UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE	PROOF OF CLAIM				
In re		Case Number		ate Ref # 2-NC-2105101	
· Flenting COMPANIES, INC.		03-10945			
NOTE This form should not be used to make a claim for an administrate expense arising after the commencement of the case A "request" for of an administrative expense may be filed pursuant to 11 U S C \S 503	br payment 3 Greek box if you are aware that anyone else has filed a proof of claim relating				
Name of Creditor and Address		to your claim Attach copy of statement giving particulars			
035465350 ALBANY SHOP'N KART 2000 QUEEN SE ALBANY OR 97321	6924	Check box if you have never received any notices from the bankruptcy court in this case Check box if this address differs from the address on the envelope sent to you by the	If you have already	y filed a proof of claım with the	
Creditor Telephone Number (503) 363 - 2977 + Bankruptcy Court or BMC you do not need to file again					
CREDITOR TAX I D # ACCOUNT OR OTHER NUMBE CREDITOR IDENTIFIES DEBTO Flore FOOT	OR	Check here	aces or a previou ends	sly filed claim dated	
1 BASIS FOR CLAIM					
Goods sold Personal injury/wrongful death	Re	tiree benefits as defined in 11	USC§ 1114(a))	
Services performed Taxes	Services performed Taxes Wages salaries and compensation (Fill out below)				
Money loaned X Other (describe briefly)		Your social security number			
LEASE FLOAT		Unpaid compensation for se	rvices performed		
2 DATE DEBT WAS INCURRED 5/1199	13 IF C	OURT JUDGMENT, DATE O		(date) (date)	
		¢		\$	
AS OF PETITION DATE \$ 142 581 79 \$ (unsecured)	(φφsecured) (unsi	ecured priority)	(total)	
If all or part of your claim is secured or entitled to priority, also co	,	,		ζ, γ	
Check this box if claim includes interest or other charges in addition to the			nzed statement of	f all interest or additional charges	
5 SECURED CLAIM					
Check this box if your claim is secured by collateral (including a right of setoff)	Check	this box if you have an unsecu	ared priority clain	n	
Brief description of collateral	Specify	/ the priority of the claim			
Real Estate	Wages salaries or commissions (up before filing of the bankruptcy petition		or cessation of the		
Motor Vehicle	business whichever is earlier 11 U S C § 507(a)(3)				
Other		tributions to an employee benefit p	•		
		to \$2 100* of deposits toward purch personal family or household use			
Value of collateral \$	Alimony maintenance or support owed to a spouse former spouse or child 11 U S C § 507(a)(7)				
Amount of arrearage and other charges at time case filed		es or penalties owed to governmer			
Included in secured claim above if any \$		Other - Specify applicable paragraph of 11 U S C § 507(a) Amounts are subject to adjustment on 4/1/01 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment			
 7 CREDITS The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim 8 SUPPORTING DOCUMENTS <u>Attach copies of supporting documents</u>, such as promissory notes purchase orders invoices itemized statements of running accounts contracts court judgments mortgages security agreements and evidence of perfection of lien DO NOT SEND ORIGINAL DOCUMENTS if the documents are not available explain. If the documents are voluminous attach a summary 9 DATE-STAMPED COPY To receive an acknowledgment of your claim, please enclose a self-addressed stamped envelope and an 					
additional copy of this proof of claim The original of this completed proof of claim form must be sent by so that it is received on or before 4 00 p m , September 15, 2003, P			ACCEPTED)	THIS SPACE FOR COURT	
BY MAIL TO		D OR OVERNIGHT DELIVERY TO		SEP 152003	
Bankruptcy Management Corporation P O BOX 900		uptcy Management Corpora East Franklin Avenue	ation		
El Segundo, CA 90245-0900		undo, CA 90245		BMC	
DATE SIGNED SIGN and print the name and title if any of the creditor or other person authorized to					
Gliple 2 (file this chain (attach copy of power of attorney if any)					
(13/0) L htt					
Penalty for presenting fraudulent clean is a line of up to \$500 000 or imprisonment	t for up to 5	5 years or both 18 USC §§ 15	2 AND 3571	13397	

FILE COPY

SUBLEASE AGREEMENT

THIS SUBLEASE is entered into as of the $\underline{\mathcal{J}}$ day of $\underline{\mathcal{A}}_{D\Gamma I}$, 1999, by and between FLEMING COMPANIES, INC., an Okiahoma corporation (hereinafter referred to as "Sublandlord"), and B & E 3, LLC, an Oregon limited hability company (here inafter referred to as "Subtenant")

RECITALS:

Sublandlord is the tenant of certain premises located at 2000 Queen Avenue, S E, Alba: 'iy, Oregon 97321 (the "Premises") under a lease between Sublandlord's predecessor, FLEM_TNG FOODS WEST, INC, a California corporation, and ALBANY ASSOCIATES, an Oregon i general partnership, the predecessor to LYON ASSOCIATES, a Washington limited partnership (the "Prime Landlord"), dated June 21, 1990, as amended (the "Lease") A copy of the Le ase is attached hereto as <u>Exhibit A</u> Subtemant has now agreed to sublease the Premises from Sublandlord on the terms and conditions contained herein

NOW, THEREFORE, in consideration of the terms, covenants, conditions and agreements contained herein, the parties hereto agree as follows

1 Premises. Sublandlord hereby subleases to Subtenant, and Subtenant subleases from Sublandlord, the Premises subject to all terms and conditions contained in the Lease, except for the term, rental, assignment, subletting, use, renewal, discontinuance of operations, right of first refusal and option to purchase provisions of the Lease, if any, and except as otherwise set forth herein. In addition, in no event shall Subtenant have the right to receive any payments due from Prime Landlord under the Lease To the extent not inconsistent with this Sublease, the terms of the Lease are hereby incorporated into this Sublease by reference, including, but not limited to, Prime Landlord's covenant to Sublandlord of quiet use and enjoyment of the Premises as set forth in paragraph 1 of the Lease Sublandlord hereby further covenants to Subtenant that Subtenant, upon paying the rentals herein reserved and observing, performing and keeping all and singular the covenants and agreements herein specified to be kept and performed by Subtenant, shall, and may lawfully, peacefully, and quietly have, hold, use, occupy, possess and enjoy the Premises for and during the term hereof, without any hindrance, eviction, molestation, or interruption of or by Sublandlord. Sublandlord hereby further assigns to Subtenant, so long as Subtenant is not in default of any of the terms of this Sublease, all of Sublandlord's rights under the Subordination, Non-Disturbance and Attornment Agreement dated March 14, 1991 between Sublandlord's predecessor, Prime Landlord's predecessor, and National Home Life Assurance Company, as Lender, and Subtenant hereby assumes all of Sublandlord's obligations thereunder Sublandlord shall have all of the rights of Prime Landlord under the Lease

Albany Shop N Kart 4/29/99

٩

2. Term. The term of this Sublease shall be for the period beginning at 12 01 a m on May 1, 1999 (the "Commencement Date") and ending at 11 59 p m on February 13, 2011 (the "Term"). Notwithstanding any provision herein to the contrary, this Sublease shall automatically terminate upon the earlier expiration or termination of the Lease for any reason In no event shall Subtenant have the right to exercise any options to extend the term of the Lease that may be available to Sublandlord under the Lease Provided, however, that notwithstanding the above, Subtenant shall have the right to exercise, or to have Sublandlord exercise on Subtenant's behalf, one or both of the renewal options under the Lease if, but only if, as a condition of the exercise of any such renewal options, Prime Landlord releases Sublandlord from any and all further hability under the Lease, whether past, present or future

3. Rent.

(a) Commencing on the Commencement Date, and continuing each and every month thereafter during the first five (5) years of the Term of this Sublease, Subtenant shall pay to Sublandlord as minimum monthly rent for the Premises the sum of sixteen thousand nine hundred seventy-nine and 17/100ths Dollars (\$16,979 17) per month Thereafter, during the entire remainder of the Term, Subtemant shall pay to Sublandlord as minimum monthly rent for the Premises the same amount that Sublandlord is obligated to pay to Prime Landlord as minimum monthly rent under the Lease

(b) Minimum rent shall be payable in advance, without demand, offset or deduction, on the first (1st) day of each month during the Term A partial month's payment shall be due on the Commencement Date of the Commencement Date is other than the first day of a month.

(c) In addition to the minimum monthly rent set forth in subparagraph 3(a) above, Subtenant shall also pay to Sublandlord, as additional rental, during the entire Term of this Sublease, the same amounts that Sublandlord is obligated to pay to Prime Landlord for insurance premiums, repair and maintenance of the Premises, common area maintenance costs, taxes and assessments, and extended hour lighting charges pursuant to subparagraphs 6 B, 6 C, 6 D, 6 E, 6 F and 6 G of the Lease Sublandlord's current estimated monthly prorated share of the common area maintenance costs is \$831 50, and Sublandlord's prorata share of the 1998-1999 real property taxes was \$35,405 10

4. Assumption Agreement and Covenants. Subtenant hereby assumes and shall faithfully and promptly make all payments and perform all obligations and duties imposed on Sublandlord as lessee under the Lease, including without limitation, any obligations to maintain and repair the Premises, to make payments or contributions for taxes, special assessments, insurance and any other payments required to be made by Sublandlord, not to commit or suffer waste; not to use the Premises for any unlawful purposes, and, at the termination of this Sublease, to surrender the Premises in good condition, reasonable wear and

٠

tear excepted and in the condition required by the Lease Any and all payments required under the Lease and this Sublease to be made by Subtenant as aforementioned shall be made in a timely manner directly to Sublandlord

5. Default. Upon nonpayment by Subtenant of any rentals or other payments when due, or any failure of Subtenant to perform any of its other covenants required to be performed by Subtemant under this Sublease, or any default by Subtemant or any affiliate of Subtenant in the payment or performance of any obligation under any other indenture, agreement, note or undertaking with Sublandlord, after five (5) days written notice of any default in regard to rent or other indebtedness and after twenty-one (21) days written notice of any other item of default, Sublandlord shall have all remedies available at law or in equity, including, without limitation, the right, at its option, to re-enter the Premises without terminating this Sublease, remove Subtenant and all persons holding under Subtenant from the Premises, accelerate all rentals due hereunder for the entire term of this Sublease, and/or to terminate this Sublease and re-enter and repossess the Premises, provided, however, that such re-entry, repossession and/or termination shall not constitute an acceptance or surrender of this Sublease or a waiver of any of Sublandiord's rights or remedies, including without limitation, the right to re-let the Premises, or any part thereof, for the benefit of Subtenant and to recover damages for Subtenant's default

6 Subtenant Indemnity; Waiver of Subrogation. Subtenant shall defend, indemnify and hold Sublandlord harmless from any and all damages, costs, losses and expenses (including reasonable attorney fees) resulting in any way from Subtenant's occupancy and/or use of the Premises or the surrounding area, or the breach of any obligation of Subtenant as set out in the Sublease, and Subtemant shall carry, at Subtemant's expense, public liability insurance on the Premises with an insurance company having a BEST rating of at least A XIV and licensed to issue such insurance within the state wherein the Premises are located, which insurance shall stipulate a combined single limit of not less than Three Million Dollars (\$3,000,000) for personal mury, death and property damage No later than the Commencement Date and thereafter on each anniversary of the Commencement Date, Subtenant shall provide Sublandlord with certificates evidencing such insurance naming the Prime Landlord and Sublandlord as additional named insureds, which certificate shall require the insurance carrier to give Sublandlord thirty (30) days written notice of any cancellation or material amendment to such insurance

Sublandlord and Subtemant hereby waive any and all rights of recovery against each other for any loss or damage to the Premises or the contents contained therein on account of fire or other casualty or for injuries sustained on or about the Premises to the extent such loss or damage is or would be covered by the insurance required to be carried by each party hereunder, even if such coverage is not actually maintained. Such waiver shall also apply to the extent of any deductible maintained by either party under its insurance policies. It is understood that this waiver applies to any loss or damage regardless of the cause, including, without limitation, if caused by the negligence of Sublandlord, Subtenant or their respective employees, agents, assigns or sublessees.

•

7 Use: Compliance with Law

(a) The Premises shall be continuously occupied and used by Subtenant only for the operation of a supermarket and for no other purpose during the first five (5) years of the Term of this Sublease Thereafter, during the entire remainder of the Term, Subtenant shall not cease its continuous occupancy of the Premises or cease its operation of a supermarket on the Premises without the prior written consent of Sublandlord, which consent shall not be unreasonably withheld

(b) Subtenant shall obey, observe and promptly comply with all rules, regulations, ordinances and laws which shall be applicable, now or at any time during the Term, to the Premises and shall promptly comply with all orders, rules, rulings and directives of any governmental authority or agency having jurisdiction of the Premises Subtenant shall not store, use, discharge or dispose of any hazardous or toxic substances, pollutants, contaminants or any other substances regulated by any state or federal statute (collectively "Contaminants") on the Premises other than in the ordinary course of its business. Subtenant shall be solely responsible for the costs of removing or cleaning any Contaminants found on the Premises and caused by Subtenant

8. Assignment and Subletting Subtenant shall not assign its interest in the Sublease voluntarily or by operation of law and shall not sublet or license all or any portion of the Premises without the prior written consent of Sublandlord (and Prime Landlord if such consent is required by the Lease) Sublandlord's consent or approval shall not be unreasonably withheld. The transfer of fifty percent (50%) or more of the membership interest of Subtenant, whether in one or a series of transactions, shall be considered an assignment requiring Sublandlord's prior written consent. Any purported or attempted assignment or subletting, without Sublandlord's prior written consent, shall be null and void. Any permitted assignee or sublessee of Subtenant shall expressly assume Subtenant's liabilities and obligations under this Sublease. No assignment, subleasing or licensing shall release Subtenant from any of its obligations hereunder. Subtenant shall not mortgage or otherwise encumber its leasehold interest hereunder without the prior written consent of Sublandlord. This Sublease shall not be construed as an assignment of Sublandlord's interest in the Lease, and Subtenant shall not negotiate, modify or amend the Lease

9. Inspection: Alterations. Subtenant has inspected the Premises, and is satisfied that the same is acceptable to Subtenant for all of its purposes and uses, and accepts the same and any included trade fixtures and equipment in "AS IS" condition, without any warranties, representations or obligation on Sublandlord's part to make any repairs, replacements, alterations, additions, installations or improvements whatsoever. Subtenant shall not expand or make or install any additions, renovations, alterations, improvements, or changes in or to the Premises, or any part thereof, which cost more than Fifty Thousand Dollars (\$50,000) without Sublandlord's prior written consent, which consent shall not be unreasonably withheld Any permitted work shall be performed in a good and workmanlike manner at the sole expense of

-4-

۰.

Subtenant Subtenant shall not permit, create, incur or impose or cause or suffer others to permit, create, incur or impose any lien or other obligation against the Premises or any interest therein by reason of any work upon the Premises, and Subtenant shall indemnify and hold Sublandlord harmless of and from any and all claims or demands by any contractor, subcontractor, materialman, laborer or any other third person against the Premises, Subtenant's interest in the Premises or any interest therein relating to or arising because of any work thereon. As between Sublandlord and Subtenant, any improvements or additions upon the Premises at the expiration of this Sublease shall be deemed a part of the Premises.

10. <u>Termination</u>. Notwithstanding anything contained herein to the contrary, the existence of this Sublease is dependent and conditioned upon the existence of the Lease, and in the event of the cancellation or termination of the Lease for any reason, this Sublease, at Sublandlord's option, shall thereupon be terminated without the need for further action and without liability to Sublandlord; however, so long as Subtenant is not in default under the terms and conditions hereof, Sublandlord shall not fail to perform any of its obligations under the Lease which would materially disturb Subtenant's possession of the Premises or materially impair Subtenant's rights under this Sublease. If Subtenant is not in default under the terms and conditions hereof, any such termination shall be without hability between Sublandlord and Subtenant, except for such hability theretofore accruing or as otherwise provided herein, however, if Subtenant is in default, the provisions hereof including those of default shall control as to Subtenant's hability

11. <u>Sublandlord's Obligations</u>. Sublandlord shall have no duty to perform any obligations of Prime Landlord under the Lease and shall under no circumstances be responsible for or liable to Subtemant for any default, failure or delay on the part of Prime Landlord in the performance of any obligations under the Lease No such default of Prime Landlord shall affect this Sublease or waive or defer the performance of any of Subtemant's obligations hereunder, provided, however, that in the event of such default or failure, Sublandlord agrees, upon notice from Subtemant, and at Subtemant's expense, to make demand upon Prime Landlord to perform its obligations under the Lease

12 <u>Costs and Expenses</u>. Subtenant shall pay all costs and expenses, including reasonable attorneys' fees, that may be incurred by Sublandlord in enforcing the provisions of this Sublease or in enforcing Prime Landlord's obligations under the Lease if requested to do so by Subtenant In the event any amounts due from Subtenant hereunder are not paid when due, such amounts shall bear interest from and after the date thereof to the date of payment at an annual rate of eighteen percent (18%)

13. <u>Notices</u>. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party or any other person hereunder shall be in writing and shall be deemed to be properly served if (1) sent by certified mail with return receipt requested, (11) sent by receipted overnight delivery service, or (11) personally delivered to the address set forth below The effective date of any such notice shall be the date

4/29/99

-

۰.

which is stamped by the United States Post Office on the envelope enclosing same, the date of the receipt for the overnight delivery or the date on which personal delivery is made, whichever is applicable Any notice sent by Subtenant to Prime Landlord shall also be sent concurrently to Sublandlord Until changed by written notice from the appropriate party to the other, the addresses of the parties are as follows

Sublandlord	Fleming Companies, Inc 6301 Waterford Boulevard Oklahoma City, OK 73118 Attention: Lease Manager (405) 840-7200
Subtenant.	B & E 3, LLC 2000 Queen Avenue, S E Albany, Oregon 97321 Attention: Charles Blake Barton (541) 967-7633

14. Accord and Satisfaction. No payment by Subtenant or receipt by Sublandlord of a lesser amount than the full amount of any payments to be made by Subtenant hereunder shall be deemed to be other than on account of the earliest stipulated unpaid installment thereof, and no endorsement or statement on any check or letter accompanying any check or payment shall be deemed to be an accord and satisfaction, and Sublandlord may accept such check or payment without prejudice of Sublandlord's right to recover the full amount due hereunder or pursue any other remedy available to Sublandlord.

15. Entire Agreement: Consent. This Sublease constitutes the entire agreement and understanding of the parties with respect to the matters contained in this Sublease and supersedes all other agreements between and representations by the parties with respect to such matters Subtenant is not relying upon any representations, market analysis, projections, reports or warranties of Sublandlord except as stated herein, and Subtenant shall execute the Waiver of Liability attached as Exhibit B No changes, amendments or modifications of this Sublease shall be effective or enforceable unless made in writing and executed by the parties hereto. Whenever Sublandlord's consent is required by the terms of this Sublease, Prime Landlord's consent shall also be obtained if so required by the terms of the Lease. The consent by Sublandlord to any act by Subtenant requiring Sublandlord's consent shall not waive or render unnecessary Sublandlord's consent to any subsequent sumilar act by Subtenant

16. Multiple Originals. This Sublease is executed simultaneously in multiple originals, each of which shall be deemed an original, without the production of the other such originals

17. <u>Guaranty</u> Simultaneously with the execution of this Sublease by Subtenant, Subtenant shall cause CHARLES BLAKE BARTON and BOBBY JOE ELLIS to execute the Continuing Guaranty Agreement attached hereto as <u>Exhibit C</u>

18. <u>Authority</u>. The individual executing this Sublease on behalf of Subtenant represents and warrants to Sublandlord that Subtenant is a limited liability company in good standing under the laws of the state in which the Premises are located and has full right and authority to enter into the Sublease and perform its obligations hereunder

19. <u>Entry by Sublandlord</u>. Sublandlord and its representatives shall have the right, at all reasonable times, to enter upon the Premises for the purposes of examining and inspecting the same, provided, however, this section shall not be construed as imposing any obligation upon Sublandlord to inspect the Premises

20 <u>Non-Waiver</u>. Any assent, expressed or implied, by Sublandlord to any breach of any covenant or condition herein contained shall not be construed as an assent or waiver of any such covenant or condition generally or of any subsequent breach thereof

21. <u>Relationship of Parties</u>. Nothing contained herein shall be deemed or construed to create a joint venture or partnership relationship between Sublandlord and Subtenant

22. <u>Interpretation</u>. This Sublease shall be interpreted in a fair and impartial manner without regard to such factors as the party that drafted this Sublease or the relative bargaining power of the parties

IN WITNESS WHEREOF, Sublandlord and Subtenant have agreed to the foregoing Sublease in its entirety as of the day and year first set forth above, and have executed the same on the day and year first set forth above

"SUBLANDLORD"

FLEMING COMPANIES, INC., An Oklahoma Corporation

By ____

"SUBTENANT"

B & E 3, LLC, An Oregon Limited Liability Company

By Charles Blake Dan

Charles Blake Barton, Member

C \W\F109-106\sublcaseredlined.wpd

١

-7-

17. <u>Guaranty</u> Simultaneously with the execution of this Sublease by Subtenant, Subtenant shall cause CHARLES BLAKE BARTON and BOBBY JOE ELLIS to execute the Continuing Guaranty Agreement attached hereto as <u>Exhibit C</u>

18. <u>Authority</u>. The individual executing this Sublease on behalf of Subtenant represents and warrants to Sublandlord that Subtenant is a limited liability company in good standing under the laws of the state in which the Premises are located and has full right and authority to enter into the Sublease and perform its obligations hereunder

19. <u>Entry by Sublandlord</u>. Sublandlord and its representatives shall have the right, at all reasonable times, to enter upon the Premises for the purposes of examining and inspecting the same; provided, however, this section shall not be construed as imposing any obligation upon Sublandlord to inspect the Premises

20. <u>Non-Waiver</u>. Any assent, expressed or implied, by Sublandlord to any breach of any covenant or condition herein contained shall not be construed as an assent or waiver of any such covenant or condition generally or of any subsequent breach thereof.

21. <u>Relationship of Parties</u>. Nothing contained herein shall be deemed or construed to create a joint venture or partnership relationship between Sublandlord and Subtenant.

22. <u>Interpretation</u>. This Sublease shall be interpreted in a fair and impartial manner without regard to such factors as the party that drafted this Sublease or the relative bargaining power of the parties.

IN WITNESS WHEREOF, Sublandlord and Subtenant have agreed to the foregoing Sublease in its entirety as of the day and year first set forth above, and have executed the same on the day and year first set forth above.

"SUBLANDLORD":

"SUBTENANT".

FLEMING COMPANIES, INC., An Oklahoma Corporation

Title: Sn. Vice President

B & E 3, LLC, An Oregon Limited Liability Company

By'

Charles Blake Barton, Member

By:__

Bobby Joe Ellis, Member

C \W\F109-106\subleaseredined.wpd

-7-

SAALFELD GRIGGS

September 11, 2003

BY UNITED PARCEL SERVICE - OVERNIGHT Delivery UPS Tracking Number 1Z F71 970 22 1002 456 2

Bankruptcy Management Corporation 1330 East Franklin Avenue El Segundo, CA 90245

Re Proofs of Claim/Case No 03-10945 (MFW) In re Fleming Companies, Inc <u>Our File No 13246</u>

To Whom It May Concern

Enclosed please find multiple Proof of Claim forms regarding the above captioned matter This office represents B & E 3, LLC dba the Albany Shop'N Kart Pursuant to the notice sent to my client, please record and file the enclosed Proof of Claim forms Please note that my client received multiple Proof of Claim notices regarding the same claim I have filed separate Proof of Claim forms for each notice However, each of the enclosed is redundant and only one Claim is actually applicable. If you have further questions or concerns, please do not hesitate to contact me Thank you in advance for your assistance in this matter.



EMP kla Enclosures cc B & E 3, LLC

H \Docs\13000 13499\13246\Ltr BMA Proofs of Claim doc

Salem Bend www.sglaw.com Park Place Suite 300Post Office Box 470250 Church Street SESalem Oregon 97308

tel 503 399 1070 fax 503 371 2927