




Order Filed on April 12, 2017
by Clerk
U.S. Bankruptcy Court
District of New Jersey

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY Caption in Compliance with D.N.J. LBR 9004-1(b)	
TRENK, DiPASQUALE, DELLA FERA & SODONO, P.C. 347 Mount Pleasant Avenue, Suite 300 West Orange, New Jersey 07052 (973) 243-8600 Richard D. Trenk Irena M. Goldstein Robert S. Roglieri <i>Proposed Counsel for Debtor and Debtor in Possession, V. & V. Supermarkets, Inc., d/b/a Foodtown of Lake Hiawatha</i>	
In re: V. & V. SUPERMARKETS, INC., d/b/a FOODTOWN OF LAKE HIAWATHA, Debtor.	Chapter 11 Case No. 17-15174 (VFP)

**FINAL ORDER AUTHORIZING
DEBTOR'S USE OF CASH COLLATERAL**

The relief set forth on the following pages, numbered two (2) through six (6), is hereby
ORDERED.

DATED: April 12, 2017



**Honorable Vincent F. Papalia
United States Bankruptcy Judge**

(Page 2)

Debtor: V. & V. Supermarkets, Inc., d/b/a Foodtown of Lake Hiawatha
Case No.: 17-15174 (VFP)
Caption of Order: Final Order Authorizing Debtor's Use of Cash Collateral

This matter is before the Court on the motion (the "Motion") of V. & V. Supermarkets, Inc. d/b/a Foodtown of Lake Hiawatha (the "Debtor") for interim and final orders authorizing Debtor to use cash collateral pursuant to title 11 of the United States Code (the "Bankruptcy Code") sections 105, 363(c)(2)(B), 363(e), and 507(b), Rule 4001(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 4001-4 of the District of New Jersey's Local Bankruptcy Rules (the "Local Bankruptcy Rules"). Notice of the application together with notice of the preliminary hearing thereon has been given and served by the Debtor on (1) the United States Trustee; (2) all secured creditors; (3) the Debtor's twenty (20) largest unsecured creditors; and (4) all parties who requested notice. The Court considered the motion, and after due deliberation and good and sufficient cause appearing for the entry of the within order, it is hereby found:

A. Notice and Hearing. Notice of the Motion and order shortening time pursuant to Local Bankruptcy Rule 9013-1(e) and Bankruptcy Rule 9006(c) for the preliminary hearing on the Debtor's use of cash collateral have been served in accordance with section 102(1) of the Bankruptcy Code and Bankruptcy Rule 4001(b), or if by Consent, under Bankruptcy Rule 4001(d), which notice is appropriate in the particular circumstances and is sufficient for all purposes under the Bankruptcy Code and the applicable Bankruptcy Rules in respect to the relief requested.

B. Chapter 11 Filed. The Debtor filed its petition under chapter 11 of the Bankruptcy Code on March 16, 2017 (the "Petition Date"), and is presently operating as a debtor-in-possession in accordance with sections 1107 and 1108 of the Bankruptcy Code.

(Page 3)

Debtor: V. & V. Supermarkets, Inc., d/b/a Foodtown of Lake Hiawatha
Case No.: 17-15174 (VFP)
Caption of Order: Final Order Authorizing Debtor's Use of Cash Collateral

C. First Interim Order. On March 22, 2017, this Court entered the Interim Order Authorizing Debtor's Use of Cash Collateral, which authorized the use of Cash Collateral (as defined therein and below).

D. The Secured Creditors. With regard to the Debtor's secured creditor, Mariner's Bank ("Mariner's"), Mariner's holds a secured claim in the amount of approximately \$474,067.85. With regard to the Debtor's secured creditor, C&S Wholesale Grocers, Inc. ("C&S"), C&S holds a secured claim in the approximate amount of \$350,000 as of the Petition Date. With regard to the Debtor's secured creditor, the State of New Jersey, Division of Taxation (the "Division" and together with Mariner's and C&S, the "Secured Creditors") has state tax liens totaling approximately \$502,218.02, which have been reduced because of a garnishment.

E. Pre-Petition Collateral. The Debtor presently asserts that Mariner's has alleged liens on certain assets of the Debtor and certain assets of the Debtor's principal as of the commencement of the case including, but not limited to, a blanket lien on the Debtor's assets and mortgages on properties owned by the Debtor's principal. The Debtor presently asserts that C&S has an alleged blanket lien on all the Debtor's assets. The Division holds state tax liens against the Debtor.

F. Cash Collateral. "Cash Collateral" as defined by section 363(a) of the Bankruptcy Code includes post-petition proceeds, products, offspring, rents, or profits of property and the fees, charges, accounts, or other payments for the use or occupancy of rooms and other public facilities in hotels, motels, or other lodging properties subject to a security

(Page 4)

Debtor: V. & V. Supermarkets, Inc., d/b/a Foodtown of Lake Hiawatha
Case No.: 17-15174 (VFP)
Caption of Order: Final Order Authorizing Debtor's Use of Cash Collateral

interest as provided in section 522(b) of the Bankruptcy Code and as the term "proceeds" is described in Uniform Commercial Code ("UCC") Section 9-306.

G. The Debtor does not have sufficient unencumbered cash or other assets with which to continue to operate its business in chapter 11. The Debtor requires immediate authority to use cash collateral as defined herein in order to continue its business operations without interruption toward the objective of formulating an effective plan of reorganization. The Debtor's use of cash collateral to the extent and on the terms and conditions set forth herein is necessary to avoid immediate and irreparable harm to its estate pending a final hearing. The amount of cash collateral authorized to be used pending a final hearing on the confirmation of the Debtor's proposed plan of reorganization is not to exceed the amounts reflected in the Cash Collateral Budget.

H. Purposes. The Debtor is authorized to use cash collateral to meet the Debtor's ordinary cash needs (and for such other purposes as may be approved in writing by the Secured Creditors for the payment of the Debtor's actual expenses to (a) maintain and preserve its assets and (b) continue operation of its business, including but not limited to payment for utilities, payroll, payroll taxes, and insurance expenses as reflected in the Cash Collateral Budget.

The Court having determined there is a reasonable likelihood that the Debtor will prevail upon the merits at the final hearing of the Motion as required by section 363(c)(3) of the Bankruptcy Code; and for good cause shown, it is

ORDERED as follows:

(Page 5)

Debtor: V. & V. Supermarkets, Inc., d/b/a Foodtown of Lake Hiawatha
Case No.: 17-15174 (VFP)
Caption of Order: Final Order Authorizing Debtor's Use of Cash Collateral

1. Use of Cash Collateral. The Debtor is authorized, for the periods and in accordance with the Cash Collateral Budget annexed as **Exhibit A**, to use cash collateral for the following purposes:

- a. Maintenance and preservation of its assets;
- b. the continued operation of its business, including but not limited to utility expenses and insurance costs;
- c. the purchase of replacement inventory; and
- d. any United States Trustee Fees due under 28 U.S.C. § 1930.

2. Adequate Protection. As adequate protection for use of cash collateral, the Secured Creditors are GRANTED:

a. Replacement Lien. A replacement perfected security interest under Section 361(2) of the Bankruptcy Code to the extent the Secured Creditors' cash collateral is used by the Debtor, to the extent and with the same priority in the Debtor's post-petition collateral, and proceeds thereof that the Secured Creditors held in the Debtor's pre-petition collateral.

b. Statutory Rights Under Section 507(b). To the extent the adequate protection provided for hereby proves insufficient to protect the Secured Creditors' interests in and to the cash collateral, the Secured Creditors shall have a superpriority administrative expense claim, pursuant to Section 507(b) of the Bankruptcy Code, senior to any and all claims against the Debtor under Section 507(a) of the Bankruptcy Code, whether in this proceeding or in any superseding proceeding.

c. Deemed Perfected. The replacement lien and security interest granted herein are automatically deemed perfected upon entry of this Order without the necessity of the Secured Creditors taking possession, filing financing statements, mortgages, or other documents. Although not required, upon request by a Secured Creditor, the Debtor shall execute and deliver to such Secured Creditor any and all UCC Financing Statements, UCC Continuation Statements, Certificates of Title or other instruments or documents considered by the Secured Creditor to be necessary in order to perfect the security interests and liens in the Debtor's post-petition collateral and proceeds granted by this Order, and the Secured Creditors are authorized to receive, file, and record the foregoing at the Secured Creditor's own expense, which actions shall not be deemed a violation of the automatic stay.

(Page 6)

Debtor: V. & V. Supermarkets, Inc., d/b/a Foodtown of Lake Hiawatha
Case No.: 17-15174 (VFP)
Caption of Order: Final Order Authorizing Debtor's Use of Cash Collateral

d. Periodic Accountings. Within fourteen (14) days of the entry of this Order, but not less than three (3) business days from the scheduled final hearing on the use of cash collateral, the Debtor shall provide an accounting to the Secured Creditors setting forth the cash receipts and disbursements made by the Debtor under this Order. In addition, the Debtor shall provide the Secured Creditors all other reports required by the pre-petition loan documents and any other reports reasonably required by the Secured Creditors as well as copies of the Debtor's monthly United States Trustee operating reports. Upon appointment of a Creditor's Committee, if any, the Debtor shall submit a copy of the monthly U.S. Trustee operating reports to counsel to said Committee if counsel has been appointed, and until counsel is retained, to the Chairperson of said Committee.

e. Default Hearing. In the event the Debtor defaults or violates this Order, the Secured Creditors are entitled to request a hearing within fourteen (14) days (or if immediate and irreparable injury, loss, or damage may occur, an emergency hearing within 48 hours). For purposes of this Order, however, the Debtor shall not be deemed to be in default for any deviation from the Cash Collateral Budget provided such deviation is plus/minus twenty-five percent (25%) the budgeted disbursements, either on a cumulative basis or with regard to any specified budgeted line item.

3. Creditors' Rights of Inspection and Audit. Upon reasonable notice by a Secured Creditor, the Debtor shall permit such Secured Creditor and any of its agents reasonable and free access to Debtor's records and places of business during normal business hours to verify the existence, condition, and location of collateral in which said creditors hold a security interest and to audit the Debtor's cash receipts and disbursements.

NOTICE ORDER

IT IS FURTHER ORDERED that the Debtor serve a copy of this Order and Notice by first class mail within one (1) business day from the date hereof, on (i) the Office of the United States Trustee; (ii) the Secured Creditors; (iii) the Debtor's twenty (20) largest unsecured creditors; (iv) any other parties claiming an interest in the cash collateral; (v) and any other party that requested notice. The Debtor shall immediately file with the Clerk a Certificate of Service of said mailing.

Exhibit A

Budget

4838-3282-8741, v. 3

V&V Supermarkets, Inc.

Weekly Cash Flow - Budget

Week Ending Date	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Projected
Post - Petition Accounting Week	4/6/17	4/13/17	4/20/17	4/27/17	5/4/17	5/11/17	5/18/17	5/25/17	6/1/17	6/8/17	6/15/17	6/22/17	6/29/17	13 Week	
	3	4	5	6	7	8	9	10	11	12	13	14	15	Total	
CASH FLOW															
Beginning Available Cash Balance	1	\$ 203,825	\$ 174,680	\$ 179,113	\$ 171,384	\$ 187,530	\$ 177,858	\$ 180,404	\$ 177,550	\$ 193,696	\$ 214,074	\$ 206,252	\$ 200,685	\$ 207,831	\$ 203,825
Operating Cash Inflow															
Gross Sales	2	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	205,000	2,665,000
Patronage	3	-	-	-	-	14,231	-	-	-	14,231	-	-	-	-	28,463
Rebate Income	3	237	237	237	237	237	237	237	237	237	237	237	237	3,083	
Other Income		-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Sources of Cash		205,237	205,237	205,237	205,237	219,468	205,237	205,237	205,237	219,468	205,237	205,237	205,237	205,237	2,696,546
Total Available Cash		409,062	379,918	384,350	376,621	406,999	383,095	385,641	382,787	413,165	419,311	411,489	405,922	413,068	2,900,371
Operating Uses of Cash															
Cost of Sales/Purchases		135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000	1,755,000
Payroll (Including Taxes)		29,786	29,786	29,786	29,786	29,786	29,786	29,786	29,786	29,786	29,786	29,786	29,786	29,786	387,222
Fringe (Including Union Benefits)		4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	57,366
Rent	4	22,081	-	-	-	22,081	-	-	-	22,081	-	-	-	-	66,243
Insurance		1,107	1,107	1,107	1,107	1,107	1,107	1,107	1,107	1,107	1,107	1,107	1,107	14,391	
Utilities		5,814	5,814	5,814	5,814	5,814	5,814	5,814	5,814	5,814	5,814	5,814	5,814	75,581	
Supplies		2,422	2,422	2,422	2,422	2,422	2,422	2,422	2,422	2,422	2,422	2,422	2,422	31,492	
Advertising/Promotion		4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	4,413	57,366	
Customer Tracking Expense		302	302	302	302	302	302	302	302	302	302	302	302	3,930	
Holiday Promotion		465	465	465	465	465	465	465	465	465	465	465	465	6,047	
Security		494	494	494	494	494	494	494	494	494	494	494	494	6,238	
Sanitation		388	388	388	388	388	388	388	388	388	388	388	388	5,039	
Repairs & Maintenance		1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453	18,895	
Trash/Waste Removal		543	543	543	543	543	543	543	543	543	543	543	543	7,054	
Miscellaneous		1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	1,240	16,124	
Credit Card Fees		1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	16,376	
Total Operating Cash Disbursements		211,172	189,091	189,091	189,091	211,172	189,091	189,091	189,091	189,091	211,172	189,091	189,091	189,091	2,524,426
Non Operating Uses of Cash															
Sales Tax	5	-	-	9,000	-	-	-	9,000	-	-	-	-	9,000	-	27,000
Utilities Security Deposit	6	11,323	-	-	-	7,969	-	-	-	-	-	-	-	-	19,292
Secured Creditor Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mariners Bank		-	11,714	-	-	-	-	11,714	-	-	-	-	11,714	-	35,141
Santander Bank		1,887	-	-	-	-	-	1,887	-	-	-	1,887	-	-	5,660
Professional Fees	7	10,000	-	10,000	-	10,000	-	10,000	-	10,000	-	10,000	-	10,000	70,000
US Trustee Fee	8	-	-	4,875	-	-	-	-	-	-	-	-	-	-	4,875
Total Nonoperating Uses of Cash		23,210	11,714	23,875	-	17,969	13,600	19,000	-	10,000	1,887	21,714	9,000	10,000	161,968
Total Disbursements		234,382	200,805	212,966	189,091	229,141	202,691	208,091	189,091	199,091	213,059	210,805	198,091	199,091	2,686,394
Net Cash Flows - Total		(29,144)	4,433	(7,729)	16,146	(9,673)	2,546	(2,854)	16,146	20,377	(7,821)	(5,567)	7,146	6,146	10,152
Ending Available Cash Balance		\$ 174,680	\$ 179,113	\$ 171,384	\$ 187,530	\$ 177,858	\$ 180,404	\$ 177,550	\$ 193,696	\$ 214,074	\$ 206,252	\$ 200,685	\$ 207,831	\$ 213,977	\$ 213,977

Footnotes:

- (1) Cash balance as of 3/30/17
- (2) Sales based on historical amounts and projections and inclusive of estimated sales tax collected.
- (3) Based on Debtor's historical financial data and projections.
- (4) Rent is inclusive of real estate taxes which are billed quarterly, month.
- (6) Deposits negotiated with Utility companies per Motion pending in court.
- (7) Estimated amounts Professionals include Debtor's counsel and financial advisor.
- (8) Based on total estimated disbursements for 1st Quarter 2017