

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 ALLOWING REJECTION OF VEHICLE LEASE

This matter came before the Court on the stipulation of the debtor in possession Furr's Supermarkets, Inc. (the "Debtor") and Leasing Associates, Inc. ("LAI") and the Court, being sufficiently advised in the premises, FINDS:

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

B. On August 15, 1991, the Debtor entered into a Master Vehicle Lease Agreement No. 50-29729-01 with LAI (the "Vehicle Lease").

C. The Debtor wishes to reject the Vehicle Lease as of August 1, 2001, and LAI has consented to the entry of this Agreed Order.

D. Rejection of the Vehicle Lease is in the best interests of the Debtor's bankruptcy estate and creditors.

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

NOW THEREFORE, in consideration of the foregoing, the Debtor and LAI hereby agree and stipulate as follows:

1. The Debtor shall surrender all of its leased vehicles subject to the Vehicle Lease to LAI on or before August 1, 2001, either at the Debtor's main office in Albuquerque, New Mexico or at the Debtor's district office in El Paso, Texas.

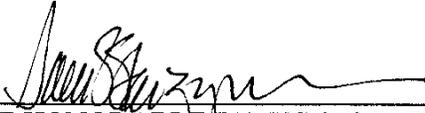
2. The Vehicle Lease shall be deemed rejected as of midnight on July 31, 2001.

3. LAI may pick up the leased vehicles and sell, re-lease, or otherwise market or deal with them without further Court order, and the automatic stay imposed under 11 U.S.C. §362 is hereby modified to that extent.

4. This Stipulated Order has no effect on LAI's ability to (i) file a proof of claim based upon the rejection of the Vehicle Lease or (ii) assert an administrative expense claim, or upon the Debtor's ability to object in whole or in part to either.

5. 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 upon by the parties, except as set forth herein.



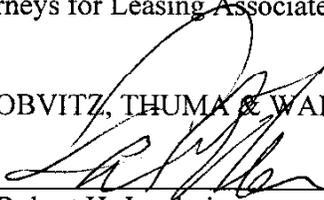
THE HONORABLE JAMES S. STARZYNSKI
UNITED STATES BANKRUPTCY JUDGE

Submitted and approved by:

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By: approved 7/27/01
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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:

AUG 09 2001

Mary B. Anderson