

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re	X	
	:	Chapter 11
	:	
CENTRAL GROCERS, INC., <i>et al.</i> ,	:	Case No. 17-10993 (LSS)
	:	
Debtors. ¹	:	(Jointly Administered)

**MOTION OF DEBTORS FOR ENTRY OF ORDERS
(I)(A) APPROVING BIDDING PROCEDURES FOR SALE OF
DEBTORS' ASSETS, (B) APPROVING STALKING HORSE BID
PROTECTIONS, (C) AUTHORIZING DESIGNATION OF ADDITIONAL
STALKING HORSE BIDDERS, (D) SCHEDULING AUCTION FOR AND HEARINGS
TO APPROVE SALE OF DEBTORS' ASSETS, (E) APPROVING FORM AND MANNER
OF NOTICE OF SALE, AUCTION, AND SALE HEARINGS, (F) APPROVING
ASSUMPTION AND ASSIGNMENT PROCEDURES, AND (G) GRANTING RELATED
RELIEF; AND (II)(A) APPROVING SALE OF DEBTORS' ASSETS FREE AND CLEAR
OF LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES, (B) AUTHORIZING
ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND
UNEXPIRED LEASES, AND (C) GRANTING RELATED RELIEF**

Central Grocers, Inc. ("CGI") and its debtor affiliates, including Strack and Van Til, Super Market, Inc. ("Strack"), in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the "**Debtors**" or the "**Company**"), respectfully represent as follows in support of this motion (the "**Motion**"):

Preliminary Statement

1. The consummation of sale transactions that will maximize value for the Debtors' estates and preserve as many jobs of the Debtors' employees as possible is the cornerstone of the Debtors' chapter 11 strategy. The Debtors are seeking to sell substantially all

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are Central Grocers, Inc. (3170), CGI Joliet LLC (7014), Currency Express, Inc. (2650), Raceway Central, LLC (2161), Raceway Central Calumet Park LLC (2161), Raceway Central Chicago Heights LLC (2161), Raceway Central Downers Grove LLC (2161), Raceway Central Joliet North LLC (2161), Raceway Central LLC North Valpo (2161), Raceway Central Wheaton LLC (2161), Strack and Van Til Super Market, Inc. (2184), and SVT, LLC (1185).

of their assets, which consist primarily of the grocery stores operated by Strack under the “Strack & Van Til,” “Ultra Foods,” and “Town & Country” banners (collectively, the “**Strack Stores**”), including related leasehold interests and inventory; an over 1,000,000 square foot warehousing and distribution facility located in Joliet, Illinois (the “**Distribution Center**”); and certain other real property owned by the Debtors. To that end, the Debtors have secured a stalking horse bid (the “**Stalking Horse Bid**”) from Jewel Food Stores, Inc. (the “**Stalking Horse Bidder**”) for the sale of nineteen (19) Strack Stores, for an aggregate purchase price of \$70 million, plus the cost of inventory at such Strack Stores, estimated to be approximately \$30 million.² The asset purchase agreement with the Stalking Horse Bidder is attached hereto as **Exhibit C** (the “**Stalking Horse Agreement**”).

2. The Stalking Horse Agreement is the product of the Debtors’ and their advisors’ extensive prepetition marketing efforts. Given the exigencies of the Debtors’ financial condition, the milestones set forth under the Debtors’ proposed debtor-in-possession financing (the “**DIP Financing**” and, the credit agreement governing and evidencing the DIP Financing, the “**DIP Credit Agreement**”), and the conditions to closing the Sale Transaction contemplated by the Stalking Horse Agreement, the timely sale of substantially all of the Debtors’ assets (collectively, the “**Assets**”), in accordance with the sale process outlined in this Motion, is the best way to avoid a fire-sale liquidation of the Debtors’ estates. Liquidation would be a worst-case scenario for all of the Debtors’ economic stakeholders, including for thousands of employees who likely would lose their jobs as a result.

² For purposes of bidding on the Stalking Horse Package, the value of the inventory at the Strack Stores in the Stalking Horse Package shall be subject to adjustment upwards or downwards based on the Debtors’ and the Stalking Horse Bidder’s good faith estimate of the inventory at the Strack Stores in the Stalking Horse Package as of the Auction.

3. Accordingly, in consultation with their Prepetition Secured Lenders (as defined in the Harer Declaration), the Debtors have developed bidding and auction procedures to govern the sale of the Assets (the “**Bidding Procedures**”). The Bidding Procedures allow interested parties to submit bids for (i) all of the Assets in the Stalking Horse Bid (such group of Assets, the “**Stalking Horse Package**”); (ii) individual Assets or combinations of Assets included in the Stalking Horse Package; and (iii) Assets not included in the Stalking Horse Package, such as the Distribution Center (collectively, the “**Other Assets**”), in each case, subject to the terms and provisions of the Bidding Procedures.

4. The Bidding Procedures were designed with the objective of generating the greatest level of interest in and best value for the Assets while affording the Debtors maximum flexibility to execute asset sales as quickly and efficiently as possible. The Debtors are confident that the Bidding Procedures and the other relief requested herein will facilitate the sale of the Assets for the highest or otherwise best value, preserve thousands of jobs for their dedicated employees, and maximize recoveries.

Background

5. On May 4, 2017 (the “**Commencement Date**”), the Debtors each commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases.

6. The Debtors' chapter 11 cases are being jointly administered for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**").

7. Information regarding the Debtors' businesses, capital structure, and the circumstances leading to the commencement of these chapter 11 cases is set forth in the *Declaration of Donald E. Harer in Support of the Debtors' Chapter 11 Petitions and First Day Relief*, (the "**Harer Declaration**"), sworn to and filed on the Commencement Date [Docket No. 3].

Jurisdiction

8. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

9. Pursuant to Rule 9013–1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), the Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

Relief Requested

10. By this Motion, pursuant to sections 105(a), 363, and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, 9007, 9008, and 9014, and Local Rules 2002-1, 6004-1, and 9006-1, the Debtors request entry of the following:

- a. the “**Bidding Procedures Order**,” substantially in the form attached hereto as **Exhibit A**,³
- (1) authorizing and approving the Bidding Procedures substantially in the form attached to the Bidding Procedures Order as **Exhibit 1**, in connection with the sale of the Assets (each transaction, a “**Sale Transaction**”);
 - (2) approving Stalking Horse Bid Protections (as hereinafter defined) for the Stalking Horse Bidder in accordance with the terms and conditions set forth in the Stalking Horse Agreement and the Bidding Procedures;
 - (3) authorizing the Debtors to designate one or more additional stalking horse bidders (each, an “**Additional Stalking Horse Bidder**” and, each such bidder’s bid, an “**Additional Stalking Horse Bid**”) for one or more of the Other Assets (each such group of Other Assets, an “**Additional Stalking Horse Package**”) and offer each such Additional Stalking Horse Bidder certain bid protections (collectively, the “**Additional Stalking Horse Bid Protections**”);
 - (4) scheduling an auction of the Assets (the “**Auction**”) to be held on June 26, 2017;
 - (5) scheduling hearings (each, a “**Sale Hearing**”) to consider approval of the proposed Sale Transactions;
 - (6) authorizing and approving (i) notice of the sale of the Assets, the Auction, and Sale Hearings, substantially in the form attached to the Bidding Procedures Order as **Exhibit 2** (the “**Sale Notice**”); and (ii) notice to each relevant non-Debtor counterparty (each, a “**Counterparty**”) to an executory contract or unexpired non-residential real property lease (collectively, the “**Contracts and Leases**”) regarding the Debtors’ potential assumption and assignment of their Contracts or Leases and of the Debtors’ calculation of the amount necessary to cure any defaults thereunder (the “**Cure Costs**”), substantially in the form attached to the Bidding Procedures Order as **Exhibit 3** (the “**Assumption and Assignment Notice**”);
 - (7) authorizing and approving procedures for the assumption and assignment of Contracts and Leases and the determination of Cure

³ Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Bidding Procedures Order, the Bidding Procedures, and/or the Harer Declaration, as applicable.

Costs with respect thereto (collectively, the “**Assumption and Assignment Procedures**”); and

- (8) granting related relief; and
- b. one or more orders (each, a “**Sale Order**”) authorizing and approving the following:
 - (1) the sale of Assets free and clear of all liens, claims, interests, and encumbrances, except certain permitted encumbrances as determined by the Debtors and any purchaser of the Assets, with liens to attach to the proceeds of the applicable Sale Transactions;⁴
 - (2) the assumption and assignment of proposed assumed Contracts and Leases (collectively, the “**Proposed Assumed Contracts**”) in connection with the Sale Transactions; and
 - (3) granting related relief.

Prepetition Marketing and Sale Process⁵

11. In December 2016, the Debtors initiated a comprehensive marketing process to sell the Company as a going concern or to consummate another strategic, value-maximizing transaction that would resolve the Company’s operational and financial challenges. To that end, the Company retained Peter J. Solomon Company, LLC (“**PJSC**”) to serve as its investment banker and to design and execute an “M&A” process. PJSC solicited interest from parties in consummating a strategic transaction with the Company, either through a merger or a sale. PJSC contacted forty-two (42) entities, including sixteen (16) potential strategic buyers and twenty-six (26) potential financial buyers. Based on responses from those entities, PJSC provided twenty (20) parties with a confidential information memorandum containing

⁴ A proposed form of Sale Order authorizing and approving, among other things, the sale of the Stalking Horse Package to the Stalking Horse Bidder, should the Stalking Horse Bidder be declared the Successful Bidder (as hereinafter defined) for such Assets in accordance with the Bidding Procedures, is attached hereto as **Exhibit B**.

⁵ A more detailed description of the Debtors’ and PJSC’s prepetition marketing and sale efforts will be set forth in a declaration of Scott Moses, a Managing Director of PJSC, that soon will be filed with the Court in support of this Motion and the Bidding Procedures.

confidential information regarding the Company's businesses. Of those parties, six (6), including the Stalking Horse Bidder, expressed serious interest in consummating a transaction with the Company and were granted access to a data room containing additional confidential information regarding the Assets.

12. By the end of January 2017, the Company had received six (6) bids for overlapping and non-overlapping Assets, including certain of the Strack Stores, the Distribution Center, related inventory, and other real and personal property.

13. After extensive deliberations with its advisors and Prepetition Secured Lenders (as defined in the Harer Declaration) and several rounds of negotiations with bidders, the Company elected to pursue the Stalking Horse Bid for the sale of nineteen (19) Strack Stores and related inventory. In reaching the decision to proceed with the Stalking Horse Bid, the Company determined that, of all the bids received by the Company before it became necessary to execute a binding asset purchase agreement, the Stalking Horse Bid offered a combination of the best value for the Stalking Horse Package and the greatest level of deal certainty.

14. Based on the value already conferred on the Debtors' estates by the Stalking Horse Bid, and the continued interest expressed by other prospective bidders in participating in the Auction, the Debtors believe that the sale process will allow them to maximize value for their estates for the benefit of their economic stakeholders.

Need for a Timely Sale Process

15. Appreciating their challenging financial condition and the tight timeline that likely would govern the postpetition sale process under the Debtors' DIP Financing, the Debtors accomplished as much as possible prior to the commencement of these cases. With the Stalking Horse Bid in place, the Debtors are prepared to execute the last leg of their sale process,

which will include a postpetition marketing campaign, consistent with the terms of the Stalking Horse Agreement and the Bidding Procedures.

16. Contemporaneously herewith, the Debtors have filed a motion seeking approval of DIP Financing provided by certain of their Prepetition Secured Lenders (in such capacity, the “**DIP Lenders**”). Although the Debtors expect that access to the DIP Financing, together with the use of cash collateral, will provide them with sufficient runway to consummate value-maximizing Sale Transactions for substantially all of their Assets, it cannot be overemphasized that time is of the essence. Given the significant costs associated with the ongoing operations of the Debtors’ businesses and the Debtors’ current financial condition, the DIP Lenders have established strict milestones (the “**Milestones**”) for the Debtors’ sale process. Specifically, the Debtors and the DIP Lenders have agreed to, among others, the following Milestones:

- a. On or before May 12, 2017, the Debtors shall file with the Court a bidding procedures motion for the sale of all or substantially all of the assets of Strack and its Debtor subsidiaries together with bidding procedures;
- b. On or before May 17, 2017, the Debtors shall execute an asset purchase agreement, in form and substance acceptable to the agent under the DIP Financing facility (the “**DIP Agent**”), evidencing a sale of all or substantially all of the assets of Strack and its Debtors subsidiaries to a purchaser acceptable to the DIP Agent and the Required Lenders (as defined in the DIP Credit Agreement), subject to the receipt of higher or better bids;
- c. The Court shall have entered the Bidding Procedures Order by the date that is thirty (30) calendar days after the Commencement Date;
- d. The Debtors shall commence an auction for the sale of all or substantially all of the assets of Strack and its Debtors affiliates in accordance with the Bidding Procedures on or before the date that is fifty-five (55) calendar days after the Commencement Date;
- e. Within fifteen (15) calendar days after the conclusion of the auction, the Debtors shall obtain an order approving the sale of all or substantially all of the assets of Strack and its Debtor subsidiaries, which order shall

provide that the net sale proceeds shall be applied to the DIP Obligations and/or Prepetition Revolving Obligations (each as defined in the DIP Credit Agreement), at the DIP Agent's sole discretion; and

- f. Closing of the sale of all or substantially all of the assets of Strack and its Debtor subsidiaries by the date that is (i) ninety (90) calendar days after the entry of the sale order approving such sale, if the sale is to the Stalking Horse Bidder; or (ii) thirty (30) calendar days after the entry of the sale order approving such sale, if the sale is to any other buyer approved by the DIP Agent and Required Lenders.

17. Access to the DIP Facility and cash collateral is critical to the Debtors' ability to continue their operations and manage their bankruptcy estates through the conclusion of the sale process. Failure to adhere to the Milestones could jeopardize the Debtors' access to cash under the DIP Facility and, in turn, compromise the Debtors' chapter 11 strategy and ability to maximize recoveries for creditors. In light of the foregoing, the Debtors believe that the proposed timeline is both reasonable and necessary under the circumstances of these chapter 11 cases.

The Stalking Horse Agreement

18. The Stalking Horse Agreement represents a binding bid for nineteen (19) Strack Stores and related assets, for a total consideration of \$70 million, plus the actual cost of inventory at such Strack Stores at closing. By this Motion, the Debtors request authority to provide the Stalking Horse Bidder with standard Stalking Horse Bid Protections. In particular, the Stalking Horse Agreement provides for the payment of a (i) a break-up fee in an amount equal to three percent (3%) of the purchase price of the Stalking Horse Package (the "**Break-Up Fee**"); and (ii) reimbursement of up to \$500,000.00 for reasonable and documented costs and expenses incurred by the Stalking Horse Bidder in connection with the Stalking Horse Agreement and participation in the Auction and sale process (together with the Break-Up Fee, the "**Termination Payment**"), in each case, in the event that the Debtors consummate an

Alternative Transaction (as defined in the Stalking Horse Agreement). The Bidding Procedures establish initial overbid minimum and subsequent bidding increment requirements and also provide that, if the Stalking Horse Bidder bids on the Stalking Horse Package at the Auction, the Stalking Horse Bidder will be entitled to a credit in the amount of its Termination Payment against the increased purchase price for the Stalking Horse Package (the Termination Payment and the other bid protections described in this paragraph collectively are referred to as the “**Stalking Horse Bid Protections**”).

19. The Stalking Horse Agreement includes various customary representations, warranties, and covenants by and from the Debtors and the Stalking Horse Bidder. In addition, the Stalking Horse Agreement includes certain conditions to closing the contemplated Sale Transaction and rights of termination related to the Debtors’ chapter 11 cases.

20. In accordance with Local Rule 6004-1, the below chart summarizes the significant terms of the Stalking Horse Agreement.⁶

MATERIAL TERMS OF THE STALKING HORSE AGREEMENT	
Sale to Insider Local Rule 6004-1(b)(iv)(A)	The Stalking Horse Bidder is not an “insider,” as such term is defined in section 101(31) of the Bankruptcy Code, of any of the Debtors.
Agreements with Management Local Rule 6004-1(b)(iv)(B)	The Stalking Horse Bidder neither has discussed nor has entered into any agreements with management or key employees of the Debtors regarding compensation or future employment.
Releases Local Rule 6004-1(b)(iv)(C)	<p>Absent fraud or willful misconduct, if the Stalking Horse Agreement is terminated pursuant to Section 8.1(e) or Section 8.1(l) of the Stalking Horse Agreement, the Stalking Horse Bidder is fully released and discharged from any Liability, as defined in Section 1.1 (“Liability”) resulting from the termination of the Stalking Horse Agreement, after it delivers the Buyer Termination Payment to the Debtors pursuant to Section 2.3(d)(i) or Section 2.3(d)(ii) of the Stalking Horse Agreement. <i>See</i> Stalking Horse Agreement, § 2.3(d)(iv).</p> <p>If the Debtors enter into an Alternative Transaction and either party terminates the Stalking Horse Agreement, upon payment of the Termination Payment to the</p>

⁶ To the extent that there is any inconsistency between the terms of the Stalking Horse Agreement and the summary of such terms in this Motion, the terms of the Stalking Horse Agreement shall control. Capitalized terms used but not defined in this summary shall have the respective meanings ascribed to such terms in the Stalking Horse Agreement.

	<p>Stalking Horse Bidder, each of the Stalking Horse Bidder and the Debtors will fully release and discharge each other from any Liability resulting from the termination of this Agreement. <i>See</i> Stalking Horse Agreement, § 5.4(a).</p> <p>The Stalking Horse Bidder will cooperate with the Debtors to obtain a release in form and substance reasonably satisfactory to the Stalking Horse Bidder and the Debtors with respect to the Bonding Requirements. <i>See</i> Stalking Horse Agreement, § 5.8.</p> <p>Each of the Debtors and the Stalking Horse Bidder waive and release all causes of action and Liabilities arising under the Stalking Horse Agreement against Non-Party Affiliates (as defined in the Stalking Horse Agreement), including, but not limited to, any director, officer, employee, agent, attorney, and any financial advisor or lender to the Debtors and the Stalking Horse Bidder. <i>See</i> Stalking Horse Agreement, § 9.14.</p>
<p>Closing and Other Deadlines Local Rule 6004-1(b)(iv)(E)</p>	<p>Initial Closing shall take place on the third Business Day after all conditions in Section 7.1 and Section 7.2 have been satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing itself). Each subsequent Closing shall take place on the third Business Day after all conditions in Section 7.3 and Section 7.4 have been satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing itself). The date for each Closing may also be mutually agreed upon by the Debtors and the Stalking Horse Bidder.</p> <p>The Debtors and the Stalking Horse Bidder will negotiate a Closing schedule within ten (10) days after the conclusion of the Auction.</p> <p>Subject to certain conditions, if the Initial Closing does not occur prior to September 12, 2017, either the Stalking Horse Bidder or the Debtors may terminate the Stalking Horse Agreement. The Debtors may terminate the Stalking Horse Agreement if the last closing has not occurred within ninety (90) days after entry of the applicable Sale Order, so long as (i) the Auction has commenced on or before June 29, 2017, and (ii) the Bankruptcy Court has entered the applicable Sale Order on or before July 11, 2017. The Debtors may also terminate the Stalking Horse Agreement if the Deposit Amount is not deposited by the Stalking Horse Bidder within two (2) Business Days following the Initial Closing. <i>See</i> Stalking Horse Agreement, §§ 2.4(a), (b), 2.5(a), 8.1(b)(ii), (c), (f).</p> <p>The Stalking Horse Bidder may terminate the Agreement upon the failure of the Debtors to satisfy a series of Bankruptcy Milestones; specifically: (i) the Bankruptcy Court shall have entered the Bidding Procedures Order on or before June 5, 2017; (ii) the Bankruptcy Court shall have entered the applicable Sale Order on or before July 11, 2017; (iii) the Debtors shall have filed a motion seeking approval of DIP Financing acceptable to the Stalking Horse Bidder on or before May 15, 2017; (iv) the Debtors shall have obtained an interim order approving the DIP Financing on or before May 22, 2017; (v) the Debtors shall have obtained a final order approving the DIP Financing on or before June 9, 2017; (vi) the final order approving the DIP Financing shall not have been stayed or reversed on appeal. <i>See</i> Stalking Horse Agreement, § 5.4(e).</p>
<p>Good Faith Deposit Local Rule 6004-1(b)(iv)(F)</p>	<p>Within two (2) Business Days after the execution of the Stalking Horse Agreement, the Stalking Horse Bidder shall make a deposit in the amount of \$25,000,000. If the Debtors terminate the Stalking Horse Agreement pursuant to Section 8.1(e) or Section 8.1(f), the part of the deposit equal to the Buyer Termination Payment will be forfeited. <i>See</i> Stalking Horse Agreement, §§ 2.3(b), (d).</p>
<p>Interim Arrangements with</p>	<p>The Debtors and the Stalking Horse Bidder are not entering into any interim</p>

Proposed Buyer Local Rule 6004-1(b)(iv)(G)	agreements or arrangements in connection with the Stalking Horse Bid or pursuant to the Stalking Horse Agreement.
Use of Proceeds Local Rule 6004-1(b)(iv)(H)	If the Termination Payment becomes due and payable by Sellers to Buyer under the Stalking Horse Agreement, it shall be paid from the proceeds of the Alternative Transaction that triggered the payment to become due. <i>See</i> Stalking Horse Agreement, § 5.4(a).
Tax Exemption Local Rule 6004-1(b)(iv)(I)	The Debtors do not seek to have the sale of the Acquired Assets in the Stalking Horse Bid declared exempt from taxes under section 1146(a) of the Bankruptcy Code. <i>See</i> Stalking Horse Agreement, § 6.5.
Record Retention Local Rule 6004-1(b)(iv)(J)	After the Closings, the Stalking Horse Bidder will permit the Debtors to have reasonable access to its books and records to enable them to administer the chapter 11 cases. <i>See</i> Stalking Horse Agreement, § 6.2.
Sale of Avoidance Actions Local Rule 6004-1(b)(iv)(K)	The Debtors seek to sell their rights to pursue certain avoidance claims under chapter 5 of the Bankruptcy Code to the extent they relate to vendors, employees, landlords, suppliers, customers, and other counterparties of the Debtors (other than officers or directors of the Debtor sellers). <i>See</i> Stalking Horse Agreement, §§ 1.1(“ Acquired Assets ”), 2.1.
Requested Findings as to Successor Liability Local Rule 6004-1(b)(iv)(L)	The Debtors seek to sell the Acquired Assets to the Stalking Horse Bidder free and clear of all Liens (other than any Permitted Liens). The Stalking Horse Bidder will not have any derivative, successor, transferee or vicarious Liability for Liabilities of the Debtors as a result of the transactions contemplated by this Agreement. <i>See</i> Stalking Horse Agreement, §§ 1.1(“ Sale Order ”), 2.1.
Sale Free and Clear of Unexpired Leases Local Rule 6004-1(b)(iv)(M)	The Debtors do not seek to sell the Acquired Assets free and clear of a possessory leasehold interest, license, or other right. <i>See</i> Stalking Horse Agreement, §§ 1.1(“ Permitted Liens ”), 2.1, 3.4.
Provisions Providing Bid Protections to “Stalking Horse” or Initial Bidder Local Rule 6004-1(c)(i)(C)	The Stalking Horse Bidder shall be entitled to payment of (i) a break-up fee in an amount equal to three percent (3%) of the Base Purchase Price (as defined in the Stalking Horse Agreement); and (ii) reimbursement of up to \$500,000 for reasonable and documented costs and expenses incurred by the Stalking Horse Bidder in connection with the Stalking Horse Agreement and participation in the Auction and sale process. <i>See</i> Stalking Horse Agreement, § 5.4(a).

21. Additionally, and importantly, the Stalking Horse Bidder has agreed to interview and extend offers of employment to substantially all of the Covered Employees (as defined in the Stalking Horse Agreement) employed at the Strack Stores in the Stalking Horse Package. The Stalking Horse Bidder also has agreed to negotiate in good faith with the affected unions (the “**Affected Unions**”) representing Covered Employees to achieve collective bargaining agreements and other labor contracts that are acceptable to the Stalking Horse Bidder and consistent with the terms of its current agreements with the Affected Unions. *See* Stalking Horse Agreement §§ 6.3, 6.4(a).

Designation of Additional Stalking Horse Bidders

22. The Debtors have received a number of competitive bids for certain of their Other Assets, including the Distribution Center and other real and personal property. As of the filing of this Motion, the Debtors are in the process of reviewing and negotiating the terms of these proposals. Based on the progress the parties have achieved thus far, and on the advice and counsel of PJSC and the Debtors' other advisors, the Debtors have determined, in their reasonable business judgment, that having the flexibility to designate Additional Stalking Horse Bidders for certain of the Other Assets will enhance the Debtors' ability to maximize value of the Debtors' Assets and is in the best interests of their estates.

23. Accordingly, as set forth in further detail in the Bidding Procedures, the Debtors request authority to enter into asset purchase agreements with Additional Stalking Horse Bidders (each such agreement, an "**Additional Stalking Horse Agreement**"), pursuant to which the Debtors would provide Additional Stalking Horse Bidders with Additional Stalking Horse Bid Protections where the Debtors determine, in the exercise of their reasonable business judgment, that setting a floor for certain Other Assets is in the best interests of their estates and creditors. Specifically, the Debtors propose to offer each Additional Stalking Horse Bidder a break-up fee in an amount that shall not exceed three percent (3%) of the cash portion of the purchase price in the applicable Additional Stalking Horse Bid (an "**Additional Termination Payment**"), subject to notice and an opportunity for parties in interest to object. In accordance with the noticing procedures outlined below (the "**Noticing Procedures**"), upon the designation of an Additional Stalking Horse Bidder, the Debtors either will include in the Sale Notice the material terms of the applicable Additional Stalking Horse Agreement, or shall file with the Court, serve on the Sale Notice Parties (as identified and defined in the Bidding Procedures), and

cause to be published on the website maintained by Prime Clerk LLC, the Debtors' claims and noticing agent in these chapter 11 cases, located at <http://cases.primeclerk.com/CentralGrocers> (the "**Prime Clerk Website**"), an addendum to the Sale Notice containing such information (each, a "**Supplemental Sale Notice**").

24. Parties in interest who wish to object to the provision of an Additional Termination Payment will be afforded an opportunity to file with the Court and serve on the applicable Objection Recipients (as identified and defined in the Bidding Procedures), an objection (each, a "**Bid Protection Objection**") within five (5) calendar days after service of the Sale Notice or relevant Supplemental Sale Notice, as applicable. If a timely Bid Protection Objection is filed, the Proposed Additional Termination Payment will not be deemed approved until either the Bid Protection Objection is resolved or it has been approved upon further order of the Court. Under the Bidding Procedures, in the absence of a Bid Protection Objection, the Debtors' entry into the applicable Additional Stalking Horse Agreement and provision of the Additional Stalking Horse Bid Protections, including the Additional Termination Payment, will be deemed approved without further order of the Court.

25. Given the urgency of the Debtors' need to maximize value for creditors through timely and efficient Sale Transactions, the ability to designate Additional Stalking Horse Bidders and offer such bidders Additional Stalking Horse Bid Protections is justified and appropriate.

Bidding Procedures

A. Overview

26. The Bidding Procedures are designed to promote a competitive and expedient sale process. If approved, the Bidding Procedures will allow the Debtors to solicit and identify bids from potential buyers that constitute the highest or best offer for the Assets on a

schedule consistent with the Milestones, the deadlines under the Stalking Horse Agreement, and the Debtors' chapter 11 strategy.

27. As the Bidding Procedures are attached to the Bidding Procedures Order, they are not herein restated in their entirety. Pursuant to Local Rule 6004-1(c), certain of the key terms of the Bidding Procedures are highlighted in the chart below.⁷

MATERIAL TERMS OF THE BIDDING PROCEDURES	
Provisions Governing Qualification of Bidders and Qualified Bids Local Rule 6004-1(c)(i)(A)-(B)	<p>Bidder Qualifications are set forth in Part V of the Bidding Procedures.</p> <p>A. Due Diligence - Execute confidentiality agreement with Debtors</p> <p>B. Bid Deadline - June 21, 2017, at 4:00 p.m. (prevailing Eastern Time)</p> <p>C. Qualified Bid Requirements</p> <ol style="list-style-type: none"> 1. Fully disclose legal identity of bidder and related parties participating in Auction 2. <u>Purchase Price.</u> <ul style="list-style-type: none"> • Identify Assets to be purchased, including Proposed Assumed Contracts and any liabilities to be assumed • Set forth the cash purchase price of bid • Set forth the Credit Bid or Landlord Bid (each as hereinafter defined), if applicable 3. <u>Form of Consideration.</u> <ul style="list-style-type: none"> • <i>Credit Bid.</i> Persons or entities holding a perfected security interest in Assets may seek to credit bid their claims for their collateral (each such bid, a “Credit Bid”) pursuant to section 363(k) of the Bankruptcy Code; provided that such Credit Bid complies with the terms of the Intercreditor Agreement (as defined in the Bidding Procedures) and the terms of any order of the Court approving debtor in possession financing or the use of cash collateral. • <i>Landlord Bid.</i> Subject to Debtors' discretion to consider such bids, any bid submitted by a landlord for the purchase of one of more of such landlord's own Leases (each such bid, a “Landlord Bid”) may include a purchase price comprised of a (i) cash component, and (ii) a non-cash component that represents a “credit” for rental arrears under such Lease (a “Landlord Credit”) to reduce the cash consideration for the applicable Lease, but not the Good Faith Deposit (as hereinafter defined) required. • <i>All-Cash Offer.</i> Unless a bid includes a Credit Bid or a Landlord Credit, the bid must include a statement that it is (i) based on an all-cash offer, and (ii) sufficient cash consideration to pay any applicable Termination Payment or Additional Termination Payment; <u>provided that</u> any Credit Bid must include a cash component sufficient to pay any applicable Termination Payment or Additional Termination Payment and all obligations secured by senior liens on the applicable Assets.

⁷ To the extent that there is any inconsistency between the terms of the Bidding Procedures and the summary of such terms in this Motion, the terms of the Bidding Procedures shall control.

4. Purchase Price; Minimum Bid.

- *Stalking Horse Package.* Each bid submitted in connection with the Stalking Horse Package must (i) be a bid for the entire Stalking Horse Package; and (ii) exceed the cash purchase price in the Stalking Horse Bid, plus any applicable Termination Payment; or (iii) propose an alternative transaction that provides better terms than the Stalking Horse Bid, taking into account any applicable Termination Payment.
- *Bids for Individual Assets or Combinations of Assets.* Bidders may also submit bids for any individual Asset, whether or not such asset is included in the Stalking Horse Package or any Additional Stalking Horse Package (each such bid, a “**Partial Bid**”). Generally, for a Partial Bid to be considered a Qualified Bid, the Debtors must conclude that a Partial Bid, when taken together with other Partial Bids, satisfies the criteria for being a Qualified Bid.

If a Partial Bid includes one or more of the Strack Stores in the Stalking Horse Package, but is not a bid for all of the Strack Stores in the Stalking Horse Package, such bid will not be considered to be a Qualified Bid unless (i) the Debtors receive one or more Partial Bids for the remaining Strack Stores in the Stalking Horse Package such that, in combination with one another, the Partial Bids constitute a higher or better bid than the Stalking Horse Bid plus the Termination Payment; or (ii) the Partial Bid includes less than all of the Strack Stores in the Stalking Horse Package but proposes a purchase price allocable to the Strack Stores that exceeds the purchase price in the Stalking Horse Bid plus the Termination Payment.

- *Additional Stalking Horse Packages.* Each bid submitted in connection with an Additional Stalking Horse Package must exceed the cash purchase price in the applicable Additional Stalking Horse Bid, plus any applicable Additional Termination Payment, or propose an alternative transaction that provides better terms than the Additional Stalking Horse Bid, taking into account any applicable Additional Termination Payment.

5. Good Faith Deposit. Other than as provided in the Stalking Horse Agreement and any Additional Stalking Horse Agreement, and excluding bids that include a Credit Bid, a Qualified Bid must be accompanied by a “**Good Faith Deposit**” in the form of cash in an amount equal to ten percent (10%) of the proposed purchase price.6. Proposed Asset Purchase Agreement. A Qualified Bid must constitute an irrevocable offer and be in the form of an asset purchase agreement (a “**Proposed APA**”), which Proposed APA must be marked to show any proposed amendments and modifications to the form of purchase agreement posted by the Debtors in the Data Room. A Qualified Bid for the entire Stalking Horse Package must also include a marked copy of the Stalking Horse Agreement reflecting the differences between the Stalking Horse Agreement and the Prospective Bidder’s Proposed APA. A Qualified Bid for an entire Additional Stalking Horse Package must also include a marked copy of the applicable Additional Stalking Horse Agreement reflecting the differences between the Additional Stalking Horse Agreement and the Prospective Bidder’s Proposed APA.7. Employee and Labor Terms. If the bid contemplates a going-concern sale of Strack Stores, it must include a statement of proposed terms for unionized and non-unionized employees, which shall include one of the following:

- (i) statement that the Prospective Bidder will assume the Debtors’ affected collective bargaining agreements (the “**Affected Labor Agreements**”) without modification;
- (ii) if the Prospective Bidder will not assume the Affected Labor Agreements without modification, a statement that the Prospective Bidder will enter into good faith negotiations with each affected labor union (the “**Affected Unions**”) to enter into modified labor agreements; or
- (iii) a statement that the Prospective Bidder does not intend to assume any Affected Labor Agreements; provided that, such statement shall include whether or not the Prospective Bidder intends to offer employment to any of the Debtors’ employees.

	<p>8. <u>Financing Information.</u></p> <ul style="list-style-type: none"> • Statement that Prospective Bidder is financially capable of consummating Sale Transactions contemplated by Proposed APA • Except for a Landlord Bid, information supporting Prospective Bidder's (or any other proposed assignee's) ability to comply with requirement to provide adequate assurance of future performance under Bankruptcy Code section 365(f)(2) and, if applicable, Bankruptcy Code section 365(b)(3), including Prospective Bidder's financial wherewithal and willingness to perform under Proposed Assumed Contracts and any other Contracts and Leases that may later be designated by the Prospective Bidder (if named a Successful Bidder) for assumption and assignment in connection with a Sale Transaction (such information, "Adequate Assurance Information") • Sufficient evidence that Prospective Bidder has, or can obtain, financial wherewithal to consummate Sale Transactions contemplated by Proposed APA in a timely manner <p>9. <u>Representations and Warranties.</u></p> <ul style="list-style-type: none"> • Statement that Prospective Bidder had opportunity to conduct all due diligence regarding applicable Assets prior to submitting bid • Statement that Prospective Bidder relied solely upon its own due diligence in making its bid • If applicable, a statement that the bid complies with the terms of the Intercreditor Agreement <p>10. <u>Required Approvals.</u></p> <ul style="list-style-type: none"> • If applicable, statement that Prospective Bidder has made or will make in a timely manner all necessary filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and pay any related fees • If applicable, explanation or evidence of Prospective Bidder's plan and ability to obtain all governmental and regulatory approvals to operate any Strack Stores and/or the Distribution Center <p>11. <u>Authorization.</u> A Qualified Bid must include evidence of corporate authorization with respect to the submission, execution, and delivery of a bid, participation in the Auction, and closing the Sale Transactions contemplated by the applicable Proposed APA.</p> <p>12. <u>Other Requirements.</u></p> <ul style="list-style-type: none"> • Except as otherwise provided in the Stalking Horse Agreement and any Additional Stalking Horse Agreement, Prospective Bidder must agree to serve as a back-up bidder (a "Back-Up Bidder") if such bidder's Qualified Bid is selected as the next highest or next best bid after the Successful Bid with respect to the applicable Assets. • Bid must be binding, unconditional, and irrevocable until the first business day following the close of a Sale Transaction with the Successful Bidder for the applicable Assets. • With the exception of the Stalking Horse Bid and Any Additional Stalking Horse bid, bids must state and acknowledge that the Prospective Bidder shall not be entitled to any break-up fee, expense reimbursement, or other bid protection unless otherwise granted by the Debtors and approved by the Court • Waive any claim or right to assert any substantial contribution claim under section 503(b) of the Bankruptcy Code • Not contain any financing contingencies • Be accompanied by an reasonable information requested by consumer privacy ombudsman appointed
<p>Provisions Providing Bid Protections to Stalking Horse or Initial Bidder Local Rule 6004-</p>	<p>Part II of the Bidding Procedures outlines the terms of the provision of any Additional Termination Payment to an Additional Stalking Horse Bidder.</p> <p>Section B of Part VII of the Bidding Procedures outlines the terms of "credits" for any applicable Termination Payment or Additional Termination Payment:</p>

1(c)(i)(C)	<p>2.a. <u>Stalking Horse Credit for Termination Payment</u>. If a Qualified Bidder who is not the Stalking Horse Bidder bids at the Auction for the Stalking Horse Package, the Stalking Horse Bidder will be entitled to a “credit” in the amount of the applicable Termination Payment to be counted toward its bid. The cash and other considerations proposed by such Qualified Bidder must exceed the Stalking Horse Bid by the purchase price contained in the Stalking Horse Bid, plus the applicable Termination Payment, by at least the amount of the Minimum Overbid to advance to the next round of bidding. To the extent that the Stalking Horse Bidder submits a competing bid for the Stalking Horse Package, the Stalking Horse Bidder will be entitled to a “credit” in the amount of the applicable Termination Payment to be counted toward its bid and the computation of the Minimum Overbid for bidders to advance to the next round of bidding with respect to the Stalking Horse Package.</p> <p>2.b. <u>Additional Stalking Horse Credit for Additional Termination Payment</u>. If a Qualified Bidder who is not an Additional Stalking Horse Bidder bids at the Auction for an Additional Stalking Horse Package, the applicable Additional Stalking Horse Bidder will be entitled to a “credit” in the amount of the applicable Additional Termination Payment to be counted toward its bid. The cash and other considerations proposed by such Qualified Bidder must exceed the applicable Additional Stalking Horse Bid by the purchase price contained in the Additional Stalking Horse Bid, plus the Additional Termination Payment, by at least the amount of the Minimum Overbid to advance to the next round of bidding. To the extent that the Additional Stalking Horse Bidder submits a competing bid for its Additional Stalking Horse Package, the Additional Stalking Horse Bidder will be entitled to a “credit” in the amount of the applicable Additional Termination Payment to be counted toward its bid and the computation of the Minimum Overbid for bidders to advance to the next round of bidding with respect to the Additional Stalking Horse Package.</p>
Provisions Governing the Auction Local Rule 6004-1(c)(ii)	<p>Part VII of the Bidding Procedures sets forth the procedures governing the Auction:</p> <p>A. Participants and Attendees.</p> <ul style="list-style-type: none"> • Only Qualified Bidders eligible to participate in Auction • Qualified Bidders must appear at Auction, or through a duly authorized representative • Auction to be conducted openly; provided that Debtors may establish reasonable limit on number of representatives and/or advisors that may appear • Qualified Bidders must confirm on record that have not engaged in any collusion • Auction to be transcribed <p>B. Auction Procedures.</p> <ol style="list-style-type: none"> 1. <u>Baseline Bids</u>. Bidding for each Auction Package shall commence at Baseline Bid. 2. <u>Minimum Overbid</u>. The Debtors shall announce at the outset of the Auction the minimum required increments for successive Qualified Bids (each such bid, a “Minimum Overbid”). 3. <u>Highest or Best Offer</u>. After the first round of bidding and between each subsequent round of bidding, the Debtors shall announce the bid that they believe to be the highest or best offer for an Auction Package. <p>Part XI of the Bidding Procedures sets forth the Debtors’ reservation of rights with respect to, among other things, modifying, waiving, or otherwise supplementing the terms and provisions of the Bidding Procedures, in each case, in a manner consistent with their fiduciary duties and applicable law.</p>

B. Key Dates and Deadlines

28. Consistent with the Milestones and the Debtors' need to consummate a sales of their Assets as quickly and efficiently as possible, the Debtors propose the following key dates and deadlines for the sale process:

June 2, 2017, at 10:00 a.m. (prevailing Eastern Time)	Hearing to consider approval of Bidding Procedures and entry of Bidding Procedures Order
June 7, 2017	Target date for Debtors to provide applicable Counterparties Adequate Assurance Information with respect to the Stalking Horse Bidder (and its proposed assignee, if applicable)
June 14, 2017	Deadline for Debtors to designate Additional Stalking Horse Bidders
June 16, 2017, at 4:00 p.m. (prevailing Eastern Time)	Deadline to object to (i) proposed Sale Transaction involving Assets included in Stalking Horse Package, (ii) Debtors' proposed Cure Costs, and (iii) the assumption of and assignment to the Stalking Horse Bidder any (a) Proposed Assumed Contracts included in the original Stalking Horse Bid, and (b) any known Designation Rights Contracts identified and noticed pursuant to the Assumption and Assignment Notice
June 21, 2017, at 4:00 p.m. (prevailing Eastern Time)	Bid Deadline
June 23, 2017	Proposed date of Sale Hearing if no other Qualified Bids received for Stalking Horse Package
June 23, 2017	Deadline for Debtors to notify Prospective Bidders of their status as Qualified Bidders
June 26, 2017, at 10:00 a.m. (prevailing Eastern Time)	Auction to be held at offices of Weil, Gotshal & Manges LLP (if necessary)
June 28, 2017	Target date for Debtors to file with the Bankruptcy Court the Notice of Auction Results and to provide applicable Counterparties with Adequate Assurance Information for the Successful Bidders and each of their proposed assignees, if applicable
July 6, 2017, at 4:00 p.m. (prevailing Eastern Time)	Deadline to object to (i) proposed Sale Transactions involving Other Assets, and (ii) the assumption of and assignment to (a) a Successful Bidder any Proposed Assumed Contracts or any Contracts or Leases that may later be designated by a Successful Bidder for assumption and assignment, and (b) the Stalking Horse Bidder any additional Proposed Assumed Contracts added to the Stalking Horse Bid ultimately deemed a Successful Bid at the Auction and any applicable known Designation Rights Contracts
July 10, 2017	Proposed date of Sale Hearing to consider approval of Sale Transactions and entry of Sale Orders (if Auction conducted and/or hearing is to consider approval of Sale Transaction with an Additional Stalking Horse Bidder)

C. Noticing Procedures

29. The Bidding Procedures provide for the following Noticing Procedures:

- a. **Sale Notice.** Within two (2) business days after entry of the Bidding Procedures Order, the Debtors will file with the Bankruptcy Court, serve on the Sale Notice Parties, and cause to be published on the Prime Clerk Website the Sale Notice, which will set forth (i) a complete list and general description of the Assets for sale; (ii) the date, time, and place of the (a) Auction and (b) Sale Hearings; (iii) the Sale Objection Deadlines; and (iv) the procedures for filing Sale Objections.
- b. **Designation of Additional Stalking Horse Bidders.** In the event that the Debtors determine to designate an Additional Stalking Horse Bidder, the Debtors either shall include in the Sale Notice the material terms of the applicable Additional Stalking Horse Agreement, including the terms and conditions regarding any Additional Stalking Horse Bid Protections, or shall file with the Bankruptcy Court, serve on the Sale Notice Parties, and cause to be published on the Prime Clerk Website a Supplemental Notice containing such information, including whether bidders may submit Partial Bids on any Other Assets included in an Additional Stalking Horse Package.
- c. **Publication Notice.** Within five (5) business days after entry of the Bidding Procedures Order, the Debtors will cause the information contained in the Sale Notice to be published once in the national edition of *USA Today* and once in the *Chicago Tribune*.
- d. **Selection of Qualified Bids.** The Debtors will make a determination regarding which bids qualify as a Qualified Bid, and will notify Prospective Bidders whether they have been selected as Qualified Bidders by no later than **June 23, 2017**; provided that, if the Debtors, after consulting with the Consultation Parties, determine to extend the Bid Deadline, the Debtors will use commercially reasonable efforts to notify bidders whether their bids have qualified as Qualified Bids within two (2) business days after the newly-scheduled bid deadline.
- e. **Notice of Hearing if Auction Not Held.**
 - (1) **Stalking Horse Package and Additional Stalking Horse Packages.** With respect to the Stalking Horse Package, if no Qualified Bid other than the Stalking Horse Bid is received by the Bid Deadline, the Debtors will not conduct the Auction for the Stalking Horse Package, and will file with the Bankruptcy Court, serve on the Sale Notice Parties, and cause to be published on the Prime Clerk Website a notice (i) indicating that the Auction for the Stalking Horse Package has been canceled, (ii) indicating that the Stalking

Horse Bidder is the Successful Bidder with respect to the Stalking Horse Package, and (iii) setting forth the date and time of the applicable Sale Hearing. The same procedures shall apply with respect to any Additional Stalking Horse Package for which the Debtors do not receive a timely Qualified Bid other than the applicable Additional Stalking Horse Bid.

- (2) Other Assets Not Included in an Additional Stalking Horse Bid. With respect to Other Assets not included in an Additional Stalking Horse Package, if only one Qualified Bid is received in respect of such assets by the Bid Deadline, the Debtors may, but shall not be required to, after consulting with the Consultation Parties, determine to consummate a Sale Transaction with the applicable Qualified Bidder, and shall file with the Bankruptcy Court, serve on the Sale Notice Parties, and cause to be published on the Prime Clerk Website a notice (i) identifying the Qualified Bidder, (ii) setting forth the terms of the Qualified Bid, and (iii) setting forth the date and time of the applicable Sale Hearing.

- f. Notice of Auction Results. The Debtors will use commercially reasonable efforts to, within two (2) business days after the conclusion of the Auction, or as soon as reasonably practicable thereafter, file with the Court, serve on the Sale Notice Parties (including each Counterparty to a Proposed Assumed Contract in a Successful Bid and each Counterparty to any known Contracts or Leases that may later be designated by a Successful Bidder for assumption and assignment), and cause to be published on the Prime Clerk Website, a notice of the results of the Auction (the “**Notice of Auction Results**”), which shall (i) identify the Successful Bidders and Back-Up Bidders; (ii) list all Proposed Assumed Contracts in the Successful Bids and Back-Up Bids; (iii) identify any known proposed assignee(s) of Proposed Assumed Contracts (if different from the applicable Successful Bidder); (iv) list all known Contracts and Leases that may later be designated for assumption and assignment to a Successful Bidder or its known proposed assignee, if applicable; and (v) and set forth the deadline and procedures for filing Adequate Assurance Objections (as hereinafter defined) in response to the Notice of Auction Results.

30. The Noticing Procedures constitute adequate and reasonable notice of the key dates and deadlines for the sale process, including, among other things, the Sale Objection Deadlines, the Bid Deadline, and the time and location of the Auction and Sale Hearings. Accordingly, the Debtors request that the Court find that the Noticing Procedures are adequate

and appropriate under the circumstances, and comply with the requirements of Bankruptcy Rule 2002 and Local Rule 2002-1.

Assumption and Assignment Procedures

31. In connection with a Sale Transaction, the Debtors may seek to assume and assign to the Successful Bidders (or their designated assignee(s)) certain Contracts and Leases. The Assumption and Assignment Procedures set forth herein are designed to, among other things, govern the Debtors' provision of Adequate Assurance Information and notice of Cure Costs to relevant Counterparties. Specifically, the Assumption and Assignment Procedures are as follows:

- a. **Assumption and Assignment Notice.** The Debtors shall use commercially reasonable efforts to, within five (5) calendar days after entry of the Bidding Procedures Order, or as soon as reasonably practicable thereafter, file with the Court, serve on the Sale Notice Parties, including each relevant Counterparty, and cause to be published on the Prime Clerk Website, the Assumption and Assignment Notice, which shall (i) identify the Proposed Assumed Contracts in the Stalking Horse Bid and, if known, any Designation Rights Contracts (as defined in the Stalking Horse Agreement) that may be designated for assumption and assignment to the Stalking Horse Bidder (or its known proposed assignee) pursuant to the terms and provisions of the Stalking Horse Agreement; (ii) list the Debtors' good faith calculation of the Cure Costs with respect to each Contract and Lease identified on the Assumption and Assignment Notice; (iii) expressly state that assumption or assignment of a Contract or Lease is not guaranteed and is subject to Court approval; (iv) prominently display the deadline to file a Cure Objection and an Adequate Assurance Objection (each as hereinafter defined); and (v) prominently display the date, time, and location of the Sale Hearings.
- b. **Designation of Contracts and Leases.**
 - (1) **Stalking Horse Bidder Designation Rights.** Pursuant to the Stalking Horse Agreement, the Stalking Horse Bidder has the right, until the Initial Closing Date (as defined in the Stalking Horse Agreement), to designate any Designation Rights Contract for assumption and assignment. The Debtors will use commercially reasonable efforts to, as soon as reasonably practicable after the Debtors' receipt of a Buyer Assumption Notice (as defined in the Stalking Horse Agreement), (i) file with

the Court, serve by overnight delivery on the applicable Counterparty, and cause to be published on the Prime Clerk Website a notice of proposed assumption and assignment of the applicable Designation Rights Contract (a “**Notice of Designation**”), which shall (a) expressly state that assumption or assignment of the Designation Rights Contract is not guaranteed and subject to Court approval, and (b) prominently display the deadlines to file an Adequate Assurance Objection; and (ii) provide or cause to be provided to the applicable Counterparty the Stalking Horse Bidder’s Adequate Assurance Information.

- (2) Designation Rights of Additional Stalking Horse Bidders and Successful Bidders. The Debtors will notice Counterparties whose Contracts or Leases may be designated for assumption and assignment by any Additional Stalking Horse Bidder, pursuant to the terms of the applicable Additional Stalking Horse Agreement in a manner consistent with these Assumption and Assignment Procedures, the Bidding Procedures Order, and all applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and Local Rules. The same procedures will apply with respect to any designation rights of a Successful Bidder pursuant to the terms of an asset purchase agreement executed by the Debtors.

- c. Auction Results. The Debtors will use commercially reasonable efforts to, within two (2) business days after the conclusion of the Auction, or as soon as reasonably practicable thereafter, file with the Court, serve on the Sale Notice Parties (including each Counterparty to a Proposed Assumed Contract in a Successful Bid and each Counterparty to any known Contracts or Leases that may later be designated by a Successful Bidder for assumption and assignment), a Notice of Auction Results, which shall (i) identify the Successful Bidders and Back-Up Bidders; (ii) list all Proposed Assumed Contracts in the Successful Bids and Back-Up Bids; (iii) identify any known proposed assignee(s) of Proposed Assumed Contracts (if different from the applicable Successful Bidder); (iv) list all known Contracts and Leases that may later be designated for assumption and assignment to a Successful Bidder or its known proposed assignee, if applicable; and (v) set forth the deadlines and procedures for filing Adequate Assurance Objections in response to the Notice of Auction Results.

- d. Cure Objections.

- (1) Cure Objection Deadlines. Any Counterparty who wishes to object to the proposed assumption, assignment, or potential designation of their Contract or Lease, the subject of which objection is the Debtors’ proposed Cure Costs to cure any outstanding defaults then existing under such contract or lease (a “**Cure Objection**”)

shall file with the Court and serve on the Objection Recipients its Cure Objection, which must (i) be in writing; (ii) comply with the Bankruptcy Code, Bankruptcy Rules, and Local Rules; (iii) state, with specificity, the legal and factual bases thereof, including the cure amount the Counterparty believes is required to cure defaults under the relevant Contract or Lease; and (iv) include any appropriate documentation in support thereof, by no later than **June 16, 2017, at 4:00 p.m. (prevailing Eastern Time)**.

- (2) Resolution of Cure Objections. If a timely Cure Objection cannot otherwise be resolved by the parties prior to the commencement of the applicable Sale Hearing, the amount to be paid or reserved with respect to such objection shall be determined by the Court at the Sale Hearing. The Court shall make all necessary determinations relating to the applicable Cure Costs and Cure Objection at a hearing scheduled pursuant to the following paragraph.
- (3) Adjourned Cure Objections. If a Cure Objection cannot otherwise be resolved by the parties, such objection shall be heard at the applicable Sale Hearing; provided that, a Cure Objection (and only a Cure Objection) may, at the Debtors' option, after consulting with the Consultation Parties and the applicable Successful Bidder, be adjourned (an "**Adjourned Cure Objection**") to a subsequent hearing. An Adjourned Cure Objection may be resolved after the closing date of the applicable Sale Transaction in the Debtors' discretion; provided that, the Debtors maintain a cash reserve equal to the cure amount as determined by the Court.
- (4) Failure to File Timely Cure Objection. If a Counterparty fails to file with the Court and serve on the Objection Recipients a timely Cure Objection, the Counterparty shall be forever barred from asserting any such objection with regard to the cost to cure any defaults under the relevant Contract or Lease. The Cure Costs set forth in the Assumption and Assignment Notice shall be controlling and will be the only amount necessary to cure outstanding defaults under the applicable Contract or Lease under Bankruptcy Code section 365(b), notwithstanding anything to the contrary in the Contract or Lease, or any other document, and the Counterparty shall be forever barred from asserting any additional cure or other amounts with respect to such Contract or Lease against the Debtors, the Successful Bidder, or the property of any of them.

e. **Adequate Assurance Information.**

- (1) Stalking Horse Bidder. The Debtors shall use commercially reasonable efforts to, within five (5) calendar days after entry of

the Bidding Procedures Order, or as soon as reasonably practicable thereafter, provide or cause to be provided to (i) Counterparties to Proposed Assumed Contracts in the Stalking Horse Bid, and (ii) Counterparties to any known Designation Rights Contracts, Adequate Assurance Information for the Stalking Horse Bidder.

If the Stalking Horse Bidder is named a Successful Bidder at the Auction, the Debtors shall use commercially reasonable efforts to, within two (2) business days after the conclusion of the Auction, or as soon as reasonably practicable thereafter, provide or cause to be provided to (i) Counterparties to any additional Proposed Assumed Contracts added to the Stalking Horse Bid at the Auction, and (ii) applicable Counterparties to any known Designation Rights Contracts, Adequate Assurance Information for the Stalking Horse Bidder.

- (2) Additional Stalking Horse Bidders. If the Debtors designate an Additional Stalking Horse Bidder, the Debtors shall use commercially reasonable efforts to, on the date of service of the Sale Notice or applicable Supplemental Sale Notice, as the case may be, or as soon as reasonably practicable thereafter, provide or cause to be provided to (i) Counterparties to Proposed Assumed Contracts in the applicable Additional Stalking Horse Bid, and (ii) Counterparties to any known Contracts or Leases that later may be designated by the Additional Stalking Horse Bidder for assumption and assignment pursuant to the terms of the applicable Additional Stalking Horse Agreement, Adequate Assurance Information for such Additional Stalking Horse Bidder.

If an Additional Stalking Horse Bidder is named a Successful Bidder at the Auction, the Debtors shall use commercially reasonable efforts to, within two (2) business days after the conclusion of the Auction, or as soon as reasonably practicable thereafter, provide or cause to be provided to (i) Counterparties to any additional Proposed Assumed Contracts added to the Additional Stalking Horse Bid at the Auction, and (ii) applicable Counterparties to any known Contracts and Leases that may later be designated by the Additional Stalking Horse Bidder for assumption and assignment pursuant to the terms of the applicable Additional Stalking Horse Agreement, Adequate Assurance Information for the Additional Stalking Horse Bidder.

- (3) Other Successful Bidders. The Debtors shall use commercially reasonable efforts to, within two (2) business days after the conclusion of the Auction, or as soon as reasonably practicable thereafter, provide or cause to be provided to (i) Counterparties to the Proposed Assumed Contracts included in the Successful Bid,

and (ii) Counterparties to any known Contracts and Leases that may later be designated by the Successful Bidder for assumption and Assignment pursuant to the terms of the asset purchase agreement executed by the applicable Successful Bidder and the Debtors, Adequate Assurance Information for such Successful Bidder.

- (4) Confidentiality. Adequate Assurance Information will be provided to affected Counterparties on a strictly confidential basis. Counterparties shall not use any Adequate Assurance Information for any purpose other than to (i) evaluate whether adequate assurance requirements under Bankruptcy Code section 365(f)(2) and, if applicable, Bankruptcy Code section 365(b)(3), have been satisfied; and (ii) to support any Adequate Assurance Objection filed by the Counterparty; provided that, any Adequate Assurance Objection that discloses confidential, non-public information included in the Adequate Assurance Information must be filed with the Court under seal unless disclosure of such confidential, non-public information is authorized by the Debtors, the Successful Bidder, and any known proposed assignee(s) of the relevant Contract or Lease (if different from the Successful Bidder), or ordered by the Court.

f. **Adequate Assurance Objections.**

- (1) Adequate Assurance Objection Deadline. Any Counterparty who wishes to object to the proposed assumption, assignment, or potential designation of their Contract or Lease, the subject of which objection is a Successful Bidder's (including the Stalking Horse Bidder's and any Additional Stalking Horse Bidder's) and/or any of their known proposed assignees' (if different from the Successful Bidder) proposed form of adequate assurance of future performance with respect to such Contract or Lease (an "**Adequate Assurance Objection**"), shall file with the Court and serve on the Objection Recipients, including the applicable Successful Bidder and any known proposed assignee of such contract or lease (if different from the Successful Bidder), its Adequate Assurance Objection, which must (i) be in writing; (ii) comply with the Bankruptcy Code, Bankruptcy Rules, and Local Rules; (iii) state, with specificity, the legal and factual bases thereof; and (iv) include any appropriate documentation in support thereof by no later than (a) **June 16, 2017, at 4:00 p.m. (prevailing Eastern Time)**, if the Adequate Assurance Objection is with respect to the assignment to the Stalking Horse Bidder (or its known proposed assignee) any Proposed Assumed Contract or Designation Rights Contract that was identified in and noticed pursuant to the Assumption and Assignment Notice; (b) **July 6,**

2017, at 4:00 p.m. (prevailing Eastern Time), if the Adequate Assurance Objection is with respect to the assignment to a Successful Bidder (including its known proposed assignee, the Stalking Horse Bidder, and any Additional Stalking Horse Bidder if named a Successful Bidder) any Proposed Assumed Contract or Contract or Lease that later may be designated by a Successful Bidder for assumption and assignment, that was identified and noticed pursuant to the Notice of Auction Results; and (c) **fourteen (14) calendar days after service of a Notice of Designation**, if the Adequate Assurance Objection is with respect to the assignment to the Stalking Horse Bidder any Designation Rights Contract that was identified and noticed pursuant to a Notice of Designation.

- (2) Resolution of Adequate Assurance Objections. If a timely Adequate Assurance Objection cannot otherwise be resolved by the parties prior to the commencement of the applicable Sale Hearing, such objection and all issues of adequate assurance of future performance shall be determined by the Court at the Sale Hearing or at a later hearing on a date to be scheduled.
- (3) Failure to File Timely Adequate Assurance Objection. If a Counterparty fails to file with the Court and serve on the Objection Recipients, including the applicable Successful Bidder and any known proposed assignee of the Contract or Lease (if different from the Successful Bidder), a timely Adequate Assurance Objection, the Counterparty shall be forever barred from asserting any such objection with regard to the relevant Contract or Lease. The Successful Bidder and/or its known proposed assignee of the Contract or Lease shall be deemed to have provided adequate assurance of future performance with respect to the applicable Contract or Lease in accordance with Bankruptcy Code section 365(f)(2)(B) and, if applicable, Bankruptcy Code section 365(b)(3), notwithstanding anything to the contrary in the Contract or Lease or any other document.

- g. **Reservation of Rights.** The inclusion of a Contract, Lease, or Cure Costs with respect thereto on the Assumption and Assignment Notice or the Notice of Auction Results shall not constitute or be deemed a determination or admission by the Debtors, the Successful Bidders, or any other party in interest that such contract or lease is an executory contract or unexpired lease within the meaning of the Bankruptcy Code. The Debtors reserve all of their rights, claims, and causes of action with respect to each Contract and Lease listed on the Assumption and Assignment Notice and Notice of Auction Results. The Debtors' inclusion of any Contract or Lease on the Assumption and Assignment Notice or the

Notice of Auction Results shall not be a guarantee that such contract or lease ultimately will be assumed or assumed and assigned.

**Approval of the Relief Requested Is Warranted
and in the Best Interests of the Debtors and Their Economic Stakeholders**

A. Bidding Procedures

32. The Bidding Procedures are specifically designed to promote what courts have deemed to be the paramount goal of any proposed sale of property of a debtor's estate: maximizing the value of sale proceeds received by the estate. *See Burtch et al. v. Ganz, et al. (In re Mushroom Co.)*, 382 F.3d 325, 339 (3d Cir. 2004) (finding that debtor had fiduciary duty to maximize and protect value of estate's assets); *In re Food Barn Stores, Inc.*, 107 F.3d 558, 564-65 (8th Cir. 1997) (recognizing that main goal of any proposed sale of property of a debtor's estate is to maximize value). Courts uniformly recognize that procedures established for the purpose of enhancing competitive bidding are consistent with the fundamental goal of maximizing value of a debtor's estate. *See Calpine Corp. v. O'Brien Envtl. Energy, Inc. (In re O'Brien Envtl. Energy, Inc.)*, 181 F.3d 527, 537 (3d Cir. 1999) (noting that bidding procedures that promote competitive bidding provide a benefit to a debtor's estate); *Official Comm. of Subordinated Bondholders v. Integrated Res. Inc. (In re Integrated Res. Inc.)*, 147 B.R. 650, 659 (S.D.N.Y. 1992) (observing that sale procedures "encourage bidding and . . . maximize the value of the debtor's assets").

33. The Bidding Procedures provide for an orderly, uniform, and appropriately competitive process through which interested parties may submit offers to purchase the Assets. Given the time constraints, the Debtors, with the assistance of their advisors, have structured the Bidding Procedures to promote active bidding by interested parties, and to confirm the best or highest offer reasonably available for the Assets. Additionally, the Bidding Procedures will allow the Debtors to conduct the Auction in a fair and transparent

manner that will encourage participation by financially capable bidders with demonstrated ability to consummate a timely Sale Transaction. Courts in this and other districts routinely approve procedures substantially similar to the proposed Bidding Procedures. *See, e.g., In re Golfsmith Internat'l Holdings, Inc.*, Case No. 16-12033 (LSS) (Bankr. D. Del. Dec. 13, 2016) [D.I. 548]; *In re Golfsmith Internat'l Holdings, Inc.*, Case No. 16-12033 (LSS) (Bankr. D. Del. Oct. 13, 2016) [D.I. 196]; *In re Sports Authority, Inc.*, Case No. 16-10257 (MFW) (Bankr. D. Del. Apr. 14, 2016) [D.I. 1186]; *In re Hancock Fabrics, Inc.*, Case No. 16-10296 (BLS) (Bankr. D. Del. Feb. 24, 2016) [D.I. 235]; *In re Haggen Holdings, LLC*, Case No. 15-11874 (KG) (Bankr. D. Del. Dec. 4, 2015) [D.I. 911]; *In re City Sports, Inc.*, Case No. 15-12054 (KG) (Bankr. D. Del. Sept. 3, 2015) [D.I. 14]; *In re Ritz Camera & Image L.L.C.*, Case No. 12-11868 (KG) (Bankr. D. Del. July 30, 2012) [D.I. 288]. Accordingly, the Bidding Procedures should be approved, because, under the circumstances, they are reasonable, appropriate, and in the best interests of the Debtors, their estates, and all parties in interest.

B. Bid Protections

a. Break-Up Fee

34. Providing a stalking horse bidder with a bid protection similar to the Break-Up Fee in connection with the sale of significant assets under section 363 of the Bankruptcy Code has become standard practice in chapter 11 cases. In the Third Circuit, termination or “break-up” fees are considered administrative expenses and, therefore, a debtor’s payment of such fees must be necessary to preserve the value of the estate. *See O’Brien*, 181 F.3d at 533. A break-up fee may work to preserve the value of a debtor’s estate if “assurance of [such] fee promoted [a] more competitive bidding [process], such as by inducing a bid that otherwise would not have been made and without which bidding would have been limited.” *See id.* at 537. Additionally, a break-up fee may benefit a debtor’s estate by encouraging potential

bidders to conduct thorough due diligence on a debtor's assets to be sold, and thereby "increase[e] the likelihood that the price at which the debtor is sold will reflect its true worth."

See id.

35. The Stalking Horse Bidder was unwilling to hold open its offer without assurance of payment of the Break-Up Fee under the conditions set forth in the Stalking Horse Agreement. The Break-Up Fee promotes more competitive bidding for the Assets in the Stalking Horse Package by inducing the Stalking Horse Bidder to hold its offer open as a minimum bid on which other bidders and the Debtors can rely. In so doing, the Stalking Horse Bidder has helped lay the foundation for the final phase of the Debtors' sale process. The Stalking Horse Bid will serve as a catalyst for other Qualified Bids. Executing the Stalking Horse Agreement has put the Debtors in a comfortable position to solicit competing bids that may be materially higher or of otherwise better value to the Debtors' estates than the Stalking Horse Bid. The Stalking Horse Bid also increases the likelihood that the price at which the Assets in the Stalking Horse Package are sold will reflect their true worth. Accordingly, the Break-Up Fee satisfies the *O'Brien* standard. The Stalking Horse Bidder should be compensated for the risk it is assuming and the substantial value it is conferring on the Debtors' estates.

b. *Other Stalking Horse Bid Protections*

36. As noted, the Bidding Procedures and the Stalking Horse Agreement provide for additional Stalking Horse Bid Protections, including a capped expense reimbursement, Minimum Overbid requirement, and certain Qualified Bid requirements for bids submitted for Assets included in the Stalking Horse Package. Bidding incentives such as these Stalking Horse Bid Protections have become commonplace in connection with sales of significant assets under section 363 of the Bankruptcy Code. Courts regularly approve incentives similar to the Stalking Horse Bid Protections under the "business judgment" standard, pursuant

to which courts grant deference to the actions of a corporation's board of directors when such actions were taken in good faith and in the exercise of honest judgment. *See Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. at 656. (citing *Smith v. Van Gorkcom*, 488 A.2d 858, 872 (Del. 1985)).

37. The Debtors' decision to offer to the Stalking Horse Bidder the Stalking Horse Bid Protections is an exercise of the Debtors' reasonable business judgment. The Stalking Horse Bid Protections, both individually and collectively, were material inducements for the Stalking Horse Bidder's entry into the Stalking Horse Agreement. As such, the Stalking Horse Bid Protections were necessary for the Debtors to ensure a sale of the Stalking Horse Package to a contractually-committed buyer at a price the Debtors believe is fair, and to maintain the ability to pursue enhanced value for those Assets by conducting an Auction process.

c. ***Additional Termination Payment***

38. Any Additional Termination Payment will be fair and reasonable in amount and under the circumstances. Additional Termination Payments, if any, will be paid out of the proceeds of alternative transactions that generated higher or better value for the applicable Additional Stalking Horse Packages. As with the Break-Up Fee and the Stalking Horse Package, Additional Termination Payments would promote more competitive bidding for Additional Stalking Horse Packages. The Debtors will carefully negotiate the terms of any Additional Termination Payment to ensure that the amount of such payment is commensurate with the benefit provided to the Debtors' estates by the applicable Additional Stalking Horse Bid, subject to a cap of three percent (3%) of the purchase price of such bid. Finally, no Additional Termination Payment will be offered unless such payment is a condition to the execution of an applicable Additional Stalking Horse Agreement. Accordingly, the Debtors submit that any Additional Termination Payment will satisfy the *O'Brien* standard.

C. Proposed Sale Transactions

39. Ample authority exists for approval of the Sale Transactions contemplated by this Motion. Section 363 of the Bankruptcy Code provides, in relevant part, “The trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Although Bankruptcy Code section 363 does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate, courts routinely authorize a sale of a debtor’s assets if such sale is based upon the sound business judgment of the debtor. *See, e.g., Meyers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996) (citing *In re Schipper*, 933 F.2d 513 (7th Cir. 1991)); *In re Chateaugay Corp.*, 973 F.2d 141, 143 (2d Cir. 1992); *Stephen Indus., Inc. v. McClung*, 789 F.2d 386 (6th Cir. 1986); *Committee of Equity Security Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1071 (2d Cir. 1983).

40. Courts typically consider the following factors in determining whether a proposed sale satisfies this standard: (i) whether a sound business justification exists for the sale; (ii) whether adequate and reasonable notice of the sale was provided to interested parties; (iii) whether the sale will produce a fair and reasonable price for the property; and (iv) whether the parties have acted in good faith. *See In re Decora Indus., Inc.*, Case No. 00-4459, 2002 WL 32332749, at *2 (D. Del. May 20, 2002) (citing *In re Delaware & Hudson Ry. Co.*, 124 B.R. 169, 176 (D. Del. 1991)). Where a debtor demonstrates a valid business justification for a decision, it is presumed that “in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company.” *Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. at 656 (quoting *Van Gorkcom*, 488 A.2d at 872.).

a. *The Debtors Have Demonstrated a Sound Business Justification for the Proposed Sale Transactions*

41. A sound business purpose for the sale of a debtor's assets outside the ordinary course of business exists where such sale is necessary to preserve the value of the estate for the benefit of creditors and interest holders. *See, e.g., In re Abbotts Dairies of Pa., Inc.*, 788 F.2d 143 (3d Cir. 1986); *In re Lionel Corp.*, 722 F.2d at 1063; *see also In re Food Barn Stores, Inc.*, 107 F.3d at 564-65 (recognizing that paramount goal of any proposed sale of property of estate is to maximize value).

42. As set forth above and in the Harer Declaration, a strong business justification exists for the sale of the Debtors' Assets as described herein. An orderly but expeditious sale of the Assets is critical to both preserving and realizing the Company's going-concern value and maximizing recoveries for the Debtors' economic stakeholders. Moreover, the timely consummation of the proposed Sale Transactions is required under the express terms of the DIP Credit Agreement and the Stalking Horse Agreement.

b. *The Noticing Procedures Are Reasonable and Appropriate*

43. The Noticing Procedures described above are reasonably calculated to provide all of the Debtors' known creditors and all other parties in interest with adequate, timely notice of, among other things, the Sale, Bidding Procedures, Auction, and Sale Hearings.

c. *The Proposed Sale Transactions Will Produce a Fair and Reasonable Purchase Price for the Assets*

44. As set forth above, the Debtors believe that the Sale Transactions will produce fair and reasonable purchase prices for the Assets. The Stalking Horse Bid is an offer to purchase the Stalking Horse Package for a price that the Debtors, with the advice of their advisors, already have determined to be fair and reasonable. Given that the Stalking Horse Bid, together with the Stalking Horse Bid Protections, will serve as a floor for Qualified Bids for the

Stalking Horse Package, the Debtors are confident that the sale process will culminate in the Debtors' obtaining the highest or best value for the applicable Assets. The Debtors also believe that any Additional Stalking Horse Bid, together with an applicable Additional Termination Payment, will achieve the same results.

45. In addition, the Bidding Procedures were carefully designed to facilitate a robust and competitive bidding process. The Debtors are poised to capitalize on the momentum from the prepetition phase of their sale process to maximize the value of Other Assets sold at the Auction. The Bidding Procedures provide an appropriate framework for the Debtors to review, analyze, and compare all bids received to determine which bids are in the best interests of the Debtors' estates and their economic stakeholders. Sale Transactions governed by the Bidding Procedures undoubtedly will serve the important objectives of obtaining not only a fair and reasonable purchase price for the Assets, but also the highest or best value for the Assets, which will inure to the benefit of all parties in interest in these chapter 11 cases.

d. *The Bidding Procedures Ensure that the Proposed Sale Transactions Will Be Consummated in Good Faith*

46. Section 363(m) of the Bankruptcy Code protects a good faith purchaser's interest in property purchased from a debtor notwithstanding that the sale conducted under section 363(b) is later reversed or modified on appeal. Specifically, section 363(m) states the following:

The reversal or modification on appeal of an authorization under [section 363(b)] ... does not affect the validity of a sale ... to an entity that purchased ... such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale ... were stayed pending appeal.

11 U.S.C. § 363(m). Section 363(m) fosters the “policy of not only affording finality to the judgment of the [B]ankruptcy [C]ourt, but particularly to give finality to those orders and

judgments upon which third parties rely.’” *Reloeb Co. v. LTV Corp (In re Chateaugay Corp.*, No. 92 Civ. 7054 (PKL), 1993 U.S. Dist. Lexis 6130, at *9 (S.D.N.Y. May 10, 1993) (quoting *In re Abbotts Dairies of Pa., Inc.*, 788 F.2d 143, 147 3d Cir. 1986). *See also Allstate Ins. Co. v. Hughes*, 174 B.R. 884, 888 (S.D.N.Y. 1994) (“Section 363(m) . . . provides that good faith transfers of property will not be affected by the reversal or modification on appeal of an unstayed order, whether or not the transferee knew of the pendency of the appeal”).

47. The Debtors and the Stalking Horse Bidder have entered into the Stalking Horse Agreement without collusion, in good faith, and through extensive arms’-length negotiations. To that end, the Stalking Horse Bidder and the Debtors have engaged separate counsel and other professional advisors to represent their respective interests in the negotiation of the Stalking Horse Agreement and in the sale process generally. To the best of the Debtors’ knowledge, information, and belief, no party has engaged in any conduct that would cause or permit the Stalking Horse Agreement to be set aside under section 363(m) of the Bankruptcy Code.

48. Further, and as set forth above, the Bidding Procedures are designed to produce a fair and transparent competitive bidding process. Any Additional Stalking Horse Agreement or asset purchase agreement with a Successful Bidder executed by the Debtors will be negotiated at arms’-length and in good faith. Accordingly, the Debtors seek a finding that any Successful Bidder (including the Stalking Horse Bidder and any Additional Stalking Horse Bidder if named a Successful Bidder) is a good faith purchaser and is entitled to the full protections afforded by section 363(m) of the Bankruptcy Code.

49. Based on the foregoing, the Debtors have demonstrated that the proposed Sale Transactions are a sound exercise of the Debtors' business judgment and should be approved.

D. Sale Free and Clear of Liens, Claims, Interests, and Encumbrances

50. In the interest of attracting the best offers, the Assets should be sold free and clear of any and all liens, claims, interests, and other encumbrances, in accordance with section 363(f) of the Bankruptcy Code, with any such liens, claims, interests, and encumbrances to attach to the proceeds of the applicable sale. Section 363(f) of the Bankruptcy Code authorizes a debtor to sell assets free and clear of liens, claims, interests, and encumbrances if any one of the following conditions is satisfied:

- a. applicable non-bankruptcy law permits sale of such property free and clear of such interest;
- b. such entity consents;
- c. such interest is a lien and the price at which such property is to be sold is greater than the value of all liens on such property;
- d. such interest is in bona fide dispute; or
- e. such entity could be compelled, in legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f); *see also In re Kellstrom Indus., Inc.*, 282 B.R. 787, 793 (Bankr. D. Del. 2002) ("Section 363(f) is written in the disjunctive, not the conjunctive, and if any of the five conditions are met, the debtor has the authority to conduct the sale free and clear of all liens."); *Citicorp Homeowners Servs., Inc. v. Elliot (In re Elliot)*, 94 B.R. 343, 345 (E.D. Pa. 1988) (same).

51. The Debtors submit that the sale of the Assets free and clear of liens, claims, interests, and encumbrances will satisfy one or more of the requirements under section

363(f) of the Bankruptcy Code. As an initial matter, the Debtors expect that the Prepetition Secured Lenders that have liens on substantially all of the Assets will consent to such sale. Further, those parties with junior or prior liens can be compelled to accept a money satisfaction of their interests, and such liens will attach to the proceeds of the sale in their order of priority. Accordingly, the Debtors request that the Court authorize the sale of the Assets free and clear of any liens, claims, interests, and encumbrances, in accordance with section 363(f) of the Bankruptcy Code.

E. Assumption of Contracts and Leases

52. Section 365(a) of the Bankruptcy Code provides that a debtor in possession “subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the debtor.” 11 U.S.C. § 365(a). Courts employ the business judgment standard in determining whether to approve a debtor’s decision to assume or reject an executory contract or unexpired lease. *See, e.g., In re Market Square Inn, Inc.*, 978 F.2d 116, 121 (3d Cir. 1992) (assumption or rejection of lease “will be a matter of business judgment by the bankruptcy court”); *In re HQ Global Holdings, Inc.*, 290 B.R. 507, 511 (Bankr. D. Del. 2003) (finding that debtor’s decision to assume or reject executory contract is governed by business judgment standard and may only be overturned if decision is product of bad faith, whim, or caprice). The “business judgment” test in this context only requires that a debtor demonstrate that assumption or rejection of an executory contract or unexpired lease benefits the estate. *See Sharon Steel Corp. v. Nat’l Fuel Gas Distrib. Corp.*, 872 F.2d 36, 40 (3d Cir. 1989).

53. Any assumption of Proposed Assumed Contracts is an exercise of the Debtors’ sound business judgment because the transfer of such Contracts and Leases is necessary to the Debtors’ ability to obtain the best value for their Assets. The assumption and assignment of Proposed Assumed Contracts may be required by Successful Bidders. Given that

consummation of one or more going-concern Sale Transactions for the Strack Stores is critical to the Debtors' efforts to maximize value for their estates and creditors, and to preserve jobs for their employees, the Debtors' assumption of Proposed Assumed Contracts is an exercise of sound business judgment and should be approved.

a. *The Debtors' Assumption of Contracts and Leases Will Satisfy the Requirements under Bankruptcy Code Section 365*

54. The consummation of any Sale Transaction involving the assignment of a Proposed Assumed Contract will be contingent upon the Debtors' compliance with the applicable requirements of section 365 of the Bankruptcy Code. Section 365(b)(1) requires that any outstanding defaults under the Contracts and Leases to be assumed be cured or that the Debtors provide adequate assurance that such defaults will be promptly cured. The Debtors' assumption and assignment of Proposed Assumed Contracts will be contingent upon payment or reserve of Cure Costs and effective only upon the closing of an applicable Sale Transaction. As set forth above, the Debtors propose to file with the Court and serve on each Counterparty an Assumption and Assignment Notice, which will set forth the Debtors' good faith calculations of Cure Costs with respect to each Contract and Lease listed on such notice. Counterparties shall have the opportunity to lodge any objections to the proposed assumption of their respective Contracts and Leases in advance of the applicable Sale Hearing.

55. Pursuant to section 365(f)(2) of the Bankruptcy Code, a debtor may assign an executory contract if "adequate assurance of future performance by the assignee of such contract or lease is provided." 11 U.S.C. § 365(f)(2). The meaning of "adequate assurance of future performance" depends on the facts and circumstances of each case, but should be given "practical, pragmatic construction." *See Carlisle Homes, Inc. v. Azzari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1988) (citation omitted); *see also In re Natco Indus.,*

Inc., 54 B.R. 436, 440 (Bankr. S.D.N.Y. 1985) (adequate assurance of future performance does not mean absolute assurance that debtor will thrive and pay rent); *In re Bon Ton Rest. & Pastry Shop, Inc.*, 53 B.R. 789, 803 (Bankr. N.D. Ill. 1985) (“[a]lthough no single solution will satisfy every case, the required assurance will fall considerably short of an absolute guarantee of performance.”). Among other things, adequate assurance may be provided by evidencing the assignee’s financial health and experience in managing the type of enterprise or property assigned. *See In re Bygaph, Inc.*, 56 B.R. 596, 605-06 (Bankr. S.D.N.Y. 1986) (adequate assurance of future performance is present when prospective assignee of lease has financial resources and expressed willingness to devote sufficient funding to business to give it strong likelihood of succeeding; in the leasing context, chief determinant of adequate assurance is whether rent will be paid).

56. As set forth above and in the Bidding Procedures, for a bid to qualify as a “Qualified Bid,” a Prospective Bidder must include with its bid Adequate Assurance Information regarding its ability (and the ability of its designated assignee, if applicable) to perform under applicable Proposed Assumed Contracts. The Debtors will provide Adequate Assurance Information to all Counterparties to Proposed Assumed Contracts and, upon reasonable request, furnish additional adequate assurance information to Counterparties. Counterparties will have an opportunity to file with the Court and serve on the Objection Recipients Adequate Assurance Objections in advance of the applicable Sale Hearing. Based on the foregoing, the Debtors’ assumption and assignment of the Proposed Assumed Contracts satisfy the requirements under section 365 of the Bankruptcy Code and should be approved.

57. In addition, to facilitate the assumption and assignment of Proposed Assumed Contracts, the Debtors further request that the Court find that all anti-assignment

provisions therein, whether such provisions expressly prohibit or have the effect of restricting or limiting assignment of such contract or lease, to be unenforceable and prohibited pursuant to section 365(f) of the Bankruptcy Code.⁸

Waiver of Bankruptcy Rules 6004(a), (h), and 6006(d)

58. To implement the foregoing successfully, the Debtors request that the Court find that notice of the Motion is adequate under Bankruptcy Rule 6004(a) under the circumstances, and waive the fourteen (14) day stay requirements under Bankruptcy Rules 6004(h) and 6006(d). In light of the Debtors' current financial condition, their obligation comply with the Milestones under the DIP Credit Agreement, and the conditions to closing the Sale Transaction contemplated by the Stalking Horse Agreement, the Sale Transactions contemplated herein should be consummated as soon as practicable to allow the Debtors to maximize value for their estates and creditors, and to preserve as many jobs as possible for their hard-working employees. Accordingly, the Debtors request that each Sale Order and any order authorizing the assumption or assumption and assignment of a Proposed Assumed Contract in connection with a Sale Transaction be effective immediately upon entry and that the fourteen-day stay imposed by Bankruptcy Rules 6004(h) and 6006(d) be waived.

Notice

59. Notice of this Motion will be provided to (i) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware

⁸ Section 365(f)(1) provides in part that, "notwithstanding a provision in an executory contract or unexpired lease of the debtor, or in applicable law, that prohibits, restricts, or conditions the assignment of such contract or lease, the trustee may assign such contract or lease..." 11 U.S.C. § 365(f)(1). Section 365(f)(3) further provides that "Notwithstanding a provision in an executory contract or unexpired lease of the debtor, or in applicable law that terminates or modifies, or permits a party other than the debtor to terminate or modify, such contract or lease or a right or obligation under such contract or lease on account of an assignment of such contract or lease, such contract, lease, right, or obligation may not be terminated or modified under such provision because of the assumption or assignment of such contract or lease by the trustee." 11 U.S.C. § 365(f)(3).

19801 (Attn: Jane M. Leamy, Esq.); (ii) the Debtors' twenty (20) largest unsecured creditors on a consolidated basis; (iii) counsel to the administrative agent under the Prepetition Revolving Credit Facility, (a) Blank Rome LLP, 1201 Market Street, Suite 800, Wilmington, Delaware 19801 (Attn: Regina S. Kelbon, Esq. and Victoria A. Guilfoyle, Esq.), and (b) Blank Rome LLP, One Logan Square 130, North 18th Street, Philadelphia, Pennsylvania 19103 (Attn: Mark I. Rabinowitz, Esq.); (iv) counsel to the administrative agent under the Prepetition Term Loan Facility, (a) Thompson Coburn LLP, One US Bank Plaza, St. Louis, Missouri 63101 (Attn: Mark V. Bossi, Esq.), and (b) Thompson Coburn LLP, 55 E. Monroe St., 37th Floor, Chicago, Illinois 60603 (Attn: Victor A. Des Laurier, Esq. and Diona Rogers, Esq.); (v) counsel to Stalking Horse Bidder, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022 (Attn: Stuart Freedman, Esq.; David M. Hillman, Esq.; Matthew J. Gruenberg, Esq.; Parker J. Milender, Esq.; and Evelyn Liristis, Esq.); and (vi) the remaining Sale Notice Parties.

60. The Debtors respectfully submit that no further notice is required. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request entry of the Bidding Procedures Order and, after one or more Sale Hearings, Sale Orders, and such other and further relief as the Court may deem just and proper.

Dated: May 13, 2017
Wilmington, Delaware

/s/ David T. Queroli

RICHARDS, LAYTON & FINGER, P.A.

Mark D. Collins (No. 2981)

Paul N. Heath (No. 3704)

Brett M. Haywood (No. 6166)

David T. Queroli (No. 6318)

One Rodney Square

920 North King Street

Wilmington, Delaware 19801

Telephone: (302) 651-7700

Facsimile: (302) 651-7701

-and-

WEIL, GOTSHAL & MANGES LLP

Ray C. Schrock, P.C. (admitted *pro hac vice*)

Stephen Karotkin (admitted *pro hac vice*)

Sunny Singh (admitted *pro hac vice*)

767 Fifth Avenue

New York, New York 10153

Telephone: (212) 310-8000

Facsimile: (212) 310-8007

*Proposed attorneys for the Debtors
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re	X	
	:	Chapter 11
	:	
CENTRAL GROCERS, INC., <i>et al.</i> ,	:	Case No. 17-10993 (LSS)
	:	
Debtors. ¹	:	(Jointly Administered)
	:	
	:	Obj. Deadline: May 26, 2017 at 4:00 p.m. (ET)
	X	Hearing Date: June 2, 2017 at 10:00 a.m. (ET)

NOTICE OF MOTION AND HEARING THERON

PLEASE TAKE NOTICE that on May 13, 2017, Central Grocers, Inc. and its debtor affiliates, including Strack and Van Til Super Market, Inc., as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), filed the *Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for Sale of Debtors’ Assets, (B) Approving Stalking Horse Bid Protections, (C) Authorizing Designation of Additional Stalking Horse Bidders, (D) Scheduling Auction for and Hearings to Approve Sale of Debtors’ Assets, (E) Approving Form and Manner of Notice of Sale, Auction, and Sale Hearings, (F) Approving Assumption and Assignment Procedures, and (G) Granting Related Relief; and (II)(A) Approving Sale of Debtors’ Assets Free and Clear of Liens, Claims, Interests, and Encumbrances, (B) Authorizing Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* (the “**Motion**”)², with the United States Bankruptcy Court for the District of Delaware (the “**Court**”).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are Central Grocers, Inc. (3170), CGI Joliet LLC (7014), Currency Express, Inc. (2650), Raceway Central, LLC (2161), Raceway Central Calumet Park LLC (2161), Raceway Central Chicago Heights LLC (2161), Raceway Central Downers Grove LLC (2161), Raceway Central Joliet North LLC (2161), Raceway Central LLC North Valpo (2161), Raceway Central Wheaton LLC (2161), Strack and Van Til Super Market, Inc. (2184), and SVT, LLC (1185).

² Capitalized terms that are used herein and not otherwise defined shall the meanings given to such terms in the Motion.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Motion, the Debtors are seeking entry of two orders. The first, the “**Bidding Procedures Order**”, which is attached to the Motion as **Exhibit “A”**, requests that the Court: (A) authorize and approve the Bidding Procedures in connection with the Sale; (B) approve the Stalking Horse Bid Protections and the Bidding Procedures; (C) authorize the Debtors to designate one or more Additional Stalking Horse Bidders; (D) schedule the Auction and the Sale Hearing; (E) authorize and approve the form and manner of notice of the Sale, the Auction, and the Sale Hearing; (F) authorize and approve the procedures and the form and manner of notice for determining Cure Costs for Contracts and Leases to be assumed and assigned in connection with a Sale Transaction; and (G) grant related relief. The second order, the “**Sale Order**”, which will be filed with the Court before the Sale Hearing, will request that, at the Sale Hearing, and subject to the results of the Auction, the Court: (A) authorize and approve the Sale free and clear of all liens, claims, interests, and encumbrances; (B) authorize and approve the assumption and assignment of certain Contracts; and (C) grant related relief.

PLEASE TAKE FURTHER NOTICE that a hearing to consider entry of the **Bidding Procedures Order only** is scheduled to be heard before The Honorable Laurie Selber Silverstein, United States Bankruptcy Judge for the District of Delaware, at the Bankruptcy Court, 824 N. Market Street, 6th Floor, Courtroom No. 2, Wilmington, Delaware 19801 on **June 2, 2017 at 10:00 a.m. (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that if any objections to the Motion are received, the Motion and such objections shall be considered at a hearing before The Honorable Laurie Selber Silverstein at the Bankruptcy Court, 824 North Market Street, 6th Floor, Courtroom No. 2, Wilmington, Delaware 19801 on **May 26, 2017 at 4:00 p.m. (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE THAT, IF NO OBJECTIONS TO THE MOTION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: May 13, 2017
Wilmington, Delaware

/s/ David T. Queroli

RICHARDS, LAYTON & FINGER, P.A.

Mark D. Collins (No. 2981)

Paul N. Heath (No. 3704)

Brett M. Haywood (No. 6166)

David T. Queroli (No. 6318)

One Rodney Square

920 North King Street

Wilmington, Delaware 19801

Telephone: (302) 651-7700

Facsimile: (302) 651-7701

-and-

WEIL, GOTSHAL & MANGES LLP

Ray C. Schrock, P.C. (admitted *pro hac vice*)

Stephen Karotkin (admitted *pro hac vice*)

Sunny Singh (admitted *pro hac vice*)

767 Fifth Avenue

New York, New York 10153

Telephone: (212) 310-8000

Facsimile: (212) 310-8007

*Proposed Attorneys for Debtors
and Debtors in Possession*

Exhibit A

Bidding Procedures Order

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re	X	
	:	Chapter 11
	:	
CENTRAL GROCERS, INC., <i>et al.</i> ,	:	Case No. 17-10993 (LSS)
	:	
Debtors. ¹	:	(Jointly Administered)

**ORDER (A) APPROVING BIDDING PROCEDURES FOR SALE
OF DEBTORS' ASSETS, (B) APPROVING STALKING HORSE BID PROTECTIONS,
(C) AUTHORIZING DESIGNATION OF ADDITIONAL STALKING HORSE BIDDERS,
(D) SCHEDULING AUCTION FOR AND HEARINGS TO APPROVE SALE OF
DEBTORS' ASSETS, (E) APPROVING FORM AND MANNER OF NOTICE OF SALE,
AUCTION, AND SALE HEARINGS, (F) APPROVING ASSUMPTION AND
ASSIGNMENT PROCEDURES, AND (G) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”),² of Central Grocers, Inc. and its debtor affiliates, including Strack and Van Til Super Market, Inc., as debtors and debtors in possession (collectively, the “**Debtors**”), for entry of an order pursuant to sections 105(a), 363, and 365 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 2002, 6004, 6006, 9007, 9008, and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rules 2002-1, 6004-1, and 9006-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”) (a) authorizing and approving bidding procedures (as modified or otherwise supplemented) (the “**Bidding Procedures**”), substantially in the form attached hereto as **Exhibit 1**, in connection

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are Central Grocers, Inc. (3170), CGI Joliet LLC (7014), Currency Express, Inc. (2650), Raceway Central, LLC (2161), Raceway Central Calumet Park LLC (2161), Raceway Central Chicago Heights LLC (2161), Raceway Central Downers Grove LLC (2161), Raceway Central Joliet North LLC (2161), Raceway Central LLC North Valpo (2161), Raceway Central Wheaton LLC (2161), Strack and Van Til Super Market, Inc. (2184), and SVT, LLC (1185).

² All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

with the sale (each transaction, a “**Sale Transaction**”) of certain of the Debtors’ assets (the “**Assets**”); (b) approving Stalking Horse Bid Protections granted to the Stalking Horse Bidder (each as hereinafter defined) in accordance with the terms and conditions set forth in the Stalking Horse Agreement (as hereinafter defined) and the Bidding Procedures; (c) authorizing the Debtors to designate one or more additional stalking horse bidders (each, an “**Additional Stalking Horse Bidder**” and, each such bidder’s bid, an “**Additional Stalking Horse Bid**”) and offer each such Additional Bidder certain bid protections (collectively, the “**Additional Stalking Horse Bid Protections**”); (d) scheduling an auction of the Assets (the “**Auction**”) and one or more hearings for the approval of proposed Sale Transactions (each, a “**Sale Hearing**”); (e) authorizing and approving the form and manner of (i) notice of the sale of the Assets, Auction, and Sale Hearings, substantially in the form attached hereto as **Exhibit 2** (the “**Sale Notice**”); and (ii) notice to each non-Debtor counterparty (each, a “**Counterparty**”) to a relevant executory contract or unexpired non-residential real property lease of the Debtors (collectively, the “**Contracts and Leases**”) regarding the Debtors’ potential assumption and assignment of Contracts and Leases and the Debtors’ calculation of the amount necessary to cure any monetary defaults under such Contracts and Leases (the “**Cure Costs**”), substantially in the form attached hereto as **Exhibit 3** (the “**Assumption and Assignment Notice**”); (f) authorizing and approving procedures for the assumption and assignment of Contracts and Leases (the “**Assumption and Assignment Procedures**”); and (g) granting related relief, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware* dated February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28

U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been given as provided in the Motion, and such notice having been adequate and appropriate under the circumstances; and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing (the “**Hearing**”) to consider the relief requested in the Motion as to the Bidding Procedures and relief granted by this Order; and upon the Harer Declaration and Moses Declaration and the record of the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and the Debtors having demonstrated good, sufficient, and sound business justification for the relief approved herein; and upon the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED THAT:

- A. The Bidding Procedures are fair, reasonable, and appropriate, and are designed to maximize the value of the proceeds of the sale of the Assets.
- B. The Bidding Procedures comply with the requirements of Local Rule 6004-1(c).
- C. The Assumption and Assignment Procedures are fair, reasonable, and appropriate, and comply with the provisions of section 365 of the Bankruptcy Code and Bankruptcy Rule 6006.
- D. The Debtors have articulated good and sufficient business reasons for the Court to approve (i) the Bidding Procedures, (ii) the Stalking Horse Bid Protections, (iii) the

designation of Additional Stalking Horse Bidders, (iv) the Additional Stalking Horse Bid Protections, (v) the Sale Notice, (vi) the Assumption and Assignment Notice, and (vii) the Assumption and Assignment Procedures.

E. Good and sufficient notice of the relief sought in the Motion has been provided under the circumstances, and no other or further notice is required, except as set forth in the Bidding Procedures and Assumption and Assignment Procedures. A reasonable opportunity to object and be heard regarding the relief granted herein has been afforded to all parties in interest, including those persons and entities entitled to notice pursuant to Bankruptcy Rule 2002.

F. The Assumption and Assignment Procedures, Sale Notice, and Assumption and Assignment Notice are appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Auction, Sale Hearings, Bidding Procedures, the Debtors' proposed Cure Costs, potential assumption and assignment of Contracts and Leases, and all relevant important dates and deadlines with respect to the foregoing, and no other or further notice of the sale of the Assets or the assumption and assignment of Contracts and Leases in connection therewith shall be required.

G. Jewel Food Stores, Inc. shall act as a stalking horse bidder (the "**Stalking Horse Bidder**") and, its bid, the "**Stalking Horse Bid**") pursuant to that certain Asset Purchase Agreement, dated as of May 12, 2017, by and between certain of the Debtors, as Sellers, and the Stalking Horse Bidder, as Buyer (as amended, supplemented, or otherwise modified by the parties thereto), substantially in the form attached to the Motion as **Exhibit C** (the "**Stalking Horse Agreement**"), and shall be subject to higher or better offers in respect of the Assets included in the Stalking Horse Bid (such group of Assets, the "**Stalking Horse Package**"), in accordance with the Bidding Procedures.

H. Good and sufficient business reasons exist for the Court to authorize the Debtors to enter into the Stalking Horse Agreement.

I. Good and sufficient business reasons exist for the Court to authorize the Debtors to designate Additional Stalking Horse Bidders and enter into Additional Stalking Horse Agreements (as hereinafter defined), in each case, in accordance with the terms of this Order and the Bidding Procedures.

J. The Bidding Procedures, Stalking Horse Agreement, and Stalking Horse Bid Protections were negotiated in good faith and at arms'-length, and are reasonably designed to promote active bidding at and participation in the Auction, to ensure that the highest or best value is generated for the Assets.

K. The Stalking Horse Bidder is not an "insider" or "affiliate" of any of the Debtors, as such terms are defined in section 101 of the Bankruptcy Code, and no common identity of incorporators, directors, or controlling stockholders exists between the Stalking Horse Bidder and the Debtors. The Stalking Horse Bidder and its advisors have acted in "good faith" within the meaning of section 363(m) of the Bankruptcy Code in connection with the negotiation of the Stalking Horse Agreement, the Stalking Horse Bid Protections, and the Bidding Procedures.

L. The Termination Payment (as hereinafter defined) is necessary to ensure that the Stalking Horse Bidder will continue to pursue the Sale Transaction contemplated by the Stalking Horse Agreement. To the extent payable under the Stalking Horse Agreement, the Termination Payment is (i) an actual and necessary cost and expense of preserving the Debtors' estates within the meaning of section 503(b) of the Bankruptcy Code; (ii) allowed and shall be paid out of the cash proceeds (if any) of an Alternative Transaction (as such term is defined in

the Stalking Horse Agreement) ahead of any and all administrative expenses of the kind specified in sections 503(b) and 507(a)(2) of the Bankruptcy Code; (iii) commensurate with the real and substantial benefits conferred upon the Debtors' estates by the Stalking Horse Bidder; and (iv) fair, reasonable, and appropriate in light of the size and nature of the applicable proposed Sale Transaction and the efforts that have been and will be expended by the Stalking Horse Bidder in connection with the Debtors' sale process.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREEED THAT:

1. The Motion is granted as provided herein.
2. All objections to the relief granted herein that have not been withdrawn, waived, or settled, and all reservations of rights included therein, hereby are overruled and denied on the merits with prejudice.
3. The Bidding Procedures are hereby approved in their entirety, are incorporated herein by reference, and shall govern the bids and proceedings related to the sale of the Assets and the Auction. The failure to specifically include or reference any particular provision of the Bidding Procedures in the Motion or this Order shall not diminish or otherwise impair the effectiveness of such procedures, it being the Court's intent that the Bidding Procedures are approved in their entirety, as if fully set forth in this Order. The Debtors are authorized to take all actions necessary or appropriate to implement the Bidding Procedures.

Stalking Horse Bid Protections

4. The Debtors are authorized to enter into the Stalking Horse Agreement, and the Stalking Horse Bid shall be subject to higher or better Qualified Bids, in accordance with the terms and provisions of the Bidding Procedures.

5. The Stalking Horse Bid Protections are approved in their entirety, including the Termination Payment, payable in accordance with, and subject to the terms of, the Stalking Horse Agreement and the Bidding Procedures. Specifically, the Stalking Horse Bidder shall be entitled to payment of (i) a break-up fee in an amount equal to three percent (3%) of the Base Amount (as such term is defined in the Stalking Horse Agreement) as further described in the Stalking Horse Agreement (the “**Break-Up Fee**”); and (ii) reimbursement of up to \$500,000.00 for reasonable and documented costs and expenses incurred by the Stalking Horse Bidder in connection with the Stalking Horse Agreement and participation in the Auction and the Debtors’ sale process (such expense reimbursement, together with the Break-Up Fee, the “**Termination Payment**”).

6. The Debtors are authorized to pay to the Stalking Horse Bidder the Termination Payment in accordance with the terms and conditions set forth in the Stalking Horse Agreement and the Bidding Procedures, and without further order of the Court.

7. The Termination Payment, to the extent payable under the Stalking Horse Agreement, shall be allowed and shall be paid out of the cash proceeds (if any) of an Alternative Transaction ahead of any and all administrative expenses of the kind specified in sections 105(a), 503(b), and 507(a)(2) of the Bankruptcy Code.

Designation of Additional Stalking Horse Bidders

8. The Debtors are authorized to, in the exercise of their reasonable business judgment, designate one or more Additional Stalking Horse Bidders for one or more of the Assets not included in the Stalking Horse Package (collectively, the “**Other Assets**”) and enter into asset purchase agreements with Additional Stalking Horse Bidders (each such agreement, an “**Additional Stalking Horse Agreement**”) for the sale of any such Other Assets (each such

group of Other Assets, an “**Additional Stalking Horse Package**”), in each case, in accordance with the terms of this Order and the Bidding Procedures.

9. Subject to the terms of this Order and the Bidding Procedures, the Debtors are authorized to offer each Additional Stalking Horse Bidder Additional Stalking Horse Bid Protections, including a break-up fee (an “**Additional Termination Payment**”); provided that, all Additional Termination Payments must be negotiated by the Debtors, in consultation with the Consultation Parties, and no Additional Termination Payment shall exceed three percent (3%) of the cash portion of the purchase price in the applicable Additional Stalking Horse Bid, as set forth in the applicable Additional Stalking Horse Agreement executed by the Debtors.

10. The deadline for the Debtors to designate Additional Stalking Horse Bidders pursuant to the Bidding Procedures shall be **June 14, 2017**; provided that, the Debtors may, in their sole discretion and in the exercise of their reasonable business judgment, after consulting with the Consultation Parties, extend the deadline to designate Additional Stalking Horse Bidders; provided further, that the Debtors shall not extend such deadline to a date that is later than two (2) calendar days prior to the Bid Deadline (as hereinafter defined).

11. The Debtors shall include in the Sale Notice the material terms of any Additional Stalking Horse Agreement, including the terms of any Additional Stalking Horse Bid Protections; provided that, if the Debtors already have filed with the Court and served on the Sale Notice Parties the Sale Notice prior to the execution of an Additional Stalking Horse Agreement, the Debtors shall file with the Court, serve on the Sale Notice Parties, and cause to be published on the website maintained by Prime Clerk LLC, the Debtors’ claims and noticing agent in these chapter 11 cases, located at <http://cases.primeclerk.com/CentralGrocers> (the “**Prime Clerk Website**”), an addendum to the Sale Notice setting forth the material terms of

such Additional Stalking Horse Agreement, including the terms of the applicable Additional Stalking Horse Bid Protections (each a “**Supplemental Sale Notice**”).

12. Objections to the provision of an Additional Termination Payment (each, a “**Bid Protection Objection**”) shall (i) be in writing; (ii) comply with the Bankruptcy Code, Bankruptcy Rules, and Local Rules; (iii) state, with specificity, the legal and factual bases thereof; and (iv) be filed with the Court and served on the Objection Recipients within five (5) calendar days after service of the Sale Notice or the applicable Supplemental Sale Notice identifying the Additional Stalking Horse Bidder and setting forth the terms of the applicable Additional Stalking Horse Agreement.

13. If a timely Bid Protection Objection is filed and served with respect to an applicable Additional Stalking Horse Agreement in accordance with the Bidding Procedures, the Additional Termination Payment provided for under such agreement shall not be deemed approved until the Bid Protection Objection is resolved, either by agreement of the objecting party and the Debtors, or by order of the Court resolving such objection and approving the provision of the Additional Termination Payment.

14. If no timely Bid Protection Objection is filed and served with respect to an applicable Additional Stalking Horse Agreement in accordance with the Bidding Procedures, the Debtors’ entry into the Additional Stalking Horse Agreement and their provision of Additional Stalking Horse Bid Protections, including the applicable Additional Termination Payment, pursuant to the terms and provisions of the Additional Stalking Horse Agreement and the Bidding Procedures, shall be deemed authorized and approved without further order of the Court.

15. Absent further order of the Court, no person or entity, other than the Stalking Horse Bidder and any applicable Additional Stalking Horse Bidder, shall be entitled to

any expense reimbursement or break-up, “topping,” termination, or other similar fee or payment by the Debtors for submitting a bid for the Assets, or in any way participating in the Auction or the Debtors’ sale process.

Bidding Procedures

16. The deadline for submitting Qualified Bids (the “**Bid Deadline**”) is **June 21, 2017, at 4:00 p.m. (prevailing Eastern Time)**; provided that, the Debtors shall have the right, after consulting with the Consultation Parties, to extend the Bid Deadline for any reason whatsoever, in their reasonable business judgment and sole discretion, for all or certain parties. The Debtors shall promptly provide copies of all bids to each of the Consultation Parties, in accordance with Bidding Procedures.

17. For all purposes under the Bidding Procedures, the Stalking Horse Bidder and any Additional Stalking Horse Bidder shall be considered a Qualified Bidder, and the Stalking Horse Bid and any Additional Stalking Horse Bid shall be considered a Qualified Bid. In the event that the Stalking Horse Bid is the only Qualified Bid received by the Debtors in respect of the Stalking Horse Package by the Bid Deadline, the Debtors shall not be required to conduct an Auction for the Stalking Horse Package, and the Stalking Horse Bidder shall be deemed the Successful Bidder with respect to the Assets included in the Stalking Horse Package. In the event that an Additional Stalking Horse Bid is the only Qualified Bid received by the Debtors in respect of an applicable Additional Stalking Horse Package by the Bid Deadline, the Debtors shall not be required to conduct an Auction for the applicable Additional Stalking Horse Package, and the Additional Stalking Horse Bidder shall be deemed the Successful Bidder with respect to the Other Assets included in the Additional Stalking Horse Package.

18. If, in addition to the Stalking Horse Bid, the Debtors receive at least one Qualified Bid in respect of the Stalking Horse Package by the Bid Deadline, the Debtors shall conduct an Auction of the Assets in the Stalking Horse Package in accordance with the Bidding Procedures.

19. If, in addition to an Additional Stalking Horse Bid, the Debtors receive at least one Qualified Bid in respect of the applicable Additional Stalking Horse Package by the Bid Deadline, the Debtors shall conduct an Auction of the Other Assets in the Additional Stalking Horse Package in accordance with the Bidding Procedures.

20. The Debtors may also include Other Assets not included in an Additional Stalking Horse Bid for bidding and sale at the Auction pursuant to the Bidding Procedures.

21. The Auction will take place at the offices of Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 on **June 26, 2017, at 10:00 a.m. (prevailing Eastern Time)**, or at such other time and location as the Debtors, after consulting with the Consultation Parties and providing notice to the Sale Notice Parties, may determine in their reasonable business judgment.

22. All proceedings of the Auction shall be conducted openly, and all creditors and other parties in interest shall be permitted to attend; provided that, the Debtors may, in their sole discretion, establish a reasonable limit on the number of representatives and/or professional advisors that may appear on behalf of or accompany Qualified Bidders or other parties in interest at the Auction. The proceedings of the Auction shall be transcribed and/or video recorded.

23. Each Qualified Bidder participating in the Auction shall confirm in writing that (i) it has not engaged in any collusion with respect to the submission of any bid or the

Auction, and (ii) its Qualified Bid represents a binding, good faith, and bona fide offer to purchase the Assets in its bid if selected as a Successful Bidder.

24. Subject to this Order, the Bidding Procedures, and the rights of the Stalking Horse Bidder under the Stalking Horse Agreement and the rights of any Additional Stalking Horse Bidder under an applicable Additional Stalking Horse Agreement, the Debtors shall have the right to, after consulting with the Consultation Parties, in the exercise of their reasonable business judgment, (i) determine which bidders qualify as “Qualified Bidders,” and which bids qualify as “Qualified Bids;” (ii) determine the “Baseline Bids;” (iii) determine the amount of each Minimum Overbid; (iv) determine which Qualified Bids are the Successful Bids and the Back-Up Bids; (v) reject any bid that is (a) inadequate or insufficient; (b) not in conformity with the requirements of the Bidding Procedures, Bankruptcy Code, this Order, or any other order of the Court; or (c) contrary to the best interests of the Debtors and their estates; (vi) adjourn or cancel the Auction after providing notice of such adjournment or cancellation in accordance with the Bidding Procedures; and (vii) adjourn a Sale Hearing after providing notice of such adjournment in accordance with the Bidding Procedures.

25. The Debtors shall have the right, in their reasonable business judgment, after consulting with the Consultation Parties, in a manner consistent with their fiduciary duties and applicable law, to modify the Bidding Procedures, including (i) waive terms and conditions with respect to all Prospective Bidders; (ii) extend the deadlines set forth therein; (iii) announce at the Auction modified or additional procedures for conducting the Auction; (iv) provide reasonable accommodations to the Stalking Horse Bidder and any Additional Stalking Horse Bidder with respect to such terms, conditions, and deadlines of the bidding and Auction process to promote further bids by such bidders on any Assets (including extending deadlines as may be

required for the Stalking Horse Bidder and any applicable Additional Stalking Horse Bidder to comply with any additional filing and review procedures with the Federal Trade Commission in connection with any previous filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976), in each case, to the extent not materially inconsistent with the Bidding Procedures and this Order. Except as provided in the Stalking Horse Agreement and any Additional Stalking Horse Agreement, nothing in this Order or the Bidding Procedures shall obligate the Debtors to consummate or pursue any transaction with respect to any Asset, including the Distribution Center, with a Qualified Bidder.

Sale Hearings and Objections

26. If the Stalking Horse Bid is the only Qualified Bid received by the Debtors in respect of the Stalking Horse Package by the Bid Deadline, the Sale Hearing for the Stalking Horse Package shall be held before the Court on _____, **2017, at __:__ [a.m./p.m.] (prevailing Eastern Time)**; provided that, the Debtors may seek an adjournment of the Sale Hearing, as the Debtors deem appropriate in the exercise of their reasonable business judgment.

27. In accordance with the Bidding Procedures, if (i) more than one Qualified Bid is received by the Debtors in respect of the Stalking Horse Package by the Bid Deadline; and/or (ii) the Debtors propose to sell Other Assets that were included in an Additional Stalking Horse Package and/or included in the Auction, the applicable Sale Hearing shall be held before the Court on _____, **2017, at __:__ [a.m./p.m.] (prevailing Eastern Time)**; provided that, the Debtors may seek an adjournment of the Sale Hearing, as the Debtors deem appropriate in the exercise of their reasonable business judgment.

28. Objections to a proposed Sale Transaction, including any objection to the sale of any Assets free and clear of liens, claims, interests, and encumbrances pursuant to section 363(f) of the Bankruptcy Code and entry of a Sale Order (each, a “**Sale Objection**”) shall (i) be

in writing; (ii) comply with the Bankruptcy Code, Bankruptcy Rules, and Local Rules; (iii) state, with specificity, the legal and factual bases thereof; and (iv) be filed with the Court and served on the Objection Recipients by no later than (a) **June 16, 2017, at 4:00 p.m. (prevailing Eastern Time)**, if the Sale Objection is with respect to a sale of the Stalking Horse Package; and (b) **July 6, 2017, at 4:00 p.m. (prevailing Eastern Time)** (each such deadline, a “**Sale Objection Deadline**”), if the Sale Objection is with respect to a sale of Other Assets. If a timely Sale Objection cannot otherwise be resolved by the parties, such objection shall be heard at the applicable Sale Hearing.

29. Any party who fails to file with the Court and serve on the Objection Recipients a Sale Objection by the applicable Sale Objection Deadline may be forever barred from asserting, at the applicable Sale Hearing or thereafter, any Sale Objection to the relief requested in the Motion, or to the consummation and performance of the Sale Transaction(s) contemplated by the asset purchase agreement between the Debtors and the applicable Successful Bidder (including the Stalking Horse Bidder and any Additional Stalking Horse Bidder if named a Successful Bidder), including the transfer of Assets to the Successful Bidder (and any Back-Up Bidder subsequently deemed a Successful Bidder), free and clear of all liens, claims, interests, and encumbrances pursuant to section 363(f) of the Bankruptcy Code.

Noticing Procedures

30. The Sale Notice is approved, and no other or further notice of the sale of the Assets, the Auction, the Sale Hearings, or the Sale Objection Deadlines shall be required if the Debtors serve and publish such notice, including any necessary Supplemental Sale Notice, in the manner provided in the Bidding Procedures and this Order. The Sale Notice contains the type of information required under Bankruptcy Rule 2002 and Local Rule 2002-1, and complies

in all respects with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and Local Rules.

31. Within two (2) business days after entry of this Order, the Debtors shall file with the Court, serve on the Sale Notice Parties, and cause to be published on the Prime Clerk Website the Sale Notice, which shall set forth (i) a complete list and general description of the Assets for sale; (ii) the date, time, and place of the (a) Auction and (b) Sale Hearings; (iii) Sale Objection Deadlines; and (iv) the procedures for filing Sale Objections.

32. Within five (5) business days after entry of this Order, the Debtors shall cause the contents of the Sale Notice to be published once in the national edition of *USA Today* and once in the *Chicago Tribune*.

33. The Debtors shall use commercially reasonable efforts to, within two (2) business days after the conclusion of the Auction, or as soon as reasonably practicable thereafter, file with the Court, serve on the Sale Notice Parties (including each Counterparty to a Proposed Assumed Contract (as hereinafter defined)) in a Successful Bid and Back-Up Bid and each Counterparty to any known Contracts and Leases that may later be designated by a Successful Bidder for assumption and assignment), and cause to be published on the Prime Clerk Website, a notice containing the results of the Auction (the “**Notice of Auction Results**”), which shall (i) identify the Successful Bidders and Back-Up Bidders; (ii) list all Proposed Assumed Contracts in the Successful Bids and Back-Up Bids; (iii) identify any known proposed assignee(s) of Proposed Assumed Contracts (if different from the applicable Successful Bidder); (iv) list any known Contracts and Leases that may later be designated by a Successful Bidder for assumption and assignment in connection with a Sale Transaction; and (v) set forth the deadline

and procedures for filing Adequate Assurance Objections (as hereinafter defined) in response to the Notice of Auction Results.

Assumption and Assignment Procedures

34. The Assumption and Assignment Notice is reasonable, fair, and appropriate, and contains the type of information required under Bankruptcy Rule 2002, Local Rule 2002-1, and complies in all respects with applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and Local Rules, and no other or further notice of the Debtors' proposed Cure Costs or the proposed assumption and assignment of Contracts and Leases (such Contracts and Leases, the "**Proposed Assumed Contracts**") shall be required if the Debtors file and serve such notice (and, subsequently, the Notice of Auction Results and any applicable Notice of Designation (as hereinafter defined)) in accordance with the Assumption and Assignment Procedures and this Order.

35. The Debtors shall use commercially reasonable efforts to, within five (5) calendar days after entry of this Order, or as soon as reasonably practicable thereafter, file with the Court, serve on the Sale Notice Parties, including each applicable Counterparty, and cause to be published on the Prime Clerk Website the Assumption and Assignment Notice, which shall (i) identify the Proposed Assumed Contracts in the Stalking Horse Bid and, if known, any Designation Rights Contracts (as such term is defined in the Stalking Horse Agreement) that may be designated for assumption and assignment to the Stalking Horse Bidder (or its known proposed assignee) pursuant to the terms and provisions of the Stalking Horse Agreement; (ii) list the Debtors' good faith calculation of the Cure Costs with respect to each Contract and Lease identified on the Assumption and Assignment Notice; (iii) expressly state that assumption or assignment of a Contract or Lease is not guaranteed and is subject to Court approval; (iv) prominently display the deadline to file a Cure Objection and an applicable Adequate

Assurance Objection (each as hereinafter defined); and (v) prominently display the dates, times, and location of the Sale Hearings.

36. Pursuant to the terms of the Stalking Horse Agreement, the Stalking Horse Bidder shall have the right, until the Initial Closing Date (as such term is defined in the Stalking Horse Agreement), to designate any Designation Rights Contracts for assumption and assignment. The Debtors shall use commercially reasonable efforts to, as soon as reasonably practicable after the Debtors' receipt of a Buyer Assumption Notice (as such term is defined in the Stalking Horse Agreement), (i) file with the Court, serve by overnight delivery on the applicable Counterparty, and cause to be published on the Prime Clerk Website, a notice of proposed assumption and assignment of the applicable Designation Rights Contract (a "**Notice of Designation**"), which shall (a) expressly state that assumption or assignment of the Designation Rights Contract is not guaranteed and subject to Court approval, and (b) prominently display the deadline to file an applicable Adequate Assurance Objection; and (iii) provide or cause to be provided to the applicable Counterparty the Stalking Horse Bidder's Adequate Assurance Information (as hereinafter defined).

37. The Debtors shall provide notice to Counterparties whose Contracts or Leases may be designated for assumption and assignment by any Additional Stalking Horse Bidder, pursuant to the terms of an applicable Additional Stalking Horse Agreement, or by any Successful Bidder, pursuant to the terms of an asset purchase agreement executed by the Debtors and the applicable Successful Bidder, in a manner consistent with the Assumption and Assignment Procedures, this Order, and all applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and Local Rules.

38. Any objection to the assumption and assignment of a Contract or Lease, the subject of which objection is the Debtors' proposed Cure Costs to cure any outstanding defaults under such Contract or Lease (a "**Cure Objection**") shall (i) be in writing; (ii) comply with the Bankruptcy Code, Bankruptcy Rules, and Local Rules; (iii) state, with specificity, the legal and factual bases thereof, including the cure amount the objecting Counterparty believes is required to cure defaults under the relevant Contract or Lease; (iv) include any appropriate documentation in support thereof; and (v) be filed with the Court and served on the Objection Recipients by **June 16, 2017, at 4:00 p.m. (prevailing Eastern Time)**.

39. If a timely Cure Objection cannot otherwise be resolved by the parties prior to the commencement of the applicable Sale Hearing, the amount to be paid or reserved with respect to such objection shall be determined by the Court at the Sale Hearing; provided that, a Cure Objection (and only a Cure Objection) may, at the Debtors' option, after consulting with the Consultation Parties and the applicable Successful Bidder, be adjourned (an "**Adjourned Cure Objection**") to a subsequent hearing. An Adjourned Cure Objection may be resolved after the closing date of the applicable Sale Transaction in the Debtors' discretion; provided that, the Debtors maintain a cash reserve equal to the cure amount as determined by the Court.

40. If a Counterparty fails to file with the Court and serve on the Objection Recipients a timely Cure Objection, the Counterparty shall be forever barred from asserting any objection with regard to the cost to cure any defaults under the applicable Contract or Lease. The Cure Costs set forth in the Assumption and Assignment Notice shall be controlling and will be the only amount necessary to cure outstanding defaults under the applicable Contract or Lease under Bankruptcy Code section 365(b), notwithstanding anything to the contrary in the Contract

or Lease, or any other document, and the Counterparty shall be forever barred from asserting any additional cure or other amounts with respect to such Contract or Lease against the Debtors, the Successful Bidder, or the property of any of them.

41. In accordance with the Bidding Procedures, to qualify as a Qualified Bidder, each Prospective Bidder shall provide with its bid information supporting the Prospective Bidder's (or any other proposed assignee's) ability to comply with the requirement to provide adequate assurance of future performance under Bankruptcy Code section 365(f)(2)(B) and, if applicable, Bankruptcy Code section 365(b)(3), including the Prospective Bidder's financial wherewithal and willingness to perform under the applicable Proposed Assumed Contracts and any other Contracts or Leases that may later be designated by the Prospective Bidder (if named a Successful Bidder) for assumption and assignment in connection with a Sale Transaction (such information, "**Adequate Assurance Information**").

42. The Debtors shall use commercially reasonable efforts to, within five (5) calendar days after entry of this Order, or as soon as reasonably practicable thereafter, provide or cause to be provided to (i) Counterparties to Proposed Assumed Contracts in the Stalking Horse Bid, and (ii) Counterparties to any known Designation Rights Contracts, Adequate Assurance Information for the Stalking Horse Bidder.

43. If the Stalking Horse Bidder is named a Successful Bidder at the Auction, the Debtors shall use commercially reasonable efforts to, within two (2) business days after the conclusion of the Auction, or as soon as reasonably practicable thereafter, provide or cause to be provided to (i) Counterparties to any additional Proposed Assumed Contracts added to the Stalking Horse Bid at the Auction, and (ii) applicable Counterparties to any known Designation Rights Contracts, Adequate Assurance Information for the Stalking Horse Bidder.

44. In the event the Debtors designate an Additional Stalking Horse Bidder, the Debtors shall use commercially reasonable efforts to, on the date of service of the Sale Notice or applicable Supplemental Sale Notice, as the case may be, or as soon as reasonably practicable thereafter, provide or cause to be provided to (i) Counterparties to Proposed Assumed Contracts in the applicable Additional Stalking Horse Bid, and (ii) Counterparties to any known Contracts or Leases that later may be designated by the Additional Stalking Horse Bidder for assumption and assignment pursuant to the applicable Additional Stalking Horse Bidder, Adequate Assurance Information for the Additional Stalking Horse Bidder.

45. If an Additional Stalking Horse Bidder is named a Successful Bidder at the Auction, the Debtors shall use commercially reasonable efforts to, within two (2) business days after the conclusion of the Auction, or as soon as reasonably practicable thereafter, provide or cause to be provided to (i) Counterparties to any additional Proposed Assumed Contracts added to the Additional Stalking Horse Bid at the Auction, and (ii) applicable Counterparties to any known Contracts and Leases that may later be designated by the Additional Stalking Horse Bidder for assumption and assignment pursuant to the terms of the applicable Additional Stalking Horse Agreement, Adequate Assurance Information for the Additional Stalking Horse Bidder.

46. The Debtors shall use commercially reasonable efforts to, within two (2) business days after the conclusion of the Auction, or as soon as reasonably practicable thereafter, provide or cause to be provided to (i) Counterparties to the Proposed Assumed Contracts included in each Successful Bid, and (ii) Counterparties to any known Contracts and Leases that may later be designated by a Successful Bidder for assumption and assignment pursuant to an

asset purchase agreement executed by the applicable Successful Bidder and the Debtors, Adequate Assurance Information for such Successful Bidder.

47. The Debtors shall provide or cause to be provided to applicable Counterparties Adequate Assurance Information on a strictly confidential basis. Counterparties shall not use any Adequate Assurance Information for any purpose other than to (i) evaluate whether adequate assurance requirements under Bankruptcy Code section 365(f)(2) and, if applicable, Bankruptcy Code section 365(b)(3), have been satisfied, and (ii) to support any Adequate Assurance Objection filed by the Counterparty; provided that, any Adequate Assurance Objection that discloses confidential, non-public information included in the Adequate Assurance Information must be filed with the Court under seal unless disclosure of such confidential, non-public information is authorized by the Debtors, the Successful Bidder, and any known proposed assignee(s) of the relevant Contract or Lease (if different from the Successful Bidder), or ordered by the Court. This Order authorizes the filing of any such Adequate Assurance Objections under seal, and on the docket of the Debtors' chapter 11 cases with such non-public information redacted, without further order of the Court; provided that unredacted versions of such objections shall be furnished to the Bankruptcy Judge in Chambers and served only on the Debtors.

48. If the Stalking Horse Bidder makes known to the Debtors that certain of its Adequate Assurance Information is confidential or commercially sensitive, the Debtors shall not provide the applicable Counterparties with such Adequate Assurance Information without the Counterparties' execution of a non-disclosure agreement acceptable to the Stalking Horse Bidder in its sole discretion, and shall take all steps necessary to otherwise ensure that such Adequate

Assurance Information remains confidential (including, if necessary, filing motions seeking authority to file or maintain such Adequate Assurance Information under seal).

49. Any objection to the assumption and assignment of a Proposed Assumed Contract, the subject of which objection is a Successful Bidder's (including the Stalking Horse Bidder and any Additional Stalking Horse Bidder if selected as a Successful Bidder) and/or its known proposed assignee's (if different from the Successful Bidder) proposed form of adequate assurance of future performance with respect to such Proposed Assumed Contract (an "**Adequate Assurance Objection**"), shall (i) be in writing; (ii) comply with the Bankruptcy Code, Bankruptcy Rules, and Local Rules; (iii) state, with specificity, the legal and factual bases thereof; (iv) include any appropriate documentation in support thereof; and (v) be filed with the Court and served on the Objection Recipients, including the applicable Successful Bidder and any known proposed assignee of such Proposed Assumed Contract (if different from the Successful Bidder) by no later than (a) **June 16, 2017, at 4:00 p.m. (prevailing Eastern Time)**, if the Adequate Assurance Objection is with respect to the assignment to the Stalking Horse Bidder (or its known proposed assignee) any Proposed Assumed Contract or Designation Rights Contract that was identified in and noticed pursuant to the Assumption and Assignment Notice; (b) **July 6, 2017, at 4:00 p.m. (prevailing Eastern Time)**, if the Adequate Assurance Objection is with respect to the assignment to a Successful Bidder (including its known proposed assignee, the Stalking Horse Bidder, and any Additional Stalking Horse Bidder if named a Successful Bidder) any Proposed Assumed Contract or Contract or Lease that later may be designated by a Successful Bidder for assumption and assignment, that was identified and noticed pursuant to the Notice of Auction Results; and (c) **fourteen (14) calendar days after service of the applicable Notice of Designation**, if the Adequate Assurance Objection is with respect to the assignment to

the Stalking Horse Bidder any Designation Rights Contract that was identified and noticed pursuant to the Notice of Designation.

50. If a timely Adequate Assurance Objection cannot otherwise be resolved by the parties prior to the commencement of the applicable Sale Hearing, such objection and all issues of adequate assurance of future performance with respect to the applicable Proposed Assumed Contract shall be determined by the Court at the Sale Hearing or at a later hearing on a date to be scheduled by the Debtors.

51. If a Counterparty fails to file with the Court and serve on the Objection Recipients, including the applicable Successful Bidder and any known proposed assignee (if different from the Successful Bidder) of the relevant Contract or Lease, a timely Adequate Assurance Objection, the Counterparty shall be forever barred from asserting any such objection with regard to the Contract or Lease. The Successful Bidder and/or its known proposed assignee of the Contract or Lease shall be deemed to have provided adequate assurance of future performance with respect to the Contract or Lease in accordance with Bankruptcy Code section 365(f)(2)(B) and, if applicable, Bankruptcy Code section 365(b)(3), notwithstanding anything to the contrary in the Contract or Lease or any other document.

52. For the avoidance of doubt, if no timely Adequate Assurance Objection is filed with the Court and served on the Objection Recipients in response to a Notice of Designation, the Stalking Horse Bidder shall be deemed to have provided adequate assurance of future performance with respect to the applicable Designation Rights Contract in accordance with Bankruptcy Code section 365(f)(2)(B) and, if applicable, Bankruptcy Code section 365(b)(3), notwithstanding anything to the contrary in the Designation Rights Contract or any other document, and the Debtors shall be authorized to assume and assign the applicable

Designation Rights Contract to the Stalking Horse Bidder (or its known proposed assignee) without further notice to any Counterparty or any other party in interest, and without need for further order of the Court, with such assumption and assignment being subject to the terms of the applicable Sale Order.

53. The Debtors' assumption and assignment of a Proposed Assumed Contract to a Successful Bidder (or to a designee of the Successful Bidder) is subject to Court approval and consummation of a Sale Transaction with the applicable Successful Bidder. Accordingly, absent the closing of a Sale Transaction, the Proposed Assumed Contract shall not be deemed either assumed or assumed and assigned and shall, in all respects, be subject to further administration under the Bankruptcy Code.

54. The inclusion of a Contract, Lease, or Cure Costs with respect thereto on the Assumption and Assignment Notice or the Notice of Auction Results shall not constitute or be deemed a determination or admission by the Debtors, the Successful Bidders, or any other party in interest that such Contract or Lease is an executory contract or an unexpired lease within the meaning of the Bankruptcy Code. The Debtors reserve all of their rights, claims, and causes of action with respect to each Contract and Lease listed on the Assumption and Assignment Notice and Notice of Auction Results. The Debtors' inclusion of any Contract or Lease on the Assumption and Assignment Notice or Notice of Auction Results shall not be a guarantee that such Contract or Lease ultimately will be assumed or assumed and assigned.

Related Relief

55. All persons and entities (whether or not selected as a Qualified Bidder) that participate in the Debtors' sale process, including the Auction, shall be deemed to have knowingly and voluntarily (i) submitted to the exclusive jurisdiction of this Court with respect to

all matters related to the terms and conditions of the transfer of Assets, the Auction, and any Sale Transaction; (ii) consented to the entry of a final order by the Court in connection with the Motion or this Order (including any disputes relating to the bidding process, the Auction, and/or any Sale Transaction) to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution; and (iii) waived any right to jury trial in connection with any disputes relating to the any of the foregoing matters.

56. Notwithstanding the applicability of any of Bankruptcy Rules 6004(h), 6006(d), 7062, 9014, or any other provisions of the Bankruptcy Rules or the Local Rules stating the contrary, the terms and provisions of this Order shall be immediately effective and enforceable upon its entry, and any applicable stay of the effectiveness and enforceability of this Order is hereby waived.

57. Prior to mailing and publishing the Sale Notice and the Assumption and Assignment Notice, as applicable, the Debtors may fill in any missing dates and other information, conform the provisions thereof to the provisions of this Order, and make such other, non-material changes as the Debtors deem necessary or appropriate.

58. The Debtors are authorized to take all steps necessary or appropriate to carry out this Order.

59. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated: _____, 2017
Wilmington, Delaware

THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Bidding Procedures

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re	X	
	:	Chapter 11
	:	
CENTRAL GROCERS, INC., <i>et al.</i> ,	:	Case No. 17-10993 (LSS)
	:	
	:	
Debtors. ¹	:	(Jointly Administered)

BIDDING PROCEDURES

The procedures set forth herein (the “**Bidding Procedures**”) will be employed in connection with a sale or disposition of certain of the assets of Central Grocers, Inc. and its debtor affiliates, including Strack and Van Til Super Market, Inc., as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”).

By the *Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for Sale of Debtors’ Assets, (B) Approving Stalking Horse Bid Protections, (C) Authorizing Designation of Additional Stalking Horse Bidders, (D) Scheduling Auction for and Hearings to Approve Sale of Debtors’ Assets, (E) Approving Form and Manner of Notice of Sale, Auction, and Sale Hearings, (F) Approving Assumption and Assignment Procedures, and (G) Granting Related Relief; and (II)(A) Approving Sale of Debtors’ Assets Free and Clear of Liens, Claims, Interests, and Encumbrances, (B) Authorizing Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* (the “**Motion**”), the Debtors sought, among other things, approval of the Bidding Procedures for soliciting bids for, conducting an auction (the “**Auction**”) of, and consummating sales (each, a “**Sale Transaction**”) of their assets, as further described herein.

On _____, 2017, the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”), entered the *Order (I)(A) Approving Bidding Procedures for Sale of Debtors’ Assets, (B) Approving Stalking Horse Bid Protections, (C) Authorizing Designation of Additional Stalking Horse Bidders, (D) Scheduling Auction for and Hearings to Approve Sale of Debtors’ Assets, (E) Approving Form and Manner of Notice of Sale, Auction, and Sale Hearings, (F) Approving Assumption And Assignment Procedures, and (G) Granting Related Relief* [Docket No. __] (the “**Bidding Procedures Order**”).²

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are Central Grocers, Inc. (3170), CGI Joliet LLC (7014), Currency Express, Inc. (2650), Raceway Central, LLC (2161), Raceway Central Calumet Park LLC (2161), Raceway Central Chicago Heights LLC (2161), Raceway Central Downers Grove LLC (2161), Raceway Central Joliet North LLC (2161), Raceway Central LLC North Valpo (2161), Raceway Central Wheaton LLC (2161), Strack and Van Til Super Market, Inc. (2184), and SVT, LLC (1185).

² All capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Motion and the Bidding Procedures Order.

A stalking horse bid has been submitted for certain of the Debtors' assets by Jewel Food Stores, Inc. (the "**Stalking Horse Bidder**") and, its bid, the "**Stalking Horse Bid**"). The Stalking Horse Bidder has executed an asset purchase agreement (the "**Stalking Horse Agreement**") for the purchase of the Strack Stores (as hereinafter defined) identified on Schedule 1 hereto. The Stalking Horse Bid is subject to higher or better offers submitted in accordance with the terms and conditions of these Bidding Procedures.

I.

Description of the Assets and Stalking Horse Package

The Debtors are seeking to sell substantially all of their assets (the "**Assets**"), including, but not limited to, the following:

- i. Stalking Horse Package: nineteen (19) grocery stores operating under the "Strack & Van Til" and "Town & Country" banners identified on Schedule 1 (collectively, the "**Strack Stores**"), the leasehold interests therein, and the inventory at the Strack Stores (collectively, the "**Stalking Horse Package**");
- ii. a distribution and warehousing facility located in Joliet, Illinois (the "**Distribution Center**"); and
- iii. the real property owned by the Raceway Debtor entities.

Assets not included in the Stalking Horse Package are referred to herein as the "**Other Assets**." A complete list of the Assets available for sale pursuant to these Bidding Procedures, including the Stalking Horse Package and the Other Assets, is attached hereto as Schedule 2.

A party may submit a bid for any individual Asset (or combination of Assets) listed on Schedule 2 whether or not such asset is included in the Stalking Horse Package or any Additional Stalking Horse Package (as hereinafter defined) (each such bid, a "**Partial Bid**"). If a Partial Bid includes one or more of the Strack Stores in the Stalking Horse Package, but is not a bid for all of the Strack Stores in the Stalking Horse Package, such bid will not be considered to be a Qualified Bid unless (i) the Debtors receive one or more Partial Bids for the remaining Strack Stores in the Stalking Horse Package such that, in combination with one another, the Partial Bids constitute a higher or better bid than the Stalking Horse Bid plus the Termination Payment (as such term is defined in the Stalking Horse Agreement); or (ii) the Partial Bid includes less than all of the Strack Stores in the Stalking Horse Package but proposes a purchase price allocable to the Strack Stores that exceeds the aggregate purchase price in the Stalking Horse Bid plus the Termination Payment.

Any party interested in submitting a bid for any of the Debtors' Assets should contact the Debtors' investment banker, Peter J. Solomon Company, LLC, 1345 Avenue of the Americas, 31st Floor, New York, New York 10105 (Attn: Derek Pitts (dpitts@pjsc.com); Scott Moses (smoses@pjsc.com); and Gregory Grambling (ggrambling@pjsc.com)).

II.

Designation of Additional Stalking Horse Bidders

In connection with the sale of Other Assets, the Debtors may, but are not obligated to, after consulting with the Consultation Parties (as hereinafter identified and defined), designate one or more stalking horse bidders (each an “**Additional Stalking Horse Bidder**” and each such bidder’s bid, an “**Additional Stalking Horse Bid**”) for one or more of the Other Assets (each such group of Other Assets, an “**Additional Stalking Horse Package**”) and offer each such Additional Stalking Horse Bidder certain bid protections, including a break-up fee (an “**Additional Termination Payment**” and, together with other bid protections provided to an Additional Stalking Horse Bidder, the “**Additional Stalking Horse Bid Protections**”); provided that the Additional Termination Payment provided to an Additional Stalking Horse Bidder shall be negotiated by Debtors, in consultation with the Consultation Parties, and shall not exceed three percent (3%) of the cash portion of the purchase price in the Additional Stalking Horse Bid, as set forth in an asset purchase agreement executed by the Debtors and the applicable Additional Stalking Horse Bidder (each, an “**Additional Stalking Horse Agreement**”).

In the event that the Debtors determine to designate an Additional Stalking Horse Bidder, the Debtors either shall include in the Sale Notice (as hereinafter defined) the material terms of the applicable Additional Stalking Horse Agreement, including the terms and conditions regarding any Additional Stalking Horse Bid Protections, or shall file with the Bankruptcy Court, serve on the Sale Notice Parties (as hereinafter identified and defined), and cause to be published on the website maintained by Prime Clerk LLC, the Debtors’ claims and noticing agent in these chapter 11 cases, located at <http://cases.primeclerk.com/CentralGrocers> (the “**Prime Clerk Website**”), an addendum to the Sale Notice containing such information, including whether bidders may submit Partial Bids on any Other Assets included in an Additional Stalking Horse Package (each, a “**Supplemental Sale Notice**”).

- i. Deadline to Designate Additional Stalking Horse Bidders. Any Additional Stalking Horse Bidder designated by the Debtors in accordance with these Bidding Procedures will be so designated by no later than **June 14, 2017**; provided that, the Debtors may, after consulting with the Consultation Parties, extend the deadline to designate Additional Stalking Horse Bidders, in their reasonable business judgment and sole discretion; provided further, that the Debtors will not extend such deadline to a date that is later than two (2) days prior to the Bid Deadline (as hereinafter defined).
- ii. Objections to Additional Termination Payment. Any objections to the provision of an Additional Termination Payment to an Additional Stalking Horse Bidder pursuant to the terms and provisions of an Additional Stalking Horse Agreement (a “**Bid Protection Objection**”) must (i) be in writing; (ii) comply with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules; (iii) state, with specificity, the legal and factual bases thereof; (iv) include any appropriate documentation in support thereof; and (v) be filed with the Bankruptcy Court and served on the Objection Recipients (as hereinafter identified and defined) within five (5) calendar

days after service of the Sale Notice or the applicable Supplemental Sale Notice.

If a timely Bid Protection Objection is filed and served in accordance with the preceding paragraph, the relevant Additional Termination Payment shall not be deemed approved until the Bid Protection Objection is resolved, either consensually, by agreement of the objecting party and the Debtors (after consulting with the Consultation Parties), or by order of the Bankruptcy Court resolving such objection and approving the provision of the Additional Termination Payment.

- iii. Failure to File Timely Bid Protection Objection. If no timely Bid Protection Objection is filed and served in accordance with these Bidding Procedures, the Debtors' entry into the applicable Additional Stalking Horse Agreement and their provision of Additional Stalking Horse Bid Protections, including the applicable Additional Termination Payment, pursuant to the terms and provisions of such agreement and these Bidding Procedures shall be deemed authorized and approved without need for further order of the Bankruptcy Court.

III. Important Dates and Deadlines

June 2, 2017, at 10:00 a.m. (prevailing Eastern Time)	Hearing to consider approval of Bidding Procedures and entry of Bidding Procedures Order
June 7, 2017	Target date for Debtors to provide applicable Counterparties Adequate Assurance Information with respect to the Stalking Horse Bidder (and its proposed assignee, if applicable)
June 14, 2017	Deadline for Debtors to designate Additional Stalking Horse Bidders
June 16, 2017, at 4:00 p.m. (prevailing Eastern Time)	Deadline to object to (i) proposed Sale Transaction involving Assets included in Stalking Horse Package, (ii) Debtors' proposed Cure Costs, and (iii) the assumption of and assignment to the Stalking Horse Bidder any (a) Proposed Assumed Contracts included in the original Stalking Horse Bid, and (b) any known Designation Rights Contracts identified and noticed pursuant to the Assumption and Assignment Notice
June 21, 2017, at 4:00 p.m. (prevailing Eastern Time)	Bid Deadline
June 23, 2017	Proposed date of Sale Hearing if no other Qualified Bids received for Stalking Horse Package
June 23, 2017	Deadline for Debtors to notify Prospective Bidders of their status as Qualified Bidders
June 26, 2017, at 10:00 a.m. (prevailing Eastern Time)	Auction to be held at offices of Weil, Gotshal & Manges LLP (if necessary)
June 28, 2017	Target date for Debtors to file with the Bankruptcy Court the Notice of Auction Results and to provide applicable Counterparties with Adequate Assurance Information for the Successful Bidders and each of their proposed assignees, if

	applicable
July 6, 2017, at 4:00 p.m. (prevailing Eastern Time)	Deadline to object to (i) proposed Sale Transactions involving Other Assets, and (ii) the assumption of and assignment to (a) a Successful Bidder any Proposed Assumed Contracts or any Contracts or Leases that may later be designated by a Successful Bidder for assumption and assignment, and (b) the Stalking Horse Bidder any additional Proposed Assumed Contracts added to the Stalking Horse Bid ultimately deemed a Successful Bid at the Auction and any applicable known Designation Rights Contracts
July 10, 2017	Proposed date of Sale Hearing to consider approval of Sale Transactions and entry of Sale Orders (if Auction conducted and/or hearing is to consider approval of Sale Transaction with an Additional Stalking Horse Bidder)

IV. Noticing

A. Consultation Parties

Throughout the sale process, as necessary or appropriate, the Debtors and their advisors will consult with the following parties (collectively, the “**Consultation Parties**”):

- i. the administrative agent under the Prepetition Revolving Credit Facility and DIP Agent and its advisors, including Blank Rome LLP;
- ii. the administrative agent under the Prepetition Term Loan Facility and its advisors, including Thompson Coburn LLP;
- iii. counsel for the official committee of unsecured creditors, if any, appointed in the Debtors’ chapter 11 cases (the “**Creditors’ Committee**”); and
- iv. counsel or other designated representatives of each of the labor unions that represent employees of the Debtors.

The Debtors shall promptly provide copies of all bids received by the Debtors to the Consultation Parties; provided that the Consultation Parties must treat such bids and any related information as confidential and shall not publicly disclose such information without the written consent of the Debtors and the applicable bidder. Further, the Debtors shall not consult with any Consultation Party pursuant to the terms of these Bidding Procedures if such party is an active bidder at the applicable time. Notwithstanding the foregoing, if a member of the Creditors’ Committee submits a Qualified Bid (as hereinafter defined), the Creditors’ Committee will maintain its consultation rights as a Consultation Party; provided that the Creditors’ Committee shall exclude such member from any discussions or deliberations regarding a transaction involving the applicable Assets, and shall not provide any confidential information regarding the Assets or a transaction involving the Assets to the bidding committee member.

For the avoidance of doubt, any consultation rights afforded to the Consultation Parties by these Bidding Procedures shall not limit the Debtors’ discretion in any way and shall not

include the right to veto any decision made by the Debtors in the exercise of their reasonable business judgment. Rights that Consultation Parties may have pursuant to the terms of other agreements or orders of the Court shall not be affected by these Bidding Procedures or the Bidding Procedures Order.

B. Bid Notice Parties

Qualified Bids must be submitted in writing to the following parties (collectively, the “**Bid Notice Parties**”):

- i. the Debtors, c/o (a) Central Grocers, Inc., 2600 West Haven Avenue, Joliet, Illinois 60433 (Attn: Donald E. Harer (ddharer@conwaymackenzie.com) and Kenneth W. Nemeth (knemeth@central-grocers.com)), and (b) Strack and Van Til Super Market, Inc., 2244 45th Street, Highland, Indiana 46322 (Attn: Alpesh A. Almin (aamin@conwaymackenzie.com) and Phillip Latchford (latchfordp@s-vt.com));
- ii. counsel to the Debtors, (a) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Ray C. Schrock, P.C. (ray.schrock@weil.com); Stephen Karotkin, Esq. (stephen.karotkin@weil.com); Gavin Westerman, Esq. (gavin.westerman@weil.com); and Sunny Singh, Esq. (sunny.singh@weil.com)), and (b) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq. (collins@rlf.com); Paul N. Heath, Esq. (heath@rlf.com); Brett M. Haywood, Esq. (haywood@rlf.com); and David T. Queroli, Esq. (queroli@rlf.com)); and
- iii. the Debtors’ investment banker, Peter J. Solomon, Company, LLC, 1345 Avenue of the Americas, 31st Floor, New York, New York 10105 (Attn: Derek Pitts (dpitts@pjsc.com); Scott Moses (smoses@pjsc.com); and Gregory Grambling (ggrambling@pjsc.com)).

C. Sale Notice Parties

The “**Sale Notice Parties**” shall include the following persons and entities:

- i. the Consultation Parties (as applicable);
- ii. all persons and entities known by the Debtors to have expressed an interest to the Debtors in a transaction involving any material portion of the Assets during the past twelve (12) months, including any person or entity that has submitted a bid for any material portion of the Assets;
- iii. all persons and entities known by the Debtors to have asserted any lien, claim, interest, or encumbrance in the Assets (for whom identifying information and addresses are available to the Debtors);

- iv. all non-Debtor parties (each, a “**Counterparty**”) to any executory contracts or unexpired non-residential real property leases of the Debtors (collectively, the “**Contracts and Leases**”) that could be assumed or rejected in connection with a Sale Transaction;
- v. all multi-employer pension plans to which any of the Debtors is a contributing employer, and all single-employer defined benefit plans to which any of the Debtors is a contributor;
- vi. any governmental authority known to have a claim against the Debtors in these chapter 11 cases;
- vii. all applicable federal, state, and local taxing and regulatory authorities, including the Internal Revenue Service;
- viii. all environmental authorities having jurisdiction over any of the Assets, including the Environmental Protection Agency;
- ix. the United States Attorney General;
- x. the United States Attorney for the District of Delaware;
- xi. the Office of the Attorney General and Office of the Secretary of State in each state in which the Debtors operate;
- xii. the Antitrust Division of the United States Department of Justice;
- xiii. the Federal Trade Commission;
- xiv. the Office of the United States Trustee for the District of Delaware;
- xv. all of the Debtors’ known creditors (for whom identifying information and addresses are available to the Debtors);
- xvi. all of the persons and entities entitled to notice pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”); and
- xvii. all other persons and entities as directed by the Bankruptcy Court.

Within two (2) business days after entry of the Bidding Procedures Order, the Debtors will file with the Bankruptcy Court, serve on the Sale Notice Parties, and cause to be published on the Prime Clerk Website, a notice (the “**Sale Notice**”) setting forth (i) a complete list and general description of the Assets for sale; (ii) the date, time, and place of the (a) Auction and (b) Sale Hearings (as hereinafter defined); and (iii) the deadlines and procedures for objecting to the proposed Sale Transactions.

Within five (5) business days after entry of the Bidding Procedures Order, the Debtors shall cause the information contained in the Sale Notice to be published once in the national edition of *USA Today* and the *Chicago Tribune*.

D. Objection Recipients

Sale Objections (as hereinafter defined) shall be filed with the Bankruptcy Court and served on the following parties (collectively, the “**Objection Recipients**”): (i) the Bid Notice Parties; and (ii) counsel to the Stalking Horse Bidder (or the relevant Additional Stalking Horse Bidder, if applicable) or Successful Bidder (as hereinafter defined) at the Auction (which may be the Stalking Horse Bidder or an Additional Stalking Horse Bidder if such party prevails at the Auction) by no later than (a) **June 16, 2017, at 4:00 p.m. (prevailing Eastern Time)**, if the Sale Objection is with respect to a sale of the Stalking Horse Package; and (b) **July 6, 2017, at 4:00 p.m. (prevailing Eastern Time)** (each such deadline, a “**Sale Objection Deadline**”), if the Sale Objection is with respect to a sale of Other Assets.

E. Notices Regarding Assumption and Assignment

The Debtors shall provide all notices regarding the proposed assumption, assignment, and designation of Contracts and Leases in accordance with the Bidding Procedures Order.

V. **Bidder Qualifications**

Each person or entity that desires to participate in the Auction (each, a “**Prospective Bidder**”) must be determined by the Debtors to satisfy the following eligibility requirements:

A. Due Diligence

To be eligible to participate in the Auction, a Prospective Bidder must first execute a confidentiality agreement, in form and substance satisfactory to the Debtors. Upon execution of a valid confidentiality agreement, any Prospective Bidder identified by the Debtors to be reasonably likely to be a Qualified Bidder (as hereinafter defined) that wishes to conduct due diligence on the Debtors’ businesses and the Assets may be granted access to confidential information regarding the same, including an information package containing information and financial data with respect to the applicable Assets and access to a data room (the “**Data Room**”) with confidential electronic data concerning the Debtors’ businesses and Assets. If the Debtors, in consultation with the Consultation Parties, determine that a Prospective Bidder does not qualify as a Qualified Bidder, the Prospective Bidder shall not be entitled to access to the Data Room or receive additional non-public information regarding the Debtors’ businesses, the Assets, or the sale process.

Once an interested party is deemed a Prospective Bidder and such party has executed a valid confidentiality agreement, such bidder’s identity may, in the Debtors’ discretion, be disclosed to the Stalking Horse Bidder and/or to any applicable Additional Stalking Horse Bidder.

The Debtors will work to accommodate all reasonable requests for additional information and due diligence access from Prospective Bidders. All due diligence requests shall be directed to the Debtors' investment banker, Peter J. Solomon Company, LLC, 1345 Avenue of the Americas, 31st Floor, New York, New York 10105 (Attn: Derek Pitts (dpitts@pjsc.com); Scott Moses (smoses@pjsc.com); and Gregory Grambling (ggrambling@pjsc.com)).

B. Bid Deadline

Any Prospective Bidder that intends to participate in the Auction must submit a Qualified Bid (as hereinafter defined) on or before **June 21, 2017, at 4:00 p.m. (prevailing Eastern Time)** (the "**Bid Deadline**") in writing to the Bid Notice Parties.

The Debtors may, after consulting with the Consultation Parties, extend the Bid Deadline for any reason whatsoever, in their reasonable business judgment and sole discretion, for all or certain Prospective Bidders.

C. Qualified Bid Requirements

To qualify as a "**Qualified Bid**," a bid must (i) be the Stalking Horse Bid or an Additional Stalking Horse Bid, or (ii) be in writing and determined by the Debtors, in consultation with the Consultation Parties, to satisfy the following requirements:

1. Identification of Bidder. A Qualified Bid must fully disclose the legal identity of each person or entity bidding for the Assets or otherwise participating in the Auction in connection with such bid (including any equity holders or other financial backers, if the Prospective Bidder is an entity formed for the purpose of submitting bids or consummating a Sale Transaction), and the complete terms of any such participation, and must also disclose any connections or agreements with the Debtors, any other known Prospective Bidder or Qualified Bidder, and/or any officer or director of the foregoing.
2. Purchased Assets. A Qualified Bid must clearly identify the following:
 - a. the Assets to be purchased, including any Contracts and Leases of the Debtors that would be assumed and assigned in connection with the proposed Sale Transaction (all such Contracts and Leases, the "**Proposed Assumed Contracts**");
 - b. with respect to a bid for one or more Strack Stores, the valuations in U.S. dollars that the Prospective Bidder associates with each applicable Strack Store, including a description of any significant assumptions on which such valuations are based;
 - c. with respect to a bid for the Distribution Center, the valuation in U.S. dollars that the Prospective Bidder associates with the Distribution Center, including a description of any significant assumptions on which such valuation is based;

- d. the liabilities, if any, to be assumed, including any debt to be assumed; and
- e. the Credit Bid or Landlord Bid (each as hereinafter defined), if applicable, and/or the cash purchase price of the bid.

3. Form of Consideration.

- a. Credit Bidding. In connection with the sale of all or any portion of the Assets, a person or entity holding a perfected security interest in such assets may seek to credit bid all or a portion of their claims for their respective collateral (each such bid, a “**Credit Bid**”) pursuant to section 363(k) of the Bankruptcy Code; provided that the Credit Bid complies with the terms of that certain Amended and Restated Intercreditor Agreement, dated as of October 28, 2016, by and between PNC Bank, National Association, as administrative agent under the Prepetition Revolving Credit Facility, and Bank of the West, as the administrative agent under the Prepetition Term Loan Facility, and acknowledged and consented to by the Debtors (as amended, supplemented, or otherwise modified from time to time, the “**Intercreditor Agreement**”) and any orders of the Bankruptcy Court approving debtor-in-possession financing or use of cash collateral. A Credit Bid may only be applied to reduce the cash consideration for the Assets in which the party submitting the Credit Bid holds a security interest.
- b. Landlord Bid. Subject to the terms of these Bidding Procedures and the Debtors’ discretion to consider such bids, any bid submitted by a landlord for the purchase of one or more of such landlord’s own Leases (each such bid, a “**Landlord Bid**”) may include a purchase price comprised of (i) a cash component, and (ii) a non-cash component that represents a “credit” for the total outstanding documented and verifiable rental arrears under such leases (such credit, a “**Landlord Credit**”). A Landlord Credit will be applied to reduce the cash consideration for the applicable Leases, but may not be applied toward any Good Faith Deposit (as hereinafter defined) required to bid on such leases.
- c. All-Cash Offer. Unless a bid includes a Credit Bid or a Landlord Credit, the bid must include a statement confirming that the bid is (i) based on an all-cash offer, and (ii) sufficient cash consideration to pay any applicable Termination Payment or Additional Termination Payment, as applicable; provided that, any bid that includes a Credit Bid shall also include a cash component sufficient to pay, and earmarked exclusively for the payment of, any applicable Termination Payment or Additional Termination

Payment and all obligations secured by senior liens on the applicable Assets.

4. Purchase Price; Minimum Bid.

- a. Stalking Horse Package. Each bid submitted in connection with the Stalking Horse Package must (i) be a bid for all of the Assets contained in the Stalking Horse Package; and (ii) exceed the cash purchase price in the Stalking Horse Bid, plus any applicable Termination Payment; or (iii) propose an alternative transaction that provides better terms than the Stalking Horse Bid, taking into account any applicable Termination Payment.

If the value of the bid relative to the Stalking Horse Bid includes additional non-cash components (such as fewer contingencies than are in the Stalking Horse Agreement), the bid must include a detailed analysis of the value of any additional non-cash component and any back-up documentation to support such value.

- b. Bids for Individual Assets or Combinations of Assets. Bidders may also submit Partial Bids. The Debtors will determine, in consultation with the Consultation Parties, whether such bids may qualify as Qualified Bids. Generally, for a Partial Bid to be considered a Qualified Bid, the Debtors, in consultation with the Consultation Parties, must conclude that a Partial Bid, when taken together with other Partial Bids, satisfies the criteria for being a Qualified Bid.

If a Partial Bid includes one or more of the Strack Stores in the Stalking Horse Package, but is not a bid for all of the Strack Stores in the Stalking Horse Package, such bid will not be considered to be a Qualified Bid unless (i) the Debtors receive one or more Partial Bids for the remaining Strack Stores in the Stalking Horse Package such that, in combination with one another, the Partial Bids constitute a higher or better bid than the Stalking Horse Bid plus the Termination Payment; or (ii) the Partial Bid includes less than all of the Strack Stores in the Stalking Horse Package but proposes a purchase price allocable to the Strack Stores that exceeds the purchase price in the Stalking Horse Bid plus the Termination Payment.

- c. Additional Stalking Horse Packages. Each bid submitted in connection with an Additional Stalking Horse Package must exceed the cash purchase price in the applicable Additional Stalking Horse Bid, plus any applicable Additional Termination Payment, or propose an alternative transaction that provides better

terms than the Additional Stalking Horse Bid, taking into account any applicable Additional Termination Payment.

If the value of the bid relative to an Additional Stalking Horse Bid includes additional non-cash components (such as fewer contingencies than are in the applicable Additional Stalking Horse Agreement), the bid must include a detailed analysis of the value of any additional non-cash component and any back-up documentation to support such value.

5. Good Faith Deposit. Other than as provided in the Stalking Horse Agreement and any Additional Stalking Horse Agreement, and excluding bids that include a Credit Bid, a Qualified Bid must be accompanied by a **“Good Faith Deposit”** in the form of cash in an amount equal to ten percent (10%) of the proposed purchase price offered to purchase the applicable Assets. Good Faith Deposits shall be deposited prior to the Bid Deadline, with an escrow agent selected by the Debtors (the **“Escrow Agent”**), pursuant to the escrow agreement to be provided by the Debtors to Prospective Bidders. All Good Faith Deposits shall be held in escrow until no later than ten (10) days after the conclusion of the Auction (except for the Good Faith Deposits of the Successful Bidder(s) and Back-Up Bidder(s)), and thereafter returned to the respective bidders in accordance with the provisions of Part VIII of these Bidding Procedures.

To the extent that a bid is modified at or prior to the Auction, the bidder must adjust its Good Faith Deposit so that it equals ten percent (10%) of the proposed purchase price offered to purchase the applicable Assets.

6. Proposed Asset Purchase Agreement. A Qualified Bid must constitute an irrevocable offer and be in the form of an asset purchase agreement reflecting the terms and conditions of the bid (a **“Proposed APA”**), which Proposed APA must be marked to show any proposed amendments and modifications to the form of purchase agreement posted by the Debtors in the Data Room. Specifically, a Proposed APA shall (i) specify the purchase price in U.S. dollars; (ii) include all exhibits and schedules contemplated thereby (other than exhibits and schedules that by their nature must be prepared by the Debtors); (iii) identify any Proposed Assumed Contracts; and (iv) be executed by the Prospective Bidder.

A Qualified Bid for the entire Stalking Horse Package must also include a marked copy of the Stalking Horse Agreement reflecting the differences between the Stalking Horse Agreement and the Prospective Bidder’s Proposed APA.

A Qualified Bid for an entire Additional Stalking Horse Package must also include a marked copy of the applicable Additional Stalking Horse

Agreement reflecting the differences between the Additional Stalking Horse Agreement and the Prospective Bidder's Proposed APA.

7. Employee and Labor Terms. If the bid contemplates a going-concern sale of Strack Stores, it must include a statement of proposed terms for unionized and non-unionized employees, which shall include one of the following: (i) a statement that the Prospective Bidder will assume the Debtors' affected collective bargaining agreements (the "**Affected Labor Agreements**") without modification; (ii) if the Prospective Bidder will not assume the Affected Labor Agreements without modification of such agreements, a statement that the Prospective Bidder will enter into good faith negotiations with each affected labor union (the "**Affected Unions**") to enter into modified labor agreements (each, a "**Modified Labor Agreement**"), including a term sheet, which shall be attached to the Prospective Bidder's Proposed APA, proposing post-closing work rules and conditions to be offered to unionized employees; or (iii) a statement that the Prospective Bidder does not intend to assume any Affected Labor Agreements; provided that, such statement shall include whether or not the Prospective Bidder intends to offer employment to any of the Debtors' employees following a closing of an applicable Sale Transaction.
8. Financial Information. A Qualified Bid must include the following:
 - a. a statement that the Prospective Bidder is financially capable of consummating the Sale Transaction(s) contemplated by the Proposed APA;
 - b. if applicable, information supporting the Prospective Bidder's (or any other proposed assignee's) ability to comply with the requirement to provide adequate assurance of future performance under Bankruptcy Code section 365(f)(2) and, if applicable, Bankruptcy Code section 365(b)(3), including the Prospective Bidder's financial wherewithal and willingness to perform under Proposed Assumed Contracts and any other Contracts and Leases that may later be designated by the Prospective Bidder (if named a Successful Bidder) for assumption and assignment in connection with a Sale Transaction (such information, "**Adequate Assurance Information**"); and
 - c. sufficient evidence, as reasonably determined by the Debtors, to allow the Debtors, after consulting with the Consultation Parties, to determine that the Prospective Bidder has, or can obtain, the financial wherewithal to consummate the Sale Transactions contemplated in the Prospective Bidder's Proposed APA in a timely manner.

9. Representations and Warranties. A Qualified Bid must include the following representations and warranties:
 - a. a statement that the Prospective Bidder has had an opportunity to conduct any and all due diligence regarding the Debtors' businesses and the applicable Assets prior to submitting its bid;
 - b. a statement that the Prospective Bidder has relied solely upon its own independent review, investigation, and/or inspection of any relevant documents and the Assets in making its bid and did not rely on any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express or implied, by operation of law or otherwise, regarding the Assets or the completeness of any information provided in connection therewith, except as expressly stated in the representations and warranties contained in the Prospective Bidder's Proposed APA ultimately accepted and executed by the Debtors; and
 - c. if the bid includes a Credit Bid, a statement that the bid complies with the terms of the Intercreditor Agreement.
10. Required Approvals. A Qualified Bid must include a statement or evidence (i) that the Prospective Bidder has made or will make in a timely manner all necessary filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("**HSR Filings**"), as amended, if applicable, and pay the fees associated with such filings; and (ii) an explanation and/or evidence of the Prospective Bidder's plan and ability to obtain all governmental and regulatory approvals to operate the Distribution Center and/or Strack Stores included in its bid from and after closing an applicable Sale Transaction and the proposed timing for the Prospective Bidder to undertake the actions required to obtain such approvals. A Prospective Bidder further agrees that its legal counsel will coordinate in good faith with Debtors' legal counsel to discuss and explain the Prospective Bidder's regulatory analysis, strategy, and timeline for securing all such approvals as soon as reasonably practicable, and in no event later than the time period contemplated in the Proposed APA.
11. Authorization. A Qualified Bid must include evidence of corporate authorization and approval from the Prospective Bidder's board of directors (or comparable governing body) with respect to the submission, execution, and delivery of a bid, participation in the Auction, and closing of the transactions contemplated by the Prospective Bidder's Proposed APA in accordance with the terms of the bid and these Bidding Procedures.

12. Other Requirements. A Qualified Bid shall

- a. except as otherwise provided in the Stalking Horse Agreement and any Additional Stalking Horse Agreement, expressly state that the Prospective Bidder agrees to serve as a back-up bidder (a “**Back-Up Bidder**”) if such bidder’s Qualified Bid is selected as the next highest or next best bid after the Successful Bid (as hereinafter defined) with respect to the applicable Assets;
- b. state that the bid is formal, binding, and unconditional (except as set forth in an applicable asset purchase agreement ultimately executed by the Debtors); is not subject to any further due diligence; and is irrevocable until the first business day following the close of a Sale Transaction with the Successful Bidder for the applicable Assets;
- c. with the exception of the Stalking Horse Bid and any Additional Stalking Horse Bid, expressly state and acknowledge that the Prospective Bidder shall not be entitled to any break-up fee, expense reimbursement, or other bid protection in connection with the submission of a bid for the Assets or otherwise participating in the Auction or sale process, unless otherwise granted by the Debtors in accordance with these Bidding Procedures and approved by the Bankruptcy Court;
- d. expressly waive any claim or right to assert any substantial contribution administrative expense claim under section 503(b) of the Bankruptcy Code in connection with bidding for the Assets and/or participating in the Auction;
- e. not contain any unsatisfied financing contingencies of any kind;
- f. a covenant to cooperate with the Debtors to provide pertinent factual information regarding the Prospective Bidder’s operations reasonably required to analyze issues arising with respect to any applicable antitrust laws and other applicable regulatory requirements;
- g. be accompanied by any reasonable information requested by a consumer privacy ombudsman, should one be appointed in the Debtors’ chapter 11 cases pursuant to section 363(b)(1)(B) of the Bankruptcy Code;

- h. include contact information for the specific person(s) the Debtors should contact in the event they have questions about the Prospective Bidder's bid; and
- i. a covenant to comply with the terms of the Bidding Procedures and the Bidding Procedures Order.

For the avoidance of doubt, each of the Stalking Horse Bid and any Additional Stalking Horse Bid is a Qualified Bid that complies with or is exempted from the foregoing requirements.

Notwithstanding the foregoing or anything contained in these Bidding Procedures to the contrary, the Debtors reserve the right to consider Landlord Bids (and Partial Bids that include Landlord Bids). A Landlord Bid may qualify as a Qualified Bid if such bid complies with the Qualified Bid requirements set forth in Paragraphs 1; 2(a)-(b), (d)-(e); 3(b); 4(b); 5; 6; 7; 8(a), (c); 9(a)-(b); 10; 11; and 12 of Section C above. In addition, for a Landlord Bid for a Lease included in the Stalking Horse Package to be considered a Qualified Bid, the Debtors, in consultation with the Consultation Parties, must conclude that the Landlord Bid, when taken together with other Partial Bids and/or Landlord Bids received in respect of the remaining Leases and/or Strack Stores in the Stalking Horse Package, satisfies the criteria for being a Qualified Bid for the Stalking Horse Package. For the avoidance of doubt, Landlord Bids shall not be required to include any Adequate Assurance Information with respect to the bidding landlord's ability to perform under its own Lease.

D. Qualified Bidders

A bid received for the Assets that is determined by the Debtors, in consultation with the Consultation Parties, to meet the requirements set forth in Section C above will be considered a "Qualified Bid," and the Stalking Horse Bidder, any Additional Stalking Horse Bidder, and any bidder that submits a Qualified Bid (including the Stalking Horse Bid and any Additional Stalking Horse Bid) will be considered a "**Qualified Bidder.**"

The Debtors may, after consulting with the Consultation Parties, amend or waive the conditions precedent to being a Qualified Bidder at any time, in their reasonable business judgment, in a manner consistent with their fiduciary duties and applicable law.

In the context of a Credit Bid for the Assets securing their respective debt, each of (i) the administrative agent under the Prepetition Revolving Credit Facility, (ii) the administrative agent under the Prepetition Term Loan Facility, and (iii) the DIP Agent under the DIP Financing facility is a Qualified Bidder and any such Credit Bid will be considered a Qualified Bid to the extent such bid is received by the Bid Deadline; complies with the requirements set forth under paragraphs 1-2; 3(a), (c); 4; 6; 7; 8(b); 9-11; and 12(a)-(c), (e)-(g), (i) under Section C above; complies with section 363(k) of the Bankruptcy Code; and complies with the terms and conditions of the Intercreditor Agreement.

VI.
Bid Review Process

The Debtors will evaluate timely bids, in consultation with the Consultation Parties and, may, based upon their evaluation of the content of each bid, engage in negotiations with Prospective Bidders who submitted bids, as the Debtors deem appropriate, in their reasonable business judgment, and in a manner consistent with their fiduciary duties and applicable law. In evaluating the bids, the Debtors may take into consideration the following non-binding factors:

1. the amount of the purchase price and Credit Bid and/or Landlord Credit, as applicable, set forth in the bid;
2. the Assets included in or excluded from the bid, including any Proposed Assumed Contracts;
3. the value to be provided to the Debtors under the bid, including the net economic effect upon the Debtors' estates, taking into account the Stalking Horse Bidder's rights to any Termination Payment and any Additional Stalking Horse Bidder's rights to any Additional Termination Payment;
4. any benefit to the Debtors' bankruptcy estates from any assumption of liabilities or waiver of liabilities;
5. the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals;
6. the impact on employees, employee claims against the Debtors, Affected Labor Agreements, and whether the Prospective Bidder has reached an agreement with the Affected Unions;
7. the impact on trade creditors and landlords; and
8. any other factors the Debtors may reasonably deem relevant.

The Debtors, in consultation with the Consultation Parties, will make a determination regarding which bids qualify as a Qualified Bids, and will notify Prospective Bidders whether they have been selected as Qualified Bidders by no later than **June 23, 2017**; provided that, if the Debtors, after consulting with the Consultation Parties, determine to extend the Bid Deadline, the Debtors will use commercially reasonable efforts to notify bidders whether their bids have qualified as Qualified Bids within two (2) business days after the newly-scheduled bid deadline.

The Debtors reserve the right to work with any Prospective Bidder in advance of the Auction to cure any deficiencies in a bid that is not initially deemed a Qualified Bid. The Debtors may accept a single bid or multiple Partial Bids for non-overlapping Assets such that, if taken together, would otherwise meet the standards for a single Qualified Bid as to the Stalking Horse

Package or any Other Assets or combinations of Assets that the Debtors determine to auction (in which event those multiple bidders shall be treated as a single Qualified Bidder for purposes of the Auction). Without the prior written consent of the Debtors, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase the purchase price or otherwise improve the terms of the Qualified Bid.

In consultation with the Consultation Parties, the Debtors shall make a determination regarding the following:

1. the Assets and/or combinations of Assets to be auctioned by the Debtors, which may include (i) the Stalking Horse Package, (ii) Other Assets, including any Additional Stalking Horse Package or (iii) the Stalking Horse Package and Other Assets, including any Additional Stalking Horse Package (each group of Assets, an “**Auction Package**”); provided that an Auction Package that includes the Stalking Horse Package may not include less than all of the Assets in the Stalking Horse Package;
2. the highest or best Qualified Bid (or collection of Partial Bids comprising one Qualified Bid) for each Auction Package (each, a “**Baseline Bid**” and, such bidder or group of bidders, a “**Baseline Bidder**”) to serve as the starting point at the Auction for such Auction Package; and
3. which bids have been determined to be Qualified Bids and the Auction Package applicable to such Qualified Bid; provided that the Debtors may permit a Qualified Bidder to bid on more than one Auction Package.

As soon as practicable, the Debtors will provide copies of each Baseline Bid to the Consultation Parties, the Stalking Horse Bidder, and any applicable Additional Stalking Horse Bidder.

VII.

The Auction

With respect to the Stalking Horse Package, if no Qualified Bid other than the Stalking Horse Bid is received by the Bid Deadline, the Debtors will not conduct an Auction for the Stalking Horse Package, and shall file with the Bankruptcy Court, serve on the Sale Notice Parties, and cause to be published on the Prime Clerk Website a notice indicating that the Auction for the Stalking Horse Package has been canceled and that the Stalking Horse Bidder is the Successful Bidder with respect to the Stalking Horse Package, and setting forth the date and time of the applicable Sale Hearing. The same procedures shall apply with respect to any Additional Stalking Horse Package for which the Debtors do not receive a timely Qualified Bid other than the applicable Additional Stalking Horse Bid.

With respect to Other Assets not included in an Additional Stalking Horse Package, if only one Qualified Bid is received in respect of such assets by the Bid Deadline, the Debtors may, after consulting with the Consultation Parties, determine to consummate a Sale Transaction with the applicable Qualified Bidder (without conducting an Auction for the applicable Other Assets), and shall file with the Bankruptcy Court, serve on the Sale Notice Parties, and cause to

be published on the Prime Clerk Website a notice identifying the Qualified Bidder and setting forth the terms of the Qualified Bid and the date and time of the applicable Sale Hearing.

Except as provided in the Stalking Horse Agreement and any Additional Stalking Horse Agreement, nothing herein shall obligate the Debtors to consummate or pursue any transaction with respect to any Asset, including the Distribution Center, with a Qualified Bidder.

The Auction, if any, will be conducted at the offices of Weil, Gotshal & Manges, LLP, 767 Fifth Avenue, New York, New York 10153 on **June 26, 2017, at 10:00 a.m. (prevailing Eastern Time)**, or at such other time and location as designated by the Debtors, after consulting with the Consultation Parties and providing notice to the Sale Notice Parties. If held, the proceedings of the Auction will be transcribed and/or video recorded.

A. Participants and Attendees

Only Qualified Bidders are eligible to participate in the Auction, subject to other limitations as may be reasonably imposed by the Debtors in accordance with these Bidding Procedures. Qualified Bidders participating in the Auction must appear in person at the Auction, or through a duly authorized representative. The Auction will be conducted openly, and all creditors will be permitted to attend; provided that the Debtors may, in their sole discretion, establish a reasonable limit on the number of representatives and/or professional advisors that may appear on behalf of or accompany each Qualified Bidder and other parties in interest at the Auction.

Each Qualified Bidder participating in the Auction will be required to confirm in writing and on the record at the Auction that (i) it has not engaged in any collusion with respect to the submission of any bid or the Auction, and (ii) its Qualified Bid represents a binding, good faith, and bona fide offer to purchase the Assets identified in such bid if selected as the Successful Bidder.

B. Auction Procedures

The Auction shall be governed by the following procedures, subject to the Debtors' right to modify such procedures in their reasonable business judgment, in consultation with the Consultation Parties, and in a manner consistent with their fiduciary duties and applicable law:

1. Baseline Bids. Bidding for each Auction Package shall commence at the amount of the Baseline Bid (or combination of Baseline Bids).
2. Minimum Overbid. Qualified Bidders may submit successive bids higher than the previous bid, based on and increased from the applicable Baseline Bid. The Debtors shall, after consulting with the Consultation Parties, announce at the outset of the Auction the minimum required increments for successive Qualified Bids (each such bid, a "**Minimum Overbid**"). The Debtors may, in their reasonable business judgment, and after

consulting with the Consultation Parties, announce increases or reductions to Minimum Overbids at any time during the Auction.

- a. Stalking Horse Credit for Termination Payment. If a Qualified Bidder who is not the Stalking Horse Bidder bids at the Auction for the Stalking Horse Package, the Stalking Horse Bidder will be entitled to a “credit” in the amount of the applicable Termination Payment to be counted toward its bid. The cash and other considerations proposed by such Qualified Bidder must exceed the Stalking Horse Bid by the purchase price contained in the Stalking Horse Bid, plus the applicable Termination Payment, by at least the amount of the Minimum Overbid to advance to the next round of bidding. To the extent that the Stalking Horse Bidder submits a competing bid for the Stalking Horse Package, the Stalking Horse Bidder will be entitled to a “credit” in the amount of the applicable Termination Payment to be counted toward its bid and the computation of the Minimum Overbid for bidders to advance to the next round of bidding with respect to the Stalking Horse Package.
 - b. Additional Stalking Horse Credit for Additional Termination Payment. If a Qualified Bidder who is not an Additional Stalking Horse Bidder bids at the Auction for an Additional Stalking Horse Package, the applicable Additional Stalking Horse Bidder will be entitled to a “credit” in the amount of the applicable Additional Termination Payment to be counted toward its bid. The cash and other considerations proposed by such Qualified Bidder must exceed the applicable Additional Stalking Horse Bid by the purchase price contained in the Additional Stalking Horse Bid, plus the Additional Termination Payment, by at least the amount of the Minimum Overbid to advance to the next round of bidding. To the extent that the Additional Stalking Horse Bidder submits a competing bid for its Additional Stalking Horse Package, the Additional Stalking Horse Bidder will be entitled to a “credit” in the amount of the applicable Additional Termination Payment to be counted toward its bid and the computation of the Minimum Overbid for bidders to advance to the next round of bidding with respect to the Additional Stalking Horse Package.
3. Highest or Best Offer. After the first round of bidding and between each subsequent round of bidding, the Debtors shall announce the bid that they believe to be the highest or best offer (or combination of offers) for an Auction Package (each such bid, a “**Leading Bid**”). Each round of bidding will conclude after each participating Qualified Bidder has had the opportunity to submit a subsequent bid with full knowledge of the Leading Bid.

The Auction may include open bidding in the presence of all other Qualified Bidders. All Qualified Bidders shall have the right to submit additional bids and make modifications to their Proposed APA at the Auction to improve their bids. The Debtors may, in their reasonable business judgment, negotiate with any and all Qualified Bidders participating in the Auction.

The Debtors shall have the right, after consulting with the Consultation Parties, withdraw any Assets from the Auction that are not in a Stalking Horse Package or an Additional Stalking Horse Package, and to determine, in their reasonable business judgment, which bid is the highest or best bid and reject, at any time, any bid that the Debtors deem to be inadequate or insufficient, not in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, these Bidding Procedures, any order of the Bankruptcy Court, or the best interests of the Debtors and their estates; except that, (i) if the Stalking Horse Bid as reflected in the Stalking Horse Agreement is the only Qualified Bid received in respect of the Stalking Horse Package, the foregoing shall be inoperative with respect to the Stalking Horse Bid; and (ii) if an Additional Stalking Horse Bid as reflected in an Additional Stalking Horse Agreement is the only Qualified Bid received in respect of the applicable Additional Stalking Horse Package, the foregoing shall be inoperative with respect to the Additional Stalking Horse Bid. No attempt by the Debtors to reject a bid pursuant to this paragraph will modify any rights of the Debtors or the Stalking Horse Bidder under the Stalking Horse Agreement or any Additional Stalking Horse Bidder under any Additional Stalking Horse Agreement (although the same may be consensually modified during the Auction).

C. Auction Results

1. Successful Bids. Immediately prior to the conclusion of the Auction, the Debtors shall, in consultation with the Consultation Parties, (i) determine, consistent with these Bidding Procedures, which Qualified Bids constitute the highest or best Qualified Bids for each of the Auction Packages (each such bid, a “**Successful Bid**”); and (ii) notify all Qualified Bidders at the Auction of the identity of the bidders who submitted the Successful Bids (each such bidder, a “**Successful Bidder**”) and the amount of the purchase prices and other material terms of the Successful Bids.

A Successful Bidder shall, within one (1) business day after the conclusion of the Auction, submit to the Debtors fully executed revised documentation memorializing the terms of the Successful Bid. The Successful Bid may not be assigned to any party without the consent of the Debtors after consulting with the Consultation Parties.

2. Back-Up Bids. Immediately prior to the conclusion of the Auction, the Debtors shall, in consultation with the Consultation Parties, (i) determine, consistent with these Bidding Procedures, and except as provided in the Stalking Horse Agreement and any Additional Stalking Horse Agreement, which Qualified Bid is the next highest or next best Qualified Bid after the Successful Bid for an Auction Package (each such bid, a “**Back-Up Bid**”); and (ii) notify all Qualified Bidders at the Auction of the identities of the Back-Up Bidders and the amount of the purchase prices and other material terms of the Back-Up Bids.

Except to the extent otherwise provided in the Stalking Horse Agreement and any Additional Stalking Horse Agreement, Back-Up Bids shall remain open and irrevocable until the earliest to occur of (i) the first business day after the consummation of a Sale Transaction with the Successful Bidder for the applicable Assets, and (ii) the release of the applicable Back-Up Bid by the Debtors (such date, the “**Back-Up Bid Expiration Date**”). If the Sale Transaction with a Successful Bidder is terminated prior to the Back-Up Bid Expiration Date, the applicable Back-Up Bidder shall be deemed the new Successful Bidder and shall be obligated to consummate the Back-Up Bid as if it were the Successful Bid at the Auction.

For the avoidance of doubt, in no event shall the Stalking Horse Bidder be required to consummate the transactions contemplated by the Stalking Horse Bid or serve as a Back-Up Bidder if the Stalking Horse Bidder is not a Successful Bidder, unless the Stalking Horse Bidder, in its sole discretion, otherwise agrees.

The Debtors will use commercially reasonable efforts to, within two (2) business days after the conclusion of the Auction, or as soon as reasonably practicable thereafter, file with the Bankruptcy Court, serve on the Sale Notice Parties, and cause to be published on the Prime Clerk Website a notice of the results of the Auction (the “**Notice of Auction Results**”), which shall (i) identify the Successful Bidders and Back-Up Bidders; (ii) list all Proposed Assumed Contracts in the Successful Bids and Back-Up Bids; (iii) identify any known proposed assignee(s) of Proposed Assumed Contracts (if different from the applicable Successful Bidder); (iv) list any known Contracts and Leases that may later be designated by a Successful Bidder for assumption and assignment in connection with a Sale Transaction; and (v) set forth the deadline and procedures for filing Adequate Assurance Objections (as hereinafter defined) in response to the Notice of Auction Results.

VIII. Disposition of Good Faith Deposits

A. **Prospective Bidders**

Within three (3) business days after the Bid Deadline, the Escrow Agent shall return to each Prospective Bidder that was determined not to be a Qualified Bidder, as confirmed by the Debtors, such Prospective Bidder’s Good Faith Deposit, plus any interest accrued thereon. Upon

the authorized return of such Prospective Bidder's Good Faith Deposit, the bid of such Prospective Bidder shall be deemed revoked and no longer enforceable.

B. Qualified Bidders

1. Forfeiture of Good Faith Deposit. The Good Faith Deposit of a Qualified Bidder will be forfeited to the Debtors if (i) the applicable Qualified Bidder attempts to modify, amend, or withdraw its Qualified Bid, except as permitted by these Bidding Procedures, during the time the Qualified Bid remains binding and irrevocable under these Bidding Procedures; or (ii) the Qualified Bidder is selected as the Successful Bidder and fails to enter into the required definitive documentation or to consummate a Sale Transaction in accordance with these Bidding Procedures and the terms of the applicable transaction documents with respect to the Successful Bid. The Escrow Agent shall release the Good Faith Deposit by wire transfer of immediately available funds to an account designated by the Debtors two (2) business days after the receipt by the Escrow Agent of a written notice by an authorized officer of the Debtors stating that the Qualified Bidder has breached or failed to satisfy its obligations or undertakings.
2. Return of Good Faith Deposit. With the exception of the Good Faith Deposits of Successful Bidders and Back-Up Bidders, the Escrow Agent shall return to any other Qualified Bidder any Good Faith Deposit, plus any interest accrued thereon, ten (10) business days after the conclusion of the Auction.
3. Stalking Horse Bidder. Notwithstanding anything to the contrary herein, any Good Faith deposit provided by the Stalking Horse Bidder pursuant to the Stalking Horse Agreement (including any required return of such deposit) shall be governed by the terms and conditions of the Stalking Horse Agreement.
4. Additional Stalking Horse Bidders. Notwithstanding anything to the contrary herein, any Good Faith deposit provided by any Additional Stalking Horse Bidder pursuant to the applicable Additional Stalking Horse Agreement (including any required return of such deposit) shall be governed by the terms and conditions of the Additional Stalking Horse Agreement.
5. Back-Up Bidders. The Escrow Agent shall return a Back-Up Bidder's Good Faith Deposit, plus any interest accrued thereon, within ten (10) business days after the occurrence of the applicable Back-Up Bid Expiration Date.
6. Successful Bidders. The Good Faith Deposit of a Successful Bidder shall be applied against the cash portion of the purchase price of the Successful Bid upon the consummation of the applicable Sale Transaction.

C. Escrow Instructions

The Debtors and, as applicable, the Prospective Bidder, Qualified Bidder, and/or Back-Up Bidder agree to execute an appropriate joint notice to the Escrow Agent providing

instructions for the return of any Good Faith Deposit, to the extent such return is required by these Bidding Procedures. If either party fails to execute such written notice, the Good Faith Deposit may only be released by an order of the Bankruptcy Court.

IX. **Sale Hearing**

At one or more hearings before the Bankruptcy Court (each, a “**Sale Hearing**”), the Debtors will seek the entry of orders authorizing and approving, among other things, the following Sale Transactions (each, a “**Sale Order**”), to the extent applicable:

1. if no other Qualified Bid (which, includes a combination of Partial Bids that together would constitute a Qualified Bid for the Assets in the Stalking Horse Package) is received by the Debtors in respect of the Stalking Horse Package, a sale of such assets to the Stalking Horse Bidder pursuant to the terms and conditions set forth in the Stalking Horse Agreement;
2. if another Qualified Bid is received by the Debtors in respect of the Stalking Horse Package, a sale of such assets to the applicable Successful Bidder at the Auction (which bidder could be the Stalking Horse Bidder);
3. if no other Qualified Bid is received by the Debtors in respect of an Additional Stalking Horse Package, a sale of such assets to the applicable Additional Stalking Horse Bidder pursuant to the terms and conditions set forth in the applicable Additional Stalking Horse Agreement; and
4. with respect to any Other Assets that are auctioned and/or sold by the Debtors pursuant to these Bidding Procedures, a sale of such assets to the applicable Successful Bidder(s).

The Debtors may, in their reasonable business judgment, after consulting with the Consultation Parties and the Successful Bidders (including the Stalking Horse Bidder and any Additional Stalking Horse Bidder if named a Successful Bidder), adjourn or reschedule any Sale Hearing with sufficient notice to the Sale Notice Parties, including by (i) an announcement of such adjournment at the applicable Sale Hearing or at the Auction, or (ii) the filing of a notice of adjournment with the Bankruptcy Court prior to the commencement of the applicable Sale Hearing; provided that nothing herein shall authorize the Debtors to unilaterally extend any date or deadline set forth in the Stalking Horse Agreement or any Additional Stalking Horse Agreement.

Any objections to (A) a proposed Sale Transaction, including any objection to the sale of any Assets free and clear of liens, claims, interests, and encumbrances pursuant to section 363(f) of the Bankruptcy Code and/or entry of a Sale Order (a “**Sale Objection**”); (B) the Debtors’ proposed Cure Costs set forth in a Notice of Assumption and Assignment (a “**Cure Objection**”); and (C) provision of adequate assurance of future performance with respect to any Proposed Assumed Contracts or Contracts or Leases that may later be designated for assumption and assignment by a Successful Bidder in connection with a Sale Transaction (an “**Adequate**

Assurance Objection”) must (i) be in writing; (ii) comply with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules; (iii) state, with specificity, the legal and factual bases thereof; (iv) include any appropriate documentation in support thereof; and (v) be filed with the Bankruptcy Court and served on the Objection Recipients by the applicable Sale Objection Deadline.

All Sale Objections not otherwise resolved by the parties shall be heard at the applicable Sale Hearing. Any party who fails to file with the Bankruptcy Court and serve on the Objection Recipients a Sale Objection by the applicable Sale Objection Deadline may be forever barred from asserting, at the Sale Hearing or thereafter, any objection to the relief requested in the Motion, or to the consummation and performance of the Sale Transactions contemplated by the Stalking Horse Agreement, any Additional Stalking Horse Agreement, or asset purchase agreement with a Successful Bidder, including the transfer of the Assets to the Stalking Horse Bidder, any Additional Stalking Horse Bidder, or Successful Bidder (including any Back-Up Bidder subsequently deemed a Successful Bidder), free and clear of all liens, claims, interests, and encumbrances pursuant to section 363(f) of the Bankruptcy Code. Notwithstanding the foregoing, in accordance with the terms of the Bidding Procedures Order, the Debtors may, in their discretion, adjourn Cure Objections to be considered at a later hearing and assign Proposed Assumed Contracts while such objections remain outstanding.

X.

Consent to Jurisdiction and Authority as Condition to Bidding

All Prospective Bidders, the Stalking Horse Bidder, and any Additional Stalking Horse Bidder shall be deemed to have (i) consented to the core jurisdiction of the Bankruptcy Court to enter any order or orders, which shall be binding in all respects, in any way related to these Bidding Procedures, the Auction, or the construction or enforcement of any agreement or any other document relating to the Sale Transactions; (ii) waived any right to a jury trial in connection with any disputes relating to these Bidding Procedures, the Auction, or the construction or enforcement of any agreement or any other document relating to the Sale Transactions; and (iii) consented to the entry of a final order or judgment in any way related to these Bidding Procedures, an Auction, or the construction or enforcement of any agreement or any other document relating to the Sale Transactions if it is determined that the Bankruptcy Court would lack Article III jurisdiction to enter such a final order or judgment absent the consent of the parties.

XI.

Reservation of Rights

The Debtors reserve the right to, in their reasonable business judgment, in a manner consistent with their fiduciary duties and applicable law, and in consultation with the Consultation Parties, modify these Bidding Procedures; waive terms and conditions set forth herein with respect to all Prospective Bidders; extend the deadlines set forth herein; announce at the Auction modified or additional procedures for conducting the Auction; alter the assumptions set forth herein; and provide reasonable accommodations to the Stalking Horse Bidder and any Additional Stalking Horse Bidder with respect to such terms, conditions, and deadlines of the bidding and Auction process to promote further bids by such bidders on any Other Assets

(including extending deadlines as may be required for the Stalking Horse Bidder and any Additional Stalking Horse Bidder to comply with any additional filing and review procedures with the Federal Trade Commission in connection with its previous HSR Filings), in each case, to the extent not materially inconsistent with these Bidding Procedures and the Bidding Procedures Order. **Except as provided in the Stalking Horse Agreement and any Additional Stalking Horse Agreement, nothing herein shall obligate the Debtors to consummate or pursue any transaction with respect to any Asset, including the Distribution Center, with a Qualified Bidder.**

Schedule 1

Stalking Horse Package

Schedule 1**Stalking Horse Package**

Tab	Store #	Banner	Address	City	ST	Zip
1.	8756	Strack & Van Til Market	9605 Lincoln Plz	Cedar Lake	IN	46303
2.	8748	Strack & Van Til Market	1600 Pioneer Trl	Chesterton	IN	46304
3.	8797	Strack & Van Til Market	10851 Broadway	Crown Point	IN	46307
4.	8787	Strack & Van Til Market	200 W Franciscan Dr	Crown Point	IN	46307
5.	8798	Strack & Van Til Market	4725 Indianapolis Blvd	East Chicago	IN	46312
6.	8786	Strack & Van Til Market	115 Sibley St	Hammond	IN	46320
7.	8765	Strack & Van Til Market	9632 Cline Ave	Highland	IN	46322
8.	8778	Strack & Van Til Market	7760 E Ridge Rd	Hobart	IN	46342
9.	8747	Strack & Van Til Market	999 W Old Ridge Rd	Hobart	IN	46342
10.	8755	Strack & Van Til Market	2080 E Commercial Ave	Lowell	IN	46356
11.	8789	Strack & Van Til Market	12 Ridge Rd	Munster	IN	46321
12.	8754	Strack & Van Til Market	861 S College Ave	Rensselaer	IN	47978
13.	8795	Strack & Van Til Market	9825 Wicker Ave	Saint John	IN	46373
14.	8768	Strack & Van Til Market	1515 Us Highway 41	Schererville	IN	46375
15.	8750	Strack & Van Til Market	2800 Calumet Ave	Valparaiso	IN	46383
16.	8749	Strack & Van Til Market	2168 W US Highway 30	Valparaiso	IN	46385
17.	8793	Strack & Van Til Market	1836 Calumet Ave	Whiting	IN	46394
18.	8782	Town & Country Market	6046 Central Ave	Portage	IN	46368
19.	8780	Town & Country Market	1605 Calumet Ave	Valparaiso	IN	46383
20.	8701	Commissary	555 Coolwood Drive	Valparaiso	IN	46385

Schedule 2

Assets Available for Sale

Schedule 2**Assets Available for Sale**

Tab	Store #	Banner	Address	City	ST	Zip
1.	8756	Strack & Van Til Market	9605 Lincoln Plz	Cedar Lake	IN	46303
2.	8748	Strack & Van Til Market	1600 Pioneer Trl	Chesterton	IN	46304
3.	8797	Strack & Van Til Market	10851 Broadway	Crown Point	IN	46307
4.	8787	Strack & Van Til Market	200 W Franciscan Dr	Crown Point	IN	46307
5.	8798	Strack & Van Til Market	4725 Indianapolis Blvd	East Chicago	IN	46312
6.	8786	Strack & Van Til Market	115 Sibley St	Hammond	IN	46320
7.	8765	Strack & Van Til Market	9632 Cline Ave	Highland	IN	46322
8.	8778	Strack & Van Til Market	7760 E Ridge Rd	Hobart	IN	46342
9.	8747	Strack & Van Til Market	999 W Old Ridge Rd	Hobart	IN	46342
10.	8755	Strack & Van Til Market	2080 E Commercial Ave	Lowell	IN	46356
11.	8789	Strack & Van Til Market	12 Ridge Rd	Munster	IN	46321
12.	8754	Strack & Van Til Market	861 S College Ave	Rensselaer	IN	47978
13.	8795	Strack & Van Til Market	9825 Wicker Ave	Saint John	IN	46373
14.	8768	Strack & Van Til Market	1515 Us Highway 41	Schererville	IN	46375
15.	8750	Strack & Van Til Market	2800 Calumet Ave	Valparaiso	IN	46383
16.	8749	Strack & Van Til Market	2168 W US Highway 30	Valparaiso	IN	46385
17.	8793	Strack & Van Til Market	1836 Calumet Ave	Whiting	IN	46394
18.	8782	Town & Country Market	6046 Central Ave	Portage	IN	46368
19.	8780	Town & Country Market	1605 Calumet Ave	Valparaiso	IN	46383
20.	8701	Commissary	555 Coolwood Drive	Valparaiso	IN	46385
21.	8781	Merrillville	6001 Broadway	Merrillville	IN	46410
22.	8774	Highland	8401 Indianapolis Blvd	Highland	IN	46322

Tab	Store #	Banner	Address	City	ST	Zip
23.	8794	Kankakee	1200 Kennedy Drive	Kankakee	IL	60901
24.	8762	Downers Grove	1212 75th Street	Downers Grove, IL	IL	60516
25.	8779	Chicago Heights	571 W 14th St	Chicago Heights	IL	60411
26.	8785	Calumet Park	13001 Ashland Ave	Calumet Park	IL	60827
27.	8763	Joliet	1590 N Larkin Ave	Joliet	IL	60435
28.	8758	Wheaton	501 S County Farm Rd	Wheaton	IL	60187
29.	-	SVT Head Quarters	2244 45th St	Highland	IN	46322
30.	-	Distribution Center	2600 W. Haven Ave	Joliet	IN	60433

Exhibit 2

Form of Sale Notice

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re	X	
	:	Chapter 11
	:	
CENTRAL GROCERS, INC., <i>et al.</i> ,	:	Case No. 17-10993 (LSS)
	:	
	:	
Debtors. ¹	:	(Jointly Administered)

NOTICE OF SALE, BIDDING PROCEDURES, AUCTION, AND SALE HEARINGS

PLEASE TAKE NOTICE OF THE FOLLOWING:

On _____, 2017, Central Grocers, Inc. (“CGI”) and its debtor affiliates, including Strack and Van Til Super Market, Inc. (“Strack”), in the above-captioned chapter 11 cases (collectively, the “Debtors”) filed with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) a motion [Docket No. __] (the “Motion”) for the entry of (i) an order (the “Bidding Procedures Order”)² (a) authorizing and approving bidding procedures (the “Bidding Procedures”), substantially in the form attached to the Bidding Procedures Order as **Exhibit 1**, in connection with the sale or disposition of substantially all of the Debtors’ assets (the “Assets”); (b) approving Stalking Horse Bid Protections for the Stalking Horse Bidder (as hereinafter defined); (c) authorizing the designation of additional stalking horse bidders, (d) scheduling an auction (the “Auction”) of the Assets and hearings (each, a “Sale Hearing”) to consider approval of proposed Sale Transactions; (e) authorizing and approving the form and manner of notice of the sale of the Assets, Auction, and Sale Hearings; notice to each non-Debtor counterparty to an executory contract or unexpired lease (collectively, the “Contracts and Leases”) regarding the Debtors’ potential assumption and assignment of their Contracts and Leases and of the Debtors’ calculation of Cure Costs with respect thereto; (f) authorizing and approving Assumption and Assignment Procedures; and (g) granting related relief; and (ii) entry of one or more orders (each, a “Sale Order”), authorizing and approving (a) the sale of the Assets free and clear of all liens, claims, interests, and encumbrances; (b) the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are Central Grocers, Inc. (3170), CGI Joliet LLC (7014), Currency Express, Inc. (2650), Raceway Central, LLC (2161), Raceway Central Calumet Park LLC (2161), Raceway Central Chicago Heights LLC (2161), Raceway Central Downers Grove LLC (2161), Raceway Central Joliet North LLC (2161), Raceway Central LLC North Valpo (2161), Raceway Central Wheaton LLC (2161), Strack and Van Til Super Market, Inc. (2184), and SVT, LLC (1185).

² Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Bidding Procedures Order and the Bidding Procedures, as applicable. Any summary of the Bidding Procedures or the Bidding Procedures Order contained herein is qualified in its entirety by the actual terms and conditions thereof. To the extent that there is any conflict between any such summary and such actual terms and conditions, the actual terms and conditions shall control.

assumption and assignment of proposed assumed Contracts and Leases (collectively, the “**Proposed Assumed Contracts**”); and (c) granting related relief.

On _____, 2017, the Bankruptcy Court entered the Bidding Procedures Order [Docket No. ____].

Stalking Horse Bid

A binding stalking horse bid (the “**Stalking Horse Bid**”) has been submitted by Jewel Food Stores, Inc. (the “**Stalking Horse Bidder**”). The Stalking Horse Bidder has executed an asset purchase agreement (the “**Stalking Horse Agreement**”) for the purchase of the Strack Stores (as hereinafter defined) identified on Schedule 1 hereto. The Stalking Horse Bid is subject to higher or otherwise better offers submitted in accordance with the terms and provisions of the Bidding Procedures.

Description of the Assets and Stalking Horse Package

The Debtors are seeking to sell substantially all of their assets (the “**Assets**”), including, but not limited to, the following:

- i. Stalking Horse Package: nineteen (19) grocery stores operating under the “Strack & Van Til” and “Town & Country” banners identified on Schedule 1 (collectively, the “**Strack Stores**”), the leasehold interests therein, and the inventory at the Strack Stores (collectively, the “**Stalking Horse Package**”);
- ii. A distribution and warehousing facility located in Joliet, Illinois (the “**Distribution Center**”); and
- iii. the real property owned by the Raceway Debtor entities.

Assets not included in the Stalking Horse Package are referred to herein as the “**Other Assets**.” A complete list of the Assets available for sale pursuant to the Bidding Procedures, including the Stalking Horse Package and the Other Assets, is attached hereto as Schedule 2.

A party may submit a bid for any individual Asset (or combination of Assets) listed on Schedule 2 whether or not such asset is included in the Stalking Horse Package, in each case, in accordance with the terms and provisions of the Bidding Procedures.

IMPORTANT DATES AND DEADLINES

- **Bid Deadline**. Any person or entity interested in participating in the Auction must submit a Qualified Bid (as defined in the Bidding Procedures) to the Bid Notice Parties (as identified and defined in the Bidding Procedures) on or **before June 21, 2017, at 4:00 p.m. (prevailing Eastern Time)** (the “**Bid Deadline**”).
- **Auction**. An Auction for the Assets has been scheduled for **June 26, 2017, at 10:00 a.m. (prevailing Eastern Time)** and, if necessary, will be conducted at the offices of Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153.

- **Sale Objection Deadlines.** Objections to a proposed Sale Transaction, including any objection to the sale of any Assets free and clear of liens, claims, interests, and encumbrances pursuant to section 363(f) of the Bankruptcy Code and/or entry of a Sale Order must be (i) filed in accordance with the Bidding Procedures, (ii) filed with the Bankruptcy Court, and (iii) served on the Objection Recipients (as identified and defined in the Bidding Procedures) by no later than (a) **June 16, 2017, at 4:00 p.m. (prevailing Eastern Time)**, if the Sale Objection is with respect to a sale of the Stalking Horse Package; and (b) **July 6, 2017, at 4:00 p.m. (prevailing Eastern Time)** (each such deadline, a “**Sale Objection Deadline**”), if the Sale Objection is with respect to a sale of Other Assets.
- **Sale Hearings.** If the Stalking Horse Bid is the only Qualified Bid received by the Debtors in respect of the Stalking Horse Package by the Bid Deadline, the Sale Hearing for the Stalking Horse Package shall be held before the Bankruptcy Court before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, in the Bankruptcy Court, located at 824 N. Market Street, Wilmington, Delaware 19801 on _____, 2017, at __:__ [a.m./p.m.] (prevailing Eastern Time).

If (i) more than one Qualified Bid is received by the Debtors in respect of the Stalking Horse Package by the Bid Deadline; and/or (ii) a Qualified Bid is received by the Debtors in respect of Other Assets, the applicable Sale Hearing shall be held before the Bankruptcy Court before the Honorable Laurie Selber Silverstein on _____, 2017, at __:__ [a.m./p.m.] (prevailing Eastern Time).

Additional Information

Any party interested in submitting a bid for the Assets should contact the Debtors’ advisors at Peter J. Solomon Company, 1345 Avenue of the Americas, 31st Floor, New York, New York 10105 (Attn: Derek Pitts (dpitts@pjsc.com); Scott Moses (smoses@pjsc.com); and Gregory Grambling (ggrambling@pjsc.com)).

Copies of the Motion, the Bidding Procedures Order, the Bidding Procedures, and the Stalking Horse Agreement may be obtained free of charge at the website dedicated to the Debtors’ chapter 11 cases maintained by their claims and noticing agent and administrative advisor, Prime Clerk LLC, located at <http://cases.primeclerk.com/CentralGrocers>.

FAILURE TO ABIDE BY THE BIDDING PROCEDURES, THE BIDDING PROCEDURES ORDER, OR ANY OTHER ORDER OF THE BANKRUPTCY COURT IN THESE CHAPTER 11 CASES MAY RESULT IN THE REJECTION OF YOUR BID.

THE FAILURE OF ANY PERSON OR ENTITY TO FILE AND SERVE AN OBJECTION IN ACCORDANCE WITH THE BIDDING PROCEDURES ORDER BY THE APPLICABLE SALE OBJECTION DEADLINE SHALL FOREVER BAR SUCH PERSON OR ENTITY FROM ASSERTING ANY OBJECTION TO THE MOTION, SALE ORDERS, THE PROPOSED SALE TRANSACTIONS, OR THE DEBTORS’ CONSUMMATION OF THE STALKING HORSE AGREEMENT OR ANY OTHER ASSET PURCHASE AGREEMENT EXECUTED BY THE DEBTORS AND A SUCCESSFUL BIDDER AT THE AUCTION.

Dated: _____ 2017
Wilmington, Delaware

RICHARDS, LAYTON & FINGER, P.A.
Mark D. Collins (No. 2981)
Paul N. Heath (No. 3704)
Brett M. Haywood (No. 6166)
David T. Queroli (No. 6318)
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

-and-

WEIL, GOTSHAL & MANGES LLP
Ray C. Schrock, P.C. (admitted *pro hac vice*)
Stephen Karotkin (admitted *pro hac vice*)
Sunny Singh (*pro* admitted *pro hac vice*)
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

*Proposed Attorneys for the Debtors
and Debtors in Possession*

Schedule 1

Stalking Horse Package

Schedule 1**Stalking Horse Package**

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19.	8780	Town & Country Market	1605 Calumet Ave	Valparaiso	IN	46383
20.	8701	Commissary	555 Coolwood Drive	Valparaiso	IN	46385

Schedule 2

Assets Available for Sale

Schedule 2**Assets Available for Sale**

Tab	Store #	Banner	Address	City	ST	Zip
1.	8756	Strack & Van Til Market	9605 Lincoln Plz	Cedar Lake	IN	46303
2.	8748	Strack & Van Til Market	1600 Pioneer Trl	Chesterton	IN	46304
3.	8797	Strack & Van Til Market	10851 Broadway	Crown Point	IN	46307
4.	8787	Strack & Van Til Market	200 W Franciscan Dr	Crown Point	IN	46307
5.	8798	Strack & Van Til Market	4725 Indianapolis Blvd	East Chicago	IN	46312
6.	8786	Strack & Van Til Market	115 Sibley St	Hammond	IN	46320
7.	8765	Strack & Van Til Market	9632 Cline Ave	Highland	IN	46322
8.	8778	Strack & Van Til Market	7760 E Ridge Rd	Hobart	IN	46342
9.	8747	Strack & Van Til Market	999 W Old Ridge Rd	Hobart	IN	46342
10.	8755	Strack & Van Til Market	2080 E Commercial Ave	Lowell	IN	46356
11.	8789	Strack & Van Til Market	12 Ridge Rd	Munster	IN	46321
12.	8754	Strack & Van Til Market	861 S College Ave	Rensselaer	IN	47978
13.	8795	Strack & Van Til Market	9825 Wicker Ave	Saint John	IN	46373
14.	8768	Strack & Van Til Market	1515 Us Highway 41	Schererville	IN	46375
15.	8750	Strack & Van Til Market	2800 Calumet Ave	Valparaiso	IN	46383
16.	8749	Strack & Van Til Market	2168 W US Highway 30	Valparaiso	IN	46385
17.	8793	Strack & Van Til Market	1836 Calumet Ave	Whiting	IN	46394
18.	8782	Town & Country Market	6046 Central Ave	Portage	IN	46368
19.	8780	Town & Country Market	1605 Calumet Ave	Valparaiso	IN	46383
20.	8701	Commissary	555 Coolwood Drive	Valparaiso	IN	46385
21.	8781	Merrillville	6001 Broadway	Merrillville	IN	46410
22.	8774	Highland	8401 Indianapolis Blvd	Highland	IN	46322

Tab	Store #	Banner	Address	City	ST	Zip
23.	8794	Kankakee	1200 Kennedy Drive	Kankakee	IL	60901
24.	8762	Downers Grove	1212 75th Street	Downers Grove, IL	IL	60516
25.	8779	Chicago Heights	571 W 14th St	Chicago Heights	IL	60411
26.	8785	Calumet Park	13001 Ashland Ave	Calumet Park	IL	60827
27.	8763	Joliet	1590 N Larkin Ave	Joliet	IL	60435
28.	8758	Wheaton	501 S County Farm Rd	Wheaton	IL	60187
29.	-	SVT Head Quarters	2244 45th St	Highland	IN	46322
30.	-	Distribution Center	2600 W. Haven Ave	Joliet	IN	60433

Exhibit 3

Form of Assumption and Assignment Notice

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re	X	
	:	Chapter 11
	:	
CENTRAL GROCERS, INC., <i>et al.</i> ,	:	Case No. 17-10993 (LSS)
	:	
Debtors. ¹	:	(Jointly Administered)

**NOTICE OF CURE COSTS AND POTENTIAL ASSUMPTION
AND ASSIGNMENT OF EXECUTORY CONTRACTS AND
UNEXPIRED LEASES IN CONNECTION WITH SALE**

PLEASE TAKE NOTICE OF THE FOLLOWING:

On _____, 2017, Central Grocers, Inc. and its debtor affiliates, including Strack and Van Til Super Market, Inc., in the above-captioned chapter 11 cases (collectively, the “**Debtors**”) filed with the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”) a motion [Docket No. ____] (the “**Motion**”) for the entry of (i) an order (the “**Bidding Procedures Order**”)² (a) authorizing and approving bidding procedures (the “**Bidding Procedures**”), substantially in the form attached to the Bidding Procedures Order as **Exhibit 1**, in connection with the sale or disposition of substantially all of the Debtors’ assets (the “**Assets**”); (b) approving Stalking Horse Bid Protections for Stalking Horse Bidders (as hereinafter defined); (c) authorizing the designation of additional stalking horse bidders, (d) scheduling an auction (the “**Auction**”) of the Assets and hearings (each, a “**Sale Hearing**”) to consider approval of proposed Sale Transactions; (e) authorizing and approving the form and manner of notice of the sale of the Assets, Auction, and Sale Hearings; notice to each non-Debtor counterparty (each, a “**Counterparty**”) to executory contracts and unexpired leases (collectively, the “**Contracts and Leases**”) regarding the Debtors’ potential assumption and assignment of their Contracts and Leases and of the Debtors’ calculation of the amount necessary to cure all monetary defaults thereunder (collectively, the “**Cure Costs**”); (f) authorizing and approving procedures for the assumption and assignment of Contracts (the “**Assumption and Assignment**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are Central Grocers, Inc. (3170), CGI Joliet LLC (7014), Currency Express, Inc. (2650), Raceway Central, LLC (2161), Raceway Central Calumet Park LLC (2161), Raceway Central Chicago Heights LLC (2161), Raceway Central Downers Grove LLC (2161), Raceway Central Joliet North LLC (2161), Raceway Central LLC North Valpo (2161), Raceway Central Wheaton LLC (2161), Strack and Van Til Super Market, Inc. (2184), and SVT, LLC (1185).

² Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Bidding Procedures Order and the Bidding Procedures, as applicable. Any summary of the Bidding Procedures or the Bidding Procedures Order contained herein is qualified in its entirety by the actual terms and conditions thereof. To the extent that there is any conflict between any such summary and such actual terms and conditions, the actual terms and conditions shall control.

Procedures"); and (g) granting related relief; and (ii) entry of one or more Sale Orders, authorizing and approving (a) the sale of the Assets free and clear of all liens, claims, interests, and encumbrances; (b) the assumption and assignment of proposed assumed Contracts and Leases (collectively, the **"Proposed Assumed Contracts"**); and (c) granting related relief.

On _____, 2017, the Bankruptcy Court entered the Bidding Procedures Order [Docket No.____], approving the relief requested in the Motion.

You are receiving this Notice because you may be a Counterparty to a Contract or Lease of the Debtors that either is proposed to be assumed and assigned to the Stalking Horse Bidder or potentially could be assumed and assigned to one or more bidders in connection with a sale of the Debtors' Assets.

Stalking Horse Bids

A binding stalking horse bid (the **"Stalking Horse Bid"**) has been submitted by Jewel Food Stores, Inc. (the **"Stalking Horse Bidder"**). The Stalking Horse Bidder has executed an asset purchase agreement (the **"Stalking Horse Agreement"**) for the purchase of the Strack Stores (as hereinafter defined) identified on Schedule 1 to the Bidding Procedures. The Proposed Assumed Contracts included in the Stalking Horse Package as of the date hereof and all known Designation Rights Contracts (as defined in the Stalking Horse Agreement) and the Debtors' calculation of the Cure Costs with respect thereto are set forth on **Exhibit A** hereto.

The inclusion of any Contract or Lease on Exhibit A does not constitute an admission that a particular Proposed Assumed Contract and/or Designation Rights Contract is an executory contract or unexpired lease within the meaning of the Bankruptcy Code or require or guarantee that such Proposed Assumed Contract ultimately will be assumed or assigned. All rights of the Debtors with respect thereto are reserved.

Cure Costs

In accordance with the Assumption and Assignment Procedures and the Bidding Procedures Order, the Debtors may, in connection with a Sale Transaction with a Successful Bidder (as defined in the Bidding Procedures) at the Auction (whether such bidder be the Stalking Horse Bidder or other bidder prevailing at the Auction), seek to assume and assign to the Successful Bidder (or its designated assignee, if applicable) certain Contracts and Leases of the Debtors, whether or not such Contracts and Leases are included in the Stalking Horse Package and set forth on Exhibit A hereto.

Each of the Contracts and Leases (excluding the Proposed Assumed Contracts and Designation Rights Contracts set forth on Exhibit A hereto) that may be assumed and assigned in connection with a Sale Transaction with a Successful Bidder and the Debtors' calculation of the Cure Costs with respect thereto are set forth on **Exhibit B** hereto.

The inclusion of any Contract or Lease on Exhibit B does not constitute an admission that a particular Contract or Lease is an executory contract or unexpired lease within the meaning of

the Bankruptcy Code or require or guarantee that such Contract or Lease ultimately will be assumed or assigned. All rights of the Debtors with respect thereto are reserved.

Objections

A. Cure Objections

Any objection to the proposed assumption, assignment, or potential designation of a Contract or Lease identified on Exhibit A or Exhibit B, the subject of which objection is the Debtors' proposed Cure Costs must be (i) filed in accordance with the Bidding Procedures Order; (ii) filed with the Bankruptcy Court; and (iii) served on the Objection Recipients (as identified in the Bidding Procedures) by no later than **June 16, 2017, at 4:00 p.m. (prevailing Eastern Time)**.

IF A COUNTERPARTY FAILS TO FILE WITH THE BANKRUPTCY COURT AND SERVE ON THE OBJECTION RECIPIENTS A TIMELY CURE OBJECTION, THE COUNTERPARTY SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION WITH REGARD TO THE AMOUNT TO CURE ANY DEFAULT UNDER THE APPLICABLE CONTRACT OR LEASE. THE CURE COSTS SET FORTH ON EXHIBIT A OR EXHIBIT B HERETO, AS APPLICABLE, SHALL BE CONTROLLING AND WILL BE THE ONLY AMOUNT NECESSARY TO CURE OUTSTANDING DEFAULTS UNDER THE APPLICABLE CONTRACT OR LEASE UNDER BANKRUPTCY CODE SECTION 365(B), NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE CONTRACT OR LEASE, OR ANY OTHER DOCUMENT, AND THE APPLICABLE COUNTERPARTY SHALL BE FOREVER BARRED FROM ASSERTING ANY ADDITIONAL CURE OR OTHER AMOUNTS WITH RESPECT TO SUCH CONTRACT OR LEASE AGAINST THE DEBTORS, ANY SUCCESSFUL BIDDER, OR THE PROPERTY OF ANY OF THEM.

B. Adequate Assurance Objections

Any objection to the proposed assumption, assignment, or designation of a Proposed Assumed Contract or Designation Rights Contract identified on Exhibit A, the subject of which objection is the Stalking Horse Bidder's (or its known proposed assignee's) proposed form of adequate assurance of future performance with respect to such Proposed Assumed Contract must be (i) filed in accordance with the Bidding Procedures Order; (ii) filed with the Bankruptcy Court; and (iii) served on the Objection Recipients by no later than **June 16, 2017, at 4:00 p.m. (prevailing Eastern Time)**.

Adequate Assurance Objections with respect to the assumption and assignment of a Contract or Lease identified on Exhibit B to a Successful Bidder (or its known proposed assignee, if applicable) must be filed in accordance with the preceding paragraph by no later than **July 6, 2017, at 4:00 p.m. (prevailing Eastern Time)**.

IF A COUNTERPARTY FAILS TO FILE WITH THE BANKRUPTCY COURT AND SERVE ON THE OBJECTION RECIPIENTS A TIMELY ADEQUATE ASSURANCE OBJECTION, THE COUNTERPARTY SHALL BE FOREVER BARRED

FROM ASSERTING ANY OBJECTION WITH REGARD TO ADEQUATE ASSURANCE OF FUTURE PERFORMANCE OF THE APPLICABLE CONTRACT OR LEASE. THE SUCCESSFUL BIDDER (OR ITS DESIGNATED ASSIGNEE, IF APPLICABLE) SHALL BE DEEMED TO HAVE PROVIDED ADEQUATE ASSURANCE OF FUTURE PERFORMANCE WITH RESPECT TO THE APPLICABLE CONTRACT OR LEASE IN ACCORDANCE WITH BANKRUPTCY CODE SECTION 365(F)(2)(B), NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE CONTRACT OR LEASE, OR ANY OTHER DOCUMENT.

Sale Hearings

If the Stalking Horse Bid is the only Qualified Bid received by the Debtors in respect of the Stalking Horse Package by the Bid Deadline, the Sale Hearing for the Stalking Horse Package shall be held before the Bankruptcy Court before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, in the Bankruptcy Court, located at 824 N. Market Street, Wilmington, Delaware 19801 on _____, 2017, at __:__ [a.m./p.m.] (prevailing Eastern Time).

If (i) more than one Qualified Bid is received by the Debtors in respect of the Stalking Horse Package by the Bid Deadline; and/or (ii) a Qualified Bid is received by the Debtors in respect of Other Assets, the applicable Sale Hearing shall be held before the Bankruptcy Court before the Honorable Laurie Selber Silverstein on _____, 2017, at __:__ [a.m./p.m.] (prevailing Eastern Time).

Additional Information

Copies of the Motion, the Bidding Procedures Order, the Bidding Procedures, and the Stalking Horse Agreements may be obtained free of charge at the website dedicated to the Debtors' chapter 11 cases maintained by their claims and noticing agent and administrative advisor, Prime Clerk LLC, located at <http://cases.primeclerk.com/CentralGrocers>.

Dated: _____, 2017
Wilmington, Delaware

RICHARDS, LAYTON & FINGER, P.A.

Mark D. Collins (No. 2981)

Paul N. Heath (No. 3704)

Brett M. Haywood (No. 6166)

David T. Queroli (No. 6318)

One Rodney Square

920 North King Street

Wilmington, Delaware 19801

Telephone: (302) 651-7700

Facsimile: (302) 651-7701

-and-

WEIL, GOTSHAL & MANGES LLP

Ray C. Schrock, P.C. (admitted *pro hac vice*)

Stephen Karotkin (admitted *pro hac vice*)

Sunny Singh (*pro* admitted *pro hac vice*)

767 Fifth Avenue

New York, New York 10153

Telephone: (212) 310-8000

Facsimile: (212) 310-8007

*Proposed attorneys for the Debtors
and Debtors in Possession*

Exhibit A

**Stalking Horse Package
Proposed Assumed Contracts and Related Cure Costs**

Exhibit B

**Potential Assumption and Assignment
Contracts & Leases and Related Cure Costs**

Exhibit B

Form of Sale Order

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re	X	
	:	Chapter 11
	:	
CENTRAL GROCERS, INC., <i>et al.</i> ,	:	Case No. 17-10993 (LSS)
	:	
	:	
Debtors. ¹	:	(Jointly Administered)

**ORDER (I) APPROVING THE ASSET PURCHASE AGREEMENT
AMONG SELLERS AND BUYER, (II) AUTHORIZING THE SALE OF
CERTAIN OF THE DEBTORS' ASSETS FREE AND CLEAR OF LIENS,
CLAIMS, INTERESTS AND ENCUMBRANCES, (III) AUTHORIZING THE
ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND
LEASES IN CONNECTION THEREWITH AND, (IV) GRANTING RELATED RELIEF**

Upon the motion [Docket No. [•]] (the “**Sale Motion**”)² of Central Grocers, Inc. and its debtor affiliates, including Strack and Van Til Super Market, Inc., as debtors and debtors in possession (collectively, the “**Debtors**”), seeking, among other things, the entry of an order (the “**Sale Order**”), pursuant to sections 105, 363, and 365 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 2002, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), (i) authorizing and approving the sale of the Acquired Assets free and clear of all liens, claims, interests, and encumbrances; (ii) authorizing and approving the assumption and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are Central Grocers, Inc. (3170), CGI Joliet LLC (7014), Currency Express, Inc. (2650), Raceway Central, LLC (2161), Raceway Central Calumet Park LLC (2161), Raceway Central Chicago Heights LLC (2161), Raceway Central Downers Grove LLC (2161), Raceway Central Joliet North LLC (2161), Raceway Central LLC North Valpo (2161), Raceway Central Wheaton LLC (2161), Strack and Van Til Super Market, Inc. (2184), and SVT, LLC (1185).

² Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Purchase Agreement (as hereinafter defined) or, if not defined in the Purchase Agreement, the meanings ascribed to such terms in the Sale Motion.

assignment of certain executory contracts and unexpired leases of nonresidential real property of the Debtors in connection therewith; and (iii) granting related relief; and the Court having entered its prior order, dated _____, 2017 [Docket No. [•]] (the “**Bidding Procedures Order**”), approving bidding procedures to govern the sale and auction of the Acquired Assets (the “**Bidding Procedures**”) and granting certain related relief; and [_____] (the “**Buyer**”) having submitted the highest or best bid for the Acquired Assets, as reflected in the Purchase Agreement (as hereinafter defined) [as such Purchase Agreement was modified at the Auction]; and the Court having conducted a hearing on the Sale Motion (the “**Sale Hearing**”) on _____, 2017, at which time all interested parties were offered an opportunity to be heard with respect to the Sale Motion; and the Court having reviewed and considered (a) the Sale Motion and the exhibits thereto; (b) that certain Purchase Agreement, dated as of _____, 2017, by and among certain of the Debtors, as sellers, and the Buyer, as may be amended pursuant to the terms thereof and this Sale Order (the “**Purchase Agreement**”), a copy of which is attached hereto as **Exhibit A**, pursuant to which the Debtors have agreed, among other things, to sell the Acquired Assets to the Buyer, including the Transferred Contracts that will be assumed and assigned to Buyer, on the terms and conditions set forth in the Purchase Agreement (collectively, the “**Sale Transaction**”); (c) the Bidding Procedures Order and the record of the hearing before the Court on _____ 2017 at which the Bidding Procedures Order was approved; (d) the Declaration of Scott Moses in Support of the Sale Motion [Docket No. [•]]; and (e) the arguments of counsel made, and the evidence proffered or adduced, at the Sale Hearing; and it appearing that due notice of the Sale Motion, the Purchase Agreement, the Bidding Procedures Order, the Auction and the proposed form of this Sale Order (the “**Proposed Sale Order**”) having been provided in accordance with the Bidding Procedures Order; and all objections to the Sale Motion having

been withdrawn, resolved, or overruled as provided in this Sale Order; and it appearing that the relief requested in the Sale Motion is in the best interests of the Debtors, their estates and creditors and all parties in interest in these chapter 11 cases; and upon the record of the Sale Hearing and these chapter 11 cases; and after due deliberation thereon; and good cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED THAT

A. **Fed. R. Bankr. P. 7052.** The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such. The Court's findings also shall include any oral findings of fact and conclusions of law made by the Court during or at the conclusion of the Sale Hearing.

B. **Jurisdiction and Venue.** This Court has jurisdiction to decide the Sale Motion, and jurisdiction over the Sale Transaction and the property of the Debtors' estates, including the Acquired Assets, pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012. This matter is a core proceeding pursuant to 28 U. S.C. § 157. Venue of these chapter 11 cases and the Sale Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

C. **Statutory and Rule Predicates.** The statutory and other legal predicates for the relief sought in the Sale Motion are sections 105(a), 363, and 365 of the Bankruptcy Code,

Bankruptcy Rules 2002, 4001, 6004, 6006, 9007, and 9014, and Local Rules 2002-1, 6004-1, and 9006-1.

D. **Notice and Opportunity to Object.** As evidenced by the certificates of service filed with the Court, due, proper, timely, adequate, and sufficient notice of, and a fair and reasonable opportunity to object to and to be heard with respect to the Sale Motion, the Bidding Procedures, the Auction, the Sale Hearing, the Sale Transaction, the sale of the Acquired Assets free and clear of any Interests or Claims (as hereinafter defined), the Proposed Sale Order, and the assumption and assignment of the executory contracts and unexpired leases to be assumed and assigned to Buyer at the applicable Closing³ pursuant to this Sale Order, has been provided by the Debtors, as required by sections 102(1), 363, and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, 9007, and 9014 and in compliance with the Bidding Procedures Order to all Persons entitled to such notice, including, but not limited to, the following: (i) all counterparties to the Transferred Contracts (the “**Counterparties**” and, each, a “**Counterparty**”); (ii) counsel for the official committee of unsecured creditors, if any, appointed in these chapter 11 cases (the “**Creditors’ Committee**”); (iii) counsel to the Buyer; (iv) all other Sale Notice Parties (as defined in the Bidding Procedures); and (v) all other persons and entities as directed by the Bankruptcy Court. Such notice was good, sufficient, and appropriate under the circumstances, and complied in all respects with the Bidding Procedures Order. No other or further notice of the foregoing is required. With respect to Persons in interest whose identities could not be reasonably ascertained by the Debtors, publication of the Sale

³ For the avoidance of doubt, any provision herein that refers to, or is effective as of, an “applicable Closing” or an “applicable Closing Date” shall apply with respect to the particular Acquired Assets (including any Assumed Liabilities, Interests or Claims, Transferred Contracts, and Cure Costs related thereto) that are the subject of such “applicable Closing” or “applicable Closing Date” (including, as applicable, the “Initial Closing” and “Initial Closing Date”).

Notice in the national edition of *USA Today* on _____, 2017 and in the *Chicago Tribune* on _____, 2017 was sufficient and reasonably calculated to notice such Persons under the circumstances.

E. **Disclosures**. The disclosures made by the Debtors in the Sale Motion, the Sale Notice, and related notices and documents filed with the Court concerning the Purchase Agreement, the Bidding Procedures Order, the hearing to consider approval of the Sale Motion, the Sale Transaction, and the Sale Hearing were good, complete, and adequate.

F. **Final Order**. This Sale Order constitutes a final order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), and to any extent necessary under Bankruptcy Rule 9014 and Rule 54(b) of the Federal Rule of Civil Procedure, as made applicable by Bankruptcy Rule 7054, the Court finds that there is no just reason for delay in the implementation of this Sale Order, and directs entry of judgment as set forth herein. [No appeal, motion to reconsider, or similar pleading has been filed with respect to the Bidding Procedures Order, and the Bidding Procedures Order is a final order of the Court, has not been vacated, withdrawn, rescinded, or amended and remains in full force and effect.]

G. **Sound Business Purpose**. The Debtors have demonstrated good, sufficient, and sound business purposes and justifications for approval of the Sale Motion, the Purchase Agreement, and the Sale Transaction and entering into the Purchase Agreement and related Bill of Sale and Assignment and Assumption Agreement and any ancillary agreements thereto (the “**Related Agreements**”). The Debtors’ entry into and performance under the Purchase Agreement and Related Agreements (i) are a result of due deliberation by the Debtors and constitute a sound and reasonable exercise of the Debtors’ business judgment consistent with their fiduciary duties; (ii) provide value to and are beneficial to the Debtors’ estates, and are in

the best interests of the Debtors and their stakeholders; and (iii) are reasonable and appropriate under the circumstances. Business justifications for the Sale Transaction include, but are not limited to, the following: (a) the Purchase Agreement constitutes the highest or best offer received for the Acquired Assets; (b) the Purchase Agreement presents the best opportunity to maximize the value of the Acquired Assets on a going-concern basis and avoid decline and devaluation of the Acquired Assets; (c) unless the Sale Transaction and all of the other transactions contemplated by the Purchase Agreement are concluded expeditiously, as provided for pursuant to the Purchase Agreement, recoveries to the Debtors' creditors may be materially diminished; and (d) the value of the Debtors' estates will be maximized through the sale of the Acquired Assets pursuant to the Purchase Agreement.

H. **Compliance with Bidding Procedures.** The Bidding Procedures were substantively and procedurally fair to all parties. The Debtors, the Buyer, and their respective counsel and other advisors have complied with the Bidding Procedures and Bidding Procedures Order in all respects.

I. **Successful Bidder.** The Debtors determined, in accordance with their business judgment and in consultation with the Consultation Parties (as defined in the Bidding Procedures) that Buyer's Purchase Agreement was the [sole/highest/best] Qualified Bid (as defined in the Bidding Procedures). As a result, the Debtors declared Buyer the Successful Bidder (as defined in the Bidding Procedures) in a notice filed with this Court [Docket No. [•]] (the "**Notice of Successful Bidder**") [and cancelled the Auction (as defined in the Bidding Procedures)].

J. **Highest or Best Value.** The Debtors and their advisors, including Peter J. Solomon Company, engaged in a robust and extensive marketing and sale process over a period

of over [•] months, both prior to the Commencement Date and through the postpetition sale process pursuant to the Bidding Procedures Order and the Bidding Procedures. The Debtors conducted a fair and open sale process. The sale process, the Bidding Procedures, and the Auction were non-collusive, duly noticed and provided a full, fair, and reasonable opportunity for any person or entity to make an offer to purchase the Acquired Assets. The process conducted by the Debtors pursuant to the Bidding Procedures resulted in the highest or best value for the Acquired Assets for the Debtors and their estates, and any other transaction would not have yielded as favorable an economic result.

K. **Fair Consideration.** The consideration to be paid by the Buyer under the Purchase Agreement (i) constitutes fair and reasonable consideration for the Acquired Assets; (ii) is the highest or best offer for the Acquired Assets; (iii) will provide a greater recovery for the Debtors' estates and creditors than would be provided by any other practically available alternative; and (iv) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and other laws of the United States, any state, territory, or any other applicable jurisdiction with laws substantially similar to the foregoing.

L. **No Successor or Other Derivative Liability.** By consummating the Sale Transaction pursuant to the Purchase Agreement (including operating at certain Stores under the Debtors' trade names), Buyer is not a mere continuation of any Seller or any other Debtor or any Debtor's estate, and there is no continuity, no common identity, and no continuity of enterprise between Buyer and any Debtor. Buyer is not holding itself out as a continuation of any Debtor. Buyer is not a successor to any Debtor or any Debtor's estate by reason of any theory of law or equity, and the Sale Transaction does not amount to a consolidation, merger, or *de facto* merger of Buyer and the Debtors. Neither Buyer nor any of its Affiliates and their respective successors,

assigns, members, partners, principals, and shareholders (or equivalent) shall assume or in any way be responsible for any obligation or liability of any Debtor (or any Affiliates thereof) and/or any Debtor's estate, including any obligation under any collective bargaining agreement or labor practice agreement, except as expressly provided in the Purchase Agreement. The sale and transfer of the Acquired Assets to the Buyer, including the assumption by the Debtors and assignment, transfer and/or sale to the Buyer of the Transferred Contracts, will not subject the Buyer to any liability (including any successor liability) with respect to the operation of the Debtors' business prior to each applicable Closing or by reason of such transfer, except that, upon each applicable Closing, the Buyer shall remain liable for the applicable Assumed Liabilities.

M. **No Sub Rosa Plan.** The Sale Transaction neither impermissibly restructures the rights of the Debtors' creditors nor impermissibly dictates the terms of a liquidating plan of reorganization of the Debtors. The Sale Transaction does not constitute a *sub rosa* or *de facto* plan of reorganization or liquidation as it does not propose to (i) impair or restructure existing debt of, or equity interests in, the Debtors, (ii) impair or circumvent voting rights with respect to any plan proposed by the Debtors, (iii) circumvent chapter 11 safeguards, such as those set forth in sections 1125 and 1129 of the Bankruptcy Code, or (iv) classify claims or equity interests or extend debt maturities.

N. **Good Faith; No Collusion.** The Debtors, the Buyer, and their respective counsel and advisors have negotiated, proposed and entered into the Purchase Agreement, Related Agreements, and each of the transactions contemplated therein in good faith, without collusion and from arm's-length bargaining positions. The Buyer is a "good faith purchaser" and is acting in good faith within the meaning of section 363(m) of the Bankruptcy Code and, as such, is

entitled to all the protections afforded thereby. The Buyer has proceeded in good faith in all respects. Specifically, (i) the Buyer recognized that the Debtors were free to deal with any other party interested in acquiring the Acquired Assets; (ii) the Buyer complied with the provisions of the Bidding Procedures Order; (iii) the Buyer's bid was subjected to competitive Bidding Procedures as set forth in the Bidding Procedures Order; (iv) Buyer has not violated section 363(n) of the Bankruptcy Code by any action or inaction; and (v) all payments to be made by the Buyer and all other material agreements or arrangements entered into by the Buyer and the Debtors in connection with the Sale Transaction have been disclosed and are appropriate. The sale price in respect of the Acquired Assets was not controlled by any agreement among potential bidders, and neither the Debtors nor the Buyer have engaged in collusion or any conduct that would cause or permit the Purchase Agreement to be avoided or costs and damages to be imposed under section 363(n) of the Bankruptcy Code. The Purchase Agreement was not entered into for the purpose of hindering, delaying, or defrauding creditors under the laws of the United States, any state, territory, possession, or the District of Columbia. The Buyer is not an "insider" or "affiliate" of any of the Debtors, as those terms are defined in section 101 of the Bankruptcy Code, and no common identity of incorporators, directors, or controlling stockholders exists between the Buyer and the Debtors. The Purchase Agreement does not commit Buyer or its Affiliates to offer employment to any of the Debtors' senior executives.

O. **Assumption and Assignment Notice.** As evidenced by the certificates of service filed with the Court, and in accordance with the provisions of the Bidding Procedures Order, the Debtors have served, prior to the Sale Hearing, the Assumption and Assignment Notice and Notice of Auction Results, which provided notice of the Debtors' intent to assume and assign the Transferred Contracts and of the related proposed Cure Costs upon each Counterparty to the

Transferred Contracts. The service of the Assumption and Assignment Notice and Notice of Auction Results was good, sufficient, and appropriate under the circumstances, and no further notice need be given with respect to the Cure Costs for the assumption and assignment of the Transferred Contracts. All Counterparties have had a reasonable opportunity to object both to the Cure Costs listed on the applicable Assumption and Assignment Notice and to the assumption and assignment of the Transferred Contracts to the Buyer. No defaults exist in the Debtors' performance under the Transferred Contracts as of the date of this Sale Order other than the failure to pay the Cure Costs or defaults that are not required to be cured.

P. **Free and Clear Sale.** The Sellers may sell the Acquired Assets free and clear of all Interests or Claims against any Seller, its estate, or any of the Acquired Assets (unless otherwise expressly assumed under, or expressly permitted by, the Purchase Agreement) because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Any holders of Interests or Claims who did object to the Sale Transaction or Sale Motion that have an interest in the Acquired Assets could be compelled in a legal or equitable proceeding to accept money in satisfaction of such Interest or Claim pursuant to section 363(f)(5), or fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code and, therefore, are adequately protected by having their Interests or Claims constituting interests in the Acquired Assets, if any, attach solely to the proceeds of the Sale Transaction ultimately attributable to the property in which such holders have an interest, in the same order of priority, and with the same validity, force, and effect that such holders had prior to the Sale Transaction, subject to any defenses of the Debtors. Each of (i) PNC Bank, National Association, as administrative agent under that certain [(a)] Credit Agreement, dated as of June 15, 2011, [and (b) Debtor-in-Possession Credit Agreement, dated as of _____, 2017];

and (ii) Bank of the West, as administrative agent under that certain Term Loan Agreement, dated as of April 23, 2013 (each, a “**Secured Lender**”) has consented to the sale of the Acquired Assets to the Buyer pursuant to the Purchase Agreement free and clear of any Interests or Claims of such Secured Lender against the Acquired Assets.

Q. Buyer's Reliance on Free and Clear Sale. The Buyer would not have entered into the Purchase Agreement and would not consummate the transactions contemplated thereby if the sale of the Acquired Assets were not free and clear of all Interests or Claims, or if the Buyer would, or in the future could, be liable for any such Interests or Claims, including, as applicable, certain liabilities related to the Business that will not be assumed by the Buyer, as described in the Purchase Agreement. A sale of the Acquired Assets other than one free and clear of all Interests or Claims would adversely impact the Debtors, their estates, and their creditors, and would yield substantially less value for the Debtors’ estates, with less certainty than provided under the Sale Transaction. The total consideration to be provided under the Purchase Agreement reflects the Buyer’s reliance on this Sale Order to provide it, pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, with title to and possession of the Acquired Assets free and clear of all Interests or Claims (including, without limitation, any potential derivative, vicarious, transferee, or successor liability Interests or Claims).

R. Assumption and Assignment of Transferred Contracts. The assumption and assignment of the Transferred Contracts⁴ are integral to the Purchase Agreement, are in the best interests of the Debtors and their estates, and represent the valid and reasonable exercise of the Debtors’ sound business judgment. Specifically, the assumption and assignment of the

⁴ For the avoidance of doubt, “Transferred Contracts” as used in this Sale Order shall include any Designation Rights Contracts that are subsequently designated Transferred Contracts pursuant to the Purchase Agreement and the terms of this Sale Order.

Transferred Contracts (i) are necessary to sell the Acquired Assets to the Buyer, (ii) allow the Debtors to sell their businesses to the Buyer as a going concern, (iii) limit the losses suffered by Counterparties, and (iv) maximize the recoveries to other creditors of the Debtors by avoiding claims against the Debtors' estates that would arise from the Debtors' rejection of the Transferred Contracts. Any Counterparty to any Transferred Contract that has not actually filed with the Court an objection to such assumption or to such assignment as of the date specified in the Bidding Procedures Order (as such date may have been modified or extended in accordance with the terms of the Bidding Procedures Order) is deemed to have consented to such assumption and assignment.

S. **Cure Notice**. The Debtors filed the Notice of Assumption and Assignment [Docket No. [•]] (the "**Cure Notice**") pursuant to which the Debtors identified the dollar amount, if any, that the Debtors assert is necessary to be paid to cure all defaults, if any, under their executory contracts and unexpired leases based on the Debtors' books and records (the "**Asserted Cure Amount**"). Counterparties to the Debtors' executory contracts and unexpired leases were required to file objections (each, a "**Cure Objection**"), if any, to the Asserted Cure Amount by no later than _____, 2017 at 4:00 p.m. (ET). The Cure Notice provided that in the absence of timely filed Cure Objection, the cure costs set forth in the Cure Notice (each, a "**Cure Cost**" and, collectively, the "**Cure Costs**") would be controlling and fixed, notwithstanding anything to the contrary in any Transferred Contract, or any other document, and the Counterparty to any Transferred Contract shall be deemed to have consented to the Cure Costs set forth in the Cure Notice.

T. **Adequate Assurance of Future Performance**. Pursuant to the Bidding Procedures Order, Counterparties to Transferred Contracts also were required to file any

objections to Buyer's ability to provide adequate assurance of future performance as contemplated under sections 365(b)(1)(C), 365(b)(3) (to the extent applicable) and 365(f)(1) of the Bankruptcy Code ("**Adequate Assurance Objections**"), by no later than _____, 2017 at 4:00 p.m. (ET). Counterparties to Transferred Contracts that failed to timely file an Adequate Assurance Objection are forever barred from objecting to the assumption and assignment of Transferred Contracts on the grounds of a failure to provide adequate assurance of future performance. Based on evidence adduced at the hearing and based on the record in these chapter 11 cases, to the extent necessary, the Debtors have satisfied the requirements of section 365 of the Bankruptcy Code, including sections 365(b)(1)(A), 365(b)(1)(B), 365(b)(1)(C), 365(b)(3) (to the extent applicable) and 365(f) of the Bankruptcy Code, in connection with the sale and assumption and assignment of the Transferred Contracts to the extent provided under the Purchase Agreement and: (i) Sellers will cure, in accordance with the terms set forth in this Sale Order and the Purchase Agreement, any default existing prior to the date of the assumption the applicable Transferred Contract, within the meaning of section 365(b)(1)(A) of the Bankruptcy Code; (ii) Sellers have provided compensation or adequate assurance of compensation to any party for any actual pecuniary loss to such party resulting from a default prior to the date hereof under any of the Transferred Contracts, within the meaning of section 365(b)(1)(B) of the Bankruptcy Code; (iii) Buyer has provided adequate assurance of future performance of and under the Transferred Contracts, within the meaning of sections 365(b)(1), 365(b)(3) (to the extent applicable) and 365(f)(2) of the Bankruptcy Code based on the Declaration of [_____] In Support of Sale of Assets to [Jewel Food Stores, Inc.] [Docket No. [•]], and the other evidence adduced at the Sale Hearing. With respect to each of the Transferred Contracts, the Debtors have met all requirements under section 365(b) of the Bankruptcy Code. Accordingly, the Transferred

Contracts may be assumed by the Debtors and assigned to the Buyer as provided under the Purchase Agreement. The assumption and assignment of each Transferred Contract is approved notwithstanding any provision in such Transferred Contract or other restrictions prohibiting its assignment or transfer.

U. **Validity of the Transfer.** As of each applicable Closing, the transfer of the Acquired Assets to the Buyer will be a legal, valid, and effective transfer of the Acquired Assets, and will vest the Buyer with all right, title, and interest of the Debtors in and to the Acquired Assets, free and clear of all Interests or Claims. The consummation of the Sale Transaction is legal, valid, and properly authorized under all applicable provisions of the Bankruptcy Code, including, sections 105(a), 363(b), 363(f), 363(m), 365(b) and 365(f) and all of the applicable requirements of such sections have been complied with in respect of the Sale Transaction. The Debtors (i) have full corporate or limited liability company (as applicable) power and authority to execute the Purchase Agreement and the Related Agreements and all other documents contemplated thereby, and the Sale Transaction has been duly and validly authorized by all necessary corporate action of the Debtors; (ii) have all of the corporate or limited liability company (as applicable) power and authority necessary to consummate the transactions contemplated by the Purchase Agreement and Related Agreements; and (iii) upon entry of this Sale Order, other than any consents identified in the Purchase Agreement (including with respect to antitrust matters), need no consent or approval from any other Person to consummate the Sale Transaction.

V. **Acquired Assets Are Property of the Estates.** The Acquired Assets constitute property of, and good title is vested in, the Debtors' estates within the meaning of section 541(a) of the Bankruptcy Code. The Debtors are the sole and rightful owners of the Acquired Assets

with all right, title, and interest to transfer and convey the Acquired Assets to the Buyer, and no other Person has any ownership right, title, or interests therein.

W. **Valid and Binding Contract.** The Purchase Agreement is a valid and binding contract between the Debtors and the Buyer and shall be enforceable pursuant to its terms. The Purchase Agreement, the Sale Transaction, and the consummation thereof shall be specifically enforceable against and binding upon (without posting any bond) the Debtors and any chapter 7 or chapter 11 trustee appointed in these chapter 11 cases, and shall not be subject to rejection or avoidance by the foregoing parties or any other Person. Other than claims arising under the Purchase Agreement, the Debtors agree and acknowledge that they have no claims against the Buyer.

X. **Waiver of Bankruptcy Rules 6004(h) and 6006(d).** The sale of the Acquired Assets must be approved and consummated promptly in order to preserve the value of the Acquired Assets. Therefore, time is of the essence in consummating the Sale Transaction, and the Debtors and the Buyer intend to close the Sale Transaction as soon as reasonably practicable. The Debtors have demonstrated compelling circumstances and good, sufficient, and sound business purposes and justifications for the immediate approval and consummation of the Sale Transaction as contemplated by the Purchase Agreement. Accordingly, there is cause to lift the stay contemplated by Bankruptcy Rules 6004(h) and 6006(d) with regard to the transactions contemplated by this Sale Order.

Y. **Single Integrated Transaction.** The Purchase Agreement and Sale Transaction must be approved and each Closing must occur to preserve the value of the Debtors' assets. Entry of this Sale Order approving the Purchase Agreement and all provisions thereof is a necessary condition precedent to Buyer consummating the Sale Transaction. The transactions

contemplated by the Purchase Agreement, including the sale and transfer of a Store or group of Stores, as applicable, on the Initial Closing and each subsequent Closing to Buyer, are inextricably linked technically and economically and collectively constitute a single, integrated transaction.

Z. **Legal and Factual Bases.** The legal and factual bases set forth in the Sale Motion and at the Sale Hearing establish just cause for the relief granted herein.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT

1. **Motion is Granted.** The Sale Motion and the relief requested therein (to the extent not previously granted by this Court pursuant to the Bidding Procedures Order or otherwise) is granted and approved as set forth herein.

2. **Objections Overruled.** All objections (except for Cure Objections, if any, that have been adjourned as identified on **Exhibit B** hereto), if any, to the Sale Motion or the relief requested therein that have not been withdrawn with prejudice, waived or settled as announced to the Court at the Sale Hearing or by stipulation filed with the Court, and all reservations of rights included therein, are hereby overruled on the merits with prejudice.

3. **Notice.** Notice of the Sale Motion, the Bidding Procedures, the Auction, the Sale Hearing, the Sale Transaction, the sale of the Acquired Assets free and clear of any Interests or Claims, the assumption and assignment of the Transferred Contracts, and the Proposed Sale Order was adequate, reasonable, appropriate, and equitable under the circumstances and complied in all respects with section 102(1) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, and 6006.

4. **Fair Purchase Price.** The consideration provided by Buyer pursuant the Purchase Agreement: (i) is fair and adequate; (ii) constitutes reasonably equivalent value, fair consideration and fair value under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia (including the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act and similar laws); and (iii) will provide a greater recovery for the Debtors' creditors than would be provided by any other reasonably practicable available alternative.

5. **Approval of the Purchase Agreement.** The Purchase Agreement, all transactions contemplated therein (including, but not limited to, all Related Agreements contemplated thereby) and all of the terms and conditions thereof are hereby approved as a valid exercise of the Debtors' business judgment. Pursuant to sections 105, 363 and 365 of the Bankruptcy Code, the Debtors are authorized to continue performance under and make all payments required by the Purchase Agreement and all Related Agreements as and when due thereunder without further order of the Court. The failure specifically to include any particular provision of the Purchase Agreement in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Purchase Agreement (including, but not limited to, all Related Agreements contemplated thereby) be authorized and approved in its entirety.

Sale and Transfer of Acquired Assets

6. Pursuant to Sections 105(a), 363(b), and 365 of the Bankruptcy Code, the Debtors, acting by and through their existing agents, representatives and officers, are authorized and empowered, without further order of the Court, to take any and all actions necessary or appropriate to: (i) consummate and close the Sale Transaction pursuant to and in accordance with

the terms and conditions of the Purchase Agreement; (ii) transfer and assign all right, title, and interest in and to all Acquired Assets, property, licenses, and rights to be conveyed in accordance with the terms and conditions of the Purchase Agreement; and (iii) execute and deliver, perform under, consummate, and implement the Purchase Agreement and all additional instruments and documents that may be reasonably necessary or desirable to implement the Purchase Agreement and the Sale Transaction, including any Related Agreements, or as may be reasonably necessary or appropriate to the performance of the obligations as contemplated by the Purchase Agreement and such other ancillary documents. The Acquired Assets shall be transferred to the Buyer, and upon each applicable Closing, such transfer shall (a) be valid, legal, binding, and effective; and (b) vest the Buyer with all right, title, and interest of the Debtors in and to the Acquired Assets. Neither Buyer nor Sellers shall have any obligation to proceed with a Closing under the Purchase Agreement until all conditions precedent to its obligations to do so have been met, satisfied, or waived. The Debtors shall not have any right to set-off or recoup amounts due to Buyer pursuant to the Purchase Agreement by any amounts which may be owed by Buyer to the Debtors pursuant to any other agreement or order.

7. All Persons that are currently in possession of any or all of the Acquired Assets are hereby directed to surrender possession of such Acquired Assets to the Buyer as of the applicable Closing. To the extent required by the Purchase Agreement, the Debtors agree to exercise commercially reasonable efforts to assist the Buyer in assuring that all Persons that are presently, or on the applicable Closing Date may be, in possession of any or all of the Acquired Assets will surrender possession of such Acquired Assets to either (i) the Debtors before the applicable Closing Date or (ii) the Buyer on or after the applicable Closing Date.

8. All Persons are prohibited from taking any action to adversely affect or interfere with the ability of the Debtors to transfer the Acquired Assets to the Buyer in accordance with the Purchase Agreement and this Sale Order; provided that the foregoing restriction shall not prevent any party from appealing this Sale Order in accordance with applicable law or opposing any appeal of this Sale Order.

9. Each and every any federal, state, local, or foreign government or governmental or regulatory authority, agency, board, bureau, commission, court, department, or other governmental entity is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Purchase Agreement.

10. To the maximum extent available under applicable law, and to the extent provided for under the Purchase Agreement, the Buyer shall be authorized, as of each applicable Closing Date, to operate under any license, permit, registration, application, and governmental authorization or approval of the Debtors with respect to the Acquired Assets and, to the maximum extent available under applicable law, and to the extent provided for under the Purchase Agreement, all such licenses, permits, registrations, applications, and governmental authorizations and approvals are deemed to have been transferred to the Buyer as of each applicable Closing Date. All existing licenses or permits applicable to the Acquired Assets shall remain in place for the Buyer's benefit until either new licenses and permits are obtained or existing licenses and permits are transferred in accordance with applicable administrative procedures. To the extent provided by section 525 of the Bankruptcy Code, no governmental unit may revoke or suspend any grant, permit, or license relating to the operation of the Acquired

Assets sold, transferred, assigned, or conveyed to Buyer on account of the filing or pendency of these chapter 11 cases or the consummation of the Sale Transaction.

11. On each applicable Closing Date, this Sale Order shall be considered and constitute for any and all purposes a full and complete general assignment, conveyance, and transfer of the Acquired Assets under the Purchase Agreement or a bill of sale or assignment transferring good and marketable, indefeasible title and interest in and to all of the Acquired Assets to the Buyer.

12. The sale of the Avoidance Actions and the Causes of Action pursuant to the Purchase Agreement is hereby approved. To the extent any Avoidance Action or Cause of Action is not assignable to Buyer or any of its designees, assignees, and/or successors, the Debtors, and any chapter 11 or chapter 7 trustee (or any other designee) of the Debtors and their estates, shall be prohibited from bringing any such Avoidance Actions or Causes of Action against Buyer, its Affiliates, designees, assignees, and/or successors.

Transfer of Assets Free and Clear

13. Pursuant to sections 105(a), 363(b), 363(f), 365(b) and 365(f) of the Bankruptcy Code, upon the applicable Closing Date and pursuant to and except as otherwise set forth in the Purchase Agreement, the Acquired Assets shall be transferred to Buyer free and clear of all encumbrances, claims, interests, and liens, including the Excluded Liabilities, mortgages, restrictions, hypothecations, charges, indentures, loan agreements, instruments, collective bargaining agreements, leases, licenses, options, deeds of trust, security interests, other interests, conditional sale or other title retention agreements, pledges, and other liens (including mechanics', materialman's, and other consensual and non-consensual liens and statutory liens), judgments, demands, encumbrances, rights of first refusal, offsets, contracts, recoupment, rights

of recovery, claims for reimbursement, contribution, indemnity, exoneration, products liability, alter-ego, environmental, or tax, decrees of any court or foreign or domestic governmental entity, or charges of any kind or nature, if any, including any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership, debts arising in any way in connection with any agreements, acts, or failures to act, including any pension liabilities, retiree medical benefit liabilities, liabilities related to the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), liabilities related to the Internal Revenue Code, or any other liability relating to Debtors’ current and former employees, including any withdrawal liabilities (under any multiemployer pension plans or otherwise) or liabilities under any collective bargaining agreement or labor practice agreement, retiree healthcare or life insurance claims or claims for Taxes of or against the Debtors, any claims under, or trusts or liens created by PACA⁵ or PASA,⁶ and any derivative, vicarious, transferee or successor liability claims, rights or causes of action (whether in law or in equity, under any law, statute, rule, or regulation of the United States, any state, territory, or possession thereof or the District of Columbia), whether arising prior to or subsequent to the Commencement Date, of the Debtors or any of the Debtors’ predecessors or Affiliates, claims, whether known or unknown, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, material or nonmaterial, disputed or undisputed, whether arising prior to or subsequent to the commencement of these bankruptcy cases, and whether imposed by agreement, understanding, law, equity or otherwise, including claims otherwise arising under

⁵ “PACA” means the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. §§ 499a, *et seq.*) or any similar state laws.

⁶ “PASA” means the Packers and Stockyards Act (7 U.S.C. §§ 181 *et seq.*) or any similar state laws.

doctrines of successor liability (other than Assumed Liabilities and Permitted Liens) (collectively, the “**Interests or Claims**”), with all such Interests or Claims to attach to the cash proceeds of the Sale Transaction in the order of their priority, with the same validity, force, and effect that they now have as against the Acquired Assets, subject to any claims and defenses the Debtors may possess with respect thereto. Without limiting the generality of the foregoing, “Interests or Claims” shall include any and all liabilities or obligations whatsoever arising under or out of, in connection with, or in any way relating to (in each case, other than Assumed Liabilities and Permitted Liens): (i) any labor agreements or any of the employee benefit plans, including any Interests or Claims related to unpaid contributions or current or potential withdrawal or termination liability, (ii) any of the Debtors’ collective bargaining agreements, (iii) the Worker Adjustment and Retraining Notification Act of 1988, as amended, or other comparable state or local law (“**WARN**”), or (iv) any of the Debtors’ current and former employees. Those holders of Interests or Claims who did not object (or who ultimately withdrew their objections, if any) to the Sale Transaction are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of Interests or Claims who did object that have an interest in the Acquired Assets could be compelled in a legal or equitable proceeding to accept money satisfaction of such Interest or Claim pursuant to section 363(f)(5) or fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code and are therefore adequately protected by having their Interests or Claims that constitute interests in the Acquired Assets, if any, attach solely to the proceeds of the Sale Transaction ultimately attributable to the property in which they have an interest, in the same order of priority and with the same validity, force and effect that such holders had prior to the Sale Transaction, subject to any defenses of the

Debtors. Nothing herein shall be deemed or construed as a ruling or determination by this Court that the Assumed Liabilities encumber the Acquired Assets.

14. Except to the extent included in Assumed Liabilities or Permitted Liens, or to enforce the Purchase Agreement, all persons and entities (and their respective successors and assigns), including all lenders, debt security holders, equity security holders, governmental, tax, and regulatory authorities, governmental units, lenders, parties to executory contracts and unexpired leases, contract Counterparties, customers, licensors, litigation claimants, employees and former employees, dealers and sale representatives, pension plans, labor unions, trade creditors, and any other creditors holding Interests or Claims against the Debtors or the Acquired Assets (whether known or unknown, legal or equitable, matured or unmatured, contingent or non-contingent, liquidated or unliquidated, asserted or unasserted, whether arising prior to or subsequent to the commencement of these chapter 11 cases, whether imposed by agreement, understanding, law, equity, or otherwise), arising under or out of, in connection with, or in any way relating to, the Debtors, the Acquired Assets, the transfer of the Acquired Assets to Buyer, or the Debtors' businesses prior to each applicable Closing Date (including after the Commencement Date but prior to each applicable Closing Date), hereby are forever barred, estopped, and permanently enjoined from asserting any Interests or Claims relating to the Acquired Assets or the transfer of the Acquired Assets against Buyer and its Affiliates, successors, designees, assigns, or property, or the Acquired Assets transferred to Buyer, including, without limitation, taking any of the following actions with respect to or based on any Interest or Claim relating to the Acquired Assets or the transfer of the Acquired Assets (other than Assumed Liabilities): (i) commencing or continuing in any manner any action or other proceeding against Buyer, its Affiliates, successors or assigns, assets or properties; (ii) enforcing,

attaching, collecting, or recovering in any manner any judgment, award, decree, or order against Buyer, its Affiliates, successors or assigns, assets, or properties; (iii) creating, perfecting, or enforcing any Interest or Claims against Buyer, its successors or assigns, assets or properties; (iv) asserting an Interest or Claims as a setoff, right of subrogation or recoupment of any kind against any obligation due Buyer or its successors or assigns; (v) commencing or continuing any action in any manner or place that does not comply, or is inconsistent, with the provisions of this Sale Order or the agreements or actions contemplated or taken in respect thereof; or (vi) interfering with, preventing, restricting, prohibiting, or otherwise enjoining the consummation of the Sale Transaction. No such persons or entities shall assert or pursue against Buyer or its Affiliates, successors or assigns any such Interest or Claim. For the avoidance of doubt, Buyer shall not be liable for any Interests or Claims, liabilities, costs, expenses, or requests for reimbursement relating to events that occurred after the Commencement Date but prior to the applicable Closing Date, nor relating to liabilities or obligations that accrued prior to the applicable Closing Date but did not become due and payable until after such Closing Date (including, without limitation, real estate taxes and any other taxes, common area maintenance, insurance, utilities, percentage rent, indemnification obligations, and other charges), with the Debtors retaining responsibility to pay or address all such Interests or Claims. The reconciliation of such amounts owed shall be calculated in accordance with the terms of the Purchase Agreement.

15. This Sale Order (i) shall be effective as a determination that, as of each applicable Closing, all Interests or Claims have been unconditionally released, discharged, and terminated as to the Buyer and the Acquired Assets, and that the conveyances and transfers described herein have been effected; and (ii) is and shall be binding upon and govern the acts of all Persons,

including all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, county, and local officials, and all other Persons who may be required by operation of law, the duties of their office, or contract, to accept, file, register, or otherwise record or release any documents or instruments that reflect that the Buyer is the assignee and owner of the Acquired Assets free and clear of all Interests or Claims, or who may be required to report or insure any title or state of title in or to any lease (all such entities being referred to as “**Recording Officers**”). All Recording Officers are authorized and specifically directed to strike recorded encumbrances, claims, liens, and other interests against the Acquired Assets recorded prior to the date of this Sale Order. A certified copy of this Sale Order may be filed with the appropriate Recording Officers to evidence cancellation of any recorded encumbrances, claims, liens, and other interests against the Acquired Assets recorded prior to the date of this Sale Order. All Recording Officers are hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Purchase Agreement and Related Agreements.

16. As of and after the Initial Closing, (i) each of the Debtors’ creditors is hereby authorized and directed to execute such documents and take all other actions as may be necessary to release its Interests or Claims in the Acquired Assets (if any) as such Interests or Claims may have been recorded or may otherwise exist; and (ii) any Acquired Asset that may be subject to a statutory or mechanic’s lien shall be turned over and such liens shall attach to the proceeds of the Sale Transaction in the same priority they currently enjoy with respect to the Acquired Assets.

17. Following each applicable Closing, no holder of any Interest or Claim shall interfere with the Buyer's title to or quiet use and enjoyment of the Acquired Assets based on or related to any such Interest or Claim or based on any actions the Debtors may take in these chapter 11 cases.

18. If any Person that has filed financing statements, mortgages, mechanic's liens, *lis pendens*, or other documents or agreements evidencing Interests or Claims against or in the Debtors or the Acquired Assets shall not have delivered to the Debtors prior to each applicable Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all interests that the Person has with respect to the Debtors or the Acquired Assets or otherwise, then with regard to the Acquired Assets that are purchased by the Buyer pursuant to the Purchase Agreement and this Sale Order, (i) the Debtors are hereby authorized and directed to execute and file such statements, instruments, releases, and other documents on behalf of the Person with respect to the Acquired Assets; and (ii) the Buyer is hereby authorized to file, register, or otherwise record a certified copy of this Sale Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all Interests or Claims against the Acquired Assets; provided that, notwithstanding anything in this Sale Order or the Purchase Agreement to the contrary, the provisions of this Sale Order shall be self-executing, and neither the Debtors nor Buyer shall be required to execute or file releases, termination statements, assignments, consents, or other instruments in order to effectuate, consummate, and implement the provisions of this Sale Order. This Sale Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, county or local government agency, department or office. For the avoidance of doubt, upon consummation of the Sale Transaction as set forth in the Purchase

Agreement, Buyer is authorized to file termination statements, lien terminations, releases, or other amendments in any required jurisdiction to remove and record, notice filings or financing statements recorded to attach, perfect, or otherwise notice any lien or encumbrance that is extinguished or otherwise released pursuant to this Sale Order under section 363 and the related provisions of the Bankruptcy Code.

19. The unions affected by the sale of the Acquired Assets have consented to such sale. Pursuant to this Sale Order, the unions have waived their rights to assert against any of Buyer, the Debtors, the Debtors' estates, or any other party any claims or other rights arising under the successorship provisions of any labor law, labor agreement, collective bargaining agreement or similar agreement in relation to such sale, and no union shall have any such claims or other rights against Buyer, the Debtors, the Debtors' estates, or any other party arising under the successorship provisions of any collective bargaining agreement or similar agreement in relation to such sale.

No Successor or Other Derivative Liability

20. Buyer and its Affiliates, and their respective successors and assigns, members, partners, principals and shareholders (or equivalent) are not and shall not be deemed or considered to (i) be a legal successor, or otherwise be deemed a successor to any of the Debtors or their estates; (ii) have, *de facto* or otherwise, merged with or into any of the Debtors or their estates; (iii) have a common identity with the Debtors; (iv) have a continuity of enterprise with the Debtors; or (v) be a continuation or substantial continuation, or be holding itself out as a mere continuation, of any of the Debtors or their respective estates, businesses, or operations, in each case, by any law or equity, and the Buyer has neither assumed nor is it in any way responsible for any liability or obligation of the Debtors or the Debtors' estates, except with

respect to the Assumed Liabilities. Except as expressly set forth in the Purchase Agreement, the Buyer and its Affiliates, and their respective successors and assigns, members, partners, principals and shareholders (or equivalent), or the Acquired Assets, shall have no (a) liability or responsibility for any claim against the Debtors or against an insider of the Debtors; (b) liability or responsibility with respect to any Interests or Claims or Excluded Liability and shall not be required to satisfy the same in any manner, whether at law or in equity, whether by payment, setoff or otherwise, directly or indirectly; (c) liability or responsibility to the Debtors except as is expressly set forth in the Purchase Agreement; or (d) successor, transferee, or vicarious liability of any kind or character, including, without limitation, under any theory of foreign, federal, state, or local antitrust, environmental, successor, tax, ERISA, assignee or transferee liability, labor, product liability, employment, *de facto* merger, substantial continuity, or other law, rule, regulation, or doctrine, whether known or unknown as of each applicable Closing Date, now existing or hereafter arising, whether asserted or unasserted, fixed or contingent, liquidated or unliquidated with respect to the Debtors or any obligations of the Debtors arising prior to each applicable Closing Date, including, without limitation, liabilities on account of any Taxes or other Governmental Authority fees, contributions, or surcharges, in each case, arising, accruing, or payable under, out of, in connection with, or in any way relating to, the operation of the Acquired Assets prior to each applicable Closing Date or arising based on actions of the Debtors or their Affiliates taken after each applicable Closing Date.

21. Without limiting the effect or scope of the foregoing, as of the Initial Closing (except as expressly set forth in the Purchase Agreement), the Buyer and its successors and assigns shall have no liability for any Interest or Claim, whether known or unknown as of each applicable Closing Date, now existing or hereafter arising, whether fixed or contingent,

whether derivatively, vicariously, as a transferee or successor or otherwise, of any kind, nature, or character whatsoever, by reason of any theory of law or equity, including, without limitation, Interests or Claims arising under (i) any employment or labor agreements, including, without limitation, any Affected Labor Agreement or the termination thereof; (ii) any pension, welfare, compensation, or other employee benefit plans, agreements, practices, and programs, including, without limitation, any pension plan of or related to any of the Debtors or any Debtor's Affiliates or predecessors or any current or former employees of any of the foregoing, including, without limitation, the Employee Benefit Plans and any participation or other agreements related to the Employee Benefit Plans, or the termination of any of the foregoing; (iii) the Debtors' business operations or the cessation thereof; (iv) any litigation involving one or more of the Debtors; and (v) any employee, workers' compensation, occupational disease, or unemployment or temporary disability related law, including, without limitation, claims that might otherwise arise under or pursuant to (a) ERISA; (b) the Fair Labor Standards Act; (c) Title VII of the Civil Rights Act of 1964, as amended; (d) the Federal Rehabilitation Act of 1973; (d) the National Labor Relations Act; (e) WARN; (f) the Age Discrimination in Employment Act, as amended; (g) the Americans with Disabilities Act; (h) the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended; (i) the Multiemployer Pension Plan Amendments Act of 1980; (j) state and local discrimination laws; (k) state and local unemployment compensation laws or any other similar state and local laws; (l) state workers' compensation laws; (m) any other state, local, or federal employee benefit laws, regulations, or rules relating to wages, benefits, employment, or termination of employment with any of the Debtors or their predecessors; (n) any antitrust laws; (o) any product liability or similar laws, whether state, federal, or otherwise; (p) any environmental laws, rules, or regulations, including, without limitation, under the

Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601, et seq., or similar state statutes; (q) PACA or PASA; (r) any bulk sales or similar laws; (s) any federal, state, or local tax statutes, regulations, or ordinances, including, without limitation, the Internal Revenue Code; and (t) any common law doctrine of de facto merger or successor or transferee liability, successor-in-interest liability theory, or any other theory of or related to successor liability, in each case whether known or unknown as of the Initial Closing, now existing or hereafter arising, whether asserted or unasserted, fixed or contingent, liquidated or unliquidated with respect to the Debtors or any obligations of the Debtors arising prior to the applicable Closing Date, including, but not limited to, liabilities on account of any taxes arising, accruing or payable under, out of, in connection with, or in any way relating to, the Acquired Assets, the Purchase Agreement or the Transferred Contracts except as otherwise set forth in this Sale Order or the Purchase Agreement.

Assumption and Assignment of Transferred Contracts

22. Pursuant to sections 105(a), 363, and 365 of the Bankruptcy Code, and subject to and conditioned upon the occurrence of the applicable Closing Date, Sellers' assumption and assignment to Buyer, and Buyer's assumption on the terms set forth in the Purchase Agreement of the Transferred Contracts (including, for the avoidance of doubt, any Designation Rights Contracts that are subsequently designated Transferred Contracts) is hereby approved in its entirety, and the requirements of section 365 of the Bankruptcy Code with respect thereto are hereby deemed satisfied.

23. Subject to and conditioned upon the occurrence of the applicable Closing Date, the Debtors are hereby authorized in accordance with sections 105(a), 363, and 365 of the Bankruptcy Code to assume and assign the Transferred Contracts to the Buyer free and clear of

all Interests or Claims, and to execute and deliver to the Buyer such documents or other instruments as may be necessary to assign and transfer the Transferred Contracts to the Buyer as provided in the Purchase Agreement.

24. Upon each applicable Closing, the Buyer shall be fully and irrevocably vested with all right, title, and interest of the Debtors in and to the Transferred Contracts and, pursuant to section 365(k) of the Bankruptcy Code, the Debtors shall be relieved from any further liability with respect to the Transferred Contracts. The assumption by the Debtors and assignment to the Buyer of the Transferred Contracts shall not be a default under or constitute a termination of any such Transferred Contract.

25. Buyer has provided adequate assurance of future performance for the Transferred Contracts within the meaning of sections 365(b)(1)(C), 365(b)(3) (to the extent applicable) and 365(f)(2)(B) of the Bankruptcy Code.

26. All Cure Costs shall be determined in accordance with the Bidding Procedures Order and paid in cash by the Debtors in accordance with the terms of the Purchase Agreement after each applicable Closing. Payment of the Cure Costs by the Debtors shall (i) be in full satisfaction and cure of any and all defaults under the Transferred Contracts, whether monetary or non-monetary; and (ii) compensate Counterparties for any actual pecuniary loss resulting from such defaults. Each Counterparty is forever barred, estopped, and permanently enjoined from asserting against the Debtors or the Buyer, their respective Affiliates, successors, or assigns, or the property of any of them, any assignment fee, rent acceleration, rent increase on account of assignment, default, breach, claim, pecuniary loss, or condition to assignment arising under or related to the Transferred Contracts, existing as of the date that such Transferred Contracts are assumed or arising by reason of the applicable Closing. Neither the Buyer nor any successor of

the Buyer shall be responsible for or have and Interests or Claims or obligations arising out of any of the contracts, agreements, or understandings that are not Transferred Contracts after the applicable Closing (except as specifically provided by the Purchase Agreement). Nothing in this Sale Order shall affect the rights of the Buyer, to the extent such rights are provided in the Purchase Agreement, to add or remove any Transferred Contracts to or from the list of Transferred Contracts set forth in Purchase Agreement in accordance with the terms thereof.

27. No Cure Objections were timely filed with respect to the Transferred Contracts listed on **Exhibit C** attached hereto. The Cure Costs for the contracts listed on **Exhibit C** are hereby fixed at the amounts set forth thereon, and Counterparties to such Transferred Contracts are forever bound by such Cure Costs. Pursuant to sections 365(b)(1)(A) and (B) of the Bankruptcy Code, Sellers shall pay to the applicable Counterparty the Cure Costs relating to any Transferred Contracts on **Exhibit C** on the applicable Closing Date. Upon payment of such Cure Costs as provided for herein, the Counterparties to such Transferred Contracts are hereby enjoined from taking any action against Buyer or the Acquired Assets with respect to any claim for cure.

28. Cure Objections were timely filed with respect to the Transferred Contracts listed on **Exhibit D** attached hereto. To the extent not resolved prior to entry of this Sale Order, the Debtors shall maintain a cash reserve for any Cure Objection (the “**Cure Cost Reserve**”) equal to either (i) the amount the objecting Counterparty has asserted to be required to cure the asserted defaults under the applicable Transferred Contract, or (ii) such other cash reserve amount as may be ordered by the Court, and the resolution of the Cure Objections for all Transferred Contracts listed on **Exhibit D** shall be adjourned until the next omnibus hearing in these chapter 11 cases that is no later than thirty (30) days after the entry of this Sale Order (or such other date agreed to

by the Debtors and the applicable contract counterparties). Upon resolution of the Cure Objection (whether by Court order or consent of the Seller and the applicable Counterparty) for each Transferred Contract listed on **Exhibit D**, (a) the cure cost for such Transferred Contract is fixed in accordance with this paragraph and shall constitute the “Cure Cost” for all purposes under this Sale Order; (b) pursuant to sections 365(b)(1)(A) and (B) of the Bankruptcy Code, Seller shall pay to the applicable Counterparty the Cure Costs, as determined in accordance with this paragraph, within seven (7) business days after the Cure Objection is resolved; and (c) upon payment of such Cure Costs as provided for herein, the applicable Counterparties to such Transferred Contracts are hereby enjoined from taking any action against Buyer or the Acquired Assets with respect to any claim for Cure Costs.

29. Pursuant to sections 365(f)(1) and (3), the Transferred Contracts shall be transferred to, and effect for the benefit of, the Buyer in accordance with their respective terms, including all obligations of the Buyer as the assignee of the Transferred Contracts, notwithstanding any provision in any Transferred Contract or under applicable law (including, without limitation, those of the type described in sections 365(e)(1) and (f) of the Bankruptcy Code) that prohibits, restricts, or conditions such assignment or transfer.

30. Pursuant to sections 105(a), 363, and 365 of the Bankruptcy Code, all Counterparties are forever barred and permanently enjoined from raising or asserting against the Debtors or the Buyer any defaults, cross-defaults, breach, claim, pecuniary loss, rent accelerations, escalations, rent increase, assignment fees, increases or any other fees charged to the Buyer or the Debtors existing as of the date of assumption of the Transferred Contracts or as a result of the assumption or assignment of the Transferred Contracts on any applicable Closing. For the avoidance of doubt, and without limiting the generality of the foregoing, any provision in

a Transferred Contract, any other document, or under applicable law that prohibits, restricts or otherwise impairs assignment of the Transferred Contracts or Buyer's ability to operate the Stores is hereby void and of no force or effect, including any provision that (i) requires any or all of the proceeds from the assignment of such Transferred Contract be paid to or shared with the applicable Counterparty or distributed in a manner inconsistent with the terms of the Purchase Agreement, the applicable Assignment and Assumption Agreement, or the intent of the Debtors and Buyer with respect to the distribution of such proceeds; (ii) terminates any extension option rights or any other rights of the Buyer under such Transferred Contract; (iii) cross-defaults to or from any other lease or executory contract that is not a Transferred Contract; (iv) restricts the Buyer's operation of the Stores with respect to radius, use, location, and exclusivity (provided that this clause (iv) shall not apply to the extent that the applicable Transferred Contract is a lease of real property in a shopping center and such restrictions are within the scope of Section 365(b)(3)); (v) contains operating covenants or "go-dark" provisions that would purport to terminate or modify any Transferred Contract before assumption and assignment to the Buyer; (vi) requires a Counterparty's consent prior to assignment of the Transferred Contract to the Buyer; or (vii) requires prior notice from the Buyer before changing the name or banner of a Store previously operated by one of the Sellers.

31. Upon the Debtors' assignment of Transferred Contracts to the Buyer under the provisions of this Sale Order, no default shall exist under any Transferred Contracts, and no Counterparty to any Transferred Contracts shall be permitted to declare a default by any Debtor or the Buyer or otherwise take action against the Buyer as a result of any Debtor's financial condition, bankruptcy, or failure to perform any of its obligations under the relevant Transferred Contract. Any provision in a Transferred Contract, other document, or under applicable law that

prohibits or conditions the assignment or sublease of such Transferred Contract (including, without limitation, the granting of a lien therein) or allows the relevant Counterparty to terminate, recapture, impose any penalty, condition on renewal or extension, or modify any term or condition upon such assignment or sublease, constitutes an unenforceable anti-assignment provision that is void and of no force or effect. The failure of the Debtors or the Buyer to enforce at any time one or more terms or conditions of any Transferred Contract shall not be a waiver of such terms or conditions, or of the Debtors' and the Buyer's rights to enforce every term and condition of the Transferred Contract. Any party having the right to consent to the assumption or assignment of any Transferred Contracts that failed to object to such assumption or assignment is deemed to have consented to such assumption and assignment as required by section 365(c) of the Bankruptcy Code.

Designation Rights Contracts

32. The Designation Rights Contracts are set forth on **Exhibit E** hereto. During the period from the date of the Purchase Agreement until the Initial Closing Date (the "**Designation Rights Period**"), and subject to the terms and conditions set forth in the Purchase Agreement, (i) each Designation Rights Contract shall be held by Sellers and shall not be rejected pursuant to section 365 of the Bankruptcy Code unless and until Buyer provides Sellers with a written request from Buyer to reject such Designation Rights Contract in accordance with Section [2.12(d)] of the Asset Purchase Agreement; provided that the Sellers may seek rejection of a Designation Rights Contract in accordance with the terms of Section [2.12(e)] of the Purchase Agreement; (ii) Sellers shall not terminate, amend, supplement, modify or waive any rights under any Designation Rights Contract or take any affirmative action not required by the terms thereof without the prior written consent of Buyer; and (iii) the Debtors shall not seek to

convert, dismiss, or close these chapter 11 cases prior to the expiration of the Designation Rights Period.

33. No Cure Objections were timely filed with respect to the Designation Rights Contracts listed on **Exhibit F** attached hereto. As soon as practicable, but in no event later than three (3) business days of Sellers' receipt of a written request from Buyer to assume one or more Designation Rights Contracts listed on **Exhibit F**, or one or more Designation Rights Contracts listed on **Exhibit G** attached hereto for which any Cure Objection has been resolved, Sellers shall file a notice on the docket in these chapter 11 cases (each, an "**Uncontested Assumption Notice**") in the form attached hereto as **Exhibit H**. Upon filing an Uncontested Assumption Notice, and without further order of the Court, each Designation Rights Contract listed in such Uncontested Assumption Notice (a) shall be treated as a Transferred Contract under this Sale Order, and (b) shall be assumed by the Sellers and assigned to Buyer. With respect to the Designation Rights Contracts listed on an Uncontested Assumption Notice, (i) the applicable Cure Cost for each Designation Rights Contract listed on such Uncontested Assumption Notice shall be fixed at the amount set forth in the Cure Notice, and the applicable Counterparty to such Designation Rights Contract shall be forever bound by such Cure Cost; (ii) pursuant to sections 365(b)(1)(A) and (B) of the Bankruptcy Code, Sellers shall pay to the applicable Counterparty the Cure Cost relating to each Designation Rights Contract listed on such Uncontested Assumption Notice within five (5) business days after the filing of the Uncontested Assumption Notice on the Court's docket; and (iii) upon payment of such Cure Costs as provided for herein, the applicable Counterparty is hereby enjoined from taking any action against Buyer or the Acquired Assets with respect to any claim for Cure Costs.

34. Cure Objections were timely filed with respect to the Designation Rights Contracts listed on **Exhibit G** attached hereto. As soon as practicable, but in no event later than three (3) business days of Sellers' receipt of a written request from Buyer to assume one or more Designation Rights Contracts listed on **Exhibit G**, Sellers shall file a notice on the docket in these chapter 11 cases (each, an "Contested Assumption Notice") in the form attached hereto as **Exhibit J**. To the extent not resolved prior to the filing of the applicable Contested Assumption Notice, the resolution of the Cure Objection for any Designation Rights Contract listed on such Contested Assumption Notice shall be determined at a hearing before the Court on a date to be scheduled; provided that the Debtors shall maintain a Cure Cost Reserve equal to either (i) the amount the objecting Counterparty has asserted to be required to cure the asserted defaults under the applicable Designation Rights Contract, or (ii) such other cash reserve amount as may be ordered by the Court. Upon resolution of the Cure Objection (whether by Court order or consent of the Sellers and the applicable Counterparty) for each Designation Rights Contract listed on the applicable Contested Assumption Notice, such Designation Rights Contract (a) shall be treated as a Transferred Contract under this Sale Order, and (b) shall be assumed by the Sellers and assigned to Buyer. With respect to the Designation Rights Contracts listed on a Contested Assumption Notice, (1) the applicable Cure Cost for such Designation Rights Contract shall be fixed in accordance with this paragraph and shall constitute the "Cure Cost" for all purposes under this Sale Order, and the Counterparty to such Transferred Contract shall be forever bound by such Cure Cost; (2) pursuant to sections 365(b)(1)(A) and (B) of the Bankruptcy Code, Sellers shall pay to the applicable Counterparty the Cure Cost, as determined in accordance with this paragraph, within five (5) business days after the Cure Objection is resolved; and (3) upon payment of such Cure Cost as provided for herein, the applicable

Counterparty is hereby enjoined from taking any action against Buyer or the Acquired Assets with respect to any claim for Cure Costs.

35. **Statutory Mootness.** The transactions contemplated by the Purchase Agreement and Related Agreements are undertaken by the Buyer without collusion and in good faith, as that term is used in section 363(m) of the Bankruptcy Code and, accordingly, the reversal or modification on appeal of the authorization provided herein of the Sale Transaction shall neither affect the validity of the Sale Transaction nor the transfer of the Acquired Assets or the assignment of Transferred Contracts to the Buyer, free and clear of Interests or Claims, unless such authorization is duly stayed before the Initial Closing Date pending such appeal. The Buyer is a good faith purchaser of the Acquired Assets and is entitled to all of the benefits and protections afforded by section 363(m) of the Bankruptcy Code. The Debtors and the Buyer will be acting in good faith if they proceed to consummate the Sale Transaction at any time after entry of this Sale Order.

36. **No Avoidance of Purchase Agreement.** Neither the Debtors nor the Buyer has engaged in any conduct that would cause or permit the Purchase Agreement or Related Agreements to be avoided or costs and damages to be imposed under section 363(n) of the Bankruptcy Code. Accordingly, the Purchase Agreement, Related Agreements, and the Sale Transaction shall not be avoidable under section 363(n) of the Bankruptcy Code, and no party shall be entitled to any damages or other recovery pursuant to section 363(n) of the Bankruptcy Code in respect of the Purchase Agreement, Related Agreements, or the Sale Transaction.

37. **Waiver of Bankruptcy Rules 6004(h), 6006(d) and 7062.** Notwithstanding the provisions of Bankruptcy Rules 6004(h), 6006(d), 7062, or any applicable provisions of the Local Rules, this Sale Order shall not be stayed after the entry hereof, but shall be effective and

enforceable immediately upon entry, and the fourteen (14) day stay provided in Bankruptcy Rules 6004(h) and 6006(d) is hereby expressly waived and shall not apply. Time is of the essence in closing the Sale Transaction, and the Debtors and the Buyer may close the Sale Transaction as soon as practicable. Any party objecting to this Sale Order must exercise due diligence in filing an appeal and pursuing a stay within the time prescribed by law and prior to the Initial Closing Date, or risk its appeal being foreclosed as moot.

38. **Binding Effect of Sale Order.** This Sale Order shall be binding in all respects upon the Debtors, their estates, all creditors, all holders of equity interests in the Debtors, all holders of any Interests or Claims (whether known or unknown) against any Debtor, any holders of Interests or Claims against or on all or any portion of the Acquired Assets, all counterparties to any executory contract or unexpired lease of the Debtors (including any collective bargaining agreement or labor agreement), Buyer and all successors and assigns of Buyer, and any trustees, examiners, or other fiduciary under any section of the Bankruptcy Code, if any, subsequently appointed in any of these chapter 11 cases or upon a conversion to chapter 7 under the Bankruptcy Code of these chapter 11 cases. The terms and provisions of the Purchase Agreement and this Sale Order shall inure to the benefit of the Debtors, their estates, and their creditors, Buyer, and its respective Affiliates, successors and assigns, and any other affected third parties, including all persons asserting any Interests or Claims in the Acquired Assets to be sold to Buyer pursuant to the Purchase Agreement, notwithstanding any subsequent appointment of any trustee(s), party, entity, or other fiduciary under any section of any chapter of the Bankruptcy Code, as to which trustee(s), party, entity, or other fiduciary such terms and provisions likewise shall be binding.

39. **Conflicts; Precedence.** In the event that there is a direct conflict between the terms of this Sale Order, the Purchase Agreement, or any documents executed in connection therewith, the provisions contained in this Sale Order, the Purchase Agreement, any documents executed in connection therewith shall govern, in that order. Nothing contained in any chapter 11 plan hereinafter confirmed in these chapter 11 cases, any order confirming such plan, or in any other order of any type or kind entered in these chapter 11 cases (including, without limitation, any order entered after any conversion of any or all of these chapter 11 cases to cases under chapter 7 of the Bankruptcy Code) or in any related proceeding shall alter, conflict with, or derogate from the provisions of the Purchase Agreement or the terms of this Sale Order.

40. **Modification of Purchase Agreement.** The Purchase Agreement, the Related Agreements, and any other documents or other instruments executed in connection therewith, may be modified, amended, or supplemented by the parties thereto, in a writing signed each party, and in accordance with the terms thereof, without further order of the Court; provided that any such modification, amendment, or supplement shall not materially change the terms of the Purchase Agreement, Related Agreements, or any documents or other instruments executed in connection therewith.

41. **Bulk Sales; Taxes.** No bulk sales law, bulk transfer law, or similar law of any state or other jurisdiction (including those relating to Taxes other than Transfer Taxes) shall apply in any way to the transactions contemplated by the Purchase Agreement, the Related Agreements, the Sale Motion, or this Sale Order. Except as otherwise expressly provided in the Purchase Agreement, all obligations of the Debtors relating to Taxes, whether arising under any law, by the Purchase Agreement, or otherwise shall be the obligation of and fulfilled and paid by the Debtors.

42. **Cooperation.** The Sellers and all Counterparties to the Transferred Contracts shall cooperate and expeditiously execute and deliver, upon the reasonable requests of Buyer, and shall not charge Buyer for, any instruments, applications, consents, or other documents which may be required or requested by any public or quasi-public authority or other party or entity to effectuate the applicable transfers in connection with the Sale Transaction. From time to time, as and when requested by any party, each party to the Purchase Agreement shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as such other party may reasonably deem necessary or desirable to consummate the Sale Transaction, including such actions as may be necessary to vest, perfect or confirm, of record or otherwise, in Buyer its right, title and interest in and to the Acquired Assets.

43. **Stay Relief.** The automatic stay pursuant to section 362 is hereby lifted with respect to the Debtors to the extent necessary, without further order of the Court, to (i) allow Buyer to deliver any notice provided for in the Purchase Agreement and any Related Agreements and (ii) allow Buyer to take any and all actions permitted under the Purchase Agreement and any Related Agreements in accordance with the terms and conditions thereof. Except to the extent specifically provided for in this Sale Order, nothing in this Sale Order shall modify, lift, or in any way effect the automatic stay pursuant to section 362 with respect to the Debtors, their estates or their property.

44. **Retention of Jurisdiction.** This Court shall retain exclusive jurisdiction to, among other things, interpret, enforce, and implement the terms and provisions of this Sale Order, the Purchase Agreement, Related Agreements, all amendments thereto, and any waivers and consents thereunder (and of each of the agreements executed in connection therewith), to

adjudicate disputes related to this Sale Order, the Purchase Agreement, and Related Agreements, and to enforce the injunctions set forth herein.

Dated: _____, 2017
Wilmington, Delaware

THE HONORABLE LAURIE SELBER
SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Exhibit C

Stalking Horse Agreement

ASSET PURCHASE AGREEMENT
BY AND AMONG
STRACK AND VAN TIL SUPER MARKET, INC.,
SVT, LLC,
RACEWAY CENTRAL, LLC
AND
JEWEL FOOD STORES, INC.
MAY 12, 2017

Table of Contents

	<u>Page</u>
ARTICLE I DEFINITIONS	1
Section 1.1 Definitions.....	1
Section 1.2 Interpretations	20
ARTICLE II PURCHASE AND SALE	21
Section 2.1 Purchase and Sale of Assets.....	21
Section 2.2 Assumed Liabilities	21
Section 2.3 Consideration; Deposit Amount	21
Section 2.4 Closing; Closing Schedule.....	23
Section 2.5 Closing Payments and Deliveries.	24
Section 2.6 Inventory.....	29
Section 2.7 Allocation.....	30
Section 2.8 Purchase Price Adjustment	31
Section 2.9 Delivery of Possession.....	35
Section 2.10 Cooperation.....	35
Section 2.11 Withholding	35
Section 2.12 Designation Rights Contracts	35
ARTICLE III SELLERS' REPRESENTATIONS AND WARRANTIES	37
Section 3.1 Organization of Sellers; Good Standing	37
Section 3.2 Authorization of Transaction	37
Section 3.3 Noncontravention; Government Filings	37
Section 3.4 Title to Assets; Sufficiency	38
Section 3.5 Real Property	38
Section 3.6 Litigation; Decrees.....	39
Section 3.7 Labor Relations	39
Section 3.8 Brokers' Fees	39
Section 3.9 Taxes.	39
Section 3.10 Tangible Personal Property.....	41
Section 3.11 Transferred Contracts.....	41
Section 3.12 Employee Benefits.....	42
Section 3.13 Compliance with Laws; Permits.	42
Section 3.14 Environmental Matters.....	43
Section 3.15 Statement of Sales.....	44
Section 3.16 Insurance	44
Section 3.17 Intellectual Property.....	44
Section 3.18 Data Security.....	45
Section 3.19 No Other Representations or Warranties	46
ARTICLE IV BUYER'S REPRESENTATIONS AND WARRANTIES	46
Section 4.1 Organization of Buyer; Good Standing	46
Section 4.2 Authorization of Transaction	46

Table of Contents

(continued)

	<u>Page</u>
Section 4.3 Noncontravention.....	46
Section 4.4 Litigation; Decrees.....	47
Section 4.5 Brokers' Fees	47
Section 4.6 Sufficient Funds; Adequate Assurances	47
ARTICLE V PRE-CLOSING COVENANTS	47
Section 5.1 Efforts; Cooperation; Permits.	47
Section 5.2 Conduct of the Business Pending each Closing.....	48
Section 5.3 Regulatory Approvals	50
Section 5.4 Bankruptcy Court Matters.....	52
Section 5.5 Notice of Developments	54
Section 5.6 Access; No Contact.....	55
Section 5.7 Bulk Transfer Laws.....	56
Section 5.8 Replacement Bonding Requirements.....	56
Section 5.9 Assumption and Assignment of Transferred Contracts; Cure Costs.	56
Section 5.10 Confidentiality	57
Section 5.11 Reporting.....	57
Section 5.12 Title to Owned Real Property.	57
Section 5.13 Gift Cards.....	58
ARTICLE VI OTHER COVENANTS	58
Section 6.1 Further Assurances.....	58
Section 6.2 Access; Enforcement; Record Retention	59
Section 6.3 Treatment of Affected Labor Agreements	59
Section 6.4 Covered Employees.	59
Section 6.5 Certain Tax Matters.	62
Section 6.6 Insurance Matters.....	62
Section 6.7 Acknowledgements.....	63
Section 6.8 Press Releases and Public Announcements	64
Section 6.9 Seller Marks	64
Section 6.10 License to Business Intellectual Property	64
ARTICLE VII CONDITIONS TO OBLIGATION TO CLOSE.....	65
Section 7.1 Conditions to Buyer's Obligations to Effect the Initial Closing.....	65
Section 7.2 Conditions to Sellers' Obligations to Effect the Initial Closing	66
Section 7.3 Conditions to Buyer's Obligations to Effect each Subsequent Closing	66
Section 7.4 Conditions to Sellers' Obligations to Effect each Subsequent Closing.....	67
Section 7.5 No Frustration of Closing Conditions.....	68
ARTICLE VIII TERMINATION RIGHTS.....	68
Section 8.1 Termination of Agreement.....	68
Section 8.2 Effect of Termination.....	70

Table of Contents

(continued)

	<u>Page</u>
Section 8.3 Termination and Adjustment Rights of Buyer as to Stores and Related Acquired Assets.....	71
ARTICLE IX MISCELLANEOUS.....	72
Section 9.1 Survival.....	72
Section 9.2 Expenses	72
Section 9.3 Entire Agreement.....	72
Section 9.4 Incorporation of Exhibits and Disclosure Schedule.....	72
Section 9.5 Amendments and Waivers	72
Section 9.6 Succession and Assignment.....	73
Section 9.7 Notices	73
Section 9.8 Governing Law	74
Section 9.9 Submission to Jurisdiction; Service of Process	74
Section 9.10 Waiver of Jury Trial.....	75
Section 9.11 Specific Performance	75
Section 9.12 Severability	75
Section 9.13 No Third Party Beneficiaries	75
Section 9.14 Non-Recourse	75
Section 9.15 Mutual Drafting	76
Section 9.16 Disclosure Schedule.....	76
Section 9.17 Headings; Table of Contents.....	77
Section 9.18 Counterparts; Facsimile and Electronic Signatures	77
Section 9.19 Time of Essence.....	77
Section 9.20 Integrated Transactions.....	77
 Exhibit A – Form of Bidding Procedures Order	
Exhibit B – Escrow Agreement	
Exhibit C – Form of Sale Order	
Exhibit D – [Reserved.]	
Exhibit E – Form of Bill of Sale	
Exhibit F – Form of Assignment and Assumption Agreement	
Exhibit G – Form of Lease Assignment Agreement	
Exhibit H – [Reserved.]	
Exhibit I – Form of Trademark Assignment Agreement	
Exhibit J – Deed	

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this “Agreement”) is entered into as of May 12, 2017 by and among Strack and Van Til Super Market, Inc., an Indiana corporation (“SVT Super Market”), SVT, LLC, an Indiana limited liability company (“SVT”), Raceway Central, LLC, an Illinois limited liability company (together with SVT Super Market and SVT, “Sellers”) and Jewel Food Stores, Inc., an Ohio corporation (“Buyer”). Sellers and Buyer are each referred to herein as a “Party” and collectively as the “Parties”.

WITNESSETH

WHEREAS, Sellers and certain of their Affiliates filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) on May 4, 2017 (the “Petition Date”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”);

WHEREAS, Sellers operate the 19 supermarkets at the locations set forth in Section 1 of the Disclosure Schedule under the names “Strack & Van Til Market” and “Town & Country Market” (each a “Store” and, collectively, the “Stores”); and

WHEREAS, subject to the terms and upon the conditions set forth herein, Sellers desire to sell, transfer and assign to Buyer, and Buyer desires to purchase, acquire and assume from Sellers, all of the Acquired Assets and Assumed Liabilities, all as more specifically provided herein.

NOW, THEREFORE, in consideration of the mutual promises herein made, and in consideration of the representations, warranties and covenants herein contained, the Parties hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. For purposes of this Agreement:

“Acquired Assets” means all of Sellers’ right, title, and interest in, to and under all of the business, assets, properties, contractual rights, goodwill, going concern value, rights and claims, except as otherwise provided herein, primarily related to the Business, wherever situated and of whatever kind and nature, real or personal, tangible or intangible, whether or not reflected on the books and records of Sellers (other than the Excluded Assets) to be acquired, in the aggregate, at the Closings and, with respect to each Closing, as the same shall exist on the applicable Closing Date. Without limiting the foregoing, the Acquired Assets include all of Sellers’ rights, title and interests in, to and under each of the following assets:

(a) all rights and interests of Sellers with respect to the Owned Real Property, together with all facilities, improvements, fixtures and other appurtenances thereto and rights in respect thereof and all servitudes, easements, rights-of-way, other surface use agreements, and water use agreements to the extent used in connection with the Business;

- (b) the Furnishings and Equipment;
- (c) [Reserved.];
- (d) [Reserved.];
- (e) subject to Section 2.6(a), the saleable Inventory (other than Excluded Inventory) at the Stores;
- (f) all Business Intellectual Property;
- (g) to the maximum extent permitted by the Bankruptcy Code, the Assumed Leases, together with (to the extent of the Sellers' interest therein) the buildings, fixtures and improvements located on or attached to such real property, and (to the maximum extent transferable and permitted by the Bankruptcy Code) all rights arising therefrom (including all options and rights of first refusal) and all tenements, hereditaments, appurtenances and other real property rights appertaining thereto, subject to the rights of the applicable landlord (including rights to ownership or use of such property) under such Assumed Leases;
- (h) to the maximum extent permitted by the Bankruptcy Code, all Transferred Contracts (other than, the Assumed Leases, which are included as Acquired Assets pursuant to clause (g) above), the rights and benefits accruing thereunder and to the extent in the possession or control of any Seller, all material documents related thereto;
- (i) the Commissary;
- (j) all deposits (including security deposits, prepaid rent, electricity, telephone or otherwise and environmental-related deposits related to the Stores) and prepaid or deferred charges and expenses previously paid by Sellers relating to the Transferred Contracts or any Permit to be transferred to Buyer (not including any amounts paid in connection with any Affected Labor Agreement or other Contract with any Covered Employee, agent or consultant related to the Business, none of which amounts, if any, shall be deemed a reimbursable expense to Sellers under this Agreement) (collectively, the "Prepaid Expenses");
- (k) all files, documents, instruments, papers, computer files, information and records and all other books and records of Sellers in any media primarily relating to the Acquired Assets, including real property documents, surveys (boundary and topographical), construction drawings, soil reports, EEO-1 reports for each Property for the year preceding the applicable Closing (to the extent available), all records relating to Liabilities which constitute Assumed Liabilities, asbestos inspections, environmental reports and assessments, fixture plans, personnel records of Covered Employees, ledgers, journals, studies, reports, budgets, forecasts, projections and competitive or capital spending analyses of the Stores, and information relating to Taxes (collectively, the "Files and Records");
- (l) to the extent applicable, all audio and video tapes or devices that are available for sale or rental at the Stores to the extent they are owned by Sellers;

(m) to the extent requested by Buyer and to the extent assignable to Buyer under applicable Law, all Permits held, used or intended to be used by Sellers exclusively in connection with or exclusively related to the Business, including all beer, wine, spirits and liquor licenses and similar Permits, and all of the rights and benefits accruing thereunder (for the avoidance of doubt, solely to the extent that the applicable Governmental Authority consents or otherwise approves the assignment or transfer of the applicable Permit (but only to the extent such consent or approval is required by the terms of such Permit));

(n) only if and to the extent Sellers have not sold, or entered into an agreement to sell, as of the final Closing Date, the Other Stores located in the state of Indiana and the Sellers' assets primarily related to the operations thereof, to the extent assignable to Buyer under applicable Law, those Permits held by Sellers exclusively in connection with, or exclusively related to, the purchase and sale by the Other Stores located in the state of Indiana of beer, wine, spirits or liquor set forth on Section 1.1 of the Disclosure Schedule under the heading "Other Store Permits" (for the avoidance of doubt, solely to the extent that the applicable Governmental Authority consents or otherwise approves the assignment or transfer of the applicable Permit (but only to the extent such consent or approval is required by the terms of such Permit));

(o) all insurance proceeds received by Sellers in respect of any damage to or loss of any Store (to the extent such Store remains an Acquired Asset after giving effect to the provisions of Section 5.12 or Section 8.3) as a result of events or circumstances occurring prior to the applicable Closing Date, to the extent such damage or loss has not been repaired or restored at the time of the applicable Closing;

(p) With respect to each Store, the amount of cash set forth on Section 1.1 of the Disclosure Schedule under the heading "Per Store Cash Closing Balance" to be left at each Store following the close of business on the date which is the day before the applicable Closing Date (the "Per Store Cash Closing Balance");

(q) all rights to refunds of Taxes to the extent such Taxes constitute Assumed Liabilities;

(r) any rights, demands, claims, causes of action, prepayments, refunds, rights of recovery, credits, allowances, rebates, or rights of setoff or subrogation and other claims of Sellers or their Affiliates against any Person other than Sellers or any officer or director thereof, Buyer or any of their respective Affiliates (collectively, "Causes of Action") arising out of or relating to any of the Acquired Assets, including any rights against third parties under Transferred Contracts;

(s) all rights, title and interest of Sellers in and to any property subject to a Personal Property Lease that is used in or held for use in the Business, to the extent any such Personal Property Lease is a Transferred Contract;

(t) to the extent transferable, all rights of Sellers under or pursuant to all warranties, representations and guarantees made by suppliers, manufacturers and contractors to the extent primarily relating to the Business or any of the Acquired Assets, or any services provided to Sellers primarily in connection with the Business or the Acquired Assets, or to the extent

otherwise primarily affecting any Acquired Assets, other than any warranties, representations and guarantees pertaining exclusively to any Excluded Assets;

(u) all of Sellers' rights, claims, causes of action and avoidance claims under Chapter 5 of the Bankruptcy Code (whether or not asserted as of the Effective Time) to the extent they relate to vendors, employees, landlords, suppliers, customers and other counterparties of Sellers that relate to any of the Acquired Assets, or the operation of the Business at the Properties (other than any such claims, Causes of Action or rights against any officers or directors of Sellers) (the "Avoidance Actions"); and

(v) without limiting the foregoing, all other business, assets, rights or properties used primarily in or located at the Stores and not specifically set forth herein (other than any Excluded Assets).

"Adjustment Amount" has the meaning set forth in Section 2.8(a).

"Affected Labor Agreements" means the collective bargaining agreements covering any of the Covered Employees, each of which is listed on Section 1.1 of the Disclosure Schedule under the heading "Affected Labor Agreements".

"Affected Unions" means the unions identified on Section 1.1 of the Disclosure Schedule under the heading "Affected Unions".

"Affiliate" means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person, where "control" means the power, directly or indirectly, to direct or cause the direction of the management and policies of another Person, whether through the ownership of voting securities, by Contract, or otherwise.

"Agreement" has the meaning set forth in the preamble.

"Allocation Objection Notice" has the meaning set forth in Section 2.7.

"Allocation Principles" has the meaning set forth in Section 2.7.

"Alternative Transaction" means any of the following with respect to a Person other than Buyer or any Affiliate of Buyer: (A) a merger, consolidation, share exchange, business combination, reorganization, recapitalization or other similar transaction or series of related transactions providing for the direct or indirect sale or other disposition of any or all of the Acquired Assets; (B) any sale, lease, exchange, transfer or other disposition (including by way of merger, consolidation, license, exchange, plan of reorganization or restructuring), in a single transaction or a series of related transactions, of any or all of the Acquired Assets; (C) any issuance, sale or other disposition of equity interests (or options, rights or warrants to purchase, or interests convertible into or exchangeable for, such equity interests) of any entity then currently owning, directly or indirectly, any or all of the Acquired Assets or; (D) any combination of the foregoing; or (E) any Competing Bid, in each case, excluding the sale of any Inventory available for sale at the Properties in the Ordinary Course of Business.

“Antitrust Law” means the Sherman Act, the Clayton Act, the HSR Act, the Federal Trade Commission Act, and all other Laws and Decrees that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening of competition through merger or acquisition, whether in the United States or elsewhere.

“Assignment and Assumption Agreement” has the meaning set forth in Section 2.5(a)(i)(D).

“Assumed Leases” means those Leases that are Transferred Contracts.

“Assumed Liabilities” means, subject to the terms and conditions set forth in this Agreement, and provided that the following shall not include any Excluded Liabilities, as of the applicable Closing, the following obligations of Sellers related to the portion of the Acquired Assets acquired in respect of such Closing, and no others shall be assumed by Buyer:

(a) all Liabilities relating to Buyer’s ownership or operation of the Acquired Assets, to the extent arising from events, facts or circumstances that occur from and after the applicable Closing, but excluding any Liabilities to the extent relating to Sellers’ ownership or operation of the Acquired Assets prior to the applicable Closing or relating to any services that were sold or provided by the Sellers prior to the applicable Closing;

(b) all Liabilities of Sellers under the Transferred Contracts (excluding all Cure Costs, except to the extent provided herein), in each case to the extent arising and relating solely to the period from and after the applicable Closing;

(c) all Liabilities under the Modified Labor Agreements, to the extent arising and relating solely to the period from and after the applicable Closing;

(d) all Liabilities, other than Excluded Liabilities, of Sellers under the Owned Real Property, in each case, to the extent arising and relating solely to the period from and after the applicable Closing;

(e) the Personal Property Taxes, Real Property Taxes and all other amounts allocated to Buyer under Section 2.8 and all Transfer Taxes allocated to Buyer pursuant to Section 6.5; and

(f) all Cure Costs payable with respect to Transferred Contracts (other than Assumed Leases) in excess of Sellers’ Cure Cost Cap.

Notwithstanding the foregoing or any other provisions of this Agreement, Buyer shall not assume hereunder, and “Assumed Liabilities” shall not include, Liabilities under any Contract to the extent such Liabilities arise as a result of a breach or failure of such Contract occurring prior to, as of, or as a result of, the applicable Closing (including Cure Costs, except to the extent provided herein).

“Assumption Notice” has the meaning set forth in Section 5.9(b).

“Avoidance Actions” has the meaning set forth in the definition of Acquired Assets.

“Auction” means the auction undertaken pursuant to the Bidding Procedures Order.

“Bankruptcy and Equity Exception” has the meaning set forth in Section 3.2.

“Bankruptcy Cases” means the contemplated Chapter 11 cases of Sellers and certain of their Affiliates.

“Bankruptcy Code” has the meaning set forth in the recitals.

“Bankruptcy Court” has the meaning set forth in the recitals.

“Bankruptcy Milestones” has the meaning set forth in Section 5.4(e).

“Base Amount” has the meaning set forth in Section 2.3(a).

“Base Purchase Price” means an amount equal to the sum of (i) the Base Amount and (ii) a Dollar amount equal to either (A) prior to the date upon which the Closing Schedule is agreed between the Parties, \$30,000,000, or (B) at any time thereafter, the sum of (x) the aggregate Closing Inventory Valuations available at the time of the calculation of the Base Purchase Price, *plus* (y) the aggregate Estimated Inventory Valuations with respect to Inventory to be acquired at any Closings that have not yet occurred.

“Bid Deadline” has the meaning set forth in the Bidding Procedures Order.

“Bidding Procedures Order” means an order of the Bankruptcy Court, substantially in the form attached hereto as Exhibit A with such changes as are reasonably acceptable to each Party that, among other things, (a) approves and authorizes the payment of the Termination Payment on the terms and conditions set forth in Section 5.4, (b) grants administrative expense status to the Termination Payment pursuant to sections 503(b) and 507(a)(2) of the Bankruptcy Code, (c) establishes procedures for the Auction process, and (d) establishes a date for the Sale Hearing.

“Bill of Sale” has the meaning set forth in Section 2.5(a)(i)(C).

“Bonding Requirements” means standby letters of credit, guarantees, indemnity bonds, and other financial commitment credit support instruments issued by third parties on behalf of Sellers or any of their respective Subsidiaries or Affiliates regarding any of the Acquired Assets.

“Break-Up Fee” has the meaning set forth in Section 5.4(a).

“Business” means the operation of the Stores and the Commissary by Sellers.

“Business Day” means any day, other than a Saturday, Sunday and any day which is a legal holiday under the laws of the State of Delaware or is a day on which banking institutions located in the State of Delaware are authorized or required by Law or other governmental action to close.

“Business Intellectual Property” means the names “Town & Country Fresh Market,” “Strack and Van Til”, any Trademark or other indicia of origin that includes such names, or any

related abbreviations, acronyms or other formatives based on such names, whether alone or in combination with any other words, phrases, or designs (in each case, other than the “Van Til” name alone, or any Seller Marks), and all registrations, applications and renewals thereof, all rights and goodwill associated therewith.

“Business Software” has the meaning set forth in the definition of Excluded Assets.

“Business Systems” has the meaning set forth in the definition of Excluded Assets.

“Buyer” has the meaning set forth in the preamble.

“Buyer Assumption Notice” has the meaning set forth in Section 2.12(b).

“Buyer Objection Notice” has the meaning set forth in Section 2.12(e).

“Buyer Termination Payment” means an amount equal to three percent (3%) of the Base Purchase Price; provided, that following the Initial Closing, the Buyer Termination Payment shall be reduced so as to equal three percent (3%) of the greater of (x) the sum of the remaining portion of the Base Purchase Price that has not yet been paid to Sellers for any Acquired Assets at Closings that have not yet occurred and (y) an amount equal to 20% of the Base Purchase Price.

“Cash Equivalents” means cash, checks, money orders, funds in time and demand deposits or similar accounts, marketable securities, short-term investments, and other cash equivalents and liquid investments.

“Casualty / Condemnation Event” has the meaning set forth in Section 8.3(a).

“Causes of Action” has the meaning set forth in the definition of Acquired Assets.

“CGI” means Central Grocers, Inc., an Illinois corporation.

“Closing” means the closing of the acquisition transactions of one or more Store location(s) as contemplated by this Agreement.

“Closing Adjustment Amount” has the meaning set forth in Section 2.8(b).

“Closing Date” has the meaning set forth in Section 2.4(a).

“Closing Inventory Valuation” has the meaning set forth in Section 2.6(a).

“Closing Schedule” has the meaning set forth in Section 2.4(b).

“Closing Statement” has the meaning set forth in Section 2.8(b).

“COBRA” has the meaning set forth in Section 6.4(e).

“Commissary” means that certain commissary located at 555 Coolwood Drive, Valparaiso, Indiana, 46385.

“Competing Bid” has the meaning set forth in Section 5.4(b).

“Confidentiality Agreement” means the confidentiality agreement, dated as of October 12, 2016, by and among New Albertson’s Inc., CGI and SVT, LLC.

“Consent” means any consent, waiver, approval, exemption, order or authorization of, or registration, declaration or filing with or notice to, any Person.

“Contract” means any written agreement, contract, arrangement, commitment, promise, obligation, right, instrument, document, sales order, purchase order or other similar understanding that is binding on any Person or any part of its property under applicable Law (including commitments to enter into any of such).

“Contracting Parties” has the meaning set forth in Section 9.14.

“Copyrights” has the meaning set forth in the definition of Intellectual Property.

“Covered Employee” means an employee of Sellers or any of their respective Affiliates at the applicable Closing who actually performs services at any of the Properties.

“Cure Costs” means any and all amounts, costs or expenses that must be paid or actions or obligations that must be performed or satisfied pursuant to the Bankruptcy Code to effectuate the assumption by the applicable Seller, and the assignment to Buyer, of the Transferred Contracts, as determined by the Bankruptcy Court or agreed to by Sellers and the non-Seller counterparty to the applicable Transferred Contract.

“Customer Information” means “nonpublic personal information” (as defined in the Privacy Policy (defined in Section 3.18(b))).

“Data Security Policies” has the meaning set forth in Section 3.18(b).

“Decree” means any judgment, decree, ruling, appeal, injunction, assessment, attachment, undertaking, award, charge, writ, executive order, administrative order, or any other order of any Governmental Authority.

“Deposit Amount” has the meaning set forth in Section 2.3(b).

“Designation Rights Contract” means all Contracts of Sellers primarily related to the Business other than the Transferred Contracts and the Excluded Contracts.

“DIP Financing” has the meaning set forth in Section 5.4(e)(iii).

“Disclosure Schedule” has the meaning set forth in Article III.

“Distribution Center” means the real property located at 2601 Ellis Drive, Joliet, Illinois 60433, the distribution center and the other facilities located thereon, any improvements, fixtures and other appurtenances thereto, any rights in respect thereof and any other assets of Sellers located thereat, or used in the operation thereof.

“Dispute Notice” has the meaning set forth in Section 2.8(c).

“Disputed Items” has the meaning set forth in Section 2.8(c).

“Effective Time” has the meaning set forth in Section 2.4(a).

“Employee Benefit Plans” has the meaning set forth in Section 3.12(a).

“Environmental Law” means any applicable foreign, federal, state or local Law currently in effect relating to pollution, the protection of the environment or natural resources.

“Environmental Liability” means all liabilities, monetary obligations, financial assurance requirements, losses, damages, punitive damages, consequential damages, treble damages, natural resource damages, costs and expenses (including all fees, disbursements and expenses of counsel, experts and consultants and costs of investigations and feasibility studies), fines, penalties, sanctions and interest incurred as a result of any claim or demand by any Governmental Authority or any third party, and which relate to (i) the compliance or actual or alleged non-compliance with or violation of any Environmental Law or term or condition of any environmental Permit; or (ii) any actual or alleged environmental condition or the presence, use, handling, storage, disposal, Release or threatened Release of, or exposure to, any Hazardous Material.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” means, with respect to any entity, trade or business, any other entity, trade or business that is, or was at the relevant time, a member of a group described in Section 414(b), (c), (m) or (o) of the IRC or Section 4001(b)(1) of ERISA that includes or included the first entity, trade or business, or that is, or was at the relevant time, a member of the same “controlled group” as the first entity, trade or business pursuant to Section 4001(a)(14) of ERISA.

“Escrow” means the escrow established with the Escrow Agent pursuant to the Escrow Agreement.

“Escrow Agent” means Citibank, N.A.

“Escrow Agreement” means that certain Escrow Agreement, dated as of the date hereof, by and among Sellers, Buyer, and the Escrow Agent, a copy of which is attached hereto as Exhibit B.

“Estimated Adjustment Amount” has the meaning set forth in Section 2.4(c).

“Estimated Inventory Valuation” has the meaning set forth in Section 2.4(b).

“Estimated Purchase Price” has the meaning set forth in Section 2.4(c).

“Estimated Statement” has the meaning set forth in Section 2.4(c).

“Excess Deposit Amount” has the meaning set forth in Section 2.3(c).

“Excluded Assets” means all assets of Sellers in and to the following:

- (a) the Other Stores and the Distribution Center;
- (b) any asset of Sellers that is not primarily related to the Business, including, except as otherwise included as part of Files and Records, (i) organizational documents, qualifications to conduct business as a foreign corporation, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, stock transfer books, stock certificates, and other documents relating to Sellers’ organization, maintenance, existence, and operation; (ii) books and records in any media related to (A) Taxes paid or payable by Sellers (including all Taxes that constitute Excluded Liabilities) or (B) any Liabilities not included in Assumed Liabilities; and (iii) except as otherwise provided in this Agreement, any Tax refund, deposit, prepayment, credit, attribute, or other Tax asset of or with respect to any Seller;
- (c) all capital stock and other equity interests of Sellers or any of their respective Subsidiaries, including without limitation all stock of CGI owned by any of the Sellers and all rights as a cooperative member or patron of CGI and any and all rights to patronage rebates, refunds and any other amounts owed by CGI to any Seller;
- (d) all Cash Equivalents (except as otherwise included as part of the Acquired Assets as provided in clause (q) of the definition of “Acquired Assets” herein) and accounts receivable;
- (e) all Permits that are not part of the Acquired Assets as provided herein;
- (f) all insurance policies and binders and, except to the extent otherwise included as part of the Acquired Assets or set forth in Section 8.3, all claims, refunds and credits from insurance policies or binders due or to become due with respect to such policies or binders;
- (g) all of Sellers’ rights under this Agreement or any Related Agreement;
- (h) all Causes of Action arising out of or related to the Excluded Assets;
- (i) any and all automobiles, trucks, tractors, and trailers used or held for use in the Business and all vehicle leases for such rolling stock;
- (j) except as otherwise provided in this Agreement, any other payment, reimbursement, rebate or refund arising from the operation of the Stores prior to the applicable Closing;
- (k) all Intellectual Property owned, used, or held for use by Sellers, other than the Business Intellectual Property;
- (l) all Contracts set forth on Section 1.1 of the Disclosure Schedule (which list of Excluded Contracts set forth in such Section of the Disclosure Schedule may be supplemented

from and after the date of this Agreement as provided in Section 2.12) (the “Excluded Contracts”);

(m) all Excluded Inventory;

(n) all deposits and prepaid expenses (i) previously paid by Sellers to CGI or any other Affiliate of Sellers and (ii) previously paid to SuperValu;

(o) all Systems primarily related to the Business that are owned by the Sellers (the “Business Systems”);

(p) all Software primarily related to the Business that is owned by Sellers (the “Business Software”);

(q) all rights and interests in Employee Benefit Plans; and

(r) those items set forth on Section 1.1 of the Disclosure Schedule under the heading “Other Excluded Assets” (as amended or supplemented from time to time in accordance with this Agreement).

“Excluded Contracts” has the meaning set forth in the definition of Excluded Assets.

“Excluded Inventory” has the meaning set forth in Section 2.6(a) of the Disclosure Schedule under the heading “Excluded Inventory”.

“Excluded Liabilities” means any Liabilities of Sellers or any predecessor or Affiliate of Sellers, of any nature whatsoever, existing before or on the applicable Closing Date or arising thereafter, other than the Assumed Liabilities, including all of the Liabilities of Sellers or of any predecessor or Affiliate of Sellers (including as described in the preceding sentence) not specifically and expressly assumed by Buyer pursuant to this Agreement. For the avoidance of doubt, and without limiting the foregoing, Buyer shall not be obligated to assume, and it does not assume, and hereby disclaims all of the following Liabilities of Sellers or of any predecessor or Affiliate of Sellers other than the Assumed Liabilities (and any such Liabilities shall be considered Excluded Liabilities for all purposes of this Agreement):

(a) any Liability arising out of, under or in connection with the Excluded Assets;

(b) any Liability of Sellers and Affiliates of Sellers for Taxes (except as provided for in Section 2.8 or Section 6.5);

(c) all accounts payable;

(d) (i) all Cure Costs with respect to Assumed Leases and (ii) all Cure Costs for Transferred Contracts (other than Assumed Leases) up to the Sellers’ Cure Cost Cap;

(e) all Liabilities of Sellers under this Agreement or any Related Agreement and the transactions contemplated hereby or thereby;

(f) all Liabilities of Sellers and Affiliates of Sellers related to current or former employees, officers, directors or consultants of Sellers and Affiliates of Sellers, including, without limitation, those arising under any Law, Affected Labor Agreement, Employee Benefit Plan or other Contract with any Covered Employee, agent or consultant, except as otherwise expressly provided in a Modified Labor Agreement (to the extent arising and relating solely to the period from and after the applicable Closing) or in Section 6.4(e) of this Agreement;

(g) without limiting the generality of clause (f) above, all Liabilities relating to, or in respect of, any wages, bonuses or other compensation or benefits, including without limitation, vacation days, sick days or other paid time-off, that is earned or accrued by, or with respect to, Covered Employees or officers, directors or contractors of Sellers or any Affiliate of Sellers prior to the Closing;

(h) Pre-Closing Environmental Liabilities; and

(i) any Liability that is not an Assumed Liability.

“Files and Records” has the meaning set forth in the definition of Acquired Assets.

“Final Closing Outside Date” has the meaning set forth in Section 2.4(b).

“Final Closing Statement” has the meaning set forth in Section 2.8(c).

“FIRPTA Affidavit” means an affidavit of an officer of each Seller (or, if such Seller is a disregarded entity for U.S. federal income tax purposes, its regarded owner), sworn to under penalty of perjury, setting forth such Seller’s (or, if applicable, regarded owner’s) name, address and federal tax identification number and stating that such Seller (or, if applicable, regarded owner) is not a “foreign person” within the meaning of section 1445 of the IRC and otherwise complying with the treasury regulations issued pursuant to section 1445 of the IRC.

“Furnishings and Equipment” means all tangible personal property (other than Inventory and Intellectual Property), including fixtures, trade fixtures, store models, shelving, and equipment (including information technology (other than such technology used by Sellers pursuant to licenses that prohibit the sublicense or transfer thereof and for which consent to sublicense or transfer has not been obtained by Sellers) and refrigeration equipment), in each case that is located at the Properties and used or intended to be used in the Business; “Furnishings and Equipment” includes tangible personal property bearing Seller Marks, such as, to the extent applicable and by way of example only, shopping carts at the Stores.

“GAAP” means United States generally accepted accounting principles consistently applied.

“Gift Card” has the meaning set forth in Section 5.13.

“Gift Card End Date” has the meaning set forth in Section 5.13.

“Governmental Authority” means any federal, state, local, or foreign government or governmental or regulatory authority, agency, board, bureau, commission, court, department, or other governmental entity.

“Hazardous Materials” means (a) any petroleum, petroleum-derived substances or petroleum products, flammable explosives, radioactive materials, radon, asbestos, or PCBs and (b) any chemicals, wastes, materials or substances which are regulated, classified or defined as “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” “pollutant” or “contaminant” or any similar denomination under any Environmental Law.

“Holdback Amount” has the meaning set forth in Section 2.5(a)(i)(B).

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

“Independent Accountant” has the meaning set forth in Section 2.7.

“Initial Closing” has the meaning set forth in Section 2.4(a).

“Initial Closing Date” means the date on which the Initial Closing occurs.

“In-Store Operations Lease” means any Lease or other Contract relating to the installation, use or operation of ATM or similar banking machines, in-store banking facilities, photo-finishing equipment, pharmacies or audio and video rental facilities at the Properties or primarily related to the operations on the Properties.

“Insurance Policies” has the meaning set forth in Section 3.16.

“Intellectual Property” means (a) all issued patents and patent applications, together with all reissuances, continuations, continuations-in-part, divisionals, extensions and reexaminations thereof (“Patents”); (b) all Trademarks; (c) all copyrights, together with all registrations and applications for registration therefor and renewals in connection therewith (“Copyrights”); (d) all trade secrets, know-how, technology, improvements, and inventions; and (e) all Software.

“Inventory” means all food, beverages (including, to the extent transferable to Buyer under applicable Law, alcohol), and other merchandise and products (including general merchandise items), offered for sale to customers at the Stores, whether in broken or unbroken units and all supplies, containers, labels, packaging material and maintenance supplies located at the Stores.

“Inventory Date” has the meaning set forth in Section 2.6(a).

“Inventory Purchase Instructions” has the meaning set forth in Section 2.6(a).

“Inventory Taker” has the meaning set forth in Section 2.6(a).

“IRC” means the Internal Revenue Code of 1986, as amended.

“IRP” has the meaning set forth in Section 3.18(b).

“IRS” means the Internal Revenue Service.

“Joint Written Instructions” means written instructions from SVT Super Market and Buyer, a form of which is attached to the Escrow Agreement as an exhibit thereto, directing the Escrow Agent to deliver the amounts to be released from the Escrow as provided for under this Agreement.

“Knowledge” of Sellers (and other words of similar import) means the actual knowledge, after reasonable inquiry, of those Persons set forth on Section 1.1 of the Disclosure Schedule under the heading “Seller Knowledge Parties”. “Knowledge” of Buyer (and other words of similar import) means the actual knowledge, after reasonable inquiry, of those Persons set forth on Section 1.1 of the Disclosure Schedule under the heading “Buyer Knowledge Parties”.

“Law” means any constitution applicable to, and any statute, treaty, code, rule, regulation, ordinance, or requirement of any kind of, any Governmental Authority.

“Lease Assignment Agreement” has the meaning set forth in Section 2.5(a)(i)(E).

“Leases” means all leases, subleases, licenses, concessions, options, contracts, extension letters, easements, reciprocal easements, assignments, termination agreements, subordination agreements, nondisturbance agreements, estoppel certificates and other agreements (written or oral), and any amendments or supplements to the foregoing, and recorded memoranda of any of the foregoing, pursuant to which any Seller holds any leasehold or subleasehold estates and other rights in respect of any Property.

“Liability” means all indebtedness, losses, claims (including “claims” as defined in section 101(5) of the Bankruptcy Code), damages, expenses, fines or other penalties, costs, royalties, proceedings, deficiencies, duties, obligations and other liabilities (including those arising out of any Litigation, such as any settlement or compromise thereof or judgment or award therein) of a Person (whether absolute, accrued, contingent, fixed, liquidated or unliquidated, or otherwise, or whether known or unknown, or whether due or to become due, and whether in Contract, tort, strict liability or otherwise, and whether or not resulting from third-party claims).

“Lien” means any mortgage, pledge, lien, charge, security interest, option, right of first refusal, right of first offer, servitude, easement, hypothecation, restrictive covenant, encroachment, security agreement, equitable interest, earn-out, conditional sale or other title retention device or arrangement, deed of trust, or other similar encumbrance or restriction of any kind, in each case whether contingent, fixed or otherwise or whether relating to any property or right or the income or profits therefrom; provided, however, that “Lien” shall not be deemed to include any license of Intellectual Property.

“Litigation” means any action, cause of action, arbitration, suit, claim, investigation, audit, demand, hearing or proceeding, whether civil, criminal, administrative, investigative or arbitral, whether at Law or in equity and whether before any Governmental Authority.

“Material Adverse Effect” means any effect, change, condition, circumstance, development or event that, individually or in the aggregate with all other effects, changes, conditions, circumstances, developments or events has had, or would reasonably be expected to have, a material adverse effect on the business, assets, operation, condition (financial or otherwise) or results of operation of the Business or the Acquired Assets (excluding the Excluded Assets and the Excluded Liabilities), taken as a whole, other than any effect, change, condition, circumstance, development or event arising from or related to: (a) general business or economic conditions in any of the geographical areas in which the Stores operate; (b) any condition or occurrence affecting retail groceries generally; (c) national or international political or social conditions, including the engagement by any country in hostilities, whether commenced before or after the date hereof and whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack; (d) financial, banking, or securities markets (including any disruption thereof or any decline in the price of securities generally or any market or index); (e) the occurrence of any act of God or natural disaster, including any fire, flood, hurricane, tornado, or other weather event; (f) changes in Law or accounting rules; (g) the taking of any action expressly contemplated by this Agreement or any Related Agreement or taken with the prior written consent of Buyer; (h) any filing or motion made by Sellers under sections 1113 or 1114 of the Bankruptcy Code with respect to any unions, employees, retirees, retiree benefits or collective bargaining agreements; (i) the sale of any assets or stores (other than the Acquired Assets) to any third parties by any Seller or any of its Affiliates; (j) any effects or changes arising from or related to the breach of the Agreement by Buyer; or (k) the filing of the Bankruptcy Cases; provided, however, that in the case of the foregoing clauses (a) through (f), such effects, changes, conditions, circumstances, developments or events shall be taken into account in determining whether any material adverse effect has occurred to the extent that any such effects, changes, conditions, circumstances, developments or events have, or would reasonably be expected to have, a disproportionate effect on the Business (excluding the Excluded Assets and the Excluded Liabilities) or the Acquired Assets relative to other participants operating in the retail grocery industry.

“Material Casualty” has the meaning set forth in Section 8.3(a).

“Modified Labor Agreements” has the meaning set forth in Section 6.3.

“Multiemployer Plan” means any “multiemployer plan” within the meaning of Section 3(37) or Section 4001(a)(3) of ERISA that is subject to Title IV of ERISA.

“Non-Party Affiliates” has the meaning set forth in Section 9.14.

“Order” means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award.

“Ordinary Course of Business” means the ordinary and usual course of normal day to day operations of the Business through the date hereof consistent with past practice.

“Other Stores” means the seventeen (17) stores set forth in Section 1.1 of the Disclosure Schedule under the heading “Other Stores”.

“Outside Date” has the meaning set forth in Section 8.1(b)(ii).

“Owned Real Property” has the meaning set forth in Section 3.5(b).

“Party” and “Parties” have the meaning set forth in the preamble.

“Patents” has the meaning set forth in the definition of Intellectual Property.

“PCBs” means polychlorinated biphenyls.

“Per Closing Base Amount” has the meaning set forth in Section 2.4(b).

“Percentage Rent Proration” has the meaning set forth in Section 2.8(a)(iv).

“Percentage Rents” has the meaning set forth in Section 2.8(a)(iv).

“Permit” means any franchise, approval, authorization, consent, clearance, permit, license, order, registration, certificate, variance or similar right issued, granted by, given by or under the authority of a Governmental Authority or pursuant to any Law, including Environmental Law.

“Permitted Lien” means (a) Liens for Taxes not yet due and payable; (b) mechanic’s, workmen’s, repairmen’s, warehousemen’s, carrier’s or other similar Liens, including all statutory liens, arising or incurred in the Ordinary Course of Business or with respect to the Owned Real Property, that in each case have been bonded over or otherwise secured in a manner acceptable to Buyer in Buyer’s reasonable discretion; (c) with respect to leased or licensed real or personal property, the terms and conditions of the Lease applicable thereto; (d) with respect to real property, zoning, building codes and other land use Laws regulating the use or occupancy of such real property or the activities conducted thereon which are imposed by any Governmental Authority having jurisdiction over such real property that do not or would not reasonably be expected to adversely affect the current occupancy or use of such real property in any material respect; (e) easements, covenants, conditions, restrictions and other similar matters affecting title to real property and other encroachments and title and survey defects with respect to any Property or any Owned Real Property that do not or would not reasonably be expected to adversely affect the current occupancy or use of such real property in any material respect; (f) matters that would be disclosed on an accurate survey of the real property that do not or would not reasonably be expected to adversely affect the current occupancy or use of such real property in any material respect; (g) any liens shown in any title commitment, report or policy, or otherwise of record that do not or would not reasonably be expected to adversely affect the current occupancy or use of the real property in any material respect; (h) any other Liens that Buyer has expressly stated are acceptable to Buyer in a writing delivered to Sellers; and (i) other than any of the Liens set forth in the foregoing clauses (a) through (g) and other than any Lien that is required to be removed or cured by the applicable tenant under the applicable Lease or was created by such tenant, any Liens on the fee property underlying any Lease that do not or would not reasonably be expected to adversely affect the current occupancy or use of such real property in any material respect or impose any material adverse obligations on Buyer following the applicable Closing.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or any other entity, including any Governmental Authority or any group of any of the foregoing.

“Personal Property Leases” has the meaning set forth in Section 3.10(b).

“Personal Property Tax Proration” has the meaning set forth in Section 2.8(a)(i).

“Personal Property Tax Proration Period” has the meaning set forth in Section 2.8(a)(i).

“Personal Property Taxes” has the meaning set forth in Section 2.8(a)(i).

“Per Store Cash Closing Balance” has the meaning set forth in the definition of Acquired Assets.

“Petition Date” has the meaning set forth in the recitals.

“Pre-Closing Environmental Liabilities” mean any and all Environmental Liabilities to the extent related to or arising from the Acquired Assets, the Leased Real Property or the Business, or based on events or occurrences commencing, on or prior to the applicable Closing Date.

“Prepaid Expenses” has the meaning set forth in the definition of Acquired Assets.

“Properties” means, collectively, the Stores and the Commissary.

“Purchase Price” has the meaning set forth in Section 2.3(a).

“Purchase Price Allocation” has the meaning set forth in Section 2.7.

“Qualified Auction” has the meaning set forth in the Bidding Procedures Order.

“Real Property Leases” has the meaning set forth in Section 3.5(a).

“Real Property Taxes” has the meaning set forth in Section 2.8(a)(ii).

“Real Property Tax Proration” has the meaning set forth in Section 2.8(a)(ii).

“Real Property Tax Proration Period” has the meaning set forth in Section 2.8(a)(ii).

“Registered” means, with respect to Intellectual Property, issued, registered, renewed or the subject of a pending application.

“Registered Business Intellectual Property” has the meaning set forth in Section 3.17(a).

“Rejection Notice” has the meaning set forth in Section 2.12(d).

“Related Agreements” means the Bill of Sale, the Assignment and Assumption Agreement, and the Lease Assignment Agreement.

“Release” means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment.

“Representative” means, when used with respect to a Person, the Person’s controlled Affiliates (including Subsidiaries) and such Person’s and any of the foregoing Persons’ respective officers, directors, managers, members, shareholders, partners, employees, agents, representatives and, advisors (including financial advisors, bankers, consultants, legal counsel, and accountants).

“Sale Hearing” means a hearing before the Bankruptcy Court to approve this Agreement and the Sale Order.

“Sale Order” means an order of the Bankruptcy Court, substantially in the form attached hereto as Exhibit C (with such changes as are reasonably acceptable to each Party), among other things, (a) approving (i) this Agreement and the execution, delivery, and performance by Sellers of this Agreement and the other instruments and agreements contemplated hereby, (ii) the sale of the Acquired Assets to Buyer free and clear of all Liens (other than any Permitted Liens), (iii) the assumption of the Assumed Liabilities by Buyer on the terms set forth herein and (iv) the assumption and assignment to Buyer of the Transferred Contracts on the terms set forth herein; (b) determining that Buyer is a good faith purchaser and has provided adequate assurance of future performance with respect to the Transferred Contracts; and (c) providing that (w) each Closing will occur in accordance with the terms and conditions hereof; (x) Buyer will not have any derivative, successor, transferee or vicarious Liability for Liabilities of Sellers or any Affiliates of Sellers by reason of any theory of Law or equity (whether under federal or state Law or otherwise) as a result of the transactions contemplated by this Agreement, including but not limited to any Liabilities on account of any Taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the Business prior to, with respect to each Acquired Asset, the applicable Closing for such Acquired Asset, or on account of any Multiemployer Plan or ERISA; and (y) to the maximum extent permitted by the Bankruptcy Code, the so-called “bulk sales,” “bulk transfer” and similar Laws (including those relating to Taxes) in any applicable jurisdictions do not apply.

“Seller Marks” means all Trademarks set forth on Section 1.1 of the Disclosure Schedule under the heading “Seller Marks”, including, for the avoidance of doubt, the “CGI”, “Central Grocers, Inc.”, “Centrella” and “Ultra Foods” names, and any name or Trademark or other indicia of origin that includes, relates to or derives from any such name, or any related abbreviations, acronyms or other formatives based on any such name, whether alone or in combination with any other words, phrases, or designs, and all registrations, applications and renewals thereof, and any name or Trademark or other indicia of origin that is confusingly similar thereto or derived therefrom.

“Seller Rejection Notice” has the meaning set forth in Section 2.12(c).

“Sellers” has the meaning set forth in the preamble.

“Sellers’ Cure Cost Cap” means an amount equal to \$1 million.

“Sellers’ Inventory Taker” has the meaning set forth in Section 2.6(a).

“Software” means any and all: (a) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code; (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise; (c) descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons; and (d) all documentation, including user manuals and other training documentation related to any of the foregoing.

“Stalking Horse Bid” has the meaning set forth in the Bidding Procedures Order.

“Stores” has the meaning set forth in the recitals.

“Subsidiary” means, with respect to any Person, on any date, any Person (a) the accounts of which would be consolidated with and into those of the applicable Person in such Person’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date or (b) of which securities or other ownership interests representing more than fifty percent of the equity or more than fifty percent (50%) of the ordinary voting power or, in the case of a partnership, more than fifty percent (50%) of the general partnership interests or more than fifty percent (50%) of the profits or losses of which are, as of such date, owned, controlled or held by the applicable Person or one or more subsidiaries of such Person.

“SVT” has the meaning set forth in the preamble.

“SVT Super Market” has the meaning set forth in the preamble.

“Systems” means all Software, systems, servers, computers, hardware, firmware, middleware, networks, data communications lines, routers, hubs, switches and other information technology equipment that are used to process, store, maintain and operate business data, information, and functions.

“Tax” or “Taxes” means any United States federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, stamp, occupation, premium, windfall profits, environmental (including taxes under section 59A of the IRC), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, escheat, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis or in any other manner, including any interest, penalty or addition thereto, whether disputed or not.

“Tax Return” means any return, declaration, report, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“Termination Payment” has the meaning set forth in Section 5.4(a).

“Trademark Assignment Agreement” has the meaning set forth in Section 2.5(a)(i)(G).

“Trademarks” means trademarks, service marks, trade dress, logos, trade names, and Internet domain names, together with all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith.

“Transfer Tax” has the meaning set forth in Section 6.5(a).

“Transferred Contracts” has the meaning set forth in Section 5.9(a).

“Utility Proration” has the meaning set forth in Section 2.8(a)(iii).

“Warn Act Laws” has the meaning set forth in Section 3.7.

“WISP” has the meaning set forth in Section 3.18(b).

Section 1.2 Interpretations. Unless otherwise indicated herein to the contrary:

(a) When a reference is made in this Agreement to an Article, Section, Exhibit, Schedule, clause or subclause, such reference shall be to an Article, Section, Exhibit, Schedule, clause or subclause of this Agreement.

(b) The words “include,” “includes” or “including” and other words or phrases of similar import, when used in this Agreement, shall be deemed to be followed by the words “without limitation.”

(c) The words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement.

(d) The word “if” and other words of similar import shall be deemed, in each case, to be followed by the phrase “and only if.”

(e) The use of “or” herein is not intended to be exclusive.

(f) The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of names and pronouns shall include the plural and vice versa.

(g) All terms defined in this Agreement have their defined meanings when used in any certificate or other document made or delivered pursuant hereto, unless otherwise defined therein.

(h) References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to any Contract are to that Contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References herein to a Person are also to its successors and permitted assigns. Any reference herein to a Governmental Authority shall be deemed to include reference to any successor thereto. References from or through any date

means, unless otherwise specified, from and including or through and including such date, respectively.

(i) Any reference herein to “Dollars” or “\$” shall mean United States dollars.

(j) References in this Agreement to materials or information “furnished to Buyer” and other phrases of similar import include all materials or information made available to Buyer or its Representatives in the data room prepared by Sellers or provided to Buyer or its Representatives in response to requests for materials or information, in each case, on or prior to 5:00 p.m. Central time on the day prior to the date of this Agreement.

(k) References to “days” shall refer to calendar days unless Business Days are specified. If any period expires on a day which is not a Business Day or any event or condition is required by the terms of this Agreement to occur or be fulfilled on a day which is not a Business Day, such period shall expire or such event or condition shall occur or be fulfilled, as the case may be, on the next succeeding Business Day.

(l) Unless the context otherwise requires, the word “extent” in the phrase “to the extent” means the degree to which a subject or other thing extends, and such phrase does not mean simply “if.”

ARTICLE II PURCHASE AND SALE

Section 2.1 Purchase and Sale of Assets. On the terms and subject to the conditions set forth in this Agreement, Buyer will purchase from Sellers, and Sellers will sell, transfer, assign, convey, and deliver to Buyer on the applicable Closing Date the portion of the Acquired Assets applicable to such Closing, free and clear of all Liens (other than any Permitted Liens); it being agreed and understood that following the final Closing all Acquired Assets shall have been purchased from Sellers by Buyer. Nothing herein shall be deemed to sell, transfer, assign, convey or deliver the Excluded Assets to Buyer, and Sellers shall retain all right, title and interest in, to, and under the Excluded Assets.

Section 2.2 Assumed Liabilities. On the terms and subject to the conditions set forth in this Agreement, Buyer shall assume only the Assumed Liabilities applicable to such Closing at the applicable Closing. Buyer agrees to pay, perform, honor, and discharge, or cause to be paid, performed, honored and discharged, all such Assumed Liabilities in accordance with the terms thereof. Notwithstanding anything in this Agreement to the contrary, Buyer shall not assume, and shall be deemed not have assumed, any of the Excluded Liabilities.

Section 2.3 Consideration; Deposit Amount. Solely for purposes of evaluating a Competing Bid, the total consideration for the Acquired Assets calculated as of the date of this Agreement shall be deemed to be \$100,000,000 (comprised of the Base Amount, *plus* \$30,000,000, which \$30,000,000 shall be subject to adjustment upwards or downwards based on the Parties’ good faith estimate of the Inventory value as of the Auction), *plus* Buyer’s assumption of the Assumed Liabilities.

(a) The consideration for the Acquired Assets shall be (i) an aggregate Dollar amount equal to the sum of (A) \$70,000,000 (the “Base Amount”), *plus* (B) an aggregate Dollar amount equal to the sum of all Closing Inventory Valuations, *plus* (C) an amount equal to the sum of all Closing Adjustment Amounts (which may be a positive or a negative number), *plus* (D) the aggregate amount of all Per Store Cash Closing Balances (such calculation, the “Purchase Price”); *plus* (ii) Buyer’s assumption of the Assumed Liabilities, in each case subject to adjustment in accordance with Section 2.8(d), Section 5.12 and Section 8.3.

(b) Upon the execution of this Agreement, pursuant to the terms of the Escrow Agreement, Buyer shall, within two (2) Business Days following the date hereof, deposit with the Escrow Agent the sum of \$25,000,000 by wire transfer of immediately available funds (the “Deposit Amount”), to be released by the Escrow Agent and delivered to the Parties in accordance with the provisions of this Agreement and the Escrow Agreement.

(c) Subject to the occurrence of the Initial Closing and provided that this Agreement has not been terminated thereafter in accordance with Section 8.1(k), Section 8.1(l) or Section 8.1(m), if on any Closing Date following the Initial Closing, after giving effect to the Closing on such Closing Date, (x) the Deposit Amount then held in the Escrow would be greater than (y) the aggregate amount of the Base Purchase Price remaining to be paid by Buyer for the remaining Acquired Assets to be acquired by Buyer after such Closing (the difference between the amounts calculated in clauses (x) and (y) at such time, the “Excess Deposit Amount”), the Parties shall deliver Joint Written Instructions to the Escrow Agent directing the Escrow Agent to deliver to Sellers the Excess Deposit Amount, which shall reduce, on a dollar for dollar basis, the amounts to be paid by Buyer by wire transfer to Sellers pursuant to Section 2.5(b)(i)(A).

(d) Pursuant to and in accordance with the Escrow Agreement:

(i) if this Agreement is terminated by Sellers pursuant to Section 8.1(e), the Parties shall deliver Joint Written Instructions to the Escrow Agent directing the Escrow Agent to deliver (x) an amount equal to the Buyer Termination Payment to Sellers, and (y) the remaining funds in the Escrow after payment of the Buyer Termination Payment (together with all accrued investment income on the funds in Escrow, if any) to Buyer;

(ii) if this Agreement is terminated by Sellers pursuant to Section 8.1(l), the Parties shall deliver Joint Written Instructions to the Escrow Agent directing the Escrow Agent to deliver (x) an amount equal to the Buyer Termination Payment (taking into account any reductions thereto prior to such termination) to Sellers, and (y) the remaining funds in the Escrow after payment of the Buyer Termination Payment (together with all accrued investment income on the funds in Escrow, if any) to Buyer; and

(iii) if this Agreement is terminated for any reason other than by any Seller pursuant to Section 8.1(e) or Section 8.1(l), the Parties shall deliver Joint Written Instructions to the Escrow Agent directing the Escrow Agent to deliver all funds held in Escrow (together with all accrued investment income thereon, if any) to Buyer.

(iv) Sellers acknowledge and agree that, except in the case of fraud or willful misconduct, payment and delivery of the Buyer Termination Payment pursuant to Section 2.3(d)(i) or Section 2.3(d)(ii) will constitute liquidated damages and be the sole and exclusive remedy of Sellers and their respective Representatives and Affiliates, whether at Law or in equity, in the event of termination of this Agreement pursuant to Section 8.1(e) or Section 8.1(l) and upon the payment and delivery thereof to Sellers, Sellers and their respective Representatives and Affiliates will be deemed to have fully released and discharged Buyer and its Representatives and Affiliates from any Liability resulting from the termination of this Agreement.

(e) Buyer and Sellers agree to deliver to the Escrow Agent, by 10:00 a.m. Eastern time on the final Closing Date, Joint Written Instructions with respect to the final Closing in accordance with Section 2.5(c)(iii).

Section 2.4 Closing; Closing Schedule.

(a) Each Closing shall take place at the offices of Weil, Gotshal & Manges LLP located at 767 Fifth Avenue, New York, New York (or such other location as shall be mutually agreed upon by Sellers and Buyer) commencing at 10:00 a.m. Eastern time on a date (each, the “Closing Date”) that is (i) in the case of the initial Closing (the “Initial Closing”), the third (3rd) Business Day following the date upon which all of the conditions to the obligations of Sellers and Buyer to consummate the transactions contemplated hereby set forth in Section 7.1 and Section 7.2 (other than conditions that by their nature are to be satisfied at the Initial Closing itself, but subject to the satisfaction or waiver of those conditions) have been satisfied or waived, (ii) in the case of each subsequent Closing, on the date that is the third (3rd) Business Day following the date upon which all of the conditions to the obligations of Sellers and Buyer to consummate the transactions contemplated hereby set forth in Section 7.3 and Section 7.4 (other than conditions that by their nature are to be satisfied at the applicable Closing itself, but subject to the satisfaction or waiver of those conditions) have been satisfied or waived, or (c) with respect to any Closing, on such other date as shall be mutually agreed upon by Sellers and Buyer prior thereto. Subject to Section 8.3(c), for purposes of this Agreement and the transactions contemplated hereby, each Closing will be deemed to occur and be effective, and title to and risk of loss associated with the applicable Acquired Assets, shall be deemed to occur at 12:01 a.m., Central time, on the applicable Closing Date (the “Effective Time”).

(b) As promptly as reasonably practicable following the date of the Auction (but in no event later than ten (10) days thereafter), the Parties shall negotiate in good faith and agree upon a Closing schedule, which shall include the timing of each Closing, the Store(s) to be purchased at each such Closing, the amount of the Base Amount allocated to such Store(s) and the related Acquired Assets located thereat (the “Per Closing Base Amount”) and a good faith estimate of the total value of the Inventory to be at such Store at the applicable Closing (the “Estimated Inventory Valuation”) (such Closing schedule, as amended from time to time in accordance with this Section 2.4(b), the “Closing Schedule”). The Parties agree to cooperate to facilitate each Closing according to the Closing Schedule. The Parties shall reasonably cooperate with each other to (i) make adjustments, as may be reasonably requested in writing by Buyer or Sellers from time to time, to the Closing Schedule and (ii) facilitate the Closings on the

Acquired Assets according to the Closing Schedule as adjusted; provided, that such adjustments shall be conditioned upon (x) the Closings not extending for a period longer than ninety (90) days following the entry of the Sale Order (the “Final Closing Outside Date”) and (y) if Buyer is making such adjustments, the prior written approval of Sellers, or if Sellers are making such adjustments, the prior written approval of Buyer, in each case, which approval shall not be unreasonably withheld, conditioned or delayed.

(c) At least three (3) Business Days prior to each Closing Date, Sellers shall prepare and deliver to Buyer a statement (the “Estimated Statement”) setting forth, with reasonable supporting detail, the Per Closing Base Amount, the Estimated Inventory Valuation (in each case, equal to the amounts set forth in the Closing Schedule) and Sellers’ good faith estimate of (i) the Adjustment Amount (the “Estimated Adjustment Amount”) and (ii) the portion of the Purchase Price to be paid on such Closing Date calculated in accordance with Section 2.3, in each case, with respect to the Acquired Assets subject to such Closing Date (such amount, the “Estimated Purchase Price”). Following delivery by Sellers to Buyer of the Estimated Statement, and until the close of business on the Business Day prior to the applicable Closing Date, Buyer shall be permitted to review Sellers’ calculations contained therein and, subject to the limitations set forth in Section 5.6, Sellers shall provide Buyer and its Representatives with such access during normal business hours to Sellers’ books and records and management of Sellers and their respective Affiliates as Buyer may reasonably request in order for Buyer and Buyer’s Representatives to review the Estimated Statement. Sellers shall consider in good faith any reasonable revisions to the calculations set forth in the Estimated Statement proposed in good faith by Buyer. To the extent Sellers agree to any such revisions, such revisions shall be binding on the Parties for purposes of determining the Estimated Statement and the Estimated Purchase Price provided for therein. As soon as practicable after the calculation of the Closing Inventory Valuation for a Store is made available by the Inventory Taker, in accordance with Section 2.6, and prior to the applicable Closing, Sellers shall update the Estimated Statement to reflect the calculation of the Closing Inventory Valuation for such applicable Store as follows: If the Closing Inventory Valuation at a Store is greater than the Estimated Inventory Valuation for such Store on the Closing Schedule, then the Estimated Inventory Valuation reflected therein shall be increased, on a dollar for dollar basis, by such difference. If the Closing Inventory Valuation at a Store is less than the Estimated Inventory Valuation for such Store on the Closing Schedule, then the Estimated Inventory Valuation reflected therein shall be decreased, on a dollar for dollar basis, by such difference.

Section 2.5 Closing Payments and Deliveries.

(a) On the Initial Closing Date:

(i) Buyer shall:

(A) pay to Sellers an amount equal to (x) the Estimated Purchase Price applicable to the Acquired Assets to be acquired in the Initial Closing as set forth in the Estimated Statement *less* (y) the Holdback Amount (as defined below), which shall be paid by wire transfer of immediately available funds;

(B) deposit with the Escrow Agent the sum of \$4,000,000 by wire transfer of immediately available funds (the “Holdback Amount”), to be released by the Escrow Agent and delivered to the Parties in accordance with the provisions of this Agreement and the Escrow Agreement;

(C) deliver to Sellers a Bill of Sale substantially in the form of Exhibit E (the “Bill of Sale”), duly executed by Buyer, for the Acquired Assets to be acquired in the Initial Closing;

(D) deliver to Sellers an Assignment and Assumption Agreement substantially in the form of Exhibit F (the “Assignment and Assumption Agreement”), duly executed by Buyer, for the Acquired Assets (other than Assumed Leases) and Assumed Liabilities to be acquired in the Initial Closing;

(E) deliver to Sellers an Assignment and Assumption of Lease substantially in the form of Exhibit G (a “Lease Assignment Agreement”), duly executed by Buyer, for each Assumed Lease to be assigned and assumed in the Initial Closing;

(F) [Reserved.];

(G) deliver to Sellers a Trademark assignment agreement in the form of Exhibit I hereto (the “Trademark Assignment Agreement”), duly executed by Buyer, acknowledging the assignment of the Trademarks included in the Acquired Assets to Buyer;

(H) deliver to Sellers a duly executed certificate from an officer of Buyer to the effect that each of the conditions specified in Section 7.2(a) and Section 7.2(b) is satisfied; and

(I) deliver Transfer Tax forms, if any, to Sellers, as are required by state and local authorities to be executed in the connection with recording the limited warranty deeds transferring fee simple title to the Owned Real Property to be acquired in the Initial Closing to Buyer.

(ii) Sellers shall:

(A) deliver to Buyer a Bill of Sale, duly executed by Sellers, for the Acquired Assets to be acquired in the Initial Closing;

(B) deliver to Buyer an Assignment and Assumption Agreement, duly executed by Sellers, for the Acquired Assets (other than Assumed Leases) and Assumed Liabilities to be acquired in the Initial Closing;

(C) deliver to Buyer a Lease Assignment Agreement, duly executed by each applicable Seller, for each Assumed Lease to be assigned and assumed in the Initial Closing;

(D) deliver to Buyer a Trademark Assignment Agreement, duly executed by each applicable Seller, effecting the assignment of the Trademarks included in the Acquired Assets to Buyer;

(E) [Reserved.];

(F) deliver to Buyer a duly executed certificate from an officer of each applicable Seller to the effect that each of the conditions specified in Section 7.1(a) and Section 7.1(b) is satisfied;

(G) deliver to Buyer a duly executed FIRPTA Affidavit from each applicable Seller (or, if such Seller is a disregarded entity for U.S. federal income tax purposes, its regarded owner). If, on or before the Initial Closing Date, Buyer shall not have received each FIRPTA Affidavit, Buyer may withhold from the Purchase Price such sums as are required to be withheld therefrom under section 1445 of the IRC;

(H) deliver duly executed limited warranty deeds transferring fee simple title to the Owned Real Property, free and clear of all Liens other than Permitted Liens, to be acquired in the Initial Closing to Buyer, in the form attached hereto on Exhibit J (each, a “Deed”); and

(I) deliver Transfer Tax forms, if any, to Buyer, as are required by state and local authorities to be executed in the connection with recording the limited warranty deeds transferring fee simple title to the Owned Real Property to be acquired in the Initial Closing to Buyer.

(b) Upon the occurrence of each Closing from and after the Initial Closing, other than the final Closing:

(i) Buyer shall:

(A) pay to Sellers, by wire transfer of immediately available funds, the Estimated Purchase Price applicable to the Acquired Assets to be acquired in such Closing, as set forth in the Estimated Statement, *less* the applicable Excess Deposit Amount (if any) in accordance with Section 2.3(c);

(B) deliver to the Escrow Agent Joint Written Instructions directing the Escrow Agent to deliver to Sellers the applicable Excess Deposit Amount in accordance with Section 2.3(c);

(C) deliver to Sellers a Bill of Sale, duly executed by Buyer, for the Acquired Assets to be acquired in such Closing;

(D) deliver to Sellers an Assignment and Assumption Agreement, duly executed by Buyer, for the Acquired Assets (other than Assumed Leases) and Assumed Liabilities to be acquired in such Closing;

(E) deliver to Sellers a Lease Assignment Agreement, duly executed by Buyer, for each Assumed Lease to be assigned and assumed in such Closing; and

(F) deliver to Sellers a duly executed certificate from an officer of Buyer to the effect that each of the conditions specified in Section 7.4(a) and Section 7.4(b) is satisfied; and

(G) deliver Transfer Tax forms, if any, to Sellers, as are required by state and local authorities to be executed in the connection with recording the limited warranty deeds transferring fee simple title to the Owned Real Property to be acquired in such Closing to Buyer.

(ii) Sellers shall:

(A) deliver to Buyer a Bill of Sale, duly executed by each applicable Seller, for the Acquired Assets to be acquired in such Closing;

(B) deliver to Buyer an Assignment and Assumption Agreement, duly executed by each applicable Seller, for the Acquired Assets (other than Assumed Leases) and Assumed Liabilities to be acquired in such Closing;

(C) deliver to Buyer a Lease Assignment Agreement, duly executed by each applicable Seller, for each Assumed Lease to be assigned and assumed in such Closing;

(D) deliver to Buyer a duly executed certificate from an officer of each applicable Seller to the effect that each of the conditions specified in Section 7.3(a) and Section 7.3(b) is satisfied; and

(E) deliver duly executed limited warranty Deeds transferring fee simple title to the Owned Real Property, free and clear of all Liens other than Permitted Liens, to be acquired in such Closing to Buyer;

(F) deliver Transfer Tax forms, if any, to Buyer, as are required by state and local authorities to be executed in the connection with recording the limited warranty deeds transferring fee simple title to the Owned Real Property to be acquired in such Closing to Buyer; and

(G) deliver to the Escrow Agent Joint Written Instructions directing the Escrow Agent to deliver to Sellers the applicable Excess Deposit Amount in accordance with Section 2.3(c).

(c) Upon the occurrence of the final Closing:

(i) Buyer shall:

(A) deliver to Sellers a Bill of Sale, duly executed by Buyer, for the Acquired Assets to be acquired in such Closing;

(B) deliver to Sellers an Assignment and Assumption Agreement, duly executed by Buyer, for the Acquired Assets (other than Leases) and Assumed Liabilities to be acquired in such Closing;

(C) deliver to Sellers a Lease Assignment Agreement, duly executed by Buyer, for each Assumed Lease to be assigned and assumed in such Closing;

(D) deliver to Sellers a duly executed certificate from an officer of Buyer to the effect that each of the conditions specified in Section 7.4(a) and Section 7.4(b) is satisfied; and

(E) deliver Transfer Tax forms, if any, to Sellers, as are required by state and local authorities to be executed in the connection with recording the limited warranty deeds transferring fee simple title to the Owned Real Property to be acquired in such Closing to Buyer.

(ii) Sellers shall:

(A) deliver to Buyer a Bill of Sale, duly executed by each applicable Seller, for the Acquired Assets to be acquired in such Closing;

(B) deliver to Buyer an Assignment and Assumption Agreement, duly executed by each applicable Seller, for the Acquired Assets (other than Assumed Leases) and Assumed Liabilities to be acquired in such Closing;

(C) deliver to Buyer a Lease Assignment Agreement, duly executed by each applicable Seller, for each Assumed Lease to be assigned and assumed in such Closing;

(D) deliver to Buyer a duly executed certificate from an officer of each applicable Seller to the effect that each of the conditions specified in Section 7.3(a) and Section 7.3(b) is satisfied;

(E) deliver duly executed limited warranty Deeds transferring fee simple title to the Owned Real Property, free and clear of all Liens other than Permitted Liens, to be acquired in such Closing to Buyer; and

(F) deliver Transfer Tax forms, if any, to Buyer, as are required by state and local authorities to be executed in the connection with

recording the limited warranty deeds transferring fee simple title to the Owned Real Property to be acquired in such Closing to Buyer.

(iii) The Estimated Purchase Price for the Acquired Assets to be acquired at the final Closing shall be paid to Sellers in the following manner:

(A) first, from the Deposit Amount and the Parties shall deliver Joint Written Instructions to the Escrow Agent directing the Escrow Agent to deliver to Sellers at the Closing the lesser of (1) the Purchase Price applicable to such Acquired Assets as set forth in the Estimated Statement, or (2) the Deposit Amount;

(B) second, in the event that the Estimated Purchase Price applicable to such Acquired Assets as set forth in the Estimated Statement is greater than the Deposit Amount, by Buyer's wire transfer of immediately available funds to Sellers, until such time that the amounts paid to Sellers pursuant to this Section 2.5(c)(iii)(B) *plus* any amounts paid pursuant to Section 2.5(c)(iii)(A) equal the aggregate Estimated Purchase Price applicable to such Acquired Assets as set forth in the Estimated Statement.

Section 2.6 Inventory.

(a) Commencing at 5:00 p.m. Central Time on the date immediately preceding the anticipated Closing Date for each Store as set forth in the Closing Schedule, or on such other date or at such other time as the Parties may mutually agree in writing (the date of such Inventory with respect to a Closing being an "Inventory Date"), a physical count of the Inventory, and calculation of the value thereof, at each of the Stores being acquired at such Closing shall be made by either (i) National Inventory Auditing Services ("Sellers' Inventory Taker") or (ii) to the extent Sellers' Inventory Taker is not available, a nationally-recognized, independent inventory service (the "Inventory Taker") selected and engaged by Buyer, in its sole discretion. The Inventory Taker will conduct the physical inventory in accordance with instructions set forth in Section 2.6(a) of the Disclosure Schedule ("Inventory Purchase Instructions") and otherwise in accordance with the terms and conditions of this Section 2.6. Each Party shall be entitled to have Representatives present during the inventory taking and the fees and expenses of the Inventory Taker shall be borne fifty percent (50%) by Buyer and fifty percent (50%) by Sellers. The physical inventory shall not include the Excluded Inventory. The Inventory Taker shall value all Inventory carried in the Stores on the applicable Inventory Date, excluding the Excluded Inventory, at the prices set forth in Section 2.6(a) of the Disclosure Schedule (such value, the "Closing Inventory Valuation").

(b) To the extent Buyer has not received the Consent of all applicable Governmental Authorities to sell alcoholic beverages from any particular Store that is part of the Acquired Assets, after diligently pursuing all such necessary Consents, then either (i) to the extent permitted under applicable Law, Buyer shall or shall cause one of its Affiliates to purchase such Inventory for re-sale at another grocery store or supermarket that Buyer owns or controls, pursuant to the terms of this Agreement or (ii) to the extent the acquisition of such

Inventory as contemplated under clause (i) of this Section 2.6(b) is not permitted under applicable Law, Inventory shall not include, and the Closing Inventory Valuation performed by the Inventory Taker shall exclude the cost of, the alcoholic beverage Inventory located at such Store. With respect to any spirits, wine or liquor (or similar) Permit or alcoholic beverage Inventory conveyed hereunder, at Buyer's sole cost and expense, the Parties shall comply with all applicable Laws, including the creation of any necessary escrow and the disbursement or release of any funds held in such escrow.

(c) The complete inventory prepared by the Inventory Taker shall be prepared in accordance with the usual and customary practices of the industry and shall show the total cost of the Inventory for each Store determined in the manner provided above. Each Closing Inventory Valuation determined by the Inventory Taker shall be final and binding on the Parties, absent fraud or manifest error.

(d) Notwithstanding Sellers' obligations in Section 5.2 to conduct Business in the Ordinary Course of Business and to maintain comparable levels and mix of Inventory at the Stores, Sellers may sell down private label inventory and any other Excluded Inventory without replenishment commencing fourteen (14) days prior to the applicable Inventory Date for each particular Store. Sellers shall remove at their expense all of the remaining Excluded Inventory from the Stores prior to the applicable Inventory Date in order to avoid accidental inclusion thereof in the Inventory count.

Section 2.7 Allocation. Buyer and Sellers agree to allocate the Purchase Price (as finally determined hereunder), the Assumed Liabilities, and all other relevant items among the Acquired Assets in accordance with section 1060 of the IRC and the treasury regulations thereunder (the "Allocation Principles"). No later than sixty (60) days after the final Closing Date, Sellers shall deliver to Buyer an allocation of the Purchase Price and the Assumed Liabilities (and all other relevant items) as of the final Closing Date among the Acquired Assets determined in a manner consistent with the Allocation Principles (the "Purchase Price Allocation") for Buyer's review. Buyer shall have an opportunity to review the proposed Purchase Price Allocation for a period of thirty (30) days after receipt of the proposed Purchase Price Allocation. If Buyer disagrees with any aspect of the proposed Purchase Price Allocation, Buyer shall notify Sellers in writing prior to the end of such thirty (30)-day period (an "Allocation Objection Notice"), setting forth Buyer's proposed Purchase Price Allocation and specifying, in reasonable detail, any good faith dispute as to Sellers' Purchase Price Allocation. If prior to the conclusion of such thirty (30)-day period, Buyer notifies Sellers in writing that it will not provide any Allocation Objection Notice or if Buyer does not deliver an Allocation Objection Notice within such thirty (30)-day period, then the proposed Purchase Price Allocation shall be deemed final, conclusive and binding upon each of the Parties. Sellers and Buyer shall use commercially reasonable efforts to resolve any objection by Buyer to the proposed Purchase Price Allocation. If, within ten (10) days after Sellers receive an Allocation Objection Notice, the Parties have not resolved all objections and agreed upon a final Purchase Price Allocation, the Parties shall engage an independent accounting firm mutually acceptable to Buyer and Sellers (the "Independent Accountant") to resolve any outstanding disputes, and such resolution shall be final, conclusive and binding upon each of the Parties. The fees and disbursements of the Independent Accountant shall be shared equally by Sellers, on the one hand, and Buyer, on the other hand. Sellers and Buyer shall make appropriate adjustments to the Purchase Price

Allocation to reflect any adjustments to the Purchase Price. Buyer and Sellers agree (and agree to cause their respective Subsidiaries and Affiliates) to prepare, execute, and file IRS Form 8594 and all Tax Returns on a basis consistent with the final Purchase Price Allocation, and none of the Parties will take any position inconsistent with the final Purchase Price Allocation on any Tax Return or in any audit or Tax proceeding, in each case unless otherwise required by a change in Law or pursuant to the good faith resolution of a Tax contest. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 2.7 shall survive the final Closing without limitation.

Section 2.8 Purchase Price Adjustment.

(a) The following items, for the pertinent time periods, shall be added to (in the case of amounts to be paid by Buyer) or deducted from (in the case of amounts to be paid by Sellers) the Purchase Price, as the case may be, (an amount equal to the sum of such additions (which shall be expressed as positive numbers in such calculation) and deductions (which shall be expressed as negative numbers in such calculation), which aggregate amount may be a positive or negative number, the "Adjustment Amount"):

(i) personal property Taxes associated with the Acquired Assets that are imposed on a periodic basis and are required to be paid for a Tax period that includes (but does not end on) the applicable Closing Date (such Taxes, the "Personal Property Taxes", and such period, the "Personal Property Tax Proration Period") shall be prorated, (x) as of the applicable Effective Time, between Buyer and Sellers as follows: Sellers shall bear the proportion of, and shall be solely responsible for, such Taxes equal to a fraction, the numerator of which is equal to the number of days which shall have elapsed from the beginning of the applicable Tax period through the applicable Effective Time and the denominator of which is the number of days in the entire applicable Tax period and (y) Buyer shall bear, and shall be solely responsible for the remainder (the "Personal Property Tax Proration"). If, as of the applicable Effective Time, Sellers have paid more than their allocation portion of such Taxes as determined pursuant to the Personal Property Tax Proration, an amount shall be added to the Adjustment Amount accordingly and, if, as of the applicable Effective Time, Sellers have paid less than their allocation portion of such Taxes as determined pursuant to the Personal Property Tax Proration, an amount shall be deducted from the Adjustment Amount accordingly;

(ii) the real property Taxes and assessments, including commercial rent Taxes, ad valorem, sewer rents, business improvement district, license, intangibles and other similar Taxes associated with the Real Property Leases or in connection with the Owned Real Property that are required to be paid for a Tax period that includes (but does not end on) the applicable Closing Date (such Taxes, the "Real Property Taxes", and such period, the "Real Property Tax Proration Period") shall be prorated, as of the applicable Effective Time, between Buyer and Sellers as follows: (x) Sellers shall bear the proportion of, and shall be solely responsible for, such Real Property Taxes equal to a fraction, the numerator of which is equal to the number of days which shall have elapsed from the

beginning of the applicable Tax period through the applicable Effective Time and the denominator of which is the number of days in the entire applicable Tax period and (y) Buyer shall be solely responsible for the remainder (the “Real Property Tax Proration”). If, as of the applicable Effective Time, Sellers have paid more than their allocation portion of such Taxes as determined pursuant to the Real Property Tax Proration, an amount shall be added to the Adjustment Amount accordingly and, if, as of the applicable Effective Time, Sellers have paid less than their allocation portion of such Taxes as determined pursuant to the Real Property Tax Proration, an amount shall be deducted from the Adjustment Amount accordingly;

(iii) Sellers shall attempt to obtain final meter readings for utilities at the Stores as of the applicable Effective Time and shall pay for all utilities through the applicable Effective Time and, in the event a Seller shall not have paid for any such utilities because it was not practicable to obtain any such meter reading for any utility as of the applicable Effective Time or because there are utilities which are not metered, then the cost of any such utilities shall be prorated, as of the applicable Effective Time, between Sellers and Buyer (based on Sellers’ good faith estimates of such costs based on Sellers’ most recent utility bills for such utilities) as follows: (x) Sellers shall bear the proportion of, and shall be solely responsible for, the cost of such utilities equal to a fraction, the numerator of which is equal to the number of days which shall have elapsed from the beginning of the applicable utility period through the applicable Effective Time and the denominator of which is the number of days in the entire applicable utility period and (y) Buyer shall be responsible for the remainder (the “Utility Proration”); provided, however, that the Closing Adjustment Amount shall account for any deficiency in the original proration based on the final utility bills once received;

(iv) any and all other Leased Real Property rental income, expenses, payments or receipts, rentals, costs, charges or fees connected with a Seller’s or any Affiliate of a Seller’s use or operation of any Store, including, without duplication, Prepaid Expenses, and all common area costs paid by a Seller or any Affiliate thereof to landlords or third parties pursuant to any declarations, reciprocal easement agreements, shopping center covenants or other covenants, conditions or restrictions that encumber any Store, shall be prorated between Sellers and Buyer as of the applicable Effective Time and Sellers shall bear their (and their Affiliates’) proportion thereof through the applicable Effective Time; any and all revenues from Acquired Assets such as copy machines, vending machines, pay phones and the like shall be apportioned as of the end of the month in which the applicable Effective Time occurs and Sellers shall retain such revenues for that month prior to the applicable Effective Time; and with respect to any percentage rents on adjusted gross sales payable under any of the Store Leases (“Percentage Rents”): (A) such Percentage Rents shall be estimated as of the applicable Effective Time for the month or quarter (as the case may be) for the relevant installment; (B) such estimated Percentage Rents shall be apportioned for that payment period as between the Buyer and Sellers as of the applicable

Effective Time (the “Percentage Rent Proration”); (C) the estimated amount of such Percentage Rents apportioned to Sellers shall be taken into account in calculating the Estimated Adjustment Amount hereunder (and shall therefore reduce the amount payable by the Buyer at the applicable Closing); (D) the actual Percentage Rents payable for such installment period, if any, shall be paid by Buyer when due; and (E) the Closing Adjustment Amount shall account for any inaccuracy in the original proration of Percentage Rent based on the final invoices for Percentage Rent once received;

(v) the Adjustment Amount shall be (A) decreased by the amount of any Transfer Taxes owed by Sellers pursuant to Section 6.5 in the event that such amount has not been paid at the Closing, and (B) increased by the amount of any Transfer Taxes owed by Buyer pursuant to Section 6.5 in the event that such amount has not been paid at the Closing; and

(vi) the Adjustment Amount shall be increased or decreased, as applicable, on a dollar for dollar basis, by the difference between the amount of Cash left at a Store as of the Effective Time and the Per Store Cash Closing Balance for such Store.

(b) Within ninety (90) days after the final Closing Date, Buyer shall prepare and deliver to Sellers a statement (the “Closing Statement”) setting forth the calculation of the Adjustment Amount as of each Closing Date with respect to each Closing on a Property-by-Property basis (which amount may be a negative or positive number) (with respect to each Closing, the “Closing Adjustment Amount”) with reasonable supporting details.

(c) If Sellers dispute any amounts shown on the Closing Statement, Sellers shall deliver to Buyer within twenty (20) days after receipt of the Closing Statement a notice (the “Dispute Notice”) setting forth Sellers’ calculation of such amounts and describing in reasonable detail the basis for the determination of such different amounts. If Sellers do not deliver a Dispute Notice to Buyer within such twenty (20) day period, the Closing Statement prepared and delivered by Buyer shall be deemed to be the “Final Closing Statement”. The Parties shall use commercially reasonable efforts to resolve such differences within a period of thirty (30) days after Sellers have given the Dispute Notice. If the Parties resolve such differences, the Closing Statement shall be updated to reflect those resolutions and such updated Closing Statement shall be deemed to be the Final Closing Statement. If Buyer and Sellers do not reach a final resolution on the Closing Statement within thirty (30) days after Sellers have given the Dispute Notice, unless Buyer and Sellers mutually agree to continue their efforts to resolve such differences, the Independent Accountant shall be engaged to resolve, and shall resolve, such differences, pursuant to an engagement agreement by and among Buyer, Sellers and the Independent Accountant (which Buyer and Sellers agree to execute promptly), in the manner provided below. The Independent Accountant shall only decide the specific amounts under dispute by the Parties (the “Disputed Items”), solely in accordance with the terms of this Agreement. Buyer and Sellers shall each be entitled, along with its agents and representatives, to make a presentation to the Independent Accountant, pursuant to procedures to be agreed to among Buyer, Sellers and the Independent Accountant (or, if they cannot agree on such procedures, pursuant to procedures determined by the Independent Accountant), regarding such Party’s determination of the

amounts to be set forth on the Final Closing Statement; and the Parties shall use commercially reasonable efforts to cause the Independent Accountant to resolve the differences between Buyer and Sellers and determine the amounts to be set forth on the Final Closing Statement within twenty (20) days after the engagement of the Independent Accountant. The Independent Accountant's determination shall be based solely on such presentations of the Parties and any supplemental material provided by either Party in connection therewith (i.e., not on independent review) and on the definitions and other terms included herein. Such determination by the Independent Accountant shall be final and binding on the Parties, absent fraud or manifest error. The Closing Statement determined by the Independent Accountant shall be deemed to be the Final Closing Statement. The fees and expenses of the Independent Accountant shall be paid by the Party whose calculation of the Closing Adjustment Amount is farther from the Independent Accountant's calculation thereof. Nothing in this Section 2.8(c) shall be construed to authorize or permit the Independent Accountant to: (i) determine any questions or matters whatsoever under, or in connection with, this Agreement except for the Disputed Items; or (ii) resolve any such differences by making an adjustment to the Closing Statement that is outside of the range defined by amounts as finally proposed by Buyer and Sellers. Sellers and their accountants and other representatives shall be permitted reasonable access to the financial records of Buyer used to prepare the Closing Statement, at reasonable times during regular business hours during the period beginning on the delivery of the Closing Statement and ending on the date when the Final Closing Statement becomes final and binding on the Parties in accordance with the Agreement.

(d) Promptly, but no later than five (5) Business Days after the final determination of the Final Closing Statement, if the sum of each of the Closing Adjustment Amounts set forth in the Closing Statement: (i) exceeds the sum of the Estimated Adjustment Amounts set forth in the Estimated Statements, Buyer shall pay or cause to be paid, by wire transfer of immediately available funds to the account(s) designated by Sellers, such excess amount and Buyer and Sellers shall deliver a Joint Written Instruction to the Escrow Agent instructing the Escrow Agent to deliver the Holdback Amount to Sellers; or (ii) is less than the Estimated Adjustment Amount, Buyer and Sellers shall: (A) if such shortfall is less than the Holdback Amount, (x) deliver a Joint Written Instruction to the Escrow Agent instructing the Escrow Agent to deliver an amount equal to such shortfall to Buyer from the Holdback Amount, and (y) deliver a Joint Written Instruction to the Escrow Agent instructing the Escrow Agent to deliver the difference between the Holdback Amount and such shortfall to Sellers, (B) if the shortfall is equal to or exceeds the Holdback Amount, deliver Joint Written Instructions to the Escrow Agent instructing the Escrow Agent to deliver all of the Holdback Amount to Buyer and if such shortfall exceeds the Holdback Amount, Sellers shall pay or cause to be paid the excess of the shortfall over the Holdback Amount by wire transfer of immediately available funds to the account(s) designated by Buyer. Any payments made pursuant to this Section 2.8(d) shall be treated as an adjustment to the Purchase Price by the Parties and shall be paid in cash.

(e) Notwithstanding anything to the contrary contained herein, if the Personal Property Tax Proration, Real Property Tax Proration or Percentage Rent Proration cannot be finally determined at the time of the delivery of the Closing Statement because of the unavailability of the final amount of applicable Taxes or Percentage Rents Proration at such time, such items shall be apportioned or reapportioned, as the case may be, as soon as practicable after the delivery of the Final Closing Statement. To the extent there is any dispute with respect to any such apportionment or reapportionment, the Parties shall resolve such disputes in

accordance with the dispute resolution procedures applicable to the Final Closing Statement as set forth in Section 2.8(c). Upon any such apportionment or reapportionment becoming final and binding on the Parties, Sellers or Buyer (as the case may be) shall pay any amounts due to the other Party as a result thereof within thirty (30) days after written demand (accompanied by reasonable supporting documentation).

(f) If any payments are to be made from Sellers to Buyer pursuant to any provision of this Agreement (including, but not limited to, this Section 2.8), such amounts owed from Sellers to Buyer shall be entitled to administrative priority treatment under Section 503 of the Bankruptcy Code. Sellers shall not have any right to set-off amounts due Buyer pursuant to this Agreement by any amounts which may be owed by Buyer to Sellers pursuant to any other agreement or Order.

Section 2.9 Delivery of Possession. At each applicable Closing, Sellers shall deliver to Buyer possession of the Properties and all Excluded Assets shall have been removed by Sellers from each of the Properties (unless otherwise agreed by the Parties). Buyer shall take possession of the Stores together with the other Acquired Assets being transferred hereunder immediately following the Inventory Taker conducting the physical inventory of the Stores pursuant to Section 2.6(a), and Buyer shall assume all risk of loss by fire or other casualty and all risks relating to the operation of the Business with respect thereto occurring upon or following the taking of such possession. At such time, Sellers shall deliver to Buyer's designated representative the keys and access and security codes to the Properties and the combinations to all safes located at the Properties and Buyer shall immediately make arrangements to have such locks and codes changed.

Section 2.10 Cooperation. Buyer and Sellers hereby agree that following the Initial Closing, Buyer and Sellers shall deliver Joint Written Instructions to the Escrow Agent in accordance with this Agreement so as to give effect to the terms hereof, including to effect the Closings in accordance with the Closing Schedule.

Section 2.11 Withholding. Notwithstanding any other provision of this Agreement to the contrary, Buyer shall be entitled to deduct and withhold from any consideration or other amounts payable to any Person pursuant to this Agreement such amounts as it is required to deduct and withhold with respect to the payment of such consideration or other amounts under any provision of U.S. federal, state, local, or non-U.S. Tax law. If Buyer determines that any deduction or withholding is required, Buyer will provide prior written notice to Sellers of any such determination within a commercially reasonable amount of time prior to the applicable Closing Date; provided, that in no event shall Buyer be required to pay any additional amounts in respect of such withholding or deduction. Any amounts so deducted and withheld shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

Section 2.12 Designation Rights Contracts.

(a) Preservation of Contracts. Subject to the provisions of this Section 2.12, from the date hereof until the Initial Closing Date, Sellers shall not reject any Designation Rights

Contract unless such Designation Rights Contract is designated by Buyer as an Excluded Contract or unless otherwise agreed to in writing by Buyer.

(b) As soon as practicable after the date of this Agreement, Sellers shall make available to Buyer copies of all Designation Rights Contracts. As to each Designation Rights Contract, as soon as practical after receiving further written notice(s) (each, a “Buyer Assumption Notice”) from Buyer from time-to-time during the period from the date of this Agreement until the Initial Closing Date, which notice requests the assumption and assignment of any Designation Rights Contract, Sellers shall, subject to Buyer’s demonstrating adequate assurance of future performance thereunder, take all actions required by the Sale Order or otherwise that are reasonably necessary to seek to assume and assign to Buyer pursuant to Section 365 of the Bankruptcy Code such Designation Rights Contract set forth in such Buyer Assumption Notice, and either Buyer or Seller, as applicable, shall satisfy any applicable Cure Costs in accordance with this Agreement.

(c) From and after the entry of the Sale Order until the Initial Closing, Sellers may provide written notice to Buyer requesting that Buyer consent to the rejection of any Designation Rights Contract other than an In-Store Operations Lease (and such notice shall include the estimated costs associated with each such Designation Rights Contract associated with the continuation by Sellers of such Designated Right Contract) that is, as reasonably determined in good faith by Sellers, not to be material to the continued operation by the Sellers of Property to which the Contract relates in accordance with the provisions of this Agreement until the applicable Closing to which the Contract relates (a “Seller Rejection Notice”). For a period of five (5) Business Days after receipt of a Seller Rejection Notice, Buyer may provide written notice (a “Buyer Objection Notice”) to Sellers (x) objecting to Sellers’ proposed rejection of any or all Designation Rights Contracts set forth in the Seller Rejection Notice and (y) agreeing to reimburse Sellers, and thereby be solely responsible for all costs associated with continuation by Sellers of such Designation Rights Contract from and after the delivery of the Buyer Objection Notice through the earlier of (A) the Closing Date at which such Contract is acquired by Buyer and (B) the date of Sellers’ receipt of written notice from Buyer authorizing the rejection of such Designation Rights Contract. If Buyer does timely object to a Designation Rights Contract and agrees to reimburse Sellers as provided in the foregoing sentence, then such Designation Rights Contract shall not be rejected by Seller, and, for the avoidance of doubt, such Contract shall remain as a Designation Rights Contract. If Buyer does not deliver such objection with respect to a Designation Rights Contract set forth in the Seller Rejection Notice, Sellers may take all actions required or authorized by the Sale Order or otherwise to reject such Contract pursuant to Section 365 of the Bankruptcy Code.

(d) As to each Designation Rights Contract, upon written notice (each, a “Rejection Notice”) from Buyer after the date of this Agreement until the Initial Closing Date requesting the rejection of such Designated Rights Contract, the Parties shall treat such Designated Rights Contract as an Excluded Contract, and at any time after the date of such Rejection Notice, Sellers may reject such Designated Rights Contract pursuant to Section 365 of the Bankruptcy Code.

(e) Notwithstanding anything in this Agreement to the contrary, on the date any Designation Rights Contract is assumed by Sellers pursuant to this Section 2.12, such

Designation Rights Contract shall be deemed a Transferred Contract for all purposes under this Agreement and no further consideration shall be required to be paid for any Designation Rights Contract that is assumed and assigned to Buyer. Any Designation Rights Contract for which Buyer does not deliver a Buyer Assumption Notice or Buyer Objection Notice by the Initial Closing Date (or, in the case of a Designation Rights Contract set forth on a Seller Rejection Notice delivered within seven (7) Business Days of the Initial Closing Date, at the expiration of such seven (7) Business Day period) shall be classified as an Excluded Contract under this Agreement and Sellers may reject such Excluded Contract at such time.

ARTICLE III SELLERS' REPRESENTATIONS AND WARRANTIES

Sellers represent and warrant to Buyer that the statements contained in this Article III are true and correct, except as set forth in the disclosure schedule accompanying this Agreement (the "Disclosure Schedule").

Section 3.1 Organization of Sellers; Good Standing. Each Seller is a corporation or limited liability company, as applicable, duly organized, validly existing and in good standing under the Laws of the state of its incorporation or formation, as applicable, and has, subject to the necessary authority from the Bankruptcy Court, all requisite corporate or limited liability company (as applicable) power and authority to own, lease and operate its assets and to carry on its business as now being conducted and is duly qualified or licensed to do business and is in good standing in each jurisdiction where the character of its business or the nature of its properties makes such qualification or licensing necessary, except where the failure to be so organized, existing, qualified or licensed, in good standing or to have such power and authority, individually or in the aggregate, has not had, and would not reasonably be expected to have, a Material Adverse Effect.

Section 3.2 Authorization of Transaction. Subject to the Bankruptcy Court's entry of the Bidding Procedures Order, Sale Order and any other necessary order to close the sale of the Acquired Assets, each Seller has full power and authority (including full corporate or other organizational power and authority) to execute and deliver this Agreement, the Related Agreements and all other agreements contemplated hereby to which it is a party and to perform its obligations hereunder and thereunder. The execution, delivery, and performance of this Agreement, the Related Agreements and all other agreements contemplated hereby to which each Seller is a party have been duly authorized by such Seller. Upon due execution hereof and thereof by each Seller, this Agreement, the Related Agreements and all other agreements contemplated hereby to which each Seller is a party (assuming in each case due authorization, execution and delivery by Buyer where applicable) shall constitute, subject to the Bankruptcy Court's entry of the Bidding Procedures Order, the Sale Order and any other necessary order to close the sale of the Acquired Assets, the valid and legally binding obligations of such Seller, enforceable against such Seller in accordance with their respective terms and conditions, subject to applicable bankruptcy, insolvency, moratorium, or other similar Laws relating to creditors' rights and general principles of equity (the "Bankruptcy and Equity Exception").

Section 3.3 Noncontravention; Government Filings. Except as set forth on Section 3.3 of the Disclosure Schedule, neither the execution and delivery of this Agreement, nor

the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in Article II), will (a) conflict with or result in a breach or violation of or default under the organizational documents of any Seller, (b) subject to the entry of the Sale Order and any other necessary order to close the sale of the Acquired Assets, materially conflict with, or result in any material violation or material breach of or material default (with or without notice or lapse of time, or both) under any Law or Decree to which any Seller is subject in respect of the Acquired Assets, or (c) subject to the entry of the Sale Order and any other necessary order to close the sale of the Acquired Assets, materially conflict with, result in a material breach or violation of, constitute a material default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under any material Contract or material Permit constituting an Acquired Asset to which any Seller is a party or to which any of the Acquired Assets is subject. Other than (x) the applicable requirements of the HSR Act, and (y) as required or pursuant to the Bankruptcy Code, the Bidding Procedures Order, the Sale Order, and any other necessary order to close the sale of the Acquired Assets, no Seller is required to give any notice to, make any material filing with, or obtain any material Consent from any Person in order for the Parties to consummate the transactions contemplated by this Agreement or any Related Agreement.

Section 3.4 Title to Assets; Sufficiency. Immediately prior to the applicable Closing, Sellers will have, and upon delivery to Buyer on the applicable Closing Date of the Related Agreements, and in accordance with the terms of the Sale Order, Sellers will thereby transfer to Buyer, good and valid title to, or, in the case of property leased by Sellers, a valid leasehold interest in, all of the Acquired Assets to be transferred as part of the applicable Closing, free and clear of all Liens (other than any Permitted Liens). Except for the Excluded Assets and any other assets, each of which is set forth on Section 3.4 of the Disclosure Schedule, the Acquired Assets constitute all of the assets and properties, used or held for use in the Business and are sufficient for Buyer to conduct the Business from and after the applicable Closing Date as currently conducted. Other than Contracts with respect to the supply of Inventory to the Stores, no Affiliate of Sellers owns any assets or is a party to any Contracts that are primarily used in the operation of the Business.

Section 3.5 Real Property.

(a) Section 3.5(a) of the Disclosure Schedule sets forth the location of each Store leased to a Seller by a third party, and a list of all related Leases for real property at which the Properties are located, including any Leases for real property at the Properties (including the Owned Real Property) in which Seller is the lessor, sublessor, or licensor (such Leases, the “Real Property Leases”). Sellers have made available to Buyer a true and complete copy of each Real Property Lease in Sellers’ possession or control. With respect to each Real Property Lease, (a) such Real Property Lease is in full force and effect, (b) subject to the Bankruptcy and Equity Exception, Sellers have a valid and enforceable leasehold interest under such Real Property Lease, free and clear of all Liens except Permitted Liens, and (c) neither such Seller nor, to Sellers’ Knowledge, the counterparty thereto is in material breach or material default under such Real Property Lease, except for those defaults that will be cured in accordance with the Sale Order or waived in accordance with section 365 of the Bankruptcy Code (or that need not be cured under the Bankruptcy Code to permit the assumption and assignment of the Real Property Leases and that would not constitute a Liability of Buyer at or after the applicable Closing). To

the Knowledge of Sellers, there does not exist any actual or threatened or contemplated condemnation or eminent domain proceedings that affect any Real Property Leases or any part thereof, and no Seller has received any notice, oral or written, of the intention of any Governmental Authority or other Person to take or use all or any part thereof.

(b) Section 3.5(b) of the Disclosure Schedule sets forth a list of all real property owned by Sellers to be acquired by Buyer (the “Owned Real Property”). Sellers have good and valid fee simple title to all Owned Real Property, free and clear of all Liens other than Permitted Liens.

Section 3.6 Litigation; Decrees. Other than the Bankruptcy Case or with respect to any Excluded Liabilities, (i) there is no material Litigation pending, or, to Sellers’ Knowledge, threatened by or before any Governmental Authority, nor, to Sellers’ Knowledge, is there any material investigation pending by any Governmental Authority, in each case, against Sellers in connection with the Business and (ii) neither Sellers nor any of their respective assets or properties is subject to any outstanding material Decree applicable to the Business.

Section 3.7 Labor Relations. Except as set forth in Section 3.7 of the Disclosure Schedule, (a) no Seller is a party to or bound by any collective bargaining agreement covering the Covered Employees, (b) there are no strikes, work stoppages, slowdowns, lockouts, or arbitrations pending, or to the Knowledge of Sellers, threatened against or involving any of the Stores, (c) there are no material grievances or other labor disputes pending or, to the Knowledge of Sellers, threatened against or involving any of the Stores, (d) there are no material unfair labor practice charges, grievances or complaints pending or, to the Knowledge of Sellers, threatened by or on behalf of any of the Covered Employees (including, solely for purposes of this Section 3.7, employees of the Properties who are on short-term disability, long-term disability or any other approved leave of absence), (e) there are no actions pending, or to the Knowledge of Sellers, threatened against or involving Sellers alleging any Covered Employee is not authorized to work in the United States or other violation of immigration law requirements, (f) Sellers are in compliance in all material respects with all Laws respecting employment, immigration, employment practices and terms and conditions of employment, including wages and hours and the classification and payment of employees, and (g) in the last two (2) years no Seller has taken any action that would constitute a “mass layoff” or “plant closing” within the meaning of the Worker Adjustment and Retraining Notification Act of 1988, as amended, or any similar state, local or foreign plant closing regulation (“WARN Act Laws”) or that could otherwise trigger notice requirements or Liability under the WARN Act Laws, in each case, with respect to a Store or Covered Employees.

Section 3.8 Brokers’ Fees. Other than the fees and expenses payable to Peter J. Solomon Company in connection with the transactions contemplated hereby, which shall be borne by Sellers, no Seller has entered into any Contract to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated hereby for which Buyer or any of its Affiliates could become liable or obligated to pay.

Section 3.9 Taxes.

(a) In each case with respect to the Acquired Assets and the Business, Sellers have timely filed all material Tax Returns required to be filed with the appropriate Tax authorities in all jurisdictions in which such Tax Returns are required to be filed (taking into account any extension of time to file granted or to be obtained on behalf of Sellers), and all such Tax Returns are true, correct and complete in all material respects; and all material amounts of Taxes payable by or on behalf of each Seller have been timely paid.

(b) No Seller is a foreign person within the meaning of section 1445 of the IRC.

(c) All deficiencies asserted or assessments in respect of material Taxes made as a result of any examinations by any Tax authority of the Tax Returns related to the Acquired Assets or the Business have been fully paid, and there are no other audits, investigations or similar proceedings by any Tax authority in progress (other than audits, investigations or similar proceedings of which the Sellers have not received written notice and as to which the Sellers have not sent anything in writing to the applicable Tax authority), nor has any Seller received any written notice from any Tax authority that it intends to conduct such an audit, investigation or similar proceeding, in each case, related to the Acquired Assets or the Business (other than any proof of claim filed by a taxing authority in the Bankruptcy Cases).

(d) Sellers have complied in all material respects with all applicable Laws relating to the payment and withholding of Taxes with respect to the Acquired Assets and the Business (including, for the avoidance of doubt, Taxes related to employee salaries, wages or other compensation) and have duly and timely withheld and paid over to the appropriate Tax authorities all material amounts required to be so withheld and paid over under all applicable Laws with respect to the Acquired Assets and the Business.

(e) Since April 1, 2014, no written claim has been made by a Tax authority in a jurisdiction in which Sellers do not currently file a Tax Return such that any Seller is or may be subject to taxation by that jurisdiction with respect to the Acquired Assets or the Business.

(f) No agreement, waiver or other document or arrangement extending or having the effect of extending the period for assessment or collection of Taxes (including any applicable statute of limitation) has been executed or filed with any Tax authority by or on behalf of any Seller that would be binding on Buyer with respect to the Acquired Assets and the Business (other than pursuant to extensions of time to file Tax Returns obtained in the Ordinary Course of Business).

(g) There are no Liens for a material amount of Taxes upon the Acquired Assets, except for Permitted Liens.

(h) None of the Acquired Assets is an interest (other than indebtedness within the meaning of section 163 of the IRC) in an entity taxable as a corporation, partnership, trust or real estate mortgage investment conduit for U.S. federal income tax purposes.

(i) With respect to the Business and the Acquired Assets, Sellers have collected all material sales and use Taxes required to be collected, and have remitted, or will remit on a timely basis, such amounts to the appropriate taxing authority, or have been furnished

properly completed exemption certificates and have maintained all such records and supporting documents in the manner required by all applicable sales and use Tax statutes and regulations.

Section 3.10 Tangible Personal Property.

(a) Sellers have good and valid title to all Furnishings and Equipment, free and clear of all Liens other than Permitted Liens.

(b) Section 3.10(b) of the Disclosure Schedule sets forth a list of all Transferred Contracts that constitute Leases of personal property (“Personal Property Leases”) relating to personal property held, used or intended to be used by Sellers in the Business. Sellers have made available to Buyer true and complete copies of the Personal Property Leases. Section 3.10(b) of the Disclosure Schedule may be supplemented with additional Personal Property Leases after the date of this Agreement to the extent such additional Personal Property Leases have been designated as Transferred Contracts after the date hereof in accordance with Section 2.12.

(c) Sellers have a valid and enforceable leasehold interest under each of the Personal Property Leases, subject to the Bankruptcy and Equity Exception. No party to any of the Personal Property Leases has exercised any termination rights with respect thereto.

Section 3.11 Transferred Contracts.

(a) Each of the Transferred Contracts is in full force and effect and is a valid and binding obligation of the applicable Seller(s) and, to Sellers’ Knowledge, the other parties thereto, in accordance with its terms and conditions, in each case subject to the terms of the Sale Order and the Bankruptcy and Equity Exception. Sellers have made available to Buyer true and complete copies of each Transferred Contract in Sellers’ possession or control. Except for those defaults that will be cured or waived in accordance with Section 365 of the Bankruptcy Code (or that do not need to be cured under the Bankruptcy Code to permit the assumption and assignment of the Transferred Contracts and that would not be a Liability of Buyer at or after the applicable Closing), there is no material default under any of the Transferred Contracts by any Seller or, to the Knowledge of Sellers, by any other party thereto, and Sellers have not received any written notice of any default or event that with notice or lapse of time or both would constitute a default by Sellers under any Transferred Contract. Subject only to the satisfaction of the Cure Costs applicable to the Transferred Contracts and the entry of the Sale Order, each Transferred Contract may be assumed by Sellers and assigned to Buyer pursuant to section 365 of the Bankruptcy Code. For purposes of this Section 3.11(a), the term “Transferred Contracts” excludes all Real Property Leases.

(b) Section 3.11(b) of the Disclosure Schedule sets forth a list of all Bonding Requirements required as of the date hereof with respect to the Transferred Contracts, with the amount of such Bonding Requirements set forth in Section 3.11(b) of the Disclosure Schedule next to each such Transferred Contract. Section 3.11(b) of the Disclosure Schedule may be supplemented with Bonding Requirements for Transferred Contracts after the date of this Agreement to the extent such Contracts have been designated as Transferred Contracts after the date hereof in accordance with Section 2.12.

Section 3.12 Employee Benefits.

(a) Section 3.12(a) of the Disclosure Schedule lists all Employee Benefit Plans. “Employee Benefit Plans” means “employee benefit plans,” as defined in section 3(3) of ERISA, including any Multiemployer Plans, and all other material employee benefit plans, programs, policies, practices, or other arrangements providing benefits (other than governmental plans and statutorily required benefit arrangements), including bonus or incentive plans, deferred compensation arrangements, stock purchase, stock option, change of control, severance pay, sick leave, vacation pay, disability, medical insurance and life insurance, in each case, whether written or unwritten, maintained or contributed to by Sellers and ERISA Affiliates with respect to Covered Employees (including, solely for purposes of this Section 3.12(a), employees of the Properties who are on short-term disability, long-term disability or any other approved leave of absence).

(b) True, correct and complete copies of the following documents, with respect to each of the Employee Benefit Plans (excluding Employee Benefit Plan documents which relate to Multiemployer Plans), have been made available to Buyer: (A) any plan documents, and all material amendments thereto, (B) the most recent Forms 5500, (C) the most recent summary plan descriptions (including letters or other documents updating such descriptions) and (D) the most recent IRS determination letter.

(c) Each of the Employee Benefit Plans sponsored by Sellers and its Subsidiaries that is intended to qualify under section 401 of the IRC has been determined by the IRS to be so qualified, and, to the Knowledge of Sellers, nothing has occurred with respect to the operation of any such plan which could reasonably be expected to result in the revocation of such favorable determination.

(d) Each of the Employee Benefit Plans (excluding any Employee Benefits Plans which are Multiemployer Plans) has been maintained, in all material respects, in accordance with its terms and all provisions of applicable Law.

(e) Except as set forth on Section 3.12(a) of the Disclosure Schedule, no Seller nor any ERISA Affiliate has, within the past six (6) years, sponsored, maintained, contributed or been required to contribute to (i) any Multiemployer Plan; or (ii) any plan subject to Title IV or Section 302 of ERISA or Section 412 of the IRC, in each case, with respect to a Covered Employee or former employee of the Stores.

Section 3.13 Compliance with Laws; Permits.

(a) Sellers are in compliance in all material respects with all Laws applicable to the Business (except for Laws addressed in Section 3.14). Sellers have not received any material written notice of or been charged with the material breach or violation of any Laws applicable to the Business. To the Knowledge of Sellers, there are no investigations pending or threatened against Sellers regarding the possible material breach or violation of any Laws applicable to the Business.

(b) Section 3.13(b) of the Disclosure Schedule sets forth a Store-by-Store list of all material Permits held, used or intended to be used by Sellers, or otherwise required, to

operate the Business in substantially the same manner as such Stores have been operated in the past six (6) months, including spirits, liquor, wine and similar Permits and all Permits required pursuant to any Environmental Law, in each case each of which is in effect on the date hereof, and all applications for any such Permits that are in process on the date hereof. Sellers are in compliance in all material respects with all such Permits. Sellers hold all of such material Permits and such Permits constitute all Permits which are required for the Business as presently conducted. Each such Permit is in full force and effect and has not expired. All applications required to have been filed for the renewal of such Permits have been duly filed on a timely basis with the appropriate Governmental Authority, and all other filings required to have been made with respect to such Permits have been duly made on a timely basis with the appropriate Governmental Authority. No Seller has received any notice from any Governmental Authority or issuer of any such Permit with respect to the revocation, suspension, restriction, limitation or termination thereof nor is there any Litigation pending or, to Sellers' Knowledge, threatened, the object of which is to revoke, restrict, limit or terminate any such Permit. Sellers are not in material default or violation (and no event has occurred which, with notice or the lapse of time or both, would constitute a material default or violation) of any term, condition or provision of any such Permit to which Sellers are parties.

(c) Section 3.13(c) of the Disclosure Schedule sets forth a list of all Bonding Requirements required as of the date hereof with respect to the Permits listed in Section 3.13(b) of the Disclosure Schedule, with the amount of such Bonding Requirements set forth in Section 3.13(c) of the Disclosure Schedule next to each such Permit.

Section 3.14 Environmental Matters. With respect to each Store and the Commissary and the business and operations conducted at each Property by the applicable Seller:

(a) each Seller is in, and during the past three (3) years has been in, material compliance with all Environmental Laws, and no Seller has received any material written notice of or been charged with the material breach or violation of any Environmental Laws which remains outstanding;

(b) there is no material Litigation pending, or to Sellers' Knowledge, threatened against Sellers pursuant to any Environmental Law or otherwise with respect to any alleged violation of Environmental Law or Release of, or exposure to, any Hazardous Materials;

(c) there has been no Release of any Hazardous Material into the indoor or outdoor environment (whether on-site or off-site) arising from Sellers' operation of any Property in material violation of or in a manner or location that could reasonably be expected to require any remediation or other response actions which would reasonably be expected to result in Sellers incurring material Liabilities under Environmental Laws;

(d) to the Knowledge of Sellers, there is not now at, on, under or in any Property, any of the following: (i) aboveground or underground storage tanks; (ii) dry cleaning establishments or other business operations using chlorinated solvents in any capacity at any Store; (iii) PCBs; (iv) damaged and friable asbestos-containing materials, or (v) equipment

containing ozone-depleting refrigerants subject to Title VI of the Clean Air Act or 40 CFR Part 82;

(e) all aboveground storage tanks and underground storage tanks are in material compliance with Environmental Laws; and

(f) to the Knowledge of Sellers, Sellers have made available to Buyer complete and true copies of all material environmental reports, studies, investigations, regulatory compliance assessments, audits and material correspondence in its possession or reasonable control, with respect to each Property and the business and operations conducted at each Property and any of the Acquired Assets.

Section 3.15 Statement of Sales. As of the date hereof, the written sales figures provided to Buyer for the Stores, as referenced on Section 3.15 of the Disclosure Schedule, (a) are complete and correct in all material respects, (b) present fairly in all material respects the sales of each Store for the period specified and (c) have been prepared in good faith using substantially the same accounting methods, practices, principles, policies and procedures used in the preparation of such sales figures for prior periods in the Ordinary Course of Business, in each case, in all material respects.

Section 3.16 Insurance. All of Sellers' material policies of insurance by which the Acquired Assets are covered (the "Insurance Policies") are in full force and effect. All premiums due on such Insurance Policies have been paid or, if due and payable prior to the applicable Closing, will be paid prior to such Closing in accordance with the payment terms of such Insurance Policies. All such Insurance Policies are valid and binding in accordance with their terms and have not been subject to a lapse in coverage. Sellers have not received any written notice of cancellation or non-renewal of any such Insurance Policy. There are no material claims related to the Business pending under any such Insurance Policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights. No Seller is in default under, or has otherwise failed to comply with, in any material respect, any provision contained in any such Insurance Policy. The Insurance Policies are of the type and in the amounts customarily carried by Persons operating retail grocery stores comparable to the Stores, including fire and casualty insurance on all improvements to the Stores, sufficient in amount (subject to commercially reasonable deductibles that do not require self-insured retention) to cover the costs of replacing any such improvements of any Store that might be damaged or destroyed with like improvements.

Section 3.17 Intellectual Property.

(a) Section 3.17(a) of the Disclosure Schedule sets forth a list of (i) each item of Business Intellectual Property that is Registered (including the respective registration or application number and the record owner thereof) (the "Registered Business Intellectual Property") and (ii) each material Trademark related to the Business that is not Registered, including, without limitation, each material private label Trademark related to the Business. Each item of Registered Business Intellectual Property is subsisting (and, to the Knowledge of Sellers, no such fees or filings with respect to any material Registered Business Intellectual Property are due within ninety days after the date of the applicable Closing) and is, to Sellers'

Knowledge, valid and enforceable. No such item of Registered Business Intellectual Property, or any material Trademark related to the Business that is not Registered, is subject to any outstanding Order, judgment or Decree restricting its use by Sellers or adversely affecting the Sellers' rights thereto. Except as set forth on Section 3.17 (a) of the Disclosure Schedule, one of the Sellers owns or has valid rights to use each item of Registered Business Intellectual Property and each material Trademark related to the Business that is not Registered, free and clear from all Liens other than Permitted Liens, and no item of Registered Business Intellectual Property or material Trademark related to the Business that is not Registered is the subject of any exclusive outbound license of Intellectual Property.

(b) Except as set forth in Section 3.17(b) of the Disclosure Schedule or as could not reasonably be expected to result in Buyer incurring material liabilities under Intellectual Property Laws: (i) to the Knowledge of Sellers, the use of the Business Intellectual Property in the operation of the Business does not infringe, violate or misappropriate the Intellectual Property of any Person and (ii) no such claim for infringement, violation or misappropriation is pending or has been threatened in a written notice delivered to any Seller in the twelve (12) months prior to the date hereof.

(c) To the Knowledge of Sellers, except as set forth in Section 3.17(c) of the Disclosure Schedule or as would not have or reasonably be expected to have a Material Adverse Effect, no Person is infringing, violating, or misappropriating any of the Business Intellectual Property. No Seller has delivered written notice of any such claim for infringement, violation or misappropriation to any Person in the twelve (12) months prior to the date hereof.

Section 3.18 Data Security.

(a) As it pertains to the operation of the Business, each Seller complies in all material respects with the Payment Card Industry Data Security Standard and all applicable Laws, contracts and company policies governing the collection, sharing, processing, use, safeguarding and destruction of information regarding individuals in the possession or under the control of the Sellers and which relate to the Business, and has not received any written notice or claim alleging a misuse, breach or violation of the same. To the Knowledge of Sellers, within the past twelve (12) months there has been no material security breach of, unauthorized access to, or unauthorized acquisition of, any information regarding individuals or confidential business information in the possession or under the control of Sellers relating to the Business, or, to the Knowledge of Sellers, maintained by any third party service provider on behalf of Sellers and related to the Business.

(b) Each Seller has (i) a written information security policy (the "WISP"), (ii) a written business continuity plan, (the "BCP"), and (iii) a written incident response plan ("IRP"), and together with the WISP and the BCP, the "Data Security Policies"). Each Seller has provided a copy of its Data Security Policies which relate to the Business to the Buyer. To the Knowledge of Sellers, no Seller has collected, received, used or released (or allowed the release of) any data in violation of, and Seller has not otherwise violated, any of its Data Security Policies.

Section 3.19 No Other Representations or Warranties. Except for the representations and warranties contained in Article IV and in the certificate delivered to Sellers pursuant to Section 2.5(a)(i)(H), Section 2.5(b)(i)(F) and Section 2.5(c)(i)(D), Sellers acknowledge that neither Buyer nor any of its Representatives has made, and Sellers have not relied upon, any representation or warranty, whether express or implied, with respect to Buyer or any of Buyer's Subsidiaries or their respective businesses, affairs, assets, liabilities, financial condition, results of operations, future operating or financial results, estimates, projections, forecasts, plans or prospects (including the reasonableness of the assumptions underlying such estimates, projections, forecasts, plans or prospects) or with respect to the accuracy or completeness of any other information provided or made available to Sellers by or on behalf of Buyer.

ARTICLE IV BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to each Seller that the statements contained in this Article IV are true and correct.

Section 4.1 Organization of Buyer; Good Standing. Buyer is a corporation duly organized, validly existing, and in good standing under the Laws of the State of Ohio and has all requisite corporate power and authority to own, lease, and operate its assets and to carry on its business as now being conducted and is duly qualified or licensed to do business and is in good standing in each jurisdiction where the character of its business or the nature of its properties makes such qualification or licensing necessary, except where the failure to be so organized, existing, qualified or licensed, in good standing or to have such power and authority would not, individually or in the aggregate, prevent or materially impair or delay Buyer's ability to consummate the transactions contemplated hereby or perform its obligations hereunder on a timely basis.

Section 4.2 Authorization of Transaction. Buyer has full power and authority (including full corporate or other entity power and authority) to execute and deliver this Agreement, the Related Agreements and all other agreements contemplated hereby to which it is a party and to perform its obligations hereunder and thereunder. The execution, delivery, and performance of this Agreement, the Related Agreements and all other agreements contemplated hereby to which Buyer is a party have been duly authorized by Buyer. Upon due execution hereof and thereof, this Agreement, the Related Agreements and all other agreements contemplated hereby to which Buyer is a party (assuming in each case due authorization, execution and delivery by Sellers) shall constitute the valid and legally binding obligation of Buyer, enforceable against Buyer in accordance with their respective terms and conditions, subject to the Bankruptcy and Equity Exception.

Section 4.3 Noncontravention. Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in Article II) will (a) conflict with or result in a breach or violation of or default under the certificate of incorporation or bylaws, or other organizational documents, of Buyer, (b) conflict with, or result in any violation or breach of or default (with or without notice or lapse of time, or both) under any Law or Decree to which Buyer or its assets or

properties are, subject or (c) conflict with, result in a breach or violation of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under any Contract to which Buyer is a party or by which it is bound, except, in the case of either clause (b) or clause (c), for such conflicts, breaches, violations, defaults, accelerations, rights or failures to give notice as would not, individually or in the aggregate, prevent or materially impair or delay Buyer's ability to consummate the transactions contemplated hereby or perform its obligations hereunder on a timely basis. Subject to requisite Bankruptcy Court approval, as applicable, and other than the applicable requirements of the HSR Act, Buyer is not required to give any notice to, make any material filing with, or obtain any material Consent from any Person in order for the Parties to consummate the transactions contemplated by this Agreement or any Related Agreement.

Section 4.4 Litigation; Decrees. There is no Litigation pending or, to Buyer's Knowledge, threatened in writing that challenges the validity or enforceability of this Agreement or seeks to enjoin or prohibit consummation of the transactions contemplated hereby. Buyer is not subject to any outstanding Decree that would prevent or materially impair or delay Buyer's ability to consummate the transactions contemplated hereby or perform its obligations hereunder on a timely basis.

Section 4.5 Brokers' Fees. Buyer has not entered into any Contract to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which Sellers or any of their Affiliates could become liable or obligated to pay.

Section 4.6 Sufficient Funds; Adequate Assurances. Buyer has, and at each Closing will have, immediately available funds sufficient for the satisfaction of all of Buyer's obligations under this Agreement, including the payment of the portion of the Purchase Price allocable to such Closing and all fees, expenses of, and other amounts required to be paid by, Buyer in connection with the transactions contemplated hereby. Buyer is and shall be capable of satisfying the conditions contained in sections 365(b)(1)(C) and 365(f) of the Bankruptcy Code with respect to the Transferred Contracts and the related Assumed Liabilities.

PRE-CLOSING COVENANTS

The Parties agree as follows with respect to the period between the execution of this Agreement and each applicable Closing (except as otherwise expressly stated to apply to a different period, and solely with respect to the Acquired Assets not sold pursuant to prior Closings):

Section 5.1 Efforts; Cooperation; Permits.

(a) Efforts; Cooperation. Upon the terms and subject to the conditions set forth in this Agreement, each of the Parties shall use its commercially reasonable efforts (except as set forth in Section 5.1(b) or Section 5.3) to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper, or advisable to consummate and make effective, in the most expeditious manner reasonably practicable, the transactions contemplated hereby (including by giving, or causing to be given, any notices to, making any filings with, and using commercially reasonable

efforts to obtain any Consents of Governmental Authorities as are necessary and appropriate to consummate the transactions contemplated hereby). Subject to Section 5.1(b) and Section 5.3, without limiting the generality of the foregoing, (a) each Seller shall use its commercially reasonable efforts to cause the conditions set forth in Section 7.1 and Section 7.3 that are within its control or influence to be satisfied or fulfilled and (b) Buyer shall use its commercially reasonable efforts to cause the conditions set forth in Section 7.2 and Section 7.4 that are within its control or influence to be satisfied or fulfilled.

(b) Permits. If Buyer elects to obtain any Permits, Buyer shall (i) use commercially reasonable efforts to obtain all such Permits (including by giving, or causing to be given, any notices to, making any filings with, and using commercially reasonable efforts to obtain any Consents of Governmental Authorities as are reasonably necessary and appropriate to obtain such Permits) and shall diligently pursue such applications and filings to obtain such Permits and (ii) notify Sellers of such election and any assistance it may require from Sellers and Sellers shall use commercially reasonable efforts to assist Buyer in obtaining any such Permits. Sellers shall reasonably cooperate with Buyer and use their commercially reasonable efforts to provide any documents and/or information necessary to assist in obtaining such Permits and to execute such Consents or other papers as may reasonably be required. To the extent permitted by applicable Law and if requested by Buyer, Sellers shall, consistent with applicable Law, execute a power of attorney authorizing Buyer to operate using such Seller's Permits from and after such Closing Date and to execute and file, at Buyer's sole cost and expense, any documents or instruments (including fictitious name consents, which shall be withdrawn as soon as Buyer obtains its own Permits), required in order to permit Buyer to lawfully operate the applicable portion of the Business then owned by Buyer under such Sellers' Permits from and after such Closing Date in accordance with the foregoing, and with respect to liquor or spirits, with the consent of any Governmental Authority required. Buyer shall indemnify and hold Sellers harmless for any Liability arising out of, related to, or resulting from any of the foregoing, including the granting of the power of attorney, other than to the extent arising out of Sellers' fraud or willful misconduct. With respect to Permits relating to the sale of liquor, spirits and tobacco, if requested by Buyer, Sellers shall negotiate in good faith such alcoholic beverage management agreements with respect to the Stores, in form and substance reasonably satisfactory to Buyer and Sellers, as may be reasonably necessary, and shall assist Buyer in the preparation of Buyer's application for alcoholic beverage Permits and such other documentation as may be required by a Governmental Authority, for Buyer to operate the Stores under Sellers' Permits pending Buyer's receipt of such Permits.

Section 5.2 Conduct of the Business Pending each Closing.

(a) Except (i) as set forth on Section 5.2(a) of the Disclosure Schedule, (ii) as required by applicable Law or by order of the Bankruptcy Court, (iii) as required or contemplated by this Agreement or (iv) with the prior written consent of Buyer in its reasonable discretion, each Seller shall (A) conduct the Business only in the Ordinary Course of Business and (B) use commercially reasonable efforts to preserve the present relationships with employees of the Properties and vendors and suppliers of the Business. Without limiting the generality of the foregoing, each Seller agrees from the date of this Agreement until the applicable Closing to: (I) maintain customary hours of operation at the Properties except as a result of security concerns or as required by applicable Law; (II) exercise good faith in pricing merchandise in the

Properties in the Ordinary Course of Business, including not to increase such prices other than in the Ordinary Course of Business (including as consistent with Sellers' normal pricing strategy) and to maintain ordinary advertising and promotion practices (including reduced price promotions) with respect to the Business in the Ordinary Course of Business (provided, however, that Sellers may take the actions contemplated by Section 2.6(a) of the Disclosure Schedule with respect to the Excluded Inventory); (III) perform reasonably required repair and maintenance on the Properties and Furnishings and Equipment in the Ordinary Course of Business and as required by the Assumed Leases; (IV) subject to the limitations set forth in Section 5.2(b)(i), maintain staff levels at the Stores, including employees and store managers, in the Ordinary Course of Business; (V) maintain and preserve the Acquired Assets in their present condition (including by using their commercially reasonable efforts to renew any Permits constituting Acquired Assets that come up for renewal in the Ordinary Course of Business), other than reasonable wear and tear and sales of Inventory in the Ordinary Course of Business; (VI) except as provided on Section 5.2(a) of the Disclosure Schedule, maintain comparable levels and mix of Inventory located at the Stores consistent with historical levels and mix; (VII) not sell, assign, transfer, grant any security interest in or otherwise encumber or dispose of any Business Intellectual Property (other than in the Ordinary Course of Business); (VIII) not abandon, allow to lapse, disclaim or dedicate to the public, or fail to make any filings, pay any fee, or take any other action necessary to prosecute and maintain in full force and effect, or to maintain the ownership, validity and enforceability of any Registered Business Intellectual Property; and (IX) pay all material Taxes relating to the Business or the Acquired Assets as and when due (except as prohibited by the Bankruptcy Court).

(b) Except (i) as set forth on Section 5.2(b) of the Disclosure Schedule, (ii) as required by applicable Law or by order of the Bankruptcy Court, (iii) as required or contemplated by this Agreement or (iv) with the prior written consent of Buyer in its reasonable discretion, no Seller shall, solely as it relates to the Business:

(i) other than in the Ordinary Course of Business or as required by any Affected Labor Agreement or applicable Law, (w) increase the annual level of compensation of any employee of a Store, (x) increase the coverage or benefits with respect to any employee of a Store available under any (or create any new) Employee Benefit Plan, (y) other than as required by any Affected Labor Agreement or applicable Law, grant any unusual or extraordinary bonus, benefit or other direct or indirect compensation to any employee of a Store or (z) hire any employee or permit to be transferred to any Store any employee from the Other Stores or the Distribution Center;

(ii) introduce any material change with respect to the Business, including any material change in the types, nature, composition or quality of Inventory, or, other than in the Ordinary Course of Business, make any material change in Inventory or other product specifications or prices or terms of distributions of such Inventory or other products;

(iii) display any signs or conduct any advertising (including direct mailing, point-of-purchase coupons, or the like) that indicates such Seller is moving its operations to another location or that a Store will close;

(iv) conduct any “going out of business”, “close-out”, liquidation or similar sales or promotions at or relating to any Store;

(v) other than the sale of Inventory in the Ordinary Course of Business, sell, lease (as lessor), transfer (including the transfer from a Store to a non-acquired store), assign, convey or otherwise dispose of, or impose or suffer to be imposed any Lien (except for Permitted Liens and any Lien securing any debtor in possession loan facility or granted in an order authorizing use of cash collateral) on, any of the Acquired Assets;

(vi) enter into or renew any material Transferred Contract;

(vii) other than as may be necessary to separate the Excluded Assets from the Acquired Assets, amend, modify or supplement in a material manner or terminate any Transferred Contract, Permit (constituting an Acquired Asset) or any other Acquired Asset, waive, compromise or grant any release or relinquishment of any material rights or claims under any Transferred Contract, Permit (constituting an Acquired Asset) or any other Acquired Asset;

(viii) take any action that would reasonably be expected to result in any of the conditions set forth in Article VII not being satisfied;

(ix) grant any license to any Business Intellectual Property included in the Acquired Assets other than in the Ordinary Course of Business; or

(x) agree to do anything prohibited by this Section 5.2.

(c) Sellers shall notify Buyer in writing at least ten (10) Business Days prior to the expiration of any renewal option under any Assumed Lease and shall comply with Buyer’s written instructions regarding whether to exercise such renewal option.

Section 5.3 Regulatory Approvals. Prior to the Initial Closing:

(a) Each of the Parties shall, unless otherwise extended by mutual agreement, no later than five (5) Business Days following the execution of this Agreement, make, to the extent required under Antitrust Laws, its respective filing under the HSR Act with respect to the transactions contemplated hereby; the associated filing fees shall be paid by Buyer. In addition, the Parties shall mutually agree to make any and all other filings required pursuant to other Antitrust Laws as promptly as reasonably practicable following the date hereof. Further, subject to the terms and conditions of Section 5.3(c), Buyer and Sellers shall each use its reasonable best efforts to, as promptly as reasonably practicable, (i) supply any additional information and documentary material that reasonably may be requested or required pursuant to any Antitrust Law, including the HSR Act and (ii) cause the expiration or termination of any applicable waiting periods under the HSR Act or any other Antitrust Law. Immediately prior to the end of the initial fifteen (15) day HSR waiting period, Buyer shall pull and refile its filing under the HSR Act so as to re-start the Federal Trade Commission’s initial waiting period, unless (x) staff of the Federal Trade Commission notifies the Parties during the initial fifteen (15) day waiting period that it will allow the applicable HSR waiting period to expire without the need for

issuance of Requests for Additional Information and Documentary Material or (y) the Parties agree that Buyer shall not pull and refile its filing under the HSR Act. Buyer shall not, without prior written consent from Sellers, pull and refile its HSR filing more than one (1) time.

(b) In connection with seeking to obtain all requisite approvals and authorizations for the transactions contemplated by this Agreement under any Antitrust Law, the Parties shall use their reasonable best efforts to take, or cause to be taken, and do, or cause to be done, all things necessary, proper or advisable under applicable Law to obtain all regulatory approvals required to consummate the transactions contemplated by this Agreement, to satisfy all conditions to its obligations hereunder, and to cause the Closings to be effected as soon as practicable, but in any event on or prior to the Outside Date, in accordance with the terms hereof, including (i) cooperating with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party; (ii) as promptly as reasonably practicable after the date hereof, jointly contacting and meeting with the staff of the Federal Trade Commission regarding the transactions contemplated hereby; (iii) keeping each other informed in all material respects of any material communication received from any Governmental Authority, providing each Party with a reasonable opportunity to review in advance and propose comments on any material communication to be given to any Governmental Authority, such comments to be considered in good faith, and keeping each other informed of any material communication received or given in connection with any proceeding by a private party, in each case, regarding any of the transactions contemplated hereby; and (iv) permitting the other Party to review any material communication given to it, and consulting with the other Party in advance of any meeting or conference with, any Governmental Authority, including in connection with any proceeding by a private party, and, unless prohibited by an applicable Governmental Authority, providing the opportunity to attend or participate in such meeting, conference, or proceeding. The foregoing obligations in this Section 5.3(b) shall be subject to any attorney-client, work product, or other privilege. The Parties expect their outside counsel to enter into a written joint defense agreement or common interest agreement to facilitate the exchange of such privileged materials without waiving any such privilege. Notwithstanding anything to the contrary in this Section 5.3(b) or in this Agreement, however, Sellers shall be permitted to communicate privately with any Governmental Authority regarding Sellers' financial condition and matters relating to competing bidders for Sellers' Stores, and Buyer and Buyer's outside counsel shall not have the right to attend or participate in such meetings, conferences, or proceedings, and shall not have access to material prepared by Sellers relating to such matters.

(c) Each of Buyer and Sellers shall use its reasonable best efforts to resolve such objections, if any, as may be asserted by any Governmental Authority with respect to the transactions under Antitrust Laws and to take such action as may be required to cause the expiration of the notice periods under the HSR Act or other Antitrust Laws with respect to the transactions as promptly as possible after the execution of this Agreement; provided, that the foregoing shall not be deemed to require Buyer or any of its Affiliates to (i) commit to or effect, by Decree, hold separate orders, trust or otherwise the sale or disposition of such of its assets or businesses as are required to be divested, (ii) commit to and implement any restrictions or actions that after the Closing Date would limit the freedom of Buyer or its Affiliates with respect to, or their ability to retain, one or more of Buyer's or its Affiliates' businesses or assets or (iii) commit

to, or take or refrain from taking, any action that would reasonably be expected to have a material adverse effect on Buyer or any of its Affiliates, when taken as a whole.

Section 5.4 Bankruptcy Court Matters.

(a) Approval of Break-Up Fee and Expense Reimbursement. Subject to the approval of the Bankruptcy Court, in the event that this Agreement is terminated pursuant to Section 8.1(b)(ii), Section 8.1(d), Section 8.1(g), Section 8.1(i), Section 8.1(j)(i) or Section 8.1(k) and an Alternative Transaction is consummated by Sellers, in consideration for Buyer having expended considerable time and expense in connection with this Agreement and the negotiation thereof and the identification and quantification of assets of Sellers, Sellers shall pay Buyer, in accordance with the terms hereof (including Article VIII) and the Bidding Procedures Order, a break-up fee in an amount equal to (i) three percent (3%) of the Base Purchase Price as may be reduced to account for any reductions pursuant to Section 5.12 and Section 8.3 (the “Break-Up Fee”), *plus* (ii) up to \$500,000 of the actual, reasonable and documented expenses of Buyer incurred following April 7, 2017 in connection with the negotiation, execution and preparation for the consummation of the transactions contemplated by this Agreement (such expense reimbursement, together with the Break-Up Fee, the “Termination Payment”) by wire transfer of immediately available funds to the account specified by Buyer to Sellers in writing. The Termination Payment shall be paid on the first Business Day following the date of consummation of an Alternative Transaction from the proceeds (if any) of such Alternative Transaction if no material breach by Buyer of this Agreement has occurred. Nothing in this Section 5.4 shall relieve Buyer or Sellers of any Liability for a breach of this Agreement prior to the date of termination; provided, that except in the case of fraud or willful misconduct, Buyer’s Liability hereunder for any and all such breaches shall be capped as provided for under Section 8.2. Except as set forth in the immediately preceding sentence, upon payment of the Termination Payment to Buyer solely as a result of the consummation of an Alternative Transaction in accordance with the terms of this Agreement, Sellers and their respective Representatives and Affiliates, on the one hand, and Buyer and its Representatives and Affiliates, on the other, will be deemed to have fully released and discharged each other from any Liability resulting from the termination of this Agreement and neither Sellers, their Representatives or Affiliates, on the one hand, nor Buyer, its Representatives or Affiliates, on the other hand, or any other Person will have any other remedy or cause of action under or relating to this Agreement or any applicable Law, including for reimbursement of expenses. Buyer acknowledges and agrees that, except in the case of fraud or willful misconduct, payment and delivery of the Termination Payment pursuant to this Section 5.4(a) will constitute liquidated damages and be the sole and exclusive remedy of Buyer, and its Representatives and Affiliates, whether at Law or in equity, and upon the payment and delivery thereof to Buyer, Buyer and its Representatives and Affiliates will be deemed to have fully released and discharged Sellers and their respective Representatives and Affiliates from any Liability resulting from the termination of this Agreement.

(b) No Solicitation. This Agreement is subject to approval by the Bankruptcy Court and the consideration by Sellers of higher and/or better competing bids in respect of all of the Acquired Assets or separate bids with respect to any of the Acquired Assets that, when taken together, constitute a higher or better bid (any such competing bid or combination of bids, a “Competing Bid”). From the date hereof until the entry of the Bidding Procedures Order, (i) Sellers shall, and shall instruct and direct their Representatives to, immediately cease and

terminate any ongoing solicitation, discussions and negotiations with respect to any Alternative Transaction and (ii) Sellers shall not, and shall not permit or cause their Representatives and Affiliates to, initiate contact with, solicit or encourage submission of any inquiries, proposals or offers by, or provide any non-public information to, any Person (in addition to Buyer, and its Affiliates and Representatives) in connection with any Alternative Transaction; provided, however, that Sellers and their Representatives shall have the authority to respond to any inquiries or offers to purchase all or any part of the Acquired Assets, including supplying information relating to the Business and any and all other assets of Sellers to prospective purchasers. Following the entry of the Bidding Procedures Order, the foregoing restrictions shall cease, and Sellers may market and pursue a Competing Bid or other Alternative Transaction (it being agreed and understood that bidders shall be permitted to bid separately for any of the Stores (and, in each case, together with any related assets)) and may perform any and all acts related thereto subject to and in accordance with the Bankruptcy Code, the Bidding Procedures Order and any other applicable Law.

(c) Bankruptcy Court Filings.

(i) Subject in all respects to the Bankruptcy Milestones set forth in Section 5.4(e), following the execution of this Agreement and the Petition Date, Sellers shall file with the Bankruptcy Court a motion seeking entry of the Bidding Procedures Order (which shall, among other things, approve and authorize payment of the Termination Payment in accordance with this Section 5.4) and the Sale Order. Buyer agrees that it will promptly furnish such affidavits or other documents or information for filing with the Bankruptcy Court as are reasonably requested by Sellers to assist Sellers in obtaining entry of the Bidding Procedures Order and Sale Order, including a finding of adequate assurance of future performance by Buyer with respect to the Transferred Contracts. Sellers shall provide Buyer with advance drafts of any motions, pleadings or Bankruptcy Court filings relating to the Bidding Procedures Order, the sale of the Acquired Assets, or the Sale Order to the extent practicable, two (2) Business Days, or otherwise, as soon as reasonably practicable, prior to the date Sellers intend to file such motion, pleading or Bankruptcy Court filing. Buyer may file or join in any motion, pleading or Bankruptcy Court filing in support or seeking approval of, and reply to any response or objection to, the Bidding Procedures Order (including the bidding procedures set forth therein), the sale of the Acquired Assets hereunder, and the Sale Order. In the event the entry of the Bidding Procedures Order shall be appealed, Sellers and Buyer shall use their respective commercially reasonable efforts to defend such appeal.

(ii) Subject in all respects to the Bankruptcy Milestones set forth in Section 5.4(e), Sellers shall promptly file such motions or pleadings as may be appropriate or necessary to assume and assign the Transferred Contracts and to determine and resolve, if necessary, the amount of the Cure Costs; provided, that subject to Section 5.9, nothing herein shall preclude Sellers from filing such motions, including from and after the Petition Date, to reject any Contracts that are not Transferred Contracts.

(d) Sale Order. Subject in all respects to the Bankruptcy Milestones set forth in Section 5.4(e), provided Buyer is selected as the winning bidder in respect of the Acquired Assets at the Auction, Sellers shall seek entry of the Sale Order and any other necessary orders to close the sale by the Bankruptcy Court as soon as reasonably practicable following the closing of the Auction in accordance with the terms and conditions hereof, and Sellers shall provide notice of the Sale Order to all Persons necessary to provide Buyer with the benefits and protections set forth in the Sale Order (including notice to all applicable Tax authorities). Buyer and Sellers understand and agree that the transaction is subject to approval by the Bankruptcy Court. Buyer agrees that it will promptly take such actions as are reasonably requested by Sellers to assist in obtaining entry of the Sale Order. In the event the entry of the Sale Order shall be appealed, Sellers shall use commercially reasonable efforts to defend such appeal.

(e) Bankruptcy Milestones. In addition to the conditions set forth in Section 7.1 and Section 7.3, Buyer's obligations to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction or occurrence of the following milestones (collectively, the "Bankruptcy Milestones"):

(i) on or before June 5, 2017, the Bankruptcy Court shall have entered the Bidding Procedures Order;

(ii) on or before July 11, 2017, the Bankruptcy Court shall have entered the Sale Order;

(iii) on or before May 15, 2017, Sellers shall have filed a motion with the Bankruptcy Court seeking approval of post-petition debtor-in-possession financing ("DIP Financing") in an amount and on terms that Buyer reasonably determines are reasonably sufficient to demonstrate that the Sellers have sufficient liquidity and the financial wherewithal to operate the Stores through the applicable Closing and otherwise comply with its obligations under this Agreement;

(iv) on or before May 22, 2017, Sellers shall have obtained an Order of the Bankruptcy Court approving the DIP Financing on an interim basis;

(v) on or before June 9, 2017, Sellers shall have obtained an Order of the Bankruptcy Court approving the DIP Financing on a final basis (the "Final DIP Order"); and

(vi) The Final DIP Order shall not have been stayed or reversed on appeal.

(f) Back-Up Bidder. For the avoidance of doubt, in no event shall Buyer be required to consummate the transactions contemplated hereby or to serve as a back-up bidder if Buyer is not the winning bidder at the Auction, unless Buyer in its sole discretion otherwise agrees.

Section 5.5 Notice of Developments. Each Seller and Buyer will give prompt written notice to the other Party of (a) the existence of any fact or circumstance, or the

occurrence of any action or event, of which it has Knowledge that has caused, or would reasonably be likely to cause, a condition to a Party's obligations to consummate the transactions contemplated hereby set forth in Article VII not to be timely satisfied, or (b) the receipt of any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement. Without limiting the foregoing, Sellers shall also give Buyer prompt written notice of any Casualty / Condemnation Event. The delivery of any notice pursuant to this Section 5.5 shall not have any effect on the representations, warranties, covenants and agreements contained in this Agreement for purposes of determining satisfaction of any condition herein and shall not be deemed to amend or supplement this Agreement. The failure to deliver any such notice shall not constitute a waiver of any right or condition to the consummation of the transactions contemplated hereby by any Party.

Section 5.6 Access; No Contact.

(a) Upon the reasonable request of Buyer and to the extent not otherwise prohibited by applicable Law, Sellers will permit Buyer and its Representatives to have, upon reasonable advance written notice, reasonable access to all premises, properties (including access to conduct environmental site assessments), books and records, Permits and Transferred Contracts included in the Acquired Assets during normal business hours, and in a manner so as not to interfere unreasonably with the normal business operations of any Seller; provided, however, that for avoidance of doubt, (i) the foregoing shall not require any Person to waive, or take any action with the effect of waiving, its attorney-client privilege with respect thereto and (ii) Buyer and its Representatives shall not conduct any intrusive investigations, including any sampling or testing, of environmental media such as soil or groundwater. No such access or examination, whether occurring prior to or after the date of this Agreement, shall diminish or obviate any of the representations, warranties, covenants or agreements of Sellers contained in this Agreement or the Related Agreements. Without limiting the foregoing, from and after the entry of the Sale Order, and subject to entry by Buyer into a single customary access agreement with Sellers on terms reasonably satisfactory to Buyer and Sellers, Sellers shall reasonably cooperate with Buyer and use their commercially reasonable efforts to provide access to the Stores to facilitate the timely conversion of the Stores, including to permit Buyer or its Representatives to take the actions on the Properties set forth on Section 5.6(a) of the Disclosure Schedule; provided, that (A) such access shall not interfere with the normal business operations of any Seller and (B) Sellers may, at their sole discretion, chaperone any such visits to the Stores prior to the applicable Closing.

(b) Prior to the applicable Closing, except as set forth in this Section 5.6(b), Buyer shall not, and shall cause its Representatives not to, contact any landlords, vendors, suppliers or licensors of any Seller in connection with or pertaining to any subject matter of this Agreement except with the prior written consent of each Seller, provided, however, that from and after the date of this Agreement, Buyer shall have the right to pursue Contracts with Sellers' operators relating to In-Store Operations Leases, and in furtherance thereof, Sellers shall (i) upon Buyer's request, provide Buyer with any names of the appropriate contacts necessary to allow Buyer to pursue such Contracts, (ii) not object to Buyer entering into any such Contract to the extent such Contract takes effect on or after the applicable Closing to which such Contract relates and (iii) if necessary, waive any exclusivity provisions in Sellers' Contracts relating thereto.

Section 5.7 Bulk Transfer Laws. Buyer acknowledges that Sellers will not comply with the provisions of any bulk transfer Laws or similar Laws of any jurisdiction in connection with the transactions contemplated by this Agreement, including the United Nations Convention on the Sale of Goods, and hereby waives all claims related to the non-compliance therewith.

Section 5.8 Replacement Bonding Requirements. Buyer shall use commercially reasonable efforts to cause itself or one or more of its Affiliates to provide replacement guarantees, standby letters of credit or other assurances of payment with respect to all Bonding Requirements set forth on Section 3.11(b) and Section 3.13(c) of the Disclosure Schedule, in form and substance reasonably satisfactory to Sellers and any banks or other counterparty thereto and cooperate with Sellers to obtain a release in form and substance reasonably satisfactory to Buyer and Sellers with respect to all such Bonding Requirements. To the extent Buyer is unable to make such arrangements with respect to such Bonding Requirements as of the applicable Closing Date, Buyer shall (a) use commercially reasonable efforts to effect such arrangements as soon as practicable after the applicable Closing Date, but in any event with six (6) months thereof and (b) promptly reimburse and indemnify, defend and hold harmless Sellers with respect to any such Bonding Requirements.

Section 5.9 Assumption and Assignment of Transferred Contracts; Cure Costs.

(a) Section 5.9 of the Disclosure Schedule contains a list of those Contracts (including specified Leases set forth on Section 3.5(a) and Section 3.10(b) of the Disclosure Schedule) to be assumed and assigned to Buyer on the applicable Closing Date (collectively, the “Transferred Contracts”). From and after the date of this Agreement until the Initial Closing Date, such Schedule of Transferred Contracts may be supplemented with additional Contracts as provided in Section 2.12. At Buyer’s reasonable request, Sellers shall make reasonably available to Buyer the appropriate employees of Sellers necessary to discuss the outstanding Contracts to which any Seller or any of its Affiliates is a party that primarily relates to the Business or any Store or any of the Acquired Assets or is otherwise material to the Business.

(b) As soon as practicable after entry of the Bidding Procedures Order, Sellers shall file a notice of assumption (the “Assumption Notice”) with the Bankruptcy Court and shall serve such notice via first class mail on each counterparty to a Contract listed thereon. The Assumption Notice shall identify all Contracts of Sellers primarily related to the Acquired Assets that Sellers believe may be assumed and assigned in connection with the sale of the Acquired Assets and set forth a good faith estimate of the amount of the Cure Costs applicable to each such Contract (and if no Cure Cost is estimated to be applicable with respect to any particular Contract, the amount of such Cure Cost designated for such Contract shall be “\$0.00”).

(c) The Cure Costs necessary to cure all defaults, if any, and to pay all actual or pecuniary losses that have resulted from such defaults under the Assumed Leases shall be paid by Sellers, on or before the applicable Closing and not by Buyer, and Buyer shall have no liability therefor. The Cure Costs necessary to cure all defaults, if any, and to pay all actual or pecuniary losses that have resulted from such defaults under the Transferred Contracts other than the Assumed Leases, shall be paid by (i) Sellers until such time as all Cure Costs incurred by

Sellers with respect to Transferred Contracts other than the Assumed Leases equal the Sellers' Cure Cost Cap and (ii) thereafter, by Buyer, in each case, on or before the applicable Closing.

(d) Notwithstanding anything in this Agreement to the contrary, from and after the date hereof through each applicable Closing, Sellers will not reject or take any action (or fail to take any action that would result in rejection by operation of Law) to reject, repudiate or disclaim any Contract primarily related to the Acquired Assets without the prior written consent of Buyer.

(e) Notwithstanding anything in this Agreement to the contrary, Buyer shall have no obligation to purchase, acquire or assume any Transferred Contract (or any Liabilities thereunder) if a true and complete copy of such Contract has not been made available by Sellers to Buyer in accordance with Section 3.11.

Section 5.10 Confidentiality. From the date of this Agreement to the final Closing Date, each Party shall keep confidential and not make any public announcement or similar publicity concerning this Agreement, the transactions contemplated herein or the details relating thereto, without first obtaining the prior written consent of the other Parties; provided, however, that nothing contained herein shall prohibit (i) disclosures required by the Bankruptcy Cases, (ii) disclosures required by applicable Law, or (iii) any Party from making any public announcement following reasonable notice to the other Parties if such Party determines in good faith, on the advice of legal counsel, that such public disclosure is required by applicable Law, in which case the Parties shall use commercially reasonable efforts to coordinate in determining the appropriate form and scope of such disclosure.

Section 5.11 Reporting. From the date of this Agreement until the final Closing, Sellers shall deliver to Buyer (i) quarterly profit and loss statements, no later than ten (10) Business Days after the quarter then ended, (ii) with respect to each Store not yet acquired, monthly sales figures which, for the avoidance of doubt, shall not include changes to Inventory levels and (iii) with respect to each Store which has not yet been acquired by Buyer, standard operating reports, which set forth weekly sales and profitability data. In the case of deliveries contemplated in clauses (ii) and (iii) above, each report shall be prepared in substantially the same form as prepared by Sellers prior to the date hereof and delivered no later than five (5) Business Days after the week or month then ended, as applicable, together with such supporting documentation as Buyer may reasonably request.

Section 5.12 Title to Owned Real Property.

(a) No later than five (5) days following the execution of this Agreement, Buyer shall order, at Buyer's expense, a title report or title commitment(s) (the "Title Commitment") from a title insurance company authorized to do business in the state of in which each Owned Real Property is located. Not later than five (5) days from the date the Buyer receives the Title Commitment and legible copies of all exceptions identified in the Title Commitment, Buyer shall give a copy of the Title Commitment to the Seller, along with a written notice specifying any title defect, encumbrance, lien or encroachment, to which Buyer objects that does not constitute a Permitted Lien (such defect or encumbrance hereinafter referred to as an "Objection" or the "Objections"). Seller shall have no obligation to remedy or

cure any Objection but shall, in good faith, reply to Buyer's Objections within three (3) Business Days following receipt of the Objections. Buyer shall have the right, at Buyer's sole cost and expense, to purchase title insurance; provided, however, that the availability of title insurance is not a condition to this Agreement. Any matter disclosed in the Title Commitment and not identified as an Objection within the time frame set forth above for Buyer to provide Objections shall be deemed a Permitted Lien.

(b) In the event that Seller has not removed the Objection with respect to an Owned Real Property as of the Closing Date, then Buyer shall have the right by written notice to Seller prior to the Closing Date (the "Removal Notice") to cause such Owned Real Property to be removed from this Agreement and to treat such Store and related Acquired Assets as an Excluded Asset and the Purchase Price shall be reduced by the amount allocated to such Owned Real Property under this Agreement; provided, however, that the Deposit Amount shall not be reduced accordingly.

(c) Buyer's failure to deliver to Seller the Removal Notice shall be deemed a waiver by the Buyer, of any and all matters and Objections which have not been so cured by the Seller or agreed to be cured by the Seller on or before the Closing Date, and all such Objections so waived shall thereafter constitute Permitted Liens. The acceptance of the Deed with respect to any Owned Real Property by Buyer shall be deemed to be a full performance and discharge of every agreement and obligation on the part of the Seller to be performed pursuant to the provisions of this Agreement, except those, if any, which are herein specifically stated to survive the delivery of the Deed. Nothing contained herein shall require Seller to bring any action or proceeding or otherwise to incur any expense to correct title defects or to remove, remedy or comply with such other grounds.

Section 5.13 Gift Cards. Not more than three (3) days following either (x) if the Buyer's Stalking Horse Bid is the only Qualified Bid received by Sellers by the Bid Deadline, the Bid Deadline or (y) if there is more than one Qualified Bid received by the Sellers by the Bid Deadline, after the conclusion of the Auction, Sellers shall (a) provide notice to its customers that, effective on August 1, 2017 (the "Gift Card End Date"), each of the Stores shall cease to accept any proprietary gift cards issued by Sellers for use at the Stores ("Gift Cards") and (b) cease issuing Gift Cards for use at the Stores. Unless agreed otherwise in writing by Buyer, Sellers shall cease to accept the Gift Cards at the Stores on and after the Gift Card End Date (it being agreed and understood that nothing herein shall restrict Sellers from accepting the Gift Cards at the Other Stores at any time).

ARTICLE VI OTHER COVENANTS

The Parties agree as follows with respect to the period from and after any Closing:

Section 6.1 Further Assurances. In case at any time after any Closing any further action is necessary to carry out the purposes of this Agreement, each of the Parties will, at the requesting Party's sole cost and expense, take such further action (including the execution and delivery of such other reasonable instruments of sale, transfer, conveyance, assignment, assumption and confirmation, providing materials and information) as the other Party may

reasonably request which actions shall be reasonably necessary to transfer, convey or assign to Buyer all of the Acquired Assets or to confirm Buyer's assumption of the Assumed Liabilities. Promptly following receipt thereof, from and after the Initial Closing, Buyer shall remit to Sellers any amounts received by Buyer or any of its Affiliates related to any of Sellers' accounts receivables or other amounts received in receipt of any other Excluded Asset. Promptly following receipt thereof, from and after the Initial Closing, Sellers shall remit to Buyer any amounts received by Sellers or any of their respective Affiliates related to any of Buyer's accounts receivables or other amounts received in receipt of any other Acquired Asset.

Section 6.2 Access; Enforcement; Record Retention. From and after any Closing, upon the written request by any Seller, Buyer will permit Sellers and their Representatives to have reasonable access during normal business hours, and in a manner so as not to interfere unreasonably with the normal business operations of Buyer, to all premises, properties, personnel, books and records, and Contracts of or related to the Acquired Assets or the Assumed Liabilities for the purposes of (a) preparing Tax Returns, (b) monitoring or enforcing rights or obligations of any Seller under this Agreement or any of the Related Agreements, or (c) complying with the requirements of any Governmental Authority; provided, however, that, for avoidance of doubt, the foregoing shall not require Buyer to take any such action if (i) such action may result in a waiver or breach of any attorney/client privilege, (ii) such action could reasonably be expected to result in violation of applicable Law, or (iii) providing such access or information would be reasonably expected to be disruptive to its normal business operations. Buyer agrees to maintain the files or records which are contemplated by the first sentence of this Section 6.2 in a manner consistent in all material respects with its document retention and destruction policies, as in effect from time to time, for six (6) years following the applicable Closing.

Section 6.3 Treatment of Affected Labor Agreements. With respect to Covered Employees under an Affected Labor Agreement, Buyer shall engage in good faith negotiations, to (a) reach satisfactory amendments, acceptable to Buyer in its sole discretion, to the relevant Affected Labor Agreements with each of the Affected Unions representing Covered Employees or (b) accrete the Covered Employees into Buyer's pre-existing collective bargaining agreements prior to any Closing (such amended Affected Labor Agreements or Buyer's pre-existing collective bargaining agreements collectively, the "Modified Labor Agreements"). For all purposes under this Section 6.3, Buyer acknowledges the requirements of sections 1113 and 1114 of the Bankruptcy Code and agrees to use good faith reasonable best efforts to cooperate with Sellers in ensuring compliance with any applicable provisions thereof. It is expressly agreed and understood that neither Buyer, on the one hand, nor any Seller, on the other hand, has any right, power or authority to control, direct or regulate the labor relations and human resources policies and procedures of the other, that neither is deemed to constitute the agent or representative of the other, and that neither is liable in any manner whatsoever for the acts or omissions of the other, its agents, representatives or employees.

Section 6.4 Covered Employees.

(a) Offer of Employment. As promptly as practicable following the date hereof (and in any event no later than one (1) day following the date of the commencement of the Auction), Sellers shall provide Buyer with a list of all Covered Employees including their current

base wage and hourly rate, incentive bonus opportunities, and other material compensation terms, and with respect to each Covered Employee, his or her name, address, position/employment occupation classification, status as full-time or part-time, date of hire, union affiliation, status as active or on leave (and if on leave, the nature of the leave and the anticipated date of return), status as exempt or non-exempt for purposes of federal and state overtime pay requirements. Effective as of the applicable Closing Date and contingent upon the applicable Closing, Buyer shall, subject to Buyer's right to conduct interviews, background checks and drug tests on Covered Employees who are not union represented, make offers of employment to substantially all of the Covered Employees who are then employed at the Properties to be acquired in such Closing. Such offers of employment shall be made on such terms and conditions that, in the sole discretion of Buyer, are comparable to those of similarly situated employees of Buyer or its Affiliates, as adjusted for the differences between local markets and applicable Law; provided that offers of employment made to Covered Employees who are union represented shall be consistent with the applicable Modified Labor Agreement. Notwithstanding the foregoing, nothing herein shall be construed as to prevent Buyer from terminating the employment of any Covered Employee, consistent with applicable Law and the applicable Modified Labor Agreements, at any time following the Initial Closing or any subsequent Closing, as applicable.

(b) Service Credit. Each Covered Employee shall be given credit for all service with Sellers, and their respective predecessors under any employee benefit plans or arrangements of Buyer and its Affiliates maintained by Buyer or its Affiliates in which such Covered Employees participate following the applicable Closing Date, for purposes of eligibility and vesting (but, except as required by a Modified Labor Agreement, not for entitlement to benefits). Notwithstanding the foregoing, nothing in this Section 6.4(b) shall be construed to require crediting of service that would result in a duplication of benefits.

(c) Waiver of Pre-Existing Conditions. No later than the applicable Closing Date, Buyer or its Affiliates shall provide at its own expense for Covered Employees who are not union represented and who were on Sellers' benefit plans immediately prior to the applicable Closing access to Buyer's currently established benefit plans under the terms and conditions of those plans. Buyer or its Affiliates shall cause the waiver of all limitations as to pre-existing conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to such Covered Employees who are not union represented under any such welfare benefit plans to the extent that such conditions, exclusions or waiting periods would not apply under the Employee Benefit Plans.

(d) 401(k) Plan Rollovers. Buyer agrees to cause the Buyer's 401(k) plan to accept a "direct rollover" to Buyer's 401(k) plan of each Covered Employee's account balances (including promissory notes evidencing all outstanding loans, to the extent commercially practicable) under Sellers' 401(k) plans if such rollover is elected in accordance with applicable Law by such Covered Employee.

(e) Welfare Benefit Claims; COBRA. On the applicable Closing Date, Sellers shall cease to provide welfare coverage to each Covered Employee and his or her covered dependents, and Buyer or its Affiliates shall commence providing such coverage to such individuals, provided that such individuals were covered by Sellers' plans immediately prior to

the applicable Closing. Sellers shall be responsible in accordance with its applicable welfare plans in effect prior to the applicable Closing Date for all reimbursement claims (such as medical and dental claims) for expenses incurred, and for all non-reimbursement claims (such as life insurance claims) incurred, under Sellers' Employee Benefit Plans that are welfare benefit plans prior to the applicable Closing Date by the Covered Employees and their dependents. Buyer or its Affiliates shall be responsible in accordance with the applicable welfare plans of Buyer or its Affiliates for all reimbursement claims (such as medical and dental claims) for expenses incurred, and for all non-reimbursement claims (such as life insurance claims) incurred, on or after the applicable Closing Date (or the date of commencement of employment with Buyer, if later) by Covered Employees and their dependents. For purposes of this Section 6.4(e), a claim shall be deemed to have been incurred as follows: (i) for health, dental and prescription drug benefits, upon provision of such services, and (ii) for life, accidental death and dismemberment and business travel accident insurance benefits, upon the death, disability or accident giving rise to such benefits. Sellers shall provide coverage required by the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") under Sellers' Employee Benefit Plans that are group health plans with respect to qualifying events occurring prior to the applicable Closing Date. Buyer and its Affiliates shall provide coverage required by COBRA to Covered Employees and their eligible dependents or beneficiaries under Buyer's group health plans with respect to qualifying events occurring on and after the applicable Closing Date.

(f) No Third Party Beneficiary Rights. The Parties agree that nothing in this Section 6.4, whether express or implied, is intended to create any third party beneficiary rights in any Covered Employee.

(g) Cooperation. After the applicable Closing Date, Buyer shall, and shall cause its Affiliates to, cooperate with Sellers to provide such current information regarding the Covered Employees on an ongoing basis as may be necessary to facilitate determinations of eligibility for, and payments of benefits to, the Covered Employees under any applicable employee benefit that continues to be maintained by Sellers or their Affiliates. Buyer shall, and shall cause its Affiliates to, permit Covered Employees to provide such assistance to Sellers as may be required in respect of claims against Sellers or their Affiliates, whether asserted or threatened, to the extent that, in Sellers' opinion, (i) a Covered Employee has knowledge of relevant facts or issues, or (ii) a Covered Employee's assistance is reasonably necessary in respect of any such claim.

(h) Access to Employees. From and after the date of the Auction, Buyer and/or its Representatives may meet and otherwise communicate with employees of Sellers at each of the Stores, upon prior written notice to Sellers (in a manner so as not to interfere unreasonably with the normal business operations of any Seller) in order to discuss the impact of the pending transaction and Buyer's intentions with respect to Sellers' employees at the Stores in the event Buyer is successful in acquiring any or all of the Stores, and to interview and offer employment pursuant to the terms of this Section 6.4 to Sellers' employees at the Stores. Sellers may elect to have Representatives present during such communications, and Buyer shall provide Sellers with copies of written communications to such employees at least at least two (2) Business Days prior to distribution thereof to such employees; Buyer shall consider any comments from Sellers in good faith. Notwithstanding the foregoing, (i) commencing not later than five (5) Business Days from the date of this Agreement, Buyer shall be permitted to

introduce itself to the employees of the Properties at in-person meetings, and attend additional in-person meetings with employees of the Properties following the initial meetings, in each case, in the presence of Representatives of the Sellers at such locations and times as are mutually agreed by the Parties (such agreement not to be unreasonably withheld, delayed or conditioned) and (ii) Buyer and Sellers shall cooperate in good faith in developing and implementing an employee communication plan pursuant to which one or more written communications about the Buyer, the transactions contemplated hereby and Buyer's plans or intentions with respect to the future operation of the stores will, from time to time, be distributed to employees and pursuant to which meetings of Buyer with employees of the Stores may be scheduled.

(i) Notwithstanding anything to the contrary in this Section 6.4, prior to the entry of the Sale Order, Buyer shall not engage in any solicited communication with any employees of the Stores without Sellers' prior consent (not to be unreasonably withheld), it being understood that Sellers shall not be required to be present for any interviews of employees, and the Parties acknowledge and agree to reasonably cooperate with each other with respect to such communication.

Section 6.5 Certain Tax Matters.

(a) Transfer Taxes. All stamp, documentary, filing, recording, registration, sales, use, transfer, added-value or similar non-income Taxes, fees or governmental charges imposed under applicable Law in connection with the transactions contemplated hereby (a "Transfer Tax") shall be borne equally between Buyer, on the one hand, and Sellers, on the other hand. The Party that is required by applicable Law to file any Tax Returns in connection with Transfer Taxes shall prepare and timely file such Tax Returns; provided, however, that the other Parties shall be entitled to receive such Tax Returns and other documentation reasonably in advance of filing by such preparing Party, but not less than ten (10) Business Days prior to the due date of such Tax Returns, and such Tax Returns and other documentation shall be subject to the other Parties' approval, which shall not be unreasonably withheld, delayed, or conditioned. The Parties hereto shall cooperate to permit the filing Party to prepare and timely file any such Tax Returns and shall provide each other with any applicable exemption certificates.

(b) Change of Ownership and Address. From and after the applicable Closing Date, Buyer agrees to use commercially reasonable efforts to take such actions as are reasonably necessary to notify applicable federal, state, and local Governmental Authorities of the change of ownership and address to which all such Tax statements and related information should be mailed to ensure Buyer's receipt thereof.

Section 6.6 Insurance Matters.

(a) Except for (i) the insurance rights to insurance proceeds provided in paragraph (o) in the definition of "Acquired Assets" or (ii) as provided in Section 6.6(b), Buyer acknowledges that, upon the applicable Closing, all insurance coverage provided in relation to Sellers, the Stores, or the Acquired Assets transferred in such Closing that is maintained by any Seller or its Affiliates (whether such policies are maintained with third party insurers or with such Seller or its Affiliates) shall cease to provide any coverage to Buyer, the Stores, or the

Acquired Assets transferred in such Closing and no further coverage shall be available to Buyer, the Stores, or such Acquired Assets under any such policies.

(b) Notwithstanding anything to the contrary in this Agreement, Sellers shall use commercially reasonable efforts to: (x)(i) assign, to the extent assignable, to Buyer the right, power and authority to make directly to the insurer any request for payment under the Insurance Policies relating to any Assumed Liability or the Acquired Assets, or (ii) to the extent Sellers are unable to make such assignment, cooperate with Buyer in filing any claims under the Insurance Policies and in the collection of proceeds therefrom, including, where permitted by law and the applicable Insurance Policies, transferring to Buyer the right to pursue insurance proceeds thereunder related to the Assumed Liabilities or the Acquired Assets, as applicable; and (y) assign, to the extent assignable, to Buyer the right to receive any proceeds from such claims relating to such Assumed Liability or Acquired Asset, in the case of each of the foregoing clauses (x) and (y), at Buyer's sole cost and expense. Any Party receiving a notice under an Insurance Policy with respect to any Assumed Liability or Acquired Asset shall promptly notify all other Parties hereto.

Section 6.7 Acknowledgements.

(a) Buyer acknowledges that it has received from Sellers certain projections, forecasts, and prospective or third party information relating to Sellers, the Stores, the Acquired Assets, the Assumed Liabilities, and other related topics. Buyer acknowledges that (i) there are uncertainties inherent in attempting to make such projections and forecasts and in such information; (ii) Buyer is familiar with such uncertainties and is taking full responsibility for making its own evaluation of the adequacy and accuracy of all projections, forecasts, and information so furnished; and (iii) neither Buyer nor any other Person shall have relied on any such projection or shall have any claim against any Seller or any of its respective directors, officers, Affiliates, agents, or other Representatives with respect thereto. Accordingly, without limiting the generality of Section 9.1, Buyer acknowledges that no Seller nor any other Person makes any representations or warranties with respect to such projections, forecasts, or information.

(b) Buyer acknowledges that, except for the representations and warranties expressly set forth in Article III and in the certificate delivered to Buyer pursuant to Section 2.5(a)(ii)(F), Section 2.5(b)(ii)(D) and Section 2.5(c)(ii)(D) (which representations and warranties shall terminate and be of no further force or effect as of the applicable Closing), no Seller nor any other Person makes any representation or warranty, express or implied, including as to the accuracy or completeness of any information regarding any Seller, the Stores, any Acquired Assets, any Assumed Liabilities or any other matter, and no Seller nor any other Person will be subject to any Liability to Buyer or any other Person resulting from such matters or the distribution to Buyer, or the use of, any such information. Buyer acknowledges that, should a Closing occur, Buyer will acquire the Acquired Assets and assume the Assumed Liabilities in an "as is" condition and on a "where is" basis, without any representation or warranty of any kind, express or implied (including any with respect to environmental, health or safety matters), including any implied warranty of merchantability or fitness for a particular purpose. Without limiting any representation, warranty, or covenant of any Seller expressly set forth herein, Buyer acknowledges that it has waived and hereby waives as a condition to each

Closing any further due diligence reviews, inspections, or examinations with respect to any Seller, the Stores, the Acquired Assets, the Assumed Liabilities or any other matter, including with respect to engineering, environmental, title, survey, financial, operational, regulatory, and legal compliance matters.

Section 6.8 Press Releases and Public Announcements. No Party shall issue any press release or make any public announcement relating to the existence or subject matter of this Agreement without the prior written approval of the other Party, unless a press release or public announcement is required by applicable Law or a Decree of the Bankruptcy Court. If any such announcement or other disclosure is required by applicable Law or a Decree of the Bankruptcy Court, the disclosing Party shall give the nondisclosing Party prior notice of, and an opportunity to comment on, the proposed disclosure. The Parties acknowledge that Sellers shall file this Agreement with the Bankruptcy Court in connection with obtaining the Bidding Procedures Order and/or Sale Order.

Section 6.9 Seller Marks. The Seller Marks may appear on some of the Acquired Assets, including on signage. Buyer acknowledges and agrees that it does not have and, upon consummation of each Closing and the other transactions contemplated by this Agreement, will not have, any right, title, interest, license, or other right to use the Seller Marks; provided, however, that Buyer shall be entitled, for a period of thirty (30) days following the applicable Closing, to sell all items included in the acquired Inventory notwithstanding that such items may be labeled with Sellers' or Sellers' Affiliates' trademark or similar intangibles. Subject to the immediately preceding sentence, Buyer shall, as soon as reasonably practicable but in no event later than thirty days (30) after each applicable Closing Date, remove the Seller Marks from, or cover or conceal the Seller Marks on, any Acquired Assets acquired at such Closing, or otherwise refrain from the use and display of the Acquired Assets acquired at such Closing on which the Seller Marks are affixed.

Section 6.10 License to Business Intellectual Property. From and after the Initial Closing, Buyer hereby grants to each of the Sellers and their respective Affiliates, a limited, non-exclusive, non-transferable, royalty-free, fully-paid license to use: (a) the names "SVT" and "Strack & Van Til" (or "Strack and Van Til") as part of Sellers' corporate names, but not to operate stores or other businesses publicly branded with such names or with any other Business Intellectual Property (except as permitted by clause (c) below) or sell merchandise branded with any Business Intellectual Property (except with regard to selling off Inventory as permitted by the following clause (b)); (b) the Business Intellectual Property for selling off, for up to 180 days following the final Closing, any Excluded Inventory or any other inventory of Seller or any of its Affiliates in existence as of the final Closing which bears any Business Intellectual Property; and (c) the Business Intellectual Property as needed for Sellers to operate or wind-down any Stores which Buyer elects to treat as Excluded Assets pursuant to Section 5.12 or Section 8.3; provided that, any such permitted uses by Sellers shall (i) (except as specifically otherwise permitted by this Section 6.10) be solely to the extent and manner in which such Business Intellectual Property was in use in connection with the foregoing as of the date hereof; and (ii) be subject to Buyer's exercise of reasonable quality control required to maintain the validity of such Business Intellectual Property under Trademark Laws. Except as set forth in the preceding sentence, from and after the final Closing, each Seller and their respective Affiliates

shall cease using all of the Business Intellectual Property (or any confusingly similar Trademark) in connection with the operation of their respective businesses.

ARTICLE VII CONDITIONS TO OBLIGATION TO CLOSE

Section 7.1 Conditions to Buyer's Obligations to Effect the Initial Closing.
Buyer's obligation to consummate the transactions contemplated hereby in connection with the Initial Closing is subject to satisfaction or waiver of the following conditions:

(a) the representations and warranties set forth in Article III shall have been true and correct on the date hereof and as of the Initial Closing (except to the extent expressly made as of an earlier date, in which case as of such date as if made at and as of such date), except where the failure of such representations and warranties to be so true and correct (without giving effect to any limitation as to "material" or "Material Adverse Effect" set forth therein) has not resulted in a Material Adverse Effect;

(b) Sellers shall have performed and complied with its covenants and agreements hereunder through the Initial Closing in all material respects;

(c) the Bankruptcy Court (i) shall have entered the Bidding Procedures Order, the Sale Order, and any other order necessary to close the sale of the Acquired Assets, (ii) no order staying, reversing, modifying or amending such orders shall be in effect on the Initial Closing Date, and (iii) the Sale Order shall not be subject to any challenge of Buyer's good faith under section 363(m) of the Bankruptcy Code;

(d) all applicable waiting periods under any Antitrust Law shall have expired or otherwise been terminated;

(e) no Decree shall be in effect that prohibits, enjoins or materially restricts or delays consummation of the transactions contemplated by this Agreement;

(f) each delivery contemplated by Section 2.5(a)(ii) to be delivered to Buyer shall have been delivered;

(g) Buyer shall have reached agreement with any Affected Unions representing the Covered Employees to (a) enter into the Modified Labor Agreements, or (b) accrete the Covered Employees into Buyer's pre-existing collective bargaining agreements;

(h) Sellers shall have complied with sections 1113 and 1114 of the Bankruptcy Code, to the extent required by the Bankruptcy Court;

(i) the Modified Labor Agreement(s) shall have been entered into; and

(j) Sellers shall have assumed each applicable Transferred Contract to be assumed by or before the Initial Closing, and with respect to the applicable Assumed Leases, to be assumed by or before the earlier of the Initial Closing and the statutory deadline for Sellers to

assume or reject unexpired leases of nonresidential real property in accordance with 11 U.S.C. § 365(d)(4), as the same may be extended by order of the Bankruptcy Court.

For the avoidance of doubt, Buyer shall have the right to waive any of the conditions set forth in this Section 7.1 (including Section 7.1(c)) in its sole and absolute discretion.

Section 7.2 Conditions to Sellers' Obligations to Effect the Initial Closing. Sellers' obligations to consummate the transactions contemplated hereby in connection with the Initial Closing are subject to satisfaction or waiver of the following conditions:

(a) the representations and warranties set forth in Article IV shall have been true and correct on the date hereof and as of the Initial Closing (except to the extent expressly made as of an earlier date, in which case as of such date as if made at and as of such date) except for any failures to be so true and correct that would not, individually or in the aggregate, prevent or materially impair or materially delay Buyer's ability to consummate the transactions contemplated hereby;

(b) Buyer shall have performed and complied with its covenants and agreements hereunder through the Initial Closing in all material respects;

(c) the Bankruptcy Court shall have entered (i) the Bidding Procedures Order, the Sale Order, and any other order necessary to close the sale of the Acquired Assets, and (ii) no order staying, reversing, modifying or amending such orders shall be in effect on the Initial Closing Date;

(d) all applicable waiting periods under any Antitrust Law shall have expired or otherwise been terminated;

(e) no Decree shall be in effect that prohibits, enjoins or materially restricts or delays consummation of the transactions contemplated by this Agreement; and

(f) the payment contemplated by Section 2.5(a)(i)(A) to be made to Sellers shall have been made, the Holdback Amount shall have been deposited into the Escrow Account, and each delivery contemplated by Section 2.5(a)(i) to be delivered to Sellers shall have been delivered.

For the avoidance of doubt, Sellers shall have the right to waive any of the conditions set forth in this Section 7.2 (including Section 7.2(c)) in their sole and absolute discretion.

Section 7.3 Conditions to Buyer's Obligations to Effect each Subsequent Closing. Buyer's obligation to consummate the transactions contemplated hereby in connection with each Closing following the Initial Closing is subject to satisfaction or waiver of the following conditions:

(a) the representations and warranties set forth in Article III shall have been true and correct on the date hereof and as of the applicable Closing (except to the extent expressly made as of an earlier date, in which case as of such date as if made at and as of such date), except where the failure of such representations and warranties to be so true and correct

(without giving effect to any limitation as to “material” or “Material Adverse Effect” set forth therein) has not resulted in a Material Adverse Effect;

(b) Sellers shall have performed and complied with its covenants and agreements hereunder with respect to the Acquired Assets and Stores subject to the applicable Closing through the applicable Closing Date in all material respects;

(c) no Decree shall be in effect that prohibits, enjoins or materially restricts or delays consummation of the applicable Closing;

(d) each delivery contemplated by Section 2.5(b)(ii) or Section 2.5(c)(ii) (as the case may be) to be delivered to Buyer shall have been delivered;

(e) (i) no order staying, reversing, modifying or amending the Sale Order shall be in effect on the date of the applicable subsequent Closing and (ii) the Sale Order shall not be subject to any challenge that challenges Buyer’s good faith under section 363(m) of the Bankruptcy Code; and

(f) Sellers shall have assumed each applicable Transferred Contract to be assumed by or before the applicable Closing at which such Transferred Contract is to be acquired by Buyer, unless otherwise agreed to by Buyer, and with respect to the applicable Assumed Leases, to be assumed by or before the earlier of the applicable Closing and the statutory deadline for Sellers to assume or reject unexpired leases of nonresidential real property in accordance with 11 U.S.C. § 365(d)(4), as the same may be extended by order of the Bankruptcy Court.

For the avoidance of doubt, Buyer shall have the right to waive any of the conditions set forth in this Section 7.3 in its sole and absolute discretion.

Section 7.4 Conditions to Sellers’ Obligations to Effect each Subsequent Closing. Sellers’ obligations to consummate the transactions contemplated hereby in connection with each Closing following the Initial Closing is subject to satisfaction or waiver of the following conditions:

(a) the representations and warranties set forth in Article IV shall have been true and correct on the date hereof and as of the applicable Closing (except to the extent expressly made as of an earlier date, in which case as of such date as if made at and as of such date) except for any failures to be so true and correct that would not, individually or in the aggregate, prevent or materially impair or materially delay Buyer’s ability to consummate the transactions contemplated hereby;

(b) Buyer shall have performed and complied with its covenants and agreements hereunder with respect to the Acquired Assets and Stores subject to the applicable Closing through the applicable Closing Date in all material respects;

(c) no Decree shall be in effect that prohibits, enjoins or materially restricts or delays consummation of the applicable Closing; and

(d) the payment (if any) contemplated by Section 2.5(c)(iii) to be made to Sellers shall have been made, and each delivery contemplated by Section 2.5(b)(i) or Section 2.5(c)(i) (as the case may be) to be delivered to Sellers shall have been delivered.

For the avoidance of doubt, Sellers shall have the right to waive any of the conditions set forth in this Section 7.4 in their sole and absolute discretion.

Section 7.5 No Frustration of Closing Conditions. Neither Buyer nor Sellers may rely on the failure of any condition to their respective obligations to consummate the transactions contemplated hereby set forth in Section 7.1, Section 7.2, Section 7.3 or Section 7.4 as the case may be, to be satisfied if such failure was primarily caused by such Party's failure to perform its obligations hereunder.

ARTICLE VIII TERMINATION RIGHTS

Section 8.1 Termination of Agreement. The Parties may terminate this Agreement at any time prior to the Initial Closing (or, if set forth below, prior to any subsequent Closings not yet occurred) as provided below:

(a) by the mutual written consent of the Parties;

(b) by any Party by giving written notice to the other Parties if:

(i) any court of competent jurisdiction or other competent Governmental Authority shall have enacted or issued a Law or Decree or taken any other action permanently restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement and such Law or Decree or other action shall have become final and non-appealable; provided, however, that the right to terminate this Agreement under this Section 8.1(b)(i) shall not be available to a Party if the failure to consummate the Initial Closing because of such action by a Governmental Authority shall be due to the failure of such Party to have fulfilled any of its obligations under this Agreement; or

(ii) the Initial Closing shall not have occurred prior to September 12, 2017 (the "Outside Date"); provided, however, that if the Initial Closing shall not have occurred on or before the Outside Date due to a material breach of any representations, warranties, covenants or agreements contained in this Agreement by Buyer or Sellers, then the breaching Party may not terminate this Agreement pursuant to this Section 8.1(b)(ii);

(c) only if (i) the Auction has commenced on or before June 29, 2017 and (ii) the Bankruptcy Court has entered the Sale Order on or before July 11, 2017, by any Seller if the final Closing has not occurred prior to the Final Closing Outside Date; provided, however, that if the final Closing shall not have occurred on or before the Final Closing Outside Date due to a material breach of any representations, warranties, covenants or agreements contained in this Agreement by Sellers, then Sellers may not terminate this Agreement pursuant to this Section 8.1(c);

(d) by Buyer by giving written notice to each Seller if (i) there has been a breach by any Seller of any representation, warranty, covenant, or agreement contained in this Agreement that has prevented the satisfaction of the conditions to the obligations of Buyer at the Initial Closing set forth in Section 7.1(a) and Section 7.1(b), and such breach or unsatisfied condition has not been waived by Buyer, or, if such breach or unsatisfied condition is curable (including any payment default), cured by such Seller prior to the earlier to occur of (A) ten (10) days after receipt of Buyer's notice of intent to terminate and (B) the Outside Date or (ii) Sellers fail to satisfy any of the Bankruptcy Milestones set forth in Section 5.4(e) by the date applicable to each such Bankruptcy Milestone;

(e) by any Seller by giving written notice to Buyer and the other Sellers if there has been a breach by Buyer of any representation, warranty, covenant, or agreement contained in this Agreement that has prevented the satisfaction of the conditions to the obligations of Sellers at the Initial Closing set forth in Section 7.2(a) and Section 7.2(b), and such breach has not been waived by such Seller, or, if such breach is curable (including any payment default), cured by Buyer prior to the earlier to occur of (A) ten (10) days after receipt of such Seller's notice of intent to terminate or (B) the Outside Date;

(f) by any Seller in the event that the Deposit Amount is not deposited by Buyer within two (2) Business Days following the date hereof;

(g) in the event that Buyer is not the winning bidder at the Auction, by Buyer by giving written notice to any Seller at any time after the conclusion of the Auction;

(h) by Buyer by giving written notice to Sellers if the Bankruptcy Court does not approve the Termination Payment, in whole or in part;

(i) by Buyer by giving written notice to Sellers if prior to the Initial Closing (i) the Bankruptcy Cases are converted to cases under chapter 7 of the Bankruptcy Code, (ii) the Bankruptcy Cases are dismissed or (iii) if a chapter 11 trustee or examiner with enlarged powers relating to the operations of the Business (powers beyond those set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code) is appointed in the Bankruptcy Cases;

(j) by any Seller or Buyer by giving written notice to the other Party, if (i) (x) any Sellers enter into a definitive agreement with respect to an Alternative Transaction, (y) the Bankruptcy Court enters an order approving an Alternative Transaction and (z) the Alternative Transaction is consummated, or (ii) the Bankruptcy Court enters an order that precludes the consummation of the transactions contemplated hereby on the terms and conditions set forth in this Agreement, subject, in each case, to Buyer's right to payment of the Termination Payment, if applicable, in accordance with the provisions of Section 5.4;

(k) with respect to each Closing following the Initial Closing, by Buyer by giving written notice to Sellers if there has been a breach by any Seller of any representation, warranty, covenant, or agreement contained in this Agreement that has prevented the satisfaction of the conditions to the obligations of Buyer at the subsequent Closing set forth in Section 7.3(a) and Section 7.3(b), and such breach or unsatisfied condition has not been waived by Buyer, or, if

such breach or unsatisfied condition is curable (including any payment default), cured by such Seller prior to ten (10) days after receipt of Buyer's notice of intent to terminate;

(l) with respect to each Closing following the Initial Closing, by any Seller by giving written notice to Buyer and each other Seller if there has been a breach by Buyer of any representation, warranty, covenant, or agreement contained in this Agreement that has prevented the satisfaction of the conditions to the obligations of Sellers at such Closing set forth in Section 7.4(a) and Section 7.4(b), and such breach has not been waived by such Seller, or, if such breach is curable (including any payment default), cured by Buyer prior to ten (10) days after receipt of such Seller's notice of intent to terminate; or

(m) with respect to each Closing following the Initial Closing, by any Seller or Buyer by giving written notice to Buyer and each other Seller if any court of competent jurisdiction or other competent Governmental Authority shall have enacted or issued a Law or Decree or taken any other action permanently restraining, enjoining or otherwise prohibiting such Closing and such Law or Decree or other action shall have become final and non-appealable; provided, however, that the right to terminate this Agreement under this Section 8.1(m) shall not be available to a Party if the failure to consummate such Closing because of such action by a Governmental Authority shall be due to the failure of such Party to have fulfilled any of its obligations under this Agreement.

Section 8.2 Effect of Termination. If any Party terminates this Agreement pursuant to Section 8.1, all rights and obligations of the Parties hereunder shall terminate upon such termination and shall become null and void (except that Article I, Section 2.3(d)(i)-(iv), Section 5.4(a), Section 6.7, Article IX, and this Section 8.2 (and the definitions of all defined terms appearing in the foregoing sections) shall survive any such termination) and no Party shall have any Liability (except as set forth in Section 5.4(a)) to the other Party hereunder; provided, however, that nothing in this Section 8.2 shall relieve any Party from any liability or damages (which the Parties agree shall be determined by the courts referred to in Section 9.9 and, to the extent proven, shall not necessarily be limited to reimbursement of expenses or out of pocket costs) for any breach occurring prior to any such termination (but solely to the extent such breach was willful, grossly negligent, or fraudulent) set forth in this Agreement; provided, further, that, upon entry of the Bidding Procedures Order and the Bankruptcy Court's approval of Buyer as the stalking horse purchaser of the Acquired Assets, any such damages caused to Buyer shall be treated as an administrative expense claim against each Seller's bankruptcy estate pursuant to sections 503(b) and 507(a)(2) of the Bankruptcy Code and payable by each Seller from its bankruptcy estate. Notwithstanding anything in this Agreement to the contrary, except in the event of fraud, willful misconduct, claims under Section 5.1(b), claims with respect to the calculation of the Adjustment Amount or the Purchase Price in accordance with the terms of this Agreement, claims with respect to the amount or allocation of Cure Costs, claims with respect to Assumed Liabilities or Excluded Liabilities, or to the extent the Termination Payment is due and owing in accordance with Section 5.4(a), (a) the maximum liability of Sellers under this Agreement shall not exceed (i) prior to the Initial Closing, ten percent (10%) of the Base Purchase Price and (ii) from and after the Initial Closing, ten percent (10%) of the total amount of the Base Purchase Price to be paid for the Acquired Assets at Closings that have not yet occurred and (b) the maximum liability of Buyer under this Agreement shall not exceed (i) prior to the Initial Closing, the amount of the Buyer Termination Payment and (ii) from and after the

Initial Closing, twenty percent (20%) of the total amount of the Base Purchase Price to be paid for the Acquired Assets at Closings that have not yet occurred.

Section 8.3 Termination and Adjustment Rights of Buyer as to Stores and Related Acquired Assets.

(a) If a material portion of the Acquired Assets relating to any Store is materially damaged or destroyed, or the physical condition thereof is materially and adversely changed (including as a result of environmental contamination that occurs from and after the date hereof), or any Store or any part thereof, or any property reasonably necessary for the operation of any Store as conducted on the date hereof (the absence of which would have an adverse impact on such Store in any material respect), in each case is subject to a condemnation or other taking of a material portion thereof (each of the foregoing, a “Casualty / Condemnation Event”) at any time from the date of this Agreement up to and including the final Closing Date, such that (i) restoration of such Store to substantially the same condition prior to such Casualty / Condemnation Event would take nine (9) months or longer, (ii) in the case of a condemnation, to the extent such Store cannot be substantially restored to the condition prior to such condemnation, (iii) the applicable landlord shall have the right to terminate the Real Property Lease with respect to such Store or (iv) any applicable landlord or lender is entitled to receive the awards or proceeds otherwise attributable to the leasehold interest (and is not required to make such award or proceeds available for purposes of restoration and repair) (each, a “Material Casualty”), Buyer shall elect to either (A) take possession of such Store at the applicable Closing and close on such Store and, at Buyer’s option, either (1) the Purchase Price with respect to such Store and the related Acquired Assets shall be reduced by an amount mutually agreed upon by Sellers and Buyer or (2) Sellers shall assign to Buyer any right Sellers have to any insurance proceeds or condemnation award or proceeds relating to such Casualty / Condemnation Event at the applicable Closing less any amounts used by Sellers for restoration and repair (it being understood that no adjustment of the Purchase Price shall occur as a result thereof except as set forth in Section 8.3), or (B) treat such Store and related Acquired Assets as an Excluded Asset, in which case the Purchase Price shall be reduced by the amount of the Purchase Price allocated to such Store and the related Acquired Assets located thereat as set forth on the Closing Schedule (or, if such Material Casualty occurs prior to the completion of the Closing Schedule, an amount of the Purchase Price as reasonably determined by the Parties). Notwithstanding the foregoing, a Material Casualty which occurs solely as a result of clause (iv) in this Section 8.3(a) shall no longer be a Material Casualty if Sellers agree to pay to Buyer an amount equal to the proceeds or awards applicable to the leasehold which the applicable landlord or lender does not otherwise make available for restoration and repair of the applicable Store.

(b) In the case of a casualty or condemnation other than a Material Casualty, (i) Sellers may elect to restore such Store but shall have no obligation to do so, and (ii) Sellers shall, at the applicable Closing, assign to Buyer all awards or other proceeds for such taking by eminent domain or condemnation or the right to receive proceeds of any insurance for such damage or destruction.

(c) In connection with any assignment of awards, proceeds or insurance under this Section 8.3, (i) the portion of the Purchase Price allocated to the applicable Store under the Closing Schedule shall be reduced by an amount equal to the applicable deductible or self-

insured retention amount under Sellers' insurance (provided, that such reduction shall not exceed the amount by which the cost, as of the applicable Closing Date, to repair the damage is greater than the amount of insurance proceeds assigned to Buyer), (ii) such assignment of proceeds or awards shall not include any awards, proceeds or insurance to the extent attributable to lost rents or similar costs applicable to any period prior to the applicable Closing, and (iii) such assignment of proceeds or awards shall be reduced by the amount of (x) all actual and documented, out-of-pocket repair costs incurred by Sellers in connection with such damage or destruction, (y) all actual and documented, out-of-pocket collection costs of Sellers respecting any awards or other proceeds, and (z) any amounts required to be paid (and solely to the extent actually paid) by Sellers or the insurance company to the applicable landlord under the applicable Real Property Lease or to such landlord's lender as required pursuant to any of such lender's financing, as applicable.

ARTICLE IX MISCELLANEOUS

Section 9.1 Survival. Except for any covenant that by its terms is to be performed (in whole or in part) by any Party following the applicable Closing (including any covenants to be performed in connection with any subsequent Closing), none of the representations, warranties, or covenants of any Party set forth in this Agreement or in any certificate delivered pursuant to Section 2.5(a)(i)(H), Section 2.5(a)(ii)(F), Section 2.5(b)(i)(F), Section 2.5(b)(ii)(D), Section 2.5(c)(i)(D) or Section 2.5(c)(ii)(D) shall survive, and each of the same shall terminate and be of no further force or effect as of, the applicable Closing to which such representation, warranty or covenant relates.

Section 9.2 Expenses. Except as otherwise expressly set forth herein (including Section 2.6(a), Section 2.7, Section 2.8(c), Section 5.3(a) and Section 6.5(a)), each Party will bear its own costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, including all fees of law firms, commercial banks, investment banks, accountants, public relations firms, experts and consultants.

Section 9.3 Entire Agreement. This Agreement, the Related Agreements and the Confidentiality Agreement constitute the entire agreement between the Parties and supersede any prior understandings, agreements or representations (whether written or oral) by or between the Parties to the extent they relate in any way to the subject matter hereof.

Section 9.4 Incorporation of Exhibits and Disclosure Schedule. The Exhibits to this Agreement and the Disclosure Schedule are incorporated herein by reference and made a part hereof.

Section 9.5 Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by each Party, except as expressly provided herein. No waiver of any breach of this Agreement shall be construed as an implied amendment or agreement to amend or modify any provision of this Agreement. No waiver by any Party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver, nor shall such waiver be deemed to extend to any

prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent default, misrepresentation or breach of warranty or covenant. No conditions, course of dealing or performance, understanding or agreement purporting to modify, vary, explain, or supplement the terms or conditions of this Agreement shall be binding unless this Agreement is amended or modified in writing pursuant to the first sentence of this Section 9.5 except as expressly provided herein. Except where a specific period for action or inaction is provided herein, no delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

Section 9.6 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written consent of the other Parties; provided, however, that Buyer may assign this Agreement and any or all rights or obligations hereunder (including Buyer's rights to purchase the Acquired Assets and assume the Assumed Liabilities) to any Affiliate of Buyer; provided, that any such assignment shall not relieve Buyer of its obligations under this Agreement. Upon any such permitted assignment, the references in this Agreement to Buyer shall also apply to any such assignee unless the context otherwise requires.

Section 9.7 Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing except as expressly provided herein. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given (a) when delivered personally to the recipient; (b) one (1) Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid); (c) upon receipt of confirmation of receipt if sent by facsimile transmission; (d) on the day such communication was sent by e-mail; or (e) three (3) Business Days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to any Seller: Strack and Van Til Super Market, Inc.
 2244 45th Street
 Highland, IN 46322
 Attention: Phil Latchford
 E-mail: LatchfordP@s-vt.com

Central Grocers, Inc.
 2600 West Haven Avenue
 Joliet, IL 60433
 Attention: Ken Nemeth
 E-mail: knemeth@central-grocers.com

With a copy (which shall not constitute notice to Sellers) to:

Weil, Gotshal & Manges LLP
 767 Fifth Avenue
 New York, New York 10153
 Attention: Stephen Karotkin, Sunny Singh and Gavin Westerman

Facsimile: (212) 310-8007
E-mail: stephen.karotkin@weil.com
sunny.singh@weil.com
gavin.westerman@weil.com

Weil, Gotshal & Manges LLP
200 Crescent Court, Suite 300
Dallas, TX 75201
Attention: John Quattrocchi
Facsimile: (214) 746-7777
E-mail: john.quattrocchi@weil.com

If to Buyer: Jewel Food Stores, Inc.
250 East Parkcenter Boulevard
Boise, Idaho 83706
Attention: Legal Department
Facsimile: (208) 395-6575
E-mail: Justin.Ewing@albertsons.com
Todd.Williams@albertsons.com

With a copy (which shall not constitute notice to Buyer) to:

Schulte Roth & Zabel LLP
919 Third Avenue
New York, NY 10022
Attention: Stuart D. Freedman and David M. Hillman
E-mail: stuart.freedman@srz.com
david.hillman@srz.com

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Parties notice in the manner set forth in this Section 9.7.

Section 9.8 Governing Law. This Agreement shall be governed by and construed in accordance with the internal Laws of the State of Delaware (without giving effect to the principles of conflict of Laws thereof), except to the extent that the Laws of such state are superseded by the Bankruptcy Code.

Section 9.9 Submission to Jurisdiction; Service of Process. Each of the Parties irrevocably and unconditionally submits to the exclusive jurisdiction of the Bankruptcy Court in any Litigation arising out of or relating to this Agreement or any Related Agreement or the transactions contemplated hereby or thereby and agrees that all claims in respect of such Litigation may be heard and determined in any such court. Each Party also agrees not to (a) attempt to deny or defeat such exclusive jurisdiction by motion or other request for leave from the Bankruptcy Court or (b) bring any Litigation arising out of or relating to this Agreement or any Related Agreement or the transactions contemplated hereby or thereby in any other court; provided, however, that if the Bankruptcy Cases have not been commenced, the Parties agree to

unconditionally and irrevocably submit to the exclusive jurisdiction of the State of Delaware's Court of Chancery and any appellate court from any thereof, for the resolution of any such Litigation. Each of the Parties irrevocably and unconditionally waives any objection to the laying of venue in, and any defense of inconvenient forum to the maintenance of, any Litigation so brought and waives any bond, surety or other security that might be required of any other Party with respect thereto. Any Party may make service on any other Party by sending or delivering a copy of the process to the Party to be served at the address and in the manner provided for the giving of notices in Section 9.7; provided, however, that nothing in this Section 9.9 shall affect the right of any Party to serve legal process in any other manner permitted by law or in equity. Each Party agrees that a final judgment in any Litigation so brought shall be conclusive and may be enforced by Litigation or in any other manner provided by law or in equity. The Parties intend that all foreign jurisdictions will enforce any Decree of the Bankruptcy Court in any Litigation arising out of or relating to this Agreement or any Related Agreement or the transactions contemplated hereby or thereby.

Section 9.10 Waiver of Jury Trial. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY RELATED AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 9.11 Specific Performance. Each Party acknowledges and agrees that the other Party would be damaged irreparably in the event that a Party does not perform its obligations under this Agreement in accordance with its specific terms or otherwise breaches this Agreement, so that, in addition to any other remedy that Buyer or Sellers may have under law or equity, either Party shall be entitled, without the requirement of posting a bond or other security, to injunctive relief to prevent any breaches of the provisions of this Agreement by the other Party and to enforce specifically this Agreement and the terms and provisions hereof.

Section 9.12 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement. In the event that any of the provisions of this Agreement shall be held by a court or other tribunal of competent jurisdiction to be illegal, invalid or unenforceable, such provisions shall be limited or eliminated only to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect.

Section 9.13 No Third Party Beneficiaries. Except as set forth in Section 9.14, this Agreement shall not confer any rights or remedies upon any Person other than Buyer, Sellers, and their respective successors and permitted assigns.

Section 9.14 Non-Recourse. All claims or causes of action (whether in contract or in tort, in law or in equity, or granted by statute) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or related in any manner to this Agreement or the Related Agreements may be made only against (and are expressly limited to) the Persons that are expressly identified as parties hereto or thereto (the "Contracting Parties"). In no event shall any Contracting Party have any shared or vicarious Liability for the actions or omissions of any other Person. No Person who is not a Contracting Party, including any director, officer, employee,

incorporator, member, partner, manager, stockholder, Affiliate, agent, attorney or representative of, and any financial advisor or lender to, any of the foregoing (“Non-Party Affiliates”), shall have any Liability (whether in contract or in tort, in law or in equity, or granted by statute or based upon any theory that seeks to impose Liability of an entity party against its owners or affiliates) for any causes of action or Liabilities arising under, out of, in connection with or related in any manner to this Agreement or the Related Agreements or based on, in respect of, or by reason of this Agreement or the Related Agreements or their negotiation, execution, performance or breach; and, to the maximum extent permitted by Law, each Contracting Party waives and releases all such causes of action and Liabilities against any such Non-Party Affiliates. Without limiting the foregoing, to the maximum extent permitted by Law, (a) each Contracting Party hereby waives and releases any and all rights, claims, demands, or causes of action that may otherwise be available at law or in equity, or granted by statute, to avoid or disregard the entity form of a Contracting Party or otherwise impose Liability of a Contracting Party on any Non-Party Affiliate, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise; and (b) each Contracting Party disclaims any reliance upon any Non-Party Affiliates with respect to the performance of this Agreement or the Related Agreements or any representation or warranty made in, in connection with, or as an inducement to this Agreement or the Related Agreements. The Parties acknowledge and agree that the Non-Party Affiliates are intended third-party beneficiaries of this Section 9.14.

Section 9.15 Mutual Drafting. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

Section 9.16 Disclosure Schedule. All capitalized terms not defined in the Disclosure Schedule shall have the meanings ascribed to them in this Agreement. The representations and warranties of Sellers in this Agreement are made and given, and the covenants are agreed to, subject to the disclosures and exceptions set forth in the Disclosure Schedule. The disclosure of any matter in any section of the Disclosure Schedule shall be deemed to be a disclosure for all purposes of this Agreement, to the extent that such disclosure is reasonably apparent on its face. The listing of any matter shall expressly not be deemed to constitute an admission by Sellers, or to otherwise imply, that any such matter is material, is required to be disclosed under this Agreement or falls within relevant minimum thresholds or materiality standards set forth in this Agreement. No disclosure in the Disclosure Schedule relating to any possible breach or violation of any Contract or Law shall be construed as an admission or indication that any such breach or violation exists or has actually occurred. In no event shall the listing of any matter in the Disclosure Schedule be deemed or interpreted to expand the scope of Sellers’ representations, warranties, or covenants set forth in this Agreement. All attachments to the Disclosure Schedule are incorporated by reference into the applicable section of the Disclosure Schedule in which they are directly or indirectly referenced. The information contained in the Disclosure Schedule is in all respects provided subject to the Confidentiality Agreement.

Section 9.17 Headings; Table of Contents. The section headings and the table of contents contained in this Agreement and the Disclosure Schedule are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 9.18 Counterparts; Facsimile and Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. This Agreement or any counterpart may be executed and delivered by facsimile copies or delivered by electronic communications by portable document format (.pdf), each of which shall be deemed an original.

Section 9.19 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

Section 9.20 Integrated Transactions. The Parties acknowledge and agree that the transactions contemplated by this Agreement, including the sale and transfer of a Store or group of Stores, as applicable, on the Initial Closing and each subsequent Closing to Buyer, are inextricably linked technically and economically and collectively constitute a single, integrated transaction.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

STRACK AND VAN TIL SUPER MARKET, INC.

By: Alex G. Oleyniczak
Name: Alex G. Oleyniczak
Title: Vice President of Operations



SVT, LLC

By: Alex G. Olejniczak
Name: Alex G. Olejniczak
Title: Vice President of Operations

[Signature Page to Asset Purchase Agreement]

A handwritten signature, likely of the same person as the one above, enclosed in a circle.

RACEWAY CENTRAL LLC

By: Alex G. Olejniczak
Name: Alex G. Olejniczak
Title: Vice President of Operations

[Signature Page to Asset Purchase Agreement]



JEWEL FOOD STORES, INC.

By: 

Name:

Justin Ewing

Title:

EVP Corporate Development & Real Estate

Exhibit A

Form of Bidding Procedures Order

Exhibit B

Escrow Agreement

Citi Preferred Custody Services

Agreement
Between
Citibank, N. A.
as “**Escrow Agent**”
and

Jewel Food Stores, Inc.

(“**Buyer**”)

and

Strack and Van Til Super Market, Inc.

(“**Seller**”)

25D126206768; 25D126215768

(Account Number)

Citi Escrow Agent Custody Account

THIS ESCROW AGREEMENT (the “**Escrow Agreement**” herein) is made this 12 day of May, 2017, among Jewel Food Stores, Inc. (the “**Buyer**” herein), Strack and Van Til Super Market, Inc. (the “**Seller**” herein) and CITIBANK, N.A. (the “**Escrow Agent**” herein). This Escrow Agreement is made pursuant to that certain Asset Purchase Agreement, dated as of May 12, 2017, by and among the Seller, certain affiliates of the Seller that are signatories thereto (the “**Seller Affiliates**” herein), and Buyer (the “**Purchase Agreement**”). Solely between and among the Seller, the Seller Affiliates and Buyer, or any of them, any discrepancy, inconsistency, difference or dispute as to the meaning or impact of any terms, provisions or directions between this Escrow Agreement (including all schedules), on the one hand, and the Purchase Agreement on the other, shall be resolved in favor of the Purchase Agreement. No provision of this Escrow Agreement (including all schedules) shall limit or alter any term or obligations of the Seller, the Seller Affiliates or Buyer created, originating or referred to in the Purchase Agreement, and no party to this Escrow Agreement will knowingly take any action inconsistent with the Purchase Agreement. Capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Purchase Agreement.

The Buyer and Seller appoint said Escrow Agent with the duties and responsibilities and upon the terms and conditions provided in Schedule A and any additional schedules annexed hereto and made a part hereof.

ARTICLE FIRST: The above-named parties agree that the following provisions shall control with respect to the rights, duties, liabilities, privileges and immunities of the Escrow Agent:

- a) The Escrow Agent shall neither be responsible for or under, nor chargeable with knowledge of, the terms and conditions of any other agreement, instrument or document executed among the other parties hereto, except as may be specifically provided in Schedule A annexed hereto. This Escrow Agreement sets forth all of the obligations of the Escrow Agent, and no additional obligations shall be implied from the terms of this Escrow Agreement or any other agreement, instrument or document. Nothing in this Escrow Agreement shall create a fiduciary or partnership relationship between the Escrow Agent and any other party to this Escrow Agreement.
- b) With respect to a specific party to this Agreement, the Escrow Agent, acting in good faith, may act in reliance upon any instructions, notice, certification, demand, consent, authorization, receipt, power of attorney or other writing delivered to it by such party without being required to determine the authenticity or validity thereof or the correctness of any fact stated therein, the propriety or validity of the service thereof, or the jurisdiction of the court issuing any judgment or order. The Escrow Agent may act in reliance upon any signature believed by it to be genuine, and may assume that such person has been properly authorized to do so.

- c) Each of the Buyer and Seller, jointly and severally, agrees to reimburse the Escrow Agent on demand for, and to indemnify and hold the Escrow Agent harmless against and with respect to, any and all loss, liability, damage or expense (including, but without limitation, attorneys' fees, costs and disbursements) that the Escrow Agent may suffer or incur in connection with this Escrow Agreement and its performance hereunder or in connection herewith, except to the extent such loss, liability, damage or expense arises from its fraud, willful misconduct or gross negligence (such losses, liabilities, damages or expenses being referred to as "**Indemnifiable Amounts**"). In no event shall the Escrow Agent be responsible for special, indirect or consequential loss or damage of any kind whatsoever even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. Notwithstanding anything to the contrary herein, Buyer and the Sellers agree, solely as between themselves, any obligation to indemnify the Escrow Agent as provided for herein, and reimbursement for any fees of counsel reasonably incurred by the Escrow Agent when the Escrow Agent is seeking advice as contemplated hereby, shall be borne by the party or parties determined by a court of competent jurisdiction to be responsible for causing the loss, damage, liability, cost or expense against which the Escrow Agent is entitled to indemnification or, if no such determination is made, then (a) one-half ($\frac{1}{2}$) by Buyer and (b) one-half ($\frac{1}{2}$) by the Sellers.
- d) The Escrow Agent may consult with legal counsel of its selection in the event of any dispute or question as to the meaning or construction of any of the provisions hereof or its duties hereunder, and it shall incur no liability and shall be fully protected if acting in accordance with the opinion and instructions of such counsel. Each of the Buyer and Seller jointly and severally agrees to reimburse the Escrow Agent on demand for such reasonable legal fees, disbursements and expenses (which shall constitute Indemnifiable Amounts). Notwithstanding anything to the contrary herein, Buyer and the Sellers agree, solely as between themselves, any obligation to reimburse the Escrow Agent under this Article First Section d shall be made one-half ($\frac{1}{2}$) by Buyer and (b) one-half ($\frac{1}{2}$) by the Sellers.
- e) The Escrow Agent shall be under no duty to give the property held in escrow by it hereunder any greater degree of care than it gives its own similar property.
- f) The Escrow Agent shall invest the property held in escrow in such a manner as directed in Schedule A annexed hereto.

The parties to this Escrow Agreement acknowledge that non-deposit investment products are not obligations of, or guaranteed, by Citibank/Citigroup nor any of its affiliates; are not FDIC insured; and are subject to investment risks, including the possible loss of principal amount invested. Only deposits in the United States are subject to FDIC insurance.

- g) In the event of any disagreement among any of the parties to this Escrow Agreement, or among them or either or any of them and any other person, resulting in adverse claims or demands being made in connection with the subject matter of the Escrow Agreement, or in the event that the Escrow Agent, in good faith, be in doubt as to what action it should take hereunder, the Escrow Agent may, at its option, refuse to comply with any claims or demands on it, or refuse to take any other action hereunder, so long as such disagreement continues or such doubt exists, and in any such event, the Escrow Agent shall not become liable in any way or to any person for its failure or refusal to act, and the Escrow Agent shall be entitled to continue so to refrain from acting until (i) the rights of all parties shall have been fully and finally adjudicated by a court of competent jurisdiction, or (ii) all differences shall have been adjusted and all doubt resolved by agreement among all of the interested persons, and the Escrow Agent shall have been notified thereof in writing signed by all such persons. The Escrow Agent shall have the option, after 30 calendar days' notice to the other parties of its intention to do so, to file an action in interpleader requiring the parties to answer and litigate any claims and rights among themselves. The rights of the Escrow Agent under this paragraph are cumulative of all other rights which it may have by law or otherwise.
- h) For purposes of this Escrow Agreement, a "business day" shall mean a day (other than a Saturday, a Sunday or other public holiday) on which banks are open for general business in New York City, New York.
- i) Any court order presented hereunder shall be accompanied by a certification by counsel for the presenting party reasonably satisfactory to the Escrow Agent to the effect that said court order is final and non-appealable. The Escrow Agent shall act on such court order and certification without further question.
- j) Notice to the parties shall be given as provided in Schedule A annexed hereto.
- k) The provisions of this Article First shall survive the termination or expiration of this Escrow Agreement or the removal or resignation of the Escrow Agent.

ARTICLE SECOND: The Escrow Agent shall make payments of income earned on the escrowed property as provided in Schedule A annexed hereto. Each such payee shall provide to the Escrow Agent an appropriate W-9 form for tax identification number certification or a W-8 form for non-resident alien certification. The Escrow Agent shall be responsible only for income reporting to the Internal Revenue Service with respect to income earned on the escrowed property.

- a) The parties to this Escrow Agreement, other than the Escrow Agent, acknowledge that they are solely responsible for, and that neither Citibank nor any of its affiliates have any responsibility for, any party's compliance with any laws, regulations or rules applicable to the use of the services provided by

Citibank under this Escrow Agreement, including, but not limited to, any laws, regulations or rules, in such party's jurisdiction or any other jurisdiction, relating to tax, foreign exchange and capital control, and for reporting or filing requirements that may apply as a result of such party's country of citizenship, domicile, residence or taxpaying status.

- b) Citigroup, Inc., its affiliates, and its employees are not in the business of providing tax or legal advice to any taxpayer outside of Citigroup, Inc. and its affiliates. This Escrow Agreement and any amendments or attachments are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer or for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

ARTICLE THIRD: The Escrow Agent may, in its sole discretion, resign and terminate its position hereunder at any time following 60 calendar days' written notice to the parties to the Escrow Agreement herein, and the Buyer and the Seller may jointly remove the Escrow Agent by furnishing to the Escrow Agent a joint written notice of its removal and the effective date thereof along with payment of all fees and expenses to which it is entitled through the date of termination. Any such resignation or removal shall terminate all obligations and duties of the Escrow Agent hereunder as of the effective date of such resignation or removal; provided, that any such resignation or removal shall not relieve the Escrow Agent from any liability that arose from any action or inaction that occurred prior to the effective date of such resignation or removal. On the effective date of such resignation or removal, the Escrow Agent shall deliver this Escrow Agreement together with any and all related instruments, documents and property to any successor escrow agent agreeable to the parties. If a successor escrow agent has not been appointed prior to the expiration of 60 calendar days following the effective date of such resignation or removal, the then acting Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent, or other appropriate relief. Any such resulting appointment shall be binding upon all of the parties to this Escrow Agreement.

ARTICLE FOURTH: The Escrow Agent shall receive the fees provided in Schedule B annexed hereto. In the event that such fees are not paid to the Escrow Agent within 30 calendar days of presentment to the party responsible for such fees as set forth in said Schedule B, then the Escrow Agent may pay itself such fees from the property held in escrow hereunder. Once fees have been paid, no recapture or rebate will be made by the Escrow Agent. The provisions of this Article Fourth shall survive the termination or expiration of this Escrow Agreement or the removal or resignation of the Escrow Agent.

ARTICLE FIFTH: Any modification of this Escrow Agreement or any additional obligations assumed by any party hereto shall be binding only if evidenced by a writing signed by each of the parties hereto.

ARTICLE SIXTH: In the event funds transfer instructions are given (other than in writing at the time of execution of this Escrow Agreement), whether in writing, by telecopier or otherwise, the Escrow Agent is authorized to seek confirmation of such instructions by telephone call back to the person or persons designated in Exhibit A-1 or Exhibit A-2, as applicable, annexed hereto, and the Escrow Agent may rely upon the confirmations of anyone purporting to be the person or persons so designated. To assure accuracy of the instructions it receives, the Escrow Agent may record such call backs. If the Escrow Agent is unable to verify the instructions, or is not satisfied with the verification it receives, it will not execute the instruction until all issues have been resolved. The persons and telephone numbers for call backs may be changed only in writing actually received and acknowledged by the Escrow Agent. The parties agree to notify the Escrow Agent of any errors, delays or other problems within 30 calendar days after receiving notification that a transaction has been executed. If it is determined that the transaction was delayed or erroneously executed as a result of the Escrow Agent's error, the Escrow Agent's sole obligation is to pay or refund such amounts as may be required by applicable law. Any claim for interest payable will be at the Escrow Agent's published savings account rate in effect in New York, New York.

ARTICLE SEVENTH: This Escrow Agreement shall be governed by the laws of the State of New York, without regard to any principles of conflicts of laws that would result in the application of the laws of any other jurisdiction, in all respects, except to the extent that the laws of the State of New York are superseded by the Bankruptcy Code. For so long as Seller is subject to the jurisdiction of the Bankruptcy Court, the parties hereto irrevocably and unconditionally submit to the jurisdiction of the Bankruptcy Court, in connection with any proceedings commenced regarding this Escrow Agreement, including, but not limited to, any interpleader proceeding or proceeding for the appointment of a successor escrow agent the Escrow Agent may commence pursuant to this Escrow Agreement, and all parties irrevocably submit to the jurisdiction of such court for the determination of all issues in such proceedings and irrevocably waive any objection to venue or inconvenient forum.

ARTICLE EIGHTH: This Escrow Agreement may be executed in one or more counterparts, each of which counterpart shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Escrow Agreement. Facsimile signatures or signatures transmitted by electronic exchange of PDF files on counterparts of this Escrow Agreement shall be deemed original signatures with all rights accruing thereto.

ARTICLE NINTH: The Escrow Agent shall not incur any liability for not performing any act or fulfilling any obligation hereunder by reason of any occurrence beyond its control (including, but not limited to, any provision of any present or future law or regulation or any act of any governmental authority, any act of God or war or terrorism, or the

unavailability of the Federal Reserve Bank wire services or any electronic communication facility).

ARTICLE TENTH: To help the U.S. Government fight the funding of terrorism and money laundering activities and to comply with Federal law requiring financial institutions to obtain, verify and record information on the source of funds deposited to an account, the parties hereto agree to provide the Escrow Agent with the name, address, taxpayer identification number, and remitting bank for all parties depositing funds at Citibank pursuant to the terms and conditions of this Escrow Agreement. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Escrow Agent will ask for documentation to verify its formation and existence as a legal entity. The Escrow Agent may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

ARTICLE ELEVENTH: Notwithstanding anything to the contrary herein, any and all e-mail communications (both text and attachments) by or from the Escrow Agent that the Escrow Agent deems to contain confidential, proprietary, and/or sensitive information shall be encrypted. The recipient (the “**E-mail Recipient**”) of the encrypted email communication will be required to complete a registration process. Instructions on how to register and/or retrieve an encrypted message will be included in the first secure email sent by the Escrow Agent to the E-mail Recipient. Additional information and assistance on using the encryption technology can be found at Citibank’s Secure Email website at:

https://securemailserver.citigroup.com/index_en_us.html

or by calling (866) 535-2504 (in the United States) or (904) 954-6181 (collect calls accepted).

ARTICLE TWELFTH: Except as required by law, no printed or other material in any language, including prospectuses, notices, reports, and promotional material which mentions “Citibank” by name or the rights, powers, or duties of the Escrow Agent under this Escrow Agreement shall be issued by any other parties hereto, or on such party’s behalf, without the prior written consent of the Escrow Agent.

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In witness whereof the parties have executed this Escrow Agreement as of the date first above written. If a date is not referenced in the opening paragraph, the date of this Escrow Agreement shall be the date this Escrow Agreement is accepted by Citibank, N.A. as set forth below.

CITIBANK, N.A.
as Escrow Agent

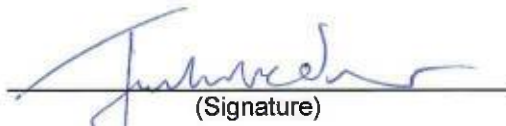
By: William T. Lynch
(Signature)

Title: _____

WILLIAM T. LYNCH, Director
Citi Private Bank
153 East 53rd Street, 21st FL
New York, NY 10022
212-783-7108



Jewel Food Stores, Inc.

By: 
(Signature)

Title: EVP Corporate Development & Real Estate



Strack and Van Til Super Markets, Inc.

By: Alex B. Oleynichuk
(Signature)
Title: Vice President of Operations

[Signature Page to Escrow Agreement]

A small, circular handwritten mark or initials in the bottom right corner of the page.

2016 Version 2.0

Citi Private Bank is a business of Citigroup Inc. ("Citigroup"), which provides its clients access to a broad array of products and services available through bank and non-bank affiliates of Citigroup. Not all products and services are provided by all affiliates or are available at all locations.

Investment Products: •No Bank Guarantee •Not FDIC Insured •May Lose Value
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Citibank, N.A. Member FDIC

Schedule A

This "**Schedule A**" is the Schedule A referred to in that certain Escrow Agreement dated as of May 12, 2017 (the Escrow Agreement, including this schedule and any other schedules and/or exhibits attached hereto, all of the terms and conditions of which are incorporated herein by reference, in each case as amended and/or supplemented from time to time in accordance with the terms hereof, the "**Escrow Agreement**") by and among Jewel Food Stores, Inc., an Ohio corporation (the "**Buyer**"); Strack and Van Til Super Market, Inc., an Indiana corporation (the "**Seller**"); and Citibank, N.A. (the "**Escrow Agent**"). For purposes of this Escrow Agreement, references to (i) Buyer herein shall mean Buyer or, where the context so requires, an authorized signer of Buyer and (ii) Seller shall mean Seller or, where the context so requires, an authorized signer of Seller. Capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Purchase Agreement.

I. Description of Transaction

The Seller and the Buyer have agreed to enter into an escrow agreement in furtherance of, and to effectuate the transactions contemplated by, that certain Asset Purchase Agreement, dated as of May 12, 2017, by and among the Seller, certain affiliates of the Seller (the "**Seller Affiliates**") and the Buyer. Solely between and among the Seller, the Seller Affiliates and the Buyer, or any of them, any discrepancy, inconsistency, difference or dispute as to the meaning or impact of any terms, provisions or directions between this Escrow Agreement (including all schedules), on the one hand, and the Purchase Agreement on the other, shall be resolved in favor of the Purchase Agreement. No provision of this Escrow Agreement (including all schedules) shall limit or alter any term or obligations of the Seller, the Seller Affiliates or Buyer created, originating or referred to in the Purchase Agreement, and no party to this Escrow Agreement will knowingly take any action inconsistent with the Purchase Agreement.

The Buyer and Seller hereby appoint Citibank, N.A. as the escrow agent for the Escrowed Funds (as hereinafter defined) and direct Citibank, N.A., as the escrow agent, to open and maintain two separate escrow accounts, a "deposit" escrow account (the "**Deposit Escrow Account**") and a "holdback" escrow account (the "**Holdback Escrow Account**"), and together with the Deposit Escrow Account, each an "**Escrow Account**" and collectively, the "**Escrow Accounts**"), in each case upon the terms and conditions set forth in this Escrow Agreement. Escrow Agent hereby accepts such appointment as the escrow agent for the Escrowed Funds and agrees to open and maintain the Escrow Accounts and to act as the escrow agent for the Escrowed Funds, in each case upon the terms and conditions set forth in this Escrow Agreement.

Promptly upon execution of this Escrow Agreement, Buyer shall deposit \$25,000,000 (the “**Deposit Escrow Amount**”) via wire transfer of immediately available funds to the Deposit Escrow Account. On the Initial Closing Date, the Buyer shall deposit \$4,000,000 (the “**Holdback Escrow Amount**”) via wire transfer of immediately available funds to the Holdback Escrow Account. The amount of all deposits in the Escrow Accounts, and the interest (if any), net realized gains and other earnings accrued on such deposits (if any), minus any distributions therefrom hereunder are collectively referred to as the “**Escrowed Funds**”. The Escrow Agent shall have no duty to solicit the delivery of any property into the Escrow Accounts.

The Escrow Agent is not a party to any other provisions, covenants or agreements as may exist between the other parties hereto and shall not distribute or release the Escrowed Funds except in accordance with the express terms and conditions of this Escrow Agreement.

II. Investment Instructions

The Escrow Agent shall hold the Escrowed Funds in a “non-interest-bearing deposit account” insured by the Federal Deposit Insurance Corporation (“FDIC”) to the maximum applicable limits. The Escrowed Funds shall at all times remain available for distribution in accordance with Section III below.

III. Disbursement Instructions

The Escrow Agent shall retain the Escrowed Funds in the Escrow Accounts until it is presented with joint written instructions signed by the Buyer and the Seller in the form attached hereto as Exhibit B (“**Joint Written Instructions**”) or a written order of the Bankruptcy Court directing any disbursement of the Escrowed Funds to Seller and/or Buyer (a “**Court Order**”), as applicable. Upon receipt of such instructions or Court Order, the Escrow Agent shall disburse the amount of the Escrowed Funds specified in such instruction from the Escrow Account specified in such instruction or Court Order by wire transfer of immediately available funds as directed in such instruction or Court Order. There may be more than one such instruction.

In the event a Joint Written Instructions or Court Order is delivered to the Escrow Agent, whether in writing, by telecopier or otherwise, the Escrow Agent is authorized to seek confirmation of such instruction or Court Order by telephone call back to the person or persons designated in Exhibits A-1 and or A-2 annexed hereto (the “**Call Back Authorized Individuals**”), and the Escrow Agent may rely upon the confirmations of anyone purporting to be a Call Back Authorized Individual. To assure accuracy of such instructions or Court Order it receives, the Escrow Agent may record such call backs. If the Escrow Agent is unable to verify such instructions or Court

Order, or is not satisfied with the verification it receives, it will not execute such instruction or Court Order until all such issues have been resolved. The persons and telephone numbers for call backs may be changed only in writing actually received and acknowledged by the Escrow Agent.

IV. Tax Information

Buyer shall be responsible for, and the taxpayer on, all taxes due on the interest or income earned on the Escrowed Funds for the calendar year in which such interest or income is earned. Prior to the date hereof, the Buyer and Seller shall provide the Escrow Agent with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 as applicable and such other forms and documents that the Escrow Agent may request.

The Escrow Agent shall be responsible only for income reporting to the Internal Revenue Service with respect to income earned on the Escrowed Funds. The Escrow Agent shall withhold any taxes required to be withheld by applicable law, including but not limited to required withholding in the absence of proper tax documentation, and shall remit such taxes to the appropriate authorities. Other than in connection with any required withholding, the Parties acknowledge and agree that the Escrow Agent shall have no responsibility for the preparation and/or filing of any tax return with respect to the Escrowed Funds or any income earned by the Escrowed Funds.

V. Termination of the Escrow Accounts

This Escrow Agreement, the duties of the Escrow Agent and the Escrow Accounts shall automatically terminate upon the payment in full by the Escrow Agent of the Escrowed Funds to the Seller and/or Buyer, as directed herein.

VI. Notices

All notices, requests, demands and other communications required under this Escrow Agreement shall be in writing, in English, and shall be deemed to have been duly given if delivered (i) personally, (ii) by facsimile transmission with written confirmation of receipt, (iii) on the day of transmission if sent by electronic mail ("e-mail") with a signed PDF attachment to the e-mail address given below, and written confirmation of receipt is obtained promptly after completion of the transmission, (iv) by overnight delivery with a reputable national overnight delivery service, or (v) by mail or by certified mail, return receipt requested, and postage prepaid. If any notice is mailed, it shall be deemed given five business days after the date such notice is deposited in the United States Mail. If notice is given to a party, it shall be given at the address for such party set forth below. It shall be the responsibility of the Parties to

notify the Escrow Agent and the other party in writing of any name or address changes.

If to the Buyer:

Name: Jewel Food Stores, Inc.
Address: 250 East Parkcenter Boulevard
Boise, Idaho 83706

Attn: Legal Department
Telephone: (208) 395-3845
Facsimile: (208) 395-6575
E-mail: Justin.Ewing@albertsons.com
Todd.Williams@albertsons.com

With a copy to:

Name: Schulte Roth & Zabel LLP
Address: 919 Third Avenue
New York, NY 10022

Attn: Stuart D. Freedman and David Hillman
Telephone: (212) 756-2000
Facsimile: (212) 593-5955
E-mail: stuart.freedman@srz.com;
david.hillman@srz.com

Statement Recipient: YES

If to the Seller:

Name: Strack and Van Til Super Market, Inc.
Address: 2244 45th Street
Highland, IN 46322

Attn: Phil Latchford
Telephone: (219) 961-9237
E-mail: LatchfordP@s-vt.com

With a copy to:

Name: Weil, Gotshal & Manges LLP
Address: 767 Fifth Avenue
New York, New York 10153

Attn: Stephen Karotkin, Sunny Singh and Gavin

Westerman
Telephone: (212) 310-8350
Facsimile: (212) 310-8007
E-mail: stephen.karotkin@weil.com;
sunny.singh@weil.com;
gavin.westerman@weil.com

Name: Weil, Gotshal & Manges LLP
Address: 200 Crescent Court, Suite 300
Dallas, TX 75201

Attn: John Quattrocchi
Telephone: (214) 746-7898
Facsimile: (214) 746-7777
E-mail: john.quattrocchi@weil.com

Statement Recipient: YES

If to the Escrow Agent

Name: Citibank, N.A.
Address: c/o Citi Private Bank
153 East 53rd Street, 18th Floor
New York, NY 10022

Attn: William T. Lynch
Telephone: 212-783-7108
Facsimile: 212-783-7131
E-mail: William.lynch@citi.com

VII. Account Statements and Advices

Unless instructed otherwise in writing by the party in question, the Escrow Agent shall prepare monthly account statements for the Escrow Accounts and deliver such statements to all parties listed in the "Notices" section herein. All such parties shall also receive advices for all transactions in the Escrow Accounts as any such transactions occur.

VIII. Fee Information

Each of the Buyer and the Seller shall be responsible for and agrees to promptly pay the Escrow Agent, upon request from the Escrow Agent, 50% of the Escrow Agent's compensation as set forth on Schedule B for its services as escrow agent hereunder, and to reimburse the Escrow Agent for 50% of all costs and expenses in connection with the performance of its duties and obligations hereunder, including reasonable attorneys' fees incurred by the Escrow Agent.

EXHIBIT A-1**Certificate as to the Buyer's Authorized Signatures**

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of Buyer and are authorized to initiate and approve transactions of all types for the escrow account or accounts established under this Escrow Agreement, on behalf of the Buyer. The below listed persons (must list at least two individuals) have also been designated Call Back Authorized Individuals and will be notified by Citibank N.A. upon the release of Escrow Funds from the escrow account(s) unless an original "Standing or Predefined Instruction" letter is on file with the Escrow Agent file with the Escrow Agent.

Name / Title / Telephone #Specimen Signature

Marilyn Beardsley

Name

Vice President, Real Estate Law

Title

(925) 226-5662

Telephone #

Todd Williams

Name

Vice President Corporate Development

Title

(208) 395-5038

Telephone #

Joel Guth

Name

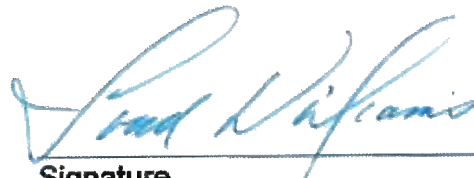
Vice President, Real Estate Law

Title

(208) 395-5191

Telephone #


 Signature


 Signature


 Signature

EXHIBIT A-2Certificate as to the Seller's Authorized Signatures

The specimen signatures shown below are the specimen signatures of the individuals who have been designated as authorized representatives of Seller and are authorized to initiate and approve transactions of all types for the escrow account or accounts established under this Escrow Agreement, on behalf of Seller. The below listed persons (must list at least two individuals) have also been designated Call Back Authorized Individuals and will be notified by Citibank N.A. upon the release of Escrow Funds from the escrow account(s) unless an original "Standing or Predefined Instruction" letter is on file with the Escrow Agent.

Name / Title /Telephone #Specimen Signature

Name

Signature

Title

Telephone #

Phil Latchford

Name

CEO

Title

219-961-9237

Telephone #

Jeffrey Strack

Name

President : CEO

Title

219-689-7546

Telephone #



Signature



Signature

Exhibit B
Form of Joint Written Instructions

JOINT WRITTEN INSTRUCTIONS

[_____] [], 2017

Via Email

Citibank, N.A.
c/o Citi Private Bank
153 East 53rd Street, 18th Floor
New York, NY 10022
Attn: William T. Lynch
E-mail: William.lynch@citi.com

Sir:

Reference is made to that certain Escrow Agreement, dated as of May 12, 2017 (as amended, supplemented or otherwise modified from time to time, the “**Escrow Agreement**”), by and among Jewel Food Stores, Inc. (the “**Buyer**”), Strack and Van Til Super Market, Inc. (the “**Seller**”) and CITIBANK, N.A. (the “**Escrow Agent**”). Capitalized terms used and not otherwise defined in this joint written instruction shall have the meanings given to such terms in the Escrow Agreement.

Pursuant to Schedule A, Section III of the Escrow Agreement, Seller and Buyer hereby instruct Escrow Agent to release and distribute \$[_____] of the Escrowed Funds that are in the [Deposit Escrow Account] [Holdback Escrow Account], to [Buyer] [Seller] by wire transfer of immediately available funds in accordance with the wire transfer instructions attached hereto as Exhibit A.

Very truly yours,

BUYER

By: _____
Name:
Title:

SELLER

By: _____
Name:
Title:

Exhibit A
Wire Instructions

Schedule B

**ESCROW AGENT FEE SCHEDULE
Citibank, N.A., Escrow Agent**

Acceptance Fee

To cover the acceptance of the Escrow Agency appointment, the study of the Escrow Agreement, and supporting documents submitted in connection with the execution and delivery thereof, and communication with other members of the working group:

Fee: WAIVED

Administration Fee

The annual administration fee covers maintenance of the Escrow Accounts including safekeeping of assets in the Escrow Accounts, normal administrative functions of the Escrow Agent, including maintenance of the Escrow Agent's records, follow-up of the Escrow Agreement's provisions, and any other safekeeping duties required by the Escrow Agent under the terms of the Escrow Agreement. Fee is based on the Deposit Escrow Amount and the Holdback Escrow Amount each being deposited in a non-interest bearing deposit account, FDIC insured to the applicable limits.

Fee: \$2,500.00 (per executed escrow agreement)

Tax Preparation Fee

To cover preparation and mailing of Forms 1099-INT, if applicable for the escrow parties for each calendar year:

Fee: WAIVED

Transaction Fees

To oversee all required disbursements or release of property from the Escrow Accounts to any escrow party, including cash disbursements made via check and/or wire transfer, fees associated with postage and overnight delivery charges incurred by the Escrow Agent as required under the terms and conditions of the Escrow Agreement:

Fee: WAIVED

Other Fees

Material amendments to the Escrow Agreement: additional fee(s), if any, to be discussed at time of amendment

Important information about opening a new account at Citi Private Bank:

To help the United States Government fight terrorism and money laundering, Federal law requires financial institutions to obtain, verify, and record information that identifies each individual, business or entity that opens an account or establishes a relationship. What this means for you:

For individuals — when you open an account or establish a relationship, we will ask for your:

- name,
- date of birth,
- residential street address, and
- identification number, such as a social security number, taxpayer identification number, national identification number or passport number.

For businesses and other entities, such as corporations, trusts, etc. — when you open an account or establish a relationship, we will ask for your:

- official name,
- principal place of business or local business street address, and
- taxpayer identification number or other registration number.

For individuals, we may also ask to see (and retain a copy of) your driver's license, passport or other identifying documents that will help us identify you. For businesses or entities, we may also ask for a copy of your formation documents or other related documentation. If we have difficulty verifying an account holder's identity, we may not be able to open an account or establish a relationship, or we may have to block or close the account.

Thank you for your cooperation.

Exhibit C

Form of Sale Order

Exhibit D

[Reserved]

Exhibit E

Form of Bill of Sale

BILL OF SALE¹

THIS BILL OF SALE (this "Bill of Sale") is entered into and effective as of [●], 2017, by and among Strack and Van Til Super Market, Inc., an Indiana corporation ("SVT Super Market"), SVT, LLC, an Indiana limited liability company ("SVT"), Raceway Central, LLC, an Illinois limited liability company (together with SVT Super Market and SVT, "Sellers") and Jewel Food Stores, Inc., an Ohio corporation ("Buyer"). Sellers and Buyer are referred to collectively herein as the "Parties."

WHEREAS, the Parties are parties to that certain Asset Purchase Agreement, dated May 12, 2017 (the "Purchase Agreement"). Capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Purchase Agreement; and

WHEREAS, the execution and delivery of this Bill of Sale is contemplated by Sections 2.5(a)(i)(C) and 2.5(a)(ii)(A) of the Purchase Agreement;² and

WHEREAS, Sellers desire to sell, assign, transfer, convey, and deliver to Buyer the Acquired Assets related to the Stores listed on Schedule I attached hereto (the "Assigned Assets"), and Buyer desires to accept such Assigned Assets from Sellers.

NOW, THEREFORE, in consideration of the promises and mutual agreements set forth in the Purchase Agreement, the Parties hereby agree as follows:

1. Sale and Acceptance of Assigned Assets. For and in consideration of Ten Dollars (\$10.00) and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, effective as of the date of this Bill of Sale (the "Closing"), Sellers hereby sell, assign, transfer, convey, and deliver to Buyer the Assigned Assets, free and clear of all Liens (other than Permitted Liens). As of the Closing, Buyer hereby accepts the foregoing sale and assignment.

2. Conflict. The sale, assignment, transfer, conveyance, and delivery of the Assigned Assets made hereunder are made in accordance with, and subject to, the Purchase Agreement. In the event of a conflict between the terms and conditions of this Bill of Sale and the terms and conditions of the Purchase Agreement, the terms and conditions of the Purchase Agreement shall govern, supersede, and prevail. Notwithstanding anything to the contrary in this Bill of Sale, nothing herein is intended to, nor shall it, extend, amplify, or otherwise alter the representations, warranties, covenants, and obligations of the Parties contained in the Purchase Agreement or the survival thereof.

3. Notices. Any notice, request, or other document to be given hereunder to any Party shall be given in the manner specified in Section 9.7 of the Purchase Agreement. Any Party may change its address for receiving notices, requests, and other documents by giving written notice of such change to the other Parties in the manner specified in Section 9.7 of the Purchase Agreement.

¹ NTD: Bill of Sale for the Initial Closing to include catchall covering all Acquired Assets not related to any Store, other than Software and Systems, which shall be acquired at the Final Closing.

² NTD: Bill of Sale for each Closing after the Initial Closing to be updated to reflect appropriate section references.

4. Severability. Whenever possible, each provision of this Bill of Sale shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Bill of Sale is held to be prohibited by or invalid under applicable Law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Bill of Sale.

5. Enforceability. If any provision of this Bill of Sale or the application of any such provision to any Person or circumstance shall be held invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

6. Amendments. This Bill of Sale may not be amended or modified except by an instrument in writing signed by, or on behalf of, Buyer and Sellers.

7. Further Assurances. Each of the Parties, without additional consideration, shall execute and deliver all such further documents and do such other things as the other Party may reasonably request to give full effect to this Bill of Sale.

8. Counterparts; Facsimile and Electronic Signatures. This Bill of Sale may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. This Bill of Sale or any counterpart may be executed and delivered by facsimile copies or delivered by electronic communications by portable document format (.pdf), each of which shall be deemed an original.

9. Governing Law. This Bill of Sale shall be governed by and construed in accordance with the internal Laws of the State of Delaware (without giving effect to the principles of conflicts of Laws thereof), except to the extent that the Laws of such state are superseded by the Bankruptcy Code. Without limiting any Party's right to appeal any Order of the Bankruptcy Court, the Parties agree that if any dispute arises out of or in connection with this Bill of Sale, the Bankruptcy Court shall have exclusive personal and subject matter jurisdiction and shall be the exclusive venue to resolve any and all disputes relating to this Bill of Sale and the transactions contemplated hereby. Such court shall have sole jurisdiction over such matters and the parties affected thereby and Sellers and Buyer each hereby consent and submit to such jurisdiction; provided, however, that if the Sellers' chapter 11 cases shall have closed and cannot be reopened, the Parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the United States District Court for the District of Delaware and any appellate court thereof, for the resolution of any such claim or dispute. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. In the event any such action, suit or proceeding is commenced, the Parties hereby agree and consent that service of process may be made, and personal jurisdiction over any Party hereto in any such action, suit or proceeding may be obtained, by service of a copy of the summons, complaint and other pleadings required to commence such action, suit or proceeding upon the Party at the address of such Party set forth in Section 9.7 of the Purchase Agreement, unless another address has been designated by such

Party in a notice given to the other parties in accordance with the provisions of Section 9.7 of the Purchase Agreement.

10. Third Party Beneficiaries and Obligations. This Bill of Sale shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Nothing in this Bill of Sale, express or implied, is intended to or shall confer upon any Person other than the Parties or their respective successors and permitted assigns, any rights, remedies, or liabilities under or by reason of this Bill of Sale.

11. Entire Agreement. This Bill of Sale, together with the Schedule attached hereto, and the Purchase Agreement and the exhibits and the documents referred to in the Purchase Agreement, contain the entire understanding between the Parties with respect to the transactions contemplated hereby and supersede all prior agreements, understandings, representations and statements, oral or written, between the Parties on the subject matter hereof, which such prior agreements, understandings, representations and statements, oral or written, shall be of no further force or effect.

* * * * *

IN WITNESS WHEREOF, the Parties have executed Bill of Sale as of the date first above written.

STRACK AND VAN TIL SUPER MARKET, INC.

By: _____
Name:
Title:

SVT, LLC

By: _____
Name:
Title:

RACEWAY CENTRAL, LLC

By: _____
Name:
Title:

JEWEL FOOD STORES, INC.

By: _____
Name:
Title:

SCHEDULE I

Stores

Exhibit F

Form of Assignment and Assumption Agreement

ASSIGNMENT AND ASSUMPTION AGREEMENT¹

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this “Agreement”) is entered into and effective as of [●], 2017, by and among Strack and Van Til Super Market, Inc., an Indiana corporation (“SVT Super Market”), SVT, LLC, an Indiana limited liability company (“SVT”), Raceway Central, LLC, an Illinois limited liability company (together with SVT Super Market and SVT, “Sellers”) and Jewel Food Stores, Inc., an Ohio corporation (“Buyer”). Sellers and Buyer are referred to collectively herein as the “Parties.”

WHEREAS, the Parties are parties to that certain Asset Purchase Agreement, dated May 12, 2017 (the “Purchase Agreement”). Capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Purchase Agreement; and

WHEREAS, the execution and delivery of this Agreement is contemplated by Sections 2.5(a)(i)(D) and 2.5(a)(ii)(B) of the Purchase Agreement;² and

WHEREAS, Sellers desire to assign, transfer, convey and deliver to Buyer the Acquired Assets related to the Stores listed on Schedule I attached hereto (the “Assigned Assets”), and Buyer desires to accept such Assigned Assets (other than the Assumed Leases).

NOW, THEREFORE, in consideration of the promises and mutual agreements set forth in the Purchase Agreement, the Parties hereby agree as follows:

1. Assignment and Assumption of Assigned Assets. For and in consideration of Ten Dollars (\$10.00) and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, effective as of the date of this Agreement (the “Closing”), Sellers hereby assign, transfer, convey, and deliver to Buyer all of Sellers’ right, title and interest in, to and under each of the Assigned Assets (other than the Assumed Leases), and Buyer hereby accepts the assignment, transfer, conveyance and delivery of Sellers’ rights, title and interest in, to and under the Assigned Assets.
2. Assumption of Assumed Liabilities. Effective as of the Closing, Sellers hereby assign, and Buyer hereby assumes and agrees to pay, discharge, or perform when due, on or after the Closing, the Assumed Liabilities related to the Assigned Assets (other than the Assumed Leases) to the extent provided in the Purchase Agreement. For the avoidance of doubt, and without limiting the foregoing, Buyer does not assume, and hereby disclaims, all Liabilities of Sellers or of any predecessor or Affiliate of Sellers other than such Assumed Liabilities with respect to the Assigned Assets.
3. Conflict. The assignment and assumption of the Assigned Assets (other than the Assumed Leases) (and the Assumed Liabilities related thereto) made hereunder are made in accordance

¹ NTD: Assignment and Assumption Agreement for the Initial Closing to include catch-all covering all Acquired Assets not related to any specific Store, other than Software and Systems, which shall be acquired at the Final Closing. Note that the Assumed Leases are to be conveyed under a separate document.

² NTD: Assignment and Assumption Agreement for each Closing after the Initial Closing to be updated to reflect appropriate section references.

with, and subject to, the Purchase Agreement. In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of the Purchase Agreement, the terms and conditions of the Purchase Agreement shall govern, supersede, and prevail. Notwithstanding anything to the contrary in this Agreement, nothing herein is intended to, nor shall it, extend, amplify, or otherwise alter the representations, warranties, covenants, and obligations of the Parties contained in the Purchase Agreement or the survival thereof.

4. Notices. Any notice, request, or other document to be given hereunder to any Party shall be given in the manner specified in Section 9.7 of the Purchase Agreement. Any Party may change its address for receiving notices, requests, and other documents by giving written notice of such change to the other Parties in the manner specified in Section 9.7 of the Purchase Agreement.
5. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be prohibited by, or invalid under, applicable Law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.
6. Enforceability. If any provision of this Agreement or the application of any such provision to any Person or circumstance shall be held invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.
7. Amendments. This Agreement may not be amended or modified except by an instrument in writing signed by, or on behalf of, Buyer and Sellers.
8. Further Assurances. Each of the Parties, without additional consideration, shall execute and deliver all such further documents and do such other things as the other Party may reasonably request to give full effect to this Agreement.
9. Counterparts; Facsimile and Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. This Agreement or any counterpart may be executed and delivered by facsimile copies or delivered by electronic communications by portable document format (.pdf), each of which shall be deemed an original.
10. Governing Law. This Agreement shall be governed by and construed in accordance with the internal Laws of the State of Delaware (without giving effect to the principles of conflicts of Laws thereof), except to the extent that the Laws of such state are superseded by the Bankruptcy Code. Without limiting any Party's right to appeal any Order of the Bankruptcy Court, the Parties agree that if any dispute arises out of or in connection with this Agreement, the Bankruptcy Court shall have exclusive personal and subject matter jurisdiction and shall be the exclusive venue to resolve any and all disputes relating to this Agreement and the transactions contemplated hereby. Such court shall have sole jurisdiction over such matters and the parties affected thereby and Sellers and Buyer each hereby consent and submit to such jurisdiction; provided, however, that if the Sellers' chapter 11 cases shall have closed

and cannot be reopened, the Parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the United States District Court for the District of Delaware and any appellate court thereof, for the resolution of any such claim or dispute. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. In the event any such action, suit or proceeding is commenced, the Parties hereby agree and consent that service of process may be made, and personal jurisdiction over any Party hereto in any such action, suit or proceeding may be obtained, by service of a copy of the summons, complaint and other pleadings required to commence such action, suit or proceeding upon the Party at the address of such Party set forth in Section 9.7 of the Purchase Agreement, unless another address has been designated by such Party in a notice given to the other parties in accordance with the provisions of Section 9.7 of the Purchase Agreement.

11. Third Party Beneficiaries and Obligations. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to or shall confer upon any Person other than the Parties or their respective successors and permitted assigns, any rights, remedies, or liabilities under or by reason of this Agreement.
12. Entire Agreement. This Agreement, together with the Schedule attached hereto and the Purchase Agreement and the exhibits and the documents referred to in the Purchase Agreement, contain the entire understanding between the Parties with respect to the transactions contemplated hereby and supersede all prior agreements, understandings, representations and statements, oral or written, between the Parties on the subject matter hereof, which such prior agreements, understandings, representations and statements, oral or written, shall be of no further force or effect.

* * * * *

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

STRACK AND VAN TIL SUPER MARKET, INC.

By: _____
Name:
Title:

SVT, LLC

By: _____
Name:
Title:

RACEWAY CENTRAL, LLC

By: _____
Name:
Title:

JEWEL FOOD STORES, INC.

By: _____
Name:
Title:

SCHEDULE I

Stores

Exhibit G

Form of Lease Assignment Agreement

Recording Requested By
And When Recorded, Return To:

DO NOT WRITE ABOVE THIS LINE
FOR RECORDER'S USE ONLY

APN:

[City], [State]
Store # [Store No.]

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is made as of the ____ day of [●], 2017, by and between SVT, LLC, an Indiana limited liability company ("Seller"), and Jewel Food Stores, Inc., an Ohio corporation ("Buyer"). Seller and Buyer are referred to collectively herein as the "Parties."

WHEREAS, the Parties are parties to that certain Asset Purchase Agreement, dated May 12, 2017 (the "Purchase Agreement"). Capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Purchase Agreement;

WHEREAS, the execution and delivery of this Assignment is contemplated by Sections 2.5(a)(i)(E) and 2.5(a)(ii)(C) of the Purchase Agreement;¹ and

WHEREAS, Seller desires to assign, transfer, convey and deliver to Buyer the Lease described in Schedule I attached hereto, including all amendments, modifications, and supplements thereto (collectively, the "Lease"), and Buyer desires to accept an assignment of the Lease, together with all right, title, and interest of Seller thereunder. The property encumbered by the Lease (the "Leased Premises") is described on Schedule II attached hereto.

NOW, THEREFORE, in consideration of the promises and mutual agreements set forth in the Purchase Agreement, the Parties hereby agree as follows:

1. Assignment and Assumption of Lease. For and in consideration of Ten Dollars (\$10.00) and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, effective as of the date of this Assignment (the "Closing"), Seller hereby assigns, transfers, conveys, and delivers to Buyer all of Seller's estate, right, title and interest as tenant of the leasehold estate described under the Lease, and Buyer hereby accepts the assignment,

¹ NTD: Assignment and Assumption Agreement for each Closing after the Initial Closing to be updated to reflect appropriate section references.

transfer, conveyance and delivery of Seller's estate, right, title and interest in, to and under such leasehold estate.

2. Assumption of Assumed Liabilities. Effective as of the Closing, Seller hereby assigns, and Buyer hereby assumes and agrees to pay, discharge, or perform when due, on or after the Closing, the Assumed Liabilities related to the Lease to the extent provided in the Purchase Agreement. For the avoidance of doubt, and without limiting the foregoing, Buyer does not assume, and hereby disclaims, all Liabilities of Seller or of any predecessor or Affiliate of Seller other than such Assumed Liabilities with respect to the Lease.
3. Conflict. The assignment and assumption of the Lease (and the Assumed Liabilities related thereto) made hereunder are made in accordance with, and subject to, the Purchase Agreement (including, without limitation, any surviving representations, warranties, covenants, and agreements contained therein), which are incorporated herein by reference. In the event of a conflict between the terms and conditions of this Assignment and the terms and conditions of the Purchase Agreement, the terms and conditions of the Purchase Agreement shall govern, supersede, and prevail. Notwithstanding anything to the contrary in this Assignment, nothing herein is intended to, nor shall it, extend, amplify, or otherwise alter the representations, warranties, covenants, and obligations of the Parties contained in the Purchase Agreement or the survival thereof.
4. Notices. Any notice, request, or other document to be given hereunder to any Party shall be given in the manner specified in Section 9.7 of the Purchase Agreement. Any Party may change its address for receiving notices, requests, and other documents by giving written notice of such change to the other Parties in the manner specified in Section 9.7 of the Purchase Agreement.
5. Severability. Whenever possible, each provision of this Assignment shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Assignment is held to be prohibited by, or invalid under, applicable Law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Assignment.
6. Enforceability. If any provision of this Assignment or the application of any such provision to any Person or circumstance shall be held invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.
7. Amendments. This Assignment may not be amended or modified except by an instrument in writing signed by, or on behalf of, Buyer and Seller.
8. Further Assurances. Each of the Parties, without additional consideration, shall execute and deliver all such further documents and do such other things as the other Party may reasonably request to give full effect to this Assignment, including, without limitation, any other form of assignment agreement required in order to record this Assignment in the appropriate public records of the county in which the Leased Premises are located.

9. Counterparts; Facsimile and Electronic Signatures. This Assignment may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. This Assignment or any counterpart may be executed and delivered by facsimile copies or delivered by electronic communications by portable document format (.pdf), each of which shall be deemed an original.
10. Governing Law. This Assignment shall be governed by and construed in accordance with the internal Laws of the State of Delaware (without giving effect to the principles of conflicts of Laws thereof), except to the extent that the Laws of such state are superseded by the Bankruptcy Code. Without limiting any Party's right to appeal any Order of the Bankruptcy Court, the Parties agree that if any dispute arises out of or in connection with this Assignment, the Bankruptcy Court shall have exclusive personal and subject matter jurisdiction and shall be the exclusive venue to resolve any and all disputes relating to this Assignment and the transactions contemplated hereby. Such court shall have sole jurisdiction over such matters and the parties affected thereby and Seller and Buyer each hereby consent and submit to such jurisdiction; provided, however, that if the Sellers' chapter 11 cases shall have closed and cannot be reopened, the Parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the United States District Court for the District of Delaware and any appellate court thereof, for the resolution of any such claim or dispute. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. In the event any such action, suit or proceeding is commenced, the Parties hereby agree and consent that service of process may be made, and personal jurisdiction over any Party hereto in any such action, suit or proceeding may be obtained, by service of a copy of the summons, complaint and other pleadings required to commence such action, suit or proceeding upon the Party at the address of such Party set forth in Section 9.7 of the Purchase Agreement, unless another address has been designated by such Party in a notice given to the other parties in accordance with the provisions of Section 9.7 of the Purchase Agreement.
11. Third Party Beneficiaries and Obligations. This Assignment shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Nothing in this Assignment, express or implied, is intended to or shall confer upon any Person other than the Parties or their respective successors and permitted assigns, any rights, remedies, or liabilities under or by reason of this Assignment.
12. Recordation. Subject to the following sentence, this Assignment [shall be/may be]² recorded in the appropriate public records of the county in which the Leased Premises are located. Seller makes no representation regarding the recordability of this Assignment, nor the Lease or related documents, and Seller shall bear no liability for the failure of this Assignment, the

² Albertson's wants to record any lease assignment in which the lease or lease assignment or memorandum of lease is recorded in the public records of the county in which the leased premises are located. With respect to those leases that are not already of record, Albertson's will decide whether it wants to record such lease assignment.

Lease or related documents to be recorded. Buyer shall bear all costs and expenses in connection with recording this Assignment or any other related documents.

13. Entire Agreement. This Agreement, together with the Schedules attached hereto and the Purchase Agreement and the exhibits and the documents referred to in the Purchase Agreement, contain the entire understanding between the Parties with respect to the transactions contemplated hereby and supersede all prior agreements, understandings, representations and statements, oral or written, between the Parties on the subject matter hereof, which such prior agreements, understandings, representations and statements, oral or written, shall be of no further force or effect.

* * * * *

IN WITNESS WHEREOF, the Parties have executed this Assignment as of the date first above written.

SELLER:

SVT, LLC, an Indiana limited liability company

By: _____

Name: _____

Title: _____

THE STATE OF _____)
) ss.
County of _____)

On this ____ day of _____, 2017, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, to me known to be the _____ of SVT, LLC, the limited liability company that executed the foregoing instrument, and acknowledged to me that the said instrument is the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS MY HAND and official seal hereto affixed the day, month and year in this certificate first above written.

Notary Public in and for the State of _____
Residing at _____
My commission expires: _____

BUYER:

Jewel Food Stores, Inc., an Ohio
corporation

By: _____
Name: _____
Title: _____

THE STATE OF _____)
) ss.
County of _____)

On this ____ day of _____, 2017, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, to me known to be the _____ of Jewel Food Stores, Inc., the corporation that executed the foregoing instrument, and acknowledged to me that the said instrument is the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS MY HAND and official seal hereto affixed the day, month and year in this certificate first above written.

Notary Public in and for the State of _____
Residing at _____
My commission expires: _____

List of Schedules:

Schedule I - Lease

Schedule II - Leased Premises

SCHEDULE I

Lease

SCHEDULE II

Leased Premises

Exhibit H

[Reserved]

Exhibit I

Form of Trademark Assignment Agreement

EXECUTION

EXHIBIT I

FORM OF TRADEMARK ASSIGNMENT AGREEMENT

THIS TRADEMARK ASSIGNMENT AGREEMENT (this “**Agreement**”) is made as of _____, 2017, by and among Strack and Van Til Super Market, Inc., an Indiana corporation (“**SVTSM**”), SVT, LLC, an Indiana limited liability company (“**SVT**”), and Raceway Central, LLC, an Illinois limited liability company (“**Raceway**”, and together with SVTSM and SVT, “**Assignors**”), on the one hand, and Jewel Food Stores, Inc., an Ohio corporation (“**Assignee**”), on the other hand. Each of SVTSM, SVT and Raceway will hereafter be referred to, individually, as an “**Assignor**” and, collectively, as “**Assignors**”. Assignors and Assignee will hereinafter be referred to as the “**Parties**”.

RECITALS

A. Assignors and Assignee are parties to that certain Asset Purchase Agreement dated as of May 12, 2017 by and among the Sellers listed on Schedule A thereto and Assignee (the “**Purchase Agreement**”). All capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Purchase Agreement.

B. Pursuant to the Purchase Agreement, each Assignor has agreed to sell, transfer and assign to Assignee all of such Assignor’s respective right, title and interest in and to the (a) Trademarks (whether or not registered) listed on Schedule I attached hereto (collectively, “**Assigned Trademarks**”).

C. Assignee and Assignors desire to enter into this Agreement to effectuate the transfer of the Assigned Trademarks.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties hereby agree as follows:

1. Assignment. Each Assignor does hereby sell, assign, transfer, convey and deliver to Assignee and its successors and assigns, all of such Assignor’s right, title, and interest in and to all (i) Assigned Trademarks, including all goodwill and common law rights therein, (ii) all income, royalties, damages, payments and other proceeds now and hereafter due or payable with respect thereto, including under all licenses, sublicenses, covenants not to sue, co-existence and similar agreements entered into in connection therewith, and (iii) all causes of action, damages and payments for past, present or future infringements, dilutions, misappropriations, or violations thereof.

2. Cooperation. Each Assignor agrees to execute and deliver such other documents and to take in a timely manner all such other actions which the Assignee, its successors and assigns may reasonably request to effect the terms of this Agreement and correlative provisions of the Purchase Agreement, including preparing and transmitting the necessary documents and instructions to the registrars for each of the domain names included in the Assigned Trademarks, and to execute and deliver any and all affidavits, testimonies, declarations, oaths, samples, exhibits, specimens and other documentation as may be reasonably required to effect the terms of this Agreement and correlative provisions of the Purchase Agreement and its recordation or filing with any applicable Governmental Authority.

3. Conflicts. Notwithstanding any other provisions of this Agreement to the contrary, nothing contained herein shall in any way supersede, modify, replace, amend, change, rescind, limit, diminish, waive or in any way affect the provisions, including warranties, covenants, agreements, conditions, representations or, in general, any of the rights and remedies and any of the obligations of Assignee or Assignors under the Purchase Agreement. This Agreement is subject to and controlled by the terms of the Purchase Agreement.

4. Entire Agreement. This Agreement, together with the Purchase Agreement and the documents contemplated to be delivered at the closing thereof, contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters. Any provision of this Agreement may be amended if, and only if, such amendment is in writing and signed by Assignors and Assignee.

5. Binding Agreement. This Agreement binds and benefits the parties and their respective permitted successors and assigns. No Party may assign any of its rights or delegate any of its obligations under this Agreement without the written consent of the other Parties, which consent may be withheld in such party's sole and absolute discretion. Any assignment or attempted assignment in violation of the foregoing shall be null and void.

6. Governing Law. The laws of the State of New York (without reference to its principles of conflicts of law) shall govern this Agreement.

7. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other persons, entities or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

8. Counterparts. This Agreement may be executed in one or more facsimile or PDF counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement.

9. Headings. The heading references herein are for convenience purposes only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, each Assignor has caused this Agreement to be executed and delivered as of the date first above written.

ASSIGNOR:

STRACK AND VAN TIL SUPER MARKET,
INC.

By: _____
Name: _____
Title _____

ASSIGNOR:

SVT, LLC

By: _____
Name: _____
Title _____

ASSIGNOR:

Raceway Central, LLC

By: _____
Name: _____
Title _____

Accepted and acknowledged:

ASSIGNEE:

JEWEL FOOD STORES, INC.

By: _____
Name: _____
Title _____

SCHEDULE I¹Registered Trademarks

Domain Name	Registrant/Organization	Registrar	Expiration Date
Strackandvantil.com	Richard Weber/Strack & Van Til	GoDaddy.com, LLC	2/11/2018
Townandcountrymarkets.com	DW Green/DW Green Company	Google Inc.	8/8/2017

Unregistered Trademarks

Trademark	Owner/Assignor
STRACK & VAN TIL	Strack and Van Til Super Market, Inc.
STRACK AND VAN TIL	Strack and Van Til Super Market, Inc.
STRACK & VAN TIL FOOD MARKET	Strack and Van Til Super Market, Inc.
TOWN & COUNTRY	Strack and Van Til Super Market, Inc.
TOWN & COUNTRY FRESH FOOD MARKET THE FRESHEST WAY TO SAVE	Strack and Van Til Super Market, Inc.

¹ NTD: To be conformed to Purchase Agreement.

Exhibit J

Deed

Above Space for Recorder's Use

LIMITED WARRANTY DEED

THIS INDENTURE WITNESSETH, that _____, a _____
("Grantor"), whose address is _____ **Bargains, Sells, Conveys and Specially**
Warrants to _____, a _____ ("Grantee"), whose address is _____,
for the sum of Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which
is hereby acknowledged, the following described real estate in _____ County, State of Indiana and
legally described as follows:

SEE EXHIBIT A ATTACHED HERETO AND INCORPORATED HEREIN (the
"Property").

Property Address: _____

TO HAVE AND TO HOLD the Property to Grantee and Grantee's successors and assigns
forever. Grantor covenants and warrants that Grantor shall warrant and defend the same to said Grantee
and said Grantee's successors and assigns forever, against the lawful claims and demands of all persons
claiming by, through, or under the said Grantor, but against none other. It is understood and agreed by
the parties hereto that the title to the Property herein conveyed is warranted only insofar as it might be
affected by any act of the Grantor during its ownership thereof and not otherwise.

Subject to all Permitted Liens as defined on **EXHIBIT B**. [NOTE TO DRAFTER: Exhibit B to
include definition of Permitted Liens under the executed purchase agreement]

The undersigned person(s) executing this deed on behalf of Grantor represent and certify that
he/she/they is/are duly elected officer(s) of Grantor and has/have been fully empowered to execute and
deliver this deed; that Grantor has full capacity to convey the real estate described herein; and that all
necessary corporate action for the making of such conveyance has been taken and done.

[SIGNATURE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Grantor has executed this deed this _____ day of _____, 2017.

GRANTOR:

By: _____

Printed: _____

Title: _____

ACKNOWLEDGMENT

STATE OF _____)
)SS:
COUNTY OF _____)

Before me, a Notary Public in and for said County and State, personally appeared _____, as _____ of _____, who acknowledged the execution of the foregoing Deed for and on behalf of said Grantor, and who, having been duly sworn, stated that the representations therein contained are true.

Witness my hand and Notarial Seal this ____ day of _____, 2017.

My Commission expires: _____ Signature _____

_____ Printed _____

Resident of _____ County

State of _____

This instrument was prepared by: _____

Upon recording, return to: _____

Send Tax Statements to: _____

I affirm under the penalties of perjury, that I have taken reasonable care to redact each Social Security Number in this document, unless required by law.

Signature: _____

Printed Name: _____

EXHIBIT A

Legal Description

Disclosure Schedule

DISCLOSURE SCHEDULE
to the
ASSET PURCHASE AGREEMENT
AMONG
STRACK AND VAN TIL SUPER MARKET, INC.,
SVT, LLC,
RACEWAY CENTRAL, LLC
AND
JEWEL FOOD STORES, INC.

Dated as of May 12, 2017

Disclosure Schedule

This disclosure schedule (this “**Disclosure Schedule**”) has been prepared and delivered in accordance with that certain Asset Purchase Agreement (the “**Agreement**”), dated as of May 12, 2017 by and among (a) Strack and Van Til Super Market, Inc., an Indiana corporation (“**SVT Super Market**”), (b) SVT, LLC, an Indiana limited liability company (“**SVT**”), (c) Raceway Central, LLC, an Illinois limited liability company (together with SVT Super Market and SVT, “**Sellers**”), and (d) Jewel Food Stores, Inc., an Ohio corporation (“**Buyer**”). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement. This Disclosure Schedule and the information provided therein are being provided in confidence and solely for the purpose of making disclosures to Buyer under the Agreement, on the terms and subject to the conditions of the Agreement, including Sections 5.10, 9.4, and 9.16, which are deemed incorporated herein by reference. In disclosing this information, the Sellers expressly do not waive any attorney-client privilege associated with such information or any protection afforded by the work-product doctrine with respect to any of the matters disclosed or discussed herein.

Certain agreements and other matters are listed in this Disclosure Schedule for informational purposes only, notwithstanding the fact that they are not required to be referred to or disclosed herein by the terms of the Agreement.

Section 1**Stores and Locations**

Store #	Banner	Address	City	ST	Zip
8756	Strack & Van Til Market	9605 Lincoln Plz	Cedar Lake	IN	46303
8748	Strack & Van Til Market	1600 Pioneer Trl	Chesterton	IN	46304
8797	Strack & Van Til Market	10851 Broadway	Crown Point	IN	46307
8787	Strack & Van Til Market	200 W Franciscan Dr	Crown Point	IN	46307
8798	Strack & Van Til Market	4725 Indianapolis Blvd	East Chicago	IN	46312
8786	Strack & Van Til Market	115 Sibley St	Hammond	IN	46320
8765	Strack & Van Til Market	9632 Cline Ave	Highland	IN	46322
8778	Strack & Van Til Market	7760 E Ridge Rd	Hobart	IN	46342
8747	Strack & Van Til Market	999 W Old Ridge Rd	Hobart	IN	46342
8755	Strack & Van Til Market	2080 E Commercial Ave	Lowell	IN	46356
8789	Strack & Van Til Market	12 Ridge Rd	Munster	IN	46321
8754	Strack & Van Til Market	861 S College Ave	Rensselaer	IN	47978
8795	Strack & Van Til Market	9825 Wicker Ave	Saint John	IN	46373
8768	Strack & Van Til Market	1515 Us Highway 41	Schererville	IN	46375
8750	Strack & Van Til Market	2800 Calumet Ave	Valparaiso	IN	46383
8749	Strack & Van Til Market	2168 W US Highway 30	Valparaiso	IN	46385
8793	Strack & Van Til Market	1836 Calumet Ave	Whiting	IN	46394
8782	Town & Country Market	6046 Central Ave	Portage	IN	46368
8780	Town & Country Market	1605 Calumet Ave	Valparaiso	IN	46383

Section 1.1**Other Store Permits**

Store	License #	Expiration	License Type
8752	DL45-30461	3/23/17	State of Indiana
8753	85361	4/30/17	Local
8779	#3794	4/30/17	Local
8785	004-1617	4/30/17	Local
8770	DL45-30719	5/18/17	State of Indiana
8773	DL45-01363	6/15/17	State of Indiana
8762	LQ-000010	6/30/17	Local
8751	DL45-30459	7/20/17	State of Indiana
8788	#22	10/31/17	Local - Village of Forest Park
8757	#1798603	11/15/17	Local
8796	#1741085	11/15/17	Local
8761	69	11/30/17	Local
8758	#180	12/31/17	Local
8777	# 21	12/31/17	Local
8763	# 16-00000308	12/31/17	Local
8781	DL45-30460	8/22/17	State of Indiana

Section 1.1**Per Store Cash Closing Balances**

Store No.	TOTAL
8747	\$15,000.00
8748	\$15,000.00
8749	\$15,000.00
8750	\$15,000.00
8754	\$15,050.00
8755	\$15,000.00
8756	\$15,000.00
8765	\$17,500.00
8768	\$15,000.00
8778	\$15,000.00
8780	\$15,000.00
8782	\$15,000.00
8786	\$15,550.00
8787	\$15,000.00
8789	\$15,000.00
8793	\$15,000.00
8795	\$15,000.00
8797	\$15,000.00
8798	\$17,400.00
8794	\$15,500.00

Section 1.1

Affected Labor Agreements

1. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated August 9, 2015 through August 5, 2018 (Highland, Schererville, Crown Point). The Agreement has not yet been executed by the parties and is expected to be completed in due course.
2. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated September 2, 2013 through May 1, 2018 (Hobart).
3. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated February 23, 2015 through February 18, 2018 (Hobart, Merrillville, St. John).
4. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated November 24, 2014 through November 23, 2018 (Whiting, Hammond, East Chicago).
5. Agreement, by and between United Food and Commercial Workers Union, Local 881, and SVT, LLC, dated February 12, 2013 through March 12, 2018 (Crown Point and Munster).
6. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated April 13, 2014 through May 27, 2018 (Cedar Lake).
7. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated April 13, 2014 through May 27, 2018 (Lowell).
8. Agreement, by and between SVT, LLC and the Independent Employees Union, dated February 11, 2013 through February 11, 2018 (Valparaiso, Portage, Merrillville).
9. Agreement, by and between SVT, LLC and Local Union 700 chartered by the United Food and Commercial Workers International Union, dated February 2, 2016 through June 10, 2020 (Valparaiso).
10. Agreement, by and between United Food and Commercial Workers Union, Local 1546 and SVT, LLC/Ultra Foods, dated August 25, 2015 through June 29, 2019 (Meat, Seafood, Deli).
11. Agreement, by and between Independent Employees Union and SVT, LLC, dated February 11, 2013 through February 11, 2018 (Valparaiso and Portage).

Section 1.1

Affected Unions

1. United Food and Commercial Workers Union, Local 881
2. Independent Employees Union
3. United Food and Commercial Workers Union, Local 700
4. United Food and Commercial Workers Union, Local 1546

Section 1.1

Other Excluded Assets

1. All of the capital stock of Currency Express, Inc. and all of its assets.
2. The building located at 2244 45th Street, Highland, IN, including all of its assets, personal property and vehicles.
3. All stores listed in Section 1.1 of this Disclosure Schedule under the heading “Other Stores” and all related Leases and real property and any assets of Sellers located thereat (other than those Permits which may be acquired by Buyer pursuant to clause (n) of the definition of Acquired Assets).
4. The Munster warehouse located at 101 45th Avenue, Suite A, Munster, IN 46321 and all assets, including inventory, located thereat.
5. All 2016 Tax Refunds to be issued to Sellers and any of their Affiliates.

Section 1.1

Seller Knowledge Parties

1. Jeff Strack, Chief Executive Officer
2. Phil Latchford, Chief Financial Officer
3. Dave Wilkinson, Chief Operating Officer
4. Derek Kinney, Vice President of Human Resources
5. Michael Tyson, Chief Merchandising Officer
6. Donald Harer, Chief Restructuring Officer

Buyer Knowledge Parties

1. Justin Ewing, EVP Corporate Development and Real Estate
2. Todd Williams, VP Corporate Development

Section 1.1**Other Stores**

Store Number	Store Name	Store Address
8751	Ultra Gary	6010 Ridge Road, Gary, IN 46408
8752	Ultra MerrillPoint	9111 Taft Street, Merrillville, IN 46410
8753	Ultra Crestwood	13180 South Cicero Avenue, Crestwood, IL 60445
8757	SVT Elston	2627 N Elston Avenue, Chicago, IL 60647
8758	Ultra Wheaton	501 S County Farm Road, Wheaton, IL 60187
8761	Ultra Lombard	491 East Roosevelt Road, Lombard, IL 60148
8762	Ultra Downers Grove	1212 75 th Street, Downers Grove, IL 60516
8763	Ultra Joliet	Ultra Joliet, 1590 N Larkin, Joliet, IL 60435
8773	SVT Merrillville	7201 Taft Street, Merrillville, IN 46410
8774	Ultra Highland	8401 Indianapolis Blvd, Highland, IN 46322
8777	Ultra Lansing	Ultra Lansing, 16831 Torrence Ave, Lansing, IL 60438
8779	Ultra Chicago Heights	571 W 14 th Street, Chicago Heights, IL 60411
8781	Ultra Merrillville	6001 Broadway, Merrillville, IN 46410
8785	Ultra Calumet Park	13001 S Ashland Ave, Calumet Park, IL 60827
8788	Ultra Forest Park	7520 W Roosevelt Road, Forest Park, IL 60130
8794	Ultra Kankakee	1200 N Kennedy Ave, Kankakee, IL 60901
8796	Ultra Kedzie	3250 W 87 th Street, Chicago, IL 60652

Section 1.1

Seller Marks

See attached list of Registered Seller Marks

Seller Marks that are not Registered:

Mark	Owner	Identification
Central Grocers	Central Grocers, Inc	Unregistered/common Law
Ultra Fresh Foods	Strack & Van Til Super Market, Inc.	Unregistered/common Law
Centrella	Central Grocers, Inc.	Unregistered/common Law

See attached Seller Mark logos that are not Registered.

Excluded Contracts

1. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated August 9, 2015 through August 5, 2018 (Highland, Schererville, Crown Point). The Agreement has not yet been executed by the parties and is expected to be completed in due course.
2. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated September 2, 2013 through May 1, 2018 (Hobart).
3. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated February 23, 2015 through February 18, 2018 (Hobart, Merrillville, St. John).
4. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated November 24, 2014 through November 23, 2018 (Whiting, Hammond, East Chicago).
5. Agreement, by and between United Food and Commercial Workers Union, Local 881, and SVT, LLC, dated February 12, 2013 through March 12, 2018 (Crown Point and Munster).
6. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated April 13, 2014 through May 27, 2018 (Cedar Lake).
7. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated April 13, 2014 through May 27, 2018 (Lowell).
8. Agreement, by and between SVT, LLC and the Independent Employees Union, dated February 11, 2013 through February 11, 2018 (Valparaiso, Portage, Merrillville).
9. Agreement, by and between SVT, LLC and Local Union 700 chartered by the United Food and Commercial Workers International Union, dated February 2, 2016 through June 10, 2020 (Valparaiso).
10. Agreement, by and between United Food and Commercial Workers Union, Local 1546 and SVT, LLC/Ultra Foods, dated August 25, 2015 through June 29, 2019 (Meat, Seafood, Deli).
11. Agreement, by and between Independent Employees Union and SVT, LLC, dated February 11, 2013 through February 11, 2018 (Valparaiso and Portage).
12. Affiliate Agreement and Agreement to Purchase Assets and Assume Liabilities of Retail Grocery Store, dated November 25th, 1997, by and between Strack and Van Til Super Market, Inc., and Van Til's Super Market, Inc., and the other parties thereto.
13. All supply agreements for merchandise between any Affiliate of any Seller (to the extent that such Affiliate is not also a Seller) on the one hand, and any Seller on the other hand.

14. Business and Services Agreement, dated as of [●], by and between Microsoft and Sellers or its Affiliates.
15. Enterprise Enrollment (Direct), dated as of [●], by and between Microsoft and Sellers or its Affiliates.
16. Master Service Agreement, dated December 18, 2014, by and between SVT, LLC and Latisys-Chicago, LLC.
17. Statement of Work, dated March 20, 2012, by and between SVT, LLC and Revionics, Inc.
18. Addendum #2, dated May 13, 2014, by and between SVT, LLC and Revionics, Inc.
19. Enterprise Agreement, dated as of [●], by and between Microsoft and Sellers or its Affiliates.
20. Terms and Conditions, dated as of March 14, 2014, by and between Trustwave Holdings, Inc. and Strack & Van Til LLC.
21. Agreement, dated as of May 5, 2016, by and between Muzak LLC d/b/a Mood Media and Strack & Van Til LLC.
22. Services Agreement, dated December 1, 2009, by and between Revionics, Inc. and Strack & Van Til, LLC.
23. Service Agreement, dated September 20, 2011, by and between PAETEC and SVT, LLC.
24. Quotation and Third Party Products Exhibit, dated as of January 14, 2016, by and between Retalix USA, Inc. and Strack & Van Til Supermarkets, Inc.
25. Assumption Agreement, dated as of July 2, 1999, by and between SVT LLC and Strack and Van Til Super Market Inc.
26. Master Agreement, Order Form, or other Sales Agreement, dated July 14, 2006, by and between SVT, LLC and NCR Corporation.
27. Universal Agreement, dated January 17, 1983, by and between SVT, LLC and NCR Corporation.
28. Hardware Maintenance Services Addendum, dated as of July 21, 2016, by and between Strack and Van Til and NCR Corporation.
29. Sales, Software License and Services Agreement, dated December 20, 2012, between Kronos and Central Grocers, Inc.

30. Agreement No. 1440912-545CB, dated [●], by and between Ricoh USA, Inc. and SVT, LLC, as amended.
31. Master Services Agreement, dated “June 2016”, by and between Presence of IT and SVT
32. Master Services Agreement, dated [redacted], 2016, by and between Presence of IT and SVT.
33. Master Agreement, dated July 14, 2006, by and between Retalix USA, Inc. and Strack & Van Til.
34. Services Agreement, dated as of January 15, 2008, by and between Kronos Talent Management Inc. and Strack & Van Til Super Market Inc.

Section 2.6

Excluded Inventory

A. Private Label Merchandise

All “Strack & Van Til” and “Town and Country” branded (including any of Sellers’ Affiliates’ branded) private label inventory.

B. Damaged or Spoiled Merchandise

Damaged or spoiled merchandise, including, but not limited to, items which are materially soiled, distressed, shop worn, faded (including faded labels), defective, infested, adulterated, misbranded, subject to visible deterioration or not otherwise fit for sale.

C. Recalled Merchandise

All items subject to a manufacturing recall (of which there is Sellers Knowledge) will be removed prior to the applicable inventory date.

D. Expired or Outdated Merchandise

- (1) Except as otherwise provided herein, expired or outdated merchandise is defined as Inventory with a visible Gregorian calendar date on the item that has an expiration date, or best if used by date (or similar date), that is less than thirty (30) days after the applicable inventory date for the Store.
- (2) All dairy Inventory, including fluid milk and by-products, shall be considered out of date if such dairy Inventory has a remaining shelf life of less than six (6) days at the applicable Inventory Date for the respective Store.
- (3) All fresh department Store Inventory included in floral, meat, seafood, produce, delicatessen, lunchmeat, and bakery departments shall be considered out of date if such fresh department Store Inventory has a remaining shelf life of less than four (4) days at the applicable inventory date for the respective Store.

E. Consigned Merchandise

F. Continuity Merchandise

G. Firearms

Firearms or any merchandise related to firearms, ammunition and any other similar items.

H. Rental Merchandise

Audio, videotapes or DVDs available for rental and not owned by Sellers.

I. Obsolete or Carryover Seasonal Merchandise

Any merchandise that is obsolete and any carryover seasonal merchandise.

J. Unsaleable Merchandise

Merchandise that is unsaleable at normal retail price in the Ordinary Course of Business at the Store.

K. Supplies

Cleaning supplies used in the ordinary course of maintaining the Store.

L. Other Items

Items that are not transferable to Buyer under applicable Law.

Section 2.6(a)

Inventory Purchase Price Instructions; Inventory Price

1. General

The purpose of the store physical inventory process will be to determine the value of the Inventory at Sellers' Cost (as hereinafter defined) using the current standard operating procedures for conducting the physical inventory as set forth below. The store physical inventory process will be conducted under the direction of Sellers' and Buyer's respective Representatives, who will coordinate the physical count of the Inventory, direct the Inventory Taker and prepare and complete the Inventory Signoff Sheet attached hereto as Annex A and incorporated herein by this reference (the "Inventory Signoff Sheet").

2. Cost

"Sellers' Cost" shall mean Sellers' current replacement cost for each item of Inventory. Sellers, in certain departments, arrive at current replacement cost by applying a "Retail to Cost % of Spread" to the summation of retail prices (being the lesser of promoted or non-promoted retail prices) counted by the Inventory Taker. Sellers' replacement cost for DSD suppliers is the invoice cost from the vendor less all off-invoice allowances.

3. Inventory Valuation

For items on the salesfloor, in the grocery, dairy, frozen, cigarettes, alcoholic beverage, lunch meats, and GM/HBC departments, the Inventory will be counted on a financial basis by the Inventory Taker. The Inventory Taker will count this Inventory using the lesser of the Sellers' promoted or non-promoted retail on the day of the scheduled Inventory. The items counted by the Inventory Taker will be summarized by department and will be reduced by a "Retail to Cost % of Spread" to get to Sellers' Cost as set forth in the Inventory Signoff Sheet. Items residing in the Store backroom, in the grocery, dairy, frozen, cigarettes, alcoholic beverage, lunch meats, and GM/HBC departments, will be counted by the Sellers at store-delivered-cost and summarized as set forth in the Inventory Signoff sheet.

For items in the meat, seafood, delicatessen, floral, bakery, and produce departments, the Inventory will be taken using Sellers' current replacement cost. For these departments, Representatives of Sellers will be responsible to count and enter quantities into the Inventory system. A Representative of Buyer will validate quantities with Sellers throughout the Inventory count. The Inventory will be taken by shelf tag, order guide, or UPC depending on the department.

Unopened containers of supplies used in the packaging of fresh department product, such as meat trays, soakers, clam shells, etc., that do not bear the logo of the Sellers will be included at cost in the applicable department Inventory count.

4. Inventory Procedures

The physical inventory within the Store sales floor will be counted by the Inventory Taker and will be taken in sections not to exceed eight feet in length. The Inventory Taker will staff its crew sufficiently enough to ensure the physical inventory of the Store is completed in a reasonable period of time. Each section will be recorded on a numerical breakdown sheet maintained by the Inventory Taker. The Inventory count shall begin at 5:00 pm Central Time in accordance with Section 2.6(a) of the Agreement or at such other time as may be agreed upon by both parties.

The Inventory shall be counted according to the departments set forth on the Inventory Signoff Sheet.

The Inventory Taker will provide section subtotals. No running subtotals or memo totals will be permitted.

At least one qualified Representative of both Buyer and Sellers (each a "Party Representative") must be present at the Store before the inventory counting process begins and remain at the Store until the Inventory counting process is complete.

Buyer, Sellers and the Inventory Taker will tour the Store prior to the beginning of the physical inventory process. In addition, approximately two (2) days prior to the physical inventory, Buyer and Sellers will tour the Store for the purpose of identifying any Excluded Inventory and making arrangements for the removal of the same prior to the commencement of the physical inventory (the "Tour").

Buyer's and Sellers' respective authorized Representatives will agree on the Inventory value of any item of Inventory in question, to the extent not provided in this Section 2.6(a) of this Disclosure Schedule.

During the Inventory count, there will be no deliveries of any merchandise, materials, supplies or equipment permitted.

Sampling of the Inventory Taker's counts will be made by both Buyer and Sellers with appropriate adjustments being made where necessary. The Inventory Taker shall audit its own employees by making test counts of a minimum of fifty percent (50%) of the Inventory personnel to ensure the accuracy of their counts. Variances should be two percent (2%) or less.

The Inventory Taker will be instructed to place Inventory totals by the department, rack or shelf where they take Inventory.

The Inventory Taker will prepare a "Department Summary Report" setting forth the physical count of the Inventory by department, and furnish both Sellers and Buyer with copies of such reports. These reports shall be signed by Representatives of both Sellers and Buyer at the conclusion of the Inventory process. These values shall be transferred to the Inventory Signoff Sheet, which shall also be signed and dated by Representatives of both Sellers and Buyer at the conclusion of the inventory process.

5. Excluded Inventory

All Excluded Inventory will be pulled from the shelf and removed from the Store prior to the Inventory count in accordance with the terms of Section 2.6(c) of the Agreement. Such items will be excluded from the Inventory count and will remain the property of Sellers.

Annex A to Disclosure Schedule

Inventory Signoff – SVT

Store Number: _____ Inventory Date: _____
 Store Name: _____ Time Started: _____
 _____ Time Finished: _____

	A	B	(A x B) C	D	(C + D) E
Department	Sales Floor @ Retail	Retail to Cost % of Spread	Sales Floor @ Cost	Backroom @ Cost	Total Inventory At Cost
Grocery		77.75%	—		—
Dairy		79.00%	—		—
Frozen		75.00%	—		—
Cigarettes		84.50%	—		—
Beer/Wine		85.50%	—		—
Pop		100.00%			
GM/HBC		71.25%	—		—
Lunchmeat – Store Cost		75.75%			—
Delicatessen – Store Cost		60.75%			—
Kitchen		42.25%			
Cafe		62.00%			
Sweet Shop		49.00%			
Floral – Store Cost		71.50%			—
Bakery – Store Cost		54.00%			—
Produce – Store Cost		65.50%			—
Meat – Store Cost		72.75%			—
Seafood – Store Cost		77.00%			—
TOTAL					—

F

Sales Day of Inventory

Retail to Cost Spread

Inv Value of Sales Day of Inv

Sales X Retail to Cost Spread

—	

G

One-Half of Inventory Reduction	1/2 of Inventory sold on day of Inv	(G) x 5		-	H
Total Inventory				-	F+H

Inventory Representative

Date

Acknowledged by:

Sellers Representative

Date

Buyers Representative

Date

Inventory Signoff – Town & Country

Store Number: _____ Inventory Date: _____
 Store Name: _____ Time Started: _____
 _____ Time Finished: _____

	A	B	(A x B) C	D	(C + D) E
Department	Sales Floor @ Retail	Retail to Cost % of Spread	Sales Floor @ Cost	Backroom @ Cost	Total Inventory At Cost
Grocery		79.75%	—		—
Dairy		80.75%	—		—
Frozen		76.50%	—		—
Cigarettes		86.50%	—		—
Beer/Wine		88.50%	—		—
Pop		100.00%			
GM/HBC		75.75%	—		—
Lunchmeat – Store Cost		76.50%			—
Delicatessen – Store Cost		59.75%			—
Floral – Store Cost		72.25%			—
Bakery – Store Cost		46.50%			—
Produce – Store Cost		67.50%			—
Meat – Store Cost		76.75%			—
Seafood – Store Cost		76.25%			—
TOTAL					—

F**Sales Day of Inventory****Retail to Cost Spread****Inv Value of Sales Day of Inv****Sales X Retail to Cost Spread****One-Half of Inventory Reduction****1/2 of Inventory
sold on day of Inv (G) x 5****Total Inventory**

—	
	—
	—

G**H****F+H**

Inventory Representative

Date

Acknowledged by:

Sellers Representative

Date

Buyers Representative

Date

Section 3.3

Noncontravention; Government Filings¹

As of the date hereof, none.

¹ NTD: To be updated prior to the Initial Closing, if applicable.

Section 3.4

Title to Assets; Sufficiency

1. Liens in favor of PNC Bank, National Association, as administrative agent, pursuant to that certain Credit Agreement, dated as of June 15, 2011 (as amended, amended and restated, supplemented or otherwise modified prior to the date hereof), by and among Central Grocers, Inc., the other Guarantors party thereto (as defined therein), the lenders party thereto and PNC Bank, National association, as administrative agent for the lenders, and the other Loan Documents (as defined therein).
2. Liens in favor of Bank of the West, as administrative agent, pursuant to that certain Term Loan Agreement, dated as of April 24, 2013 (as amended, amended and restated, supplemented or otherwise modified prior to the date hereof), by and among Central Grocers, Inc., CGI Joliet LLC, the lenders party thereto and Bank of the West, as administrative agent, and the other Loan Documents (as defined therein).

Section 3.5

Real Property

(a)

Real Property Leases

1. Store No. 8748 located at 1600 Pioneer Trail, Chesterton, Indiana 46304:
 - a. Retail Lease Agreement by and between Lake County Trust Company, as Trustee under Trust Agreement Dated June 1, 2003, and known as Trust No. 5433 (“Lessor”), and SVT, LLC (“Lessee”) dated as of December 27, 2012, as amended by that certain First Amendment to Lease dated as of May 12, 2014 between Lessor and Lessee;
 - b. Guaranty of Lease by Stack and Van Til Supermarket, Inc., dated May 12, 2014.
2. Store No. 8797 located at 10851 Broadway, Crown Point, IN 46307:
 - a. Supermarket Lease by and between Van Til’s Real Estate, LLC (“Landlord”) and SVT, LLC (“Tenant”), dated June 1, 2005, as supplemented by that certain Fixed Rental Addendum, between Landlord and Tenant dated June 7, 2006;
 - b. Sublease Agreement by and between SVT, LLC, an Indiana limited liability company and Centier Bank dated July 1, 2016.
3. Store No. 8787 located at 200 W. Franciscan Lane, Crown Point, Indiana 46307:
 - a. Lease between Gerald D. Bardeson and Ronald R. Bissonnette, as Trustees under Trust Agreement Dated August 1, 2000, and known as Crown Center Trust, as Lessor and SVT, LLC, An Indiana Limited Liability Company, as Lessee, dated November 1, 2000.
4. Store No. 8798 located at 4725 Indianapolis Blvd, East Chicago, IN 46312:
 - a. Supermarket Lease by and between Van Til’s Real Estate, LLC (“Landlord”) and SVT, LLC (“Tenant”) dated as of November 20, 2007;
 - b. First Amendment to Supermarket Lease, by and between Landlord and Tenant dated June 27, 2008;
 - c. Rent Start Date Addendum by and between Landlord and Tenant dated January 15, 2009;
 - d. Sublease between SVT, LLC and I-65 Plaza, LLC and Bassam A Abdulla, dated as of November 16, 2015.
5. Store No. 8786 located at 115 Sibley Street, Hammon, IN 46320:

- a. Supermarket Lease by and between Van Til's Real Estate, LLC and SVT, LLC, dated June 18, 2001;
 - b. Fixed Rental Addendum by and between Van Til's Real Estate, LLC and SVT, LLC, dated May 6, 2002;
 - c. Sublease Agreement by and between SVT, LLC, an Indiana limited liability company ("Lessor") and Fifth Third Bank, a Michigan banking corporation ("Lessee") dated September 25th, 2007, as amended by that certain First Amended and Restated Sublease Agreement between Lessor and Lessee dated June 1, 2013, as amended by that certain Second Amended and Restated Sublease Agreement between Lessor and Lessee dated December ___, 2015.
6. Store No. 8765 located at 9632 Cline Ave, Highland, IN 46322:
- a. First Amended and Restated Shopping Center Lease by and between Griffland Center, Inc. and SVT, LLC, dated as of May 1, 2011;
 - b. Shopping Center Sublease by and between SVT, LLC, an Indiana limited liability company ("Sublandlord") and Anytime Highland LLC, an Indiana limited liability company ("Subtenant") dated December 1, 2013 and consented to by Griffland Center, Inc. ("Prime Landlord"), as amended by that certain First Amendment to Shopping Center Sublease between Sublandlord, Subtenant and consented to by Prime Landlord, dated December 1, 2013, as amended by that certain Second Amendment to Shopping Center Sublease between Sublandlord, Subtenant and consented to by Prime Landlord dated February 28, 2014.
7. Store No. 8778 located at 7760 E Ridge Rd, Hobart, IN 46342:
- a. Shopping Center Lease dated October 25, 1998, by and between Lake County Trust Company and Strack and Van Til Schererville Super Market;
 - b. Amendment To Lease dated February 9, 1989, by and between Lake County Trust Company and Strack and Van Til Schererville Super Market, Inc.;
 - c. Second Amendment To Lease by and between Lake County Trust Company and Strack and Van Til Schererville Super Market, Inc., dated August 10, 1989;
 - d. Sublease Agreement by and between Strack and Van Til Super Market, Inc., Demotte Drugs, Inc. and Gerald A. Fagen dated September 14, 1998;
 - e. First Amendment to Sublease Agreement by and between Strack and Vantilsuper Market, Inc., Demotte Drugs, Inc. and Gerald A. Fagen dated October 1, 1999;
 - f. Second Amendment to Sublease Agreement by and between SVT, LLC, as successor to Strack and Van Til Super Market, Inc., Demotte Drugs, Inc. and Gerald A. Fagen dated March 27, 2003;

- g. Third Amendment to Lease dated December 2, 1992, by and between Lake County Trust Company and Strack and Van Til Schererville Super Market, Inc.;
 - h. Fourth Amendment to Lease between Hamstra North Ridge Center, LLC and SVT, LLC dated as of November 1, 2005;
 - i. Fifth Amendment To Lease between Hamstra North Ridge Center, LLC and SVT, LLC effective date [August 30, 2010];
 - j. Sixth Amendment To Lease between Hamstra North Ridge Center, LLC and SVT, LLC effective date January 15, 2012;
 - k. Seventh Amendment to Lease letter agreement between SVT, LLC and Hamstra North Ridge Center, LLC (“Landlord”) dated July 10, 2013;
 - l. Sublease Agreement by and between SVT, LLC and Demotte Drugs, Inc. and Gerald A. Fagen dated October 1, 2008;
 - m. Agreement Regarding Exercise of Option to Extend Sublease Term by and between SVT, LLC, Demotte Drugs, Inc. and Gerald A. Fagen dated July 23, 2010;
 - n. First Amendment to Sublease Agreement by and between SVT, LLC, Demotte Drugs, Inc. and Gerald A. Fagen dated October 1, 2010;
 - o. Second Amendment to Sublease Agreement by and between SVT, LLC, Demotte Drugs, Inc. and Gerald A. Fagen dated May 1, 2014;
 - p. Sublease Agreement by and between SVT, LLC, an Indiana limited liability company and Centier Bank dated October 29, 1998.
8. Store No. 8747 located at 999 West Ridge Rd, Hobart, IN 46342:
- a. Retail Lease Agreement with Hobart Ridge Delaware SPE LLC and SVT, LLC;
 - b. Guaranty of Lease, by Strack And Van Til Super Market, dated May 12, 2014;
 - c. First Amendment To Lease between Hobart Ridge Delaware SPE LLC and SVT, LLC, dated May 12, 2014;
 - d. Assignment and Assumption of Lease by and between Hobart Ridge Delaware SPE LLC and NLF Hobart Market LLC, dated as of April 23, 2015.
9. Store No. 8755 located at 2080 E Commercial Ave, Lowell, IN 46356:
- a. Lease Agreement by and between Karber’s Ridge Land Development LLC, Demotte Drugs, Inc. and Gerald A. Fagen dated February 1, 2002 with Unconditional Guaranty made by Gerald A. Fagen attached thereto;

- b. Supermarket Lease between Van Til's Real Estate, LLC and SVT, LLC dated as of August 30, 2010;
- c. Sublease Agreement (Lowell) by and between SVT, LLC, Demotte Drugs, Inc. and Gerald A. Fagen dated September 1, 2012.

10. Store No. 8789 located at 12 Ridge Rd, Munster IN 46321:

- a. Lease Between Gerald D. Bardeson and Ronald R. Bissonnette, as Trustees under Trust Agreement dated May 1, 1999, and known as Trust No. 101, and SVT, LLC, dated November 1, 2000.

11. Store No. 8754 located at 861 S College Ave, Rensselaer, IN 47978:

- a. Lease between Lake Country Trust Company as Trustee under Trust Agreement dated July 28, 1988 and known as Trust No. 3822 and Wilco Foods Of Rensselaer, Inc., dated May 9, 1992;
- b. Addendum to Lease between Lake Country Trust Company as Trustee under Trust Agreement dated July 28, 1988 and known as Trust No. 3822 and Wilco Foods Of Rensselaer, Inc., dated May 9, 1992;
- c. Addendum 1 Real Estate Lease Extension Agreement between Lake Country Trust Company as Trustee under Trust Agreement dated July 28, 1988 and known as Trust No. 3822 and Wilco Foods Of Rensselaer, Inc., dated November ___, 2000;
- d. Second Amendment to Lease by and between Lake Country Trust Company as Trustee under Trust Agreement dated July 28, 1988 and known as Trust No. 3822 and Gintert-Armstrong Food Group, Inc., dated as of April 12, 2004;
- e. Third Amendment to Lease by and between Lake Country Trust Company as Trustee under Trust Agreement dated July 28, 1988 and known as Trust No. 3822 and SVT, LLC.

12. Store No. 8795 located at 9825 Wicker Ave, St. John, IN 46373:

- a. Supermarket Lease by and between St. John Marketplace, LLC ("Landlord") and SVT, LLC ("Tenant"), dated as of January 11, 2005;
- b. First Amendment to Supermarket Lease between Landlord and Tenant dated September 1, 2005;
- c. Commencement Date Addendum dated April 19, 2006;
- d. Sublease Agreement by and between SVT, LLC, an Indiana limited liability company ("Lessor") and Centier Bank ("Lessee") dated October 15, 2005, as

amended by that certain First Amendment to Sublease Agreement between Lessor and Lessee dated May 15, 2015.

13. Store No. 8768 located at 1515 US Highway 41, Schererville, IN 46375:

- a. Indenture of Lease between Lake County Trust Company, as Trustee under Trust No. 4025 and Omni Superstores of Indiana, Inc. dated April 12, 1990;
- b. Modification of Lease Agreement between Lake County Trust Company and Dominick's Finer Foods, Inc., dated October 31, 1991;
- c. Agreement of Acquisition, Assignment and Amendment of Lease and Joint Escrow Instructions, between SVT, LLC, Dominick's Finer Foods, Inc., and Rosewood Property Company dated August 15, 2002;
- d. Second Lease Modification between Rosewood Property Company and Dominick's Finer Foods, LLC, dated November 22, 2002;
- e. Letter Agreement re: Agreement of Acquisition between Rosewood Property Company and SVT, LLC, dated January 16, 2003;
- f. Sublease Agreement by and between SVT, LLC, an Indiana limited liability company and Centier Bank dated September 1, 2015.

14. Store No. 8750 located at 2800 Calumet Ave, Valparaiso, IN 46385:

- a. Supermarket Lease between Raceway Central LLC and SVT, LLC, dated March 1, 2013;
- b. ATM License Agreement by and between Porter Super Centers, LLC ("Predecessor Licensor") and Fifth Third Bank, dated October 25, 2004, as assigned by that certain Assignment and Assumption of ATM License Agreement, dated December 27, 2012.

15. Store No. 8749 located at 2168 W US Highway 30, Valparaiso, IN 46385;

- a. Retail Lease Agreement Coolwood Delaware LLC and SVT, LLC, dated as of the December 27, 2012;
- b. First Amendment to Lease by and between Coolwood Delaware LLC and SVT, LLC, dated May 12, 2014.

16. Store No. 8782 located at 6046 Central Ave, Portage, IN 46368:

- a. Shopping Center Lease by and between Lake County Trust Company as Trustee of Trust no. 4224 and C&T Properties and SVT, LLC, dated June 7, 2000;
- b. First Lease Amendment dated November 3, 2000;

- c. Second Amendment to Lease by and between Portage Wolf, LLC, Portage Daniels, LLC, Portage Doppelt, LLC, Portage Greenfield, LLC, Portage Baer, LLC, and SVT, LLC dated December 12, 2005;
- d. Third Amendment to Lease by and between Portage Wolf, LLC, Portage Daniels, LLC, Portage Doppelt, LLC, Portage Greenfield, LLC, Portage Baer, LLC and SVT, LLC, dated August 20, 2012;
- e. Fourth Amendment to Lease, by and between Portage Wolf, LLC, Portage Daniels, LLC, Portage Doppelt, LLC, Portage Greenfield, LLC, Portage Baer, LLC and SVT, LLC dated December 18, 2014;
- f. Sublease Agreement by and between SVT, LLC, an Indiana limited liability company ("Lessor") and Centier Bank ("Lessee") dated June 7, 2000, as amended by that certain First Amendment to Sublease Agreement between Lessor and Lessee dated April 15, 2015.

17. Store No. 8780 located at 1605 Calumet Ave, Valparaiso, IN 46383:

- a. Lease by and between Mary Flower Wehner, and Northwest Indiana Market, Inc., dated November 20, 1987;
- b. First Amendment to Lease Mary Flower Wehner, and Strack and Van Til Supermarket, Inc. dated June 15, 1993;
- c. Second Amendment to Lease dated July 31, 1995;
- d. Third Amendment to Lease by and between Mary Flowers Trust No. 370, Dated December 8, 1992 and SVT, LLC dated June 1, 2001;
- e. Sublease Agreement by and between SVT, LLC, an Indiana limited liability company and Centier Bank dated October 1, 2016.

18. Store No. 8701 located at 555 Coolwood Drive, Valparaiso, Indiana

- a. Retail Lease Agreement by and between Coolwood Delaware LLC, a Delaware limited liability company and SVT, LLC, an Indiana limited liability company;
- b. First Amendment to Lease by and between Coolwood Delaware LLC and SVT, LLC dated May 12, 2014.

Owned Leases/Subleases:

1. Store No. 8756 located at 9605 Lincoln Plaza, Cedar Lake, Indiana

- a. Lease Agreement by and between SVT, LLC, an Indiana limited liability company ("Lessor") and Centier Bank ("Lessee") dated June 26, 2012, as

amended by that certain Commencement Date Supplement by and between Lessor and Lessee dated May 15, 2013.

2. Store No. 8793 located at 1836 Calumet Avenue, Whiting, Indiana

- a. Lease Agreement by and between SVT, LLC, an Indiana limited liability company (“Lessor”) and Centier Bank (“Lessee”) dated October 15, 2012, as amended by that certain Commencement Date Supplement by and between Lessor and Lessee dated October 14, 2014. Lease Agreement by and between Lessor and Lessee dated March 15, 2016.

(b)

Store Number	Location	Owner
8756	9605 Lincoln Pl., Cedar Lake, IN 46303	SVT, LLC
8793	1836 Calumet Ave, Whiting, IN 46394	SVT, LLC
8750	2800 Calumet Ave., Valparaiso, IN 46383	Raceway Central, LLC

Section 3.6

Litigation; Decrees

None.

Section 3.7

Labor Relations

1. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated August 9, 2015 through August 5, 2018 (Highland, Schererville, Crown Point). The Agreement has not yet been executed by the parties and is expected to be completed in due course.
2. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated September 2, 2013 through May 1, 2018 (Hobart).
3. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated February 23, 2015 through February 18, 2018 (Hobart, Merrillville, St. John).
4. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated November 24, 2014 through November 23, 2018 (Whiting, Hammond, East Chicago).
5. Agreement, by and between United Food and Commercial Workers Union, Local 881, and SVT, LLC, dated February 12, 2013 through March 12, 2018 (Crown Point and Munster).
6. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated April 13, 2014 through May 27, 2018 (Cedar Lake).
7. Agreement, by and between United Food and Commercial Workers Union, Local 881 and SVT, LLC, dated April 13, 2014 through May 27, 2018 (Lowell).
8. Agreement, by and between SVT, LLC and the Independent Employees Union, dated February 11, 2013 through February 11, 2018 (Valparaiso, Portage, Merrillville).
9. Agreement, by and between SVT, LLC and Local Union 700 chartered by the United Food and Commercial Workers International Union, dated February 2, 2016 through June 10, 2020 (Valparaiso).
10. Agreement, by and between United Food and Commercial Workers Union, Local 1546 and SVT, LLC/Ultra Foods, dated August 25, 2015 through June 29, 2019 (Meat, Seafood, Deli).
11. Agreement, by and between Independent Employees Union and SVT, LLC, dated February 11, 2013 through February 11, 2018 (Valparaiso and Portage).

Section 3.8

Brokers' Fees

None.

Section 3.9

Taxes

SVT, LLC was the subject of a recently completed sales/use tax, payroll tax, and income tax audit by the State of Indiana for the 2013, 2014 and 2015 tax years. SVT, LLC has since paid all related past due taxes, interest and penalties.

Section 3.10(b)

Tangible Personal Property²

As of the date hereof, none of the Transferred Contracts constitutes a Lease of personal property.

² NTD: To be updated prior to the Initial Closing, if applicable.

Section 3.11(b)

Bonding Requirements³

1. Store 8748 (1600 Pioneer Trail, Chesterton, Indiana 46304): Guaranty dated May 12, 2014 by Strack and Van Til Super Market, Inc., an Indiana corporation, in favor of Lake Country Trust Company, as Trustee under Trust Agreement Dated June 1, 2003, and known as Trust No. 5433.
2. Store 8747 (999 West Ridge Rd, Hobart, IN 46342): Guaranty dated May 12, 2014 by Strack and Van Til Super Market, Inc., an Indiana corporation, in favor of Hobart Ridge Delaware SPE LLC.

³ NTD: To be updated prior to the Initial Closing, if applicable.

Section 3.12(a)

Employee Benefits

1. Strack & Van Til Supermarkets, Inc. Retirement Plan
2. SVT, LLC Employee Benefits Plan, which wraps the Medical and Life/ADD Plan (Plan Number 501) and the Medical, Life/ADD, Dental, Vision, and Long-Term Disability Plan (Plan Number 502), and includes the following features:
 - Group Medical Benefits, self-funded benefits administered by Group Administrators, Ltd. (medical) and Cigna (prescription drugs), using the Cigna network
 - Group Dental Benefits, insured by MetLife (Policy No. 162631-1-G)
 - Group Vision Benefits, insured by VSP (Policy No. 30061285)
 - Group Life/AD&D Benefits, insured by Reliance Standard (Policy No. GL 141352)
 - Group Voluntary Life/AD&D Benefits, insured by Reliance Standard (Policy No. VL-600; Participating Unit Nos. VG-185646 and VAR-206965)
 - Group Long Term Disability Benefits, insured by Reliance Standard (Policy No. LTD 109503)
 - Group Voluntary Short Term Disability Benefits, insured by Reliance Standard (Policy No. VPS-327061)
 - Group Voluntary Accident, Critical Illness, and Hospital Care Benefits, insured by Cigna (Policy Nos. AI960229, CI960246, and HC960003)
 - Flexible Benefits Plan, which includes health care and dependent care flexible spending accounts, administered by Group Administrators, Ltd.

3. Unfunded Wage Continuation Plan for Supervisors and Managers, provided by Strack & Van Til
4. Unfunded Wage Continuation Plan for Salaried and Full Time Hourly Associates, provided by Strack & Van Til
5. Wellness@Work, a health management program offering wellness incentives to offset medical contributions to the SVT, LLC Employee Benefits Plan, administered by Viverae
6. Employee Assistance Program, provided by Reliance Standard and ACI Specialty Benefits
7. HaysPerks Program, a discount program provided by HaysPerks and PerkSpot
8. SVT Severance Policy
9. United Food & Commercial Workers International Union – Industry Pension Fund
10. United Food & Commercial Workers Union and Employers Midwest D-05 Health Benefits Fund
11. United Food & Commercial Workers Unions and Employers Midwest Pension Fund
12. United Food & Commercial Workers Union and Employers Calumet Region Insurance Fund

Section 3.13**Compliance with Laws; Permits****(b)**

Store	License #	Expiration	License Type
8797	DL45-21769	8/4/17	State of Indiana
8765	DL45-11787	9/13/17	State of Indiana
8789	DL45-07682	10/26/17	State of Indiana
8755	DL45-16505	11/5/17	State of Indiana
8793	DL45-84419	11/20/17	State of Indiana
8782	DL64-11078	11/26/17	State of Indiana
8748	DL64-30449	12/8/17	State of Indiana
8749	DL64-30450	12/8/17	State of Indiana
8754	DL37-85413	12/19/17	State of Indiana
8786	DL45-18834	12/20/17	State of Indiana
8798	DL45-02173	12/29/17	State of Indiana
8795	DL45-21774	3/21/18	State of Indiana
8747	DL45-30455	3/25/18	State of Indiana
8750	DL64-30429	4/25/18	State of Indiana
8780	DL64-09138	4/25/18	State of Indiana
8778	DL45-89076	5/10/18	State of Indiana
8787	DL45-14664	5/23/18	State of Indiana
8756	DL45-10951	6/5/18	State of Indiana
8768	DL45-10078	7/1/17	State of Indiana

(c)

None.

Section 3.14

Environmental Matters

All findings and conditions described with reasonable specificity in the following documents:

1. ATEC Associates, Inc. (“**ATEC**”) transmittal letter and Phase I ESA of Valparaiso Town and Country, 1605 North Calumet Ave, Valparaiso, IN, dated, March 1, 1993 (Executive Summary Only Provided).
2. Enviro Forensics Investigations, Inc. Results Letter for Environmental Investigation Activities at 1605 North Calumet Ave., Valparaiso, IN, dated, February 24, 2017.
3. ATEC Letter Detailing Phase I ESA Update of Portage Town and Country Supermarket at 6046 Central Avenue, Portage, IN, April 21, 1993.
4. K&S Letter without attachments transmitting Detailing Phase I ESA of Wiseway Store at 999 W. Old Ridge Road, Hobart, IN, dated, November 30, 2012.
5. K&S Letter without attachments transmitting Detailing Phase I ESA of Wiseway Store at 1600 Pioneer Trail, Chesterton, IN, dated, November 30, 2012.
6. K&S Letter without attachments transmitting Detailing Phase I ESA of Wiseway Store at 2168 U.S. Highway 30, Valparaiso, IN, dated, November 30, 2012.
7. K&S Letter without attachments transmitting Detailing Phase I ESA of Wiseway Store at 2800 N. Calumet Ave., Valparaiso, IN, dated, November 30, 2012.
8. BASCOR Environmental, Inc., Underground Storage Tanks Closure report, 135 Sibley Street, Hammond, IN, dated, June 7, 2001.
9. Tauber & Westland, P.C., Letter Re: Hammond Sibley/BASCOR Remediation Efforts, dated, February 21, 2002 (and Associated Attachments: Agreement Environmental Remediation and Certificate Environmental Remediation). To the Sellers’ Knowledge, confirmatory testing conducted by the City of Hammond at the store #8786 site did not identify soil contamination in concentrations allowed under applicable Environmental Laws.

Section 3.15**Statement of Sales**

Store No.	Ending Balance
8747 Total	19,200,616.18
8748 Total	24,670,405.10
8749 Total	21,980,993.51
8750 Total	27,377,390.83
8754 Total	16,489,446.40
8755 Total	24,393,326.03
8756 Total	19,417,147.80
8765 Total	39,063,052.99
8768 Total	39,387,037.29
8778 Total	25,286,131.98
8780 Total	37,732,312.89
8782 Total	33,836,812.97
8786 Total	21,060,817.74
8787 Total	16,867,820.69
8789 Total	34,067,428.20
8793 Total	17,099,273.59
8795 Total	29,359,412.73
8797 Total	34,973,695.51
8798 Total	14,142,200.49
Grand Total	489,542,970.76

(FYE 7-30-16)

Section 3.16

Insurance

None.

Section 3.17**Intellectual Property****3.17(a)(i) – Business Intellectual Property that is Registered****Registered Domain Names**

Domain Name	Registrant/Organization	Registrar	Expiration Date
Strackandvantil.com	Richard Weber/Strack & Van Til	GoDaddy.com, LLC	2/11/2018
Town-country-market.com	Richard Weber/Strack & Van Til	GoDaddy.com, LLC	2/11/2018

3.17(a)(ii) – Material Trademarks that are not Registered**Mark/Name**

1. Strack & Van Til
2. Strack and Van Til
3. Strack & Van Til Food Market
4. Town & Country
5. Town & County Fresh Food
Market The Freshest Way to Save

Owner

Strack & Van Til Super Market, Inc.
 Strack & Van Til Super Market, Inc.
 Strack & Van Til Super Market, Inc.
 Strack & Van Til Super Market, Inc.
 Strack & Van Til Super Market, Inc.

See attached Business Intellectual Property logos that are not Registered.

Sellers have used the name "Strack & Van Til" since approximately 1960. Sellers do not claim to own the "Van Til" portion of the "Strack & Van Til" Trademarks apart from "Strack & Van Til" as a whole, and are selling the Business Intellectual Property (specifically, the "Strack & Van Til" Trademarks) subject to any rights the Van Til family (or other third parties) may have in the "Van Til" name. To the Knowledge of Sellers, there is no formal agreement memorializing any arrangements between the Van Til family (or other third parties) and Sellers relating to the "Van Til" name.

Section 5.2(a)

Conduct of the Business Pending each Closing

With respect to each Store, on the date immediately prior to each Closing Date, all cash receipts received at such Store on such date shall remain at such Store and be counted towards the Per Store Cash Closing Balances thereof.

Section 5.2(b)

Exceptions With Regard to Conduct of the Business Pending Each Closing

From the date of execution of the Agreement until the applicable Closing Date with respect to a Property, solely with respect to an employee who has resigned or has been terminated for cause, Sellers may hire or transfer an employee from the Other Stores to such Property, with the following limitations:

- the transferred employee shall be of comparable experience and skill as the employee being replaced;
- the salary of the transferred employee shall be similar to the salary of the employee being replaced; and
- the overall ratio of full-time to part-time employees at such Property shall not deviate in any material respect from the ratio at such Property prior to the employee transferring to the Property.

Section 5.6(a)

Access; No Contact

During the thirty (30) day period prior to the anticipated Closing Date for a Store, Sellers shall permit Buyer access to such Store in order to install wiring for communication devices and other store systems (including computers, pharmacy and other systems), install equipment, and take other similar action at such Stores, all at Buyer's sole cost and expense. Sellers' obligation to provide the foregoing access shall be conditioned on the requirement that Buyer shall not reasonably interfere with Sellers' business and that, if a Store shall not be acquired by Buyer where such telephone lines or equipment has been installed, Buyer shall at its sole cost and expense remove such installed lines and equipment.

Section 5.9(a)

Transferred Contracts

3. Each Lease set forth on Schedule 3.5(a) of the Disclosure Schedule other than items 2(b), 4(d), 5(c), 6(b), 7(d), 7(e), 7(f), 7(l), 7(m), 7(n), 7(o), 7(p), 9(c), 12(d), 13(f), 14(b), 16(f) and 17(e) under the sub-heading "Real Property Leases" and items 1(a) and 2(a) under the sub-heading "Owned Leases / Subleases".