

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,

Case No. 11-01-10779 SA
Chapter 11

Debtor.

**SCHEDULING ORDER REGARDING
TRANSFER OF LIQUOR LICENSES**

This matter came before the Court on July 20, 2001 at 10:30 a.m. for a preliminary a hearing and scheduling conference on:

(a) The objections reserved for determination under paragraph 10(d) of the 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, entered July 3, 2001 (the "Sale Order"); and

(b) Motion for Order Determining That the Director of The New Mexico Alcohol and Gaming Division May Not Condition Approval of the Transfer of Debtor's Liquor Licenses Upon Payment in Full to Liquor Wholesalers, filed July 10, 2001 (the "Motion").

Counsel appeared at the hearing as noted on the record. The Sale Order contemplated that certain objections of liquor wholesalers would be resolved prior to closing of the sale transaction approved by the Sale Order by further proceedings to be conducted in accordance with a schedule to be determined by this Court. This order establishes such a schedule, and a procedure for resolution of any objections by the New Mexico Alcohol and Gaming Division.

The Court, being sufficiently advised, and having determined that entry of this order is appropriate, it is hereby

ORDERED, as follows:

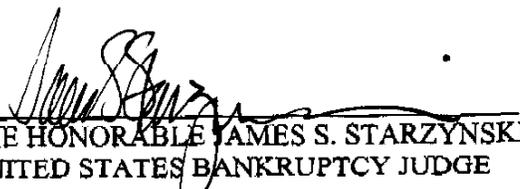
1. The Debtor shall have until Thursday, July 26, 2001, to file and serve a brief (the "Opening Brief") in support of the Motion, and its claim that that, notwithstanding §60-6B-3, NMSA 1978, or any other provision of the Liquor Control Act of the State of New Mexico, the Director (the "Director") of the New Mexico Alcohol and Gaming Division (the "Division") of the Regulation and Licensing Department of the State of New Mexico may not condition his approval of the transfer of the liquor licenses in question to Fleming Companies, Inc., or its designees, upon payment in full to the liquor wholesalers.

2. Desert Eagle Distributing Company, The New Mexico Beverage Company, Southern Wine & Spirits, National Distributing Company, Premier Distributing Co. and Joe G. Maloof & Co., and the Division (including the Director), shall have until Thursday, August 9, 2001, to file and serve a brief in response to the Opening Brief (the "Response Brief").

3. The Debtor; Heller Financial, Inc. ("Heller"), as agent for Fleet Capital Corporation, Bank of America N.A., Heller and Metropolitan Life Insurance Company ("Met Life"); and Met Life, shall have until Thursday, August 16, 2001 to file and serve a brief in reply to the Response Brief (the "Reply Brief"). Although Heller and Met Life may file a Reply Brief without having filed an Opening Brief, the Reply Briefs only may address issues that are addressed in any of the Response Briefs. Reply Briefs are permitted but not required.

4. All briefs shall be served by facsimile or email, in addition to service by mail.

5. If the submission of evidence is required to determine any of the issues, the Court will set an evidentiary hearing. If the submission of evidence is not required to determine any of the issues, the Court will decide the issues on the briefs (and oral argument only if the Court should determine that oral argument is appropriate).


THE HONORABLE JAMES S. STARZYNSKI
UNITED STATES BANKRUPTCY JUDGE

Submitted and approved by:

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

AUG 22 2001

Jill Peterson