

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,

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

Debtor.

**ORDER GRANTING DEBTOR'S MOTION TO REJECT CERTAIN  
UNEXPIRED REAL ESTATE LEASES, SUBLEASES,  
AND EQUIPMENT LEASES  
WITH RESPECT TO NON-OBJECTING PARTIES**

THIS MATTER came before the Court (a) on the Motion to Reject Certain Unexpired Real Estate Leases, Subleases, and Equipment Leases filed on June 25, 2001 (Doc. No. 665) (the "Motion") filed by the debtor and debtor in possession Furr's Supermarkets, Inc. ("Debtor"), represented by Skadden, Arps, Slate, Meagher & Flom, LLP and Jacobvitz, Thuma & Walker, P.C. (Robert H. Jacobvitz and Thomas D. Walker) and (b) for preliminary hearing on the Motion held July 20, 2001.

Having reviewed the Motion and being otherwise advised in the matter, THE COURT FINDS: (a) Debtor commenced this case by filing a voluntary petition on February 8, 2001 in this Court under chapter 11 of title 11 of the United States Bankruptcy Code; (b) the Debtor continues to operate its business and manage its properties as debtor-in-possession under Bankruptcy Code §§ 1107(a) and 1108; (c) Debtor filed the Motion on June 25, 2001; (d) on June 25, 2001, Debtor filed its Motion to Shorten Deadline to Eight Days to Object to the Motion; (e) on June 25, 2001, the Court entered an Order Shortening Time to Object to the Motion, approving an objection deadline of eight (8) days, plus three (3) days for mailing from the date notice of the Motion was mailed; (f) on June 25, 2001,

Notice of the Motion (the "Notice") was mailed by first class United States mail, postage prepaid, to all persons on (i) the limited mailing matrix maintained in the above-captioned bankruptcy case, and (ii) on the Exhibit "A," copies of which were attached to the original of the Notice filed with the Clerk of the Bankruptcy Court, as shown by the certificate of service on the Notice filed with the Court; (g) the Notice provided for a deadline to object to the Motion of July 6, 2001, as shortened by order of the Court; (h) timely objections to the Motion were filed by Eum's 5 LLC and Eum's 7 LLC. ~~Brooklyn, Vista, Reston, Heller~~

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"Objections"); (i) the Notice was sufficient and appropriate in the particular circumstances; (j) the deadline to object to the Motion expired on July 6, 2001, and other than the Objections, no other timely objections to the Motion were filed; (k) the requirements of Bankruptcy Code §365 have been satisfied with respect to the relief granted by this Order; and, (l) entry of this Order, without further notice or hearing, is appropriate.

THEREFORE, THE COURT ORDERS:

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

a. The "Closed Stores" means the five grocery stores that the Debtor

closed in May 2001 more particularly described as follows:

CLOSED STORE NO.	CLOSED STORE ADDRESS
#871	8100 Ventura NE, Albuquerque, NM
#903	810 East 21st Street, Clovis, NM
#944	115 Americas Ave. S, El Paso, TX
#946	6910 N Mesa Dr, El Paso, TX
#951	10765 Kenworthy, El Paso, TX

b. The "Closed Store Leases" means the five real property leases for the Closed Stores, more particularly described in Exhibit "A," attached hereto;

c. The "Closed Store Subleases" means all subleases for the Closed Stores with respect to which the Debtor is the sublessor, more particularly described in Exhibit "B," attached hereto;

d. The "Equipment Leases" are the personal property leases for the leased equipment and other personal property located, among other places, at the Closed Stores, which leases are more particularly described in Exhibit "C," attached hereto;

e. The "Leases" means the Closed Store Leases, the Closed Store Subleases, and the Equipment Leases;

f. The "Leased Property" means all real and personal property leased under, by and through the Leases; and

g. All references to "Furr's 6, LLC" in the Motion and the Exhibits attached to the Motion are deemed to be references to "Furr's 7, LLC."

2. The Debtor's rejection of the following Closed Store Leases is approved, as provided in this Order, and is effective as of June 25, 2001.

STORE NO.	PROPERTY LEASED	LESSOR
#903	810 East 21st Street, Clovis, NM	Claus Doelling Fuchsberger DAMM 2 25335 Elmshorn Germany
#951	10765 Kenworthy, El Paso, TX	CenterAmerica Property Trust, L.P. 3901 Bellaire Blvd Houston, TX 77025

3. The Debtor's rejection of the Closed Store Subleases as described in Exhibit

“B” attached to the Motion and attached hereto, is approved, as provided in this Order, and is effective as of June 25, 2001.

4. The following Equipment Leases, more particularly described in Exhibit “C” attached to the Motion and hereto, are rejected with respect to Leased Property at the Closed Stores, effective June 25, 2001. The Debtor shall reduce future lease payments under the following Equipment Leases either in accordance with the property schedule for the Closed Store or, if there is no separate schedule, on a pro rata basis.

<b>Store</b>	<b>Vendor</b>	<b>Equipment</b>
871	Express Stop/Qualex	1 hour photo equipment
871	Sensormatic	security equipment
871	Sensormatic	security equipment
871	Sonitrol	store security
871	Texas Medical	blood pressure machines
903	Fleet(Savin), Troy, MI	copiers
903	Sensormatic	security equipment
903	Sensormatic	security equipment
903	Texas Medical	blood pressure machines
944	Sensormatic	Store security equipment
944	GE(Savin), Dallas, TX	copiers
944	Sensormatic	security equipment
944	Sensormatic	security equipment
944	Sensormatic	security equipment
944	Texas Medical	blood pressure machines
946	Sensormatic	Store security equipment
946	Express Stop/Qualex	1 hour photo equipment
946	Fleet(Savin), Troy, MI	copiers
946	Sensormatic	security equipment
946	Sensormatic	security equipment
946	Texas Medical	blood pressure machines
951	Express Stop/Qualex	1 hour photo equipment
951	Sensormatic	security equipment
951	Sensormatic	security equipment
951	Texas Medical	blood pressure machines

5. If the Debtor has not already done so, the Debtor immediately will surrender

the Leased Property under the Leases for which the Debtor's rejection is approved by this Order, and the Debtor is deemed to have surrendered the property effective as of June 25, 2001.

6. The automatic stay provided by 11 U.S.C. §362(a) is terminated as to the Leases and the Leased Property for which the Debtor's rejection is approved by this Order; the stay remains in full force and effect as to all other Leases and Leased Property.

7. This Order does not affect the rights and interests of the following entities or the Debtor with respect to the following entities: MDFC (Boeing), Finova, Petroleum Capital, and the parties that filed the Objections.

8. This Order does not resolve any issues, claims and defenses regarding allowance, amount, or payment of administrative expense claims, if any, of the vendors/lessors of the Leased Property; all such issues, claims and defenses being preserved without prejudice.

  
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JAMES S. STARZYNSKI  
U.S. Bankruptcy Judge

AGREED TO SUBMITTED BY:

JACOBVITZ, THUMA & WALKER, P.C.

By   
Thomas D. Walker  
500 Marquette, NW  
Suite 650  
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and

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Attorneys for Debtor

I hereby certify that a true and correct copy  
of the foregoing was either electronically  
transmitted, faxed, delivered or mailed to  
the listed counsel and parties on:

AUG 0 8 2001

**Mary B. Anderson**

Exhibit A--Closed Store Leases

STORE NO.	PROPERTY LEASED	LESSOR	MONTHLY RENT	LEASE TERM
#871	8100 Ventura NE, Albuquerque, NM	Broadway Vista Partners 559 S. Palm Canyon Dr. #B-212 Palm Springs, CA 92263-6600	\$45,754.48	Ends in 10/17/25
#903	810 East 21st Street, Clovis, NM	Claus Doelling Fuchsberger DAMM 2 25335 Elmshorn Germany	\$39,250.00	Ends 8/31/05
#944	115 Americas Ave. S, El Paso, TX	Furrs 7, LLC 1818 N. Farwell Ave Milwaukee, WI 53202	\$37,258.94	Ends 12/31/19
#946	6910 N Mesa Dr, El Paso, TX	Furrs 5, LLC 1818 N. Farwell Ave Milwaukee, WI 53202	\$51,731.14	Ends 12/31/19
#951	10765 Kenworthy, El Paso, TX	CenterAmerica Property Trust, L.P. 3901 Bellaire Blvd Houston, TX 77025	\$37,895.98	Ends 10/24/20

Exhibit B—Closed Store Subleases

STORE NO.	STREET ADDRESS	SUBLEASES	LEASE TERM
#871	8100 Ventura, Albuquerque, NM	None	
#903	810 East 21st Street, Clovis, NM	1. In-Store Bank lease with Wells Fargo	Ends 6/30/02
#944	115 Americas Ave. S, El Paso, TX	1. Fred Loya Insurance Agency 2. Alma Romero Jewelry 3. In-store bank with State National Bank	Ends 4/1/03 Month to Month 4/30/02
#946	6910 N Mesa Dr, El Paso, TX	1. Thomas Hernandez dba Tom's Optical 2. D&G Investments Co. dba Payless Cleaners 3. In-store bank with State National Bank	Ends 9/17/03* Ends 3/1/05 Ends 7/31/02
#951	10765 Kenworthy, El Paso, TX	None	

## EXHIBIT C

Furrs Supermarkets, Inc.  
EQUIPMENT LEASES - CLOSED STORES

Lease #	Loc	Vendor	Equipment Description	Start Date	End Date	Monthly 2001 pymt	Annual 2001 pymt
3004-03	871	MDFC (Boeing)	FF&E	12/20/00	12/20/05	47,909.39	574,912.88
1605	871	Petroleum Capital	POS equipment	11/01/00	10/31/04	453.10	5,437.20
*	871	Express Stop/Qualex	1 hour photo equipment			2,415.00	28,980.00
*	871	Greenleaf	Balers, compactors, etc			724.82	8,697.84
*	871	Sensormatic	security equipment			736.94	8,843.28
*	871	Sensormatic	security equipment			1,051.39	12,616.68
*	871	Gonitrol	store security			206.69	2,467.08
*	871	Texas Medical	blood pressure machines	01/01/01	12/31/03	72.45	869.40
	<b>871 Total</b>					<b>53,568.68</b>	<b>642,824.16</b>

4769	903	Comdisco	POS equipment	02/05/95	03/31/03	53.66	643.92
4770	903	Comdisco	POS equipment	07/01/95	03/31/03	11.34	136.08
4771	903	Comdisco	POS equipment	10/01/95	03/31/03	1,201.37	14,416.44
0805-87	903	Heller Financial	floor cleaning equipment	09/01/99	09/01/04	210.29	2,523.48
1605	903	Petroleum Capital	POS equipment	11/01/00	10/31/04	140.85	1,687.80
4700-18	903	Comdisco	Pharmacy computer eq	11/08/99	11/07/02	692.26	8,307.15
1901-28	903	Fleet(Savin), Troy, MI	copiers	02/01/99	01/31/03	64.35	772.20
0718-36	903	Greenleaf	Balers, compactors, etc	06/03/97	06/03/02	728.68	8,744.16
1905	903	Sensormatic	security equipment	04/01/98	03/31/03	49.07	588.84
1905	903	Sensormatic	security equipment	04/01/98	03/31/03	1,150.75	13,809.00
2005-17	903	Texas Medical	blood pressure machines	01/01/01	12/31/03	72.45	869.40
	<b>903 Total</b>					<b>4,374.87</b>	<b>52,498.47</b>

4769	944	Comdisco	POS equipment	02/05/95	03/31/03	386.94	4,643.28
4770	944	Comdisco	POS equipment	07/01/95	03/31/03	863.96	10,367.52
0805-57	944	Heller Financial	floor cleaning equipment	09/01/99	09/01/04	210.29	2,523.48
1605	944	Petroleum Capital	POS equipment	11/01/00	10/31/04	200.94	2,411.28
5706	944	Sensormatic	Store security equipment	06-01-97	07-01-01	31.84	382.08
4700-30	944	Comdisco	Pharmacy computer eq	11/08/99	11/07/02	692.26	8,307.15
0609-11	944	Finova	Store equip	11/01/99	10/31/03	10,476.99	125,723.88
1901-66	944	GE(Savin), Dallas, TX	copiers	08/01/99	07/31/02	70.63	847.56
0718-61	944	Greenleaf	Balers, compactors, etc	03/17/97	03/17/02	741.52	8,898.24
1905	944	Sensormatic	security equipment	04/01/98	03/31/03	1,122.35	13,468.20
1905	944	Sensormatic	security equipment	04/01/98	03/31/03	141.44	1,697.28
*	944	Sensormatic	security equipment	01/01/00	12/31/04	190.94	2,291.28
2005-29	944	Texas Medical	blood pressure machines	01/01/01	12/31/03	74.09	896.28
	<b>944 Total</b>					<b>15,204.79</b>	<b>182,457.51</b>

4769	946	Comdisco	POS equipment	02/05/95	03/31/03	1,697.50	20,370.00
0805-36	946	Heller Financial	floor cleaning equipment	09/01/99	09/01/04	210.29	2,523.48
6846	946	MDFC (Boeing)	FF&E	07/01/95	12/31/01	5,775.92	69,311.10
6946	946	MDFC (Boeing)	FF&E	04/01/95	12/31/01	23,234.25	278,810.94
5706	946	Sensormatic	Store security equipment	06-01-97	07-01-01	31.84	382.08
4700-32	946	Comdisco	Pharmacy computer eq	11/08/99	11/07/02	692.26	8,307.15
0524-16	946	Express Stop/Qualex	1 hour photo equipment	02/01/95	12/31/01	1,602.65	19,231.80
1901-42	946	Fleet(Savin), Troy, MI	copiers	02/01/99	01/31/03	64.35	772.20
0718-64	946	Greenleaf	Balers, compactors, etc	03/13/97	03/13/02	741.52	8,898.24
1905	946	Sensormatic	security equipment	04/01/98	03/31/03	128.79	1,545.48
1905	946	Sensormatic	security equipment	04/01/98	03/31/03	1,366.39	16,396.68
2005-31	946	Texas Medical	blood pressure machines	01/01/01	12/31/03	74.69	896.28
	<b>946 Total</b>					<b>35,620.45</b>	<b>427,445.43</b>

3004-02	951	MDFC (Boeing)	FF&E	12/20/00	12/20/05	51,716.34	620,596.08
*	951	Express Stop/Qualex	1 hour photo equipment			2,489.77	29,877.24
*	951	Greenleaf	Balers, compactors, etc			741.52	8,898.24
*	951	Sensormatic	security equipment			844.46	10,133.52
*	951	Sensormatic	security equipment			1,097.09	13,165.08
*	951	Texas Medical	blood pressure machines	01/01/01	12/31/03	74.69	896.28
	<b>951 Total</b>					<b>56,963.87</b>	<b>683,566.44</b>