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 LEA COUNTYELECTRIC 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 Lea County Electric Cooperative, Inc. ("Lea County"). Debtor is represented by Jacobvitz, Thuma & Walker, P.C. (David T. Thuma, Esq.) and Skadden, Arps, Slate, Meagher & Flom, LLP.

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. Lea County provides electric utility service to Debtor's store #917, under account number 57950 (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, Lea County has requested that Debtor provide additional adequate assurance of payment to Lea County other than as set forth in the Utility Order.

6. Debtor and Lea County have reached agreement on issues related to the additional adequate assurance of payment by Debtor to Lea County, 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 Lea County to Debtor.

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

3. Except as otherwise provided herein, Lea County 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 Lea County a security deposit in the amount of $6,000 (the "Deposit"). The Deposit shall be paid by check which shall be delivered to Mr. Kenneth Thompson at 18 West Washington Avenue, Lovington, NM 88260.

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 9% per annum from the date received by Lea County, and shall be returned to Debtor, less any amounts due for unpaid Lea County invoices for post-petition services upon the earlier of (i) eighteen months from the date of deposit (provided the Account is not chronically delinquent) or (ii) the termination of service to the Debtor or the transfer of the Account to a separate entity.

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 Lea County's administrative claim for any unpaid amount that exceeds the amount of the Deposit.

8. All invoices for utility services provided by Lea County 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 Lea County. All questions, payments and/or correspondence from Debtor to Lea County shall be directed to Mr. Kenneth Thompson an employee of Lea County (telephone number 505-396-3631; fax number 505-396-3634; mailing address: 18 West Washington Avenue, Lovington, NM 88260), or such other employee as Lea County may designate in writing to Debtor.

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

10. If Debtor fails to pay any invoice within the required time, Lea County may fax and mail to Debtor's employee designated in paragraph 8 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, Lea County may disconnect service on the Account, and may apply the Deposit, without further order of the Court.

11. If Lea County 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 Lea County 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 Lea County from terminating service on the Account, provided that any relief must be conditioned on Debtor providing reasonable adequate assurance to Lea County, 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 Lea County seeking relief from the Court to provide Lea County additional adequate assurance of payment for post-petition electric service to Debtor, provided that Lea County 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,

LEA COUNTY ELECTRIC COOPERATIVE, INC.

approved 5/1/01 DT

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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:

MAY 0 7 2001

Mary B. Anderson