

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

IN RE:) **Chapter 11**
BRUNO'S SUPERMARKETS, LLC,)
) **Case No. 09-00634**
Debtor.) **Auction Date: April 29, 2009**
) **Final Sale Hearing Date:**

**DEBTOR'S EMERGENCY AMENDED MOTION FOR AN ORDER PURSUANT TO 11
U.S.C. §§ 105, 305 AND 363 (I) APPROVING BIDDING PROCEDURES, (II)
AUTHORIZING DEBTOR TO SELL CERTAIN ALL OR SUBSTANTIALLY ALL OF
ITS ASSETS AT AUCTION EITHER AS A GOING CONCERN OR TO A BUYER WHO
WILL CONDUCT A LIQUIDATION SALE, FREE AND CLEAR OF LIENS, CLAIMS,
INTERESTS, AND ENCUMBRANCES PURSUANT TO 11 U.S.C. § 363(F) AND (III)
AUTHORIZING RELATED RELIEF**

COMES NOW, Bruno's Supermarkets, LLC ("Bruno's" or "Debtor") as debtor and debtor-in-possession, by and through its undersigned counsel, and pursuant to §§ 105(a), 305 and 363(f) of Title 11 of the United States Code, 11 U.S.C. § 101, *et seq.* (the "Bankruptcy Code"), and Rules 2002, 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), moves this Court (the "Motion") to enter an order: (i) approving amended bidding procedures (the "Amended Bidding Procedures"); (ii) authorizing Debtor to sell (the "Sale") all or substantially all of its assets (the "Assets"), either as a going concern or to a buyer who will conduct a liquidation sale, pursuant to (a) the proposed Form Agreements (as defined below) and (b) an auction in compliance with the Amended Bidding Procedures; (iii) approving the notice of the Sale; and, (iv) granting such other and further relief as this Court deems necessary. In support of this Motion, Debtor states as follows:

JURISDICTION AND VENUE

1. On February 5, 2009 (the "Petition Date"), Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the Clerk of this Court. Debtor continues to operate its business and manage its properties as a Debtor in possession pursuant to §§ 1107(a) and 1108.

2. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of Debtor's chapter 11 case and this Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicate for the relief sought herein is § 363 of the Bankruptcy Code.

FACTUAL BACKGROUND

3. Pre-petition, Debtor owned and operated approximately sixty-six grocery stores in Alabama and Florida. For a detailed description of Debtor, its operations, and its assets and liabilities, Debtor respectfully refers this Court and parties-in-interest to the *Affidavit of James Grady in Support of Chapter 11 Petition and First Day Orders*, which was filed on the Petition Date. [Docket No. 13]

4. Debtor's bankruptcy filing has been precipitated by a variety of factors that have led to a deterioration in Bruno's business and a lack of liquidity. Through the filing of this bankruptcy proceeding, Debtor seeks to reorganize Debtor's business in order to maximize the recovery to all of Debtor's estate and creditors, whether secured, unsecured, or with priority pursuant to the Bankruptcy Code.

5. On March 27, 2009, Debtor filed *Debtor's Motion For An Order Pursuant To 11 U.S.C. §§ 105 And 365 Approving Bidding Procedures Including Bid Protections* (the "First Bidding Procedures Motion") asking this Court to approve bidding procedures (the "First Bidding Procedures") [Docket No. 509].

RELIEF REQUESTED

6. Subsequent to filing the First Bidding Procedures Motion, Debtor has, in its business judgment, determined that it is in the best interest of its estate and creditors to sell the Assets either as a going concern or to a buyer who will liquidate the Assets, regardless as to whether there is a Stalking Horse (as defined below). Further, Debtor has determined that is in the best interests of its estate and creditors to move forward with the Auction (as defined below) in accordance with the Amended Bidding Procedures. Accordingly, by this Motion, Debtor seeks an order substantially in the form annexed hereto as Exhibit "A" (the "Sales Order"), among other things: (i) authorizing Debtor to sell the Assets free and clear of all liens, interests and encumbrances either as a going concern or to a buyer who will conduct a liquidation sale of the Assets; (ii) approving the Amended Bidding Procedures; (iii) approving the terms of the Form Agreements; (iv) authorizing Debtor to offer prospective purchasers certain bid protections; (v) approving procedures whereby a buyer can conduct liquidation sales; (vi) approving the notice of the Sale and auction; and, (vii) scheduling a final hearing at which the Debtor will present the Successful Bids (as defined below) to the Court for approval.

THE SALE

7. Prior to filing this Motion, Debtor has sought to sell the Assets as a going concern, but has not been successful in obtaining a going concern stalking horse bid as of the date of this Motion. Debtor continues to negotiate with potential purchasers and remains open to the possibility that interested parties may submit stalking horse bids for some or all of the Assets. However, because of the status of the sales process and due to Debtor's obligations under its financing agreement, Debtor must move forward with selling the Assets.

8. Debtor, in its business judgment, has determined that the best way to sell the Assets will be as a going concern subject to higher and better bids at an auction. However, if

Debtor does not receive an acceptable offer for the Assets as a going concern at the auction, maximum value of the Assets can be achieved through their liquidation. Moreover, even if a viable going concern offer materializes, Debtor believes that at least some of its Assets will have to be liquidated.

9. The First Bidding Procedures do not contemplate an auction in this manner. Therefore, Debtor has determined that the Amended Bidding Procedures should be used in order to maximize the marketability of the Assets and thereby benefit Debtor's creditors. The Amended Bidding Procedures are attached hereto as Exhibit "B" and incorporated by reference.

10. If the Amended Bidding Procedures are approved, Debtor will conduct an auction (the "Auction") on April 29, 2009 (the "Auction Date"), at which time Debtor will offer the Assets for sale. Debtor will first offer the Assets for sale as a going concern (the "Going Concern Sale"). If an acceptable offer is not received for all of the Assets as a going concern, Debtor will offer the remaining Assets for sale to bidders desiring to purchase the Assets and then sell the Assets through a liquidation (or going-out-of business) sale (the "GOB Sale").

11. Under the Amended Bidding Procedures, Debtor can conduct the Auction with or without a stalking horse (the "Stalking Horse"). The Amended Bidding Procedures contain notice provisions whereby Debtor will provide notice to interested parties if Debtor selects a Stalking Horse before the Auction.

12. Debtor has prepared (1) a form purchase agreement to be used for bids to purchase all or part of the Assets as a going concern (the "Form Going Concern Purchase Agreement", a copy of which is attached hereto as Exhibit "C" and incorporated herein by reference) and (2) a form purchase agreement to be used for bids to purchase all or part of the Assets in order to conduct a GOB Sale (the "Form GOB Purchase Agreement", a copy of which

is attached hereto as Exhibit "D" and incorporated herein by reference). The Form GOB Purchase Agreement includes the procedures by which the buyer can conduct the GOB Sale (the "GOB Procedures").

13. Debtor has also prepared a form assumption and assignment agreement to be used with sales that involve the Debtor's assumption and assignment of a nonresidential real property lease to the buyer (the "Form Assumption and Assignment Agreement" and together with the Form Going Concern Purchase Agreement and the Form GOB Purchase Agreement, the "Form Agreements"). A copy of the Form Assumption and Assignment Agreement is attached hereto as Exhibit "E" incorporated herein by reference. Pursuant to the Amended Bidding Procedures, Debtor will file a *Notice of Cure Amounts* with the Court stating the cure amounts for all nonresidential real property leases (the "Cure Amounts") on or before April 22, 2009. Debtor requests that any Cure Amounts not objected to on or before April 27, 2009 be deemed satisfactory and binding on all parties.

14. By this Motion, Debtor asks this Court to approve the terms of the Form Agreements; however, Debtor will present the final agreements to the Court for approval at the Final Sale Hearing (as defined below). It may be necessary for Debtor to modify the Form Agreements to deal with issues that may arise during the sales process.

15. In the event that Debtor selects a Stalking Horse for all or part of the Assets, the Amended Bidding Procedures permit Debtor to offer certain bid protections (the "Bid Protections") to the Stalking Horse. The Bid Protections are listed on Exhibit 1 to the Amended Bidding Procedures and are as follows:

- (i) A termination fee of up to 2.5% of the cash portion of the purchase price set forth in the bidder's Asset Purchase Agreement (the "Termination Fee");

- (ii) In the Debtor's sole discretion, after consultation with the Committee and DIP Lender, Debtor may offer the following release protection: in the case of multiple bids on the same Asset, the ability to reduce the purchase price set forth in such Stalking Horse's Asset Purchase Agreement by up to 115% of the allocated purchase price for a particular Asset, to the extent such Asset is sold to another entity and the Stalking Horse is still the Successful Bidder with respect to the remaining Assets on which it bid as a group (the "Release Protection"); provided, however, that no Termination Fee will apply in consideration for the Release Protection.

16. Pursuant to the Amended Bidding Procedures, Debtor will present any and all successful bids from the Auction, together with the applicable purchase agreements and/or agreements to assume and assign nonresidential real property leases (the "Successful Bids"), to the Court for approval at a hearing following the Auction (the "Final Sale Hearing").

THE SALE NOTICE

17. Under Bankruptcy Rule 2002(a) and (c), Debtor is required to notify its creditors of the Auction and the Final Sale Hearing, including: a disclosure of the date, time, and place of the Auction; the terms and conditions of the Store Closing Sales; the date, time and place of the Final Sale Hearing; and the deadline for filing any objections to the relief requested herein (the "Sale Notice"). A copy of the proposed Sale Notice is attached hereto as Exhibit "E." The Debtors request that service of the Sale Notice via electronic mail or overnight delivery to the Master Service List, the landlords listed on Docket No. 168, and all parties that have expressed an interest in purchasing the Assets be deemed adequate and sufficient notice as required by the Bankruptcy Rules.

BASIS FOR RELIEF

A. Approval of the Sale Free And Clear Of All Liens, Interests, Claims And Encumbrances Is Warranted Under 11 U.S.C. § 363.

18. Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that "[t]he trustee, after notice and a hearing, may use, sell, lease, other than in the ordinary course of

business, property of the estate." 11 U.S.C. § 363(b)(1). A debtor-in-possession is given these rights by § 1107(a) of the Bankruptcy Code. 11 U.S.C. § 1107(a). Moreover, § 105(a) of the Bankruptcy Code provides that bankruptcy courts "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a).

19. Although § 363 of the Bankruptcy Code does not set forth a standard for determining when it is appropriate for a court to authorize the use, sale or lease of a debtor's assets, disposition of assets of a debtor should be authorized when there is an articulated business justification for doing so. *In re Gulf States Steel, Inc. of Ala.*, 285 B.R. 497, 515 (Bankr. N.D. Ala. 2002); *See also, e.g., Stephens Indus., Inc. v. McClung*, 789 F. 2d 386, 390 (6th Cir. 1986); *In re Lionel Corp.*, 722 F. 2d 1063 (2d Cir. 1983); *In re Titusville Country Club*, 128 B.R. 396 (Bankr. W.D. Pa. 1991); *In re Delaware & Hudson Railway Co.*, 124 B.R. 169, 176 (D. Del. 1991).

20. Whether a transaction has a sufficient articulated business justification depends on the facts of the case. *See In re Continental Airlines, Inc.*, 780 F.2d 1223, 1226 (5th Cir. 1986). A bankruptcy court should consider "all salient factors pertaining to the proceeding and accordingly, act to further the diverse interests of Debtor, creditors and equity holders alike." *Id.*; *Lionel*, 722 F.2d at 1071. Relevant factors may include: "the proportionate value of the asset to the estate as a whole; the amount of elapsed time since the filing; the likelihood that a plan of reorganization will be proposed and confirmed in the near future; the effect of the proposed disposition on the future plan of reorganization; the amount of proceeds to be obtained from the sale versus appraised values of the property; and whether the asset is decreasing or increasing in value." *See Continental*, 780 F.2d at 1226; *Lionel*, 722 F.2d at 1071; *In re Delaware & Hudson*

R.R. Co., 124 B.R. 169, 176 (D. Del. 1991); *In re Condere Corporation*, 228 B.R. 615, 628 (Bankr. S.D. Miss. 1998).

21. Courts have made it clear that a showing of a sound business justification need not be unduly exhaustive but, rather, a Section 363 movant is "simply required to justify the proposed disposition with sound business reasons." *In re Baldwin United Corp.*, 43 B.R. 888, 906 (Bankr. S.D. Ohio 1984); *see also In re Orion*, 4 F.3d 1095, 1099 (2nd Cir. 1993) ("[t]he business judgment test affords the trustee or debtor-in-possession broad discretion"). In general, approval of the trustee or debtor-in-possession's decision to reject is only withheld if Debtor's judgment is clearly erroneous, a gross abuse of discretion, or is in bad faith. *Richmond Leasing Co. v. Capital Bank, NA*, 762 F. 2d 1303, 1309 (5th Cir. 1985) (approval withheld only if clearly erroneous); *In re Richmond Metal Finishers, Inc.*, 756 F.2d 1043, 1047 (4th Cir. 1984) (approval withheld only if bad faith or gross abuse of discretion).

22. The relief requested by Debtor is in the best interests of Debtor's estate and creditors because Debtor has determined that it must sell the Assets in order to comply with its obligations under its financing agreement and provide the maximum benefit for all its other secured and unsecured creditors. Further, the Amended Bidding Procedures will enable Debtor to obtain the highest and best purchase price for the Assets. Given its financial condition, a sale of the Assets pursuant to the Amended Bidding Procedures is the best option available to Debtor that will maximize value for its creditors. Moreover, attempting to complete a sale pursuant to a chapter 11 plan would be an inherently longer process, and would make it impossible for the Debtor to comply with its obligations under the DIP Loan.

23. Debtor's sale of the Assets meets the requirements of Section 363(f) of the Bankruptcy Code to sell the Assets free and clear of all liens, claims, interests, and encumbrances (collectively, "Liens"). Section 363(f) provides:

- (f) The trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if --
 - (1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
 - (2) such entity consents;
 - (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
 - (4) such interest is in bona fide dispute; or
 - (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f).

24. Section 363(f) is drafted in the disjunctive. Thus, satisfaction of any of the five requirements enumerated therein will suffice to warrant the sale of the Assets free and clear of all Liens. The Sale will meet at least one of the Section 363(f) requirements, as will be demonstrated at the Final Sale Hearing.

25. Accordingly, the Debtors request that any and all Assets sold at the Auction be transferred to the best bidder free and clear of all Liens with all remaining Liens to attach to the proceeds of the sale in accord with their existing priorities.

B. The Amended Bidding Procedures and the Bid Protections Should Be Approved.

26. The Amended Bidding Procedures ensure that the highest and best price will be obtained for the Assets. Further, under the Bidding Procedures, Debtor can enter into an agreement with a Stalking Horse to be an initial bidder on some or all of the Assets.

27. In addition, the Bid Protections are reasonable and necessary to preserve and enhance the value of the assets to be sold. As such, the Bankruptcy Court is authorized to approve these Bid Protections under sections 363 and 105 of the Bankruptcy Code. *See, e.g., Calpine Corp. v. O'Brien Envtl. Energy, Inc.*, 181 F.3d 527 (3d Cir. 199) (allowing termination fees where necessary to preserve estate value). Bankruptcy courts generally authorize bidding protections where such protections enhance rather than deter bidding. *See, e.g., In re: 995 Fifth Avenue. Assn., L.P.*, 96 B.R. 24 (Bankr. S.D.N.Y. 1989). Under the Bidding Procedures, potential bidders will be obligated to execute the applicable asset purchase agreement and submit an earnest money deposit. In light of these conditions and the risk posed to bidders that they may not be the successful bidder, Debtor believes that potential bidders may be reluctant to submit bids without some form of protection for their investment of time and money. Further, Debtor believes that the Bid Protections will help Debtor procure a Stalking Horse for all or part of the Assets.

28. Based upon the foregoing, Debtor has determined, in its sound business judgment, that the Amended Bidding Procedures and the Bid Protections are fair and reasonable and will facilitate sales resulting in maximum distribution of proceeds to Debtor's estate and creditors.

C. The GOB Procedures Should Be Approved.

29. As a necessary part of this process, Debtor requests approval of the GOB Procedures, which permit GOB Sales to be conducted without complying with certain state and local laws, statutes, rules and/or ordinances governing store closing, liquidation or “going-out-of-business” sales, except for such laws, statutes, rules or ordinances which are for the protection of the health and safety of the public and consumer protection laws. Pursuant to the GOB Procedures, the GOB Sales must be conducted in compliance with the state and local health and

safety laws and consumer protection laws. However, many state and local laws, statutes, rules and ordinances require special and cumbersome licenses, waiting periods, time limits and other procedures for store closing, liquidation or similar sales. Such constraints would seriously impede Debtor's ability to obtain maximum value for the Assets (which are made up partly of perishable food items) at the Auction because, without approval of the GOB Procedures, bidders will not know the terms by which they may conduct GOB Sales if they are the successful bidder.

30. To eliminate the time, delay and expense associated with the administrative procedures necessary for non-bankruptcy sales, Debtor requests that the Court expressly authorize the sale of any and all stores pursuant to the GOB Procedures. By virtue of 28 U.S.C. § 1334, this Court has exclusive jurisdiction over Debtor's property wherever located. In the context of bankruptcy cases, therefore, since creditors receive notice of the proposed sale, as well as opportunity to be heard in this Court, enforcement of such statutes and regulations is redundant and unnecessary.

31. The Bankruptcy Code preempts state and local laws that conflict with its underlying policies. *See In re Shenango Group, Inc.*, 186 B.R. 623, 628 (Bankr. W.D. Pa. 1995) (“Trustees and debtors-in-possession have unique fiduciary and legal obligations pursuant to the bankruptcy code ... [A] state statute cannot place burdens on them where the result would contradict the priorities established by the federal bankruptcy code.”), *aff'd*, 112 F.3d 633 (3d Cir. 1997). Preemption of state law is appropriate where, as here, the only state laws involved concern economic regulation rather than the protection of public health and safety. *In re Baker & Drake, Inc.*, 35 F.3d 1348, 1353 (9th Cir. 1994) (finding that “federal bankruptcy preemption is more likely...where a state statute is concerned with economic regulation rather than with protecting the public health and safety”); *see also In re Scott Housing Sys. Inc.*, 91 B.R. 190,

196-97 (Bankr. S.D. Ga. 1988) (holding that automatic stay under Section 362 is broad and preempts state law except for those laws designed to protect public health and safety).

32. Here, state and local licensing requirements, time limits or other restrictions on GOB Sales would undermine the fundamental purpose of section 363(b) of the Bankruptcy Code by placing constraints on Debtor's ability to marshal and maximize the value of the Assets at the Auction. Accordingly, authorizing the GOB Sales in accordance with the GOB Procedures without the delays and burdens associated with obtaining various state and local licenses, observing state and local waiting periods or time limits, and/or satisfying any additional requirements with respect to advertising and the like is necessary and appropriate.

33. It is also necessary that any action by any lessor or any federal, state or local agency, department or governmental authority or any other entity to prevent, interfere with or otherwise hinder consummation of the GOB Sales or advertisement of such sales be enjoined. *See Missouri v. U.S. Bankruptcy Court*, 647 F.2d 768, 776 (8th Cir. 1981), *cert. denied*, 454 U.S. 1162 (1982) (holding that attempt to enforce state regulations governing liquidation of grain warehouses directly conflicted with bankruptcy court's control over property of debtor's estate and therefore violated automatic stay).

34. The requested waiver is narrowly tailored to facilitate the successful consummation of the GOB Sales. Debtor does not seek a general waiver of all state and local requirements, but only those that apply specifically to liquidation sales. As noted above, the GOB Procedures ensure that the GOB Sales are conducted in compliance with all General and Safety Laws.

35. Because Debtor regularly conducts "sales" at its stores, Debtor does not believe that the GOB Sales should interfere with lease provisions that are intended to protect the image

of a shopping center, mall or other location or avoid disruption of normal commerce. Nonetheless, certain of the leases governing the premises may contain provisions purporting to restrict or prohibit Debtor from conducting store closing, liquidation, or similar sales. Such provisions have been held to be unenforceable in chapter 11 cases as they constitute an impermissible restraint on a debtor's ability to properly administer its case and maximize the value of its assets under section 363 of the Bankruptcy Code. *See, e.g., In re Ames Dep't Stores, Inc.*, 136 B.R. at 359 (holding that enforcement of such lease restrictions would "contravene overriding federal policy requiring debtor to maximize estate assets..."); *In re Tobago Bay Trading Co.*, 112 B.R. 463, 467-68 (Bankr. N.D. Ga. 1990) (finding that a debtor's efforts to reorganize would be significantly impaired to the detriment of creditors if lease provisions prohibiting a debtor from liquidating its inventory were enforced); *In re Lisbon Shops, Inc.*, 24 B.R. 693, 695 (Bankr. E.D. Mo. 1982) (holding restrictive lease provision unenforceable in Chapter 11 case where debtor sought to conduct going-out-of-business sale).

36. As such, to the extent that such provisions or restrictions exist in any of the leases sold at the Auction and at which premises the buyer conducts a GOB Sale, such landlords may not interfere with or otherwise seek to restrict the buyer from conducting the GOB Sales. Accordingly, Debtor requests that the Court authorize any buyer at the Auction to conduct GOB Sales without interference by any landlords or other persons affected, directly or indirectly.

37. The GOB Procedures are substantially similar to sale guidelines approved in connection with store closing sales approved by bankruptcy courts in other jurisdictions. *See, e.g., In re Whitehall Jewelers Holdings, Inc.*, Ch. 11 Case No. 08-11261 (KG) (Bankr. D. Del. Aug. 8, 2008) (approving store closing sales pursuant to sale guidelines); *and In re Goody's Family Clothing, Inc.*, Ch. 11 Case No. 08-11133 (CSS) (Bankr. D. Del. June 13, 2008) (same).

The GOB Procedures, like the sale guidelines approved in the cases cited herein, provide the appropriate protections to any legitimate concerns that landlords might otherwise have concerning the conduct of the GOB Sales. Accordingly, for the reasons set forth above, Debtor believes that the conduct of the GOB Sales pursuant to the terms of the GOB Procedures is the most efficient means of preserving and maximizing the value of the Assets for the benefit of their stakeholders.

38. Similar relief has also been granted in bankruptcy cases in this District. *See, e.g., In re Parnell Distribution Center, LLC, supra* (final order authorizing debtor to conduct store closing sales pursuant to store closing agreement). Further, this Court approved similar bidding procedures in this case. [Docket No. 306].

D. It Is Imperative That The Final Sale Hearing Occur Immediately After The Auction.

39. Debtor has determined it may obtain the highest price for the Assets if it allows a Successful Bidder whose bid is to conduct a GOB Sale to commence the GOB Sales immediately after this Court enters the Final Sale Order. Under the Bidding Procedures, any Successful Bids under which a GOB Sale will be conducted must close the sale transaction within 48 hours of the Auction. This provision enables the Successful Bidder to commence the GOB Sales immediately after this Court enters the Final Sale Order. The timing of the GOB Sales is important since Debtor's assets are comprised of perishable food items and since Debtor will be obligated to pay rent on the premises through the end of the sales.

NOTICE

40. Notice of this Motion has been given to the Master Service List, as defined in this Court's order establishing case management procedures and to all landlords listed on Docket No.

168. Debtor submits that given the circumstances and the notice of the relief requested herein, no other or further notice is required.

CONCLUSION

WHEREFORE, PREMISES CONSIDERED, Debtor respectfully requests that this Court enter an order substantially in the form annexed hereto as Exhibit "A": (i) authorizing Debtor to sell the Assets free and clear of all liens, interests and encumbrances at the Auction as either a going concern or to a buyer who will conduct a liquidation sale of the Assets; (ii) approving the Amended Bidding Procedures; (iii) approving the terms of the Form Agreements; (iv) authorizing Debtor to offer prospective purchasers certain bid protections; (v) approving the GOB Procedures; (vi) approving the Sale Notice; (vii) scheduling the Final Sale Hearing; and (viii) granting such other relief that this Court deems just and proper.

Dated this the 7th day of April, 2009.

/s/ Marc P. Solomon

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EXHIBIT A

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

IN RE:)	
BRUNO'S SUPERMARKETS, LLC,)	Chapter 11
)	
Debtor.)	Case No. 09-00634
)	

**ORDER GRANTING DEBTOR'S EMERGENCY AMENDED MOTION FOR AN
ORDER PURSUANT TO 11 U.S.C. §§ 105, 305 AND 363 (I) APPROVING BIDDING
PROCEDURES, (II) AUTHORIZING DEBTOR TO SELL CERTAIN ALL OR
SUBSTANTIALLY ALL OF ITS ASSETS AT AUCTION EITHER AS A GOING
CONCERN OR TO A BUYER WHO WILL CONDUCT A LIQUIDATION SALE, FREE
AND CLEAR OF LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES PURSUANT
TO 11 U.S.C. § 363(F) AND (III) AUTHORIZING RELATED RELIEF**

This matter came to be heard upon the motion (the "Sale Motion") of Bruno's Supermarkets, LLC ("Bruno's" or "Debtor") for entry of an order (i) authorizing Debtor to sell all or substantially all of its assets (the "Assets") free and clear of all liens, interests and encumbrances either as a going concern or to a buyer who will conduct a liquidation sale of the Assets; (ii) approving amended bidding procedures (the "Amended Bidding Procedures"); (iii) approving the terms of the Debtor's proposed (1) form purchase agreement to be used for bids to purchase all or part of the Assets as a going concern (the "Form Going Concern Purchase Agreement"), (2) form purchase agreement to be used for bids to purchase all or part of the Assets in order to conduct a GOB Sale (the "Form GOB Purchase Agreement"), and (3) form assumption and assignment agreement to be used with sales that involve the Debtor's assumption and assignment of a nonresidential real property lease to the buyer (the "Form Assumption and Assignment Agreement" and together with the Form Going Concern Purchase Agreement and the Form GOB Purchase Agreement, the "Form Agreements"); (iv) authorizing Debtor to offer prospective purchasers certain bid protections (the "Bid Protections"); (v) approving procedures

whereby a buyer can conduct liquidation sales (the "GOB Procedures"); (vi) approving the notice (the "Sale Notice") of the Sale and Auction (as hereinafter defined); and, (vii) scheduling a final hearing (the "Final Sale Hearing") at which the Debtor will present any and all successful bids from the Auction to the Court for approval; in accordance with 28 U.S.C. §§ 157 and 1334; due notice of the Sale Motion having been provided to the Master Service List and the lessors of the leases (the "Lessors"); and it appearing that no other or further notice need be provided; the Court having determined that the relief sought in the Motion is in the best interests of Debtor, its creditors, and all parties in interest; upon the Motion and all of the proceedings before this Court; and after due deliberation and sufficient cause appearing therefore, it is hereby

ORDERED that the Motion is **GRANTED**, pursuant to the following terms; and it is further

ORDERED that the Amended Bidding Procedures and the Bid Protections are hereby approved in their entirety; and it is further

ORDERED that the Form Agreements are hereby approved in their entirety; however, Debtor shall present the revised final agreements for approval at the Final Sale Hearing; and it is further

ORDERED that Debtor may sell the Assets pursuant to the Form Agreement and by conducting an auction (the "Auction") in accordance with the Amended Bidding Procedures on April 29, 2009 (the "Auction Date"); and it is further

ORDERED that the sale of the Assets shall be free and clear of all liens, claims and encumbrances, with all such liens, claims and encumbrances attaching to the proceeds of the Sale, subject to the debtor proving at the Final Sale Hearing that the Sale(s) meets the requirements of 11 U.S.C. § 363; and it is further

ORDERED that the GOB Procedures are approved in their entirety; and it is further

ORDERED that, on or before April 22, 2009, the Debtor shall serve the Sale Notice in the form annexed hereto as Exhibit "A", upon the persons and in the manner specified in the Bidding Procedures. Such service shall be deemed due, timely, good and sufficient notice of the entry of this Order and all proceedings to be held thereon; and it is further

ORDERED that any person seeking to participate as a bidder at the Auction shall comply with the Bidding Procedures; and it further

ORDERED that, on or before April 22, 2009, the Debtor shall file with the Court and make available at **www.kccllc.net/brunos** a listing of unexpired leases and executory contracts relating to the Assets proposed for sale and the amount of the Debtor's proposed cure obligations (the "Cure Obligations"); and it is further

ORDERED that objections relating solely to Cure Obligations shall be set forth in writing and state with particularity the grounds for such objection and shall be served in accordance with the Sale Notice such that each objection is received by this Court and all parties listed in the Sale Notice on or before April 27, 2009 at 5:00 p.m. Central Time (the "Cure Obligation Deadline"); and it is further

ORDERED that each party that does not file an objection to a Cure Obligation by the Cure Obligation Deadline is deemed to consent to the Cure Obligation; and it is further

ORDERED that the Final Sale Hearing shall be _____, 2009 at _____ (the "Final Sale Hearing Date"); and it is further

ORDERED that the Debtor may extend the deadlines set forth in the Bidding Procedures, adjourn the Auction by announcement on or before the Auction without further notice; and it is further

ORDERED that this Order shall become effective immediately upon its entry pursuant to Bankruptcy Rule 6004; and it is further

ORDERED that this Court shall retain jurisdiction over any and all matters or disputes from or arising from or relating to the implementation of this Order.

Dated this the ____ day of _____, 2009.

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Bidding Procedures

Set forth below are the bidding procedures (the "Bidding Procedures") that shall govern the sale at auction (the "Auction") of the assets (as described below "Assets") of Bruno's Supermarkets, LLC (the "Debtor") and the assumption and assignment of executory contracts and unexpired leases related to any of categories of Assets described below (the "Asset Categories") or added with the consent of Regions Bank (the "DIP Lender"), and the Official Committee of Unsecured Creditors of the Debtor (the "Committee"). All capitalized terms used in these bidding procedures, unless otherwise defined herein, shall have the meanings ascribed to such terms in Exhibit A attached hereto.

Auction

An auction (an "Auction") will be conducted for the Assets on April 29, 2009 (the "Auction Date") at 9:00 a.m. Central Time at the offices of Burr & Forman LLP, 420 North 20th Street, Suite 3400, Birmingham, Alabama 35203; telephone number 205-251-3000. The Assets shall be sold free and clear of all liens, claims and encumbrances to the fullest extent allowed under Section 363(f) of the Bankruptcy Code.

The Debtor may conduct the Auction in any manner and upon any terms and conditions the Debtor, after consultation with the DIP Lender and the Committee, believes will achieve the maximum value for the particular Asset to be sold.

Sale Notice

The Debtor has filed the Sale Motion and seeks approval of, among other things, the sale of the Assets free and clear of liens, claims and encumbrances under section 363 of the Bankruptcy Code, with all valid and unavoidable liens, including those in favor of DIP Lender, to attach to the proceeds. For each sale that contemplates the assumption, assumption and assignment or termination of executory contracts or unexpired leases, the Debtor also seeks approval of (a) any cure obligation required by 11 U.S.C. § 365(f)(2), if any, to the extent not previously determined by the Court ("Cure Obligations") and (b) assumption or assumption and assignment of the applicable executory contract or unexpired lease or approval of any lease termination agreement.

By no later than April 22, 2009, Debtor shall file with the Court and post to its website at **www.kccllc.net/brunos** a listing of unexpired leases and executory contracts relating to the Assets proposed for sale and the Debtor's proposed Cure Obligations as to each such unexpired leases and executory contract. Notice of this filing shall be made in the notice of the Sale Motion. The filing and posting of this information shall constitute notice and an opportunity to object as to the non-debtor parties to each of those contracts and leases. Any objection to a sale with respect to the Cure Obligations or the proposed assumption, assumption and assignment, termination, or rejection of executory contracts or unexpired leases in connection with any Purchase Agreement relating to the sale of any of the Assets, must be filed with the Bankruptcy Court and served upon and received by the Debtor, the Debtor's counsel, the DIP Lender and the Committee's counsel on or before April 27, 2009. As to each Cure Obligation to which no objection is timely received by the Debtor, such Cure Obligations will be deemed to be satisfactory and binding upon all interested parties.

Notice of the Sale Motion and the applicable Sale Hearing (the "Sale Notice") will be given electronically or by U.S. mail: (a) to each party that expressed an interest in an Asset that is the subject of the Sale Motion (and their counsel of record in the Debtor's Chapter 11 case, if any); (b) to each non-debtor party to a contract or lease (and their counsel of record in the Debtor's Chapter 11 case, if any) relating to the Assets; and (c) to parties in interest entitled to receive notice under Bankruptcy Rule 2002 and Bankruptcy Rule 6004 and the Master Service List approved in the Debtor's bankruptcy case. The Sale Notice (other than a published Sale Notice) shall also include a copy of these Bidding Procedures and with appropriate modifications, including deadlines and contact persons.

The Bidding Process

The Debtor will, among other things, be responsible for the following: (a) service of the Sale Notice and solicitation of Bids (as defined below) for the Asset Categories (as defined below); (b) coordination of the efforts of acceptable bidders in conducting their respective due diligence investigations; (c) review, analysis and, where appropriate, negotiation of Bids; (d) conduct of the Auction; (e) determination, after consultation with the DIP Lender and the Committee and subject to these Bidding Procedures, whether a Stalking Horse Bid(s) for an Asset or Assets will be selected and if so, identification of the Stalking Horse Bids; (f) determination, after consultation with the DIP Lender and the Committee and subject to these Bidding Procedures, whether a Bid is a Qualified Bid and, ultimately a Successful Bid (as these terms are defined below); and (g) pursuit of the approval of any Successful Bid and assumption and assignment of executory contracts and unexpired leases, if any, related thereto at the Sale Hearing (as defined below). The Debtor reserves the right, with the consent of the DIP Lender and the Committee, to amend these procedures and to adopt such other rules and procedures for the bidding process that will better promote the goals of the bidding process and maximize value received for any of the Asset Categories; provided, however, that the Debtor may not amend these procedures to change notice provisions or otherwise withdraw any rights given by these procedures to affected landlords (in their capacity as landlords).

Due Diligence

The Debtor has and will continue to provide confidential information on Assets to be sold to potential purchasers (the "Initial Information"). Before receiving Initial Information, each potential purchaser must execute a confidentiality agreement, in a form satisfactory to the Debtor. The Debtor may make the Initial Information and other information available electronically. The Debtor may, but is not obligated to, furnish any due diligence information after the Bid Deadline for Qualified Competing Bids or to any person or entity that the Debtor determines is not reasonably likely to be a Stalking Horse (as defined below).

Assets to be Sold

The Debtor may consider Bids for all of the Assets in a single bid from a single bidder or multiple bids for Assets in any of the Asset Categories listed below from multiple bidders. The Assets that are offered for sale shall be sold pursuant to Section 363 of the Bankruptcy Code free and clear of all liens and other interests in such Assets, except for Ad Valorem Tax Obligations, which are to be assumed as part of the purchase price for such Assets or satisfied at closing from the cash proceeds received in connection with the purchase of such Assets.

The Assets to be offered for sale consist of all or substantially all of the Assets of the Debtor's Chapter 11 bankruptcy estate as of the Auction Date, including, without limitation, all inventory, certain equipment, interests in contracts or leases, accounts receivable, payment intangibles, and goodwill associated with any of the Assets, but excluding all Excluded Assets. Each of the Asset Categories below excludes the Excluded Assets.

Bidders must offer to purchase some or all of the Assets in one or more of the following Asset Categories:

<u>Category</u>	<u>Asset Description</u>
1.	All of the Assets.
2.	All of the Assets located in one or more of the Going Concern Stores, together with (i) the Owned Real Property for each such Going Concern Store or (ii) the assumption of the Store Lease for each such Going Concern Store.
3.	All of the Assets located in one or more Going Concern Stores, but excluding any Owned Real Property or the assumption of any Store Lease.
4.	All or any part of the Assets consisting of Inventory, including, without limitation, Pharmaceutical Inventory and Prescription Lists.
5.	All or any part of the Assets consisting of Inventory, but excluding Pharmaceutical Inventory and Prescription Lists.
6.	All or any part of the Assets consisting of Pharmaceutical Inventory and Prescription Lists.
7.	All or any part of the Equipment at any Going Concern Store.
8.	The real property on which any Owned Store is located.
9.	Leases or executory contracts relating to any of the Going Concern Stores.

Without limiting the foregoing, the Assets will be offered for sale in separate Asset Categories, in one or more combinations and as a whole.

Requirements for Stalking Horse Bids

The Debtor reserves the right, and further to higher or better offers at the Auction (as defined below), to enter into one or more asset purchase agreement with any entity for all or any

portion of the Assets, subject to the terms herein. Any person or entity that seeks to acquire any Asset or Assets, in a Stalking Horse capacity, must submit a non-binding letter of intent to the Debtor, with a copy to the DIP Lender and Committee, which must include (a) an identification of the Assets that are subject to the Proposal, (b) a proposed price for the Assets, (c) a designation of whether the bid is to purchase the Assets as a going concern or for the purpose of conducting a going out of business sale (d) an identification of any due diligence required by the proposed purchaser, (e) the proposed timing of the purchase, and (f) any material conditions to which the proposed purchase is subject (the "Proposal"). The Debtor may, in its sole discretion, accept Proposals after the Proposal Deadline. The Debtor will review each Proposal received to determine in its sole discretion, after consultation with the DIP Lender and the Committee, which, if any, represents an acceptable offer for the relevant Asset (an "Acceptable Proposal").

The submission of a Proposal is deemed to be the bidder's consent for the Debtor and its advisors to share any and all information submitted by such bidder to the DIP Lender and the Committee, any landlord with respect to a nonresidential real property lease that is the subject of the Proposal, and any non-debtor party to an executory contract to be assigned to such bidder. Any bidders submitting bids will bear their own expenses in connection with the sale, regardless of whether the sale is approved, in accordance with the terms of the applicable Purchase Agreement.

If the Debtor determines, after consultation with the DIP Lender and the Committee, that one or more Acceptable Proposal(s) has been received, the Debtor may contact each entity that submitted an Acceptable Proposal and Debtor may determine, in its business judgment and after consultation with the DIP Lender and the Committee, which entity has the best bid (the "Stalking Horse Bid") and the Debtor may select an Acceptable Proposal to become the Stalking Horse (the "Stalking Horse") for the Assets that are the subject of the respective Proposal. The Debtor is under no obligation to choose a Stalking Horse for any of the Assets.

Prior to the Auction and if requested by the Debtor, the Stalking Horse must provide the Debtor with: (i) an executed going concern purchase agreement ("Going Concern Purchase Agreement"), blacklined to show changes from the form going concern purchase agreement that the Debtor has submitted to the Bankruptcy Court for approval (the "Form Going Concern Purchase Agreement"); (ii) if the sale includes the assumption and assignment of an unexpired lease, an executed assumption and assignment agreement ("Assumption and Assignment Agreement"), blacklined to show changes from the form assumption and assignment agreement that the Debtor has submitted to the Bankruptcy Court for approval (the "Form Assumption and Assignment Agreement"); (iii) a financial declaration evidencing the bidder's financial wherewithal to consummate the transaction and satisfy all of the obligations required by the applicable Purchase Agreement and, if the bidder seeks to assume any unexpired lease or executory contract in connection with such sale, the bidder's ability to provide adequate assurance of future performance under Sections 365(b)(3) (if applicable) and 365(f)(2) of the Bankruptcy Code, and a detailed description of the intended use of the premises upon assignment of the lease (the "Declaration"); (iii) if applicable, a signed assumption and assignment agreement in a form agreed upon by the Stalking Horse and the Debtor, after consultation with the DIP Lender and the Committee; (iv) a form sale order (the "Sale Order") agreed upon by the Stalking Horse and the Debtor, after consultation with the DIP Lender and the Committee; (v) any other information that the Debtor may have requested; and (vi) a cashiers check made out or

a wire transfer to the Debtor or its counsel or other escrow agent identified in the bid package, representing an earnest money deposit in the amount of:

The greater of:

1. Ten percent (10%) of the purchase price in the Purchase Agreement, or
2. For Purchase Agreements concerning the sale of 1 to 5 stores: \$100,000; or
For Purchase Agreements concerning the sale of 6 to 10 stores: \$250,000; or
For Purchase Agreements concerning the sale of 11 to 20 stores: \$1,000,000; or
For Purchase Agreements concerning the sale of more than 20 stores: \$2,500,000.

The Stalking Horse Bid cannot be contingent upon any due diligence investigation, the receipt of financing, or any board of directors, shareholders or other entity approval.

If the Debtor identifies a Stalking Horse for a specific Asset on or before April 15, 2009, the Debtor will file a notice (the "Stalking Horse Notice") with the Bankruptcy Court identifying the Assets subject to the Stalking Horse Bid and the terms of the Stalking Horse Bid. The Stalking Horse Notice will include an executed copy of the Purchase Agreement between the Stalking Horse and the Debtor. On the same date the Debtor files a Stalking Horse Notice, the Debtor will deliver a copy of any Stalking Horse Bid by electronic mail or overnight delivery to each affected landlord. If the Debtor identified a Stalking Horse after April 15, 2009, the Debtor will deliver a copy of any Stalking Horse Bid by electronic mail or overnight delivery to each affected landlord on or before the date of the Auction and the Stalking Horse Notice will be available at the Auction.

Requirements for Qualified Going Concern Bids

Any entity that desires to submit a bid to purchase an Asset or Assets that is or is not subject to a Stalking Horse Bid as a going concern (a "Going Concern Bid") may do so in writing, provided as follows:

(a) A Going Concern Bid must include an executed Going Concern Purchase Agreement, blacklined to show changes from (1) any applicable Stalking Horse's Purchase Agreement and (2) the Form Going Concern Purchase Agreement, and clearly setting forth any conditions for closing;

(b) If the Going Concern Bid includes the assumption and assignment of an unexpired lease, the Going Concern Bid must include an executed Assumption and Assignment Agreement, blacklined to show changes from (1) any applicable Stalking Horse's Assumption and Assignment Agreement and (2) the Form Assumption and Assignment Agreement;

(c) A Going Concern Bid must clearly set forth the purchase price to be paid;

(d) A Going Concern Bid shall not be contingent upon any due diligence investigation, any material adverse change, the receipt of financing, or approval by any board of directors, shareholders or other entity;

(e) A Going Concern Bid must include an executed Declaration;

(f) A Going Concern Bid must include a cashier's check or be accompanied by a wire transfer (or, if by landlord for its own lease, value) payable or delivered to the Debtor, its counsel or other agreed upon escrow agent, in an amount equal to:

The greater of:

1. Ten percent (10%) of the purchase price in the Purchase Agreement, or
2. For Purchase Agreements concerning the sale of 1 to 5 stores: \$100,000; or
For Purchase Agreements concerning the sale of 6 to 10 stores: \$250,000; or
For Purchase Agreements concerning the sale of 11 to 20 stores: \$1,000,000; or
For Purchase Agreements concerning the sale of more than 20 stores: \$2,500,000;

and a written acknowledgement by the bidder that if such bidder becomes the Successful Bidder (as defined below) at the Auction, the deposit will be increased, if applicable, to 10% of the final purchase price by the end of the next business day after the auction (the "Deposit");

(g) A Going Concern Bid must disclose the identity of the bidder's organization, including confirmation that the competing bid is made as principal for the bidder's account and, if not, the basis upon which the bidder is acting and the identities of all other participants (if any); and,

(h) A Qualified Going Concern bid shall not include as part of such bid, a GOB Bid (as defined below); and

(i) A Going Concern Bid must disclose any agreements or understandings between the bidder and any third party with respect to the subject Asset or Assets or with respect to any possible transaction involving the Debtor.

The DIP Lender and the Committee shall be given the opportunity to review any information and documentation, financial or otherwise, required of potential bidders by the Debtor prior to the Debtor's selection of Qualified Going Concern Bidders (as defined below). The Debtor, the Committee, and the DIP Lender may request additional information from a potential bidder in order to better evaluate the bidder's ability to consummate a transaction and to fulfill its obligations in connection therewith, and such bidder shall be obligated to provide such information as a pre-condition to participating further in the Auction. The sufficiency of any submitted bid will be in the discretion of the Debtor, after consultation with the Committee, and subject to approval by DIP Lender. The Debtor shall promptly notify potential bidders who have (i) returned a signed confidentiality agreement, (ii) timely submitted the information and documentation listed above in (a) through (i), and (iii) who have financial qualifications satisfactory to the Debtor, in consultation with the Committee, and DIP Lender that they have been selected as a qualified bidder (each a "Qualified Going Concern Bidder" and collectively the "Qualified Going Concern Bidders") and that their bid is a "Qualified Going Concern Bid."

The submission of the information and documentation listed above in (a) through (g) will be deemed to be the bidder's consent for the Debtor and its advisors to share any information submitted by the competing bidder to the Committee, the DIP Lender, any landlord with respect to a nonresidential real property lease and any non-debtor party to an executory contract to be assigned to such bidder. Any bidders submitting bids will bear their own expenses in connection with the sale, regardless of whether the sale is approved, in accordance with the terms of the Purchase Agreement.

Requirements for Qualified GOB Bids

The Debtor may or may not, in its sole discretion after consultation with the DIP Lender and the Committee, sell the Assets at the Auction to a buyer for purposes of the buyer conducting a going out of business sale on the subject premises. Any entity that desires to submit a bid to purchase an Asset or Assets that is or is not subject to a Stalking Horse Bid for purposes of conducting a going out of business sale (a "GOB Bid") may do so in writing, provided as follows:

- (a) A GOB Bid must include an executed going out of business purchase agreement ("GOB Purchase Agreement"), blacklined to show changes from the form going out of business purchase agreement that the Debtor has submitted to the Bankruptcy Court for approval (the "Form GOB Purchase Agreement"), and clearly setting forth any conditions for closing;
- (b) A GOB Bid must clearly set forth the purchase price to be paid;
- (c) A GOB Bid shall not be contingent upon any due diligence investigation, any material adverse change, the receipt of financing, or approval by any board of directors, shareholders or other entity;
- (d) A GOB Bid must include an executed Declaration;
- (e) A GOB Bid must include a cashier's check or be accompanied by a wire transfer (or, if by landlord for its own lease, value) payable or delivered to the Debtor, its counsel or other agreed upon escrow agent, in the amount of \$500,000 (the "GOB Deposit");
- (f) A GOB Bid must disclose the identity of the bidder's organization, including confirmation that the competing bid is made as principal for the bidder's account and, if not, the basis upon which the bidder is acting and the identities of all other participants (if any); and,
- (g) A GOB Bid must disclose any agreements or understandings between the bidder and any third party with respect to the subject Asset or Assets or with respect to any possible transaction involving the Debtor.

The DIP Lender and the Committee shall be given the opportunity to review any information and documentation, financial or otherwise, required of potential bidders by the Debtor prior to the Debtor's selection of Qualified GOB Bidders (as defined below). The Debtor, the Committee, and the DIP Lender may request additional information from a potential bidder in order to better evaluate the bidder's ability to consummate a transaction and to fulfill its obligations in connection therewith, and such bidder shall be obligated to provide such information as a pre-condition to participating further in the Auction. The sufficiency of any submitted bid will be in the discretion of the Debtor, after consultation with the Committee, and subject to approval by DIP Lender. The Debtor shall promptly notify potential bidders who have (i) returned a signed confidentiality agreement, (ii) timely submitted the information and documentation listed above in (a) through (g), and (iii) who have financial qualifications satisfactory to the Debtor, in consultation with the Committee, and DIP Lender that they have been selected as a qualified bidder (each a "Qualified GOB Bidder" and collectively the "Qualified Going Concern Bidders") and that their bid is a "Qualified GOB Bid."

The submission of the information and documentation listed above in (a) through (g) will be deemed to be the bidder's consent for the Debtor and its advisors to share any information submitted by the competing bidder to the Committee, the DIP Lender, any landlord with respect to a nonresidential real property lease and any non-debtor party to an executory contract to be assigned to such bidder. Any bidders submitting bids will bear their own expenses in connection

with the sale, regardless of whether the sale is approved, in accordance with the terms of the Purchase Agreement.

Deadline for Going Concern Bids and GOB Bids

Going Concern Bids and GOB Bids must be served upon and actually received by the representative of the Debtor, the DIP Lender and the Committee, on or before 12:00 p.m., Central Time., on April 28, 2009 (the "Auction Bid Deadline"). The Debtor may extend (after consultation with the DIP Lender and the Committee) the bid deadlines for the delivery of bids once or successively, without further notice and for one or more bidders, but shall not be obligated to do so.

Non-Cash Consideration, Assumption of Debt and Forfeiture of Earnest Money

DIP Lender and the Committee shall have the right to evaluate and approve of any non-cash consideration from any Qualified Going Concern Bidder and Qualified GOB Bidder and no non-cash consideration will be accepted as part of a bid unless the DIP Lender and the Committee find it to be on satisfactory terms and from a financially suitable bidder, but the DIP Lender's consent in this regard shall only be necessary if the cash portion of the purchase price is not sufficient to pay the DIP Lender in full at closing, including, without limitation, the collateralization of all contingent obligations owed to the DIP Lender. The Debtor, the DIP Lender and the Committee shall have the right to contest the value attributed to any non-cash bid or portion thereof.

Any bid providing for assumption of debt as part of the purchase consideration shall not be considered in comparing competing bids unless the cash portion of the bid is sufficient to pay at closing the full amount of DIP Lender's claims against the Debtor, to cash collateralize all contingent obligations owed to DIP Lender and to satisfy the actual and estimated amount of all administrative expense claims against the Debtor's estate. Any such bid will be subject to rejection if the terms of payment, security (if any) and financial worth of Qualified Going Concern Bidder or Qualified GOB Bidder are not acceptable to DIP Lender in its sole discretion.

Right to Credit Bid and Right to Assign the Right to Credit Bid

The DIP Lender shall be authorized in its discretion to credit bid pursuant to Section 363(k) of the Bankruptcy Code for any or all of the Assets up to the amount of its pre-petition and post-petition claims as of the date of the Auction. To the extent that it elects to submit a credit bid at the Auction, the DIP Lender shall be deemed a Qualified Going Concern Bidder and a Qualified GOB Bidder irrespective of its compliance with any of the requirements otherwise applicable to Qualified Going Concern Bidders and Qualified GOB Bidders generally.

If the DIP Lender's bid is the highest bid for the Assets, then the DIP Lender shall be authorized to close on its credit bid, or alternatively and in its sole discretion, sell and assign its credit bid to a third party (including any other Qualified Going Concern Bidder or Qualified GOB Bidder) on such terms and conditions as the DIP Lender may elect, in which event such third party shall be authorized to close on such bid and acquire the Assets pursuant to such credit bid. Nothing herein shall limit or restrict the DIP Lender's right to sell or assign its claim.

Reservation of Rights

Notwithstanding the Debtor's determination of a Stalking Horse and/or receipt of any Qualified Going Concern Bids or Qualified GOB Bids for any particular Asset, the Debtor may

continue to negotiate and solicit offers for the Assets, including package offers that encompass more than one Asset. However, if the Debtor selects a Stalking Horse Bid and identifies the Stalking Horse in a Stalking Horse Notice, the Stalking Horse shall be entitled to the bid protections and break-up fee as set forth on Exhibit 1 attached hereto (the "Bid Protections") and as authorized by the Bankruptcy Court. The Debtor reserves the right in the exercise of its sole discretion, after consultation with the DIP Lender and the Committee, to enter into agreements for the sale of any of its Assets, either individually or as part of a package prior to an Auction (as defined below), without further notice to any party, which agreements, if any, will be subject to higher or otherwise better bids at the Auction (including evaluation on a package or individual basis) but which may be subject to the Bid Protections. Notwithstanding anything to the contrary in these procedures, the Debtor also reserves the right, with the consent of the DIP Lender and the Committee, to reject any and all Qualified Going Concern Bids and Qualified GOB Bids for any Asset in any particular Asset Category. The Debtor retains the right, in the exercise of its sole discretion, after consultation with the DIP Lender and the Committee, to withdraw one or more Assets from the Auction, including in connection with a package offer, up to the date of the Auction. Notwithstanding anything to the contrary in these procedures, the Debtor also reserves the right, in the exercise of its sole discretion after consulting with the DIP Lender and the Committee, to reject any and all bids for any particular Asset. Formal approval of a bid will not occur unless and until the Bankruptcy Court enters an order approving and authorizing the Debtor to consummate the transaction. All bids, including those of the Stalking Horse, are subject to Bankruptcy Court approval. The Debtor retains all rights to any Assets that are not subject to a bid accepted by the Debtor and approved by the Bankruptcy Court at the Sale Hearing, subject to the DIP Lender's liens and claims.

Selection of Successful Bid or Bids

The Debtor reserves the right to refuse to consider any bid that fails to comply with the Bidding Procedures or any other procedures established by the Debtor at any Auction. The Debtor may, in its sole discretion, after consultation with the DIP Lender and the Committee, reject any bid (including a Stalking Horse Bid) that, in the Debtor's sole discretion (but after consultation with the DIP Lender and the Committee), is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, these Bidding Procedures, or the terms and conditions of sale, or (iii) contrary to the best interests of the Debtor, its estates and creditors.

Only Qualified Going Concern Bidders and Qualified GOB Bidders may bid at the Auction. If multiple Qualified Going Concern Bids and/or Qualified GOB Bids are received, each Qualified Going Concern Bidder and/or Qualified GOB Bidder submitting a Qualified Going Concern Bid and/or Qualified GOB Bid (or its duly authorized representative) shall have the right to continue to improve its Qualified Going Concern Bid and/or Qualified GOB Bid at the Auction. Bid increments for Asset Categories shall be in such amounts as are established by the Debtor, in consultation with the DIP Lender and the Committee, prior to or at the Auction and announced at the Auction.

At the conclusion of the Auction, and subject to Court approval following the Auction, the successful bid or bids shall be selected by the Debtor, in consultation with the DIP Lender and the Committee (the "Successful Bid or Bids").

Within 24 hours of completion of the Auction, the entity or entities that made the Successful Bid or Bids (the "Successful Bidder") shall complete and sign all agreements, contracts, instruments and other documents evidencing and containing the terms and conditions upon which such Successful Bid or Bids were made.

If the Successful Bid includes a proposed assumption and assignment of a nonresidential real property lease or executory contract, the Debtor will send a copy of the Successful Bid to all non-debtor parties to such lease or contracts by e-mail or overnight express delivery.

If a Stalking Horse is selected and no Qualified Competing Going Concern Bids are received for a particular Asset, the Debtor may determine, in its sole discretion, after consultation with the DIP Lender and the Committee, that the Stalking Horse Bid is the Successful Bid and seek Bankruptcy Court approval of the relevant Purchase Agreement without offering the subject Assets for sale at the Auction. If the Debtor determines that there is no Successful Bid for a particular Asset, the Debtor may decide, in its sole discretion, after consultation with the DIP Lender and the Committee, to not sell that Asset at the Auction.

The Auction may be adjourned as the Debtor, after consultation with the DIP Lender and the Committee, deems appropriate. Reasonable notice of such adjournment and the time and place for the resumption of the Auction shall be given to all participants and to the DIP Lender and the Committee.

Sale Hearing

A hearing will be conducted on the Sale Motion by the Bankruptcy Court of the Northern District of Alabama, Southern Division (the "Bankruptcy Court") on _____, ____ at _____ Central Time (the "Sale Hearing"). At the Sale Hearing, the Debtor will request that the Bankruptcy Court enter an order (the "Sale Order"): (a) approving (i) the Successful Bid, (ii) the applicable Purchase Agreement, and (iii) if the sale includes an executory contract or unexpired lease, the proposed assumption and assignment of any executory contract or unexpired leases; and, (b) authorizing the Debtor to consummate the proposed transaction. If the sale includes an unexpired lease, the Bankruptcy Court shall also determine:

(x) any cure required under 11 U.S.C. §365(b) if the affected landlord timely filed an objection to the Debtor's proposed cure; and

(y) if applicable, whether the Debtor has demonstrated adequate assurance of future performance under 11 U.S.C. § 365.

Closing

The Successful Bidder of a going concern sale must be ready, willing and able to close the going concern sale no later than two weeks after the entry of an order approving the sale ("Going Concern Closing Date"). The Successful Bidder of a going out of business sale must be ready, willing and able to close the going out of business sale no later than two business days after the entry of an order approving the sale ("GOB Closing Date").

If the Successful Bidder fails to consummate the going concern sale by the applicable closing date and in accordance with the terms of its Successful Bid and Purchase Agreement, (i) the Debtor will retain the Deposit of such bidder, to the extent provided by the purchase agreement, (ii) the Successful Bidder that fails to consummate the sale transaction will pay the Debtor, as liquidated damages, in addition to the Deposit, an additional amount of money equal

to 10% of the Successful Bid, and (iii) Debtor will maintain the right to pursue all available remedies against the bidder. In such event, and upon consultation with the DIP Lender and the Committee, the Debtor may consummate the proposed transaction with the next highest or best bidder at the Auction (the "Alternate Bidder", which hereafter shall be included in the definition of "Successful Bidder") at the highest price bid by such bidder at the Auction without the need for further Bankruptcy Court approval and the Closing Date with respect to such Alternative Bidder shall be no more than ten (10) days after receipt of written notice from Debtor that Debtor intends to proceed with its bid (or, if that bidder is unable to consummate the transaction at that price, the Debtor, after consultation with the DIP Lender and the Committee, may consummate the transaction with the next highest bidder, at the Auction and so forth) (the "Alternate Bid", which hereafter shall be included in the definition of "Successful Bid"). Notwithstanding anything to the contrary in the foregoing, if the respective sale includes the assumption and assignment of an unexpired lease, the Debtor may not proceed with the Alternate Bid until the Debtor provides an affected landlord with a copy of the Alternate Bid unless the Alternative Bidder is the Stalking Horse and the affected landlord did not object to the Stalking Horse Bid. The affected landlord has no less than four days after receipt of the Alternate Bid to file a written objection with the Court. If no such objection is filed, the Debtor may proceed to consummate the Alternate Bid. If the landlord files a timely objection, the assumption and assignment of that lease that is the subject of the Alternate Bid will be set for hearing and the Debtor may not proceed to assume and assign the lease with respect to that location absent Court order.

**Additional Conditions Applicable to the Stalking Horse Bid and all
Qualified Going Concern Bids and Qualified GOB Bids**

Notwithstanding anything to the contrary in these procedures, the bid of the Successful Bidder will remain irrevocable in accordance with the terms of the Purchase Agreement executed by the Successful Bidder. All other bids will be irrevocable until the earlier to occur of (i) 25 days after entry of a Sale Order approving the sale of the Assets or (ii) closing of the sale of Assets in accordance with the Successful Bid. Notwithstanding the foregoing, the rights of the Stalking Horse will be governed by the terms of its Purchase Agreement.

Notwithstanding anything to the contrary in these procedures, the Deposit of the Successful Bidder will be retained by the Debtor in accordance with the terms of the Purchase Agreement executed by the Successful Bidder. Deposits of all other bidders will be retained by the Debtor until the earlier to occur of (i) twenty-five days after entry of a Sale Order approving the sale of the Assets or (ii) closing of the sale of Assets in accordance with the Successful Bid. Notwithstanding the foregoing, the deposit of the Stalking Horse will be governed by the terms of its Purchase Agreement.

Notwithstanding anything to the contrary, the Debtor, after consultation with the DIP Lender and the Committee, has the right to entertain bids that do not conform to one or more of the requirements set forth in these procedures and to deem such bids Qualified Going Concern Bids and/or Qualified GOB Bids.

All Bids, the Auction and the Bidding Procedures are subject to such other terms and conditions as are announced by the Debtor, after consultation with the DIP Lender and the Committee provided however, that the Debtor may not amend these procedures to change notice provisions or otherwise withdraw any rights given by these procedures to affected landlords (in their capacity as landlords).

"As Is, Where Is"

The proposed transfer of any of the Debtor's Assets will be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtor, its agents or estates, except to the extent set forth in the applicable Purchase Agreement of each Successful Bidder as accepted by the Debtor and approved by the Bankruptcy Court. Except as otherwise provided in a Purchase Agreement, all of the Debtor's right, title and interest in and to the respective Asset will be transferred free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests in accordance with Section 363 of the Bankruptcy Code. Any other claim, lien or encumbrance, as set forth in the Purchase Agreement, will attach to the net proceeds of the sale of the particular Asset.

Each bidder for any of the Debtor's Assets will be deemed to acknowledge and represent that it (a) has had an opportunity to conduct such due diligence regarding the Asset prior to making its offer as provided in the Purchase Agreement, (b) has relied solely upon its own independent review, investigation and/or inspection of any document including, without limitation, executory contracts and unexpired leases in making its bid, and (c) did not rely upon or receive any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied by operation of law, or otherwise, with respect to the Asset, or the completeness of any information provided in connection with the Asset sale or the Auction, except as expressly stated in the particular purchase Agreement.

No Consent or Commitment Inferred

Neither DIP Lender's consent to these Bidding Procedures nor its participation in the preparation or approval hereof shall be construed as a consent by DIP Lender to the terms of any proposed purchase of any Assets or the assumption of any DIP Lender debt, or a commitment by DIP Lender to any other person or entity to provide financing or to acquiesce in the assumption of any debt owing under the DIP Loans; and DIP Lender reserves all of its rights and remedies as a secured creditor with respect to the Assets.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Bid Protections

In the event the Debtor selects a Stalking Horse, the Debtor, in its sole discretion, after consultation with the DIP Lender and Committee, may offer the following bid protection (the "Bid Protections.")

1. A termination fee of up to 2.5% of the cash portion of the purchase price set forth in the bidder's Asset Purchase Agreement (the "Termination Fee");

2. In the Debtor's sole discretion, after consultation with the Committee and DIP Lender, Debtor may offer the following release protection: in the case of multiple bids on the same Asset, the ability to reduce the purchase price set forth in such Stalking Horse's Asset Purchase Agreement by up to 115% of the allocated purchase price for a particular Asset, to the extent such Asset is sold to another entity and the Stalking Horse is still the Successful Bidder with respect to the remaining Assets on which it bid as a group (the "Release Protection"); provided, however, that no Termination Fee will apply in consideration for the Release Protection.

EXHIBIT A

Defined Terms

"Ad Valorem Tax Obligations" mean the real property taxes owing on the Going Concern Stores.

"Avoidance Claim" means any claim that could be asserted by or on behalf of the Debtor or the Debtor's bankruptcy estate or against any person or entity under 11 U.S.C. §§ 544, 546, 547, 548, 549, 550 and 553.

"Excluded Assets" mean (i) Avoidance Claims, (ii) cash, (iii) causes of action (other than on accounts receivable) and deposits, (iv) security deposits, refunds, returns and cash posted as collateral, including, but not limited to the \$1 million deposited as collateral for ACE Insurance Company.

"Inventory" means goods are held by a Debtor for sale or are furnished by a Debtor under a contract of service, or consist of raw materials, work in process, or material used or consumed in Debtor's business.

"Equipment" means equipment, furniture, office equipment and fixtures.

"Going Concern Stores" mean all stores owned and operated by the Debtor, including, without limitation, the Owned Stores and the Leased Stores, but excluding (i) the Liquidated Stores and (ii) any other stores that may hereafter be excluded by written agreement of the Debtor and the DIP Lender.

"Leased Stores" mean the store locations identified on Attachment 2 which are the subject of a Store Lease.

"Liquidated Stores" mean the Debtor's store locations that are known as store numbers 2, 5, 28, 36, 82, 115, 125, 144, 254, and 255.

"Owned Real Property" means the real property on which any Owned Store is located, including, without limitation, the land, together with the buildings, structures, parking areas, fixtures, and other improvements thereon owned by the Debtor, including all easements, rights-of-way, and similar rights relating thereto.

"Owned Stores" mean the store locations identified on Attachment 1 which are on property owned by the Debtor.

"Pharmaceutical Inventory" means Inventory consisting of pharmaceutical products with respect to which the Debtor receives full or partial payment of the purchase price from a party other than the purchaser, including, without limitation, prescription pharmaceuticals.

"Prescription Lists" means, on any date, the list of those customers of the Debtor for whom the Debtor has filled a prescription from one of the Debtor's pharmacies within the 12-month period immediately preceding such date, together with all accompanying details relating to the names and addresses of such customers and the nature of each prescription filled for such customers.

"Store Lease" means the current lease agreement under which the Debtor is leasing the location of any Going Concern Store.

Attachment 1

Owned Stores

[to be added]

Attachment 2

Leased Stores

[to be added]

EXHIBIT C

Form of Going Concern Sale

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made effective as of the ____ day of _____ 2009, by and between _____, a _____ ("Buyer") and Bruno's Supermarkets, LLC, Delaware limited liability company ("Seller").

RECITALS

A. [Seller is the tenant of the supermarket store (the "Store") listed on Exhibit A to this Agreement, under the lease (including all amendments thereto, the "Lease"). The Store occupies the leased premises as described in the Lease (the "Leased Premises"), within the parcel or parcels of real property described on Exhibit B to this Agreement associated with the Lease.] **OR**

[Seller operates a supermarket store (the "Store") listed on Exhibit A to this Agreement and owns the real property, together with the buildings, structures, parking areas, fixtures, and other improvements thereon owned by Seller (the "Real Property"), described on Exhibit B, on which the Store is located.]

B. Seller desires to sell to Buyer and Buyer desires to purchase from Seller the Acquired Assets described in Section 2.1 of this Agreement, under the terms and conditions set forth in this Agreement.

C. Seller has filed and commenced a voluntary petition for relief under chapter 11 of the Bankruptcy Code (as defined below) (the "Bankruptcy Case") that is pending in the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the "Bankruptcy Court"). Seller continues to operate its business and manage its properties as a debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

D. The transactions contemplated by this Agreement (the "Transactions") will be consummated pursuant to a Sale Order (as defined herein) to be entered in the Bankruptcy Case under Sections 105, 363, 365 and other applicable provisions of the Bankruptcy Code (as defined herein), and the Transactions, this Agreement and the Assumption and Assignment of Lease, attached as Exhibit C to this Agreement, are subject to the approval of the Bankruptcy Court. *[Delete reference to Assumption and Assignment of Lease if Real Property is included in the Acquired Assets.]*

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties herein contained, the parties hereto agree as follows:

1. Definitions. For the purposes of this Agreement, the herein below terms shall have the following meanings:

1.1 “Acquired Assets” means the Assets to be purchased by Buyer hereunder, as more fully described in Section 2.1 hereof.

1.2 “Avoidance Claim” means any claim that could be asserted by or on behalf of the Debtor or the Debtor's bankruptcy estate or against any person or entity under 11 U.S.C. §§ 544, 546, 547, 548, 549, 550 and 553.

1.3 “Bankruptcy Code” means Title 11 of the United States Code (11 U.S.C. § 101 et seq.), as amended.

1.4 “Bidding Procedures Order” shall have the meaning set forth in Section 8.2 below.

1.5 “Business” means the operation of the Store.

1.6 “Closing” means the closing of the Transactions contemplated by this Agreement.

1.7 “Closing Date” shall have the meaning set forth in Section 5 below.

1.8 “Person” means an individual, partnership, limited liability company, association, corporation, or other entity.

1.9 “Pharmaceutical Inventory” means Inventory consisting of pharmaceutical products with respect to which the Debtor receives full or partial payment of the purchase price from a party other than the purchaser, including, without limitation, prescription pharmaceuticals.

1.10 “Prescription Lists” means, on any date, the list of those customers of the Debtor for whom the Debtor has filled a prescription from one of the Debtor's pharmacies within the 12-month period immediately preceding such date, together with all accompanying details relating to the names and addresses of such customers and the nature of each prescription filled for such customers.

1.11 “Sale Order” means an order by the Bankruptcy Court approving the sale of the Acquired Assets pursuant to this Agreement.

1.12 “Termination Fee” means the dollar amount equal to 10% of the “successful bid,” as determined under the Bidding Procedures Order.

2. Sale of Assets.

2.1 Acquired Assets. In accordance with the terms and conditions herein, on the Closing Date, Seller hereby agrees to sell, convey, transfer, assign and deliver to Buyer, and Buyer agrees to buy and accept as hereinafter provided, the following “Acquired Assets” owned by Seller related to or used in connection with the Store as of the Closing Date, free and clear of all liens and claims whatsoever to the maximum extent permitted by Section 363 of the Bankruptcy Code:

(a) [Lease]. Seller's interest, as tenant, under the Lease and Seller's interest in any leasehold improvements.

OR

Real Property. All of Seller's right, title and interest in and to the Real Property, including all easements, rights-of-way, and similar rights relating thereto.]

(b) Fixtures; Equipment. Seller's interest in all fixtures and all equipment located in the Store building or buildings now existing on the Leased Premises (the "Building"), including but not limited to Seller's interest in (i) heating and air conditioning systems, facilities used to provide any utility services, or other similar services to the Building, elevators, docks, lifts, doors, storefronts, ceilings, walls, partitions, lighting fixtures, and flooring, and (ii) Seller's trade fixtures and equipment located in the Building (the "Equipment"). *[Modify if Real Property is included in the Acquired Assets.]*

(c) Accounts Receivable. Seller's interest in any accounts receivable due to Seller and existing as of the Closing Date.

(d) Inventory. Seller's interest in all inventories of goods and merchandise within the Store and owned by Seller on the day that is immediately preceding the Closing Date (the "Inventory Date") and held for resale in the ordinary course of business of the Seller conducted at the Store to retail customers (the "Inventory").

(e) Supplies. Seller's interest in all supplies relating to the operation and maintenance of the Equipment, and all packaging materials and supplies relating to the preparation or merchandising of Inventory, located within the Store and owned by Seller on the Inventory Date, excluding, however, any such packaging materials and supplies that contain trademarks, trade names, private labels, logos or designs of Seller or any of its affiliates.

(f) Pharmaceutical Inventory; Prescriptions. If the Store includes a pharmacy, the Pharmaceutical Inventory and Prescription Lists and to the extent transferable, ownership and control of pharmacy phone lines; provided, however, that Buyer has obtained all permits necessary for Seller to lawfully convey the Prescription Lists to Buyer at Closing.

(g) Goodwill; Intangibles. All of the Business as a going concern (except for the Excluded Assets listed in Section 2.2 of this Agreement) and the goodwill pertaining thereto.

2.2 Excluded Assets. Notwithstanding anything to the contrary herein above, any and all assets not specifically mentioned in Section 2.1 above are excluded from this purchase (the "Excluded Assets"), these include but are not limited to the following assets and properties:

(a) Cash and cash equivalents, deposits and marketable securities.

(b) Security deposits, refunds, returns and cash posted as collateral, including, but not limited to, the \$1,000,000 deposited by Seller as collateral for ACE Insurance Company.

(c) Assets which are disposed of subsequent to the date hereof in the ordinary course of Seller's business, including supplies consumed and inventory.

(d) Any contracts, leases, franchises, concessions or other agreements or commitments of Seller not described in Section 2.1 or pursuant to Section 3 of this Agreement.

(e) Any names now or heretofore associated with the Store or any other store operated by Seller or an affiliate, including the names and "Bruno's," "Bruno's Supermarkets," "Food World," or "Food Max."

(f) Any information, records or materials that are stored on any computer system of the Store or any affiliate of the Store, any computer software, hardware, system, or licensing rights or agreements, or any domain names or web addresses.

(g) Any assets related to other stores operated by Seller that are not listed on Exhibit A.

(h) Any Avoidance Claims.

(i) Any causes of action (other than on accounts receivable).

(j) *[Any other assets relating to the Store, Leased Premises or Real Property, as applicable, to be determined.]*

3. Contracts and Leases. Buyer will assume certain leases and contracts of Seller at Closing on the following terms and conditions:

(a) At Closing, Buyer will assume Seller's existing Lease of the Store, and Buyer will pay all such amounts as are necessary to cure any default thereunder. *[Delete if Real Property is included in the Acquired Assets.]*

(b) Any contract, agreement, lease or commitment with respect to which any third party consent is required for assignment shall, at the option of Seller, be assigned only if such consent is obtained or if an order from the Bankruptcy Court is obtained declaring that no consent is necessary.

4. Payment for Acquired Assets.

4.1 Purchase Price. Subject to the terms and conditions of this Agreement, the consideration to be paid by Buyer for the Acquired Assets is \$_____ (the "Purchase Price").

4.2 Payment of Purchase Price. The Purchase Price shall be paid as follows:

(a) Simultaneously with the execution of this Agreement, Buyer shall cause the sum in an amount as set forth in the Bidding Procedures Order (defined below) to be deposited with Seller's counsel (for purposes of this Section 4.2, the "Escrow Agent"), such sum (the "Deposit") to be held pursuant to the terms of this Agreement. The Deposit shall be held in a non-interest-bearing

account, and shall be applied to the benefit of Buyer toward the Purchase Price upon Closing. If the Transactions do not close for any reason, the Deposit shall be paid to Seller as liquidated damages and shall be the only remedy to which Seller shall be entitled in such event; provided, however, that if Buyer is the "successful bidder" (as set forth in the Bidding Procedures Order) and the Transactions do not close for any reason, Buyer shall pay the Termination Fee to Seller in addition to forfeiting the Deposit.

(b) The balance of the Purchase Price shall be payable by Buyer to Seller in immediately available funds on the Closing Date.

(c) The Seller and Buyer acknowledge and agree that each of them has requested that the Escrow Agent act as escrow agent hereunder and to receive from Buyer the Deposit which the Escrow Agent will deposit with Wachovia Bank, N.A. (the "Bank") in the Escrow Agent's IOLTA account (the "Account") to be held and disbursed in accordance with this Agreement and the Procedures Order. Buyer and Seller acknowledge and agree that the Escrow Agent is unwilling to receive the Deposit and act in such capacity unless the parties agree to the provisions of this Section 4.2. Notwithstanding anything to the contrary herein to the contrary, Buyer and Seller confirm their understanding and agreement that the Deposit will be deposited in the Account with the Bank, that the Deposit will be commingled with moneys of others in the Account, that the moneys held in the Account will often exceed available FDIC insurance, and that the Buyer and Seller have no right to any FDIC insurance in preference of others having rights in moneys within the Account. Buyer and Seller fully understand and accept the risk of full or partial loss of the Deposit or temporary unavailability of the Deposit (collectively, a "Loss") resulting from any Bank closing, Bank failure, or Bank insolvency, receivership, bankruptcy, dissolution or similar event or proceeding, and agree that the Escrow Agent shall have no responsibility or liability to the either of them for any Loss. Buyer and Seller agree that the Buyer shall bear the full risk of any Loss. Buyer and Seller agree to indemnify and hold the Escrow Agent, as holder of the Deposit, harmless from and against any loss, damages, cost or expense, including legal fees, relating to any claim or demand that may be made against the Escrow Agent by reason of any Loss, including any claim based upon an allegation of negligence.

(d) In the event that a dispute arises in relation to the Deposit, the Escrow Agent is authorized to deposit the Deposit into the Bankruptcy Court for a determination as to the proper disposition of said funds. In the event that the funds are deposited into the Bankruptcy Court, the Escrow Agent shall be entitled to file a claim in the proceeding for its costs and counsel fees, if any. Payment of the funds so held in escrow by the Escrow Agent, in accordance with the terms, conditions and provisions of this Agreement, shall fully and completely discharge and exonerate the Escrow Agent from any and all future liability or obligations of any nature or character at law or equity to the parties hereto or under this Agreement.

5. Closing. Unless otherwise mutually agreed between Buyer and Seller, the "Closing Date" shall be the fifth (5th) business day after the conditions specified in Sections 9 and 10 hereof are satisfied, and in any event no later than two (2) weeks after the entry of the Sale Order. The closing shall take place at 10:00 a.m. local time at the offices of Burr & Forman LLP, Birmingham, Alabama, or at such other location and time as the parties may agree.

6. Representations and Warranties of Seller. Seller hereby represents and warrants to and agrees with Buyer, that Seller shall submit motions to the Bankruptcy Court to allow Seller to convey to Buyer good and marketable title to the Acquired Assets, free and clear of all security interests, liens, claims, restrictions, equities and encumbrances of any nature to the maximum extent permitted by Section 363 of the Bankruptcy Code, and shall only convey such title as is granted to Seller under said motions.

7. Representations and Warranties of Buyer. Buyer hereby represents and warrants to and agrees with Seller as follows:

7.1 Organization and Good Standing. Buyer is an entity duly organized, validly existing and in good standing under the laws of the state of its formation and is qualified to do business under the laws of the State in which the Store is located, and has all requisite authority to carry on its business in said state.

7.2 Power and Authority. Buyer has full, complete and unrestricted power and authority to enter into the Agreement, to purchase the Acquired Assets as contemplated by this Agreement, to perform its obligations under this Agreement, and to carry out the Transactions contemplated hereby.

7.3 Authorization. Prior to Closing, this Agreement and the Transactions will have been duly and validly authorized and approved by all necessary action on the part of Buyer, and this Agreement and the documents executed in connection herewith will have been duly executed and delivered by said entity and constitute the valid and binding obligations of said entity hereunder, enforceable against said entity in accordance with their terms.

7.4 No Conflict. Neither the execution and delivery of this Agreement, nor compliance with the terms and provisions hereof on the part of Buyer will breach any statute or regulation of any governmental authority or will at the Closing Date conflict with or result in a breach of any of the terms, conditions or provisions of any agreement or instrument to which Buyer is a party or by which Buyer is or may be bound or to which its properties may be subject.

7.5 Financing. Buyer has at hand sufficient resources to purchase the Acquired Assets for the Purchase Price without further equity contribution or third-party financing, or if third-party financing is necessary, Buyer has obtained a written commitment for said financing. This Agreement shall not in any circumstance be subject to Buyer's obtaining any financing.

7.6 Due Diligence. Buyer acknowledges that it (a) has had an opportunity to conduct such due diligence regarding the Asset prior to making its offer as provided in the Purchase Agreement, (b) has relied solely upon its own independent review, investigation and/or inspection of any document including, without limitation, executory contracts and unexpired leases in making its bid, and (c) did not rely upon or receive any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied by operation of law, or otherwise, with respect to the Acquired Assets, or the completeness of any information provided in connection with the Acquired Assets.

8. Conduct Prior to Closing Date; Other Covenants.

8.1 Access to Information. Seller shall give to Buyer and to Buyer's counsel, accountants and other representatives during normal business hours through the period from the date hereof until the Closing Date reasonable access to all of Seller's property, books, contracts, commitments, documents and financial records applicable to the Acquired Assets and shall furnish Buyer during such period with all such information within Seller's possession concerning the Acquired Assets as Buyer shall reasonably request.

8.2 Bankruptcy Matters. Seller shall seek to secure an order (the "Bidding Procedures Order") of the Bankruptcy Court in the Bankruptcy Case, in form and substance reasonably agreeable to the Buyer, approving the form of this Agreement and the Termination Fee, establishing, among other things, bid procedures and a date for the auction of the Acquired Assets.

9. Conditions to Buyer's Obligations to Close. The obligations of Buyer under this Agreement are subject to fulfillment or waiver of the conditions set forth below.

9.1 Approvals. Approval of the Bankruptcy Court of the sale of the Acquired Assets pursuant to this Agreement.

9.2 Bankruptcy Court. If Buyer is the "successful bidder" (as set forth in the Bidding Procedures Order), the Bankruptcy Court shall have entered a sale order in the Bankruptcy Case, in form and substance reasonably acceptable to Seller and Buyer (including a finding that Buyer is a "good faith" purchaser within the meaning of Section 363(m) of the Bankruptcy Code and waiving any stay that would otherwise be applicable pursuant to Bankruptcy Rules 6004(g) and 6006(d)), and as of the Closing Date the Sale Order shall be in full force and effect and shall not have been vacated or reversed and shall not then be stayed. Further, no injunction, stay or similar order or decree, issued by any court, tribunal or governmental entity, shall be in effect that restrains, enjoins, stays or prohibits the consummation of the Transactions.

10. Conditions of Seller's Obligations to Close. The obligations of Seller under this Agreement are subject to the fulfillment of the conditions set forth below.

10.1 Representations and Warranties of Buyer. The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date and Seller shall have received a certificate to that effect dated as of the Closing Date and executed by an authorized officer of Buyer.

10.2 Approvals. Approval of the Bankruptcy Court of the sale of the Acquired Assets pursuant to this Agreement.

10.3 Bankruptcy Court. If Buyer is the "successful bidder" (as set forth in the Bidding Procedures Order), the Bankruptcy Court shall have entered a sale order in the Bankruptcy Case, in form and substance reasonably acceptable to Seller and Buyer (including a finding that Buyer is a "good faith" purchaser within the meaning of Section 363(m) of the Bankruptcy Code and

waiving any stay that would otherwise be applicable pursuant to Bankruptcy Rules 6004(g) and 6006(d)), and as of the Closing Date the Sale Order shall be in full force and effect and shall not have been vacated or reversed and shall not then be stayed. Further, no injunction, stay or similar order or decree, issued by any court, tribunal or governmental entity, shall be in effect that restrains, enjoins, stays or prohibits the consummation of the Transactions.

11. Deliveries of Seller on the Closing Date. Seller agrees on the Closing Date to deliver to Buyer all conveyances, assignments, bills of sale, and any and all further instruments as may be necessary, expedient or proper in order to complete any and all conveyances, transfers and assignments herein provided for and to convey to Buyer such title to the Acquired Assets as Seller is obligated hereunder to convey, together with a certified copy of the Sale Order.

[If Real Property is included in the Acquired Assets, include the following:] Seller shall also deliver a duly executed recordable special or limited warranty deed to each parcel of owned Real Property in substantially the form attached as Exhibit C hereto warranting only to defend title to such Real Property in the peaceable possession of Buyer against all Persons claiming by, through or under Seller, subject, however, to any permitted encumbrances contained in the title policy for such Real Property.

12. Deliveries of Buyer on the Closing Date. Buyer agrees on the Closing Date to deliver or cause to be delivered:

12.1 Purchase Price. Payment of the Purchase Price as described in Section 4 above.

12.2 Certificate of Secretary. Certificate of the Secretary of the Buyer setting forth a copy of the resolutions adopted by Buyer authorizing and approving the execution and delivery of this Agreement and the consummation of the Transactions contemplated hereby.

12.3 Closing Certificate. The Certificate of the Buyer referred to in Section 10.1.

13. Indemnification.

13.1 Indemnification by Buyer. Buyer agrees to indemnify and hold harmless Seller from and against any and all losses, cost, damages, claims and expenses (including reasonable attorneys' fees) which Seller may sustain at any time by reason of (a) any debt, liability or obligation of Buyer, (b) any liability or obligation of any kind relating to the operations of the Acquired Assets or Store after the Closing Date, or (c) the breach or inaccuracy of or failure to comply with, or the existence of any facts resulting in the inaccuracy of, any of the warranties, representations, covenants or agreements of Buyer contained in this Agreement or in any agreement or document delivered pursuant hereto or in connection herewith or with the Closing.

13.2 Defense. If Seller receives notice of a claim for which it will seek indemnification, Seller shall promptly notify the Buyer in writing of such claim. The Buyer shall have the right to assume the defense of such action at its cost with counsel reasonably satisfactory to the Seller. The Seller shall have the right to participate in such defense with its own counsel at its cost.

14. AS IS, WHERE IS. Buyer acknowledges that except as set forth expressly in this Agreement, the purchase of Acquired Assets hereunder shall be on an “AS IS,” “WHERE IS,” and “WITH ALL FAULTS” basis and that Seller makes no representation with respect thereto except as specifically set forth herein. At Closing, Buyer will execute and deliver to Seller a certificate and acknowledgment wherein Buyer (a) acknowledges that it has been given free and full access to all of Seller's books and records and other assets and documents pursuant to this agreement, (b) acknowledges that Seller has made and is making no representation or warranty of any description with respect to the Acquired Assets or the Store, other than those warranties specifically set forth herein, (c) acknowledges that, other than the representations and warranties herein, sale is being made “AS IS,” “WHERE IS,” and “WITH ALL FAULTS,” and acknowledges that Seller, other than the representations and warranties herein, disclaims any warranty with respect to said Acquired Assets, including without limitation, warranties of merchantability or fitness for a particular purpose or warranties as to building condition or structure, environmental matters or compliance with environmental or other laws, and (d) confirms that Buyer has made its own independent investigation and conducted its own due diligence with respect to the Acquired Assets and has not relied on any information or statement of Seller in purchasing the Acquired Assets or on the financial statements and other books and records of the Store other than for purposes of identifying the Acquired Assets. Buyer acknowledges that it has not relied on an statement, omission, representation, or action of Seller or any officer, director, agent or employee of Seller in connection with the Transactions outlined herein other than as expressly set forth in this Agreement.

15. Notices. All notices, requests or demands to a party hereunder shall be in writing and shall be given or served upon the other party by personal service, by certified return receipt requested or registered mail, postage prepaid, or by Federal Express or other nationally recognized commercial courier, charges prepaid, addressed as set forth below. Any such notice, demand, request or other communication shall be deemed to have been given upon the earlier of personal delivery thereof, three (3) business days after having been mailed as provided above, or one (1) business day after delivery through a commercial courier, as the case may be. Each party shall be entitled to modify its address by notice given in accordance with this Section 15.

To Seller: Bruno's Supermarkets, LLC

Attn: _____

With a copy to: Burr & Forman LLP
Wachovia Tower, 34th Floor
420 North 20th Street
Birmingham, AL 35203
Attn: Derek F. Meek

To Buyer:

Attn: _____

With a copy to: _____

Attn: _____

16. Miscellaneous.

16.1 Governing Law. This Agreement and its validity, construction and performance shall be governed in all respects by the laws of the State of Alabama, without giving effect to principles of conflict of laws.

16.2 Brokers. Seller has retained no broker or other consultant in connection with the Transactions. Buyer shall pay any broker's or finder's fee, if any, for which it is liable in connection with the Transactions and shall indemnify each other from any and all liabilities (including without limitation, attorneys' fees and costs of court) to any person claiming brokerage commissions or finder's fees or rights to similar compensation on account of services purportedly rendered on behalf of the indemnifying party in connection with the Agreement or the Transactions contemplated hereby

16.3 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties hereto. Fax, scanned or digitally copied signatures shall be treated as original signatures.

17. Confidentiality Agreement. Subject to the applicable rules relating to Seller's Bankruptcy Case and any legal disclosure obligations of Seller relating to such matters, all information disclosed by Buyer to Seller or by Seller to Buyer in connection with this Agreement or the Transactions contemplated hereby, shall be and remain confidential, and Buyer and Seller agree to retain them in confidence and to require their respective employees, consultants, professional representatives, and agents to retain said information in confidence. Neither party will use or disclose to others, nor permit the use or disclosure of, any such confidential information obtained from or revealed by the other party. In the event this Agreement is terminated without the Closing of the Transactions contemplated hereby, each party shall remain obligated under this Section 17 and shall forthwith deliver to the other (without retaining copies thereof) any and all documents or other written information obtained from the other party in connection with the Agreement and the Transactions. The provisions of this Section 17 shall survive the Closing or the earlier termination of this Agreement.

[Signatures on Following Page]

Form of Going Concern Sale

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first above written.

BUYER

By: _____

Name: _____

Title: _____

SELLER

Bruno's Supermarkets, LLC

a Delaware limited liability company

By: _____

Name: _____

Title: _____

Form of Going Concern Sale

EXHIBIT A

Description of Lease

Form of Going Concern Sale

EXHIBIT B

Description of Real Property

Form of Going Concern Sale

EXHIBIT C

Assumption and Assignment of Lease

OR

Form of Special or Limited Warranty Deed

EXHIBIT D

Form of Going Out of Business Sale

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made effective as of the ____ day of _____ 2009, by and between _____, a _____ ("Buyer") and Bruno's Supermarkets, LLC, Delaware limited liability company ("Seller").

RECITALS

A. [Seller is the tenant of the supermarket store (the "Store") listed on Exhibit A to this Agreement, under the lease (including all amendments thereto, the "Lease"). The Store occupies the leased premises as described in the Lease (the "Leased Premises"), within the parcel or parcels of real property described on Exhibit B to this Agreement associated with the Lease.] **OR**

[Seller operates a supermarket store (the "Store") listed on Exhibit A to this Agreement and owns the real property, together with the buildings, structures, parking areas, fixtures, and other improvements thereon owned by Seller (the "Real Property"), described on Exhibit B, on which the Store is located.]

B. Seller desires to sell to Buyer and Buyer desires to purchase from Seller the Acquired Assets described in Section 2.1 of this Agreement, under the terms and conditions set forth in this Agreement.

C. Seller has filed and commenced a voluntary petition for relief under chapter 11 of the Bankruptcy Code (as defined below) (the "Bankruptcy Case") that is pending in the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the "Bankruptcy Court"). Seller continues to operate its business and manage its properties as a debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

D. The transactions contemplated by this Agreement (the "Transactions") will be consummated pursuant to a Sale Order (as defined herein) to be entered in the Bankruptcy Case under Sections 105, 363, 365 and other applicable provisions of the Bankruptcy Code (as defined herein), and the Transactions and this Agreement are subject to the approval of the Bankruptcy Court.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties herein contained, the parties hereto agree as follows:

1. Definitions. For the purposes of this Agreement, the herein below terms shall have the following meanings:

1.1 "Acquired Assets" means the Assets to be purchased by Buyer hereunder, as more fully described in Section 2.1 hereof.

1.2 “Avoidance Claim” means any claim that could be asserted by or on behalf of the Debtor or the Debtor's bankruptcy estate or against any person or entity under 11 U.S.C. §§ 544, 546, 547, 548, 549, 550 and 553.

1.3 “Bankruptcy Code” means Title 11 of the United States Code (11 U.S.C. § 101 et seq.), as amended.

1.4 “Bidding Procedures Order” shall have the meaning set forth in Section 8.2 below.

1.5 “Business” means the operation of the Store.

1.6 “Closing” means the closing of the Transactions contemplated by this Agreement.

1.7 “Closing Date” shall have the meaning set forth in Section 5 below.

1.8 “Person” means an individual, partnership, limited liability company, association, corporation, or other entity.

1.9 “Pharmaceutical Inventory” means Inventory consisting of pharmaceutical products with respect to which the Debtor receives full or partial payment of the purchase price from a party other than the purchaser, including, without limitation, prescription pharmaceuticals.

1.10 “Prescription Lists” means, on any date, the list of those customers of the Debtor for whom the Debtor has filled a prescription from one of the Debtor's pharmacies within the 12-month period immediately preceding such date, together with all accompanying details relating to the names and addresses of such customers and the nature of each prescription filled for such customers.

1.11 “Sale Order” means an order by the Bankruptcy Court approving the sale of the Acquired Assets pursuant to this Agreement.

2. Sale of Assets.

2.1 Acquired Assets. In accordance with the terms and conditions herein, on the Closing Date, Seller hereby agrees to sell, convey, transfer, assign and deliver to Buyer, and Buyer agrees to buy and accept as hereinafter provided, the following “Acquired Assets” owned by Seller related to or used in connection with the Store as of the Closing Date, free and clear of all liens and claims whatsoever to the maximum extent permitted by Section 363 of the Bankruptcy Code:

(a) Fixtures; Equipment. Seller's trade fixtures and equipment located in the building or buildings now existing on the Leased Premises located in the Store (the “Equipment”).

(b) Accounts Receivable. Seller's interest in any accounts receivable due to Seller and existing as of the Closing Date.

(c) Inventory. Seller's interest in all inventories of goods and merchandise within the Store and owned by Seller on the day that is immediately preceding the Closing Date (the "Inventory Date") and held for resale in the ordinary course of business of the Seller conducted at the Store to retail customers (the "Inventory").

(d) Supplies. Seller's interest in all supplies relating to the operation and maintenance of the Equipment, and all packaging materials and supplies relating to the preparation or merchandising of Inventory, located within the Store and owned by Seller on the Inventory Date, excluding, however, any such packaging materials and supplies that contain trademarks, trade names, private labels, logos or designs of Seller or any of its affiliates.

(e) Pharmaceutical Inventory; Prescriptions. If the Store includes a pharmacy, the Pharmaceutical Inventory and Prescription Lists and to the extent transferable, ownership and control of pharmacy phone lines; provided, however, that Buyer has obtained all Permits necessary for Seller to lawfully convey the Prescription Lists to Buyer at Closing.

2.2 Excluded Assets. Notwithstanding anything to the contrary herein above, any and all assets not specifically mentioned in Section 2.1 above are excluded from this purchase (the "Excluded Assets"), including, but not limited to, the following assets and properties:

(a) [Seller's interest, as tenant, under the Lease and Seller's interest in any leasehold improvements.

OR

All of Seller's right, title and interest in and to the Real Property, including all easements, rights-of-way, and similar rights relating thereto.]

(b) Seller's interest in all fixtures located in the Store building or buildings now existing on the Leased Premises (the "Building"), including but not limited to Seller's interest in heating and air conditioning systems, facilities used to provide any utility services, or other similar services to the Building, elevators, docks, lifts, doors, storefronts, ceilings, walls, partitions, lighting fixtures, and flooring.

(c) Cash and cash equivalents, deposits and marketable securities.

(d) Security deposits, refunds, returns and cash posted as collateral, including, but not limited to, the \$1,000,000 deposited by Seller as collateral for ACE Insurance Company.

(e) Assets which are disposed of subsequent to the date hereof in the ordinary course of Seller's business, including supplies consumed and inventory.

(f) Any contracts, leases, franchises, concessions or other agreements or commitments of Seller not described in Section 2.1 or pursuant to Section 3 of this Agreement.

(g) Any names now or heretofore associated with the Store or any other store operated by Seller or an affiliate, including the names and "Bruno's," "Bruno's Supermarkets," "Food World," or "Food Max."

(h) Any information, records or materials that are stored on any computer system of the Store or any affiliate of the Store, any computer software, hardware, system, or licensing rights or agreements, or any domain names or web addresses.

(i) Any assets related to other stores operated by Seller that are not listed on Exhibit A.

(j) Any Avoidance Claims.

(k) Any causes of action (other than on accounts receivable).

(l) *[Any other assets relating to the Store, Leased Premises or Real Property, as applicable, to be determined.]*

3. Contracts and Leases. Buyer will assume certain leases and contracts of Seller at Closing; provided, however, that any contract, agreement, lease or commitment with respect to which any third party consent is required for assignment shall, at the option of Seller, be assigned only if such consent is obtained or if an order from the Bankruptcy Court is obtained declaring that no consent is necessary.

4. Payment for Acquired Assets.

4.1 Purchase Price. Subject to the terms and conditions of this Agreement, the consideration to be paid by Buyer for the Acquired Assets is \$_____ (the "Purchase Price").

4.2 Payment of Purchase Price. The Purchase Price shall be paid as follows:

(a) Simultaneously with the execution of this Agreement, Buyer shall cause \$500,000 in immediately available funds to be deposited with Seller's counsel (for purposes of this Section 4.2, the "Escrow Agent"), such sum (the "Deposit") to be held pursuant to the terms of this Agreement. The Deposit shall be held in a non-interest-bearing account, and shall be applied to the benefit of Buyer toward the Purchase Price upon Closing. If the Transactions do not close for any reason, the Deposit shall be paid to Seller as liquidated damages and shall be the only remedy to which Seller shall be entitled in such event.

(b) The balance of the Purchase Price shall be payable by Buyer to Seller in immediately available funds on the Closing Date.

(c) The Seller and Buyer acknowledge and agree that each of them has requested that the Escrow Agent act as escrow agent hereunder and to receive from Buyer the Deposit which the Escrow Agent will deposit with Wachovia Bank, N.A. (the "Bank") in the Escrow Agent's IOLTA account (the "Account") to be held and disbursed in accordance with this Agreement and the Procedures Order. Buyer and Seller acknowledge and agree that the Escrow Agent is unwilling to receive the Deposit and act in such capacity unless the parties agree to the provisions of this Section 4.2. Notwithstanding anything to the contrary herein to the contrary, Buyer and Seller confirm their understanding and agreement that that the Deposit will be deposited in the Account with the Bank, that the Deposit will be commingled with moneys of others in the Account, that the moneys held in

the Account will often exceed available FDIC insurance, and that the Buyer and Seller have no right to any FDIC insurance in preference of others having rights in moneys within the Account. Buyer and Seller fully understand and accept the risk of full or partial loss of the Deposit or temporary unavailability of the Deposit (collectively, a "Loss") resulting from any Bank closing, Bank failure, or Bank insolvency, receivership, bankruptcy, dissolution or similar event or proceeding, and agree that the Escrow Agent shall have no responsibility or liability to the either of them for any Loss. Buyer and Seller agree that the Buyer shall bear the full risk of any Loss. Buyer and Seller agree to indemnify and hold the Escrow Agent, as holder of the Deposit, harmless from and against any loss, damages, cost or expense, including legal fees, relating to any claim or demand that may be made against the Escrow Agent by reason of any Loss, including any claim based upon an allegation of negligence.

(d) In the event that a dispute arises in relation to the Deposit, the Escrow Agent is authorized to deposit the Deposit into the Bankruptcy Court for a determination as to the proper disposition of said funds. In the event that the funds are deposited into the Bankruptcy Court, the Escrow Agent shall be entitled to file a claim in the proceeding for its costs and counsel fees, if any. Payment of the funds so held in escrow by the Escrow Agent, in accordance with the terms, conditions and provisions of this Agreement, shall fully and completely discharge and exonerate the Escrow Agent from any and all future liability or obligations of any nature or character at law or equity to the parties hereto or under this Agreement.

5. Closing. Unless otherwise mutually agreed between Buyer and Seller, the "Closing Date" shall be the fifth (5th) business day after the conditions specified in Sections 9 and 10 hereof are satisfied, and in any event no later than two (2) business days after the entry of the Sale Order. The closing shall take place at 10:00 a.m. local time at the offices of Burr & Forman LLP, Birmingham, Alabama, or at such other location and time as the parties may agree.

6. Representations and Warranties of Seller. Seller hereby represents and warrants to and agrees with Buyer, that Seller shall submit motions to the Bankruptcy Court to allow Seller to convey to Buyer good and marketable title to the Acquired Assets, free and clear of all security interests, liens, claims, restrictions, equities and encumbrances of any nature to the maximum extent permitted by Section 363 of the Bankruptcy Code, and shall only convey such title as is granted to Seller under said motions.

7. Representations and Warranties of Buyer. Buyer hereby represents and warrants to and agrees with Seller as follows:

7.1 Organization and Good Standing. Buyer is an entity duly organized, validly existing and in good standing under the laws of the state of its formation and is qualified to do business under the laws of the State in which the Store is located, and has all requisite authority to carry on its business in said state.

7.2 Power and Authority. Buyer has full, complete and unrestricted power and authority to enter into the Agreement, to purchase the Acquired Assets as contemplated by this Agreement, to perform its obligations under this Agreement, and to carry out the Transactions contemplated hereby.

7.3 Authorization. Prior to Closing, this Agreement and the Transactions will have been duly and validly authorized and approved by all necessary action on the part of Buyer, and this Agreement and the documents executed in connection herewith will have been duly executed and delivered by said entity and constitute the valid and binding obligations of said entity hereunder, enforceable against said entity in accordance with their terms.

7.4 No Conflict. Neither the execution and delivery of this Agreement, nor compliance with the terms and provisions hereof on the part of Buyer will breach any statute or regulation of any governmental authority or will at the Closing Date conflict with or result in a breach of any of the terms, conditions or provisions of any agreement or instrument to which Buyer is a party or by which Buyer is or may be bound or to which its properties may be subject.

7.5 Financing. Buyer has at hand sufficient resources to purchase the Acquired Assets for the Purchase Price without further equity contribution or third-party financing, or if third-party financing is necessary, Buyer has obtained a written commitment for said financing. This Agreement shall not in any circumstance be subject to Buyer's obtaining any financing.

7.6 Due Diligence. Buyer acknowledges that it (a) has had an opportunity to conduct such due diligence regarding the Asset prior to making its offer as provided in the Purchase Agreement, (b) has relied solely upon its own independent review, investigation and/or inspection of any document including, without limitation, executory contracts and unexpired leases in making its bid, and (c) did not rely upon or receive any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied by operation of law, or otherwise, with respect to the Acquired Assets, or the completeness of any information provided in connection with the Acquired Assets.

8. Conduct Prior to Closing Date; Other Covenants.

8.1 Access to Information. Seller shall give to Buyer and to Buyer's counsel, accountants and other representatives during normal business hours through the period from the date hereof until the Closing Date reasonable access to all of Seller's property, books, contracts, commitments, documents and financial records applicable to the Acquired Assets and shall furnish Buyer during such period with all such information within Seller's possession concerning the Acquired Assets as Buyer shall reasonably request.

8.2 Bankruptcy Matters. Seller shall seek to secure an order (the "Bidding Procedures Order") of the Bankruptcy Court in the Bankruptcy Case, in form and substance reasonably agreeable to the Buyer, approving the form of this Agreement, establishing, among other things, bid procedures and a date for the auction of the Acquired Assets.

8.3 Going Out of Business Sale. Buyer acknowledges and agrees that it is purchasing the Acquired Assets for the purpose of conducting a "going out of business sale" (the "GOB Sale") in accordance with the sale procedures attached as Exhibit C to this Agreement (the "Sale Procedures"). In accordance with the Sale Procedures, Buyer shall have only the right to possession of the Store during the term of the GOB Sale, which must be concluded by May __, 2009 (the "Term"). Upon conclusion of the Term, Buyer must vacate the Store and the [Leased Premises **OR** Real Property].

9. Conditions to Buyer's Obligations to Close. The obligations of Buyer under this Agreement are subject to fulfillment or waiver of the conditions set forth below.

9.1 Approvals. Approval of the Bankruptcy Court of the sale of the Acquired Assets pursuant to this Agreement.

9.2 Bankruptcy Court. If Buyer is the "successful bidder" (as set forth in the Bidding Procedures Order), the Bankruptcy Court shall have entered a sale order in the Bankruptcy Case, in form and substance reasonably acceptable to Seller and Buyer (including a finding that Buyer is a "good faith" purchaser within the meaning of Section 363(m) of the Bankruptcy Code and waiving any stay that would otherwise be applicable pursuant to Bankruptcy Rules 6004(g) and 6006(d)), and as of the Closing Date the Sale Order shall be in full force and effect and shall not have been vacated or reversed and shall not then be stayed. Further, no injunction, stay or similar order or decree, issued by any court, tribunal or governmental entity, shall be in effect that restrains, enjoins, stays or prohibits the consummation of the Transactions.

10. Conditions of Seller's Obligations to Close. The obligations of Seller under this Agreement are subject to the fulfillment of the conditions set forth below.

10.1 Representations and Warranties of Buyer. The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date and Seller shall have received a certificate to that effect dated as of the Closing Date and executed by an authorized officer of Buyer.

10.2 Approvals. Approval of the Bankruptcy Court of the sale of the Acquired Assets pursuant to this Agreement.

10.3 Bankruptcy Court. If Buyer is the "successful bidder" (as set forth in the Bidding Procedures Order), the Bankruptcy Court shall have entered a sale order in the Bankruptcy Case, in form and substance reasonably acceptable to Seller and Buyer (including a finding that Buyer is a "good faith" purchaser within the meaning of Section 363(m) of the Bankruptcy Code and waiving any stay that would otherwise be applicable pursuant to Bankruptcy Rules 6004(g) and 6006(d)), and as of the Closing Date the Sale Order shall be in full force and effect and shall not have been vacated or reversed and shall not then be stayed. Further, no injunction, stay or similar order or decree, issued by any court, tribunal or governmental entity, shall be in effect that restrains, enjoins, stays or prohibits the consummation of the Transactions.

11. Deliveries of Seller on the Closing Date. Seller agrees on the Closing Date to deliver to Buyer all conveyances, assignments, bills of sale, and any and all further instruments as may be necessary, expedient or proper in order to complete any and all conveyances, transfers and assignments herein provided for and to convey to Buyer such title to the Acquired Assets as Seller is obligated hereunder to convey, together with a certified copy of the Sale Order.

12. Deliveries of Buyer on the Closing Date. Buyer agrees on the Closing Date to deliver or cause to be delivered:

12.1 Purchase Price. Payment of the Purchase Price as described in Section 4 above.

12.2 Certificate of Secretary. Certificate of the Secretary of the Buyer setting forth a copy of the resolutions adopted by Buyer authorizing and approving the execution and delivery of this Agreement and the consummation of the Transactions contemplated hereby.

12.3 Closing Certificate. The Certificate of the Buyer referred to in Section 10.1.

13. Indemnification.

13.1 Indemnification by Buyer. Buyer agrees to indemnify and hold harmless Seller from and against any and all losses, cost, damages, claims and expenses (including reasonable attorneys' fees) which Seller may sustain at any time by reason of (a) any debt, liability or obligation of Buyer, (b) any liability or obligation of any kind relating to the operations of the Acquired Assets or Store after the Closing Date, or (c) the breach or inaccuracy of or failure to comply with, or the existence of any facts resulting in the inaccuracy of, any of the warranties, representations, covenants or agreements of Buyer contained in this Agreement or in any agreement or document delivered pursuant hereto or in connection herewith or with the Closing.

13.2 Defense. If Seller receives notice of a claim for which it will seek indemnification, Seller shall promptly notify the Buyer in writing of such claim. The Buyer shall have the right to assume the defense of such action at its cost with counsel reasonably satisfactory to the Seller. The Seller shall have the right to participate in such defense with its own counsel at its cost.

14. AS IS, WHERE IS. Buyer acknowledges that except as set forth expressly in this Agreement, the purchase of Acquired Assets hereunder shall be on an “AS IS,” “WHERE IS,” and “WITH ALL FAULTS” basis and that Seller makes no representation with respect thereto except as specifically set forth herein. At Closing, Buyer will execute and deliver to Seller a certificate and acknowledgment wherein Buyer (a) acknowledges that it has been given free and full access to all of Seller's books and records and other assets and documents pursuant to this agreement, (b) acknowledges that Seller has made and is making no representation or warranty of any description with respect to the Acquired Assets or the Store, other than those warranties specifically set forth herein, (c) acknowledges that, other than the representations and warranties herein, sale is being made “AS IS,” “WHERE IS,” and “WITH ALL FAULTS,” and acknowledges that Seller, other than the representations and warranties herein, disclaims any warranty with respect to said Acquired Assets, including without limitation, warranties of merchantability or fitness for a particular purpose or warranties as to building condition or structure, environmental matters or compliance with environmental or other laws, and (d) confirms that Buyer has made its own independent investigation and conducted its own due diligence with respect to the Acquired Assets and has not relied on any information or statement of Seller in purchasing the Acquired Assets or on the financial statements and other books and records of the Store other than for purposes of identifying the Acquired Assets. Buyer acknowledges that it has not relied on an statement, omission, representation, or action of Seller or any officer, director, agent or employee of Seller in connection with the Transactions outlined herein other than as expressly set forth in this Agreement.

15. Notices. All notices, requests or demands to a party hereunder shall be in writing and shall be given or served upon the other party by personal service, by certified return receipt requested or registered mail, postage prepaid, or by Federal Express or other nationally recognized commercial courier, charges prepaid, addressed as set forth below. Any such notice, demand, request or other communication shall be deemed to have been given upon the earlier of personal delivery thereof, three (3) business days after having been mailed as provided above, or one (1) business day after delivery through a commercial courier, as the case may be. Each party shall be entitled to modify its address by notice given in accordance with this Section 15.

To Seller: Bruno's Supermarkets, LLC

Attn: _____

With a copy to: Burr & Forman LLP
Wachovia Tower, 34th Floor
420 North 20th Street
Birmingham, AL 35203
Attn: Derek F. Meek

To Buyer:

Attn: _____

With a copy to: _____

Attn: _____

16. Miscellaneous.

16.1 Governing Law. This Agreement and its validity, construction and performance shall be governed in all respects by the laws of the State of _____, without giving effect to principles of conflict of laws.

16.2 Brokers. Seller has retained no broker or other consultant in connection with the Transactions. Buyer shall pay any broker's or finder's fee, if any, for which it is liable in connection with the Transactions and shall indemnify each other from any and all liabilities (including without limitation, attorneys' fees and costs of court) to any person claiming brokerage commissions or finder's fees or rights to similar compensation on account of services purportedly rendered on behalf of the indemnifying party in connection with the Agreement or the Transactions contemplated hereby

16.3 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties hereto. Fax, scanned or digitally copied signatures shall be treated as original signatures.

17. Confidentiality Agreement. Subject to the applicable rules relating to Seller's Bankruptcy Case and any legal disclosure obligations of Seller relating to such matters, all information disclosed by Buyer to Seller or by Seller to Buyer in connection with this Agreement or the Transactions contemplated hereby, shall be and remain confidential, and Buyer and Seller agree to retain them in confidence and to require their respective employees, consultants, professional representatives, and agents to retain said information in confidence. Neither party will use or disclose to others, nor permit the use or disclosure of, any such confidential information obtained from or revealed by the other party. In the event this Agreement is terminated without the Closing of the Transactions contemplated hereby, each party shall remain obligated under this Section 17 and shall forthwith deliver to the other (without retaining copies thereof) any and all documents or other written information obtained from the other party in connection with the Agreement and the Transactions. The provisions of this Section 17 shall survive the Closing or the earlier termination of this Agreement.

[Signatures on Following Page]

Form of Going Out of Business Sale

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first above written.

BUYER

By: _____

Name: _____

Title: _____

SELLER

Bruno's Supermarkets, LLC

a Delaware limited liability company

By: _____

Name: _____

Title: _____

Form of Going Out of Business Sale

EXHIBIT A

Description of Lease

Form of Going Out of Business Sale

EXHIBIT B

Description of Real Property

Form of Going Out of Business Sale

EXHIBIT C

Sale Procedures

EXHIBIT E

[Store No. ____; Store Name: ____]

ASSUMPTION AND ASSIGNMENT AGREEMENT

THIS AGREEMENT (this "Agreement") is made and entered into as of _____, 2000, by and between _____, a _____, as debtor and debtor in possession, having an office at _____ (the "Seller"), and _____, a _____, having an office at _____ (the "Assignee").

WITNESSETH:

[WHEREAS, the Seller, as lessee, entered into a [sub]lease, dated _____ [as amended on _____] (collectively, the "Lease"), with _____, as lessor, for certain nonresidential real property located at _____ (the "Premises"), all as more fully described in the Lease;]

[WHEREAS, the Seller, as lessee, entered into the lease(s) and sublease(s) described on Exhibit A attached hereto [as amended on _____] (individually [and collectively], the "Lease"), for the nonresidential real property identified on said Exhibit A (such real property, individually [and collectively], the "Premises"), all as more fully described in the Lease;][FOR MULTIPROPERTY TRANSACTIONS]

WHEREAS, on October 3, 2000, the Seller filed a voluntary petition for relief under Chapter 11 of Title 11 of the United State Code (the "Bankruptcy Code"), which case is pending before the United State Bankruptcy Court for the District of New Jersey (the "Court"), and Seller has since continued in the operation of its business and management of its property pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

WHEREAS, the Court has, pursuant to an order dated October 30, 2000 (such order, the "Bidding Procedures Approval Order"), authorized the implementation of the following items with respect to certain assets of the Seller: (i) Notice of Sale, and (ii) Bidding Procedures (the Bidding Procedures, together with the Notice of Sale, the "Bidding Procedures");

WHEREAS, pursuant to the Bidding Procedures Approval Order, the Court approved the solicitation of irrevocable bids for the purchase of said assets of the Seller (including certain unexpired nonresidential leases of real property), which bids may be obtained at an auction (the "Auction") as provided in the Bidding Procedures;

WHEREAS, following the completion of the Auction (if any) and the selection of an offer received in connection therewith (or otherwise in accordance with the Bidding Procedures), the approval of the Court is required as a condition to the assumption and assignment and sale of such leases pursuant to Sections 363(b), 363(f), 363(m), 365(a), 365(b) and 365(f) of the Bankruptcy Code;

WHEREAS, the Lease is one of the leases to be assumed, assigned, and sold at or prior to the Auction and the Assignee has agreed to buy the Lease on the terms and conditions set forth herein; and

WHEREAS, the Assignee desires to purchase the Lease on the terms and conditions set forth in this Agreement.

NOT, THEREFORE, in consideration of the mutual covenants and agreements set forth hereinafter, the receipt and sufficiency of which are hereby acknowledged, and subject to approval by the Court, the parties hereto agree as follows:

1. ASSUMPTION, ASSIGNMENT AND SALE OF THE LEASE.

1.1 Upon the terms and conditions hereinafter set forth, pursuant to Section 365 of the Bankruptcy Code, the Seller hereby assumes, assigns and sells all of its right, title and interest in, under and to the Lease to the Assignee, subject to the covenants and conditions contained herein and therein. Such sale shall be subject to any exceptions to title and other matters which may affect the Lease and/or the Premises as of the date of this Agreement and to any exceptions to title and other matters which may affect the Lease and/or the Premises and which arise after the date of this Agreement other than as a result of the intentional acts or omissions of the Seller after the date hereof, provided that, to the full extent permissible under Section 363(f) of the Bankruptcy Code, the Lease shall be sold and assigned free and clear of all liens, claims and encumbrances, which liens, claims and encumbrances shall attach to the net proceeds received by the Seller hereunder.

1.2 Subject to Section 1.4 below, from and after the Closing Date (as hereinafter defined), (a) the Seller shall have no further responsibilities, obligations, or responsibilities in respect of any claims arising from or relating to the Lease and (b) the Assignee(i) accepts the sale and assignment of the Seller's right, title and interest in, under and to the Lease, (ii) agrees to be bound by and subject to all of the terms, covenants and conditions of the Lease as now in effect and as amended from time to time from and after the Closing Date, (iii) assumes and agrees to timely and faithfully perform all of the obligations of the tenant under the Lease arising and accruing from and after the Closing Date, (iv) shall be solely responsible for any and all covenants, obligations and responsibilities arising under, or out of, or relating to the Lease with respect to the period from and after the Closing Date, and (v) agrees to indemnify, defend and hold the Seller, each and every Affiliate (as defined below) of Seller, and each and every guarantor (if any) with respect to the Seller's obligations under the Lease (collectively, the "Guarantors") harmless from and against the Assignee's inability or failure to pay and perform all of the obligations of the tenant under the Lease from and after the Closing Date. For purposes of this Agreement, "Affiliate" shall mean, with respect to any person or entity, any other person or entity that, directly or indirectly, controls, is controlled by or is under common control with such person or entity.

1.3 Without limiting anything in Section 1.2, the obligations hereby assumed by the Assignee shall include the obligations (if obligations under the Lease), to pay percentage rent, real estate taxes and common area maintenance accruing from and after the Closing Date to the

extent such amounts become due or are subject to adjustment after the Closing (as hereinafter defined).

1.4 Except as otherwise agreed to in writing by the Seller and the Assignee, the Assignee shall not be liable for the payment of any monies due and owing by the Seller under the terms of the Lease, up to but not including the Closing Date, in respect of base rent and additional rent (excluding renovations or repairs required under the Lease if denominated as "additional rent"), percentage rent, taxes of any kind or nature, common area maintenance fees, insurance, and any other charges payable to the lessor under the Lease and outstanding as of the Closing Date and required to be paid to the lessor under the Lease under Section 365 of the Bankruptcy Code; provided, however, that the Assignee shall (a) be solely responsible for any and all base rent, additional rent, percentage rent, taxes of any kind or nature, common area maintenance fees, insurance and any other charges payable to the lessor under the Lease form and after the Closing Date, and (b) be liable for, or receive the benefit of, any year-end adjustments under the Lease that fall short of, or exceed, the adjustments made pursuant to Sections 1.4 and 3.5 of this Agreement.

1.5 Except as otherwise agreed to in writing by the Seller and the Assignee, and subject to Section 3.3 herein, the Closing shall be deemed to have occurred on the date on which Assignee shall have delivered to the Seller all closing documents and monies pursuant to the terms hereof.

1.6 THE ASSUMPTION, ASSIGNMENT AND SALE OF THE LEASE TO THE ASSIGNEE IS SUBJECT TO THE APPROVAL OF THE COURT. THE ASSIGNMENT AND SALE OF THE LEASE TO THE ASSIGNEE WILL NOT OCCUR UNLESS AND UNTIL (A) THE COURT ENTERS AN ORDER APPROVING AND AUTHORIZING THE SELLER TO CONSUMMATE THE ASSUMPTION, ASSIGNMENT AND SALE OF THE ELASE TO THE ASSIGNEE, AND (B) THE ASSUMPTION, ASSIGNMENT AND SALE OF THE LEASE TO THE ASSIGNEE IS CONSUMMATED.

1.7 Unless otherwise agreed by the Seller, sale of the Lease shall not include personal property, inventory, fixtures, trade fixtures, or other furnishings or equipment located in the Premises. The Seller reserves the right either to sell such personal property to the Assignee or any other party, to abandon any or all of the personal property, inventory, fixtures, trade fixtures, or other furnishings or equipment located in the Premises, or to make such other arrangements as may be appropriate. In the event of abandonment of any such personal property, inventory, fixtures, trade fixtures, or other furnishings or equipment, the Assignee shall be responsible for the removal thereof.

1.8 The sale of the Lease is "AS IS, WHERE IS AND WITH ALL FAULTS." The Seller and its officer, directors, employees, agents and contractors, its attorneys, Weil, Gotshal & Manges LLP and Ravin, Greenberg & Marks, and its real estate consultants, [____], are not making nor will they make and expressly disclaim making any written or oral statements, representations, warranties, promises or guarantees, whether express, implied or by operation of law or otherwise, with respect to the Lease, the Premises or the accuracy or completeness of any information provided. The parties to this Agreement acknowledge that the leasehold interest of the Seller under a Lease may be a

direct leasehold, a sublease or a multi-tiered sub-sublease and that, notwithstanding anything to the contrary contained in this Agreement, in the case of any interest other than a direct leasehold, such "Lease" and the Seller's interest in the Premises demised thereby are subject and subordinate to, among other things, the overleases or master leases as well as any other documents executed among or between the Seller and the parties through which the Seller acquired the Lease, provided, however, that nothing in this Agreement constitutes (or shall be deemed to constitute) an admission or acknowledgment as to the existence or validity of any overlease, master lease or other matter to which the Seller's interest in the Premises may be (or may be alleged to be) subject or subordinate.

1.9 [No right to use the Seller's corporate name or tradenames or its signage is being conveyed to the Assignee hereunder.]

2. REPRESENTATIONS, WARRANTIES AND COVENANTS OF ASSIGNEE.

The Assignee represents and warrants or covenants as follows:

2.1 The Assignee is a [corporation][limited partnership][joint venture][general partnership] duly organized, validly existing and in good standing under the laws of the State of _____ and is authorized to transact business as a foreign _____ in the State of _____. The Assignee has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder and has taken all necessary action to authorize the execution and performance of this Agreement and the consummation of the transactions contemplated herein, subject to the approval of the Court.

2.2 Subject to the entry and effectiveness of the Assumption and Assignment Order (as hereinafter defined), assuming this Agreement constitutes a valid and binding obligation of the Seller, this Agreement constitutes a valid and binding agreement of the Assignee, enforceable against the Assignee in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditor's rights generally from time to time in effect and to general equitable principles. Neither the execution and delivery of this Agreement and all documents contemplated hereunder to be executed by the Assignee, nor the performance of the obligations of the Assignee hereunder or thereunder will result in the violation of any law or any provision of the organizational documents of the Assignee or will conflict with any order or decree of any court or governmental instrumentality of any nature by which the Assignee is bound.

2.3 The Assignee agrees to indemnify, defend and hold the Seller and each and every Affiliate of Seller harmless from any liabilities, claims, losses, damages, costs, fees (including attorneys' fees) and disbursements incurred by the Seller and / or Seller's Affiliates arising from or out of the Assignee's obligations under this Agreement.

2.4 In performing under the terms of the Lease, the Assignee shall comply in all respects with the terms and conditions of the Lease, and all applicable federal, state and local laws, ordinances, rules and regulations in respect of the Lease.

2.5 No actions or proceedings have been instituted against the Assignee or, to its knowledge, have been threatened against the Assignee, that will affect the consummation of this Agreement or the transactions contemplated hereunder.

2.6 The Assignee has received, and shall be bound by the terms and conditions of the sale of the Leases contained in the Bidding Procedures.

2.7 The Assignee has the financial resources to consummate the transactions contemplated herein and pay the Purchase Price (as hereinafter defined). Without limiting the foregoing, (1) the Assignee has funds available (either cash on hand or pursuant to committed financing agreements which do not contain any qualification to the lender's obligation to advance funds to the Assignee) to satisfy all of its obligations in this Agreement at the time and in the manner set forth in this Agreement, including without limitation the payment of the Purchase Price, and (b) the Assignee is and will be capable of satisfying the conditions contained in section 365 of the Bankruptcy Code with respect to the Lease.

2.8 The Assignee shall, at Assignee's sole cost and expense, cooperate in good faith with the reasonable requests of the Seller regarding the procurement of Court approval of this Agreement. The Assignee shall be responsible for providing adequate assurance of future performance under the Lease and providing such other information as is necessary pursuant to the applicable provisions of section 365 of the Bankruptcy Code. Without limiting the foregoing, the Assignee agrees that it will promptly take all actions reasonably required by the Seller to assist in obtaining the Court's entry of an order approving and authorizing the transactions contemplated by this Agreement, such as furnishing affidavits, non-confidential financial information or other documents or information for filing with the Court and making the Assignee's employees and representatives available to testify before the Court, with respect to demonstrating adequate assurance of future performance by the Assignee under the Lease or any other objections as may be raised to the proposed assignment.

2.9 The Assignee acknowledges that no representations, promises or inducements of any kind, except as expressly set forth herein, have been made to the Assignee by the Seller or anyone else to induce the Assignee to sign this Agreement.

2.10 The Assignee acknowledges and accepts that this Agreement, if agreed to prior to the Auction, is subject to higher and better offers that may be received through a competitive bidding process.

3. **CONSIDERATION.**

3.1 (a) In consideration of the Seller's assumption of the Lease and the assignment and sale of the Lease to the Assignee, the Assignee shall simultaneously herewith tender a deposit of ten percent (5%) (together with any interest earned thereon, the "Deposit") of the total purchase prices of \$_____ (the "Purchase Prices"). The Deposit will be made by certified check payable to Seller or by wire transfer of immediately available funds to an account designated by Seller. To the extent there is sufficient time before such deposit is to be disbursed as set forth below, said funds shall be held by the Seller without interest, in accordance with the Bidding Procedures, and be distributed, upon the earliest of:

- (i) the Closing, to the Seller;
- (ii) the rejection by the Seller, in writing, of the offer by the Assignee to purchase the Lease, to the Assignee;
- (iii) entry of an order by the Court disapproving the assignment to the Assignee (provided that any appeal by Seller with respect to such order has been finally decided and no further appeal or petition for certiorari can be taken or granted), to the Assignee, subject to subsection (vii) hereof;
- (iv) written notification to the Assignee by the Seller of the Seller's inability to close the sale, to the Assignee (See Section 3.2 below);
- (v) written notification to the Seller by the Assignee of its inability to close the sale, to the Seller;
- (vi) the earlier of the times specified in clauses (a) and (b) of Section 4.2 (except as provided for in Section 3.2 below), to the Assignee; and
- (vii) upon breach of any covenant, representation or warranty made by the Assignee hereunder, to the Seller.

3.2 In the event that the Seller (a) terminates this Agreement for any reason (including as a result of the sale of the Lease to a third party), or (b) does not consummate a sale of the Lease to the Assignee for any reason (other than a result of the Assignee's breach or repudiation of this Agreement), the Seller's sole obligation and liability shall be to refund the Deposit to the Assignee. In the event the Assignee breaches or repudiates this Agreement in any manner, including by failing to timely consummate the transaction described therein or execute and deliver the closing documents and monies pursuant to this Agreement for any reason, then the Seller may retain the Deposit and pursue any and all damages and remedies at law or in equity, including specific performance of this Agreement by the Assignee. This Section 3.2 shall survive the termination of this Agreement.

3.3 The closing of the assumption and assignment and sale of the Lease to the Assignee (the "Closing") shall occur at the offices of Weil, Gotshal & Manges LLP, counsel for the Seller, on the third (3rd) business day following the date on which the Court enters any order approving the consummation of the transactions described herein (the "Assumption and Assignment Order") or on such later date as may be designated by Seller in its sole discretion (or such earlier date as may be agreed to by Seller and Purchaser), time being the essence with respect to the Assignee's obligation to close on such date (the date on which the Closing occurs is referred to herein as the "Closing Date").

3.4 The balance of the Purchase Price shall be paid in immediately available funds either by the Assignee by wire transfer or an unendorsed bank or certified check at the Closing.

3.5 All adjustments to be made in connection with the Closing, including, without limitation, adjustments, if any, for rent under the Lease, shall be made as of 11:59 p.m. of the date immediately prior to the Closing Date (the "Adjustment Date"). Any adjustments

attributable to escalation or pass-through charges which would be billed after the Adjustment Date shall be made based upon the most recent billing received by the Seller for such charges. The Assignee shall (a) be liable for all obligations with respect to the Lease from the Adjustment Date forward and shall indemnify, defend and hold the Seller and the Guarantors harmless with respect thereto, and (b) be liable for, or receive the benefit of, any year-end adjustments under the Lease that fall short of, or exceed, the adjustments made pursuant to Sections 1.4 and 3.5 of this Agreement.

3.6 If the transaction contemplated by this Agreement is found not to be exempt pursuant to section 1146(c) of the Bankruptcy Code, all sales, transfer and recording taxes, stamp taxes or similar taxes, if any, relating to the assignment and sale of the Lease shall be the sole responsibility of the Assignee and shall be paid to the Seller or to the title company at the Closing.

4. GENERAL PROVISIONS; MISCELLANEOUS.

4.1 (a) NOTWITHSTANDING ANYTHING ELSE CONTAINED IN THIS AGREEMENT TO THE CONTRARY, THE SELLER RETAINS, IN ITS SOLE AND ABSOLUTE DISCRETION, THE RIGHT TO TERMINATE THIS AGREEMENT WITHOUT PRIOR NOTICE, WITHOUT INCURRING ANY LIABILITY TO THE ASSIGNEE WITH RESPECT TO SUCH TERMINATION, AT OR PRIOR TO THE ENTRY OF THE ASSUMPTION AND ASSIGNMENT ORDER FOR ANY REASON OR NO REASON WHATSOEVER. THE ASSIGNEE SHALL NOT OBJECT TO SUCH TERMINATION, BUT SHALL BE ENTITLED TO THE RETURN OF ITS DEPOSIT IF ENTITLED TO SAME, PURSUANT TO SECTION 3.2 HEREOF.

(b) Seller's obligation to consummate the sale of the Lease shall be subject to any applicable rights of consent on the part of Seller's lenders. In the event such consents shall not be obtained, Seller shall have the right to terminate this Agreement, in which event Escrow Agent shall promptly return the Deposit to Assignee and neither party shall have any further rights or obligations hereunder, except for those rights and obligations expressly stated herein to survive the termination hereof.

4.2 Irrevocable Bid. All bids made or deemed to be made at the Auction shall remain open and irrevocable until the earlier to occur of (a) 48 hours after the Lease (or, if the Lease consists of more than one Lease, 48 hours after the last such Lease) has been sold by Seller pursuant to the Bidding Procedures or withdrawn from the Auction by Seller, or (b) 5:00 p.m. on the thirtieth (30th) day after the entry of an order by the Court authorizing the sale of the Leases to one or more third parties (other than the Assignee).

4.3 Risk of Loss. All risk of casualty loss, including, but not limited to, water or fire loss with respect to the premises under the Lease shall remain with the Seller until the Adjustment Date. On and after the Adjustment Date, risk of casualty loss shall pass to the Assignee and the Assignee shall be solely responsible for providing insurance to cover any risk of such loss or damage to the premises under the Lease.

4.4 Eminent Domain. In the event of an eminent domain taking or the issuance of a notice of an eminent domain taking with respect to all or substantially all of the Premises, this Agreement shall terminate and Escrow Agent shall promptly return the Deposit to Assignee and neither party shall have any further rights or obligations hereunder, except for those rights and obligations expressly stated herein to survive the termination hereof. In the event of an eminent domain taking or the issuance of a notice of an eminent domain taking with respect to less than all or substantially all of the Premises, this Agreement shall remain in full force and effect, the Assignee shall be obligated to consummate this transaction for the full Purchase Price and the Assignee shall be entitled to receive all eminent domain awards made to the Seller and shall control all condemnation award proceedings. To the extent the same may be necessary and appropriate, Seller shall assign to the Assignee at the Closing, Seller's rights to such awards

4.5 Brokers. The Seller and the Assignee each represent to the other that it has not dealt with any party acting as a broker or sales agent in connection with the transactions described in this Agreement other than Seller's real estate consultant, _____, Inc. ("Broker"). Seller shall pay Broker any fees due it pursuant to a separate agreement to the extent provided in such separate agreement and the order of the Court with respect thereto. Each party agrees to indemnify and hold harmless the other party from and against any and all claims, expenses, fees or costs, including reasonable attorney's fees and disbursements, as a result of claims made by any person for brokerage commissions, or other fees, with respect to the transactions described in this Agreement, as a result of the untruth of the representations of the indemnifying party under this Section 4.5. The provisions of this Section 4.5 shall survive the Closing or termination of this Agreement.

4.6 Entire Agreement; Additional Terms and Conditions. This Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof as of the time this Agreement is executed and merges and supersedes all prior discussions, agreements and understandings of every and any nature between them and no warranty or representation shall be implied other than as expressly set forth or provided for in this Agreement. The Seller, at or before the Auction, may impose such other and additional terms and conditions as it determines to be in the best interest of the Seller, its estate, creditors, and other parties in interest.

4.7 Force Majeure. Neither party shall be liable to the other for failure or delay in performance of any of its obligations under this Agreement caused by floods, earthquakes, other Acts of God, fires, wars, riots, strikes and similar hostilities, government regulations or actions, or other causes beyond such party's control or, without limitation, for any consequential or incidental damages arising from any of the foregoing.

4.8 Notices. Any notice, demand, request or other communication required to be given pursuant to the terms hereunder shall be in writing and either (i) sent by certified mail, return receipt requested, (ii) hand-delivered, with receipt acknowledged or (iii) sent by overnight courier, with receipt acknowledged, and addressed to the party to receive the notice at the following addresses:

If to the Seller:

Attention: Glenn Smith

With a copy to:

Weil Gotchal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attention: Adam C. Rogoff, Esq.

If to the Assignee:

Attention:_____

With a copy to:

Attention:_____

Either party may change its address for notices by giving written notice to the other party, as aforesaid. Any notice shall be deemed received on the day received or receipt is refused. Inability to deliver because of changed address of which no notice was given shall be deemed a receipt of such notice.

4.9 Successors and Assigns. The terms, conditions and covenants of this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective nominees, successors, beneficiaries and permitted assignees. The Assignee may not transfer, assign or encumber this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the Seller (which consent shall not be unreasonably withheld, conditioned or delayed). A transfer, whether directly or indirectly, of 50% or more of the beneficial ownership interest in the Assignee or the right to direct the management and affairs of the Assignee shall be deemed a prohibited assignment for purposes of this Section 4.9. Any assignment by Assignee of its interest under this Agreement shall not relieve Assignee of its primary liability hereunder and after any such assignment Assignee shall remain a primary obligor hereunder and not a surety or guarantor.

4.10 Parties' Expenses. Except as otherwise provided in this Agreement, each party hereto shall pay its own expenses, including attorneys' and accountants' fees, in connection with this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby. Notwithstanding the foregoing, if any action is brought by either party against the other party, the prevailing party shall be entitled to recover court costs incurred and reasonable attorneys' fees and costs. The provisions of this Section 4.10 shall survive the Closing or earlier termination of this Agreement.

4.11 Construction; Headings. When used herein, the term "including" shall mean "including without limitation" unless otherwise specifically provided; all other language in this Agreement shall be construed simply according to its fair meaning, and not strictly for or against any of the parties hereto. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons may

require. The headings in this Agreement are for convenience only, and are not to be utilized in construing the content or meanings of any of the provisions hereof and shall not be deemed to constitute a part of this Agreement.

4.12 Amendments. This Agreement may not be modified, amended, discharged or terminated nor may any of the obligations of the parties hereunder be waived, except by a written instrument executed by the parties hereto.

4.13 Announcements. Neither party shall make any press release or other public announcement concerning this transaction without the prior written consent of the other party, which shall not be unreasonably withheld or delayed. Appearances in, or filings with, the Court, any dealings with the creditors' committee and notice to parties to the bankruptcy case shall not be deemed a public announcement for purposes of this Section 4.13

4.14 Severability. Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or enforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of any other provision of this Agreement.

4.15 Governing Law. This Agreement shall be construed, interpreted and governed by the laws of the State of New York and the applicable provisions of the Bankruptcy Code

4.16 Jurisdiction. The Court shall retain exclusive jurisdiction over any matter arising from or relating to the assumption, assignment and sale of the Lease to the Assignee which involves the Seller or its property, and the parties consent to such jurisdiction

4.17 Not a Joint Venture. The Seller and the Assignee each acknowledge and agree that the relationship between them is that of seller/assignee and buyer/assignee and this Agreement does not constitute a partnership, joint venture or any other association between them.

4.18 Submission of Agreement. The submission of this Agreement to the Assignee or the Assignee's broker, agent or attorney for review or signature does not constitute an offer to sell the Lease, nor does it grant an option or other right to purchase the Lease. This writing shall have no binding force or effect until executed and delivered by the Assignee and by the Seller, and as set forth herein, shall be subject to the approval of the Court.

4.19 Counterparts. This Agreement may be executed simultaneously or in two or more counterparts, each of which shall be deemed an original but each of which together shall constitute one and the same instrument.

4.20 Conflicts with the Bidding Procedures or Assumption and Assignment Order. In the event of any conflict or inconsistency between the provisions of this Agreement and the Bidding Procedures, the provisions of the Bidding Procedures shall govern and control. In the event of any conflict or inconsistency between the provisions of this Agreement and the Assumption and Assignment

IN WITNESS WHEREOF, the parties hereto, by and through their duly authorized officers and agents, have caused this Agreement to be duly executed as of the day and year first above written.

SELLER

Federal Identification No.

[_____]

By: Glenn Smith

Title: Senior Vice President, General Counsel
and Corporate Secretary

ASSIGNEE

Federal Identification No.

[_____]

By: _____

Title: _____

Consented to by the Lessor:

[_____]

By: _____

Title: _____

EXHIBIT F

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

IN RE:) **Chapter 11**
)
BRUNO'S SUPERMARKETS, LLC,) **Case No. 09-00634**
)
Debtor.)

**NOTICE OF SALE OF ALL OR SUBSTANTIALLY ALL OF DEBTOR'S ASSETS AT
AUCTION, AUCTION PROCEDURES, AUCTION DATE AND SALE HEARING**

PLEASE BE ADVISED that, on _____, 2009, pursuant to a motion by Bruno's Supermarkets, LLC (the "Debtor") dated April 7, 2009 (the "Sale Motion"), the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the "Bankruptcy Court") entered an Order (the "Scheduling Order") approving the bidding procedures annexed hereto as Exhibit "A" (the "Bidding Procedures") in connection with the proposed sale by Debtor of all or substantially all of its assets (the "Assets") to one or more bidders.

PLEASE BE FURTHER ADVISED that, pursuant to the Bidding Procedures, any Bidder desiring to submit a bid at the auction (a "Bid") shall send a letter indicating its interest in bidding to Debtor's counsel and other parties listed below and shall be qualified by Debtor by providing all requisite financial and other information as listed in the Bidding Procedures and in Debtor's discretions, in compliance with the Bidding Procedures. Bidders shall deliver their bids in writing to Burr & Forman, LLP, 420 North 20th Street, Suite 3400, Birmingham, Alabama 35203, Attn: Marc Solomon, msolemon@burr.com, with a copy to (i) National City, 445 Park Avenue, Suite 1901, Locator NY030, New York, NY 10022, Attn: Robert Smith, robert.smith3@nationalcity.com; (ii) Regions Bank, c/o Parker, Hudson, Rainer & Dobbs, LLP, 1500 Marquis Two Tower, 285 Peachtree Center, NE, Atlanta, GA 30303, Attn: Rufus T.

Dorsey, IV, rdorsey@phrd.com; and (iii) the Official Committee of Unsecured Creditors, c/o Greenberg Traurig LLP, 3290 Northside Pkwy NW #400, Atlanta, GA 30327 Attn: John D. Elrod, elrodj@gtlaw.com, so that such Bid is actually received no later than April 28, 2009 at 12:00 p.m. Central Time.

The Auction Procedures contain detailed requirements for the submission of all bids and should be reviewed carefully.

PLEASE BE FURTHER ADVISED that, pursuant to the Bidding Procedures, the Auction will be conducted at the offices of Burr & Forman LLP, 420 North 20th Street, Suite 3400, Birmingham, Alabama 35203, on April 29, 2009, at 9:00 a.m. Central Time (the "Auction Date"). Any person seeking to participate as a bidder at the Auction shall comply with the Bidding Procedures.

PLEASE BE FURTHER ADVISED that, on or before April 22, 2009, Debtor shall file with the Court and make available on www.kccllc.net/brunos a listing of unexpired leases and executory contracts relating to the Assets proposed for sale (the "Contracts") and the amount of the Debtor's proposed cure obligations (the "Cure Obligations"). Objections relating solely to Cure Obligations shall be set forth in writing and state with particularity the grounds for such objection and shall be served in a manner in which they are actually received on or before April 27, 2009 at 5:00 p.m. Central Time (the "Cure Obligation Deadline") by the Bankruptcy Court at Clerk of the Court, Robert S. Vance Federal Building, 1800 5th Avenue North, Birmingham, AL 35203, and to the following parties: (i) Burr & Forman, LLP, 420 North 20th Street, Suite 3400, Birmingham, Alabama 35203, Attn: Amanda Beckett, abeckett@burr.com; (ii) National City, 445 Park Avenue, Suite 1901, Locator NY030, New York, NY 10022, Attn: Robert Smith, robert.smith3@nationalcity.com; and (iii) Regions Bank, c/o Parker, Hudson, Rainer & Dobbs,

LLP, 1500 Marquis Two Tower, 285 Peachtree Center, NE, Atlanta, GA 30303, Attn: Rufus T. Dorsey, IV, rdorsey@phrd.com; and (iv) J. Tom Corbett, Bankruptcy Administrator, Robert S. Vance Federal Building, 1800 5th Avenue North, Birmingham, AL 35203, jtom.corbett@alnb.uscourts.gov. Each party that does not file an objection to a Cure Obligation by the Cure Obligation Deadline will be deemed to consent to the Cure Obligation.

PLEASE BE FURTHER ADVISED that the Court has a set hearing (the "Final Sale Hearing") for _____, 2009, at _____ to consider entry for an order, pursuant to the Sale Motion, authorizing and approving (i) the sale of the Assets free and clear of all liens, claims, and encumbrances, (ii) asset purchase agreement(s) and/or agreement(s) to assign executory contract(s) and unexpired lease(s) of non-residential real property as entered into by the Debtor pursuant to the Bidding Procedures for the sale of the Assets as a whole or in part, and (iii) the assumption and assignment of certain executory contracts and unexpired leases in connection with the sale of the Assets.

PLEASE BE FURTHER ADVISED that, pursuant to the Bidding Procedures, the Debtor may: (i) amend the Bidding Procedures or impose additional terms and conditions at or prior to the Auction; (ii) extend the deadlines set forth in the Bidding Procedures and/or adjourn the Auction by announcement at the Auction (without further notice); (iii) withdraw from sale any Assets at any time prior to or during the Auction; and (iv) reject all or all such bids if, in the Debtor's judgment, any such Bid is not for a fair and adequate price.

PLEASE BE FURTHER ADVISED that, all requests for information concerning the Assets should be in writing directed to National City, 445 Park Avenue, Suite 1901, Locator NY030, New York, NY 10022, Attn: Robert Smith.

Dated: April __, 2009

/s/ Marc P. Solomon

Robert B. Rubin

Derek F. Meek

Marc P. Solomon

Attorneys for Debtor

BRUNO'S SUPERMARKETS, LLC.

OF COUNSEL:

BURR & FORMAN LLP

420 North 20th Street, Suite 3400

Birmingham, Alabama 35203

Telephone: (205) 251-3000

Facsimile: (205) 458-5100