

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,  
a Delaware corporation,

Case No. 11-01-10779 SA  
Chapter 11

Debtor.

**STIPULATED ORDER REGARDING  
PAYMENT OF CERTAIN PRE-PETITION PENALTIES  
TO THE ALCOHOL AND GAMING DIVISION**

This matter came before the Court on the stipulation of the Debtor in Possession, Furr's Supermarkets, Inc. (the "Debtor"), the Office of the United States Trustee ("UST") and the Official Committee of Unsecured Creditors of Furr's Supermarkets, Inc. (the "Committee").

The Debtor represents as follows: (i) the Debtor sells packaged alcoholic beverages at grocery stores under liquor licenses; (ii) in the ordinary course of business, the Debtor from time to time receives citations from the New Mexico Regulation and Licensing Department, Alcohol and Gaming Division ("Alcohol and Gaming"); (iii) as of the Petition Date (February 8, 2001) there existed five such citations that had not been settled or otherwise determined (the "Citations"), including, for example, citations for failure to display a liquor license in a store and failure to cover a display during nonsale hours; (iv) Debtor's estimate of the aggregate amount of penalties that would be imposed for these Citations is a total of \$5,000 to \$7,500, plus possible closure of the liquor departments in two stores for up to one day; (v) if there are any outstanding penalties for the Citations, for which a formal hearing has not been requested by June 30, 2001, then except to the extent Alcohol and Gaming is required otherwise as a result of the commencement of this

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bankruptcy case or by an order of this Court, Alcohol and Gaming under its customary practice would not renew Debtor's liquor licenses for five stores; and (vi) the Debtor in its ordinary course of business settles citations similar to the Citations, and pays the penalties associated therewith.

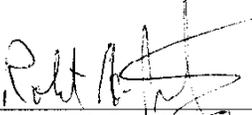
The Court, having reviewed the above representations of the Debtor, and being sufficiently advised, finds that no notice of this order is necessary prior to its entry, except to the UST and Committee which have approved this order, and entry of this order is appropriate. It is therefore

ORDERED that the Debtor is authorized (a) to negotiate with Alcohol and Gaming a resolution of the Citations, and any such resulting agreement with respect to the Citations is approved; and (b) to pay any penalties resulting from the Citations.

  
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THE HONORABLE JAMES S. STARZYNSKI  
UNITED STATES BANKRUPTCY JUDGE

Submitted 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:

MAR 21 2001

Mary B. Anderson