

U.S. BANKRUPTCY COURT
District of South Carolina

Case Number: 09-02140

ORDER

The relief set forth on the following pages, for a total of 4 pages including this page, is hereby ORDERED.

FILED BY THE COURT
10/07/2009



Entered: 10/07/2009

US Bankruptcy Court Judge
District of South Carolina

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA**

In re:)	Case No. 09-02140 (HB)
)	
BI-LO, LLC et al.,)	Chapter 11
)	
)	(Joint Administration)
<u>Debtors.</u>)	

**ORDER GRANTING IN PART DEBTORS' MOTION FOR ENTRY OF AN
ORDER (A) EXTENDING THE TIME PERIOD DURING WHICH THE DEBTORS
HAVE THE EXCLUSIVE RIGHT TO FILE A PLAN AND DISCLOSURE
STATEMENT AND TO SOLICIT ACCEPTANCES AND (B) EXTENDING THE
DEADLINE UNDER SC LBR 3016-1 FOR DEBTORS TO FILE A PLAN AND
DISCLOSURE STATEMENT, AND
(C) ALSO GRANTING IN PART CROSS-MOTION OF OFFICIAL COMMITTEE
OF UNSECURED CREDITORS AND AD HOC COMMITTEE OF
TERM LENDERS FOR CO-EXCLUSIVITY ON SAME TERMS**

These matters came before the Court upon the motion (the "Motion") of BI-LO, LLC and its affiliates ("Bi-Lo" or the "Debtors), the above-captioned debtors in possession, for entry of an order (A) extending the time period during which the Debtors have the exclusive right to file a plan and disclosure statement and to solicit acceptances and (B) extending the deadline under SC LBR 3016-1 for Debtors to file a plan and disclosure statement, and (C) upon the cross-motion (the "Cross-Motion") of the Official Committee of Unsecured Creditors (the "Committee") and the ad hoc Committee of Term Lenders (the "Term Lender Committee") modifying and conditioning the Debtors' exclusive periods for the Committee and Term Lender Committee to file a plan of reorganization and approving dual tracks for filing a plan of reorganization and soliciting votes.

After extensive hearings including testimony about the Debtors' progress towards a plan, the status of the Debtors' business operations, and the various plan options that may be available to or are currently being discussed or pursued by the Debtors and others, the

Court finds that the relief requested by both the Committee and the Debtors should be granted in part. While there was overwhelming evidence presented, and a consensus among the parties, that the Debtors' management team is performing very well, the Debtors business is exceeding projections and the Debtors are paying post-petition obligations as they come due, including professional fees, the evidence indicated a loss of confidence in the Debtors' decisions and judgment regarding the course of action the Debtors should take from here forward. The evidence indicated that, although Debtors' representatives expressed a willingness to consider all possible options for exit from Chapter 11, if they are granted to exclusive right to file and pursue confirmation of a plan, they will likely move forward quickly to pursue a sale of a substantial portion of estate assets to a strategic or other purchaser. The Court finds from the evidence presented that the Debtors should consider all possible options available to this estate to maximize the return to creditors, and therefore the Committee's proposed reorganization alternatives, and any other options available, should not be excluded from the process and should be fully explored. Based on the evidence before the Court, the best method to accomplish this goal is to maintain competition among possible investors and purchasers and to consider alternative plans, if the Committee and the Debtor are unable to reach a consensus before the deadlines established herein.

It appears that the relief requested by the Debtors and the Committee, as modified and conditioned herein, is in the best interests of the Debtors' estates, their creditors and other parties in interest. It further appears that the Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334, that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), that venue of this proceeding is proper pursuant to 28 U.S.C. §§ 1408 and 1409, and that notice of the Motion and Cross-Motion and opportunity for a hearing on

the Motion and Cross-Motion was appropriate under the circumstances and that no other or further notice with respect to the Motion need be given.

For the reasons set forth herein and as stated on the record at the conclusion of the hearing, it is **HEREBY ORDERED**:

1. That the Motion and Cross-Motion are granted in part on the terms and conditions set forth herein. The exclusive period and the deadline to file a plan and disclosure statement under SC LBR 3016-1 for the Debtors and the Committee (as a plan sponsor or co-sponsor) are extended from October 7, 2009 to November 20, 2009, and the acceptance period is extended through sixty days thereafter in these cases.

2. The Court will enter further orders, after consulting with the parties, regarding the procedures necessary to carry out this Order. The Committee and the Debtors are hereby ordered to consult in good faith in an effort to formulate reasonable terms and procedures for the filing and processing of any plan(s) and disclosure statement(s) to minimize fees and expenses and to provide a coordinated, organized process to proceed toward confirmation of a plan. The Committee and the Debtors shall report to the Court regarding their procedural progress within ten (10) days after entry of this Order.

3. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

4. The Court retains jurisdiction with respect to all matters arising from or related to implementation of this Order.

AND IT IS SO ORDERED.