UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re	:	**Chapter 11**
CENTRAL GROCERS, INC., *et al.*,	:	**Case No. 17– _____ ( )**
Debtors.[1]	:	**(Joint Administration Requested)**

MOTION OF DEBTORS FOR APPROVAL OF (I) PROCEDURES FOR (A) STORE CLOSING SALES AND (B) REJECTING UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY; AND ABANDONMENT OF PROPERTY IN CONNECTION THEREWITH; AND (II) ASSUMPTION OF THE LIQUIDATION CONSULTING AGREEMENTS

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

Preliminary Statement

1. The Debtors' chapter 11 strategy contemplates a parallel process to maximize value for their stakeholders. The Debtors intend to consummate as many going concern sales as possible for the grocery stores operated by Strack (the "**Strack Stores**") while simultaneously winding down CGI's business. In parallel, the Debtors seek to orderly wind down and liquidate non-profitable stores for which no third-party has made or likely will make a

[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).

valuable offer (the "**Underperforming Stores**") and the distribution center owned and operated by CGI (the "**Distribution Center**," as set forth on **Exhibit A**, and together with the Underperforming Stores, the "**Closing Stores**"), and dispose of related inventory and furniture, fixtures, and equipment ("**FF&E**," and together with applicable inventory, the "**Store Closing Assets**").

2. For the past several months, the Debtors and their advisors have engaged in a systematic review of each of the Strack Stores and the Distribution Center, analyzing their performance, profitability, and market impact. The Underperforming Stores, among other things, are subject to above-market rent, in regions over-saturated with competition, are costly for the Debtors to operate, and no buyer has expressed an interest in purchasing the Underperforming Stores on a going concern basis. Accordingly, continued operation of the Underperforming Stores no longer remains viable. Indeed, before the commencement of these chapter 11 cases, the Debtors commenced the wind down and liquidation of fourteen (14) Underperforming Stores, five (5) of which are already closed and are currently dark (the "**Phase I Stores**"), set forth on the scheduled annexed hereto as **Exhibit A**.[2]

3. Given the precipitous operating losses continuing at the nine (9) additional Underperforming Stores identified for immediate wind down (the "**Phase II Stores**"), set forth on the schedule annexed hereto as **Exhibit A**, the Debtors have started to close or need to begin closures at the Phase II Stores as soon as possible. The Debtors estimate that closure of the Phase I Stores and the Phase II Stores will generate approximately $2 million in monthly

[2] Contemporaneously herewith, the Debtors have moved to reject the Leases associated with those five stores, pursuant to the *Omnibus Motion of Debtors for Authority to Reject Certain Unexpired Leases of Nonresidential Real Property and Related Subleases and Abandon Certain Property In Connection Therewith* (the "**Lease Rejection Motion**").

savings. The sale of the Store Closing Assets in the Phase I Stores and Phase II Stores is expected to yield approximately $15 million in gross proceeds.

4. Additionally, the Debtors are liquidating the Distribution Center in order to maximize the value of the sale of inventory at the Distribution Center as part of the wind down of CGI.

5. The Debtors, in consultation with their professionals and advisors, have designed streamlined procedures (the "**Store Closing Procedures**") to liquidate Store Closing Assets at the Closing Stores, in each case, free and clear of all liens, claims, interests, and other encumbrances. To maximize the value of the Store Closing Assets, the Debtors also seek authority to assume the letter agreements dated February 27, 2017 (for the Phase I Stores) and April 19, 2017 (for the Phase II Stores) (together, the "**Liquidation Consulting Agreements**") between SVT, LLC and Gordon Brothers Retail Partners, LLC ("**Gordon Brothers**" or the "**Liquidation Consultant**"), a liquidation consulting firm engaged prepetition by the Debtors, that has been and will continue advising the Debtors on consummating an efficient and value-maximizing multi-store closing process.

6. The Debtors intend to continue marketing the leases underlying the Phase II Stores and will make a determination about which, if any, of the Phase II Store leases should be included in an auction process.

7. If the Debtors determine that the leases underlying the Closing Stores cannot be sold or assigned for value, the Debtors need the flexibility to promptly reject such leases. Therefore, the Debtors seek approval of procedures (the "**Lease Rejection Procedures**") to govern their rejection of unexpired leases of nonresidential real property and the abandonment of certain surplus, burdensome, or non-core assets, which may include Store Closing Assets,

(collectively, the "**De Minimis Assets**") in connection therewith. Implementing the Lease Rejection Procedures will promote the Debtors' chapter 11 strategy, and will eliminate burdensome payment and other performance obligations.

8. The relief requested in this Motion is integral to maximizing value for the Debtors' estates and their economic stakeholders. Together, the Store Closing Procedures and the Lease Rejection Procedures will permit the orderly shut-down of the Closing Stores, provide a uniform mechanism for the rejection of leases and turnover of leased premises to affected landlords, and provide the Debtors with the flexibility needed to execute their chapter 11 strategy.

Background

9. On the date hereof (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.

10. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of their chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**").

11. Additional 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, sworn to on the date hereof (the "**Harer Declaration**"), which has been filed with the Court contemporaneously herewith and is incorporated by reference herein.[3]

Jurisdiction

12. 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.

13. 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

14. By this Motion, pursuant to sections 105(a), 363, 365, and 554 of the Bankruptcy Code and Bankruptcy Rules 6003, 6004, 6006, 9014, and Local Rule 9013-1, the Debtors request interim authority, but not direction, to: (i) implement the Store Closing Procedures annexed to the Proposed Interim Order as **Exhibit 1** and begin or continue conducting liquidation sales (the "**Store Closing Sales**") at the Closing Stores, as applicable, (ii) implement the Lease Rejection Procedures annexed to the Proposed Interim Order as

[3] Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Harer Declaration.

Exhibit 2, and (iii) assume the Liquidation Consulting Agreements annexed to the Proposed Interim Order as **Exhibit 3**.

15. A proposed form of order granting the relief requested in the Motion is annexed hereto as **Exhibit B** (the "**Proposed Interim Order**").

The Store Closing Procedures

A. Overview

16. The Debtors propose implementing the Store Closing Procedures, substantially in the form attached to the Proposed Interim Order as **Exhibit 1**, to facilitate seamless Store Closing Sales and closure of Closing Stores. The Debtors have determined that, in the exercise of their business judgment and in consultation with their advisors and prepetition secured lenders, implementing the Store Closing Procedures will provide the most timely and efficient means for maximizing the value of the Store Closing Assets.

17. Before the commencement of their chapter 11 cases, the Debtors notified landlords, unions, and employees, among other parties[4] affected by the closure of the Closing Stores.

B. Compliance with Liquidation Sale Laws and Lease Provisions

18. Certain states and localities in which the Debtors operate stores have or may have laws, rules, or regulations regarding licensing or other requirements governing the conduct of store closings, liquidations, or other inventory clearance sales (collectively, the "**Liquidation Sale Laws**"). Liquidation Sale Laws may establish licensing, permitting, or bonding requirements, waiting periods, time limits, and bulk sale restrictions and augmentation

[4] The Debtors have served upon employees and their union representatives affected by the Phase I Store, Phase II Store, and Distribution Center closures required notice under the Worker Adjustment and Retraining Notification Act (the "**WARN Act**").

limitations that would otherwise apply to the Store Closing Sales. The Debtors believe that in most cases, the Store Closing Procedures are consistent with Liquidation Sale Laws and with the leases affected by the Store Closing Sales. Certain requirements, however, may hamper the Debtors' efforts to maximize the value of their Store Closing Assets, a significant portion of which consists of perishable inventory. Thus, the Debtors seek Court authority to conduct the Store Closing Sales in accordance with the Store Closing Procedures without complying with the Liquidation Sale Laws, when the two are inconsistent.[5]

19. Similarly, the Debtors request a finding that any contractual restrictions that could otherwise inhibit or prevent the Debtors' ability to maximize recovery through the Store Closing Sales are unenforceable. In certain cases, the Store Closing Sales may be inconsistent with certain provisions of leases, subleases, vendor contracts, or other documents associated with the Closing Stores, including reciprocal easement agreements, agreements containing covenants, conditions, and restrictions, including "go dark" provisions and landlord recapture rights, or other similar documents or provisions.

20. The Debtors also request that the Court order that no person or entity, including utilities, landlords, contract counterparties, suppliers, creditors, and all persons acting for or on their behalf, shall interfere with or otherwise impede the conduct of the Store Closing Sales, or institute any action against the Debtors or landlords at the Closing Stores in any court (other than in this Court) or before any administrative body in any way that directly or indirectly interferes with, obstructs, or otherwise frustrates the conduct of the Store Closing Sales.

[5] The Debtors will continue to comply with applicable laws, rules, and regulations that are for the protection of the health and safety of the public and in support of consumer protection laws.

C. Liquidation Consulting Agreements

21. The Debtors weighed several considerations before deciding to engage the Liquidation Consultant pursuant to the Liquidation Consulting Agreements which are on market terms. The Debtors knew that they would need to apply the Store Closing Procedures to the Closing Stores to avoid incurring significant and unnecessary expenses and losses. The number of Closing Stores that likely will need to be closed warrants the use of a liquidation firm. Retaining the Liquidation Consultant will maximize value of the Store Closing Assets and minimize superfluous administrative expenses of the Debtors' estates.

22. Before the Commencement Date, the Debtors ran a request-for-proposal process for a liquidation consultant to assist with the Store Closing Sales. To facilitate a competitive process, the Debtors contacted three (3) nationally-recognized liquidation consulting firms. The Debtors provided two (2) of the firms with solicitation packages containing (i) store - level profit-and-loss data for the prior fifteen (15) months, (ii) current department-level monthly sales and gross margin data for the prior fifteen (15) months, (iii) inventory data on a cost, current, and original retail basis, (iv) sales by tender type data, (v) accounting calendars for 2015-2016, and (vi) owned FF&E listing by location. The Debtors received and reviewed the bids from those two (2) firms and actively engaged in negotiations with the firms to ensure that the best terms were arrived at.

23. The Debtors selected Gordon Brothers to serve as their Liquidation Consultant in accordance with the terms and conditions set forth in the Liquidation Consulting Agreements. Upon selection, the Debtors and the Liquidation Consultant formulated a comprehensive store closing schedule for the Closing Stores. Store Closing Sales at the Phase I Stores began on or around March 15, 2017, and are expected to be completed by May 19, 2017. Store Closing Sales at the Phase II Stores began on or around May 3, 2017 and are expected to

be completed by July 10, 2017. The Debtors expect to promptly close each store pursuant to the Store Closing Procedures upon completion of the Store Closing Sales.

24. The material terms of the Liquidation Consulting Agreements are summarized below.[6]

Term	Summary
Services Provided by Liquidation Consultant	Liquidation Consultant shall, throughout the Sale Term perform or provide the following Services: (i) Recommend appropriate discounting to effectively sell all Merchandise in accordance "store closing sales" (or similar) theme and recommend advertising in connection therewith; (ii) Provide qualified supervision to oversee conduct of Sale to maximize sales; (iii) Maintain communication with employees and managers; (iv) Assist Debtors in communicating and coordinating with landlords/tenants/subtenants to minimize disruptions caused by Sale process; (v) Establish and monitor accounting for Sale, including evaluation by category, sales reporting and expense monitoring; (vi) Ensure store operations are being properly maintained; (vii) Recommend appropriate staffing levels and appropriate bonus and/or incentive programs; (viii) Recommend loss prevention initiatives; (ix) Assist Debtors with respect to legal requirements of affecting Sale as a "store closing" theme in compliance with applicable state and local laws; (x) Assist Debtors with rebalancing and consolidation of inventory within and across markets; (xi) Maintain confidentiality of all proprietary and non-public information regarding Debtors; (xii) Provide such other related services in connection with the Sale as mutually agreed upon by Parties in writing.
Expenses of Liquidation Consultant	Debtors responsible for payment of all Sale Expenses, except for any of specifically enumerated "Consultant Controlled Expenses" that exceed the aggregate budgeted amount.
Compensation for Liquidation	Incentive Fee equal to between one percent (1.0%) if Aggregate Recovery Percentage is ninety five percent (95)% and one and one half percent

[6] The summary describes the provisions found in both of the two Liquidation Consulting Agreements, one which covers the Store Closing Sales at the Phase I Stores, and the other which covers the Phase II Stores. Capitalized terms used but not defined in this summary of the Liquidation Consulting Agreements have the respective meanings ascribed to such terms in the Liquidation Consulting Agreements. To the extent that this summary conflicts with the actual terms of the Liquidation Consulting Agreements, the Liquidation Consulting agreements shall control. Copies of the Liquidation Consulting Agreements are attached as **Exhibit 3** to the Proposed Interim Order.

Consultant	(1.5%) if Aggregate Recovery Percentage is above one hundred percent (100%) of Gross Proceeds. FF&E Fee equal to fifteen percent (15%) of the net proceeds from sale of FF&E, plus reimbursement of Liquidation Consultant's actual out of pocket expenses incurred in connection with sale thereof, which, shall not exceed an agreed upon amount.
Insurance; Risk of Loss	Debtors shall maintain insurance with respect to Merchandise in amounts and on terms and conditions consistent with ordinary course operations. Debtors and Liquidation Consultant shall maintain liability insurance policies (for bodily injury, personal injury, and/or property liability) covering injuries to persons and property in or in connection with the Strack Stores, and shall use reasonably commercial efforts to have other Party be an additional named insured with respect to all such policies. Liquidation Consultant not deemed to be in possession or control of Strack Stores, Merchandise, other assets located in Strack Stores, or of Debtors' Store-level employees; Liquidation Consultant does not assume any of Debtors' obligations or liabilities. Debtors bears all responsibility for liability claims of customers, employees and other persons arising from events occurring at the Strack Stores, and Merchandise sold in Strack Stores (except claims that arise from gross negligence, willful misconduct, or unlawful acts of Liquidation Consultant). Any FF&E buyer identified by Liquidation Consultant shall have its own commercial general liability insurance with coverage amounts Liquidation Consultant determines are reasonable under circumstances.
Indemnification by Liquidation Consultant	Liquidation Consultant shall indemnify and hold Debtors, its affiliates, and its respective officers, employees, consultants, and independent contractors or representatives (together, the "**Debtors' Affiliates**") harmless from and against all claims, demands, penalties, losses, liability damage, (including reasonable attorneys' fees) (the "**Claims**"), resulting from: (i) Liquidation Consultant's material breach of or failure to comply with any of its agreements, covenants, representations or warranties; (ii) any harassment or any other unlawful, tortious or otherwise actionable treatment of any customers, employees or agents of Debtors by Liquidation Consultant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives (including, without limitation, any supervisors) (together, the "**Liquidation Consultant's Affiliates**"); (iii) any claims by any party engaged by Liquidation Consultant as an employee or independent contractor arising out of such employment or engagement, except where due to gross negligence, willful misconduct or unlawful acts of Debtors or Debtors' Affiliates; and (iv) gross negligence,

	willful misconduct or unlawful acts of Liquidation Consultant or Liquidation Consultant's Affiliates.
Indemnification by Debtors	Debtors shall indemnify and hold Liquidation Consultant and Liquidation Consultant's Affiliates harmless from and against any and all Claims resulting from or related to: (i) Debtors' material breach of or failure to comply with any of its agreements, covenants, representations or warranties; (ii) any harassment or any other unlawful, tortious or otherwise actionable treatment of any customers, employees or agents of Liquidation Consultant by Debtors or Debtors' Affiliates; (iii) any claims by any party engaged by Debtors as an employee or independent contractor arising out of such engagement, except where due to the gross negligence, willful misconduct or unlawful acts of Liquidation Consultant and Liquidation Consultant's Affiliates; (iv) any consumer warranty or products liability claims relating to any Merchandise; and (v) gross negligence, willful misconduct or unlawful acts of Debtors or Debtors' Affiliates.

25. The Debtors believe that the terms of the Liquidation Consulting Agreements are reasonable and that assumption of the Liquidation Consulting Agreements is an exercise of their sound business judgment that will maximize value for the Debtors' estates and creditors.

The Lease Rejection Procedures

26. As set forth above, the Debtors started Store Closing Sales for the Phase I Stores prepetition and anticipate completing such sales in the near term. Contemporaneously herewith, the Debtors have filed the Lease Rejection Motion seeking to reject the five (5) leases and related subleases associated with the Phase I Stores.

27. The Debtors expect that they will need the flexibility to reject additional leases in connection with the closure of Closing Stores or leases not sold in the Debtors' auction process, including the leases related to the Phase II Stores, on an expedited basis to minimize unnecessary administrative expenses of their estates arising from obligations that are inconsistent with the Debtors' chapter 11 strategy. To streamline future store closings, lease rejections, and

the abandonment of De Minimis Assets in connection therewith, and to avoid filing multiple, individual motions, the Debtors seek authority to implement the Lease Rejection Procedures substantially in the form annexed to the Proposed Interim Order as **Exhibit 2**.

28. The Lease Rejection Procedures provide that the Debtors will file a notice (the "**Rejection Notice**"), substantially in the form annexed as **Schedule A** to the Lease Rejection Procedures, to reject the identified unexpired leases or subleases, which will include a proposed order approving rejection of the unexpired leases or subleases (the "**Rejection Order**"). Any property remaining at the leased premises as of the effective date of rejection of the leases or subleases (the "**Rejection Date**") shall be deemed abandoned without further notice of the Court, free and clear of all liens, claims, interests, or other encumbrances. The Rejection Date shall be the earlier of (i) service of the Rejection Notice and (ii) the Debtors' unequivocal surrender of the leased premises via the delivery of the keys, key codes, and alarm codes to the premises, as applicable, to the applicable lease counterparty, or, if not delivering such keys and codes, providing notice that the landlord may re-let the premises.

29. Objections to the proposed rejection or abandonment (each, an "**Objection**") must be filed and served no later than ten (10) calendar days after service of the Rejection Notice (the "**Rejection Objection Deadline**"). If no Objection is filed by the Rejection Objection Deadline, the Debtors will submit the proposed Rejection Order to the Court after the Rejection Objection Deadline, together with a statement confirming the absence of any timely objections to the relief granted by the Rejection Order. If an Objection is timely filed, served, and not withdrawn (an "**Unresolved Objection**"), the Debtors will file a notice of a hearing for the Court to hear the Unresolved Objection at the next scheduled omnibus hearing after the Rejection Objection Deadline.

Relief Requested Should Be Granted

A. Immediately Implementing the Store Closing Procedures and Continuing and Commencing Store Closing Sales Constitutes an Exercise of the Debtors' Sound Business Judgment

30. The Court may grant the relief requested herein pursuant to section 363 of the Bankruptcy Code. Section 363(b) of the Bankruptcy Code provides, in relevant part, that "[t]he [debtor], 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). To obtain Court approval to use property under section 363(b) of the Bankruptcy Code for the purpose of a store closing sale, the Debtors need only show a legitimate business justification for the proposed action. *See In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999) (requiring that debtor show a "sound business purpose" to justify its actions under section 363 of Bankruptcy Code); *see also In re Phoenix Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987); *Comm. Of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.*), 722 F.2d 1063, 1070 (2d Cir. 1983); *Comm. Of Asbestos-Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.*), 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) ("Where the debtors articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtors' conduct") (citation omitted). Moreover, if "the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct." *In re Johns-Manville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (citation omitted); *see also In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005) (stating that "do]vercoming the presumptions of the business judgment rule on the merits is a near-Herculean task").

31. The relief requested represents a sound exercise of the Debtors' business judgment, is necessary to avoid immediate and irreparable harm to the Debtors' estates, and is justified under section 363(b) of the Bankruptcy Code. The Debtors and their advisors believe that the Store Closing Procedures represent the most efficient and appropriate means of maximizing the value of the Store Closing Assets, while balancing the potentially competing concerns of affected landlords and other parties in interest.

32. Ample business justification exists to conduct Store Closing Sales at the Closing Stores. Before the Commencement Date, the Debtors, with the assistance of their advisors, engaged in an extensive review of each of the Strack Stores to (i) identify underperforming and unprofitable stores, (ii) consider whether and how individual store performance could be improved by various initiatives, including through the negotiation of lease concessions with landlords, and (iii) determine which stores should be closed immediately to eliminate their ongoing negative impact on the Debtors' financial performance. This process also resulted in the Debtors' identification of the Closing Stores, of which the Phase I Stores began closure on March 15, 2017, and the Phase II Stores began closing on or around May 3, 2017. Any Store Closing Assets that are not sold during the Store Closing Sales will be transferred to surrounding locations or abandoned.

33. Implementing the Store Closing Procedures will allow the Debtors to avoid payment of administrative rent that is not beneficial to the Debtors and their estates, improve the Debtors' liquidity, allow the Debtors to focus on their larger sale process, and maximize creditor recoveries. Any interruption or delay in the Debtors' ability to efficiently close Closing Stores during these chapter 11 cases could have serious negative consequences for the Debtors' estates. Delays in commencing Store Closing Sales would have unique implications

for the Debtors, as grocers, given the limited shelf-life of much of the inventory they sell. Thus, to maximize the value of the Store Closing Assets, the Court should permit the Debtors flexibility to act in the most expeditious and efficient manner possible. The Debtors believe that there is sufficient business justification for the Debtors to begin immediately implementing the Store Closing Procedures.

34. Courts in this district have approved similar store closing or liquidation sale procedures in chapter 11 cases involving retail debtors. *See, e.g., In re Sports Auth. Holdings, Inc.*, No. 16-10527 (MFW) (Bankr. D. Del. May 3, 2016) [Docket No. 1700]; *In re Golfsmith Int'l Holdings, Inc.*, No. 16-12033 (LSS) (Bankr. D. Del. Sept. 15, 2016) [Docket No. 66]; *In re Haggen Holdings, LLC*, No. 15-11874 (KG) (Bankr. D. Del. Oct. 15, 2015) [Docket No. 447]; *In re Quiksilver, Inc.*, No. 15-11880 (BLS) (Bankr. D. Del. Sept. 10, 2015) [Docket No. 72]; *In re RadioShack Corp.*, No. 15-10197 (BLS) (Bankr. D. Del. Feb. 6, 2015) [Docket No. 106]; *In re Coldwater Creek*, No. 14-10867 (BLS) (Bankr. D. Del. May 7, 2014) [Docket No. 355]; *In re Anchor Blue Retail Group, Inc.*, No. 09-11770 (LSS) (Bankr. D. Del. June 18, 2009) [Docket No. 182]; *In re Goody's Family Clothing, Inc.*, No. 08-11153 (CSS) (Bankr. D. Del. June 13, 2008) [Docket No. 116]; and *In re Sharper Image Corp.*, No. 08-10322 (KG) (Bankr. D. Del. Mar. 14, 2008) [Docket No. 271].

35. In addition, the Court has the authority, pursuant to its equitable powers under section 105(a) of the Bankruptcy Code, to authorize the relief requested herein, because such relief is necessary for the Debtors to carry out their fiduciary duties under section 1107(a) of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code empowers Bankruptcy Courts to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105. Section 1107(a) of the Bankruptcy Code "contains an

implied duty of the debtor-in-possession" to "protect and preserve the estate, including an operating business' going-concern value," on behalf of a debtor's creditors and other parties in interest. *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (quoting *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002)); *see also Unofficial Comm. of Equity Holders v. McManigle (In re Penick Pharm., Inc.)*, 227 B.R. 229, 232–33 (Bankr. S.D.N.Y. 1998) ("[U]pon filing its petition, the Debtor became debtor in possession and, through its management . . . was burdened with the duties and responsibilities of a bankruptcy trustee").

B. Sales of the Store Closing Assets Free and Clear of All Liens, Claims, and Encumbrances Is Warranted

36. Pursuant to section 363(f) of the Bankruptcy Code, a debtor may sell property of the estate "free and clear of any interest in such property of an entity other than the estate" if any one of the following conditions is satisfied:

(i) applicable non-bankruptcy law permits sale of such property free and clear of such interest;

(ii) such entity consents;

(iii) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;

(iv) such interest is in bona fide dispute; or

(v) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f)(1)-(5).

37. The Store Closing Assets that would be the subject of the Store Closing Sales are or will be subject to the liens of the Debtors' prepetition secured lenders, the debtor in possession lenders, that have each consented or will consent to the sales thereof. Furthermore, the Debtors believe that all lienholders, including the Debtors' secured lenders, could be compelled in a legal or equitable proceeding to accept money satisfaction of their interests. In

furtherance of the foregoing, any and all liens on the Store Closing Assets sold in the Store Closing Sales would be satisfied or would attach to the remaining net proceeds of such sales with the same force, effect, and priority as such liens currently have on the Store Closing Assets, subject to the rights and defenses, if any, of the Debtors and of any party-in-interest with respect thereto.

38. In addition, all known lienholders will receive notice and will be given opportunity to object to the relief requested herein on a final basis. Any lienholders that do not object to the sale of applicable Store Closing Assets should be deemed to have consented to such sale. *See Futuresource LLC v. Reuters Ltd.*, 312 F.3d 281, 285-86 (7th Cir. 2002) ("It is true that the Bankruptcy Code limits the conditions under which an interest can be extinguished by a bankruptcy sale, but one of those conditions is the consent of the interest holder, and lack of objection (provided of course there is notice) counts as consent. It could not be otherwise; transaction costs would be prohibitive if everyone who might have an interest in the bankrupt's assets had to execute a formal consent before they could be sold." (internal citations omitted)); *Hargrave v. Twp. of Pemberton* (*In re Tabone, Inc.*), 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (finding failure to object to sale free and clear of liens, claims and encumbrances satisfies section 363(f)(2) of the Bankruptcy Code); *Citicorp Homeowners Serv., Inc. v. Elliot* (*In re Elliot*), 94 B.R. 343, 345-46 (E.D. Pa. 1988) (same); *see also In re Enron Corp.*, Case No. 01-16034, 2003 WL 21755006, at *2 (Bankr. S.D.N.Y. July 28, 2003) (order deeming all parties who did not object to proposed sale to have consented under section 363(f)(2)).

39. Accordingly, the sale of the Store Closing Assets should be free and clear of any liens, claims, encumbrances, and other interests, and satisfies the statutory requirements of section 363(f) of the Bankruptcy Code.

C. The Court Should Invalidate Contractual Restrictions That Impair the Debtors' Ability to Conduct the Store Closing Sales

40. Store closing or liquidation sales are a routine part of chapter 11 cases involving retail debtors. Such sales are consistently approved by courts, despite provisions in recorded documents, contracts, or agreements purporting to forbid such sales. Indeed, any such contract or agreement is unenforceable against the Debtor pending assumption or rejection thereof. *See In re Univ. Med. Ctr.*, 973 F.2d 1065, 1075 (3d Cir. 1992) (citing *In re Bildisco*, 465 U.S. 513, 532 (1984)); *In re Nat'l Steel Corp.*, 316 B.R. 287, 302-07 (Bankr. N.D. Ill. 2004).

41. Courts in this district have entered orders deemeing such restrictive contractual provisions unenforceable in the context of store closing or liquidation sales. *See, e.g., In re Coldwater Creek*, No. 14-10867 (BLS) (Bankr. D. Del. May 7, 2014) [Docket No. 355]; *In re Sports Auth. Holdings*, No. 16-10527 (MFW) (Bankr. D. Del. May 3, 2016) [Docket No. 1700]; *In re Haggen Holdings, LLC*, No. 15-11874 (KG) (Bankr D. Del. Oct. 15, 2015) [Docket No. 447]; *In re Quiksilver, Inc.*, No. 15-11880 (BLS) (Bankr. D. Del. Sept. 10, 2015) [Docket No.72]; and *In re RadioShack Corp.*, No. 15-10197 (BLS) (Bankr. D. Del. Feb. 6, 2015) [Docket No. 106]. Moreover, the Store Closing Procedures, like the sale guidelines approved in other cases cited herein, provide the appropriate protections for any legitimate concerns that landlords or other affected parties might otherwise have with respect to the conduct of the Store Closing Sales.

42. Accordingly, the Debtors request that the Court authorize the Debtors to conduct the Store Closing Sales consistent with the Store Closing Procedures, without interference by any landlords, suppliers, vendors, contract counterparties, or other persons affected, directly or indirectly, by the Store Closing Sales.

D. The Court Should Waive Compliance with Any Liquidation Sale Laws That Restrict Store Closing Sales

43. There is ample support for granting the Debtors' request for a waiver of the requirement to comply with applicable Liquidation Sale Laws that are inconsistent with the Store Closing Procedures. First, Liquidation Sale Laws often provide that, if a liquidation or bankruptcy sale is court authorized, then a company need not comply with the Liquidation Sale Laws. Second, pursuant to section 105(a) of the Bankruptcy Code, the Court has the authority to permit the Store Closing Sales to proceed notwithstanding contrary Liquidation Sale Laws.

44. Third, this Court will be able to supervise the Store Closing Sales because the Debtors and their assets are subject to this Court's exclusive jurisdiction. *See* 28 U.S.C. § 1334. Creditors and the public interest are adequately protected by notice of this Motion and the ongoing jurisdiction and supervision of this Court. Moreover, section 959 of title 28 of the United States Code, which requires debtors to comply with state and other laws in performance of their duties, does not apply to the Store Closing Sales. *See, e.g., In re Borne Chemical Co.*, 54 B.R. 126, 135 (Bankr. D.N.J. 1984) (holding that 28 U.S.C. § 959(b) is applicable only when property is being managed or operated for the purpose of continuing operations, not liquidations). Relatedly, and as further adequate protection, paragraph 12 of the Proposed Order includes a procedure whereby aggrieved parties can seek relief from this Court in the event that there is a dispute relating to any Liquidation Sale Law.

45. Fourth, even if a Liquidation Sale Law does not expressly exempt bankruptcy sales from its ambit, the Debtors believe that if such law conflicts with federal bankruptcy laws, it is preempted by the Supremacy Clause of the United States Constitution. *See* U.S. Const. art. VI, cl. 2. To hold otherwise would severely impair the relief available under section 363 of the Bankruptcy Code. Consistent with this premise, Bankruptcy Courts have

recognized that federal bankruptcy laws preempt state and local laws that contravene the underlying policies of the Bankruptcy Code. *See, e.g., Belculfine v. Aloe (In re Shenango Grp., Inc.)*, 186 B.R. 623, 628 (Bankr. W.D. Pa. 1995) ("Trustees and debtors-in-possession have unique fiduciary and legal obligations pursuant to the bankruptcy code . . . [A] state statute [ ] cannot place burdens on them where the result would contradict the priorities established by the federal bankruptcy code"). Although preemption of state law is not always appropriate, as when the protection of public health and safety is involved, *see In re Baker & Drake, Inc. v. Pub. Serv. Comm'n of Nev. (In re Baker & Drake)*, 35 F.3d 1348, 1353-54 (9th Cir. 1994) (finding no preemption when state law prohibiting taxicab leasing was promulgated in part as a public safety measure), it is appropriate when, as here, the only state laws involved concern economic regulation. *See id*. at 1353 (finding that "federal bankruptcy preemption is more likely . . . where a state statute is concerned with economic regulation rather than with protecting the public health and safety").

46. Similar relief has been granted in other bankruptcy cases in this district. *See, e.g., In re Golfsmith Int'l Holdings, Inc.*, No. 16-12033 (LSS) (Bankr. D. Del. Sept. 15, 2016) [Docket No. 66]; *In re Sports Auth. Holdings*, No. 16-10527 (MFW) (Bankr. D. Del. May 3, 2016) [Docket No. 1700]; *In re Haggen Holdings, LLC*, No. 15-11874 (KG) (Bankr D. Del. Oct. 15, 2015) [Docket No. 447]; *In re Quiksilver, Inc.*, No. 15-11880 (BLS) (Bankr. D. Del. Sept. 10, 2015) [Docket No. 72]; *In re RadioShack Corp.*, No. 15-10197 (BLS) (Bankr. D. Del. Feb. 6, 2015) [Docket No. 106]; and *In re Coldwater Creek*, No. 14-10867 (BLS) (Bankr. D. Del. May 7, 2014) [Docket No. 355].

47. The Debtors also request that no other person or entity, including any lessor or federal, state, or local agency, department, or governmental authority, be allowed to

take any action to prevent, interfere with, or otherwise hinder the conduct of the Store Closing Sales, including the advertising and promotion (including through the posting of signs) thereof.

E. Immediately Implementing the Lease Rejection Procedures Is an Exercise of the Debtors' Sound Business Judgment

48. Section 365(a) of the Bankruptcy Code provides that a debtor, "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). The purpose behind section 365(a) is "to permit the trustee or debtor-in-possession to use valuable property of the estate and to renounce title to and abandon burdensome property." *In re Republic Airways Holdings Inc.*, 547 B.R. 578, 582 (Bankr. S.D.N.Y. 2016) (quoting *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1098 (2d Cir. 1993)); *see also In re Exide Techs.*, 607 F.3d 957, 967 (3d Cir. 2010), as amended (June 24, 2010) ("Courts may use § 365 to free a [debtor] from burdensome duties that hinder its reorganization"); *In re Bildisco*, 465 U.S. at 528 ("[T]he authority to reject an executory contract is vital to the basic purpose to a Chapter 11 reorganization, because rejection can release the debtor's estate from burdensome obligations that can impede a successful reorganization").

49. The standard to be applied by a court in determining whether the assumption or rejection of an unexpired nonresidential real property lease pursuant to 365(a) of the Bankruptcy Code should be approved is the "business judgment" test, which requires that the debtor have determined that the requested assumption or rejection would be beneficial to its estate. *See, e.g. Group of Inst. Investors, Inc. v. Chicago, Milwaukee, St. Paul & Pac. R.R. Co.*, 318 U.S. 523, 550 (1943) (noting "the question whether a lease should be rejected…is one of business judgment"); *In re Bildisco*, 682 F.2d 72, 79 (3d Cir. 1982), *aff'd* 465 U.S. 513 (1984) ("[t]he usual test for rejection of an executory contract is simply whether rejection would benefit

the estate, the 'business judgment' test"); *see also L.R.S.C. Co. v. Rickel Home Centers, Inc. (In re Rickel Home Centers, Inc.)*, 209 F.3d. 291, 298 (3d Cir. 2000); *In re HQ Global Holdings, Inc.*, 290 B.R. 507, 511 (Bankr. D. Del. 2003).

50. In applying the business judgment standard, Bankruptcy Courts afford great deference to a debtor's decision to assume or reject leases. *See e.g., Sharon Steel Corp. v. Nat'l Fuel Gas Distr. Corp.*, 872 F.2d 36, 39-40 (3d Cir. 1989) (affirming rejection of a service agreement as sound exercise of debtor's business judgment when Bankruptcy Court found rejection would benefit estate); *In re Trans World Airlines, Inc.*, 261 B.R. 103, 121 (Bankr. D. Del. 2001) ("[A] debtor's decision to reject an executory contract must be summarily affirmed unless it is the product of bad faith, or whim or caprice.") (citations omitted); *Genco Shipping & Trading Ltd.*, 509 B.R. 455, 463 (Bankr. S.D.N.Y. 2014) (stating that a court generally will not second-guess a debtor's business judgment regarding assumption or rejection and such related benefits to the debtor's estate) (citations omitted).

51. The ability to reject burdensome nonresidential real property leases is an important tool provided to debtors under the Bankruptcy Code. Because the Debtors are parties to approximately thirty-one (31) leases, of which at least the nine (9) associated with the Phase II Stores are likely to be rejected, obtaining separate Court approval of each rejection would impose unnecessary administrative burdens on the Debtors and the Court and result in costs to the Debtors' estates that would decrease the economic benefits of rejection. As designed, the Lease Rejection Procedures are in the best interests of the Debtors' estates and will allow the Debtors to minimize administrative expenses for rejected leases and will eliminate substantial legal expenses that would otherwise be incurred if multiple hearings were held on separate motions with respect to every proposed lease rejection. The Lease Rejection Procedures are fair

and reasonable to lease counterparties because they afford parties in interest the opportunity to appear and be heard with respect to the rejection of the Debtors' leases. In addition, the Lease Rejection Procedures will provide clarity and uniformity as to the procedures that will govern most rejections in these chapter 11 cases.

F. Retroactive Rejection of the Leases Is Appropriate Under the Circumstances

52. The Rejection Procedures contemplate that the effective date of rejection of the Leases (as defined in the Lease Rejection Procedures) (the "**Rejection Date**") may be before the date an order approving rejection is entered by the Court. An order approving rejection of the Leases as of such date will expedite the Debtors' relief from onerous obligations, and is fair and equitable to all parties because the relevant counterparties will have adequate notice of the Debtors' intent to reject the Leases and/or the Debtors will surrender the premises to the landlord as of the Rejection Date. Permitting the rejection to occur as of the Rejection Date is consistent with prior rulings in this and other circuits. *See, e.g., In re Chi-Chi's, Inc.*, 305 B.R. 396, 399 (Bankr. D. Del. 2004) (acknowledging that a Bankruptcy Court may approve a rejection retroactive to the date the motion is filed after balancing the equities in the particular case); *In re Fleming Cos., Inc.*, 304 B.R. 85, 96 (Bankr. D. Del. 2003) (stating that rejection has been allowed nunc pro tunc to the date of the motion or the date the premises were surrendered); *see also Thinking Machines Corp. v. Mellon Financial Servs. Corp. (In re Thinking Machines Corp.)*, 67 F.3d 1021, 1028 (1st Cir. 1995) (finding that, "[i]n the section 365 context, this means that bankruptcy courts may enter retroactive orders of approval, and should do so when the balance of equities preponderates in favor of such remediation"); *Adelphia Bus. Solutions, Inc. v. Abnos*, 482 F.3d 602 (2d Cir. 2007) (upholding a bankruptcy court ruling that a rejection of an unexpired lease was retroactive to the date of the hearing on the motion to reject, even though the order to reject was not entered until nearly 33 months later); *In re The Great Atl. & Pac. Tea Co.,*

Inc., No. 10-24549 (RDD) (Bankr. S.D.N.Y. Dec. 15, 2010) [Docket No. 18] (authorizing retroactive rejection of dark leases where the debtors had surrendered the keys to the lease counterparties); *In re The Reader's Digest Ass'n, Inc.*, No. 09-23529 (RDD) (Bankr. S.D.N.Y. Sept. 17, 2009) [Docket No. 94] (approving retroactive rejection of unexpired leases); *BP Energy Co. v. Bethlehem Steel Corp.*, 2002 WL 31548723, at *3 (S.D.N.Y. Nov. 15, 2002) (finding that retroactive rejection is valid when the balance of the equities favor such treatment).

G. The Rejection Procedures Provide Interested Parties with Reasonable and Sufficient Notice and Opportunity to Object and Be Heard

53. The Lease Rejection Procedures comply with the procedural requirements of the Bankruptcy Rules. "A proceeding to assume, reject, or assign an executory contract or unexpired lease . . . is governed by Rule 9014." Fed. R. Bankr. P. 6006(a). Bankruptcy Rule 9014 provides that: "In a contested matter . . . , not otherwise governed by these rules, relief shall be requested by motion, and reasonable notice and opportunity for hearing shall be afforded the party against whom relief is sought." Fed. R. Bankr. P. 9014(a). The notice and hearing requirements for contested matters under Bankruptcy Rule 9014 are satisfied if appropriate notice and an opportunity for hearing are given in light of the particular circumstances. *See* 11 U.S.C. § 102(1)(A) (defining "after notice and a hearing" or a similar phrase to mean such notice and an opportunity for hearing "as [are] appropriate in the particular circumstances"). The Lease Rejection Procedures provide for notice to lease counterparties and an opportunity to be heard at a hearing, and thus satisfy the requirement of Bankruptcy Rules 6006(a) and 9014.

54. Under Bankruptcy Rule 6006(e), a debtor may join requests for authority to assume and assign or reject multiple unexpired leases in one motion, subject to Bankruptcy Rule 6006(f). *See* Fed. R. Bankr. P. 6006(e). Bankruptcy Rule 6006(f) sets forth six requirements that motions to assume or reject multiple unexpired leases must satisfy. These

requirements are procedural in nature. A motion to assume or reject multiple unexpired leases that are not between the same parties shall:

(i) state in a conspicuous place that parties receiving the omnibus motion should locate their names and their contracts or leases listed in the motion;

(ii) list parties alphabetically and identify the corresponding contract or lease;

(iii) specify the terms, including the curing of defaults, for each requested assumption or assignment;

(iv) specify the terms, including the identity of each assignee and the adequate assurance of future performance by each assignee, for each requested assignment;

(v) be numbered consecutively with other omnibus motions to assume, assign, or reject executory contracts or unexpired leases; and

(vi) be limited to no more than 100 executory contracts or unexpired leases.

Fed. R. Bankr. P. 6006(f).

55. The Lease Rejection Procedures satisfy Bankruptcy Rule 6006(f). The clear purpose of Bankruptcy Rule 6006(f) is to protect the due process rights of counterparties to the Debtors' leases. Counterparties must be able to locate their leases and readily determine whether their leases are being assumed or rejected. The Debtors will comply with all applicable procedural requirements of Bankruptcy Rule 6006(f) when serving the Rejection Notices.

56. Under the circumstances, given the number of leases to which the Debtors are party, obtaining separate Court approval of each rejection would impose unnecessary administrative burdens on the Debtors and the Court, and would result in costs to the Debtors' estates that would decrease the economic benefits of rejection. The Debtors, therefore, request approval of the Lease Rejection Procedures as the most efficient and cost-effective way for the Debtors to eliminate the costs in connection with maintaining leases that no longer serve the Debtors' business needs.

H. Abandonment of the De Minimis Assets Should Be Approved

57. The Debtors also request authority to abandon any property remaining at the leased premises after the completion of the applicable Store Closing Sales therein or on the lease Rejection Date that the Debtors do not sell and determine is too difficult to remove or expensive to store (such that such that the economic benefits of removing or storing such De Minimis Assets would by outweighed by the attendant costs).

58. Under section 554(a) of the Bankruptcy Code, a debtor, after notice and a hearing, is authorized to "abandon any property of the estate that is burdensome to the estate or that is of inconsequential value and benefit to the estate." 11 U.S.C. § 554(a); *see also Hanover Ins. Co. v. Tyco Indus., Inc.*, 500 F.2d 654, 657 (3d Cir. 1974) ("[A trustee] may abandon his claim to any asset, including a cause of action, he deems less than valuable than the cost of asserting that claim."); *In re Contract Research Solutions, Inc.*, 2013 WL 1910286, at *4 (Bankr. D. Del. May 1, 2013) ("[A debtor] need only demonstrate that [it] has exercised sound business judgment in making the determination to abandon.") (citations omitted). The right to abandon property is, except for certain exceptions inapplicable in the present case, unfettered. *See Midlantic Nat'l Bank v. N.J. Dep't of Envtl. Prot.*, 474 U.S. 494, 506–07 (1986) (noting one such exception and holding that section 554(a) does not preempt state laws aimed at protecting the public's health and safety).

59. Although the Debtors will have, in their business judgment, removed personal property at the Closing Stores and other leased premises if feasible and of value to the Debtors' ongoing operations or to their estates, a minimal amount of the Debtors' personal property is expected to remain at certain properties. The De Minimis Assets will primarily consist of miscellaneous FF&E, advertising displays, inventory, and other store equipment that is of inconsequential value or benefit to the Debtors' estate or would be cost prohibitive to remove.

Any landlord or other designee will be free to dispose of the De Minimis Assets after the Rejection Date or after completion of the applicable Store Closing Sales without notice or liability to any party. To the best of the Debtors' knowledge, the abandonment of the property would not be in violation of any state or local statutes or regulations reasonably designed to protect the public health or safety. Accordingly, abandonment of the De Minimis Assets as of the Rejection Date or after completion of the applicable Store Closing Sales should be approved.

60. Courts in this district and elsewhere have previously approved similar relief in other chapter 11 cases involving retail debtors. *See, e.g., In re Sports Auth. Holdings, Inc.*, No. 16-10527 (MFW) (Bankr. D. Del. May 3, 2016) [Docket No. 1700] (authorizing the debtors to abandon any unremoved or unsold furniture, fixtures, and equipment at a closing store); *In re Great Atl. & Pac. Tea Co., Inc.*, No. 15-23007 (RDD) (Bankr. S.D.N.Y. Jan. 22, 2016) [Docket No. 2367] (authorizing the debtors to abandon furniture, fixtures, and equipment as of a retroactive rejection date); *In re Am. Apparel, Inc.*, No. 15-12055 (BLS) (Bankr. D. Del. Nov. 20, 2015) [Docket No. 364] (authorizing the debtors to dispose of or abandon property of their estates left in stores after the completion of store closing sales); *In re RadioShack Corp.*, No. 15-10197 (BLS) (Bankr. D. Del. Feb. 2, 2015) [Docket No. 455] (authorizing the debtors to abandon all unsold assets located at any of the closing stores); and *In re Metropark USA, Inc.*, No. 11-22866 (RDD) (Bankr. S.D.N.Y. May 5, 2011) [Docket No. 50] (authorizing the debtor to reject a lease and abandon certain furniture, fixtures, and equipment on the leased premises).

I. Assumption of the Liquidation Consulting Agreements Is in the Best Interests of the Debtors and Their Estates

61. As described above, a debtor may assume or reject any executory contract or unexpired lease of the debtor provided that such assumption or rejection satisfies the business judgment test. The Debtors' decision to utilize and pay for the services provided by the

Liquidation Consultant is a reasonable exercise of their business judgment. Given the number of Closing Stores that will likely need to be closed at or around the same time, a nationally-recognized liquidator, such as Gordon Brothers, with significant experience with large-scale liquidations is best equipped to ensure a smooth liquidation process that will maximize the value of the Store Closing Assets. The Liquidation Consultant has extensive expertise in conducting store closing sales and can oversee, and assist in the management and implementation of, the Store Closing Sales in an efficient and cost-effective manner. The Liquidation Consulting Agreements will enable the Debtors to utilize the experience, skills, and resources of the Liquidation Consultant to effectively and efficiently conduct the Store Closing Sales and, thus, significantly improve the value to be received through the Store Closing Sales for the benefit of all stakeholders.

62. The Liquidation Consultant's fees will be based on the successful sale of the Store Closing Assets. The Debtors believe that the prepetition proposal and negotiation process has ensured that the fee structure set forth in the Liquidation Consulting Agreements are reasonable, market based, and consistent with the fees this Court and other courts have approved in connection with entry into liquidating consulting agreements. *See, e.g.*, *In re The Great Atlantic & Pacific Tea Company, Inc.*, Case No. 15-23007 (Bankr. S.D.N.Y. Aug. 13, 2015) [Docket No. 546] (authorizing a fee equal to 1% of gross sales if such sales exceed the cost value of the merchandise and 10% of proceeds from sales of furniture, fixtures, and equipment); *In re Lack's Stores, Inc.*, Case No. 10-60149 (Bankr. S.D. Tex. Nov. 17, 2010) [Docket No. 34] (approving a $4,500 per store base fee, a fee equal to 20% of net proceeds of sales of merchandise in excess of 64% of the cost value of the merchandise, and 15% of proceeds from sales of FF&E); *In re Bruno's Supermarkets, LLC*, Case No. 09-00634 (Bankr. N.D. Ala. Mar. 2,

2009) [Docket No. 306] (approving a fee equal to 3% of net proceeds of sales of merchandise and 15% of proceeds from sales of FF&E); and *In re Value City Holdings, Inc.*, Case No. 08-14197 (Bankr. S.D.N.Y. Nov. 20, 2008) [Docket No. 158] (approving a $25,000 per store base fee, up to a $25,000 per store success fee based on a 54.6% gross return on merchandise adjusted downward for lower gross return percentages, and a fee equal to 10% of gross proceeds from sales of FF&E).

63. As noted above, the Debtors believe that the expertise of the Liquidation Consultant will greatly assist the Debtors in the disposition of the Closing Stores and maximize the value to be realized in that process. This will inure to the benefit of the Debtors' estates, which will more than offset any expenses incurred through the Liquidation Consultant's retention. Thus, the decision to employ the Liquidation Consultant is a sound exercise of the Debtors' business judgment.

Reservation of Rights

64. Nothing contained herein is intended or shall be construed as (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtors; or (iii) a waiver of any claims or causes of action which may exist against any creditor or interest holder. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

Debtors Have Satisfied Bankruptcy Rule 6003(b)

65. Bankruptcy Rule 6003(b) provides that, to the extent relief is necessary to avoid immediate and irreparable harm, a Bankruptcy Court may issue an order granting "a motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition" before twenty-one (21) days after filing of the petition. Immediate and irreparable harm exists where the absence of relief would impair a debtor's ability to reorganize or threaten the debtor's future as a going concern. *See In re Ames Dep't Stores, Inc.*, 115 B.R. 34, 36 n.2 (Bankr. S.D.N.Y. 1990) (discussing the elements of "immediate and irreparable harm" in relation to Bankruptcy Rule 4001). The Third Circuit has interpreted the language "immediate and irreparable harm" in the context of preliminary injunctions, and has instructed that irreparable harm is a continuing harm that cannot be adequately redressed by final relief on the merits and for which money damages cannot provide adequate compensation. *See, e.g., Norfolk S. Ry. Co. v. City of Pittsburgh*, 235 Fed.Appx 907, 910 (3d Cir. 2007) (citing *Glasco v. Hills*, 558 F.2d 179, 181 (3d Cir. 1977)); *see also In re First NLC Fin. Servs., LLC*, 382 B.R. 547, 549 (Bankr. S.D. Fla. 2008) (holding that Bankruptcy Rule 6003 permits entry of retention orders on an interim basis to avoid irreparable harm).

66. As discussed more fully above and in the Harer Declaration, the Debtors and their estates and creditors will be irreparably harmed if the implementation of the Store Closing Procedures and Lease Rejection Procedures, commencement of the Store Closing Sales, and assumption of the Liquidation Consulting Agreements are delayed. Accordingly, the Debtors submit that the relief requested herein is necessary to avoid immediate and irreparable harm, and, therefore, Bankruptcy Rule 6003 is satisfied.

Bankruptcy Rules 6004(a) and (h)

67. 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 of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h). As explained above and in the Harer Declaration, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors. Accordingly, ample cause exists to justify finding that the notice requirements under Bankruptcy Rule 6004(a) have been satisfied and to grant a waiver of the fourteen (14) day stay imposed by Bankruptcy Rule 6004(h), to the extent such notice requirements and such stay apply.

Notice

68. Notice of this Motion will be provided to (i) the Office of the United States Trustee for the District of Delaware; (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) the United Food and Commercial Workers Union International, Local 1546, 1649 West Adams Street, 2nd Floor, Chicago, Illinois 60612 (Attn: Kenneth R. Boyd and Bob O'Toole); (vi) the United Food and Commercial Workers Union International, Local 881, 10400 W. Higgins Road, Suite 500, Rosemont, Illinois 60018 (Attn: Ronald E. Powell and Steven Powell); (vii) the United Food and

Commercial Workers International Union, Local 700, 3950 Priority Way S. Drive, Suite 100, Indianapolis, Indiana 46240 (Attn: Scott Barnett); (viii) counsel to the Teamsters Union Local No. 142, Law Offices of Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich, 8 South Michigan Avenue, 19th Floor, Chicago, Illinois 60603 (Attn: Robert Cervone, Esq.); (ix) Independent Employees Union, 1201 Hickey Street, Hobart, Indiana 46342 (Attn: Cindy Rongers); (x) the Internal Revenue Service; (xi) the United States Attorney's Office for the District of Delaware; (xii) the counterparties to the leases and subleases related to the Phase I Stores and the Phase II Stores; (xiii) counterparties whose contracts may be affected by the Store Closing Sales; (xiv) all state attorneys general in which the Store Closing Assets are located; (xv) the National Association of Attorneys General; (xvi) all parties who are known by the Debtors to assert liens against the Store Closing Assets; and (xvii) any other party entitled to notice pursuant to Local Rule 9013-1(m) (collectively, the "**Notice Parties**").

69. Based on the urgency of the circumstances surrounding this Motion and the nature of the relief requested herein, 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 Proposed Interim Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: May 4, 2017
Wilmington, Delaware

/s/ Mark D. Collins
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. (*pro hac vice* admission pending)
Stephen Karotkin (*pro hac vice* admission pending)
Sunny Singh (*pro hac vice* admission pending)
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

Distribution Center

Store No.	Address	City	State	Zip
-	2600 West Haven Avenue	Joliet	IL	60433

Phase I Stores

Store No.	Address	City	State	Zip
8757	2627 N. Elston Ave.	Chicago	IL	60647
8761	491 East Roosevelt Rd.	Lombard	IL	60148
8762	Suite #2 1212 75th St.	Downers Grove	IL	60516
8773	7201 Taft St.	Merrillville	IN	46410
8796	3250 W. 87th St.	Chicago	IL	60652

Phase II Stores

Store No.	Address	City	State	Zip
8751	6010 W Ridge Road	Gary	IN	46408
8752	9111 W Taft St	Merillville	IN	46410
8763	13180 South Cicero Avenue	Crestwood	IL	60445
8758	501 S County Farm Rd	Wheaton	IL	60187
8763	1590 N Larkin Ave	Joliet	IL	60435
8777	16831 Torrence Ave	Lansing	IL	60438
8779	571 W 14th St	Chicago Heights	IL	60411
8785	13001 S. Ashland Ave	Calumet Park	IL	60827
8788	7520 Roosevelt Road	Forest Park	IL	60130

Exhibit B

Proposed Interim Order

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re	:	**Chapter 11**
CENTRAL GROCERS, INC., *et al.*,	:	**Case No. 17– _____ ( )**
Debtors.[1]	:	**(Joint Administration Requested)**

INTERIM ORDER AUTHORIZING (I) PROCEDURES FOR (A) STORE CLOSING SALES AND (B) REJECTING UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY; AND ABANDONMENT OF PROPERTY IN CONNECTION THEREWITH; AND (II) ASSUMPTION OF THE LIQUIDATION CONSULTING AGREEMENTS

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 in the above-captioned chapter 11 cases (collectively, the "**Debtors**"), pursuant to sections 105(a), 363, 365, and 554 of title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 6003, 6004, 6006, 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rule 9013-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware for an order (the "**Interim Order**") authorizing, but not directing, the Debtors to (i) implement the Store Closing Procedures and begin or continue conducting liquidation sales (the "**Store Closing Sales**") at the Closing Stores, as applicable, (ii) implement the Lease Rejection Procedures, and (iii) assume the Liquidation

[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 otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

Consulting Agreements, and 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 the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties; 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 to consider the relief requested in the Motion on an interim basis (the "**Hearing**"); and upon the Harer Declaration, filed contemporaneously with the Motion, 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 necessary to avoid immediate and irreparable harm to the Debtors and their estates as contemplated by Bankruptcy Rule 6003, and is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT

1. The Motion is granted on an interim basis to the extent set forth herein.

Store Closing Sales

2. The Debtors are authorized, but not directed, to begin or continue conducting Store Closing Sales at non-profitable stores for which no third-party has made or likely will make a valuable offer (the "**Underperforming Stores**"), and the distribution center

owned and operated by CGI (the "**Distribution Center**," and together with the Underperforming Stores, the "**Closing Stores**") pursuant to the store closing sale procedures attached hereto as **Exhibit 1** (the "**Store Closing Procedures**"), which Store Closing Procedures are hereby incorporated by reference and approved in their entirety on an interim basis; provided that the Debtors and landlords of any Closing Store are authorized to enter into an agreement modifying the Store Closing Procedures without further order of the Court (each, a "**Landlord Agreement**"); provided further that any such Landlord Agreements shall not have a material adverse effect on the Debtors or their estates. To the extent there is any inconsistency between the Store Closing Procedures, the Liquidation Consulting Agreement, and this Interim Order on the one hand, and a Landlord Agreement on the other hand, the terms of the Landlord Agreement shall control.

3. The Debtors may immediately conduct Store Closing Sales pursuant to the Store Closing Procedures at the Phase I Stores, Phase II Stores, and Distribution Center, each listed on **Exhibit A** to the Motion. The Debtors may conduct Store Closing Sales in accordance with the terms of this Interim Order at Underperforming Stores other than the Phase I Stores, Phase II Stores, and Distribution Center, by filing and serving by email or overnight mail the Notice Parties and any affected counterparty at an affected location with (i) notice of intent to conduct a Store Closing Sale pursuant to this Interim Order (the "**Notice of Intent**") and (ii) a copy of this Interim Order (which may be provided electronically via website link). The Notice Parties or affected parties will have five (5) calendar days from the filing and service of the Notice of Intent to object to the terms of the Store Closing Procedures and request a hearing on the objection. If no objection is filed, the Debtors may conduct Store Closing Sales at such locations

in accordance with the terms of this Interim Order, and such stores shall be considered "Underperforming Stores" for purposes of this Interim Order and the Store Closing Procedures.

4. The Store Closing Procedures shall apply to all sales of Store Closing Assets at the Closing Stores. To the extent that there is any inconsistency between the Store Closing Procedures and the Liquidation Consulting Agreements on the one hand, and this Interim Order, on the other hand, this Interim Order shall control, and the Store Closing Procedures shall control to the extent that there is any inconsistency between such procedures and the Liquidation Consulting Agreements.

5. The Debtors and the Liquidation Consultant are authorized, but not directed, to transfer the Store Closing Assets among the Underperforming Stores as well as among the Debtors' stores which are not Underperforming Stores. The Debtors and the Liquidation Consultant are authorized to sell or abandon the De Minimis Assets (including any such assets that are Store Closing Assets); provided that, to the extent any such assets remain at the leased premises after the completion of the applicable Store Closing Sales therein or the Lease Rejection Date, such Store Closing Assets shall be deemed abandoned to the affected landlord with the right of the landlord (or its designee) to dispose of such property free and clear of all interests and without notice or liability to any party.

6. Pursuant to section 363(f) of the Bankruptcy Code, the Store Closing Assets being sold shall be sold free and clear of any and all mortgages, security interests, conditional sales or title retention agreements, pledges, hypothecations, liens, judgments, encumbrances or claims of any kind or nature (including, without limitation, any and all "claims" as defined in section 101(5) of the Bankruptcy Code) (collectively, the "**Liens and Claims**"), with such Liens and Claims, if any, to attach to the proceeds of such assets with the same validity

and enforceability, to the same extent, subject to the same defenses, and with the same amount and priority as they attached to such assets immediately before the closing of the applicable sale.

7. All entities that are presently in possession of some or all of the Store Closing Assets in which the Debtors hold an interest that are or may be subject to this Interim Order hereby are directed to surrender possession of such Store Closing Assets to the Debtors.

8. No entity, including utilities, landlords, creditors and all persons acting for or on their behalf (but not Governmental Units (as defined in section 101(27))) shall interfere with or otherwise impede the conduct of the Store Closing Sales, or institute any action against the Debtors or landlords in any court (other than in this Court) or before any administrative body which in any way directly or indirectly interferes with, obstructs, or otherwise impedes the conduct of the Store Closing Sales; provided that the Store Closing Sales are conducted in accordance with the terms of this Interim Order, the Store Closing Procedures, and any Landlord Agreement.

9. Any restrictions in any lease agreement, restrictive covenant, or similar documents purporting to limit, condition, or impair the Debtors' ability to conduct the Store Closing Sales shall not be enforceable, nor shall any breach of such provisions in these chapter 11 cases constitute a default under a lease or provide a basis to terminate the lease; provided that the Store Closing Sales are conducted in accordance with the terms of this Interim Order, the Store Closing Procedures and any applicable Landlord Agreement.

10. The Closing Stores may "go-dark" during the Store Closing Sales and remain "dark" despite any lease restriction, real estate local act, local law, or ordinance to the contrary, and any "continuous operation" or similar clause in any of the leases (or any lease provision that purports to increase the rent or impose any penalty for "going dark") may not be

enforced (and the "going dark" under such leases shall not be a basis to cancel or terminate the leases).

11. Nothing in this Interim Order, the Store Closing Procedures or the Liquidation Consulting Agreement releases, nullifies, or enjoins the enforcement of any liability to a Governmental Unit under environmental laws or regulations (or any associated liabilities for penalties, damages, cost recovery, or injunctive relief) to which any entity would be subject as the owner, lessor, lessee, or operator of the property after the date of entry of this Interim Order. Nothing contained in this Interim Order or in the Liquidation Consulting Agreement shall in any way (i) diminish the obligation of any entity to comply with environmental laws, or (ii) diminish the obligations of the Debtors to comply with environmental laws consistent with its rights and obligations as debtors in possession under the Bankruptcy Code. The Store Closing Sales shall not be exempt from laws of general applicability, including, without limitation, public health and safety, criminal, tax, labor, employment, environmental, antitrust, fair competition, traffic and consumer protection laws, including consumer laws regulating deceptive practices and false advertising (collectively, "**General Laws**"). Nothing in this Interim Order shall alter or affect obligations to comply with all applicable federal safety laws and regulations. Nothing in this Interim Order shall be deemed to bar any Governmental Unit from enforcing General Laws in the applicable non-bankruptcy forum, subject to the Debtors' right to assert in that forum or before this Court that any such laws are not in fact General Laws or that such enforcement is impermissible under the Bankruptcy Code, this Interim Order, or otherwise. Notwithstanding any other provision in this Interim Order, no party waives any rights to argue any position with respect to whether the conduct was in compliance with this Interim Order and/or any applicable

law, or that enforcement of such applicable law is preempted by the Bankruptcy Code. Nothing in this Interim Order shall be deemed to have made any rulings on any such issues.

12. To the extent that the Store Closing Sales are subject to any federal, state or local statute, ordinance, or rule, or licensing requirement solely directed at regulating "going out of business," "store closing," similar inventory liquidation sales, or bulk sale laws, including laws restricting safe, professional and non-deceptive, customary advertising such as signs, banners, posting of signage, and use of sign-walkers solely in connection with the Store Closing Sales and including ordinances establishing license or permit requirements, waiting periods, time limits or bulk sale restrictions, or any fast pay laws, that would otherwise apply solely to store closing or liquidation sales (each a "**Liquidation Sale Law**" and together, the "**Liquidation Sale Laws**"), the following provisions shall apply:

(a) If the Store Closing Sales are conducted in accordance with the terms of this Interim Order, the Store Closing Procedures and any applicable Landlord Agreement, and in light of the provisions in the laws of many local and state laws that exempt court-ordered sales from their provisions, then the Debtors shall be presumed to be in compliance or otherwise excused from compliance with any Liquidation Sale Laws, and are authorized to conduct the Store Closing Sales in accordance with the terms of this Interim Order without the necessity of compliance with any such Liquidation Sale Laws.

(b) The Debtors shall be presumed to be in compliance with any applicable "fast pay" laws to the extent such payroll payments are made by the later of (i) the Debtors' next regularly scheduled payroll and (ii) seven (7) calendar days following the termination date of the relevant employee, and in all such cases consistent with, and subject to, any previous orders of this Court regarding payment of same.

(c) To the extent there is a dispute arising from or relating to the Store Closing Sales, this Interim Order, the Liquidation Consulting Agreement, or the Store Closing Procedures, which dispute relates to any Liquidation Sale Laws (a "**Reserved Dispute**"), the Court shall retain exclusive jurisdiction to resolve the Reserved Dispute. Any time within ten (10) days following entry of a final order approving the Store Closing Procedures, any Governmental Unit may assert that a Reserved Dispute exists by serving written notice of such Reserved Dispute to counsel for

the Debtors so as to ensure delivery thereof within one (1) business day thereafter. If the Debtors and the Governmental Unit are unable to resolve the Reserved Dispute within fifteen (15) days after service of the notice, the aggrieved party may file a motion with this Court requesting that this Court resolve the Reserved Dispute (a "**Dispute Resolution Motion**").

(d) In the event a Dispute Resolution Motion is filed, nothing in this Interim Order shall preclude the Debtors, a Landlord, or other interested party from asserting (i) that the provisions of any Liquidation Sale Laws are preempted by the Bankruptcy Code, or (ii) that neither the terms of this Interim Order nor the conduct of the Debtors pursuant to this Interim Order, violates such Liquidation Sale Laws. Filing a Dispute Resolution Motion as set forth herein shall not be deemed to affect the finality of any Order or to limit or interfere with the Debtors' or the Liquidation Consultant's ability to conduct or to continue to conduct the Store Closing Sales pursuant to this Interim Order, absent further order of this Court. The Court grants authority for the Debtors and the Liquidation Consultant to conduct the Store Closing Sales pursuant to the terms of this Interim Order, the Liquidation Consulting Agreement, and/or the Store Closing Procedures and to take all actions reasonably related thereto or arising in connection therewith. The Governmental Unit shall be entitled to assert any jurisdictional, procedural, or substantive arguments it wishes with respect to the requirements of its Liquidation Sale Laws or the lack of any preemption of such Liquidation Sale Laws by the Bankruptcy Code. Nothing in this Interim Order shall constitute a ruling with respect to any issues to be raised in any Dispute Resolution Motion.

(e) If, at any time, a dispute arises between the Debtors and/or the Liquidation Consultant and a Governmental Unit as to whether a particular law is a Liquidation Sale Law, and subject to any provisions contained in this Interim Order related to the Liquidation Sale Laws, then any party to that dispute may utilize the provisions of subparagraphs (c) and (d) hereunder by serving a notice to the other party and proceeding thereunder in accordance with those paragraphs. Any determination with respect to whether a particular law is a Liquidation Sale Law shall be made *de novo*.

13. The Debtors shall be entitled to use sign walkers, hang signs, or interior or exterior banners advertising the Store Closing Sales in accordance with the Store Closing Procedures and any applicable Landlord Agreement, without further consent of any person. If the use of banners and sign walkers is done in a safe and responsible manner, then such sign walkers and banners, in and of themselves, shall not be deemed to be in violation of General Laws.

14. Subject to paragraphs 11 and 12 above, each and every federal, state, or local agency, departmental or governmental unit with regulatory authority over the Store Closing Sales and all landlords and all newspapers and other advertising media in which the Store Closing Sales are advertised shall consider this Interim Order as binding authority to conduct and advertise the Store Closing Sales in accordance with this Interim Order.

15. State and local authorities shall not fine, assess, or otherwise penalize the Debtors or any of the landlords of the Closing Stores for conducting or advertising the Store Closing Sales in a manner inconsistent with state or local law; provided that the Store Closing Sales are conducted and advertised in a manner contemplated by this Interim Order.

16. All of the Store Closing Sales shall be "as is" and final. However, as to the Underperforming Stores, all state and federal laws relating to implied warranties for latent defects shall be complied with and are not superseded by the sale of such goods or the use of the terms "as is" or "final sales." As to the Underperforming Stores, the Debtors shall accept return of any goods purchased during the Store Closing Sales that contain a defect which the lay consumer could not reasonably determine was defective by visual inspection prior to purchase for a full refund, provided that the consumer must return the merchandise within seven (7) days of purchase, the consumer must provide a receipt, and the asserted defect must in fact be a "latent" defect. Returns, if permitted, related to the purchase of Store Closing Assets shall not be accepted at stores that are not participating in the Store Closing Sales.

17. The Debtors are directed to remit all taxes arising from the Store Closing Sales at the Underperforming Stores to the applicable Governmental Units as and when due, provided that in the case of a bona fide dispute the Debtors are only directed to pay such taxes upon the resolution of the dispute, if and to the extent that the dispute is decided in favor of the

applicable Governmental Unit. For the avoidance of doubt, sales taxes collected and held in trust by the Debtors shall not be used to pay any creditor or any other party, other than the applicable Governmental Unit for which the sales taxes are collected. This Interim Order does not enjoin, suspend, or restrain the assessment, levy, or collection of any tax under state law, and does not constitute a declaratory judgment with respect to any party's liability for taxes under state law.

Lease Rejection Procedures and Abandonment of De Minimis Assets

18. The Debtors are authorized, but not directed, to reject Leases and abandon assets subject to the Lease Rejection Procedures attached hereto as **Exhibit 2**, which are approved and incorporated by reference in their entirety.

19. The Debtors are authorized, but not directed, to abandon any De Minimis Assets. Any personal property of the Debtors remaining at a Closing Store after the effective date of rejection of the lease shall be deemed abandoned as of the Rejection Date.

20. With respect to any De Minimis Assets abandoned at one of the Debtors' leased properties, the applicable landlord or other designee shall be free to dispose of such property without liability to any party and without further notice or order of the Court; provided that notwithstanding anything to the contrary in this Interim Order, the Debtors are not authorized hereunder to abandon, and are directed to remove, any hazardous (as such term is defined in federal, state, or local law, rule, regulation or ordinance) materials at any premises subject to a nonresidential real property lease or sublease. Landlords' rights, if any, to file claims for the costs of disposal of such property are fully reserved, as are the rights of any party in interest to object to such claims.

21. The Debtors are authorized to pay those reasonable and necessary fees and expenses incurred in the sale, transfer, or abandonment of the De Minimis Assets, including reasonable commission fees to agents, brokers, auctioneers, and liquidators, if any.

Liquidation Consulting Agreements

22. The two Liquidation Consulting Agreements, copies of which are attached hereto as **Exhibit 3**, are operative and effective on an interim basis. The Debtors are authorized to act and perform in accordance with the terms of the Liquidation Consulting Agreements.

23. Subject to the terms of this Interim Order and the proposed Store Closing Procedures, the Debtors and the Liquidation Consultant are hereby authorized to take any and all actions as may be necessary or desirable to implement the Liquidation Consulting Agreements and all other actions authorized by this Interim Order, and any actions taken by the Debtors and the Liquidation Consultant necessary or desirable to implement the Liquidation Consulting Agreement or the Store Closing Sales prior to the date of this Interim Order, are hereby approved and ratified.

24. The Liquidation Consultant shall accept the Debtors' validly-issued gift certificates and gift cards that were issued by the Debtors before the commencement of the Store Closing Sales in accordance with the Debtors' gift certificate and gift card policies and procedures as they existed on the Commencement Date, and accept returns of merchandise sold by the Debtors before the commencement of the Store Closing Sales for the first thirty (30) days of the Store Closing Sales, provided that such returns are otherwise in compliance with the Debtors' return policies in effect as of the date such item was purchased.

General Provisions

25. Each of the financial institutions at which the Debtors maintain their accounts relating to the payment of the obligations described in the Motion are authorized to (i)

receive, process, honor, and pay all checks presented for payment and to honor all fund transfer requests made by the Debtors related thereto, to the extent that sufficient funds are on deposit in those accounts and (ii) accept and rely on all representations made by the Debtors with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with this or any other order of the Court, whether such checks, drafts, wires, or transfers are dated prior to, on, or subsequent to the Commencement Date, without any duty to inquire otherwise.

26. Nothing contained in the Motion or this Interim Order is intended to be or shall be construed as (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtors, or (iii) a waiver of any claims or causes of action which may exist against any creditor or interest holder.

27. Nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by any party.

28. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

29. Under the circumstances of these chapter 11 cases, notice of the Motion is adequate under Bankruptcy Rule 6004(a).

30. Notwithstanding Bankruptcy Rule 6004(h), this Interim Order shall be immediately effective and enforceable upon its entry.

31. The Debtors are authorized to take all action necessary to effectuate the relief granted in this Interim Order.

32. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Interim Order.

33. A final hearing to consider the relief requested in the Motion shall be held on **_____, 2017, at _____ (Prevailing Eastern Time)** and any objections or responses to the Motion shall be in writing, filed with the Court, and served upon (i) the proposed attorneys for the Debtors, (a) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Ray C. Schrock, P.C.; Stephen Karotkin, Esq.; and Sunny Singh, Esq.), and (b) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq.; Paul N. Heath, Esq.; Brett M. Haywood, Esq.; and David T. Queroli, Esq.); (ii) 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.); and (iii) 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.), in each case, so as to be actually received on or prior to **4:00 p.m. (Prevailing Eastern Time) on _____2017**.

Dated: _____, 2017
Wilmington, Delaware

_____
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Store Closing Procedures

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re	:	**Chapter 11**
CENTRAL GROCERS, INC., *et al.*,	:	**Case No. 17– _____ ( )**
Debtors.[1]	:	**(Joint Administration Requested)**

STORE CLOSING PROCEDURES

1. The Store Closing Sales[2] will be conducted during normal business hours at the applicable Closing Stores or such hours as otherwise permitted by the applicable unexpired lease; provided that the Debtors may, in their discretion, modify the business hours as necessary or advisable, but no longer than normal operating hours as provided in the applicable leases.

2. The Store Closing Sales will be conducted in accordance with applicable state and local "Blue Laws" and, thus, if applicable, no Store Closing Sales will be conducted on Sunday unless the Debtors have been operating the applicable Closing Stores on Sundays.

3. On "shopping center" property, neither the Debtors nor the Liquidation Consultant shall distribute handbills, leaflets, or other written materials to customers outside of any Underperforming Stores' premises, unless permitted by the applicable lease or if distribution is customary in the "shopping center" in which such Store is located; provided that the Debtors and the Liquidation Consultant may solicit customers in such stores themselves.

4. The Debtors and the Liquidation Consultant shall have the right to sell or transfer the inventory, furniture, fixtures, and equipment (the "**FF&E**" and together with the applicable inventory, the "**Store Closing Assets**") located at the Closing Stores, and any

[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 otherwise defined herein shall have the respective meanings ascribed to such terms in the *Interim Order Authorizing (I) Procedures for (A) Store Closing Sales and (B) Rejecting Unexpired Leases of Nonresidential Real Property; and Abandonment of Property In Connection Therewith; and (II) Assumption of the Liquidation Consulting Agreements* (the "**Proposed Interim Order**").

such transactions shall be free and clear of all liens, claims, interests, and other encumbrances. The Debtors and the Liquidation Consultant may advertise the sale of the Store Closing Assets in a manner consistent with these Store Closing Procedures. The purchasers of any Store Closing Assets sold during a Store Closing Sale shall be permitted to remove the Store Closing Assets either through the back or alternative shipping areas of the applicable Closing Store at any time, or through other areas after the Closing Store's business hours; provided that, the foregoing shall not apply to *de minimis* Store Closing Assets sales made whereby the item can be carried out of the Closing Store in a shopping bag.

5. The Debtors may abandon any De Minimis Assets (including any such assets that are Store Closing Assets) not sold in the Store Closing Sales at the Closing Stores at the conclusion of the Store Closing Sales; provided that, if the Debtors propose selling or abandoning such assets, which may contain personal or confidential information about the Debtors' employees or customers, the Debtors shall remove the Confidential Information from such items of assets before such sale or abandonment, and retain such Confidential Information until further order of the Court.

6. The Debtors and the Liquidation Consultant may, but are not required to, advertise all of the Store Closing Sales as "sale on everything," "everything must go," or similarly themed sales. The Debtors and the Liquidation Consultant may also advertise each sale as a "store closing" and have a "countdown to closing" sign prominently displayed in a manner consistent with these Store Closing Procedures.

7. If Store Closing Sales are to be considered "final," conspicuous signs will be posted in each of the affected stores to the effect that all sales are "final."

8. The Debtors and the Liquidation Consultant shall be permitted to utilize sign walkers, display, hanging signs, and interior banners in connection with the Store Closing Sale. All display and hanging signs used by the Debtors in connection with the Store Closing Sales will be professionally lettered and all hanging signs will be hung in a professional manner. In addition, the Debtors will be permitted to utilize exterior banners and sign-walkers, provided that such use is in a safe and professional manner. Nothing contained in these Store Closing Procedures shall be construed to create or impose upon the Debtors or the Liquidation Consultant any additional restrictions not contained in any applicable lease agreement.

9. Neither the Debtors nor the Liquidation Consultant shall make any alterations to the storefront, roof, or exterior walls of any Closing Stores, or interior or exterior store lighting and will not use any type of amplified sound to advertise the Store Closing Sales or solicit customers, except as authorized by the applicable lease. The hanging of signage as provided herein shall not constitute an alteration to any Closing Store.

10. Landlords will have the ability to negotiate with the Debtors, or at the Debtors' direction, the Liquidation Consultant, any particular modifications to the Store Closing Procedures. The Debtors and the landlord of any Store are authorized to enter into agreements modifying the Store Closing Procedures (each, a "**Landlord Agreement**")

without further order of the Court; provided that such agreements do not have a material adverse effect on the Debtors or their estates.

11. No property of any landlord or other non-Debtor third party will be removed or sold during the Store Closing Sales.

12. The Debtors will keep store premises and surrounding areas clear and orderly, consistent with past practices.

13. The Debtors do not have to comply with Liquidation Sale Laws or lease provisions or covenants that are inconsistent with these Store Closing Procedures.

14. An unexpired nonresidential real property lease will only be deemed rejected in accordance with the Lease Rejection Procedures set forth on **Exhibit 2** to the Proposed Interim Order or by separate order of the Court and shall not be deemed rejected solely by reason of a Store Closing Sale or the adoption of the Store Closing Procedures.

15. The rights of landlords against the Debtors for any damages to any Closing Store shall be reserved in accordance with the provisions of the applicable lease.

16. The Liquidation Consultant and its respective agents and representatives shall continue to have exclusive and unfettered access to each Closing Store until and unless the Debtors reject the underlying lease.

17. No landlord, licensor, property owner, or property manager shall prohibit, restrict, or otherwise interfere with any Store Closing Sale at any Closing Store.

18. If the landlord of any Closing Store contends that the Debtors or the Liquidation Consultant is in breach of or default under these Store Closing Procedures (an "**Alleged Default**"), such landlord shall provide the Debtors with at least seven (7) days' written notice (the "**Default Notice Period**") of the Alleged Default, which notice shall include the opportunity for the Debtors to cure such Alleged Default within seven (7) days of the expiration of the Default Notice Period (the "**Default Cure Period**"), served by email or overnight delivery, on:

Strack and Van Til Super Market, Inc.
2244 45th Street, Highland, IN 46322
Attn: Donald E. Harer, Alpesh A. Amin, and Nirup Krishnamurthy
E-mail: E-mail: dharer@conwaymackenzie.com, aamin@conwaymackenzie.com, and krishnamurthyn@s-vt.com

with a copy (which shall not constitute notice) to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Attn: Stephen Karotkin, Esq. and Sunny Singh, Esq.
E-mail: stephen.karotkin@weil.com, sunny.singh@weil.com

If the parties are unable to resolve the Alleged Default at the end of the Default Cure Period, either the landlord or the Debtors shall have the right to schedule a hearing before the Court on no less than five (5) days' written notice to the other party, served by email or overnight delivery.

19. These Store Closing Procedures are subject to the requirements of the interim and final orders entered by the United States Bankruptcy Court for the District of Delaware in connection with the Debtors executing the Store Closing Sales.

Exhibit 2

Lease Rejection Procedures

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re	:	**Chapter 11**
CENTRAL GROCERS, INC., *et al.*,	:	**Case No. 17– _____ ( )**
Debtors.[1]	:	**(Joint Administration Requested)**

LEASE REJECTION PROCEDURES

1. Rejection Notice. The Debtors will file with the Court and serve on the Rejection Notice Parties (as hereinafter defined) a notice (a "**Rejection Notice**"), substantially in the form attached hereto as **Schedule A**, to reject the identified unexpired lease(s) and/or sublease(s) pursuant to section 365 of the Bankruptcy Code, which Rejection Notice shall set forth, among other things: (i) the unexpired lease(s) and/or sublease(s) to be rejected; (ii) the names and addresses of the counterparties to such unexpired lease(s) and/or sublease(s); (iii) the proposed effective date of the rejection for each such unexpired lease(s) and/or sublease(s) (the "**Rejection Date**"); and (iv) the deadlines and procedures for filing objections to the Rejection Notice (as set forth below). The Rejection Notice shall include the proposed order approving rejection of the unexpired lease(s) and/or sublease(s) (the "**Rejection Order**").

2. Abandonment. The Debtors will specify in the Rejection Notice whether they intend to abandon any personal property, including inventory, furniture, fixtures, equipment, and/or other material at the leased premises as of the Rejection Date. Any such property of the Debtors remaining after the Rejection Date shall be deemed abandoned to the applicable leased counterparty without further notice or order of the Court, free and clear of all liens, claims, interests, or other encumbrances. Any landlord or other designee shall be free to dispose of any such items without notice or liability to any party. Landlords' rights, if any, to file claims for the costs of disposal of such property are fully reserved, as are the rights of all parties in interest to object to such claims.

   With respect to any personal property that is leased to the Debtors by a third party or owned by a third party, such third party shall contact the Debtors and remove or cause to be removed such personal property from the leased premises prior to the Rejection Date.

[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).

For the avoidance of doubt, if any such personal property remains on the leased premises after the Rejection Date, the landlord may dispose of any and all such property as set forth above.

3. Service of the Rejection Notice. The Debtors will cause the Rejection Notice to be served by overnight mail or email upon (i) the unexpired lease or sublease counterparties affected by the Rejection Notice, and their counsel, if known; (ii) any party known to assert an ownership interest in, or that has filed a UCC-1 statement against, personal property located at the applicable leased premises; (iii) any party known to assert a lien on any real property subject to the Lease; (iv) the Office of the United States Trustee for the District of Delaware; (v) 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.); and (vi) counsel for any statutory committee appointed in these chapter 11 cases (collectively, the "**Rejection Notice Parties**").

4. Objection Procedures. Parties objecting to a proposed rejection or abandonment must file and serve a written objection (an "**Objection**") so that the Objection is filed with the Court and is actually received by (i) the Debtors c/o Central Grocers, Inc., 2600 West Haven Avenue, Joliet, Illinois 60433; (ii) the proposed attorneys for the Debtors, (a) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Stephen Karotkin, Esq. and Sunny Singh, Esq.), and (b) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq. and Paul N. Heath, Esq.); and (iii) the Rejection Notice Parties, no later than ten (10) calendar days after the date the Debtors serve the relevant Rejection Notice (the "**Rejection Objection Deadline**"). Each Objection must state with specificity the legal and factual grounds for objection to the proposed rejection.

5. Event of No Objection. If no Objection is filed and served by the Rejection Objection Deadline, the Debtors shall submit the proposed Rejection Order to the Court after the Rejection Objection Deadline, and the Court may enter such order without a hearing. The Rejection Order shall set forth the applicable Rejection Date, which shall be the earlier of (i) service of the Rejection Notice and (ii) the Debtors' unequivocal surrender of the leased premises via the delivery of the keys, key codes, and alarm codes to the premises, as applicable, to the applicable lease counterparty, or, if not delivering such keys and codes, providing notice that the landlord may re-let the premises.

6. Unresolved Objections. If an Objection is timely filed and not withdrawn or resolved (an "**Unresolved Objection**"), the Debtors shall file a notice for a hearing for the Court to consider the Unresolved Objection at the next scheduled omnibus hearing after the Rejection Objection Deadline, unless the Debtors and lease and sublease counterparties, as applicable, agree to a different hearing date and subject to the Court's schedule. If the Unresolved Objection is overruled or withdrawn, the effective date of rejection shall be the (i) Rejection Date; (ii) such other date to which the Debtors and the counterparty to the Unresolved Objection have agreed; or (iii) such other date as determined by the

Court. If an Objection is filed for fewer than all of the leases included on the Rejection Notice, the Debtors may proceed with submitting a proposed Rejection Order in accordance with the above procedures for the remaining leases on the Rejection Notice.

7. Treatment of Security Deposits. If the Debtors have deposited funds with a lease counterparty as a security deposit or other similar arrangement, such counterparty may not set off or otherwise use such deposit without the prior authorization of this Court or consent of the Debtors.

Schedule A

Rejection Notice

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re	:	**Chapter 11**
CENTRAL GROCERS, INC., *et al.*,	:	**Case No. 17– _____ ( )**
Debtors.[1]	:	**(Joint Administration Requested)**

NOTICE OF REJECTION OF CERTAIN
UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY
AND ABANDONMENT OF PROPERTY IN CONNECTION THEREWITH

PLEASE TAKE NOTICE that, on May [____], 2017 (the "**Commencement Date**"), Central Grocers, Inc. and its debtor affiliates, including Strack and Van Til Super Market, Inc. (collectively, the "**Debtors**"), each commenced with the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") a voluntary case under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**").

PLEASE TAKE FURTHER NOTICE that, on May [____], 2017, the Bankruptcy Court entered an order approving, among other relief, certain expedited procedures for the rejection of the Debtors' unexpired real property leases and the abandonment of the Debtors' property located at such leased premises [Docket No. ___] (the "**Rejection Procedures Order**"). An electronic copy of the Rejection Procedures Order can found at [_____].

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Rejection Procedures Order, the Debtors hereby give notice of their intent to reject the lease(s) set forth on **Annex A** attached hereto (each, a "**Lease**," and together, the "**Leases**"), effective as of the date of rejection set forth in **Annex A** (the "**Rejection Date**").

PLEASE TAKE FURTHER NOTICE that any personal property including inventory, furniture, fixtures, equipment or other materials remaining at the premises subject to the Leases as of the Rejection Date shall be deemed abandoned by the Debtors to the applicable lease counterparty.

PLEASE TAKE FURTHER NOTICE that with respect to any personal property that is leased to the Debtors by a third party or owned by a third party, such third party

[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).

shall contact the Debtors and remove or cause to be removed such personal property from the leased premises prior to the Rejection Date. For the avoidance of doubt, if any such personal property remains on the leased premises after the Rejection Date, the landlord may dispose of any and all such property as set forth above.

PLEASE TAKE FURTHER NOTICE that, any party wishing to object to the Debtors' proposed rejection of a Lease or abandonment of personal property remaining on the leased premises, must file with the Bankruptcy Court and serve a written objection setting forth the legal and factual bases for such objection (an "**Objection**") so that it is actually filed with the Bankruptcy Court and served on the following parties no later than ten (10) calendar days after the date of service of this Rejection Notice (the "**Rejection Objection Deadline**"): (i) the Debtors c/o Central Grocers, Inc., 2600 West Haven Avenue, Joliet, Illinois 60433; (ii) the proposed attorneys for the Debtors, (a) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Stephen Karotkin, Esq. and Sunny Singh, Esq.), and (b) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq. and Paul N. Heath, Esq.); (iii) the applicable counterparty to the Lease that is the subject of the Objection; (iv) the Office of the United States Trustee for the District of Delaware; (v) 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.); and (vi) counsel for any statutory committee appointed in these chapter 11 cases.

PLEASE TAKE FURTHER NOTICE that if no Objection is filed and served in compliance with the foregoing, the Debtors may submit to the Bankruptcy Court after the Rejection Objection Deadline a proposed order approving the rejection of the Leases (each such order, a "**Rejection Order**"), substantially in the form attached hereto as **Annex B** and the Bankruptcy Court may enter such order without a hearing.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Rejection Procedures Order, if no Objection is properly filed and served in compliance with the foregoing, the rejection of each Lease shall become effective as of the Rejection Date, which shall be the earlier of: (i) service of this Rejection Notice; and (ii) the Debtors' unequivocal surrender of the applicable leased premises via the delivery of the keys, key codes, and alarm codes to the premises, as applicable, to the applicable lease counterparty, or, if not delivering such keys or codes, providing notice that the landlord may re-let the premises.

PLEASE TAKE FURTHER NOTICE that, if an Objection is properly filed and served in compliance with the foregoing, a hearing will be scheduled to consider that Objection. If the Objection is overruled or withdrawn, the effective date of rejection shall be the (i) Rejection Date; (ii) such other date to which the Debtors and the counterparty to the Unresolved Objection have agreed; or (iii) such other date as determined by the Court. If an Objection is filed for fewer than all of the Leases included on the Rejection Notice, the Debtors may proceed with submitting a proposed Rejection Order in accordance with the above procedures for the remaining Leases on the Rejection Notice.

Annex A

Form List of Rejected Leases

Store ID	Landlord or Counterparty Name	Debtor-Tenant	Real Property Lease Address	Estimated Rejection Date

Annex B

Rejection Order

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re	:	**Chapter 11**
CENTRAL GROCERS, INC., *et al.*,	:	**Case No. 17– _____ ( )**
Debtors.[1]	:	**(Joint Administration Requested)**

ORDER APPROVING THE REJECTION OF UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY AND ABANDONMENT OF PROPERTY IN CONNECTION THEREWITH

Pursuant to and in accordance with the *Interim Order Authorizing Approval of (I) Procedures for (A) Store Closing Sales and (B) Rejecting Unexpired Nonresidential Real Property; and (II) Abandonment of Property In Connection Therewith; and (III) Assumption of the Liquidation Consulting Agreements* [Docket No. ___] (the "**Rejection Procedures Order**")[2] entered in the above-captioned chapter 11 cases of Central Grocers, Inc. and its debtor affiliates (collectively, the "**Debtors**"); and the Debtors having properly filed with this Court and served on the Rejection Notice Parties a notice (the "**Rejection Notice**") of their intent to reject certain unexpired leases identified on **Annex A** hereto ("**Leases**") in accordance with the terms of the Rejection Procedures Order, and such notice having been adequate and appropriate under the circumstances; and it appearing that no other or further notice need be provided; and no timely

[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 otherwise defined herein shall have the respective meanings ascribed to such terms in the Rejection Procedures Order.

objections having been filed to the Rejection Notices; and the Court having found and determined that the relief requested is in the best interests of the Debtors, their estates, their creditors, and all parties in interest, and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT

1. The Leases are hereby rejected as set forth herein, effective as of the earlier of (i) the date of service of the Rejection Notice; and (ii) the Debtors' unequivocal surrender of the leased premises via the delivery of the keys, key codes, and alarm codes to the premises, as applicable, to the applicable lease counterparty or, if not delivering such keys and codes, providing notice that the landlord may re-let the premises (the "**Rejection Date**").

2. Any and all personal property remaining at the leased premises as of the applicable Rejection Date shall be deemed abandoned upon the Rejection Date without further notice or order of the Court, free and clear of all liens, claims, interests, or other encumbrances. Any landlord or other designee shall be free to dispose of any such items without notice or liability to any party. The right of any landlord, if any, to file a claim for the costs of disposal of such property is fully reserved, as is the right of all parties in interest to object to such claim.

3. Nothing contained in this Order is intended to be or shall be construed as (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the Debtors' or any appropriate party in interest's rights to dispute the amount of, basis for, or validity of any claim against the Debtors; or (iii) a waiver of any claims or causes of action that may exist against any creditor or interest holder.

4. Notwithstanding entry of this Order, nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by, any party.

5. The Debtors are authorized to take all action necessary to effectuate the relief granted in this Order.

6. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Order.

Dated: _____, 2017
Wilmington, Delaware

_____
UNITED STATES BANKRUPTCY JUDGE

Exhibit 3

Liquidation Consulting Agreements

Gordon Brothers
1903

CONFIDENTIAL

February 27, 2017

VIA EMAIL TO krishnamurthyn@s-vt.com

SVT, LLC
2244 45th St.
Highland, IN 46322
Attn: Nirup Krishnamurthy

Re: Store Closing Program

Ladies and Gentlemen:

This letter shall serve as the agreement by and among (a) Gordon Brothers Retail Partners, LLC ("Consultant") and (b) SVT, LLC d/b/a Strack and Van Til Supermarket, Inc. ("SVT" or "Merchant" and, together with Consultant, the "Parties" and, each, a "Party") pursuant to which Consultant shall serve as the exclusive consultant to Merchant to conduct a "store closing," "sale on everything," "everything must go," or such other mutually agreed upon themed sale, as outlined further below, (the "Sale") at Merchant's retail stores identified on Exhibit A attached hereto (each a "Store" and collectively, the "Stores"), subject to the terms and conditions set forth herein.

1. RETENTION

(A) Merchant hereby retains Consultant as its exclusive, independent consultant to conduct the Sale at the Stores during the Sale Term (as defined below), and in connection therewith, Consultant shall, throughout the Sale Term perform or provide the following services:

(i) Recommend appropriate discounting to effectively sell all of the Merchandise (as defined below) in accordance with a "store closing," "sale on everything," "everything must go," or such other mutually agreeable theme, and recommend appropriate point-of-purchase, point-of-sale, and other internal and external advertising in connection therewith.

(ii) Provide qualified supervision with respect to the Stores to oversee the conduct of the Sale and to oversee the Sale process in the Stores as may be required to maximize sales.

(iii) Maintain focused and constant communication with Store-level employees and managers to keep them abreast of strategy and timing and to properly effect Store-level communication by Merchant's employees to customers and others about the Sale.

(iv) Assist Merchant in communicating and coordinating, as necessary, with the landlords and any other tenants or subtenants on the property on which the Stores are located to minimize any possible disruptions caused by the Sale process.

(v) Establish and monitor accounting functions for the Sale, including evaluation of sales of Merchandise by category, sales reporting and expense monitoring.

(vi) Coordinate with Merchant so that the operation of the Stores is being properly maintained, including ongoing customer service and housekeeping activities.

(vii) Recommend appropriate staffing levels for the Stores and appropriate bonus and/or incentive programs for Store employees.

(viii) Recommend loss prevention initiatives.

(ix) Assist Merchant with respect to the legal requirements of affecting the Sale as a "store closing" or other mutually agreed upon theme in compliance with applicable state and local "going out of business" laws. In connection with such obligation, Consultant will (i) advise Merchant of the applicable waiting period under such laws; (ii) prepare (in Merchant's name and for Merchant's signature) all permitting paperwork as may be necessary under such laws, including any paperwork related to permits, licenses, or other governmental approvals required to conduct the Sale process, deliver all such paperwork to Merchant, and file, on behalf of Merchant, all such paperwork where necessary; and (iii) advise where permitting paperwork and/or waiting periods do not apply.

(x) Assist Merchant with rebalancing and consolidation of inventory within and, if necessary, across markets.

(xi) Maintain confidentiality of all proprietary and non-public information regarding the Merchant, including its business and the Sale process.

(xii) Provide such other related services in connection with the Sale as mutually agreed upon by the Parties in writing.

2. SALE TERM; VACATING STORES

(A) The term "Sale Term" with respect to each respective Store shall commence on a date mutually agreed to by the Parties ("Sale Commencement Date") and shall end approximately five (5) weeks thereafter ("Sale Termination Date"). Notwithstanding the foregoing, Merchant and Consultant may mutually agree to establish an earlier or later "Sale Termination Date" with respect to any one or more Stores (on a per Store basis).

(B) Upon the conclusion of the Sale Term at each Store, Consultant shall leave such Store in broom clean condition, subject to Consultant's right pursuant to Section 6(D) below to abandon in a neat and orderly manner all unsold Offered FF&E and all Retained FF&E.

(C) To the extent there is any unsold Merchandise remaining after the end of the Sale Term, Consultant shall remove and dispose of the unsold Merchandise off-site; provided that, any income resulting from such disposal shall belong to Merchant, which income shall be part of Gross Proceeds (as

defined below); provided further, that the costs and expenses of such removal/disposal shall be the responsibility of Merchant in accordance with a budget that is mutually agreed upon by the Parties, as and when necessary.

3. EXPENSES

(A) All expenses incident to the conduct of the Sale and the operation of the Stores during the Sale Term (including, without limitation, all Consultant Controlled Expenses (as defined below) and all other Store-level and corporate expenses associated with the Sale) shall be borne by Merchant, except for any of the specifically enumerated "Consultant Controlled Expenses" that exceed the aggregate budgeted amount (as provided in Section 3(B) below) for such Consultant Controlled Expenses.

(B) Attached hereto as Exhibit B is an expense budget for the consultant controlled expenses (the "Consultant Controlled Expenses"). Consultant will advance funds for the Consultant Controlled Expenses, and Merchant shall reimburse Consultant therefor (up to the aggregate budgeted amount) as part of each weekly reconciliation contemplated by Section 5(B) upon presentation of reasonable documentation for such actually-incurred expenses. Merchant shall be obligated to reimburse Consultant for Consultant Controlled Expenses in addition to Merchant's other obligations under this Agreement (including, without limitation, the Incentive Fee and the FF&E Commission and reimbursement of FF&E Expenses). The Parties may from time to time mutually agree in writing to increase the budget of Consultant Controlled Expenses based upon circumstances of the Sale.

4. CONSULTANT COMPENSATION

(A) As used in this Agreement, the following terms shall have the following meanings:

(i) "Gross Proceeds" shall mean the gross proceeds of all sales of Merchandise during the Sale Term, net only of sales taxes.

(ii) "Merchandise" shall mean all food products, general merchandise and other inventory, including liquor and tobacco, that is customarily sold to the public in the Stores, including any such items procured through direct-store-delivery.

(iii) "Aggregate Recovery Percentage" shall mean the Gross Proceeds divided by the aggregate Cost Value of all of the Merchandise sold during the Sale Term at all of the Stores.

(iv) "Cost Value" shall be determined using the "gross rings" method, with reference for each item of Merchandise sold to Merchant's books and records, maintained in the ordinary course consistent with historic practices.

(B) Merchant shall pay Consultant an "Incentive Fee" (if earned) as one of the following (*e.g.*, back to first dollar), calculated based on the Aggregate Recovery Percentage for all of the Stores:

Aggregate Recovery Percentage	Incentive Fee
Below 95%	1.0% of Gross Proceeds
Between 95% and 100%	1.25% of Gross Proceeds
Above 100%	1.50% of Gross Proceeds

(C) The Parties acknowledge that the Incentive Fee has been established based upon Consultant's reliance on the following assumptions/undertakings by Merchant (and in the event that any one or more of the assumptions/undertakings by Merchant are not true to the detriment of Consultant, the Parties shall reasonably, and in good faith, mutually agree upon equitable adjustments to the Incentive Fee):

(1) The Cost Value of the Merchandise shall be approximately $6.5 million on the Sale Commencement Date.

(2) On the Sale Commencement Date, the Merchandise shall be substantially similar in quantity, quality, type, mix, and other metrics to those set forth in Merchant's historical inventory files provided to Consultant.

(3) Merchant's personnel (including district, regional, Store managers, and Store-level personnel) will provide Consultant with reasonable and good faith cooperation and support throughout the Sale Term in connection with the conduct of the Sale.

(4) Merchant shall be permitted to transfer additional merchandise located at Merchant's warehouse(s) and/or distribution center(s) to the Stores for inclusion in the Sale, and any such merchandise shall be "Merchandise" hereunder.

(D) The Incentive Fee represents consideration for the Sale, but does not include any fees due by Merchant on account of FF&E-related services contemplated by Section 6 below.

(E) In connection with each weekly reconciliation contemplated by Section 5(B) below, Merchant shall, on a weekly basis, pay Consultant an amount equal to one percent (1.0%) of Gross Proceeds on account of the prior week's sales as an advance on account of the Incentive Fee. The Parties shall determine the definitive Incentive Fee in connection with the Final Reconciliation. Immediately thereafter (and as part of the Final Reconciliation), Merchant shall pay Consultant any additional amounts owed on account of the Incentive Fee.

5. CONDUCT OF SALE; OTHER SALE MATTERS

(A) Merchant shall have control over the personnel in the Stores and shall handle the cash, debit and charge card payments for all Merchandise sold during the Sale Term in accordance with Merchant's normal cash management procedures, subject to Consultant's right to audit any such items upon reasonable notice in conjunction with the calculation of its Incentive Fee and any other amounts payable hereunder.

(B) The Parties will meet on each Wednesday during the Sale Term to review any Sale matters reasonably requested by either Party; and all amounts payable or reimbursable to Consultant for the prior week (or the partial week in the case of the first and last weeks of the Sale Term) shall be reconciled and paid within two (2) business days. The Parties shall complete a final reconciliation and settlement of all amounts contemplated by this Agreement ("Final Reconciliation") by no later than thirty (30) days following the date on which the Sale process has concluded at all of the Stores. From time to time, upon reasonable notice, each Party shall prepare and deliver to the other Party any reports as either Party may reasonably request. Each Party shall, at all times during the Sale and during the one (1) year period after the conclusion of the Sale, provide the other with reasonable access to all information, books and records relating to the Sale and to this Agreement. All records and reports shall be made available to Consultant and Merchant during regular business hours at the inspected Party's location upon reasonable notice; provided that, any inspection of such books and records shall not unreasonably interfere with the inspected Party's regular business operations.

(C) Merchant shall be solely responsible for computing, collecting, holding, reporting, and paying all sales taxes associated with the sale of Merchandise during the Sale Term, and Consultant shall have no responsibilities or liabilities therefor.

(D) Each of Consultant and Merchant shall comply with all applicable federal, state and local laws, rules and regulations in connection with their respective obligations contemplated by this Agreement, including with respect to the conduct of the Sale.

(E) Although Consultant shall undertake its obligations under this Agreement in a manner designed to achieve the results Merchant desires of the Sale, including the maximization of Merchant's recovery in connection with the Sale, Merchant expressly acknowledges that Consultant is not guaranteeing such results of the Sale.

(F) Merchant acknowledges that the Parties are not conducting an inventory of the Merchandise, Consultant has made no independent assessment of the beginning levels of Merchandise, and Consultant shall not bear any liability for shrink or other loss to the Merchandise.

(G) All sales of Merchandise in the Stores during the Sale shall be made in the name, and on behalf, of Merchant. All such sales shall be "final sales" on an "as is" basis, and all advertisements and sales receipts shall reflect the same. The Stores may continue to honor returns and warranties with respect to items purchased prior to the Sale, in accordance with Merchant's policies and procedures pertaining thereto.

(H) Subject to Consultant fulfilling its obligations as set forth in Section 1(A)(viii) above, Merchant shall take commercially reasonable steps to ensure that no third party (including, without limitation, Store landlords, other tenants, subtenants, and licensees) will prevent or limit Merchant or Consultant from conducting the Sale as contemplated by this Agreement (including, without limitation, by promoting the Sale as a "store closing" or other mutually agreed upon handle) throughout the Sale Term.

(I) During the Sale, Merchant's employees (in quantities consistent with historical periods), and all Store-level and corporate-level assets and services of the Merchant, shall be made available to assist Consultant with conducting the Sale (including, without limitation, customary central services, trade names, logos, social media sites, customer and email lists, and furniture, fixtures and equipment). Such customer information will only be used in connection with the Sale and in accordance with Merchant's existing policies communicated in writing to the Consultant regarding use thereof. Merchant shall maintain ownership of all customer-related information.

(J) Concurrently with the execution of this Agreement, and as a condition to Consultant's obligations hereunder, Merchant shall fund to Consultant a special purpose payment in the amount of fifty thousand dollars ($50,000) (the "Special Purpose Payment"), which shall be held by Consultant until the Final Reconciliation (and Merchant shall not apply the Special Purpose Payment to, or otherwise offset any portion of the Special Purpose Payment against, any weekly reimbursement, payment of fees, or other amounts owing to Consultant under this Agreement prior to the Final Reconciliation) and shall be for all of Consultant's fees and expenses incurred in connection with the Sale and not yet remitted to Consultant pursuant to the weekly reconciliation under Section 5(B) above. Without limiting any of Consultant's other rights, Consultant may apply the Special Purpose Payment to any unpaid obligation owing by Merchant to Consultant under this Agreement. Any portion of the Special Purpose Payment not used to pay amounts explicitly contemplated by this Agreement shall be returned to Merchant within three (3) days following the Final Reconciliation.

(K) Merchant shall continue to receive Merchandise at the Stores through direct-store-deliveries up until a mutually-agreed upon end date during the Sale Term, as determined by the Parties.

(L) On or before the third day following the end of the Sale Term, Merchant and Consultant shall conduct a joint walk-through of the applicable Store and prepare written sign-offs to confirm that Consultant has performed all of its obligations outlined in Sections 1, 2(B), and 2(C) above.

6. FF&E

(A) Promptly following the Sale Commencement Date, Merchant shall inform Consultant of those items of furniture, fixtures, and equipment (collectively, the "FF&E") located at the Store that are not to be sold (because Merchant does not have the right to sell such items, because Merchant wishes to retain such FF&E for itself, or otherwise) (collectively, the "Retained FF&E").

(B) With respect to all FF&E located at the Store as of the Sale Commencement Date that is not Retained FF&E (collectively, the "Offered FF&E"), Consultant shall have the right to sell such Offered FF&E during the Sale Term on a commission basis equal to fifteen percent (15.0%) of the gross sales of Offered FF&E net only of sales tax (the "FF&E Commission"). Upon determination of which FF&E shall be the Offered FF&E, the Parties shall mutually agree on a sale process and timing, including the length of time required to conduct such sales, the concurrent sale of such items while Merchandise is still available for sale in the Stores, and the need or desire, if any, to extend any Sale Term to maximize proceeds generated thereby.

(C) Merchant shall reimburse Consultant for its reasonable expenses incurred in connection with the sale of the Offered FF&E; provided that, such expense reimbursement shall not exceed the amount set forth on the FF&E expense budget attached hereto as Exhibit C (which shall be in addition to the Consultant Controlled Expenses budget), and may be mutually and reasonably modified by the Parties promptly after Merchant identifies its Offered FF&E and Retained FF&E (collectively, the "FF&E Expenses").

(D) Notwithstanding any other provision of this Agreement to the contrary, Consultant shall (i) have the right to abandon any unsold Offered FF&E and all Retained FF&E at the Store at the conclusion of the Sale Term without liability to Merchant or any third party; (ii) bear no responsibility for removing or disposing of any unsold Offered FF&E or any Retained FF&E; and (iii) bear no responsibility for removing, disposing of, or otherwise handling any hazardous materials (including, without limitation, Freon) in connection with its Services relating to FF&E (the full responsibility of which shall remain with the Merchant whether or not FF&E containing such hazardous materials is or is not sold). Consultant shall coordinate (i) that any buyer of Offered FF&E has requisite insurance, as provided in Section 7 below; and (ii) that any such buyer arranges for a licensed contractor to properly cap, fill, and/or repair, as applicable, any exposed electrical plumbing and HVAC and roofing connections resulting from the removal of any Offered FF&E, in each case, in compliance with applicable state and local laws and regulations, and building codes.

7. INSURANCE; RISK OF LOSS

During the Sale Term, (a) Merchant shall maintain (at its expense) insurance with respect to the Merchandise in amounts and on such terms and conditions as are consistent with Merchant's ordinary course operations, and (b) each of Merchant and Consultant shall maintain (at each Party's respective expense) comprehensive liability insurance covering injuries to persons and property in or in connection with the Stores, in such amounts as are reasonable and consistent with its ordinary practices, for bodily injury, personal injury and/or property damage. Each Party shall use commercially reasonable efforts to have the other Party added as an additional insured under all such insurance policies and agreements of

the other Party, and to provide the other Party with certificates of all such insurance prior to the commencement of the Sale.

Notwithstanding any other provision of this Agreement, the Parties agree that Consultant shall not be deemed to be in possession or in control of the Stores, the Merchandise, other assets located in the Stores or associated therewith, or of Merchant's Store-level employees; and Consultant does not assume any of Merchant's obligations or liabilities with respect thereto.

Notwithstanding any other provision of this Agreement, the Parties agree that Merchant shall bear all responsibility for liability claims (product liability claims or otherwise) of customers, employees and other persons arising from events occurring at the Stores, and Merchandise sold in the Stores before, during and after the Sale Term (except to the extent that any such claims arise from the gross negligence, willful misconduct, or unlawful acts of Consultant).

Any FF&E buyer identified by Consultant shall have its own commercial general liability insurance with coverage amounts Consultant determines are reasonable under the circumstances, and Consultant shall be responsible for using a reasonable method to verify the existence of such coverage. Merchant, Consultant, and any such FF&E buyer shall coordinate the removal of any purchased Offered FF&E.

8. INDEMNIFICATION

(A) Consultant shall indemnify and hold Merchant, its affiliates, and their respective officers, directors, employees, consultants, and independent contractors (collectively, the "Merchant Indemnified Parties") harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable attorneys' fees and expenses, directly or indirectly resulting from or related to any of the following:

(i) Consultant's material breach of or failure to comply with any of its agreements, covenants, representations or warranties contained herein or in any written agreement entered into in connection herewith;

(ii) any harassment or any other unlawful, tortious or otherwise actionable treatment of any customers, employees or agents of Merchant by Consultant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives (including, without limitation, any supervisors);

(iii) any claims by any party engaged by Consultant as an employee or independent contractor (including, without limitation, any non-Merchant employee supervisor) arising out of such employment or engagement, except where due to the gross negligence, willful misconduct or unlawful acts of Merchant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives; and

(iv) the gross negligence, willful misconduct or unlawful acts of Consultant, its affiliates or their respective officers, directors, employees, Consultants, independent contractors or representatives.

(B) Merchant shall indemnify and hold Consultant, its affiliates and their respective officers, directors, employees, consultants, and independent contractors (collectively, the "Consultant Indemnified Parties") harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable attorneys' fees and expenses, directly or indirectly resulting from or related to any of the following:

(i) Merchant's material breach of or failure to comply with any of its agreements, covenants, representations or warranties contained herein or in any written agreement entered into in

connection herewith;

(ii) any harassment or any other unlawful, tortious or otherwise actionable treatment of any customers, employees or agents of Consultant by Merchant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives;

(ii) any claims by any party engaged by Merchant as an employee or independent contractor arising out of such engagement, except where due to the gross negligence, willful misconduct or unlawful acts of Consultant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives;

(iii) any consumer warranty or products liability claims relating to any Merchandise; and

(iv) the gross negligence, willful misconduct or unlawful acts of Merchant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives.

9. MISCELLANEOUS

This Agreement constitutes the entire agreement between the Parties with respect to the matters contemplated hereby and supersedes and cancels all prior agreements, including, but not limited to, all proposals, letters of intent or representations, written or oral, with respect thereto. This Agreement may only be modified in a written instrument executed by each of the Parties. No consent or waiver by any Party, express or implied, to or of any breach or default by the other in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Party of the same or any other obligation of such Party. The failure on the part of any Party to complain of any act or failure to act by the other Party or to declare the other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such Party of its rights hereunder. Nothing contained in this Agreement shall be deemed to create any relationship between Merchant and Consultant other than that of Consultant as an independent contractor of Merchant, and it is stipulated that the Parties are not partners or joint venturers in any way. Unless expressly set forth herein to the contrary, to the extent that either Party's consent is required or requested hereunder, such consent shall not be unreasonably withheld or delayed. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns; provided that, this Agreement shall not be assigned by either Party without the prior written consent of the other Party. Written notices contemplated by this Agreement shall be sent (i) if to Merchant, in person, or by certified or registered U.S. mail, or by nationally recognized overnight delivery service, postage prepaid, such notice being deemed to have been given three (3) business days after the date of mailing, or one (1) business day after the date of mailing if sent via overnight delivery, to the addressee of this letter; and (ii) if to Consultant, by email to Mackenzie Shea at mshea@gordonbrothers.com

[Remainder of Page Intentionally Left Blank]

Very truly yours,
Gordon Brothers Retail Partners, LLC

By: _____

Print Name and Title:
Richard Edwards
Co-President - Retail

Agreed and Accepted:
SVT, LLC

By: _____
Print Name and Title:
Phil Letchford
CFO

Exhibits:

A	Store List
B	Consultant Controlled Expenses
C	FF&E Expenses

Strack & Van Til
Store List
Exhibit A

Store No.	Store	Address	City	State	Zip Code	Selling	Total	Lease End Date	Year Opened
8757	SVT Elston	2627 N Eslton Ave	Chicago	IL	60647	44,669	64,420	2/28/2018	5/24/2007
8761	Ultra Lombard	491 East Roosevelt Road	Lombard	IL	60148	45,724	66,224	2/28/2018	1/31/2007
8762	Ultra Downers Grove	1212 75th Street	Downers Grove	IL	60516	50,627	76,850	2/28/2027	3/1/2007
8773	SVT Merrillville	7201 Taft Street	Merrillville	IN	46410	41,068	73,985	4/30/2018	4/1/1973
8796	Ultra Kedzie	3250 Q 87th Street	Chicago	IL	60652	56,530	88,404	7/31/2018	5/31/2007

Case 17-10993-LSS Doc 15-2 Filed 05/04/17 Page 42 of 55

Strack & Van Til
Consultant Controlled Expenses
Exhibit B

# Stores :	**5**
Sale Term :	**3/8/2017-4/9/17**
# Weeks :	**4.7**

	$
Advertising	**49,214**
Supervision	**89,230**
Consultant Controlled Expenses	**138,444**

Includes one week of lead consultant onsite prior to sale commencement.

This expense budget is based upon the above start and end dates. Any changes in these dates may result in adjustments to the expense budget, which will be agreed upon by Merchant and Consultant

Strack & Van Til

Exhibit C

Expense Budget

Payroll	
Salaries -	-
Temp Labor	-
Incentive (spiffs/ contests)	
Payroll Subtotal	-
Other Location Expenses	-
Other Expenses & Supplies & Signs	1,500
Dumpster Fee	-
Trades/ Temp Labor	-
Equipment Rental	-
Other Expense Subtotal	**1,500**
Supervision: Fees/Rates/Expenses/Incentives	43,330
Overhead	-
Fed Ex	200
Banking Charges	-
Cost of Capital	-
GL Insurance	-
Property Ins.	-
Travel / Due Diligence	-
Overhead Subtotal	**200**
Total Expenses	**45,030**

Assumptions:

Merchant assumes all occupancy and payroll related expense
Merchant is responsible for removal of all Hazmat
Right to abandon all unsold FF&E
No exclusions
In Stores - Need 14 days for removal of sold FFE after mdse sale ends

Sales of Store's FFE to be processed thru store's POS system
This budget is for stores only. If company elects GBRO to sell assets in the Distribution Centers, another budget will be submitted.

Approved By: _____

Gordon Brothers
1903

CONFIDENTIAL

April 19, 2017

VIA EMAIL TO krishnamurthyn@s-vt.com

SVT, LLC
2244 45th St.
Highland, IN 46322
Attn: Nirup Krishnamurthy

Re: Store Closing Program

Ladies and Gentlemen:

This letter shall serve as the agreement by and among (a) Gordon Brothers Retail Partners, LLC ("Consultant") and (b) SVT, LLC d/b/a Strack and Van Til Supermarket, Inc. ("SVT" or "Merchant" and, together with Consultant, the "Parties" and, each, a "Party") pursuant to which Consultant shall serve as the exclusive consultant to Merchant to conduct a "store closing," "sale on everything," "everything must go," or such other mutually agreed upon themed sale, as outlined further below, (the "Sale") at Merchant's retail stores identified on Exhibit A attached hereto (each a "Store" and collectively, the "Stores"), subject to the terms and conditions set forth herein.

1. RETENTION

(A) Merchant hereby retains Consultant as its exclusive, independent consultant to conduct the Sale at the Stores during the Sale Term (as defined below), and in connection therewith, Consultant shall, throughout the Sale Term perform or provide the following services:

(i) Recommend appropriate discounting to effectively sell all of the Merchandise (as defined below) in accordance with a "store closing," "sale on everything," "everything must go," or such other mutually agreeable theme, and recommend appropriate point-of-purchase, point-of-sale, and other internal and external advertising in connection therewith.

(ii) Provide qualified supervision with respect to the Stores to oversee the conduct of the Sale and to oversee the Sale process in the Stores as may be required to maximize sales.

(iii) Maintain focused and constant communication with Store-level employees and managers to keep them abreast of strategy and timing and to properly effect Store-level communication by Merchant's employees to customers and others about the Sale.

(iv) Assist Merchant in communicating and coordinating, as necessary, with the landlords and any other tenants or subtenants on the property on which the Stores are located to minimize any possible disruptions caused by the Sale process.

(v) Establish and monitor accounting functions for the Sale, including evaluation of sales of Merchandise by category, sales reporting and expense monitoring.

(vi) Coordinate with Merchant so that the operation of the Stores is being properly maintained, including ongoing customer service and housekeeping activities.

(vii) Recommend appropriate staffing levels for the Stores and appropriate bonus and/or incentive programs for Store employees.

(viii) Recommend loss prevention initiatives.

(ix) Assist Merchant with respect to the legal requirements of affecting the Sale as a "store closing" or other mutually agreed upon theme in compliance with applicable state and local "going out of business" laws. In connection with such obligation, Consultant will (i) advise Merchant of the applicable waiting period under such laws; (ii) prepare (in Merchant's name and for Merchant's signature) all permitting paperwork as may be necessary under such laws, including any paperwork related to permits, licenses, or other governmental approvals required to conduct the Sale process, deliver all such paperwork to Merchant, and file, on behalf of Merchant, all such paperwork where necessary; and (iii) advise where permitting paperwork and/or waiting periods do not apply.

(x) Assist Merchant with rebalancing and consolidation of inventory within and, if necessary, across markets.

(xi) Maintain confidentiality of all proprietary and non-public information regarding the Merchant, including its business and the Sale process.

(xii) Provide such other related services in connection with the Sale as mutually agreed upon by the Parties in writing.

2. SALE TERM; VACATING STORES

(A) The term "Sale Term" with respect to each respective Store shall commence on a date mutually agreed to by the Parties ("Sale Commencement Date") and shall end approximately 5.6 weeks thereafter ("Sale Termination Date"). Notwithstanding the foregoing, Merchant and Consultant may mutually agree to establish an earlier or later "Sale Termination Date" with respect to any one or more Stores (on a per Store basis).

(B) Upon the conclusion of the Sale Term at each Store, Consultant shall leave such Store in broom clean condition, subject to Consultant's right pursuant to Section 6(D) below to abandon in a neat and orderly manner all unsold Offered FF&E and all Retained FF&E.

(C) To the extent there is any unsold Merchandise remaining after the end of the Sale Term, Consultant shall remove and dispose of the unsold Merchandise off-site; provided that, any income resulting from such disposal shall belong to Merchant, which income shall be part of Gross Proceeds (as

defined below); provided further, that the costs and expenses of such removal/disposal shall be the responsibility of Merchant in accordance with a budget that is mutually agreed upon by the Parties, as and when necessary.

3. EXPENSES

(A) All expenses incident to the conduct of the Sale and the operation of the Stores during the Sale Term (including, without limitation, all Consultant Controlled Expenses (as defined below) and all other Store-level and corporate expenses associated with the Sale) shall be borne by Merchant, except for any of the specifically enumerated "Consultant Controlled Expenses" that exceed the aggregate budgeted amount (as provided in Section 3(B) below) for such Consultant Controlled Expenses.

(B) Attached hereto as Exhibit B is an expense budget for the consultant controlled expenses (the "Consultant Controlled Expenses"). Consultant will advance funds for the Consultant Controlled Expenses, and Merchant shall reimburse Consultant therefor (up to the aggregate budgeted amount) as part of each weekly reconciliation contemplated by Section 5(B) upon presentation of reasonable documentation for such actually-incurred expenses. Merchant shall be obligated to reimburse Consultant for Consultant Controlled Expenses in addition to Merchant's other obligations under this Agreement (including, without limitation, the Incentive Fee and the FF&E Commission and reimbursement of FF&E Expenses). The Parties may from time to time mutually agree in writing to increase the budget of Consultant Controlled Expenses based upon circumstances of the Sale.

4. CONSULTANT COMPENSATION

(A) As used in this Agreement, the following terms shall have the following meanings:

(i) "Gross Proceeds" shall mean the gross proceeds of all sales of Merchandise during the Sale Term, net only of sales taxes.

(ii) "Merchandise" shall mean all food products, general merchandise and other inventory, including liquor and tobacco, that is customarily sold to the public in the Stores, including any such items procured through direct-store-delivery.

(iii) "Aggregate Recovery Percentage" shall mean the Gross Proceeds divided by the aggregate Cost Value of all of the Merchandise sold during the Sale Term at all of the Stores.

(iv) "Cost Value" shall be determined using the "gross rings" method, with reference for each item of Merchandise sold to Merchant's books and records, maintained in the ordinary course consistent with historic practices.

(B) Merchant shall pay Consultant an "Incentive Fee" (if earned) as one of the following (*e.g.*, back to first dollar), calculated based on the Aggregate Recovery Percentage for all of the Stores:

Aggregate Recovery Percentage	Incentive Fee
Below 95%	1.0% of Gross Proceeds
Between 95% and 100%	1.25% of Gross Proceeds
Above 100%	1.50% of Gross Proceeds

(C) The Parties acknowledge that the Incentive Fee has been established based upon Consultant's reliance on the following assumptions/undertakings by Merchant (and in the event that any one or more of the assumptions/undertakings by Merchant are not true to the detriment of Consultant, the Parties shall reasonably, and in good faith, mutually agree upon equitable adjustments to the Incentive Fee):

(1) The Cost Value of the Merchandise shall be approximately $13.5 million on the Sale Commencement Date.

(2) On the Sale Commencement Date, the Merchandise shall be substantially similar in quantity, quality, type, mix, and other metrics to those set forth in Merchant's historical inventory files provided to Consultant.

(3) Merchant's personnel (including district, regional, Store managers, and Store-level personnel) will provide Consultant with reasonable and good faith cooperation and support throughout the Sale Term in connection with the conduct of the Sale.

(4) Merchant shall be permitted to transfer additional merchandise located at Merchant's warehouse(s) and/or distribution center(s) to the Stores for inclusion in the Sale, and any such merchandise shall be "Merchandise" hereunder.

(D) The Incentive Fee represents consideration for the Sale, but does not include any fees due by Merchant on account of FF&E-related services contemplated by Section 6 below.

(E) In connection with each weekly reconciliation contemplated by Section 5(B) below, Merchant shall, on a weekly basis, pay Consultant an amount equal to one percent (1.0%) of Gross Proceeds on account of the prior week's sales as an advance on account of the Incentive Fee. The Parties shall determine the definitive Incentive Fee in connection with the Final Reconciliation. Immediately thereafter (and as part of the Final Reconciliation), Merchant shall pay Consultant any additional amounts owed on account of the Incentive Fee.

5. CONDUCT OF SALE; OTHER SALE MATTERS

(A) Merchant shall have control over the personnel in the Stores and shall handle the cash, debit and charge card payments for all Merchandise sold during the Sale Term in accordance with Merchant's normal cash management procedures, subject to Consultant's right to audit any such items upon reasonable notice in conjunction with the calculation of its Incentive Fee and any other amounts payable hereunder.

(B) The Parties will meet on each Wednesday during the Sale Term to review any Sale matters reasonably requested by either Party; and all amounts payable or reimbursable to Consultant for the prior week (or the partial week in the case of the first and last weeks of the Sale Term) shall be reconciled and paid within two (2) business days. The Parties shall complete a final reconciliation and settlement of all amounts contemplated by this Agreement ("Final Reconciliation") by no later than thirty (30) days following the date on which the Sale process has concluded at all of the Stores. From time to time, upon reasonable notice, each Party shall prepare and deliver to the other Party any reports as either Party may reasonably request. Each Party shall, at all times during the Sale and during the one (1) year period after the conclusion of the Sale, provide the other with reasonable access to all information, books and records relating to the Sale and to this Agreement. All records and reports shall be made available to Consultant and Merchant during regular business hours at the inspected Party's location upon reasonable notice; provided that, any inspection of such books and records shall not unreasonably interfere with the inspected Party's regular business operations.

(C) Merchant shall be solely responsible for computing, collecting, holding, reporting, and paying all sales taxes associated with the sale of Merchandise during the Sale Term, and Consultant shall have no responsibilities or liabilities therefor.

(D) Each of Consultant and Merchant shall comply with all applicable federal, state and local laws, rules and regulations in connection with their respective obligations contemplated by this Agreement, including with respect to the conduct of the Sale.

(E) Although Consultant shall undertake its obligations under this Agreement in a manner designed to achieve the results Merchant desires of the Sale, including the maximization of Merchant's recovery in connection with the Sale, Merchant expressly acknowledges that Consultant is not guaranteeing such results of the Sale.

(F) Merchant acknowledges that the Parties are not conducting an inventory of the Merchandise, Consultant has made no independent assessment of the beginning levels of Merchandise, and Consultant shall not bear any liability for shrink or other loss to the Merchandise.

(G) All sales of Merchandise in the Stores during the Sale shall be made in the name, and on behalf, of Merchant. All such sales shall be "final sales" on an "as is" basis, and all advertisements and sales receipts shall reflect the same. The Stores may continue to honor returns and warranties with respect to items purchased prior to the Sale, in accordance with Merchant's policies and procedures pertaining thereto.

(H) Subject to Consultant fulfilling its obligations as set forth in Section 1(A)(viii) above, Merchant shall take commercially reasonable steps to ensure that no third party (including, without limitation, Store landlords, other tenants, subtenants, and licensees) will prevent or limit Merchant or Consultant from conducting the Sale as contemplated by this Agreement (including, without limitation, by promoting the Sale as a "store closing" or other mutually agreed upon handle) throughout the Sale Term.

(I) During the Sale, Merchant's employees (in quantities consistent with historical periods), and all Store-level and corporate-level assets and services of the Merchant, shall be made available to assist Consultant with conducting the Sale (including, without limitation, customary central services, trade names, logos, social media sites, customer and email lists, and furniture, fixtures and equipment). Such customer information will only be used in connection with the Sale and in accordance with Merchant's existing policies communicated in writing to the Consultant regarding use thereof. Merchant shall maintain ownership of all customer-related information.

(J) Concurrently with the execution of this Agreement, and as a condition to Consultant's obligations hereunder, Merchant shall fund to Consultant a special purpose payment in the amount of one hundred fifteen thousand dollars ($115,000) (the "Special Purpose Payment"), which shall be held by Consultant until the Final Reconciliation (and Merchant shall not apply the Special Purpose Payment to, or otherwise offset any portion of the Special Purpose Payment against, any weekly reimbursement, payment of fees, or other amounts owing to Consultant under this Agreement prior to the Final Reconciliation) and shall be for all of Consultant's fees and expenses incurred in connection with the Sale and not yet remitted to Consultant pursuant to the weekly reconciliation under Section 5(B) above. Without limiting any of Consultant's other rights, Consultant may apply the Special Purpose Payment to any unpaid obligation owing by Merchant to Consultant under this Agreement. Any portion of the Special Purpose Payment not used to pay amounts explicitly contemplated by this Agreement shall be returned to Merchant within three (3) days following the Final Reconciliation.

(K) Merchant shall continue to receive Merchandise at the Stores through direct-store-deliveries up until a mutually-agreed upon end date during the Sale Term, as determined by the Parties.

(L) On or before the third day following the end of the Sale Term, Merchant and Consultant shall conduct a joint walk-through of the applicable Store and prepare written sign-offs to confirm that Consultant has performed all of its obligations outlined in Sections 1, 2(B), and 2(C) above.

6. FF&E

(A) Promptly following the Sale Commencement Date, Merchant shall inform Consultant of those items of furniture, fixtures, and equipment (collectively, the "FF&E") located at the Store that are not to be sold (because Merchant does not have the right to sell such items, because Merchant wishes to retain such FF&E for itself, or otherwise) (collectively, the "Retained FF&E"). For the avoidance of doubt, Merchant may designate all FF&E as Retained FF&E and not elect to sell pursuant to this agreement.

(B) With respect to all FF&E located at the Store as of the Sale Commencement Date that is not Retained FF&E (collectively, the "Offered FF&E"), Consultant shall have the right to sell such Offered FF&E during the Sale Term on a commission basis equal to fifteen percent (15.0%) of the gross sales of Offered FF&E net only of sales tax (the "FF&E Commission"). In the event any of the Offered FF&E is sold by auction, the FF&E Commission earned for all items included in such auction shall be the lesser of (i) seven and a half percent (7.5%) of the gross sales of all such items net only of sales taxes or (ii) $100,000. Upon determination of which FF&E shall be the Offered FF&E, the Parties shall mutually agree on a sale process and timing, including the length of time required to conduct such sales, the concurrent sale of such items while Merchandise is still available for sale in the Stores, and the need or desire, if any, to extend any Sale Term to maximize proceeds generated thereby.

(C) Merchant shall reimburse Consultant for its reasonable expenses incurred in connection with the sale of the Offered FF&E; provided that, such expense reimbursement shall not exceed the amount set forth on an FF&E expense budget to be mutually agreed by the parties (which shall be in addition to the Consultant Controlled Expenses budget), and may be mutually and reasonably modified by the Parties promptly after Merchant identifies its Offered FF&E and Retained FF&E (collectively, the "FF&E Expenses").

(D) Notwithstanding any other provision of this Agreement to the contrary, Consultant shall (i) have the right to abandon any unsold Offered FF&E and all Retained FF&E at the Store at the conclusion of the Sale Term without liability to Merchant or any third party; (ii) bear no responsibility for removing or disposing of any unsold Offered FF&E or any Retained FF&E; and (iii) bear no responsibility for removing, disposing of, or otherwise handling any hazardous materials (including, without limitation, Freon) in connection with its Services relating to FF&E (the full responsibility of which shall remain with the Merchant whether or not FF&E containing such hazardous materials is or is not sold). Consultant shall coordinate (i) that any buyer of Offered FF&E has requisite insurance, as provided in Section 7 below; and (ii) that any such buyer arranges for a licensed contractor to properly cap, fill, and/or repair, as applicable, any exposed electrical plumbing and HVAC and roofing connections resulting from the removal of any Offered FF&E, in each case, in compliance with applicable state and local laws and regulations, and building codes.

7. INSURANCE; RISK OF LOSS

During the Sale Term, (a) Merchant shall maintain (at its expense) insurance with respect to the Merchandise in amounts and on such terms and conditions as are consistent with Merchant's ordinary course operations, and (b) each of Merchant and Consultant shall maintain (at each Party's respective expense) comprehensive liability insurance covering injuries to persons and property in or in connection with the Stores, in such amounts as are reasonable and consistent with its ordinary practices, for bodily

injury, personal injury and/or property damage. Each Party shall use commercially reasonable efforts to have the other Party added as an additional insured under all such insurance policies and agreements of the other Party, and to provide the other Party with certificates of all such insurance prior to the commencement of the Sale.

Notwithstanding any other provision of this Agreement, the Parties agree that Consultant shall not be deemed to be in possession or in control of the Stores, the Merchandise, other assets located in the Stores or associated therewith, or of Merchant's Store-level employees; and Consultant does not assume any of Merchant's obligations or liabilities with respect thereto.

Notwithstanding any other provision of this Agreement, the Parties agree that Merchant shall bear all responsibility for liability claims (product liability claims or otherwise) of customers, employees and other persons arising from events occurring at the Stores, and Merchandise sold in the Stores before, during and after the Sale Term (except to the extent that any such claims arise from the gross negligence, willful misconduct, or unlawful acts of Consultant).

Any FF&E buyer identified by Consultant shall have its own commercial general liability insurance with coverage amounts Consultant determines are reasonable under the circumstances, and Consultant shall be responsible for using a reasonable method to verify the existence of such coverage. Merchant, Consultant, and any such FF&E buyer shall coordinate the removal of any purchased Offered FF&E.

8. INDEMNIFICATION

(A) Consultant shall indemnify and hold Merchant, its affiliates, and their respective officers, directors, employees, consultants, and independent contractors (collectively, the "Merchant Indemnified Parties") harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable attorneys' fees and expenses, directly or indirectly resulting from or related to any of the following:

(i) Consultant's material breach of or failure to comply with any of its agreements, covenants, representations or warranties contained herein or in any written agreement entered into in connection herewith;

(ii) any harassment or any other unlawful, tortious or otherwise actionable treatment of any customers, employees or agents of Merchant by Consultant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives (including, without limitation, any supervisors);

(iii) any claims by any party engaged by Consultant as an employee or independent contractor (including, without limitation, any non-Merchant employee supervisor) arising out of such employment or engagement, except where due to the gross negligence, willful misconduct or unlawful acts of Merchant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives; and

(iv) the gross negligence, willful misconduct or unlawful acts of Consultant, its affiliates or their respective officers, directors, employees, Consultants, independent contractors or representatives.

(B) Merchant shall indemnify and hold Consultant, its affiliates and their respective officers, directors, employees, consultants, and independent contractors (collectively, the "Consultant Indemnified Parties") harmless from and against all claims, demands, penalties, losses, liability or damage, including, without limitation, reasonable attorneys' fees and expenses, directly or indirectly resulting from or related to any of the following:

(i) Merchant's material breach of or failure to comply with any of its agreements, covenants, representations or warranties contained herein or in any written agreement entered into in connection herewith;

(ii) any harassment or any other unlawful, tortious or otherwise actionable treatment of any customers, employees or agents of Consultant by Merchant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives;

(ii) any claims by any party engaged by Merchant as an employee or independent contractor arising out of such engagement, except where due to the gross negligence, willful misconduct or unlawful acts of Consultant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives;

(iii) any consumer warranty or products liability claims relating to any Merchandise; and

(iv) the gross negligence, willful misconduct or unlawful acts of Merchant, its affiliates or their respective officers, directors, employees, agents, independent contractors or representatives.

9. MISCELLANEOUS

This Agreement constitutes the entire agreement between the Parties with respect to the matters contemplated hereby and supersedes and cancels all prior agreements, including, but not limited to, all proposals, letters of intent or representations, written or oral, with respect thereto. This Agreement may only be modified in a written instrument executed by each of the Parties. No consent or waiver by any Party, express or implied, to or of any breach or default by the other in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Party of the same or any other obligation of such Party. The failure on the part of any Party to complain of any act or failure to act by the other Party or to declare the other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such Party of its rights hereunder. Nothing contained in this Agreement shall be deemed to create any relationship between Merchant and Consultant other than that of Consultant as an independent contractor of Merchant, and it is stipulated that the Parties are not partners or joint venturers in any way. Unless expressly set forth herein to the contrary, to the extent that either Party's consent is required or requested hereunder, such consent shall not be unreasonably withheld or delayed. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns; provided that, this Agreement shall not be assigned by either Party without the prior written consent of the other Party. Written notices contemplated by this Agreement shall be sent (i) if to Merchant, in person, or by certified or registered U.S. mail, or by nationally recognized overnight delivery service, postage prepaid, such notice being deemed to have been given three (3) business days after the date of mailing, or one (1) business day after the date of mailing if sent via overnight delivery, to the addressee of this letter; and (ii) if to Consultant, by email to Mackenzie Shea at mshea@gordonbrothers.com

[Remainder of Page Intentionally Left Blank]

Very truly yours,
Gordon Brothers Retail Partners, LLC

By: _____

Name and Title: Rick Edwards, Co-President, Retail

Agreed and Accepted:
SVT, LLC

By: _____, CFO
Print Name and Title:

Exhibits:
A Store List
B Consultant Controlled Expenses

Strack & Van Til

Exhibit A

Store List

Store No.	Store	Address	City	State	Zip Code
8751	8751 - Ultra Foods	6010 W Ridge Road	Gary	IN	46408
8752	8752 - Ultra Foods	9111 W Taft St	Merrillville	IN	46410
8753	8753 - Ultra Foods	13180 South Cicero Avenue	Crestwood	IL	60445
8758	8758 - Ultra Foods	501 S County Farm Rd	Wheaton	IL	60187
8763	8763 - Ultra Foods	1590 N Larkin Ave	Joliet	IL	60435
8777	8777 - Ultra Foods	16831 Torrence Ave	Lansing	IL	60438
8779	8779 - Ultra Foods	571 W 14th St	Chicago Heights	IL	60411
8785	8785 - Ultra Foods	13001 S. Ashland Ave	Calumet Park	IL	60827
8788	8788 - Ultra Foods	7520 Roosevelt Road	Forest Park	IL	60130

Case 17-10993-LSS Doc 15-2 Filed 05/04/17 Page 54 of 55

Strack & Van Til
Consultant Controlled Expenses
Exhibit B

# Stores :	**9**
Sale Term :	**5/03/17 - 6/10/17**
# Weeks :	**5.6**

	$
Advertising	**50,786**
Supervision	**220,367**
Consultant Controlled Expenses	**271,153**

Note: This expense budget is based upon the above Sale Term. Any changes in these dates may result in adjustments to the expense budget, which will be agreed upon by Merchant and Consultant.