

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

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In re	:	Chapter 11
	:	
CENTRAL GROCERS, INC., et al.,	:	Case No. 17-10993 (LSS)
	:	
Debtors.¹	:	(Jointly Administered)
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NOTICE OF SALE, BIDDING PROCEDURES, AUCTION, AND SALE HEARINGS

PLEASE TAKE NOTICE OF THE FOLLOWING:

On May 13, 2017, Central Grocers, Inc. (“CGI”) and its debtor affiliates, including Strack and Van Til Super Market, Inc. (“Strack”), in the above-captioned chapter 11 cases (collectively, the “Debtors”) filed with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) a motion [Docket No. 135] (the “Motion”) for the entry of (i) an order (the “Bidding Procedures Order”)² (a) authorizing and approving bidding procedures (the “Bidding Procedures”), substantially in the form attached to the Bidding Procedures Order as **Exhibit 1**, in connection with the sale or disposition of substantially all of the Debtors’ assets (the “Assets”); (b) approving Stalking Horse Bid Protections for the Stalking Horse Bidder (as hereinafter defined); (c) authorizing the designation of additional stalking horse bidders, (d) scheduling an auction (the “Auction”) of the Assets and hearings (each, a “Sale Hearing”) to consider approval of proposed Sale Transactions; (e) authorizing and approving the form and manner of notice of the sale of the Assets, Auction, and Sale Hearings; notice to each non-Debtor counterparty to an executory contract or unexpired lease (collectively, the “Contracts and Leases”) regarding the Debtors’ potential assumption and assignment of their Contracts and Leases and of the Debtors’ calculation of Cure Costs with respect thereto; (f) authorizing and approving Assumption and Assignment Procedures; and (g) granting related relief; and (ii) entry of one or more orders (each, a “Sale Order”), authorizing and approving (a) the sale of the Assets free and clear of all liens, claims, interests, and encumbrances; (b) the

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

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

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

On June 2, 2017, the Bankruptcy Court entered the Bidding Procedures Order [Docket No. 338].

Stalking Horse Bids

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

Pursuant to the terms of the Bidding Procedures Order, the Debtors may designate Additional Stalking Horse Bidders (as defined in the Bidding Procedures) for the Other Assets until **June 12, 2017**. Notice of any such designation, including the execution of any asset purchase agreement with an Additional Stalking Horse Bidder and the provision of any bid protections in connection therewith, will be provided in accordance with the terms of the Bidding Procedures Order.

Description of the Assets and Stalking Horse Package

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

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

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

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

IMPORTANT DATES AND DEADLINES

- **Bid Deadline**. Any person or entity interested in participating in the Auction must submit a Qualified Bid (as defined in the Bidding Procedures) to the Bid Notice Parties (as

identified and defined in the Bidding Procedures) on or **before June 26, 2017, at 4:00 p.m. (prevailing Eastern Time)** (the “**Bid Deadline**”).

- ***Auction.*** An Auction for the Assets has been scheduled for **June 29, 2017, at 10:00 a.m. (prevailing Eastern Time)** and, if necessary, will be conducted at the offices of Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153.
- ***Sale Objection Deadlines.*** Objections to a proposed Sale Transaction, including any objection to the sale of any Assets free and clear of liens, claims, interests, and encumbrances pursuant to section 363(f) of the Bankruptcy Code and/or entry of a Sale Order must be (i) filed in accordance with the Bidding Procedures Order, (ii) filed with the Bankruptcy Court, and (iii) served on the Objection Recipients (as identified and defined in the Bidding Procedures) by no later than (a) **June 16, 2017, at 4:00 p.m. (prevailing Eastern Time)**, if the Sale Objection is with respect to a sale of the Stalking Horse Package; and (b) **July 7, 2017, at 4:00 p.m. (prevailing Eastern Time)** (each such deadline, a “**Sale Objection Deadline**”), if the Sale Objection is with respect to a sale of Other Assets or the conduct of the Auction.
- ***Sale Hearings.*** If the Stalking Horse Bid is the only Qualified Bid received by the Debtors in respect of the Stalking Horse Package by the Bid Deadline, the Sale Hearing for the Stalking Horse Package shall be held before the Bankruptcy Court before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, in the Bankruptcy Court, located at 824 N. Market Street, Wilmington, Delaware 19801 on **June 28, 2017, at 10:00 a.m. (prevailing Eastern Time)**.

If (i) more than one Qualified Bid is received by the Debtors in respect of the Stalking Horse Package by the Bid Deadline; and/or (ii) a Qualified Bid is received by the Debtors in respect of Other Assets, the applicable Sale Hearing shall be held before the Bankruptcy Court before the Honorable Laurie Selber Silverstein on **July 10, 2017, at 11:00 a.m. (prevailing Eastern Time)**.

Additional Information

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

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

Reservation of Rights

The Debtors reserve the right to, in their reasonable business judgment, in a manner consistent with their fiduciary duties and applicable law, and in consultation with the Consultation Parties, modify the Bidding Procedures; waive terms and conditions set forth therein; extend the deadlines set forth therein; announce at the Auction modified or additional procedures for conducting the Auction; and provide reasonable accommodations to the Stalking Horse Bidder and any Additional Stalking Horse Bidder with respect to such terms, conditions, and deadlines

of the bidding and Auction process to promote further bids by such bidders, in each case, to the extent not materially inconsistent with the Bidding Procedures and the Bidding Procedures Order. **Except as provided in the Stalking Horse Agreement and any Additional Stalking Horse Agreement, nothing shall obligate the Debtors to consummate or pursue any transaction with respect to any Asset, including the Distribution Center, with any bidder.**

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

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

Dated: June 5, 2017
Wilmington, Delaware

/s/ David T. Queroli

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*Attorneys for the Debtors
and Debtors in Possession*

Schedule 1

Stalking Horse Package

Schedule 1

Stalking Horse Package

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

Schedule 2

Assets Available for Sale

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Assets Available for Sale

Tab	Store #	Banner	Address	City	ST	Zip
1.	8756	Strack & Van Til Market	9605 Lincoln Plz	Cedar Lake	IN	46303
2.	8748	Strack & Van Til Market	1600 Pioneer Trl	Chesterton	IN	46304
3.	8797	Strack & Van Til Market	10851 Broadway	Crown Point	IN	46307
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6.	8786	Strack & Van Til Market	115 Sibley St	Hammond	IN	46320
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9.	8747	Strack & Van Til Market	999 W Old Ridge Rd	Hobart	IN	46342
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18.	8782	Town & Country Market	6046 Central Ave	Portage	IN	46368
19.	8780	Town & Country Market	1605 Calumet Ave	Valparaiso	IN	46383
20.	8701	Commissary	555 Coolwood Drive	Valparaiso	IN	46385
21.	8781	Merrillville	6001 Broadway	Merrillville	IN	46410
22.	8774	Highland	8401 Indianapolis Blvd	Highland	IN	46322

Tab	Store #	Banner	Address	City	ST	Zip
23.	8794	Kankakee	1200 Kennedy Drive	Kankakee	IL	60901
24.	8762	Downers Grove	1212 75th Street	Downers Grove, IL	IL	60516
25.	8779	Chicago Heights	571 W 14th St	Chicago Heights	IL	60411
26.	8785	Calumet Park	13001 Ashland Ave	Calumet Park	IL	60827
27.	8763	Joliet	1590 N Larkin Ave	Joliet	IL	60435
28.	8758	Wheaton	501 S County Farm Rd	Wheaton	IL	60187
29.	-	Hammond	6527-6529 S. Columbia Ave	Hammond	IL	46320
30.	-	SVT Head Quarters	2244 45th St	Highland	IN	46322
31.	-	Distribution Center	2600 W. Haven Ave	Joliet	IN	60433