



To our vendor and supplier partners,

I wanted to reach out provide an update on the business of Fairway. After careful consideration of all our recapitalization alternatives, Fairway has reached an agreement with senior lenders on a reorganization plan that will eliminate majority substantial portion of the Company's debt and provide financing to restructure the Company's balance sheet.

In order to implement the agreed upon restructuring, on May 2, 2016, Fairway filed a Joint Prepackaged Chapter 11 Plan of Reorganization and voluntary petitions for protection under Chapter 11 of the United States Bankruptcy Code.

As we work together to manage through this, I want to be very clear that Fairway is open for business and we expect to continue normal operations throughout this process. With your support our customers can be confident that we intend to continue to deliver the BEST FOOD in the New York City area.

This difficult decision comes after having taken numerous steps in recent months in an effort to reduce our debt and strengthen our balance sheet. After having evaluated all available recapitalization alternatives, it was determined that a Chapter 11 reorganization would provide Fairway with the greatest opportunity to restructure our finances while continuing to operate in the normal course of business.

Through this process, it is important to remember that:

- 1.) **WE ARE OPEN FOR BUSINESS. This is doesn't change anything.**
- 2.) **We will continue to deliver the best food experience in New York.**
- 3.) **We will pay for goods and services.**

Most importantly, **the Company will continue to operate without interruption** and we remain committed to maintaining our strong relationships with our vendor community. As part of our restructuring, we will continue working to consolidate our supply chain and improve our purchasing planning processes, which likely will provide substantial opportunities for vendors that continue to work with us during this period of transition. At the conclusion of our reorganization, we expect to emerge with financial stability and an operating flexibility that will firmly position us for long-term success and growth.

In conjunction with our filing, we are seeking approval to enter into a \$55 million superpriority secured debtor-in-possession (DIP) revolving credit facility, which will be provided by the Company's existing secured lenders. Once approved, the Company expects that the DIP facility, combined with the Company's cash flow from operations, will provide Fairway with sufficient liquidity to meet our post-petition operating expenses. In addition, the Company has also secured a commitment from its current lenders to convert the amounts extended under the DIP loan to an exit loan.

For Fairway to successfully emerge from Chapter 11, remain a long term customer to our vendors, and maximize the amounts it may distribute at the conclusion of its Chapter 11 case, it is critical that the vendor community continues to provide goods and services under customary credit terms. As part of the Chapter 11 Plan, Fairway is seeking approval to pay all outstanding claims in the ordinary course provided that our vendors agree to the most favorable terms and conditions provided to Fairway in the past 180 days.



The bankruptcy process protects goods and services provided post-petition **and as noted above, our DIP financing provides the needed liquidity to fulfill the resulting obligations to our vendors.**

We are fully committed to working with you and we appreciate your patience and support during this transitional period. Please do not hesitate to call (844) 597-1421 with any questions or concerns. For additional information on our reorganization, I encourage you to visit our claims and restructuring website at <https://cases.primeclerk.com/fairway>.

We greatly value and appreciate your partnership and look forward to a working with you in the future.

Sincerely,

Jack Murphy  
CEO