

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 PETROLEUM CAPITAL**

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 Petroleum Capital, represented by Cooley Godward LLP (Robert L. Eisenbach III).

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) on June 25, 2001, Debtor filed its

Motion to Shorten Deadline to Eight Days to Object to the Motion; (e) on June 25, 2001, the Court entered an Order Shortening Time to Object to the Motion, approving an objection deadline of eight (8) days, plus three (3) days for mailing from the date notice of the Motion was mailed; (f) on June 25, 2001, Notice of the Motion (the "Notice") was mailed by first class United States mail, postage prepaid, to all persons on (i) the limited mailing matrix maintained in the above-captioned bankruptcy case, and (ii) on the Exhibit "A," copies of which were attached to the original of the Notice filed with the Clerk of the Bankruptcy Court, as shown by the certificate of service on the Notice filed with the Court; (g) the Notice provided for a deadline to object to the Motion of July 6, 2001, as shortened by order of the Court; (h) timely objections to the Motion were filed by Furr's 5 LLC and Furr's 7 LLC, Broadway Food Markets, Home Furniture Center, Inc., Commerce, Inc., and Greenleaf Compaction, Inc. (together, the "Objections"); (i) the Notice was sufficient and appropriate in the particular circumstances; (j) the deadline to object to the Motion expired on July 6, 2001, and other than the Objections, no other timely objections to the Motion were filed; (k) Petroleum Capital and the Debtor have agreed and stipulated to the terms of this Order; (l) the requirements of Bankruptcy Code §365 have been satisfied with respect to the relief granted by this Order; and, (m) 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 "Equipment Lease" is the personal property lease dated as of November 1, 2000 by and between Debtor and Petroleum Capital for the Leased Property and other personal property located, among other places, at the Closed Stores, and which lease as to the Closed Stores is more particularly described in Exhibit "C," attached to the Motion and attached hereto;

c. The "Leased Property" means all personal property leased under, by and through the Equipment Lease, including that located at the Closed Stores.

2. The Debtor's rejection of that portion of the Equipment Lease with Petroleum Capital for Leased Property at the Closed Stores is approved effective as of June 25, 2001. The Debtor shall reduce future lease payments under the Equipment Lease on a pro rata basis as set forth on Exhibit "C."

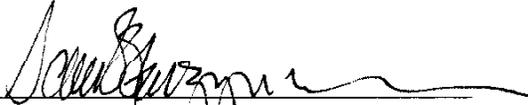
3. All rights, remedies and defenses are preserved with respect to Petroleum Capital and the Debtor as to the Equipment Lease with respect to all stores other than the Closed Stores and all Leased Property other than that at the Closed Stores. Petroleum's stipulation to the relief granted in this Order will have no estoppel or other effect on any objection, argument, right, claim, or remedy that Petroleum may assert in the future with respect to the Equipment Lease and/or the Leased Property, including without limitation, the

right to assert that the Debtor cannot assume and assign or reject the Equipment Lease on a store-by-store basis as to stores other than the Closed Stores.

4. If the Debtor has not already done so, the Debtor immediately will surrender the Leased Property under the Equipment Lease 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 June 25, 2001, if such Leased Property is surrendered within seven (7) days after entry of this Order.

5. The automatic stay provided by 11 U.S.C. §362(a) is terminated as to the Equipment Lease and the Leased Property located at the Closed Stores for which the Debtor's rejection is approved by this Order to permit Petroleum to take possession of such Leased Property; the stay remains in full force and effect as to the balance of the Equipment Lease and the Leased Property located at all stores other than the Closed Stores.

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

  
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JAMES S. STARZYNSKI  
United States Bankruptcy Judge

AGREED TO SUBMITTED BY:

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By Thomas D. Walker  
Thomas D. Walker

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By \_\_\_\_\_

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Attorneys for Petroleum Capital

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 09 2001

Mary B. Anderson

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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/Qualex	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
	<b>871 Total</b>					<b>53,568.68</b>	<b>642,824.16</b>

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
	<b>903 Total</b>					<b>4,374.87</b>	<b>52,498.47</b>

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	190.94	2,291.28
2005-29	944	Texas Medical	blood pressure machines	01/01/01	12/31/03	74.69	896.28
	<b>944 Total</b>					<b>15,204.79</b>	<b>182,457.51</b>

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
6706	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/Qualex	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
	<b>946 Total</b>					<b>35,620.45</b>	<b>427,445.43</b>

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