

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,

Debtor.

No. 11-01-10779 SS

**STIPULATED ORDER REGARDING ADEQUATE ASSURANCE
OF PAYMENT OF POST-PETITION UTILITY
CHARGES OF KIT CARSON ELECTRIC COOPERATIVE, INC.**

THIS MATTER comes before the Court on the stipulation and agreement between the debtor and debtor in possession Furr's Supermarkets, Inc. ("Debtor"), and Kit Carson Electric Cooperative, Inc. ("Kit Carson"). Debtor is represented by Jacobvitz, Thuma & Walker, P.C. (David T. Thuma, Esq.) and Skadden, Arps, Slate, Meagher & Flom, LLP. Kit Carson is represented by Jurgens, Thayer & With, P.A. (James R. Jurgens, Esq.).

In accordance with stipulation and agreement of the parties, the Court FINDS

1. On February 8, 2001 ("Petition Date"), Debtor filed a voluntary petition for relief under chapter 11 of title 11, U.S.C. Sections 101-1330, as amended (the "Code"), in this Court. Debtor continues to operate its business and manage its properties as debtor in possession pursuant to Sections 1107(a) and 1108 of the Code.

2. Kit Carson provides electric utility service to Debtor's store #896, under account number 2324901 (the "Account").

3. On February 8, 2001, Debtor filed a Motion for Order Under 11 U.S.C. Sections 105, 366, 503(b) and 507(a) Prohibiting Utilities from Altering, Refusing or Discontinuing Services on Account of Prepetition Invoices and Establishing Procedures for Determining Requests for

Additional Adequate Assurance (the "Motion").

4. By its order, dated February 8, 2001 (the "Utility Order"), this Court granted the Motion, as amended by the Utility Order.

5. Pursuant to the terms of the Utility Order, Kit Carson has requested that Debtor provide additional adequate assurance of payment to Kit Carson other than as set forth in the Utility Order.

6. Debtor and Kit Carson have reached agreement on issues related to the additional adequate assurance of payment by Debtor to Kit Carson, as set forth below.

7. Notice and opportunity for hearing on this Stipulated Order are adequate and proper under the particular circumstances.

IT IS THEREFORE ORDERED that:

1. This Stipulated Order and not the Utility Order shall govern the terms of post-petition services from Kit Carson to Debtor.

2. Except as otherwise provided herein, Kit Carson shall provide electric service to Debtor on the Account in accordance with the rules, regulations, tariffs, statutes, laws, ordinances and billing procedures applicable to Kit Carson in New Mexico.

3. Except as otherwise provided herein, Kit Carson will continue to provide utility service to Debtor, and will continue to invoice Debtor for such service in the same manner as was customary prior to the Petition Date.

4. Within seven (7) days of the date this Stipulated Order is entered, Debtor shall pay Kit Carson a security deposit in the amount of \$14,000 (the "Deposit"). The Deposit shall be paid by check which shall be delivered to Kit Carson's undersigned counsel at his office in Santa Fe, New Mexico, or sent by wire transfer to Kit Carson at People's Bank, Taos, New Mexico, ABA

#107004491, deposit to account #10111299.

5. The Deposit shall secure payment of any and all amounts that have, or may, become due for post-petition service on the Account, prior to termination of service on the Account.

6. The Deposit shall bear interest at 6% per annum from the date received by Kit Carson, and shall be returned to Debtor, less any amounts due for unpaid Kit Carson invoices for post-petition services upon the termination of service to Debtor on the Account by Kit Carson.

7. Any default in payment of any undisputed amount due on the Account that occurs prior to termination of service to the Account, shall be satisfied from the Deposit, without waiver of Kit Carson's administrative claim for any unpaid amount that exceeds the amount of the Deposit.

8. All invoices for utility services provided by Kit Carson to Debtor shall be faxed and mailed to Deborah Kershaw, an employee of Debtor (telephone number 505-944-2612; fax number 505-944-2674; mailing address: 4411 The 25 Way, NE, Suite 100, Albuquerque, New Mexico 87109), or such other employee as Debtor may designate in writing to Kit Carson. All questions, payments and/or correspondence from Debtor to Kit Carson shall be directed to Luis A. Reyes, an employee of Kit Carson (telephone number 505-758-2258; fax number 505-758-4611; mailing address: P.O. Box 587, Taos, New Mexico 87571), or such other employee as Kit Carson may designate in writing to Debtor.

9. Debtor will pay all Kit Carson invoices by check or wire transfer within seven (7) calendar days after receipt of faxed copies thereof. Debtor's payment must be received by Kit Carson within the payment deadline.

10. If Debtor fails to pay any invoice within the required time, Kit Carson may fax and mail to Debtor's employee designated in paragraph H above, a disconnect notice with respect to the Account. If Debtor fails to pay the invoice within five (5) calendar days after receiving the faxed

disconnect notice, Kit Carson may disconnect service on the Account, and may apply the Deposit, without further order of the Court.

11. If Kit Carson terminates service on the Account, Debtor may reinstate service pursuant to the applicable Regulations. In connection with such reinstatement, Debtor shall restore to the Deposit any amount applied under paragraph 7 above, and shall otherwise satisfy the default on the Account.

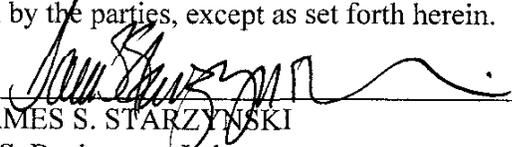
12. Any undisputed charge for post-petition utility services provided by Kit Carson shall constitute an administrative expense in accordance with Section 503(b)(1)(A) and 507(a)(1), of the Code.

13. This Stipulated Order is without prejudice to Debtor seeking emergency or other relief from the Court to prevent Kit Carson from terminating service on the Account, provided that any relief must be conditioned on Debtor providing reasonable adequate assurance to Kit Carson, and Debtor shall bear the burden of proof at any hearing on Debtor's request for such relief.

14. This Stipulated Order is without prejudice to Kit Carson seeking relief from the Court to provide Kit Carson additional adequate assurance of payment for post-petition electric service to Debtor, provided that Kit Carson shall bear the burden of proof at any hearing on its request for such relief.

15. This Stipulated Order contains the entire agreement between the parties with respect to the subject matter herein, and may not be changed, amended, modified or altered except by written agreement signed by each party and approved by the Court, or as otherwise ordered by the Court.

No representations have been made or relied on by the parties, except as set forth herein.



JAMES S. STARZYNSKI
U.S. Bankruptcy Judge

Respectfully submitted,

JURGENS, THAYER & WITH, P.A.

telephonically approved 3/23/01
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Stipulated and Agreed to:

JACOBVITZ, THUMA & WALKER, P.C.


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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:

APR 10 2001

Mary B. Anderson

and

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Copy to above and:

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