8701 Sun Mateo New	Albuquerque	New Mexico	87113	USA	Supplies- 3 Years
Software Maintenance							
By Letter	Allen Systems Group	4343 E. Camelback Rd., #350	Phoenix	AZ	85018	USA	ZEKE MF Job Scheduler
By Letter	Avent-Webnot	2400 Research Boulevard	Rockville	MD	20850	USA	Raptor Firewall Maint
By Letter	BMC: CMF Monitor	2400 Research Boulevard	Rockville	MD	20850	USA	Webnot Subscription
CA-9085854-001	Computer Associates	2101 CityWest Blvd	Houston	TX	77042	USA	CMF Monitor SW
CA-9085854-005	Computer Associates	One Computer Associates Plaza	Islandia	NY	11788-7002	USA	TMS, Top Secret, Sysview
CA-0337308-001	Computer Associates	One Computer Associates Plaza	Islandia	NY	11788-7002	USA	Dispatch, Interrest
CA-0190478-001	Computer Associates	One Computer Associates Plaza	Islandia	NY	11788-7002	USA	Realia II COBOL compiler
CA-0076294-001	Computer Associates	One Computer Associates Plaza	Islandia	NY	11788-7002	USA	ONE & Unicenter training
CA-0336734-001	Computer Associates	One Computer Associates Plaza	Islandia	NY	11788-7002	USA	Prn. Serv Df for SCO Unix
CA-00568241-001,002	Computer Associates	One Computer Associates Plaza	Islandia	NY	11788-7002	USA	2-AutoSys Class IV-HP N4000
388-500-00	Hummingbird-Execed	One Computer Associates Plaza	Islandia	NY	11788-7002	USA	2-AutoSys Class II-NT
1297122-00	IBM	1 Sparks Avenue	Toronto	Ontario	M9L 1W1	Canada	Performance Measurement SW
941904	Informix - EDI*	1605 LB Freeway	Dallas	TX	75234	USA	Operating System SW
990106	Informix - Lawson	16011 College Blvd.	Lenexa	KS	66219	USA	EDI
	Informix - RDW?	16011 College Blvd.	Lenexa	KS	66219	USA	Lawson
	Informix	16011 College Blvd.	Lenexa	KS	66219	USA	RDW
	Innovation	225 Paterson Avenue	Lenexa	KS	66219	USA	SW Support
			Little Falls	NJ	07424-1658	USA	Mainframe SW

	Innovation	275 Paterson Avenue	Little Falls	NJ	10724-1638	USA	Maintenance on R/S S W
	Kyris	25 Westridge Market Place	Chandler	NC	28712	USA	Maintenance on R/S S W
	Lawson	380 St. Peter St.	St. Paul	MIN	55102-1002	USA	Accounting Software Maint License
	Legado	680 Vaqueros Ave	Stuyvesant	CA	94086	USA	Backup S W
	Liam	8711 Burnet Road	Austin	TX	78757-7046	USA	ITP/C/O/BI
	Powerware					USA	PowerBuilder S W
	Quest					USA	OES S W
	RMS					USA	Category Management S W
	Hardware Maintenance						
	DecisionOne	50 East Swedesford Road	Frazer	PA	19155-0704	USA	Maint - IBM Tape Drives
2402B4481 111	HewlettPackard/CSS	690 East Middlefield Road	Mt. View	CA	94043	USA	CSS Desoto 2402B4481 111
2402B2473 111	HP/CSS	690 East Middlefield Road	Mt. View	CA	94043	USA	CSS PU MA 2402B2473 111
2402B1063 111	HP/CSS	690 East Middlefield Road	Mt. View	CA	94043	USA	CSS THOR 2402B1063 111
2402B1083 111	HP/CSS	690 East Middlefield Road	Mt. View	CA	94043	USA	CSS ODIN 2402B1083 111
42A-15-2000	HP	690 East Middlefield Road	Mt. View	CA	94043	USA	A3544 A-DI 1
35875064004	IBM	1605 LBJ Freeway	Dallas	TX	75234	USA	IBM-9204-9395-9672-R31
358750677	IBM	1605 LBJ Freeway	Dallas	TX	75234	USA	
152	NSIor Technologies	10140 Mesa Rim Road	San Diego	CA	92121	USA	Maint - SAN
MA1000752	Sun Microsystems	901 San Antonio Rd	Palo Alto	CA	94303-4900	USA	Maint - Solans
	Equipment Lease/Rental						
19012A-91899	HP	690 East Middlefield Road	Mt. View	CA	94043	USA	31N Class Servers
	IBM	1605 LBJ Freeway	Dallas	TX	75234	USA	9394 enfr. Ramac
	Motorola	20 Cabot Blvd	Mansfield	MA	2048	USA	Routers Switches in Stores
	Network Architects, Corp	1720 Louisiana, Nf	Albuquerque	NM	87110	USA	DRAM, Etc
	Actyx	PO Box 600501	Dallas	TX	75266	USA	4090E11
	Actyx	PO Box 600501	Dallas	TX	75266	USA	DJPro
	Frame Relay						
SPR-16030	Qwest Touch America	335N 44th Street	Phoenix	AZ	85008	USA	
	Qwest US West NM	201 Third Street, NW	Albuquerque	NM	87102	USA	
	Qwest US West-TX					USA	
	Outside Services- Third Party						
	IRI	150 N Clinton St	Chicago	IL	60661-1416	USA	1 Copy Apollo Profess. 10 Briefcase
Mstr Agrmnt 12/1/99	TRW	12011 Sunset Hills Rd	Reston	VA	20190-3285		
	Actyx	560 Gateway Drive	Santa	CA	94458	USA	Internet Service Provider

WIS 00504RS	Weyerhaeuser	PO Box 2999	Lacoma	WA	98477 2999	USA	Disaster Recovery Services
						USA	
Other							
	ACT					USA	ANSI X9.15 Comm
	AIH					USA	S.W. Support
	Harbinger					USA	
	PDX Pharmacy	101 Jim Wright Hwy South	Fort Worth	TX	76108-2252	USA	Pharmacy S.W. Support
	PL/OJ RDI					USA	EDI Support
	Solimar	Fort Worth, Texas 76108-2252	San Diego	CA	92101	USA	
	Tempus					USA	Video System S.W. Support
	Total Control (C) b					USA	
	HBM	1605 LBJ Freeway	Dallas	TX	75234	USA	RS6000i
	OMI-Biceps	1501 Woodfield Road	Schaumburg	IL	60173	USA	Abs
	OMI-Triceps	1501 Woodfield Road	Schaumburg	IL	60173	USA	Biceps Prompt
	OMI-ABS	1501 Woodfield Road	Schaumburg	IL	60173	USA	Triceps
	OMI-Prnrupt	1501 Woodfield Road	Schaumburg	IL	60173	USA	Unixix
						USA	Pharmacy Support

Schedule 2.1(f)

FSI License/Certificate/Permit Control List

TYPE OF LICENSE DUE DATE FROM TO AMT TO BE PAID AGENCY PAID TO

926	El Paso Food Product City License - Tax Receipts	03 09 02	03 10 01	03 09 02	\$375.00	City of El Paso, BUILDING SERVICES DEPARTMENT, LICENSE BUREAU				
926	City of El Paso Beer Wine License	11 06 01	11 07 00	11 06 01	\$30.00	Terry Rowland				
926	Texas State Liquor License	11 06 01	11 07 00	11 06 01	\$60.00	Terry Rowland				
926	Texas Official Nursery Floral Certificate of Registration	10 31 01	10 31 00	10 31 01	\$60.00	State of Texas, Department of Agriculture				
927	El Paso Food Product City License - Tax Receipts	03 09 02	03 10 01	03 09 02	\$375.00	City of El Paso, BUILDING SERVICES DEPARTMENT, LICENSE BUREAU				
927	Texas Butler Certificate of Operation	06 07 03	06 07 00	06 07 03	\$85.00	Texas Dept of Licensing and Regulation				
927	Texas State Liquor License	08 08 01	08 09 00	08 08 01	\$60.00	Terry Rowland				
927	Texas Official Nursery Floral Certificate of Registration	10 31 01	10 31 00	10 31 01	\$60.00	State of Texas, Department of Agriculture				
928	El Paso Food Product City License - Tax Receipts	03 09 02	03 10 01	03 09 02	\$375.00	City of El Paso, BUILDING SERVICES DEPARTMENT, LICENSE BUREAU				
928	City of El Paso Beer Wine License	11 06 01	11 07 00	11 06 01	\$30.00	Terry Rowland				
928	Texas State Liquor License	11 06 01	11 07 00	11 06 01	\$60.00	Terry Rowland				
928	Texas Official Nursery Floral Certificate of Registration	10 31 01	10 31 00	10 31 01	\$60.00	State of Texas, Department of Agriculture				
932	El Paso Food Product City License - Tax Receipts	03 09 02	03 10 01	03 09 02	\$375.00	City of El Paso, BUILDING SERVICES DEPARTMENT, LICENSE BUREAU				
932	Texas State Liquor License	08 21 01	08 22 00	08 21 01	\$60.00	Terry Rowland				
932	Texas Official Nursery Floral Certificate of Registration	10 31 01	11 01 00	10 31 01	\$60.00	State of Texas, Department of Agriculture				
933	El Paso Food Product City License - Tax Receipts	03 09 02	03 10 01	03 09 02	\$375.00	City of El Paso, BUILDING SERVICES DEPARTMENT, LICENSE BUREAU				

933	City of El Paso Beer Wine License	11 06 01	11 07 00	11 06 01	\$30,000	Terry Rowland
933	Texas State Liquor License	11 06 01	11 07 00	11 06 01	\$60,000	Terry Rowland
933	Texas Official Nursery Floral Certificate of Registration	10 31 01	10 31 00	10 31 01	\$60,000	State of Texas, Department of Agriculture
934	El Paso Food Product City License - Tax Receipts	03 09 02	03 10 01	03 09 02	\$375,000	City of El Paso, BUILDING SERVICES DEPARTMENT, LICENSURE BUREAU
934	City of El Paso Beer Wine License	11 06 01	11 07 00	11 06 01	\$30,000	Terry Rowland
934	Texas State Liquor License	11 06 01	11 07 00	11 06 01	\$60,000	Terry Rowland
934	Texas Official Nursery Floral Certificate of Registration	10 31 01	10 31 00	10 31 01	\$60,000	State of Texas, Department of Agriculture
935	El Paso Food Product City License - Tax Receipts	03 09 02	03 10 01	03 09 02	\$375,000	City of El Paso, BUILDING SERVICES DEPARTMENT, LICENSURE BUREAU
935	City of El Paso Beer Wine License	11 06 01	11 07 00	11 06 01	\$30,000	Terry Rowland
935	Texas State Liquor License	11 06 01	11 07 00	11 06 01	\$60,000	Terry Rowland
935	Texas Official Nursery Floral Certificate of Registration	10 31 01	10 31 00	10 31 01	\$60,000	State of Texas, Department of Agriculture
936	El Paso Food Product City License - Tax Receipts	03 09 02	03 10 01	03 09 02	\$375,000	City of El Paso, BUILDING SERVICES DEPARTMENT, LICENSURE BUREAU
936	City of El Paso Beer Wine License	11 06 01	11 07 00	11 06 01	\$30,000	Terry Rowland
936	Texas State Liquor License	11 06 01	11 07 00	11 06 01	\$60,000	Terry Rowland
936	Texas Certificate of Reg of Wts & Measures (fuel pump)	07 31 01	08 01 00	07 31 01		Texas Department of Agriculture, Weights & Measures Division
936	Texas Controlled Substance Registration Cert.	05 31 02	06 01 01	05 31 02	\$25,000	Texas Dept of Public Safety, Controlled Substances Registration
936	Texas Official Nursery Floral Certificate of Registration	10 31 01	10 31 00	10 31 01	\$60,000	State of Texas, Department of Agriculture
937	El Paso Food Product City License - Tax Receipts	03 09 02	03 10 01	03 09 02	\$375,000	City of El Paso, BUILDING SERVICES DEPARTMENT, LICENSURE BUREAU
937	City of El Paso Beer Wine License	11 06 01	11 07 00	11 06 01	\$30,000	Terry Rowland
937	Texas State Liquor License	11 06 01	11 07 00	11 06 01	\$60,000	Terry Rowland
937	Texas Official Nursery Floral Certificate of Registration	10 31 01	10 31 00	10 31 01	\$60,000	State of Texas, Department of Agriculture
938	El Paso Food Product City License - Tax Receipts	03 09 02	03 10 00	03 09 02	\$375,000	City of El Paso, BUILDING SERVICES DEPARTMENT, LICENSURE BUREAU
938	City of El Paso Beer Wine License	11 06 01	11 07 00	11 06 01	\$30,000	Terry Rowland
938	Texas State Liquor License	11 06 01	11 07 00	11 06 01	\$60,000	Terry Rowland
938	Texas Official Nursery Floral Certificate of Registration	10 31 01	10 31 00	10 31 01	\$60,000	State of Texas, Department of Agriculture

944	City of El Paso, Building Services Department, License Bureau	04/14/01	04/13/02	\$375.00	City of El Paso, Building Services Department, License Bureau
944	Terry Rowland	11/07/00	11/06/01	\$30.00	Terry Rowland
944	Terry Rowland	11/07/00	11/06/01	\$60.00	Terry Rowland
944	State of Texas, Department of Agriculture	10/31/00	10/31/01	\$60.00	State of Texas, Department of Agriculture
945	City of El Paso, Building Services Department, License Bureau	03/10/01	03/09/02	\$375.00	City of El Paso, Building Services Department, License Bureau
945	Terry Rowland	11/07/00	11/06/01	\$30.00	Terry Rowland
945	Terry Rowland	11/07/00	11/06/01	\$60.00	Terry Rowland
945	State of Texas, Department of Agriculture	10/31/00	10/31/01	\$60.00	State of Texas, Department of Agriculture
946	City of El Paso, Building Services Department, License Bureau	03/10/01	03/09/02	\$375.00	City of El Paso, Building Services Department, License Bureau
946	Texas Dept of Licensing and Regulation	06/07/03	06/07/03	\$85.00	Texas Dept of Licensing and Regulation
946	Terry Rowland	07/13/00	07/12/01	\$60.00	Terry Rowland
946	State of Texas, Department of Agriculture	10/31/00	10/31/01	\$60.00	State of Texas, Department of Agriculture
947	City of El Paso, Building Services Department, License Bureau	03/10/01	03/09/02	\$375.00	City of El Paso, Building Services Department, License Bureau
947	Terry Rowland	11/07/00	11/06/01	\$30.00	Terry Rowland
947	Terry Rowland	11/07/00	11/06/01	\$60.00	Terry Rowland
947	State of Texas, Department of Agriculture	10/31/00	10/31/01	\$60.00	State of Texas, Department of Agriculture
948	City of El Paso, Building Services Department, License Bureau	03/10/01	03/09/02	\$375.00	City of El Paso, Building Services Department, License Bureau
948	Terry Rowland	11/07/00	11/06/01	\$30.00	Terry Rowland
948	Terry Rowland	11/07/00	11/06/01	\$60.00	Terry Rowland
948	State of Texas, Department of Agriculture	10/31/00	10/31/01	\$60.00	State of Texas, Department of Agriculture
950	Texas Department of Agriculture, Weights & Measures Division	02/01/01	01/31/02	\$137.50	Texas Department of Agriculture, Weights & Measures Division
950	City of El Paso, Building Services Department, License Bureau	12/01/00	11/30/01	\$375.00	City of El Paso, Building Services Department, License Bureau
950	Texas Lottery Commission	03/01/01	02/28/03	\$15.00	Texas Lottery Commission
950	Terry Rowland	11/02/00	11/01/01	\$60.00	Terry Rowland
950	State of Texas, Department of Agriculture	10/31/00	10/31/01	\$60.00	State of Texas, Department of Agriculture

953	Texas Official Nursery Floral Certificate of Registration	10/31/03	10/31/03	10/31/01	10/31/01	\$60.00	State of Texas, Department of Agriculture
954	City of El Paso Beer Wine License	01/14/01	01/15/01	01/14/02	01/14/02	\$30,000	Terry Rowland
954	Food Establishment Permit (El Paso City County)	06/30/04	07/01/00	06/30/01			EL PASO CITY, COUNTY HEALTH AND ENVIRONMENTAL DISTRICT Railroad Commission of Texas, Gas Services Division
954	Railroad Commission of Texas (Pro Cylinder Exchange)	02/15/02	02/15/01	02/15/02	varies		Texas Dept. of Health, Manufactured Food Division
954	Texas Food Manufacturers Registration Certificate	01/23/02	01/21/01	01/21/02	01/21/02	\$25,000	Texas Dept. of Health, Product Safety Division
954	Texas Lottery Commission (90 day provisional Lic)	06/26/01	03/28/01	06/26/01			Texas Lottery Commission
954	Texas State Board of Pharmacy License	07/31/00					Texas State Board of Pharmacy
954	Texas State Liquor License	01/14/02	01/15/01	01/14/02	01/14/02	\$60,000	Terry Rowland
954	Town of Anthony Business License (Texas)	12/31/01	01/01/01	12/31/01	12/31/01	\$25,000	Town of Anthony
954	Texas Controlled Substance Registration Cert.	05/31/01	06/30/00	05/31/01	05/31/01	\$25,000	Texas Dept of Public Safety : Controlled Substances Registration
954	Texas Official Nursery Floral Certificate of Registration	10/31/01	10/31/00	10/31/01	10/31/01	\$60,000	State of Texas, Department of Agriculture
966	(Midland) Health Permit	12/31/01	01/01/01	12/31/01	12/31/01	\$175,000	Midland Health Department
966	Texas State Liquor License	10/28/01	10/29/00	10/28/01	10/28/01	\$60,000	Terry Rowland
966	Texas Official Nursery Floral Certificate of Registration	10/31/01	10/31/00	10/31/01	10/31/01	\$60,000	State of Texas, Department of Agriculture
967	City of El Paso Beer Wine License	02/08/01	02/09/01	02/08/02	02/08/02	\$30,000	Terry Rowland
967	Texas State Liquor License	02/08/02	02/09/01	02/08/02	02/08/02	\$60,000	Terry Rowland
967	Texas Official Nursery Floral Certificate of Registration	10/31/01	10/31/00	10/31/01	10/31/01	\$60,000	State of Texas, Department of Agriculture
977	City of El Paso Beer Wine License	11/06/00	11/07/00	11/06/01	11/06/01	\$30,000	Terry Rowland
977	Texas State Board of Pharmacy License	09/30/01	09/27/00	09/30/01	09/30/01	varies	Texas State Board of Pharmacy
977	Texas State Liquor License	11/06/01	11/07/00	11/06/01	11/06/01	\$60,000	Terry Rowland
977	Texas Controlled Substance Registration Certificate	09/30/01	09/27/00	09/30/01	09/30/01	\$25,000	Texas Dept of Public Safety : Controlled Substances Registration
977	Texas Official Nursery Floral Certificate of Registration	10/31/01	10/31/00	10/31/01	10/31/01	\$60,000	State of Texas, Department of Agriculture

889	NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept. PSB; User Fee Collection, Rm S4100
891	NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept. PSB; User Fee Collection, Rm S4100
893	NM City Business License - Española	12/31/02	01/01/01	12/31/01	\$35.00	City of Española, New Mexico
893	NM City Liquor Licenses - Española	06/30/01	07/01/00	06/30/01	\$350.00	City of Española
893	NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept. PSB; User Fee Collection, Rm S4100
894	NM City Business License - Las Vegas	12/31/02	01/01/01	12/31/01	\$35.00	City of Las Vegas Community Development Department
894	NM City Liquor Licenses - Las Vegas	06/30/01	07/01/00	06/30/01	\$300.00	City of Las Vegas
894	NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept. PSB; User Fee Collection, Rm S4100
896	NM City Business License - Las Vegas (7 Licenses)	12/31/03	01/01/03	12/31/03	\$245.00	Town of Las Vegas
896	NM City Liquor Licenses - Las Vegas	06/30/01	07/01/00	06/30/01	\$250.00	Town of Las Vegas
896	NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept. PSB; User Fee Collection, Rm S4100
897	NM City Business License - Las Alamos	03/31/01	04/01/01	03/31/02	\$50.00	Los Alamos County
897	NM County Liquor Licenses - Las Alamos	06/30/03	07/01/00	06/30/03	\$250.00	Los Alamos County
897	NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept. PSB; User Fee Collection, Rm S4100
898	NM City Business License - Belen	12/31/01	01/01/01	12/31/01	\$25.00	City of Belen, New Mexico - City Treasurer
898	NM City Liquor Licenses - Belen	06/30/01	07/01/00	06/30/01	\$250.00	City of Belen
898	NM Food Establishment Permit	06/30/01	07/01/00	06/30/01	\$75.00	NM Environment Dept. PSB; User Fee Collection, Rm S4100
899	NM City Business License - Socorro	12/31/01	01/01/01	12/31/01	\$25.00	City of Socorro
899	NM City Liquor Licenses - Socorro	06/30/01	07/01/00	06/30/01	\$250.00	City of Socorro
899	NM Food Establishment Permit	06/30/01	07/01/00	06/30/01	\$75.00	NM Environment Dept. PSB; User Fee Collection, Rm S4100
901	NM City Business License - Tucuman	12/31/02	01/01/01	12/31/02	\$25.00	City of Tucuman
901	NM City Liquor Licenses - Tucuman	06/30/01	07/01/00	06/30/01	\$250.00	City of Tucuman
901	NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept. PSB; User Fee Collection, Rm S4100
903	NM City Business License - Clovis		01/01/01	12/31/01	\$25.00	City of Clovis
903	NM City Liquor Licenses - Clovis		07/01/00	06/30/01	\$250.00	City of Clovis
903	NM Food Establishment Permit		07/31/00	07/31/01	\$75.00	NM Environment Dept. PSB; User Fee Collection, Rm S4100
904	NM City Business License - Ruidoso	01/04/02	01/05/01	01/04/02	\$35.00	The Village of Ruidoso, Deputy Clerk's Office
905	NM City Liquor Licenses - Ruidoso	06/30/01	07/01/00	06/30/01	\$250.00	Village of Ruidoso
904	NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept. PSB; User Fee Collection, Rm S4100
905	NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept. PSB; User Fee Collection, Rm S4100

907	907 NM City Business License - Anestea	12/31/01	01/01/01	12/31/01	\$20.00	The City of Anestea, New Mexico, City Clerk-Treasurer's Office
907	907 NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept, PSB, User Fee Collection, Rm S4100
908	908 NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept, PSB, User Fee Collection, Rm S4100
908	908, 909 NM City Business License - Roswell	06/30/01	07/01/00	06/30/01	\$35.00	City of Roswell
908	908, 909 & 911 NM City Licenses - Roswell	06/30/01	07/01/00	06/30/01	\$250.00	City of Roswell
909	909 NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept, PSB, User Fee Collection, Rm S4100
911	911 NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept, PSB, User Fee Collection, Rm S4100
912	912 NM City Business License - Silver City	12/31/01	01/01/01	12/31/01	\$20.00	The Town of Silver City, City Hall
912	912 NM City Licenses - Silver City	06/30/01	07/01/00	06/30/01	\$250.00	Town of Silver City
912	912 NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept, PSB, User Fee Collection, Rm S4100
913	913 NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept, PSB, User Fee Collection, Rm S4100
914	914 NM City Business License - Deming	12/31/01	01/01/01	12/31/01	\$25.00	City of Deming
914	914 NM City Licenses - Deming	06/30/01	07/01/00	06/30/01	\$250.00	City of Deming
914	914 NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept, PSB, User Fee Collection, Rm S4100
916	916 NM City Business License - Tor O	12/31/01	01/01/01	12/31/01	\$35.00	City of Truth or Consequences, City Clerk's Office
916	916 NM City Licenses - Tor O	06/30/01	07/01/00	06/30/01	\$250.00	City of Truth or Consequences
916	916 NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept, PSB, User Fee Collection, Rm S4100
916	916 NM Hunting & Fishing License Bond - Tor O	03/31/02	04/01/01	03/31/02	\$200.00	Old Republic Insurance Co, Marsh USA Inc
917	917 NM City Business License - Lovington	12/31/01	01/01/01	12/31/01	\$7.50	City of Lovington, City Clerk-Treasurer
917	917 NM City Licenses - Lovington	06/30/01	07/01/00	06/30/01	\$250.00	City of Lovington
917	917 NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept, PSB, User Fee Collection, Rm S4100
918	918 NM City Business License - Hobbs	12/31/01	01/01/01	12/31/01	\$10.00	City of Hobbs, City Clerk
918	918 NM City Licenses - Hobbs	06/30/01	07/01/00	06/30/01	\$250.00	City of Hobbs
918	918 NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept, PSB, User Fee Collection, Rm S4100
919	919 NM City Business License - Carlsbad	03/16/02	03/17/01	03/16/02	\$35.00	City of Carlsbad
919	919 NM City Licenses - Carlsbad	06/30/01	07/01/00	06/30/01	\$250.00	City of Carlsbad
919	919 NM Food Establishment Permit	07/31/01	07/31/00	07/31/01	\$75.00	NM Environment Dept, PSB, User Fee Collection, Rm S4100
919	919 NM Food Establishment Permit	12/31/01	01/01/01	12/31/01	\$150.00	NM Board of Pharmacy
954	954 NM Pharmacy Application	09/29/02	09/30/00	09/29/02		State of NM Regulation & Licensing Dept, Construction Industries Div
NM	919A Construction Contractor's License (NM)					

NM	Health Permits - Albuquerque (health inspections)	12/31/00	01/01/01	12/31/01	\$400.00	City of Albuquerque, Health Dept., Consumer Protection Div.
NM	MOBILE CRYSTALLINE Ice	02/28/02	03/01/01	02/28/02		State of NM Regulation & Licensing Dept., Financial Institutions Div.
NM	NM Controlled Substance Registration Certificate	09/30/01	10/01/00	09/30/01	\$60.00	NM Board of Pharmacy
NM	NM Pharmacy Application Renewal	12/31/01	01/01/01	12/31/01	\$150.00	NM Board of Pharmacy
NM	NM City Business License - ABQ (excepts 74, 879)	07/31/01	08/01/01	07/31/02	\$35.00	City of Albuquerque, Treasury Division
NM	NM City Business License - Albuquerque Corp. Office	03/31/02	04/01/01	03/31/02	\$35.00	City of Albuquerque, Treasury Division
NM	NM City Liquor Licenses - Albuquerque	06/30/01	07/01/00	06/30/01	\$250.00	City of Albuquerque, Treasury Division
NM	NM Firework License Permits	2001	2001	2001	\$100.00	State of NM, Fire Marshal's Office
NM	NM Meat Dealers License (NM Livestock Board)	01/01/02	01/01/01	01/01/02	\$440.00	NM Livestock Board
NM	NM State Liquor License (due by April 3, 2001)	06/30/01	07/01/01	06/30/02	\$1,350.00	State of NM, Regulation & Licensing Dept., Alcohol and Gaming Div.
NM	NM DVA Plant Protection (Dealer's) License	09/30/01	09/30/00	09/30/01	\$50.00	NM Dept of Agriculture, Bureau of Entomology & Plant Industry
884	884 WIC - Acoma-Cannoncito-Laguna (ACT) WIC Program	09/30/01	10/01/00	09/30/01	\$0.00	Acoma-Cannoncito-Laguna WIC Program
888	888,889,891,893,896 WIC - S Northern Indian Pueblos Council	09/30/01	10/01/99	09/30/01	\$0.00	Eight Northern Indian Pueblos Council WIC Program - split w 5 stores
889	888,889,891,893,896 WIC - S Northern Indian Pueblos Council	09/30/01	10/01/99	09/30/01	\$0.00	Eight Northern Indian Pueblos Council WIC Program - split w 5 stores
891	888,889,891,893,896 WIC - S Northern Indian Pueblos Council	09/30/01	10/01/99	09/30/01	\$0.00	Eight Northern Indian Pueblos Council WIC Program - split w 5 stores
893	888,889,891,893,896 WIC - S Northern Indian Pueblos Council	09/30/01	10/01/99	09/30/01	\$0.00	Eight Northern Indian Pueblos Council WIC Program - split w 5 stores
896	888,889,891,893,896 WIC - S Northern Indian Pueblos Council	09/30/01	10/01/99	09/30/01	\$0.00	Eight Northern Indian Pueblos Council WIC Program - split w 5 stores
NM	WIC - NM WIC Nutrition Program	09/30/02	09/30/00	09/30/02	\$0.00	WIC Nutrition Program; Public Health Division, NM Dept of Health
811	811, 860, 884 WIC - Navajo Nation WIC Program	09/30/02	10/01/99	09/30/02	\$0.00	Navajo Nation WIC Program - split w 3 stores
860	811, 860, 884 WIC - Navajo Nation WIC Program	09/30/02	10/01/99	09/30/02	\$0.00	Navajo Nation WIC Program - split w 3 stores
884	811, 860, 884 WIC - Navajo Nation WIC Program	09/30/02	01/99	09/30/02	\$0.00	Navajo Nation WIC Program - split w 3 stores
885	885 & 889 WIC - Santo Domingo Pueblo WIC Program	09/30/02	02/01/01	09/30/02	\$0.00	Santo Domingo Pueblo WIC Program - split w 2 stores

889	885 & 889 WIC - Santo Domingo Pueblo WIC Program	09/30/02	02/01/01	09/30/02	80,000	Santo Domingo Pueblo WIC Program - sphi w 2 States
TX	WIC - Texas WIC Nutrition Program	09/30/01	04/01/01	09/30/01	80,000	WIC Program, Texas Dept of Health
862	862 WIC - El Pueblo of Isleta WIC Program	09/30/02	10/01/00	09/30/02	80,000	Pueblo of Isleta WIC Program
912	912 (Federal) DEA Registration	09/30/02	10/01/99	09/30/02	\$210,000	Drug Enforcement Administration
874	874 (Federal) DEA Registration	12/2003	12/2000	12/2003	\$210,000	Drug Enforcement Administration
Fed	Federal: Radio Station License	03/22/05	03/22/00	03/22/05	\$175,880	Federal Licensing, Inc. (FCC)
TX	Federal Radio Station License (Texas States)	12/31/06	01/01/02	12/31/06		Federal Licensing, Inc. (FCC)
Fed	Federal Special Occupational Tax Stamp	06/30/01	07/01/00	06/30/01	\$250,000	Tax Processing Center: Bureau of Alcohol, Tobacco & Firearms
NM	MONTEGRAM Agency License	02/28/02	01/01	02/28/02		State of NM Regulation & Licensing Dept., Financial Institutions Div.
Fed	Federal: SDA Perishable Agricultural Commodities (PACCA)	03/02/02	03/02/99	03/02/02	\$4,000,000	USDA-AMS, F&V Div., PACA Branch, License&Program Review Sec

Schedule 2.3(e)

1. All one-hour photo processing equipment and contracts, agreements and arrangements related thereto
2. All Sensormatic security systems and contracts, agreements and arrangements related thereto

Schedule 2.3(h)

NAME	ADDRESS	PHONE NUMBER	FAX NUMBER	TAX I.D. NUMBER
Furrs Supermarkets, Inc. Pension Plan	P.O. Box 10267 Albuquerque, NM 87184	505-998-3877	505-944-2699	75-2364418
Furrs Supermarkets, Inc. 401(k) Plan	P.O. Box 10267 Albuquerque, NM 87184	505-998-3877	505-944-2699	75-2364418

Schedule 4.2

Store Property	Reduction Amount
874 -- Albuquerque	\$3,000,000
875 -- Albuquerque	\$3,000,000
878 -- Albuquerque	\$3,000,000
879 -- Albuquerque	\$3,000,000
891 -- Santa Fe	\$3,000,000
896 -- Taos	\$3,000,000
897 -- Los Alamos	\$3,000,000
945 -- El Paso	\$3,000,000
812 -- Rio Rancho	\$2,000,000
977 -- Alpine	\$2,000,000
899 -- Socorro	\$2,000,000
916 -- Truth or Consequences	\$2,000,000

Schedule 4.4(a)

**Furrs Supermarkets, Inc.
EQUIPMENT LEASES**

Lease #	Loc	Vendor	Equipment Description	ORIGINAL VALUE
4769	801	Comdisco	POS equipment	99,480
4700-01	801	Comdisco	Pharmacy computer eq	24,702
*	801	Compaq	Video dept equipment	2,296
1901-52	801	Fleet(Savin), Troy, MI	copiers	2,859
0718-01	801	Greenleaf	Balers, compactors, etc	37,912
0805-23	801	Heller Financial	floor cleaning equipment	10,945
1605	801	Petroleum Capital	POS equipment	8,034
2005-01	801	Texas Medical	blood pressure machines	2,583
		801 Total		188,811
0140-25	811	Advanta	Building security	4,842
4700-02	811	Comdisco	Pharmacy computer eq	24,702
*	811	Compaq	Video dept equipment	2,296
0609-07	811	Finova	Sale/leaseback-store equip	1,973,907
1901-21	811	Fleet(Savin), Troy, MI	copiers	2,859
*	811	Greenleaf	Balers, compactors, etc	37,815
0805-60	811	Heller Financial	floor cleaning equipment	10,945
1605	811	Petroleum Capital	POS equipment	8,927
2005-02	811	Texas Medical	blood pressure machines	2,583
		811 Total		2,068,876
4700-03	812	Comdisco	Pharmacy computer eq	24,702
*	812	Fleet(Savin), Troy, MI	copiers	3,044
*	812	Greenleaf	Balers, compactors, etc	37,859
3004-01	812	MDFC (Boeing)	equipment sale/leaseback	2,532,623
1605	812	Petroleum Capital	POS equipment	10,711
1920-02	812	Sonitrol	store security	5,913
2005-03	812	Texas Medical	blood pressure machines	2,583
		812 Total		2,617,436
0140-13	860	Advanta	Building security	4,890
4771	860	Comdisco	POS equipment	77,021
4770	860	Comdisco	POS equipment	5,291
4769	860	Comdisco	POS equipment	3,765
*	860	Compaq	Video dept equipment	2,296
1901-04	860	Fleet(Savin), Troy, MI	copiers	2,859
0718-02	860	Greenleaf	Balers, compactors, etc	37,801
0805-61	860	Heller Financial	floor cleaning equipment	10,945
1605	860	Petroleum Capital	POS equipment	8,927
		860 Total		153,794
0140-23	862	Advanta	Building security	4,842
4769	862	Comdisco	POS equipment	11,493
*	862	Compaq	Video dept equipment	2,296
0511-01	862	EKCC	Photo copier	27,022
0609-08	862	Finova	Sale/leaseback-store equip	787,602

1901-05	862	Fleet(Savin), Troy, MI	copiers	2,859
0718-03	862	Greenleaf	Balers, compactors, etc	37,712
0805-76	862	Heller Financial	floor cleaning equipment	10,945
1605	862	Petroleum Capital	POS equipment	17,451
862 Total				902,221
0140-18	866	Advanta	Building security	4,842
4771	866	Comdisco	POS equipment	3,110
4769	866	Comdisco	POS equipment	3,765
*	866	Compaq	Video dept equipment	2,296
1901-07	866	Fleet(Savin), Troy, MI	copiers	2,859
0718-05	866	Greenleaf	Balers, compactors, etc	37,712
0805-77	866	Heller Financial	floor cleaning equipment	10,945
1605	866	Petroleum Capital	POS equipment	17,451
866 Total				82,979
0140-03	868	Advanta	Building security	5,060
4769	868	Comdisco	POS equipment	29,725
1901-53	868	Fleet(Savin), Troy, MI	copiers	2,856
0718-06	868	Greenleaf	Balers, compactors, etc	13,764
0718-07	868	Greenleaf	Balers, compactors, etc	23,948
0805-78	868	Heller Financial	floor cleaning equipment	10,945
1605	868	Petroleum Capital	POS equipment	17,451
868 Total				103,749
*	871	Greenleaf	Balers, compactors, etc	
3004-03	871	MDFC (Boeing)	equipment sale/leaseback	2,492,669
1605	871	Petroleum Capital	POS equipment	20,129
*	871	Sonitrol	store security	
*	871	Texas Medical	blood pressure machines	2,583
871 Total				2,515,381
0140-12	874	Advanta	Building security	5,008
4771	874	Comdisco	POS equipment	5,488
*	874	Compaq	Video dept equipment	2,296
6874	874	GE-MetLife	equipment sale/leaseback	1,658,541
0805-79	874	Heller Financial	floor cleaning equipment	10,945
1605	874	Petroleum Capital	POS equipment	10,711
874 Total				1,692,989
0140-10	875	Advanta	Building security	5,008
4769	875	Comdisco	POS equipment	111,171
4700-04	875	Comdisco	Pharmacy computer eq	24,702
*	875	Compaq	Video dept equipment	2,296
1901-09	875	Fleet(Savin), Troy, MI	copiers	2,859
0718-08	875	Greenleaf	Balers, compactors, etc	23,948
0718-09	875	Greenleaf	Balers, compactors, etc	13,764
0805-80	875	Heller Financial	floor cleaning equipment	10,945
6675	875	MDFC (Boeing)	equipment sale/leaseback	335,375
6775	875	MDFC (Boeing)	equipment sale/leaseback	884,808
6875	875	MDFC (Boeing)	equipment sale/leaseback	616,360
1605	875	Petroleum Capital	POS equipment	11,605
2005-04	875	Texas Medical	blood pressure machines	2,583
875 Total				2,045,424
0140-15	876	Advanta	Building security	5,008

4771	876	Comdisco	POS equipment	1,098
4769	876	Comdisco	POS equipment	3,765
4700-05	876	Comdisco	Pharmacy computer eq	24,702
*	876	Compaq	Video dept equipment	2,296
1901-47	876	Fleet(Savin), Troy, MI	copiers	2,859
0718-10	876	Greenleaf	Balers, compactors, etc	23,948
0718-11	876	Greenleaf	Balers, compactors, etc	13,764
0805-62	876	Heller Financial	floor cleaning equipment	10,945
1605	876	Petroleum Capital	POS equipment	17,451
2005-05	876	Texas Medical	blood pressure machines	2,583
876 Total				108,418
0140-09	877	Advanta	Building security	5,008
4771	877	Comdisco	POS equipment	0
4769	877	Comdisco	POS equipment	3,765
4700-06	877	Comdisco	Pharmacy computer eq	24,702
*	877	Compaq	Video dept equipment	2,296
1901-08	877	Fleet(Savin), Troy, MI	copiers	2,859
0718-12	877	Greenleaf	Balers, compactors, etc	37,712
0805-63	877	Heller Financial	floor cleaning equipment	10,945
1605	877	Petroleum Capital	POS equipment	19,237
2005-06	877	Texas Medical	blood pressure machines	2,583
877 Total				109,106
0140-11	878	Advanta	Building security	5,008
4771	878	Comdisco	POS equipment	3,293
4769	878	Comdisco	POS equipment	3,765
4700-07	878	Comdisco	Pharmacy computer eq	24,702
*	878	Compaq	Video dept equipment	2,296
1901-10	878	Fleet(Savin), Troy, MI	copiers	2,859
0718-13	878	Greenleaf	Balers, compactors, etc	37,712
0805-64	878	Heller Financial	floor cleaning equipment	10,945
1605	878	Petroleum Capital	POS equipment	14,684
2005-07	878	Texas Medical	blood pressure machines	2,583
878 Total				107,846
0140-17	879	Advanta	Building security	4,842
4771	879	Comdisco	POS equipment	7,867
4769	879	Comdisco	POS equipment	8,521
4700-08	879	Comdisco	Pharmacy computer eq	24,702
*	879	Compaq	Video dept equipment	2,296
0609-06	879	Finova	Sale/leaseback-store equip	1,413,449
1901-11	879	Fleet(Savin), Troy, MI	copiers	2,859
0718-14	879	Greenleaf	Balers, compactors, etc	13,764
*	879	Greenleaf	Balers, compactors, etc	
0805-65	879	Heller Financial	floor cleaning equipment	10,945
1605	879	Petroleum Capital	POS equipment	9,819
2005-08	879	Texas Medical	blood pressure machines	2,583
879 Total				1,501,647
0140-01	880	Advanta	Building security	4,949
4771	880	Comdisco	POS equipment	366
4769	880	Comdisco	POS equipment	7,531
*	880	Compaq	Video dept equipment	2,296

1901-13	880	Fleet(Savin), Troy, MI	copiers	2,859
0718-15	880	Greenleaf	Balers, compactors, etc	37,712
0805-66	880	Heller Financial	floor cleaning equipment	10,945
1605	880	Petroleum Capital	POS equipment	17,451
880 Total				84,108
0140-21	881	Advanta	Building security	4,842
4771	881	Comdisco	POS equipment	5,305
4769	881	Comdisco	POS equipment	8,521
4700-09	881	Comdisco	Pharmacy computer eq	24,702
*	881	Compaq	Video dept equipment	2,296
0609-09	881	Finova	Sale/leaseback-store equip	715,314
1901-14	881	Fleet(Savin), Troy, MI	copiers	2,859
0718-16	881	Greenleaf	Balers, compactors, etc	51,658
0805-81	881	Heller Financial	floor cleaning equipment	10,945
1605	881	Petroleum Capital	POS equipment	22,673
2005-09	881	Texas Medical	blood pressure machines	2,583
881 Total				851,699
0140-06	882	Advanta	Building security	5,062
4771	882	Comdisco	POS equipment	3,293
4769	882	Comdisco	POS equipment	8,521
*	882	Compaq	Video dept equipment	2,296
1901-15	882	Fleet(Savin), Troy, MI	copiers	2,859
0718-17	882	Greenleaf	Balers, compactors, etc	37,712
0805-82	882	Heller Financial	floor cleaning equipment	10,945
1605	882	Petroleum Capital	POS equipment	19,102
882 Total				89,790
0140-05	883	Advanta	Building security	5,062
4771	883	Comdisco	POS equipment	3,293
4769	883	Comdisco	POS equipment	8,521
*	883	Compaq	Video dept equipment	2,296
1901-16	883	Fleet(Savin), Troy, MI	copiers	2,859
0718-18	883	Greenleaf	Balers, compactors, etc	37,712
0805-67	883	Heller Financial	floor cleaning equipment	10,945
1605	883	Petroleum Capital	POS equipment	22,763
883 Total				93,451
0140-04	884	Advanta	Building security	5,062
4771	884	Comdisco	POS equipment	2,195
4769	884	Comdisco	POS equipment	3,765
4700-10	884	Comdisco	Pharmacy computer eq	24,702
*	884	Compaq	Video dept equipment	2,296
1901-17	884	Fleet(Savin), Troy, MI	copiers	2,859
0718-19	884	Greenleaf	Balers, compactors, etc	51,475
0805-83	884	Heller Financial	floor cleaning equipment	21,891
1605	884	Petroleum Capital	POS equipment	25,619
2005-10	884	Texas Medical	blood pressure machines	2,583
884 Total				142,447
0140-02	885	Advanta	Building security	5,060
4771	885	Comdisco	POS equipment	3,293
4769	885	Comdisco	POS equipment	3,765
*	885	Compaq	Video dept equipment	2,296

1901-18	885	Fleet(Savin), Troy, MI	copiers	2,859
0718-20	885	Greenleaf	Balers, compactors, etc	13,764
0805-68	885	Heller Financial	floor cleaning equipment	10,945
1605	885	Petroleum Capital	POS equipment	12,005
885 Total				53,987
0140-14	886	Advanta	Building security	4,951
4769	886	Comdisco	POS equipment	3,765
*	886	Compaq	Video dept equipment	2,296
1901-12	886	Fleet(Savin), Troy, MI	copiers	2,859
0718-21	886	Greenleaf	Balers, compactors, etc	13,764
0805-69	886	Heller Financial	floor cleaning equipment	10,945
1605	886	Petroleum Capital	POS equipment	12,898
886 Total				51,477
0140-19	888	Advanta	Building security	4,842
4770	888	Comdisco	POS equipment	50,779
*	888	Compaq	Video dept equipment	2,296
1901-19	888	Fleet(Savin), Troy, MI	copiers	2,859
0718-22	888	Greenleaf	Balers, compactors, etc	13,845
0805-70	888	Heller Financial	floor cleaning equipment	10,945
1605	888	Petroleum Capital	POS equipment	7,141
888 Total				92,706
0140-20	889	Advanta	Building security	4,842
4770	889	Comdisco	POS equipment	61,489
4769	889	Comdisco	POS equipment	3,765
4700-11	889	Comdisco	Pharmacy computer eq	24,702
*	889	Compaq	Video dept equipment	2,296
1901-20	889	Fleet(Savin), Troy, MI	copiers	2,859
0718-23	889	Greenleaf	Balers, compactors, etc	37,935
0805-71	889	Heller Financial	floor cleaning equipment	10,945
1605	889	Petroleum Capital	POS equipment	9,819
889 Total				158,651
0140-24	891	Advanta	Building security	4,842
4770	891	Comdisco	POS equipment	83,878
4769	891	Comdisco	POS equipment	31,707
4700-12	891	Comdisco	Pharmacy computer eq	24,702
*	891	Compaq	Video dept equipment	2,296
1901-51	891	Fleet(Savin), Troy, MI	copiers	2,859
6891	891	GE-MetLife	equipment sale/leaseback	1,335,531
0718-24	891	Greenleaf	Balers, compactors, etc	37,935
0718-25	891	Greenleaf	Balers, compactors, etc	13,845
0805-72	891	Heller Financial	floor cleaning equipment	10,945
1605	891	Petroleum Capital	POS equipment	11,605
2005-11	891	Texas Medical	blood pressure machines	2,583
891 Total				1,562,727
4770	893	Comdisco	POS equipment	64,264
4769	893	Comdisco	POS equipment	13,079
*	893	Compaq	Video dept equipment	2,296
1901-22	893	Fleet(Savin), Troy, MI	copiers	2,859
0718-27	893	Greenleaf	Balers, compactors, etc	13,829
0718-28	893	Greenleaf	Balers, compactors, etc	24,062

0805-73	893	Heller Financial	floor cleaning equipment	10,945
1605	893	Petroleum Capital	POS equipment	7,141
893 Total				138,474
4770	894	Comdisco	POS equipment	1,613
4769	894	Comdisco	POS equipment	78,474
4700-13	894	Comdisco	Pharmacy computer eq	24,702
*	894	Compaq	Video dept equipment	2,296
1901-23	894	Fleet(Savin), Troy, MI	copiers	2,859
0718-29	894	Greenleaf	Balers, compactors, etc	13,837
0805-84	894	Heller Financial	floor cleaning equipment	10,945
6794	894	MDFC (Boeing)	equipment sale/leaseback	25,669
6894	894	MDFC (Boeing)	equipment sale/leaseback	1,107,296
1605	894	Petroleum Capital	POS equipment	8,927
2005-12	894	Texas Medical	blood pressure machines	2,583
894 Total				1,279,200
0140-08	896	Advanta	Building security	4,894
4769	896	Comdisco	POS equipment	113,153
4700-14	896	Comdisco	Pharmacy computer eq	24,702
*	896	Compaq	Video dept equipment	2,296
0718-30	896	Greenleaf	Balers, compactors, etc	51,992
0805-74	896	Heller Financial	floor cleaning equipment	10,945
6696	896	MDFC (Boeing)	equipment sale/leaseback	225,314
6796	896	MDFC (Boeing)	equipment sale/leaseback	842,655
6896	896	MDFC (Boeing)	equipment sale/leaseback	728,606
1605	896	Petroleum Capital	POS equipment	11,605
2005-13	896	Texas Medical	blood pressure machines	2,583
896 Total				2,018,746
0140-16	897	Advanta	Building security	4,842
4769	897	Comdisco	POS equipment	3,765
4700-15	897	Comdisco	Pharmacy computer eq	24,702
*	897	Compaq	Video dept equipment	2,296
1901-24	897	Fleet(Savin), Troy, MI	copiers	2,859
0718-31	897	Greenleaf	Balers, compactors, etc	13,796
0805-75	897	Heller Financial	floor cleaning equipment	10,945
1605	897	Petroleum Capital	POS equipment	10,711
2005-14	897	Texas Medical	blood pressure machines	2,583
897 Total				76,499
4771	898	Comdisco	POS equipment	3,293
4769	898	Comdisco	POS equipment	15,457
4700-16	898	Comdisco	Pharmacy computer eq	24,702
*	898	Compaq	Video dept equipment	2,296
1901-25	898	Fleet(Savin), Troy, MI	copiers	2,859
6898	898	GE-MetLife	equipment sale/leaseback	1,251,811
0718-32	898	Greenleaf	Balers, compactors, etc	24,104
0718-33	898	Greenleaf	Balers, compactors, etc	13,853
0805-85	898	Heller Financial	floor cleaning equipment	10,945
1605	898	Petroleum Capital	POS equipment	10,711
2005-15	898	Texas Medical	blood pressure machines	2,583
898 Total				1,362,615
0140-22	899	Advanta	Building security	4,842

4771	899	Comdisco	POS equipment	7,135
4770	899	Comdisco	POS equipment	1,871
4769	899	Comdisco	POS equipment	3,765
4700-17	899	Comdisco	Pharmacy computer eq	24,702
*	899	Compaq	Video dept equipment	2,296
1901-26	899	Fleet(Savin), Troy, MI	copiers	2,859
6899	899	GE-MetLife	equipment sale/leaseback	1,053,780
0718-34	899	Greenleaf	Balers, compactors, etc	13,788
0805-24	899	Heller Financial	floor cleaning equipment	10,945
1605	899	Petroleum Capital	POS equipment	11,605
2005-16	899	Texas Medical	blood pressure machines	2,583
		899 Total		1,140,170
4771	901	Comdisco	POS equipment	57,263
4770	901	Comdisco	POS equipment	516
4769	901	Comdisco	POS equipment	3,765
*	901	Compaq	Video dept equipment	2,296
1901-27	901	Fleet(Savin), Troy, MI	copiers	2,859
0718-35	901	Greenleaf	Balers, compactors, etc	13,861
0805-86	901	Heller Financial	floor cleaning equipment	10,945
1605	901	Petroleum Capital	POS equipment	8,034
		901 Total		99,538
4771	903	Comdisco	POS equipment	80,497
4770	903	Comdisco	POS equipment	774
4769	903	Comdisco	POS equipment	3,765
4700-18	903	Comdisco	Pharmacy computer eq	24,702
1901-28	903	Fleet(Savin), Troy, MI	copiers	2,859
0718-36	903	Greenleaf	Balers, compactors, etc	37,912
0805-87	903	Heller Financial	floor cleaning equipment	10,945
1605	903	Petroleum Capital	POS equipment	6,248
2005-17	903	Texas Medical	blood pressure machines	2,583
		903 Total		170,287
4771	904	Comdisco	POS equipment	71,350
4770	904	Comdisco	POS equipment	5,807
4769	904	Comdisco	POS equipment	3,765
*	904	Compaq	Video dept equipment	2,296
1901-29	904	Fleet(Savin), Troy, MI	copiers	2,859
0718-37	904	Greenleaf	Balers, compactors, etc	13,943
0805-25	904	Heller Financial	floor cleaning equipment	10,945
1605	904	Petroleum Capital	POS equipment	8,034
		904 Total		118,998
4771	905	Comdisco	POS equipment	63,666
4770	905	Comdisco	POS equipment	5,807
4769	905	Comdisco	POS equipment	3,765
*	905	Compaq	Video dept equipment	2,296
1901-03	905	Fleet(Savin), Troy, MI	copiers	2,859
0718-38	905	Greenleaf	Balers, compactors, etc	13,943
0805-26	905	Heller Financial	floor cleaning equipment	10,945
1605	905	Petroleum Capital	POS equipment	6,248
		905 Total		109,528
6907	907	Banc of America	equipment sale/leaseback	1,960,345

4770	907	Comdisco	POS equipment	7,678
4769	907	Comdisco	POS equipment	3,765
4700-19	907	Comdisco	Pharmacy computer eq	24,702
*	907	Compaq	Video dept equipment	2,296
1901-30	907	Fleet(Savin), Troy, MI	copiers	2,859
0718-39	907	Greenleaf	Balers, compactors, etc	13,829
0805-40	907	Heller Financial	floor cleaning equipment	10,945
1605	907	Petroleum Capital	POS equipment	8,034
2005-18	907	Texas Medical	blood pressure machines	2,583
		907 Total		2,037,036
4771	908	Comdisco	POS equipment	65,679
4770	908	Comdisco	POS equipment	774
4769	908	Comdisco	POS equipment	3,765
4700-20	908	Comdisco	Pharmacy computer eq	24,702
*	908	Compaq	Video dept equipment	2,296
1901-31	908	Fleet(Savin), Troy, MI	copiers	2,859
0718-40	908	Greenleaf	Balers, compactors, etc	13,853
0805-88	908	Heller Financial	floor cleaning equipment	10,945
1605	908	Petroleum Capital	POS equipment	8,034
2005-19	908	Texas Medical	blood pressure machines	1,835
		908 Total		134,741
4771	909	Comdisco	POS equipment	60,922
4770	909	Comdisco	POS equipment	516
4769	909	Comdisco	POS equipment	3,765
*	909	Compaq	Video dept equipment	2,296
1901-32	909	Fleet(Savin), Troy, MI	copiers	2,859
0718-41	909	Greenleaf	Balers, compactors, etc	13,853
0805-89	909	Heller Financial	floor cleaning equipment	10,945
1605	909	Petroleum Capital	POS equipment	8,927
		909 Total		104,082
4771	911	Comdisco	POS equipment	69,154
4770	911	Comdisco	POS equipment	1,097
4769	911	Comdisco	POS equipment	3,765
4700-21	911	Comdisco	Pharmacy computer eq	24,702
*	911	Compaq	Video dept equipment	2,296
1901-33	911	Fleet(Savin), Troy, MI	copiers	2,859
0718-42	911	Greenleaf	Balers, compactors, etc	13,853
0805-90	911	Heller Financial	floor cleaning equipment	10,945
1605	911	Petroleum Capital	POS equipment	10,711
2005-20	911	Texas Medical	blood pressure machines	1,835
		911 Total		141,217
4770	912	Comdisco	POS equipment	14,905
4769	912	Comdisco	POS equipment	69,754
*	912	Compaq	Video dept equipment	2,296
1901-34	912	Fleet(Savin), Troy, MI	copiers	2,859
0718-43	912	Greenleaf	Balers, compactors, etc	13,837
0805-27	912	Heller Financial	floor cleaning equipment	10,945
1605	912	Petroleum Capital	POS equipment	8,927
		912 Total		123,522
4769	913	Comdisco	POS equipment	62,225

*	913	Compaq	Video dept equipment	2,296
1901-35	913	Fleet(Savin), Troy, MI	copiers	2,859
0718-44	913	Greenleaf	Balers, compactors, etc	13,837
0805-28	913	Heller Financial	floor cleaning equipment	10,945
1605	913	Petroleum Capital	POS equipment	8,034
913 Total				100,194
4769	914	Comdisco	POS equipment	72,331
4700-22	914	Comdisco	Pharmacy computer eq	24,702
*	914	Compaq	Video dept equipment	2,296
0718-45	914	Greenleaf	Balers, compactors, etc	13,829
0805-29	914	Heller Financial	floor cleaning equipment	10,945
1605	914	Petroleum Capital	POS equipment	9,819
2005-21	914	Texas Medical	blood pressure machines	2,583
914 Total				136,505
4771	916	Comdisco	POS equipment	63,666
4770	916	Comdisco	POS equipment	7,355
4769	916	Comdisco	POS equipment	3,765
*	916	Compaq	Video dept equipment	2,296
1901-36	916	Fleet(Savin), Troy, MI	copiers	2,859
0718-46	916	Greenleaf	Balers, compactors, etc	13,763
0805-30	916	Heller Financial	floor cleaning equipment	10,945
1605	916	Petroleum Capital	POS equipment	5,356
916 Total				110,005
4769	917	Comdisco	POS equipment	15,457
*	917	Compaq	Video dept equipment	2,296
1901-37	917	Fleet(Savin), Troy, MI	copiers	2,859
0718-47	917	Greenleaf	Balers, compactors, etc	13,804
0805-41	917	Heller Financial	floor cleaning equipment	10,945
1605	917	Petroleum Capital	POS equipment	10,711
917 Total				56,072
4771	918	Comdisco	POS equipment	74,277
4770	918	Comdisco	POS equipment	774
4769	918	Comdisco	POS equipment	3,765
4700-23	918	Comdisco	Pharmacy computer eq	24,702
*	918	Compaq	Video dept equipment	2,296
1901-39	918	Fleet(Savin), Troy, MI	copiers	2,859
0718-48	918	Greenleaf	Balers, compactors, etc	23,991
0718-49	918	Greenleaf	Balers, compactors, etc	13,788
0805-42	918	Heller Financial	floor cleaning equipment	10,945
1605	918	Petroleum Capital	POS equipment	10,711
2005-22	918	Texas Medical	blood pressure machines	2,583
918 Total				170,691
4770	926	Comdisco	POS equipment	41,294
4769	926	Comdisco	POS equipment	22,393
*	926	Compaq	Video dept equipment	2,296
1901-64	926	GE(Savin), Dallas, TX	copiers	2,520
0718-50	926	Greenleaf	Balers, compactors, etc	14,081
0805-31	926	Heller Financial	floor cleaning equipment	10,945
926 Total				93,528
4769	927	Comdisco	POS equipment	79,267

*	927	Compaq	Video dept equipment	2,296
0718-51	927	Greenleaf	Balers, compactors, etc	38,580
0805-32	927	Heller Financial	floor cleaning equipment	10,945
927 Total				131,088
4770	928	Comdisco	POS equipment	41,294
4769	928	Comdisco	POS equipment	17,835
*	928	Compaq	Video dept equipment	2,296
1901-57	928	GE(Savin), Dallas, TX	copiers	2,520
0718-52	928	Greenleaf	Balers, compactors, etc	14,081
0805-33	928	Heller Financial	floor cleaning equipment	10,945
928 Total				88,970
4771	932	Comdisco	POS equipment	15,002
4770	932	Comdisco	POS equipment	1,097
4769	932	Comdisco	POS equipment	88,184
4700-24	932	Comdisco	Pharmacy computer eq	24,702
*	932	Compaq	Video dept equipment	2,296
0609-02	932	Finova	equipment sale/leaseback	978,922
Loan	932	Finova	loan/repurchase	279,840
1901-60	932	GE(Savin), Dallas, TX	copiers	2,520
0718-53	932	Greenleaf	Balers, compactors, etc	52,661
0805-43	932	Heller Financial	floor cleaning equipment	10,945
2005-23	932	Texas Medical	blood pressure machines	2,663
932 Total				1,458,832
4769	933	Comdisco	POS equipment	99,084
4700-25	933	Comdisco	Pharmacy computer eq	24,702
*	933	Compaq	Video dept equipment	2,296
1901-62	933	GE(Savin), Dallas, TX	copiers	2,520
0718-54	933	Greenleaf	Balers, compactors, etc	14,081
0805-44	933	Heller Financial	floor cleaning equipment	10,945
2005-24	933	Texas Medical	blood pressure machines	2,663
933 Total				156,291
4770	934	Comdisco	POS equipment	1,097
4769	934	Comdisco	POS equipment	79,267
4700-26	934	Comdisco	Pharmacy computer eq	24,702
*	934	Compaq	Video dept equipment	2,296
0609-03	934	Finova	equipment sale/leaseback	1,081,966
Loan	934	Finova	loan/repurchase	319,381
1901-63	934	GE(Savin), Dallas, TX	copiers	2,520
0718-55	934	Greenleaf	Balers, compactors, etc	14,081
0805-45	934	Heller Financial	floor cleaning equipment	10,945
2005-25	934	Texas Medical	blood pressure machines	2,663
934 Total				1,538,918
4770	935	Comdisco	POS equipment	31,551
4769	935	Comdisco	POS equipment	31,112
*	935	Compaq	Video dept equipment	2,296
1901-59	935	GE(Savin), Dallas, TX	copiers	2,520
0718-56	935	Greenleaf	Balers, compactors, etc	14,081
0805-34	935	Heller Financial	floor cleaning equipment	10,945
935 Total				92,505
4770	936	Comdisco	POS equipment	40,649

4769	936	Comdisco	POS equipment	31,112
4700-27	936	Comdisco	Pharmacy computer eq	24,702
*	936	Compaq	Video dept equipment	2,296
0609-04	936	Finova	equipment sale/leaseback	1,339,577
Loan	936	Finova	loan/repurchase	394,561
0609-10	936	Finova	Sale/leaseback-store equip	75,631
1901-58	936	GE(Savin), Dallas, TX	copiers	2,520
0718-57	936	Greenleaf	Balers, compactors, etc	14,081
0805-56	936	Heller Financial	floor cleaning equipment	10,945
1605	936	Petroleum Capital	POS equipment	9,819
2005-26	936	Texas Medical	blood pressure machines	2,663
		936 Total		1,948,557
4769	937	Comdisco	POS equipment	83,230
4700-28	937	Comdisco	Pharmacy computer eq	24,702
*	937	Compaq	Video dept equipment	2,296
1901-55	937	GE(Savin), Dallas, TX	copiers	2,520
0718-58	937	Greenleaf	Balers, compactors, etc	38,580
0805-46	937	Heller Financial	floor cleaning equipment	10,945
2005-27	937	Texas Medical	blood pressure machines	2,663
		937 Total		164,937
4769	938	Comdisco	POS equipment	83,230
4700-29	938	Comdisco	Pharmacy computer eq	24,702
*	938	Compaq	Video dept equipment	2,296
1901-65	938	GE(Savin), Dallas, TX	copiers	2,520
0805-47	938	Heller Financial	floor cleaning equipment	10,945
2005-28	938	Texas Medical	blood pressure machines	2,663
		938 Total		126,357
4770	944	Comdisco	POS equipment	58,972
4769	944	Comdisco	POS equipment	27,149
4700-30	944	Comdisco	Pharmacy computer eq	24,702
0609-11	944	Finova	Sale/leaseback-store equip	465,442
1901-66	944	GE(Savin), Dallas, TX	copiers	2,520
0718-61	944	Greenleaf	Balers, compactors, etc	38,580
0805-57	944	Heller Financial	floor cleaning equipment	10,945
1605	944	Petroleum Capital	POS equipment	8,927
2005-29	944	Texas Medical	blood pressure machines	2,663
		944 Total		639,901
4769	945	Comdisco	POS equipment	9,908
4700-31	945	Comdisco	Pharmacy computer eq	24,702
*	945	Compaq	Video dept equipment	2,296
1901-54	945	GE(Savin), Dallas, TX	copiers	2,520
0718-62	945	Greenleaf	Balers, compactors, etc	14,081
0718-63	945	Greenleaf	Balers, compactors, etc	24,500
0805-35	945	Heller Financial	floor cleaning equipment	10,945
6845	945	MDFC (Boeing)	equipment sale/leaseback	301,993
6945	945	MDFC (Boeing)	equipment sale/leaseback	1,294,905
2005-30	945	Texas Medical	blood pressure machines	2,663
		945 Total		1,688,514
4769	946	Comdisco	POS equipment	119,103
4700-32	946	Comdisco	Pharmacy computer eq	24,702

1901-42	946	Fleet(Savin), Troy, MI	copiers	2,859
0718-64	946	Greenleaf	Balers, compactors, etc	38,580
0805-36	946	Heller Financial	floor cleaning equipment	10,945
6846	946	MDFC (Boeing)	equipment sale/leaseback	356,005
6946	946	MDFC (Boeing)	equipment sale/leaseback	1,464,893
2005-31	946	Texas Medical	blood pressure machines	2,663
		946 Total		2,019,750
4769	947	Comdisco	POS equipment	70,745
*	947	Compaq	Video dept equipment	2,296
1901-56	947	GE(Savin), Dallas, TX	copiers	2,520
0718-65	947	Greenleaf	Balers, compactors, etc	14,081
0805-37	947	Heller Financial	floor cleaning equipment	10,945
		947 Total		100,587
4770	948	Comdisco	POS equipment	23,421
4769	948	Comdisco	POS equipment	78,274
4700-33	948	Comdisco	Pharmacy computer eq	24,702
*	948	Compaq	Video dept equipment	2,296
0718-66	948	Greenleaf	Balers, compactors, etc	14,081
0805-38	948	Heller Financial	floor cleaning equipment	10,945
2005-32	948	Texas Medical	blood pressure machines	2,663
		948 Total		156,382
4769	949	Comdisco	POS equipment	21,204
4700-34	949	Comdisco	Pharmacy computer eq	24,702
*	949	Compaq	Video dept equipment	2,296
1901-44	949	Fleet(Savin), Troy, MI	copiers	2,859
0718-67	949	Greenleaf	Balers, compactors, etc	13,829
0805-48	949	Heller Financial	floor cleaning equipment	10,945
1605	949	Petroleum Capital	POS equipment	9,819
2005-33	949	Texas Medical	blood pressure machines	2,583
		949 Total		88,237
4771	950	Comdisco	POS equipment	5,488
*	950	Compaq	Video dept equipment	2,296
0609-05	950	Finova	equipment sale/leaseback	1,751,755
Loan	950	Finova	loan/repurchase	506,764
0612-01	950	Fluid Process	water treatment eq	27,720
1901-61	950	GE(Savin), Dallas, TX	copiers	2,520
0805-49	950	Heller Financial	floor cleaning equipment	10,945
		950 Total		2,307,488
*	951	Greenleaf	Balers, compactors, etc	
3004-02	951	MDFC (Boeing)	equipment sale/leaseback	2,690,740
*	951	Texas Medical	blood pressure machines	2,663
		951 Total		2,693,403
*	952	Compaq	Video dept equipment	2,296
0609-01	952	Finova	Sale/leaseback-store equip	1,814,281
1901-45	952	Fleet(Savin), Troy, MI	copiers	2,859
0612-02	952	Fluid Process	water treatment eq	26,175
0718-68	952	Greenleaf	Balers, compactors, etc	38,580
0805-39	952	Heller Financial	floor cleaning equipment	10,945
		952 Total		1,895,136
4700-35	953	Comdisco	Pharmacy computer eq	24,702

*	953	Compaq	Video dept equipment	2,296
0805-20	953	Heller Financial	equipment sale/leaseback	1,237,796
0805-58	953	Heller Financial	floor cleaning equipment	10,945
1605	953	Petroleum Capital	POS equipment	9,819
2005-34	953	Texas Medical	blood pressure machines	2,663
		953 Total		1,288,221
4700-36	954	Comdisco	Pharmacy computer eq	24,702
*	954	Compaq	Video dept equipment	2,296
0503-01	954	Econocom	ATM machine	10,143
1901-50	954	Fleet(Savin), Troy, MI	copiers	2,859
0805-21	954	Heller Financial	equipment sale/leaseback	792,488
0805-59	954	Heller Financial	floor cleaning equipment	10,945
1605	954	Petroleum Capital	POS equipment	10,711
2005-37	954	Texas Medical	blood pressure machines	2,651
		954 Total		856,795
4771	966	Comdisco	POS equipment	73,729
4770	966	Comdisco	POS equipment	774
4769	966	Comdisco	POS equipment	3,765
4700-37	966	Comdisco	Pharmacy computer eq	24,702
*	966	Compaq	Video dept equipment	2,296
1901-48	966	Fleet(Savin), Troy, MI	copiers	2,859
0718-69	966	Greenleaf	Balers, compactors, etc	38,491
0805-50	966	Heller Financial	floor cleaning equipment	10,945
1605	966	Petroleum Capital	POS equipment	9,819
2005-35	966	Texas Medical	blood pressure machines	2,657
		966 Total		170,037
4771	967	Comdisco	POS equipment	65,862
4770	967	Comdisco	POS equipment	774
4769	967	Comdisco	POS equipment	3,765
4700-38	967	Comdisco	Pharmacy computer eq	24,702
*	967	Compaq	Video dept equipment	2,296
1901-38	967	Fleet(Savin), Troy, MI	copiers	2,859
0718-70	967	Greenleaf	Balers, compactors, etc	14,048
0805-51	967	Heller Financial	floor cleaning equipment	10,945
1605	967	Petroleum Capital	POS equipment	9,819
2005-36	967	Texas Medical	blood pressure machines	2,657
		967 Total		137,727
4771	977	Comdisco	POS equipment	62,568
4769	977	Comdisco	POS equipment	3,765
*	977	Compaq	Video dept equipment	2,296
1901-40	977	Fleet(Savin), Troy, MI	copiers	2,859
0718-71	977	Greenleaf	Balers, compactors, etc	14,081
0805-52	977	Heller Financial	floor cleaning equipment	10,945
1605	977	Petroleum Capital	POS equipment	9,819
*	977	Texas Medical	blood pressure machines	2,663
		977 Total		108,996
4771	987	Comdisco	POS equipment	51,409
4770	987	Comdisco	POS equipment	581
4769	987	Comdisco	POS equipment	3,765
*	987	Compaq	Video dept equipment	2,296

1901-49	987	Fleet(Savin), Troy, MI	copiers	2,859
0718-72	987	Greenleaf	Balers, compactors, etc	14,016
0805-53	987	Heller Financial	floor cleaning equipment	10,945
1605	987	Petroleum Capital	POS equipment	10,711
987 Total				96,581
4771	989	Comdisco	POS equipment	5,488
4770	989	Comdisco	POS equipment	516
4769	989	Comdisco	POS equipment	3,765
*	989	Compaq	Video dept equipment	2,296
0718-73	989	Greenleaf	Balers, compactors, etc	13,950
0805-54	989	Heller Financial	floor cleaning equipment	10,945
1605	989	Petroleum Capital	POS equipment	9,819
989 Total				46,780
4771	993	Comdisco	POS equipment	51,409
4770	993	Comdisco	POS equipment	516
4769	993	Comdisco	POS equipment	3,765
*	993	Compaq	Video dept equipment	2,296
1901-41	993	Fleet(Savin), Troy, MI	copiers	2,859
0718-74	993	Greenleaf	Balers, compactors, etc	14,081
0805-55	993	Heller Financial	floor cleaning equipment	10,945
1605	993	Petroleum Capital	POS equipment	10,711
993 Total				96,581
Grand Total				47,198,938

Schedule 5.1(d)

- Pharmacy Licenses
- Liquor Licenses
- Licenses listed in Schedule 2.1(f)

Schedule 5.1(f)(i)

LOC	LOCATION ADDRESS	CITY/STATE
885	4701 FOURTH STREET, NW	ALBUQUERQUE, NM

4TH STREET - PROPERTY DESCRIPTION

LOTS NUMBERED ONE (1), TWO (2), THREE (3), FOUR (4), FIVE (5), ELEVEN (11), TWELVE (12), THIRTEEN (13), FOURTEEN (14), FIFTEEN (15), SIXTEEN (16) AND SEVENTEEN (17) AND PORTIONS OF THE VACATED STREET WITHIN RIVERA PLACE, A SUBDIVISION IN SCHOOL DISTRICT NO. TWENTY-TWO (22), THE PLAT OF WHICH WAS FILED FOR RECORD IN THE OFFICE OF THE COUNTY CLERK OF BERNALILLO COUNTY, NEW MEXICO ON DECEMBER 2, 1946 IN VOLUME C1, FOLIO 124 AS DOCUMENT NO. 5802, TOGETHER WITH TRACT LETTERED A OF THE PLAT OF TRACTS A, B & C OF FURR'S PROPERTIES, INC., BEING AND COMPRISING A REPLAT OF TRACT ONE HUNDRED FORTY-EIGHT (148) ON MAP NO. THIRTY-TWO (32) AND TRACT NINETY-SIX (96) ON MAP NO. THIRTY-THREE (33) OF THE MIDDLE RIO GRANDE CONSERVANCY DISTRICT AS THE SAME IS SHOWN AND DESIGNATED ON SAID PLAT FILED IN THE OFFICE OF THE COUNTY CLERK OF BERNALILLO COUNTY, NEW MEXICO ON JULY 7, 1993 IN VOLUME 93C, FOLIO 191 AS DOCUMENT NO. 93-072390, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF TRACT A, A POINT ON THE SOUTH BOUNDARY LINE OF SANDIA PLAZA, A SUBDIVISION IN SCHOOL DISTRICT 22, THE PLAT OF WHICH WAS FILED FOR RECORD IN THE OFFICE OF THE COUNTY CLERK OF BERNALILLO COUNTY, NEW MEXICO ON AUGUST 28, 1941, SAID POINT OF BEGINNING BEING N. 73°41'10" W., 8.09 FEET DISTANT ALONG SAID BOUNDARY LINE OF SANDIA PLAZA FROM THE SOUTHEAST CORNER THEREOF, SAID POINT OF BEGINNING IS ALSO LOCATED ON THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY 85 [FOURTH STREET, N.W.] FROM WHENCE ALBUQUERQUE CONTROL MONUMENT SYSTEM MONUMENT "NM47-8" BEARS N 36°15'56" E, A DISTANCE OF 3137.64 FEET, AND RUNNING SOUTH FROM SAID BEGINNING CORNER ALONG THE RIGHT-OF-WAY OF U.S. HIGHWAY 85 ALONG THE FOLLOWING TWELVE (12) COURSES TO ITS INTERSECTION WITH THE NORTHERLY RIGHT-OF-WAY LINE OF GRIEGOS ROAD, N.W.:

(1) ALONG A CURVE TO THE RIGHT WHOSE RADIUS = 84.37 FEET, AN ARC LENGTH OF 19.00 FEET, AND WHOSE DELTA = 12°54'18", ALONG A CHORD BEARING S. 26°28'23" W., A DISTANCE OF 18.96 FEET TO A SET P.K. NAIL AND WASHER; THENCE,

(2) ALONG A CURVE TO THE LEFT WHOSE RADIUS = 56.63 FEET, AN ARC LENGTH OF 23.36 FEET, AND WHOSE DELTA = 23°37'47", ALONG A CHORD BEARING S. 21°06'36" W., A DISTANCE OF 23.19 FEET TO A SET CROSS IN CONCRETE; THENCE,

(3) S. 09°17'38" W., A DISTANCE OF 31.83 FEET TO A SET CROSS IN CONCRETE; THENCE,

(4) N. 80°42'22" W., A DISTANCE OF 6.17 FEET TO A SET P.K. NAIL AND WASHER; THENCE,

(5) S. 09°17'38" W., A DISTANCE OF 36.34 FEET TO A SET CROSS IN CONCRETE; THENCE,

(6) S. 80°42'22" E., A DISTANCE OF 8.38 FEET TO A SET CROSS IN CONCRETE; THENCE,

(7) ALONG A CURVE TO THE RIGHT WHOSE RADIUS = 56.63 FEET, AN ARC LENGTH OF 7.51 FEET, AND WHOSE DELTA = 07°35'37", ALONG A CHORD BEARING S. 10°33'43" E., A DISTANCE OF 7.50 FEET TO A SET CROSS IN CONCRETE; THENCE,

(8) ALONG A CURVE TO THE RIGHT WHOSE RADIUS = 84.37 FEET, AN ARC LENGTH OF 35.18 FEET, AND WHOSE DELTA = 23°53'38", ALONG A CHORD BEARING S. 02°39'08" E., A DISTANCE OF 34.93 FEET TO A SET CROSS IN CONCRETE; THENCE,

(9) S. 80°42'22" E., A DISTANCE OF 0.38 FEET TO A SET CROSS IN CONCRETE; THENCE,

(10) S. 09°17'31" W., A DISTANCE OF 189.34 FEET TO A SET CROSS IN CONCRETE; THENCE,

(11) N. 80°42'21" W., A DISTANCE OF 0.36 FEET TO A SET P.K. NAIL AND WASHER; THENCE,

(12) ALONG THE SOUTHEASTERLY CORNER OF SAID TRACT A ALONG A CURVE TO THE RIGHT WHOSE RADIUS = 23.38 FEET, AN ARC LENGTH OF 29.05 FEET, AND WHOSE DELTA = 71°11'59", ALONG A CHORD BEARING S. 44°53'54" W., A DISTANCE OF 27.22 FEET TO THE SAID NORTHERLY RIGHT-OF-WAY LINE OF GRIEGOS ROAD N.W., BEING A SET CROSS IN CONCRETE; THENCE,

N. 63°35'24" W., ALONG THE SOUTHERLY BOUNDARY LINE OF TRACT A, A DISTANCE OF 61.96 FEET TO A SET #4 REBAR WITH CAP NMPLS 5953 AND THE SOUTHWEST OF SAID TRACT A, SAID CORNER BEING ON THE EAST LINE OF LOT ONE (1) OF RIVERA PLACE; THENCE,

N. 63°35'24" W., ALONG A LINE BEING 13.00' NORTHERLY OF THE SOUTHERLY LINE OF LOTS ONE (1) THROUGH FIVE (5), INCLUSIVE, OF SAID RIVERA PLACE AND ALONG A LINE 13.00' NORTHERLY OF THE SOUTHERLY BOUNDARY LINE OF THE VACATED EASTERLY ONE-HALF OF THE STREET IN SAID RIVERA PLACE, A DISTANCE OF 146.51 FEET AND ALONG SAID RIGHT-OF-WAY LINE OF GRIEGOS ROAD, N.W. TO A FOUND REBAR WITH CAP PS 4076 AND THE CENTERLINE OF THE VACATED STREET WITHIN RIVERA PLACE; THENCE, LEAVING SAID GRIEGOS ROAD, N.W., AND RUNNING THENCE ALONG THE SAID CENTERLINE, PARALLEL TO THE EASTERLY BOUNDARY LINE OF LOT SIX (6), RIVERA PLACE, N. 14°14'23" E., A DISTANCE OF 86.64 FEET TO A FOUND REBAR WITH CAP PS 4076 AND THE COMMON SOUTHEAST CORNER OF LOT ELEVEN (11) [AFTER VACATION OF STREET]; THENCE,

ALONG THE SOUTHERLY BOUNDARY LINE OF SAID LOT ELEVEN (11), N. 63°37'37" W., A DISTANCE OF 149.60 FEET TO A SET P.K. NAIL AND WASHER BEING SAID SOUTHWEST CORNER OF LOT ELEVEN (11), RIVERA PLACE; THENCE,

N. 12°17'23" E., ALONG THE WESTERLY BOUNDARY LINES OF LOTS ELEVEN (11), TWELVE (12) AND THIRTEEN (13), RIVERA PLACE, A DISTANCE OF 211.98 FEET TO THE NORTHWEST CORNER OF SAID LOT THIRTEEN (13), SAID CORNER BEING THE NORTHWEST CORNER OF RIVERA PLACE AND A SET #4 REBAR WITH CAP NMPLS 5953 ON THE SOUTH BOUNDARY LINE OF SANDIA PLAZA; THENCE,

S. 73°41'10" E., ALONG THE NORTHERLY BOUNDARY LINES OF LOTS THIRTEEN (13), FOURTEEN (14) AND FIFTEEN (15), A DISTANCE OF 308.16 FEET ALONG THE SOUTH BOUNDARY LINE OF SANDIA PLAZA TO THE NORTHEAST CORNER OF SAID LOT FIFTEEN (15) AND COMMON NORTHWEST CORNER OF TRACT A; THENCE,

S. 73°41'10" E., ALONG THE NORTHERLY BOUNDARY LINE OF SAID TRACT A, A DISTANCE OF 32.26 FEET TO A SET CROSS IN CONCRETE AND THE POINT AND PLACE OF BEGINNING AND CONTAINING 2.3419 ACRES 102,015 SQ. FT. MORE OR LESS.

Outstanding Options or Rights of First Refusal

- None

Agreements Granting Right of Use or Occupancy

STORE	LEASE
885	ATM

Third Parties in Possession

- None

Schedule 5.1(f)(ii)

LOC.	LOCATION ADDRESS	CITY/STATE
801	700 NORTH MAIN	LAS CRUCES, NM
811	1700 E. 20TH	FARMINGTON, NM
812	7800 ENCHANTE D HILLS BLVD	RIO RANCHO, NM
860	4001 E. MAIN ST	FARMINGTON, NM
862	701 E MAIN S.E.	LOS ALAMOS, NM
866	1720 BRIDGE SW	ALBUQUERQUE, NM
868	201 SAN PEDRO S.E	ALBUQUERQUE, NM
871	8100 VENTURA NE	ALBUQUERQUE, NM
874	1320 LOMAS NE	ALBUQUERQUE, NM
875	5850 ELBANK NE	ALBUQUERQUE, NM
876	4601 LOUISIANA NE	ALBUQUERQUE, NM
877	2910 JUAN TABONE	ALBUQUERQUE, NM
878	2250-B WYOMING NE	ALBUQUERQUE, NM
879	3701 CONSTITUTION NE	ALBUQUERQUE, NM
880	108 JUAN TABONE	ALBUQUERQUE, NM
881	3301 SOUTHERN BLVD	RIO RANCHO, NM
882	3301 COORS BLVD NW	ALBUQUERQUE, NM
883	4201 CENTRAL NW	ALBUQUERQUE, NM
884	111 COORS BLVD NW	ALBUQUERQUE, NM
886	5815 WYOMING NE	ALBUQUERQUE, NM
888	530 W CORDOVA ROAD	SANTA FE, NM
889	1700 S1 MICHAEL'S DR	SANTA FE, NM
891	2110 PACHECO	SANTA FE, NM
893	BIG ROCK SHOPPING CTR	ESPANOLA, NM
894	206 MILLS AVENUE	LAS VEGAS, NM
896	1100 PASO DEL PUEBLOS	TAOS, NM
897	535 CENTRAL AVE	LOS ALAMOS, NM
898	102 CALDWELL	BELLEN, NM
899	901 CALIFORNIA ST. NW	SOCORRO, NM
901	704 W LUCAMCARI	LUCAMCARI, NM
903	2151 ANDERSON	CLOVIS, NM
904	721 MELCHAM	RUIDOSO, NM
905	205 HIGHWAY 70 W	RUIDOSO, NM
907	1602 WEST MAIN	ARTESIA, NM
908	900 W 2ND STREET	ROSWELL, NM

LOC.	LOCATION ADDRESS	CITY/STATE
909	2813 N. MAIN	ROSWELL, NM
911	1300 SOUTH MAIN	ROSWELL, NM
912	1220 N HUDSON	SILVER CITY, NM
913	1701 UNIVERSITY	LAS CRUCES, NM
914	414 E PINE ST	DEMING, NM
916	1906 N DATE	TORC, NM
917	401 S MAIN	LOVINGTON, NM
918	NORTH TURNER & SANGER	HOBBS, NM
926	5111 FAIRBANKS	EL PASO, TX
927	9348 DYER	EL PASO, TX
928	8291 DYER	EL PASO, TX
932	3100 LEE TREVINO	EL PASO, TX
933	1117 GERONIMO DRIVE	EL PASO, TX
934	3518 MONTANA	EL PASO, TX
935	1840 LEE TREVINO	EL PASO, TX
936	5514 ALAMEDA	EL PASO, TX
937	9480 VISCOUNT	EL PASO, TX
938	1590 GEORGE DIETER	EL PASO, TX
941	115 AMERICAS AVE 3	EL PASO, TX
945	8050 W MESA DR	EL PASO, NM
946	6910 N. MESA DR	EL PASO, NM
947	6021 N MESA DR	EL PASO, TX
948	201 E KERBEY	EL PASO, TX
949	809 W PIERCE	CARISBAD, NM
950	11705 MONTWOOD DRIVE	EL PASO, TX
951	10765 KENSINGTON DRIVE	EL PASO, TX
952	951 N. RESLER DRIVE	EL PASO, TX
953	8125 NORTH LOOP DRIVE	EL PASO, TX
954	321 S MAIN	ANTHONY, TX
966	4340 W ILLINOIS	MIDLAND, TX
967	2208 BIG SPRING ROAD	MIDLAND, TX
977	104 N. SECOND	ALPINE, TX
987	1300 W DICKINSON BLVD	FT STOCKTON, TX
989	1210 MAIN STREET	ANDREWS, TX
993	1201 S STOCKTON STREET	MONAHANS, TX

Modifications, Supplements and Amendments

- None since copies of the Leases relating to the Leased Real Property were delivered or made available by Seller to Purchaser

Material Disputes, Oral Agreements and Forbearance Programs

- | Store No. | Address | Amount | Explanation |
|------------------|---------------------------------------|---------------|-------------------------------------|
| 866 | 1720 Bridge SW
Albuquerque, NM | \$154,634.05 | Definition of items included in CAM |
| 878 | 2280-B Wyoming NE
Albuquerque, NM | \$7,471.35 | Definition of items included in CAM |
| 881 | 3301 Southern Blvd
Rio Rancho, NM | \$12,217.00 | Definition of items included in CAM |
| 882 | 3301 Coors Blvd NW
Albuquerque, NM | \$16,000.00 | Definition of items included in CAM |
| 888 | 530 W. Cordova Road
Santa Fe, NM | \$5,179.00 | Definition of items included in CAM |

- Allegations by lessors of prepetition defaults by Seller that Seller either (a) disputes or (b) will cure in connection with the assumption and assignment of the Leases
- Objections filed by lessors in connection with the Chapter 11 Case

Schedule 5.1(g)

Collective Bargaining Agreements

Collective Bargaining Agreement	Bargaining Units Covered	Expiration Date
Retail Agreement Between Furr's Supermarkets and U.F.C.W. Union Local #1564	Albuquerque, Artesia, Belen, Carlsbad, Deming, Espanola, Hobbs, Las Vegas, Los Alamos, Lovington, Rio Rancho, Roswell, Ruidoso, Santa Fe, Silver City, Socorro, Taos and Tucumcari, New Mexico	October 27, 2001
Retail Agreement Between Furr's Supermarkets and U.F.C.W. Union Local #1564	Farmington, New Mexico	October 27, 2001
Retail Agreement Between Furr's Supermarkets and U.F.C.W. Union Local #1564	Truth or Consequences, New Mexico	October 27, 2001
Retail Agreement Between Furr's Supermarkets and U.F.C.W. Union Local #1564	Las Cruces, New Mexico	October 27, 2001
Retail Agreement Between Furr's Supermarkets and U.F.C.W. Union Local #1564	Los Lunas, New Mexico	October 27, 2001
Meat Agreement Between Furr's Supermarkets and U.F.C.W. Union Local #1564	Bernalillo/Sandoval Counties, New Mexico	October 27, 2001
Meat Agreement Between Furr's Supermarkets and U.F.C.W. Union Local #1564	Artesia, Belen, Carlsbad, Deming, Espanola, Hobbs, Las Vegas, Los Alamos, Los Lunas, Lovington, Roswell, Ruidoso, Santa Fe, Silver City, Socorro, Taos, Tucumcari and Truth or Consequences, New Mexico	October 27, 2001
Meat Agreement Between Furr's Supermarkets and U.F.C.W. Union Local #1564	Farmington, New Mexico	October 27, 2001
Retail Agreement Between Furr's Supermarkets and U.F.C.W. Union Local #540	El Paso, Texas	April 6, 2002
Retail Agreement Between Furr's Supermarkets and U.F.C.W. Union Local #540	Alpine Texas	April 6, 2002
Meat Agreement Between Furr's Supermarkets and U.F.C.W. Union Local #540	Andrews, Texas	August 1, 2001
Meat Agreement Between Furr's Supermarkets and U.F.C.W. Union Local #540	El Paso, Texas	April 6, 2002

Collective Bargaining Agreement	Bargaining Units Covered	Expiration Date
Meat Agreement Between Furr's Supermarkets and U.F.C.W. Union Local #540	Las Cruces, New Mexico	April 6, 2002
Meat Agreement Between Furr's Supermarkets and U.F.C.W. Union Local #540	Alpine, Texas	April 6, 2002
Retail Agreement Between Furr's Supermarkets and U.F.C.W. Union Local #540	Midland, Texas	November 27, 2001
Meat Agreement Between Furr's Supermarkets and U.F.C.W. Union Local #540	Midland, Texas	November 27, 2001

Labor / Employment Matters

CASE NAME	AGENCY/COURT	CAUSE NUMBER	SUMMARY	STATUS
Harris, Judy and Furr's Supermarkets, Inc.	U.F.C.W. Union Local #1564 (Arbitration)	#00-00077 & #00-00381	Suspension Termination: 8-11-00, Grievant was suspended and ultimately terminated for substandard work performance customer complaints. Progressive discipline had been applied. Grievant also had filed a complaint of discrimination, which was dismissed, with a No Probable Cause Determination issued. Arbitrator to be selected.	Arbitrators ranked. Parties to strike arbitrators.
Jewezuk, Bari and Furr's Supermarkets, Inc.	U.F.C.W. Union Local #1564 (Arbitration)	#00-00382	Termination - 8/00, Grievant was suspended and subsequently terminated for working off the clock, which is a violation of Federal Wage and Hour Law as well as Company policy.	Second Panel request submitted by Company. Panel received. Arbitrators ranked. Parties to strike arbitrators.
Paz, John and Furr's Supermarkets, Inc.	U.F.C.W. Union Local #1564 (Arbitration)	#00-00433	Termination - 9/13, Grievant was suspended and subsequently terminated for allowing the ex-Store Director, Richard Armijo, into the store office where he was seen accessing the store computer. Grievant failed to be forthright and honest during the Company's investigation of the matter.	Second Panel received. Arbitrators ranked. Parties to strike arbitrators.
Roman, Paula and Furr's Supermarkets, Inc.	U.F.C.W. Union Local #1564 (Arbitration)	#00-00435	Termination - 9/00, Grievant was terminated for violation of the Furr's Club "Team Member" program; violation of the Associate Purchase Policy; dishonesty during an investigation, and misuse of work time.	Arbitrators ranked. Parties to strike arbitrators.
Sandoval, Eric and Furr's Supermarkets, Inc.	U.F.C.W. Union Local #1564 (Arbitration)	#99-00107	Termination - 3/99, Grievant was discharged from his employment for failing to work as scheduled on multiple scheduled work days; failure to provide sufficient reason for his failure to work as scheduled, and leaving the premises during his scheduled shift on March 8 th without management authorization. Grievant failed to work his scheduled shift due to the fact that he had another job. Actions reasonably regarded as job abandonment. Response submitted. To be scheduled for arbitration.	OPEN-PENDING ARBITRATION Arbitrator selected Tentative date for arbitration is 8/9/01.

Schedule 5.1(i)

STORE SALES 2001

STORE	DESCRIPTION	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	YTD
801	Las Cruces - N. Main St.	510	460	462	488	450	439	2,809
811	Farmington - E. 20th St	685	562	535	624	583	585	3,574
812	Rio Rancho - Enchanted Hills	1,058	925	933	1,068	1,036	1050	6,070
860	Farmington - E. Main St	424	375	356	375	349	357	2,236
862	Los Lunas - E. Main st.	574	465	462	501	490	482	2,974
866	Bridge SW	521	470	455	479	477	475	2,877
868	San Pedro SE	504	442	425	435	420	395	2,621
871	Paseo del Norte / Ventura	509	410	382	446	444	0	2,191
874	Lomas / Tramway	1,148	911	891	1,041	977	963	5,931
875	Eubank / Juan Tabo	1,221	1,006	988	1,110	1,104	1117	6,546
876	Louisiana / Montgomery	1,113	948	952	1,030	1,002	947	5,992
877	Juan Tabo / Candelaria	679	547	562	618	587	570	3,563
878	Wyoming / Menaul	969	810	820	913	871	849	5,232
879	Constitution / Carlisle	1,697	1,382	1,373	1,536	1,473	1427	8,888

880	Juan Tabo / Central	602	513	506	564	511	512	3,208
881	Rio Rancho - Southern Blvd	1,056	822	835	948	887	860	5,408
882	Coors / Sequoia	1,076	910	947	1,055	1,035	1019	6,042
883	Central / Atrisco	505	455	456	496	479	474	2,865
884	Coors/Central	1,578	1,388	1,384	1,510	1,428	1399	8,687
885	Fourth / Griegos	514	414	438	492	456	444	2,758
886	Wyoming / Academy	567	445	448	502	487	498	2,947
888	Santa Fe - West Cordova Rd	484	415	436	462	453	471	2,721
889	Santa Fe - St. Michaels/Llano	660	565	576	645	618	624	3,688
891	Santa Fe - Pacheco/St. Michaels	1,269	1,057	1,068	1,172	1,101	1094	6,761
893	Espanola - Big Rock Center	515	431	440	508	468	462	2,824
894	Las Vegas - Mills Ave.	561	493	506	550	522	513	3,145
896	Taos - Paseo Del Pueblo Sur	1,287	1,112	1,139	1,196	1,172	1292	7,198
897	Los Alamos - Central Ave	1,682	1,512	1,545	1,657	1,677	1740	9,813
898	Belen - Caldwell / Reinken	584	510	521	562	545	511	3,233
899	Socorro - California	1,052	983	992	1,098	1,068	1044	6,237
901	Tucumcari - W. Tucumcari	557	478	514	566	540	566	3,221
903	Clovis - E. 21st St							1,721

904	Ruidoso - Mecham	376	326	333	352	334	0	3,851
905	Ruidoso - Hwy 70	722	592	672	579	555	731	1,766
907	Artesia - W. Main St.	323	280	285	294	272	312	2,620
908	Roswell - W. 2nd St	504	439	405	445	421	405	3,747
909	Roswell - N. Main	636	600	625	640	625	620	2,858
911	Roswell - S. Main	546	449	458	500	459	446	2,743
912	Silver City - N. Hudson	502	464	450	471	444	412	2,932
913	Las Cruces - E. University	524	460	452	506	500	490	1,973
914	Deming - E. Pine St.	346	338	323	342	332	292	3,649
916	Truth/Cons - N. Date	638	590	603	636	607	575	3,886
917	Lovington - S. Main	640	561	590	684	659	752	2,027
918	Hobbs - N. Turner	353	320	315	352	341	346	3,585
926	El Paso - Fairbanks	671	574	582	601	577	579	2,210
927	El Paso - Dyer / Wren	392	348	328	370	370	402	2,827
928	El Paso - Dyer / Hercules	516	460	451	493	455	452	2,182
932	El Paso - Lee Trevino / Pebble Hills	395	347	356	373	355	356	5,386
933	El Paso - Geronimo Dr.	955	860	843	934	903	891	4,610
		795	748	741	799	764	763	

934	El Paso - Montana	759	710	711	777	756	711	4,425
935	El Paso - Lee Trevino / Montwood	568	513	509	555	530	499	3,174
936	El Paso - Alameda	779	733	727	765	739	703	4,446
937	El Paso - Viscount / Acer	915	842	835	922	877	860	5,252
938	El Paso - George Dieter	644	572	547	597	579	579	3,518
944	El Paso - Americas Ave	475	439	424	448	358	0	2,144
945	El Paso - N. Mesa Dr / Doniphan	886	780	738	815	778	780	4,777
946	El Paso - N. Mesa Dr / Resler	656	575	553	600	536	6	2,926
947	El Paso - N. Mesa Dr / Balboa	538	485	479	522	509	562	3,095
948	El Paso - E. Kirby / N. Mesa	968	919	905	995	956	913	5,656
949	Carlsbad - W, Pierce	434	375	400	404	393	373	2,379
950	El Paso - Montwood	799	705	682	774	739	717	4,416
951	El Paso - Kenworthy Drive	489	447	412	446	425	7	2,226
952	El Paso - N. Resler Dr.	900	756	738	849	813	848	4,904
953	El Paso - North Loop	671	606	594	636	615	613	3,735
954	Anthony - S. Main St.	681	605	584	611	575	539	3,595
966	Midland - W. Illinois	540	516	500	536	527	510	3,129
967	Midland - Big Spring							2,806

		486	465	454	476	477	447	
977	Alpine - N. 2nd St							6,000
987	Ft. Stockton - W. Dickinson	1,024	1,015	1,036	1,075	1,051	799	
989	Andrews - Main St.	365	318	359	385	362	370	2,159
993	Monahans - S. Stockton	303	273	260	282	274	271	1,664
		398	355	352	380	360	361	2,206

TOTAL STORES **50,273** **43,979** **43,959** **47,870** **45,912** **43,468** **275,462**

Memorial Day Impact (1,500) (1,500)

Adjusted Total 41,968 273,962

**4 WK END
23-Jun**

STORE #	4 WK END 23-Jun
801	427
811	562
812	1,012
860	345
862	455
866	467
868	394
874	921
875	1,075
876	910
877	536
878	802
879	1,373
880	487
881	826
882	991
883	455
884	1,359
885	423
886	472
888	462
889	600
891	1,037
893	432
894	497
896	1,246
897	1,684
898	494
899	1,034
901	540
904	703
905	308
907	391
908	601
909	431

911	406
912	466
913	281
914	563
916	702
917	341
918	581
926	393
927	433
928	352
932	876
933	740
934	709
935	491
936	695
937	844
938	570
945	759
947	553
948	907
949	363
950	703
952	822
953	599
954	526
966	500
967	444
977	711
987	358
989	263
993	358
SUB TOTAL	
42,063	
RECLASS	
174	
TOTAL	
42,237	
MEMORIAL DAY	
(500)	
ADJUSTED FOR HOLIDAY	
41,737	

Schedule 5.1(d)

	Store	Description
#928	8201 Dyer, El Paso, TX 79904	Cited for violation related to replacement of floor tiles
#899	901 California, Socorro, NM 87891	State is monitoring site for possible downstream migration from fuel station located on adjacent site
#908	900 West 2 nd Street, Roswell, NM 88201	State requested testing site for possible downstream migration from fuel station located on adjacent site