

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re:

FURR'S SUPERMARKETS, INC.,
a Delaware corporation,

Case No. 11-01-10779 SA
Chapter 11

Debtor.

**STIPULATED ORDER APPROVING SALE OF CERTAIN PHARMACY
ASSETS FREE AND CLEAR OF LIENS**

This matter came before the Court on the request of the Debtor in Possession Furr's Supermarkets, Inc. ("Debtor"), with the approval of the Official Committee of Unsecured Creditors of Furr's Supermarkets, Inc. (the "Committee"), and the Debtor's pre- and post-petition bank lenders (the "Lenders").

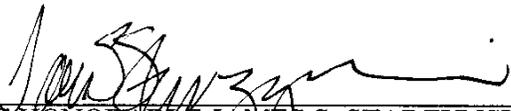
The Debtor represents as follows: (a) in August, 2001, the Debtor closed five of its operating grocery stores (##894, 911, 932, 949, and 953) that had in-store pharmacies (together, the "In-Store Pharmacies"); (b) the Debtor put out for bid the pharmacy inventory and prescription records for the In-Store Pharmacies (together, the "Pharmacy Assets"); (c) Walgreen Co. ("Walgreen") submitted the high bid for the purchase of the Pharmacy Assets free and clear of liens, which bid was cash in the amount of \$181,000 plus 95% of the acquisition cost of the pharmacy inventory (the "Walgreen Bid"); (d) under the terms of the Walgreen Bid, and applicable law, the Debtor must consummate the sale of the Pharmacy Assets to Walgreen on a very expedited basis; (e) it is in the best interests of the Debtor and its creditors to approve the sale of the Pharmacy Assets to Walgreen in accordance with the terms and conditions set forth in the Walgreen Bid; and (f) the only parties that claim a lien on the Pharmacy Assets are the Lenders.

The Court having reviewed the above, the Committee, and the Lenders have approved this Order, and being sufficiently advised, has determined that no further

notice is necessary in the particular circumstances prior to entry of this Order, and that entry of this Order is appropriate. It is hereby

ORDERED that Debtor has the authority to sell the Pharmacy Assets to Walgreen in accordance with the terms and conditions of the Walgreen Bid, with the Pharmacy Assets to be sold to Walgreen free and clear of any and all liens and encumbrances of any kind or nature whatsoever, with all of such liens and encumbrances to attach to the proceeds of the sale.

It is further ORDERED that all proceeds will be subject to all existing financing orders.



THE HONORABLE JAMES S. STARZYNSKI
UNITED STATES BANKRUPTCY JUDGE

Submitted by:

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By: 

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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 30 2001

Mary B. Anderson