

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,

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

Debtor.

**STIPULATED ORDER GRANTING, IN PART, DEBTOR'S MOTION TO
REJECT CERTAIN UNEXPIRED REAL ESTATE LEASES, SUBLEASES,
AND EQUIPMENT LEASES WITH RESPECT TO MDFC EQUIPMENT
LEASING CORP.**

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 David T. Thuma), (b) for preliminary hearing on the Motion held July 20, 2001, and (c) upon the stipulation set forth in this Order by and between Debtor and MDFC Equipment Leasing Corp. ("MDFC"), represented by Strasburger & Price, LLP (Jeffrey R. Fine).

Having reviewed the Motion, and based upon the stipulation of the parties hereto, 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) MDFC, through counsel, verbally

objected to the Motion at the hearing on July 20, 2001; (e) MDFC and the Debtor have agreed and stipulated to the terms of this Order; (f) the requirements of Bankruptcy Code §365 have been satisfied with respect to the relief granted by this Order; and, (g) 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 to the Motion;

c. The “Equipment Leases” are the personal property leases by and between Debtor and MDFC for the Leased Property and other personal property located, among other places, at the Closed Stores, and which leases as to the Closed Stores are more particularly described in Exhibit “C,” attached to the Motion and attached hereto;

d. The “Leased Property” means all personal property leased under, by and through the Equipment Leases, including that located at the Closed Stores.

2. The Debtor's rejection of the Equipment Leases with MDFC for Leased Property at the Closed Stores is approved. The Debtor shall reduce future lease payments under the Equipment Leases on a pro rata basis as set forth on Exhibit "C." Nothing in this Order shall diminish or alter any additional rights or obligations MDFC may have under any agreement with any landlord in regard to the Closed Stores.

3. Determination of the effective date of the Debtor's rejection of the Rejected Leases is reserved and all arguments with respect to the effective date are preserved. Notwithstanding the foregoing, the outside effective date of such rejection shall be July 20, 2001, without prejudice to any party to argue that an earlier date is the effective date of rejection.

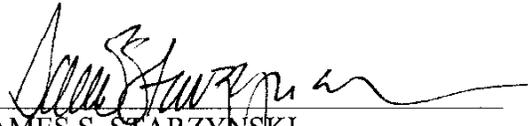
4. All rights, remedies and defenses are preserved with respect to MDFC and the Debtor as to the Equipment Leases with respect to all stores other than the Closed Stores and all Leased Property other than that at the Closed Stores. MDFC's stipulation to the relief granted in this Order will have no estoppel or other effect on any objection, argument, right, claim, or remedy that MDFC may otherwise assert in the future with respect to the Equipment Leases and/or the Leased Property.

5. If the Debtor has not already done so, the Debtor immediately will surrender the Leased Property under the Equipment Leases for which the Debtor's rejection is approved by this Order, and the Debtor is deemed to have surrendered such Leased Property effective as of July 20, 2001, if such Leased Property is surrendered within seven (7) days after entry of this Order.

6. The automatic stay provided by 11 U.S.C. §362(a) is terminated as to the

Equipment Leases and the Leased Property located at the Closed Stores for which the Debtor's rejection is approved by this Order to permit MDFC to take possession of such Leased Property; the stay remains in full force and effect as to the balance of the Equipment Leases and the Leased Property located at all stores other than the Closed Stores.

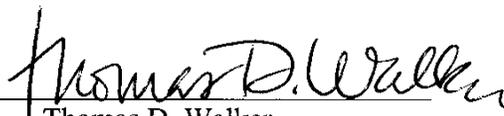
7. This Order does not resolve any issues, claims or defenses regarding allowance, amount, or payment of administrative expense claims, if any, of MDFC; all such issues, claims and defenses being preserved without prejudice.



JAMES S. STARZYNSKI
United States Bankruptcy Judge

AGREED TO SUBMITTED BY:

JACOBVITZ, THUMA & WALKER, P.C.

By 

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AGREED:

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By Approved by telephone 8/28/01 

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Attorneys for MDFC Equipment Leasing Corp.

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:

SEP 04 2001

Mary B. Anderson

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 | 574,912.68 |
| 1605 | 871 | Petroleum Capital | POS equipment | 11/01/00 | 10/31/04 | 453.10 | 5,437.20 |
| * | 871 | Express Stop/Quallex | 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 | Sonitrol | store security | | | 205.59 | 2,467.08 |
| * | 871 | Texas Medical | blood pressure machines | 01/01/01 | 12/31/03 | 72.45 | 869.40 |
| | 871 Total | | | | | 53,568.68 | 642,824.16 |

| | | | | | | | |
|---------|------------------|------------------------|--------------------------|----------|----------|-----------------|------------------|
| 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 | 140.65 | 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 |
| | 903 Total | | | | | 4,374.87 | 52,498.47 |

| | | | | | | | |
|---------|------------------|-----------------------|--------------------------|----------|----------|------------------|-------------------|
| 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 | 100.04 | 2,201.28 |
| 2005-29 | 944 | Texas Medical | blood pressure machines | 01/01/01 | 12/31/03 | 74.69 | 896.28 |
| | 944 Total | | | | | 15,204.79 | 182,457.51 |

| | | | | | | | |
|---------|------------------|------------------------|--------------------------|----------|----------|------------------|-------------------|
| 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/Quallex | 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 |
| | 946 Total | | | | | 35,620.45 | 427,445.43 |

| | | | | | | | |
|---------|------------------|----------------------|-------------------------|----------|----------|------------------|-------------------|
| 3004-02 | 951 | MDFC (Boeing) | FF&E | 12/20/00 | 12/20/05 | 51,716.34 | 620,596.08 |
| * | 951 | Express Stop/Quallex | 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 |
| | 951 Total | | | | | 56,963.87 | 683,566.44 |