

SUBLEASE

THIS INDENTURE, Made this 12th day of ^{November}~~October~~, 1984, by and between TWIN PORTS GROCERY CO., a Delaware corporation, (herinafter referred to as "Sublessor") and MOUND SUPER VALU, INC., a Minnesota corporation, (hereinafter referred to as "Subtenant").

WITNESSETH:

The sublessor is the lessee under a lease hereinafter referred to as the "Prime Lease" from Mark Saliterman as lessor, dated ^{November}~~October~~ 12th, 1984 for a term commencing upon completion of a building addition and terminating ten (10) years later with two (2) five (5) year options to renew. The premises covered by the prime lease are part of Block 1, Shirley Hills Unit F, Mound, Minnesota as more particularly described in Exhibit One attached hereto.

The sublessee agrees to sublease from the sublessor the whole of the premises above described for the purpose of conducting a retail food business therein. It is intended by both parties that this sublease shall be construed on a basis consistent with the proper legal construction of all the provisions contained in the prime lease.

NOW THEREFORE, in consideration of the rents and covenants to be paid and performed by the subtenant, and for other good and valuable considerations, the sufficiency and receipt whereof is hereby acknowledged, the sublessor does hereby demise, lease and let unto the subtenant, and the subtenant does hereby hire, lease and take from the sublessor all of the above-described premises for the full term of the prime lease, and terminating one (1) day before the termination date of the lease and all renewals thereof. Subtenant, at its option, shall be entitled to a renewal of this sublease for two (2) additional terms of five (5) years each, the rental and all other terms and conditions to be the same as provided in the prime lease, except as herein modified. In the event subtenant elects to exercise its option for renewal, or either of them, it shall so notify sublessor in writing at least one hundred ninety (190) days before the expiration date of this sublease, or, with respect to subsequent renewal periods within one hundred ninety (190) days of the expiration date of the prior renewal period.

1. In consideration of the subleasing of the above-described premises by sublessor, subtenant covenants, stipulates and agrees that it has read and is familiar with all of the terms of the prime lease

above-referred to and agrees to perform all of the terms, covenants and conditions of the prime lease on the part of the lessee therein named to be performed, and that it will pay all rentals and other charges provided for in the prime lease to the sublessor herein, or to its order, at the times and in the manner specified in said prime lease.

2. Subtenant shall maintain the following insurance coverage during the term of this sublease and extensions thereof, if any, naming sublessor as an additional insured party, as its interests may appear, thereunder:
 - a. Fire and extended coverage covering all personal property within the demised premises, including inventory and fixtures in the amount of \$500,000.00;
 - b. Business interruption coverage in the amount of \$100,000.00;
 - c. Comprehensive general liability - single limit -including product liability and fire legal liability in the amount of \$300,000.00;
 - d. General liability "umbrella" coverage in the amount of \$1,000,000.00

A copy of the insurance policies or certificates of such insurance shall be promptly furnished to the sublessor.

3. Subtenant covenants and agrees that until this sublease is terminated, or the subtenant released from obligation hereunder by a formal instrument in writing, the subtenant will:
- a. Do, or cause to be done, all things necessary to preserve the corporate existence of Mound Super Valu, Inc., it being understood that it will either change its name or file an assumed name to do business as George's Big Dollar or some similar name, and to do all things necessary to preserve its rights and powers granted by law or otherwise and keep the same in full force and effect.
 - b. Operate its business in the leased premises as a Big Dollar store.
 - c. Maintain the fixtures, inventory and other property within the leased premises in good order and repair.
 - d. Associate as a patron of Twin Ports Grocery Company.
 - e. Purchase from Twin Ports Grocery Company all of its food and merchandise inventory as may be stocked by it, the price for said inventory to be the price available to all customers of Twin Ports

Grocery Company at the time of each such purchase. Nothing herein is intended to prevent the sublessee from purchasing from other wholesalers or vendors if Twin Ports Grocery Company does not carry the specific item, quality, size or brand being purchased.

4. Sublessee shall not for the full term of this lease do either of the following:
 - a. Change the general nature of the business conducted within the leased premises as a retail food store or engage in any type of business within the leased premises not reasonably related to the business of a retail food store.
 - b. Voluntarily remove the food store business from the demised premises nor hereafter become interested directly or indirectly in a retail food business at any other location in the City of Mound, Minnesota either as a principal stockholder in another corporation or otherwise, without the prior written consent of sublessor. In addition to other remedies afforded to it by law sublessor may enjoin violations or a threatened violation of this provision by appropriate court action.

5. Subtenant will provide the sublessor regularly and

promptly copies of its monthly profit and loss statements.

6. In the event of a default by the subtenant under this lease, sublessor may at its option cancel and terminate this sublease by written notice to subtenant. To prevent cancellation of this lease, subtenant shall have ten (10) days after receipt of said notice to cure any default requiring the payment of money and shall have a reasonable time to cure any other default on condition that it immediately commence and diligently continue appropriate action to cure such default.

7. It is the intention of both parties that the subtenant shall be bound by the requirement that it purchase food and merchandise as set forth in paragraph 3e. above, but in the event that the subtenant assigns its interest, its assignee may free itself from all of the requirements of this sublease including the duty to purchase food and merchandise and may obtain an assignment rather than a sublease of the prime lease upon fulfilling one of the following two requirements:

1. Obtaining from the lessor a release of all liability of the sublessor under the prime lease,

2. Obtaining a guarantee from another wholesaler agreeing to indemnify sublessor from any and all liability it may incur under the prime lease. If the sublessor in good faith objects to the financial strength of the new wholesaler within fifteen (15) days after being presented with a proposed guarantee, this provision shall take effect only after such guarantee is accompanied by a performance bond from an insurance company licensed to do business in the State of Minnesota or by a letter of credit from a bank.

8. If the subtenant receives a bona fide written offer to purchase its business operated at said premises which offer it desires to accept, it shall first give thirty (30) days written notice to sublessor offering to sell to sublessor on the same price, terms and conditions as set forth in said offer. If sublessor does not accept such offer within said thirty (30) days, subtenant shall be free to accept the original offer. The sublessor shall have this right of first refusal whether the sale is a sale of assets by the subtenant corporation or a transfer of a controlling interest in the shares of common stock of the subtenant corporation. Nothing herein however shall prevent the

majority shareholder in the subtenant corporation from transferring all or part of his shares to his wife or children.

9. One or more waivers by sublessor of any covenant or condition contained in this sublease or of any breach or default by subtenant shall not be construed as a waiver of a subsequent breach or default of the same or of any other covenant or condition, and the consent or approval by sublessor to or of any act of tenant which requires sublessor's consent or approval shall not be deemed to waive or render unnecessary sublessor's consent or approval to or of any subsequent or similar act by subtenant. The subsequent acceptance by sublessor of rent or of any other payment shall not constitute a waiver of any concurrent or preceding breach or default by subtenant of any term, covenant or condition of this sublease, other than the failure of subtenant to pay the particular rental or payment so accepted, regardless of sublessor's knowledge of such preceding or concurrent breach or default at the time of acceptance of such rent or payment. No waiver shall be effective unless it is in writing and signed by the sublessor.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by and in their corporate names this 12th day of ~~October~~^{November}, 1984. ~~XXXXXXXX~~

TWIN PORTS GROCERY CO.

By *Paul Skouros*
Its President

By *[Signature]*
Its Secretary

MOUND SUPER VALU, INC.

By *George T. Stevens*
Its President

By *Beverly Stevens*
Its Secretary

11/15/85

AMENDMENT OF SUBLEASE

Agreement made October _____, 1985, by and between TWIN PORTS GROCERY CO., a Delaware corporation, hereinafter referred to as "TPG" and MOUND FOODS, INCORPORATED, a Minnesota corporation, hereinafter referred to as "Mound Foods".

W I T N E S S E T H:

TPG is the Lessee under a Prime Lease from Mark Saliterman as Lessor, dated November 12, 1984, for a term commencing upon completion of a building addition and terminating ten (10) years later, with two (2) five (5) year renewal options. The premises covered by the Prime Lease are part of Block One (1), Shirley Hills, Unit F, Mound, Minnesota. By Sublease dated November 12, 1984, TPG leased the premises to Mound Super Valu, Inc., a Minnesota corporation (now Stevens' Market, Inc.), for a term co-terminous with the Prime Lease, but terminating one day sooner. By Assumption and Assignment Agreement of even date, Stevens' Market, Inc. has assigned the Sublease to Mound Foods. To assist Mound Foods in the purchase of the business from Stevens' Market, Inc., TPG has agreed to loan to Mound Foods the sum of One Hundred Fifty-five Thousand Dollars (\$155,000) pursuant to a promissory note of even date (the "Note"), and has agreed to guarantee a portion of an SBA guaranteed loan assumed by Mound Foods as a part of the purchase price of the business from Stevens' (the "Guarantee"). The terms and conditions of the Note and the Guarantee are more fully set out in a Loan Agreement of even date between the parties hereto (the "Loan Agreement").

In the event of default by Mound Foods pursuant to the Note or in the event TPG is required to make any payment on the Guarantee which is not promptly repaid by Mound Foods, TPG desires to have the right to prompt possession of the premises in order to keep the business open, to preserve its value, and to enforce its rights in any collateral as a secured party. Mound Foods is willing to grant prompt possession of the premises in that event, provided the Sublease is thereby terminated and all future obligations of Mound expire.

IT IS THEREFORE AGREED AS FOLLOWS:

1. In the event TPG has given Mound Foods notice of default pursuant to the Loan Agreement, if within ten (10) days after receipt of such notice by Mound Foods, TPG has not been reimbursed for any expense or amount it has been required to pay pursuant to the Guarantee or a foreclosure of the SBA Loan has not been terminated and the Loan reinstated, or if Mound has not remedied or corrected every default under the Note or any covenants pursuant to the Loan Agreement, TPG without further notice or demand, may take possession of the premises, and all rights and obligations of the parties pursuant to the Sublease shall terminate, except for obligations accruing prior to the date of termination.

2. The parties have entered into an Option Agreement of even date pursuant to which TPG has the right to purchase the operating assets of Mound Foods in the event of a default under the Loan Agreement. In the event of termination pursuant to this Agreement any lease obligations due TPG by Mound Foods pursuant to the Sublease, shall be included as a part of the purchase price.

3. Benefit. This Agreement shall inure to the benefit of and be enforceable by the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

TWIN PORTS GROCERY, CO.

By Paul Jovitas
Its President

MOUND FOODS, INCORPORATED

By Frank Moore
Its President