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# SHOPPING CENTER LEASE

LANDLORD: MARK SALITERMAN

Address: 14001 Ridgedale Drive

Minnetonka, Minnesota 55343

TENANT: TWIN PORTS GROCERY CO., a Delaware Corporation.

Address: 1230 Poplar Avenue

Superior, Wisconsin 54880

DATE: November 2 , 1984

In consideration of the mutual covenants and agreements contained in this Lease, Landlord and Tenant agree as follows:

# DEFINITIONS

- 1.01 "Addition" means an addition to the Building of approximately 4,400 square feet to be constructed by Landlord, as more fully described in paragraph 6.01.
- 1.02 "Building" means the building in which the Premises are located, and after its completion shall include the Addition.
- 1.03 "Building Site" means the real property described on Exhibit A.
- 1.04 "Common Area" means the common and parking areas of the Shopping Center, as such areas may be configured from time to time.
- 1.05 "Common Area Maintenance Expense" means the expenses incurred by Landlord in the operation and maintenance of the Common Area as defined in Section 15.03(B) hereinbelow.
- 1.06 "Lease Year" means the period during the lease term commencing on January 1 in each year and ending at midnight on the 31st of December of that year, except that the first lease year shall commence at the start of the lease term and shall end at midnight on the 31st of December of that year, and except that the lease year shall end at the lease term.
- 1.07 "Premises" means the commercial space, consisting of approximately 13,470 square feet measured in accordance with BOMA standards, located substantially as shown on Exhibit B. The

Premises shall not include the exterior walls, the roof, the area above or below the Premises, the Common Area or the land upon which the Premises are located. After completion, Premises shall include the Addition.

- 1.08 "Rear Loading Area" means the paved area consisting of approximately square feet at the rear of the "Premises", located substantially as shown on Exhibit B.
- 1.09 "Shopping Center" means the Shopping Center, commonly known as the SHORELINE PLAZA located upon the Building Site.
- 1.11 "Tenant's Sharing Percentage" means the percentage which the square footage in the Premises constitutes of the total leasable square footage in the Building (whether leased or not).
- 1.12 "Tenant's Work" means the work to be performed by Tenant as more fully described in paragraph 11.01.

# LEASE OF PREMISES

- 2.01 <u>Lease</u>. Landlord leases the Premises and the Rear Loading Area to Tenant and Tenant leases the Premises and the Rear Loading Area from Landlord, for the term, at the rental, and upon the covenants and conditions contained in this Lease.
- 2.02 Right of First Refusal. If Landlord receives a bona fide offer to purchase any parcel of land lying east of the Premises, he shall first give fifteen (15) days written notice to Tenant offering to sell to Tenant for the same price, terms and conditions as set forth in said offer. If the Tenant does not acccept said offer within fifteen (15) days, Landlord shall be free to accept the original offer. If said offer is accepted, the Assignee may take said property free of any right of first refusal. Prior to expanding the Building beyond the Addition, or leasing that portion of his real property contiguous to the Addition, or upon the fifth anniversary of any such lease, Landlord shall notify Tenant of the terms and conditions on which he proposes to lease to any third party. Upon receipt of such notice, Tenant shall have fifteen (15) days in which to lease from Landlord that portion of the Building Site contiguous to the Addition which Tenant may reasonably require for the operation of its busi-ness, for a term coterminous with this Lease and on all the same terms and conditions hereunder, except for rent, which shall be set at an amount to provide Landlord substantially the same return he would have received from the bona fide third party offer.

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Tenant fails or refuses to exercise this right of first refusal, Landlord may thereafter lease the property substantially in accordance with the terms of the third party offer disclosed to Tenant, but if Landlord does not do so, this right of refusal shall remain in full force and effect.

#### 3 TERM

- 3.01 <u>Duration</u>. The Lease term shall be for a period of ten (10) years, plus the partial month, if any, immediately following the commencement of the Lease term.
- 3.02 Commencement. The Lease term shall commence on the date on which Tenant opens for business in the Premises. Within thirty (30) days following the commencement date, Tenant shall execute and deliver to Landlord a certificate setting forth the commencement date and the termination date of this Lease.
- 3.03 Expiration. The Lease term shall expire at midnight on the last day of the end of the month ten (10) years after the date of commencement, unless the lease is terminated earlier or extended as herein provided.
- 3.04 Option to Renew. Provided Tenant is not in default hereunder, Tenant shall have the option to extend the term of this Lease for two (2) successive renewal terms of five (5) years each upon the same rent, price, terms, covenants and conditions as are upon the same rent, price, terms, covenants and conditions as are herein set forth. Tenant shall exercise its right to renew by giving Landlord written notice thereof at least one hundred eighty (180) days prior to the expiration of the initial term as to the first option, and at least one hundred eighty (180) days prior to the expiration of the first renewal term as to the second renewal term.

#### 4 REN<u>T</u>

4.01 Minimum Rent. Tenant shall pay Landlord a fixed annual rent at the rate of Sixty-one Thousand Three Hundred Fifteen Dollars (\$61,315) per year. To the extent the Landlord receives a loan at five percent (5%) interest, the minimum annual rent shall be reduced by Eighty Five Dollars (\$85) for each One Thousand Dollars (\$1,000) of said Loan. Minimum Rent shall be paid in equal monthly installments in advance on the first day of each month of the lease term, without any deduction or offset. If the month of the lease term, without any deduction or offset a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the first day of a calentease term commences on a day other than the fir

4.02 Percentage Rent. In addition to the Minimum Rent, Tenant shall pay annually as Percentage Rent an amount, if any, by which one percent (1%) of its gross sales from the Premises for the preceding twelve (12) months exceeds the sum of Sixty-one Thousand Three Hundred Fifteen Dollars (\$61,315). Such determination shall be made on a twelve-month basis commencing on the first day of the month immediately following the commencement of the Lease term, and shall be made, and the amount so determined shall be paid by Tenant to Landlord on or before the first day of the second month immediately following each such twelve-month period. Tenant shall supply to Landlord annual sales reports of its operations on the Premises during all lease periods subject to this percentage rental provision, upon their availability to Tenant, and shall also supply Landlord with a copy of its unaudited financial statement of its business conducted on the Premises as prepared by a certified public accountant selected by Tenant, together with such reports or returns as may be required by the appropriate Minnesota tax department which reports the gross sales as reflected in such financial statement and the taxes paid on such sales.

The term "gross sales" as used herein, shall (subject to the exceptions and authorized deductions hereinafter set forth) mean the gross sales price of all food, beverages, goods, wares and merchandise of any nature or kind whatsoever sold at retail in, on, from or upon the Premises by Tenant or any licensee, assignee or subtenant of Tenant for cash or credit, with credit sales being included in gross sales in the month in which such credit sales Commissions or location rentals received from vending are made. machines shall be included in "gross sales" hereunder. The term "gross sales" shall not include (i) the amount of any city, county, state or federal sales, use or excise taxes which are collected from customers and paid to the taxing authorities; (ii) the proceeds from the sale of any of Tenant's trade fixtures or equipment used on the Premises; (iii) the bulk sale of all or substantially all of Tenant's inventory, not at retail; (iv) the face value of any coupons accepted by Tenant for merchandise for which Tenant is not reimbursed; (v) wholesale sales; (vi) refunds and voids; and (vii) the amount of Tenant's bad check and credit losses from operations in the Premises.

Each annual payment of Percentage Rent shall be reduced by an amount equal to the difference between the real estate taxes payable on the Building Site during the year such Percentage Rent payment is due and the real estate taxes payable on the Building Site during the first year in which the value of the Addition is site during the first year in which the value of the Addition is reflected in the real estate taxes. The Percentage Rent together with the Minimum Rent payable hereunder during any twelve month period shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed the sum of Ninety-Eight Thouperiod Shall not in any event exceed t

seventh lease year or in the year in which the total of the Minimum Rent and the Percentage Rent exceed Ninety-Eight Thousand Two Hundred Eighty Five Dollars (\$98,285), whichever shall first occur (and which year is hereinafter referred to as the "Base Year"). (Thereafter, the maximum permitted rent shall be Ninety-Eight Thousand Two Hundred Eighty Five Dollars (\$98,285) multiplied by a sand Two Hundred Eighty Five Dollars (\$98,285) multiplied by a fraction, the numerator of which is the United States Department fraction, the numerator of which is the United States Department of Labor, Bureau of Labor Statistics, Revised Consumer Price Index of Labor, Bureau of Labor Statistics, Revised Consumer Price Index (the "Index") effective in January of that year, and the denominator of which is the Index published for January of the Base Year.

### 5 ADDITIONAL RENT

- 5.01 Additional Rent. In addition to Minimum Rent, all other payments to be made by Tenant under this Lease shall be deemed additional rent and shall be due and payable on demand if no other time for payment is specified. Landlord shall have the same remedies for failure to pay additional rent as for a non-payment of other rent.
- 5.02 Payments by Landlord. Landlord may pay any sum or do any act which Tenant has failed to do, and Tenant agrees to pay Landlord, upon demand, all sums so expended by Landlord, together with interest at the rate of eighteen percent (18%) per annum from the date of expenditure until paid. Such sum and interest shall also be deemed additional rent.
- 5.03 Prorated Charges. Tenant agrees to pay as additional rent Tenant's Sharing Percentage of insurance expenses (paragraph 8.02), real property taxes and assessments (paragraph 9.01). Tenant agrees to make such payments to Landlord within fifteen (15) days after Landlord makes a written request for such payments.

# CONSTRUCTION OF ADDITION AND IMPROVEMENTS

6.01 Construction of Addition. Landlord shall cause the construction of a 4,400 square foot addition to the Premises (the "Addition") and extensive remodeling of the Premises in accordance with Plans and Specifications prepared and furnished by Tenant, a with Plans and Specifications prepared and furnished by Tenant, a copy of which has been initialed by Landlord and Tenant, signically in the respective approvals and acceptance, and which are made from the respective approvals and acceptance, and which are made a part hereof by reference. Landlord shall cause the immediate commencement of construction of the Addition, shall diligently continue such construction and shall cause the completion of such construction in strict accordance with such Plans and Specifications within four months following the execution of this Lease;

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provided however, that if commencement or completion of such construction is delayed by strike, casualty, unavailability or supplies, fixtures or equipment, act of God or other similar circumstances beyond Landlord's control or the control of its contractor, the period for completion of such construction shall be extended for a period equal to such delay. It is understood that the rental rates as hereinabove provided are based, in large part, on the construction costs of the Addition, and such other improvements as may be defined in the attached Plans and Specifications. All construction contracts shall be subject to the Tenant's appro-Tenant shall not make any changes in the val and direction. attached Plans and Specifications which would affect the scope, size, appearance or location of such facility or improvements during the course of such construction, without first obtaining the written consent of Landlord. The failure of Landlord to complete said construction within four months shall not result in cancellation of this Lease but Landlord shall be liable for any damages, losses, or cost to Tenant for any delay not allowed by th<del>is paragraph</del>.

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- 6.02 Repair of Roof. Landlord shall immediately commence repair or replacement of the existing roof over the Premises to a condition reasonably designed to service the Premises during the entire term of this Lease. During the term of this Lease and any renewals, Landlord will diligently proceed at his expense with all reasonable steps to repair and prevent recurrence of any leaks which may appear. The repair or replacement shall be completed which may appear taking occupancy of the Premises. The entire cost of the repair or replacement shall be borne by the Landlord and no expense therefor shall be reflected in the cost of the Addition.
- 6.03 Striping of Parking Lot Within four (4) months weather permitting, following the execution of this Lease, Landlord shall also stripe the entire parking lot, which work shall constitute a Common Area Maintenance Expense for which Tenant shall be responsible only for its Tenant's Sharing Percentage.

### 7 USE

- 7.01 Insurance Requirements; Governmental Regulations. Tenant shall not do or permit anything to be done in or about the Premises, or bring or keep anything on the Premises, which will in any way increase the rate of fire insurance on the Building. At Tenant's expense, Tenant agrees to comply with all fire and public liability insurance requirements relating to the Premises. Tenant agrees to comply promptly with all governmental laws, ordinances, orders and regulations affecting the Premises.
- 7.02 Restrictions on Use. No auction, fire or bankruptcy sales may be conducted in the Premises without Landlord's prior written consent. Tenant shall not use or permit the use of any portion of the Premises for sleeping apartments or lodging rooms.

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Tenant shall not perform any acts or carry on any practices which may injure the Building or be a nuisance or menace to other Tenants in the Building or Shopping Center. Tenant agrees to keep the Premises, the Rear Loading Area, the walkways adjacent to the premises, and any loading platform and service areas allocated for the use of Tenant (whether or not such use is exclusive), clean and free from rubbish and dirt at all times. Tenant agrees to store all trash and garbage within the Premises or in a dumpster or dumpsters located in the Rear Loading Area and to arrange for the regular pick-up of such trash and garbage at Tenant's expense. Tenant shall not burn any trash or garbage of any kind in or about the Premises or Shopping Center except in an incinerator and under practices approved by all applicable governmental authorities.

- 7.03 Truckload Sales. Tenant shall be entitled to conduct so called "truckload sales" of retail grocery merchandise in the parking lot.
- 7.04 Use as Grocery Store. In the event Tenant ceases to operate a grocery store in the Premises for ninety (90) consecutive days, Landlord shall have the option to cancel this Lease by written notice to Tenant, but cancellation of this Lease shall be Landlord's sole remedy in such event.

### 8 INSURANCE

- 8.01 <u>Tenant's Insurance</u>. Tenant agrees, at Tenant's expense, to maintain the following insurance policies during the entire Lease term and during any period during which Tenant is in possession of the Premises as permitted by paragraph 11.01:
  - A. A policy of comprehensive liability and property damage insurance providing coverage against liability for injury or death to persons and for property damage occurring in or about the Premises. The bodily injury insurance shall have a policy limit of not less than One Million Dollars (\$1,000,000) per occurrence, and the property damage liability insurance shall have a policy limit of not less than One Million Dollars (\$1,000,000) per occurrence.
  - B. A policy of plate glass insurance covering all plate and other glass in the Premises.
  - C. A policy providing fire and extended coverage, vandalism, malicious mischief, sprinkler leakage and special extended coverage insurance in an amount adequate to cover the full cost of replacement of Tenant's Work and all

personal property, inventory, decorations, trade fixtures, furnishings, equipment and other contents in the Premises.

All such insurance policies shall name Landlord as an additional insured as his interest may appear and shall be written by one or more responsible insurance companies licensed to do busi-Such policies shall also include an endorsement requiring the company writing such policy to give Landlord at least twenty (20) days notice in writing in advance of any cancellation or lapse of such policy or the effective date of any reduc-All public tion in the amount of coverage under such policy. liability, property damage, and other casualty insurance policies obtained by Tenant pursuant to this paragraph shall be written as primary insurance, and not contributing with separate coverage which Landlord may carry. The insurance required by this paragraph may be covered by general policies concerning all of the At least fifteen (15) days before the date Tenant is first required to provide the insurance described above, Tenant agrees to furnish Landlord with certificates of insurance showing that insurance meeting the requirements of this paragraph has been obtained and fully paid for by Tenant. Similar certificates of insurance as to renewal policies shall be provided to Landlord at least fifteen (15) days prior to the expiration of any If Tenant fails to comply with this paragraph, such a failure shall constitute an Event of Default.

- 8.02 Landlord's Insurance. Landlord agrees to carry fire and extended coverage insurance on the Building in the amount of the full replacement cost. The cost of such insurance shall be shared pro rata by the Tenants in the Building, and Tenant agrees to pay its share provided in Paragraph 5.03. Notwithstanding the foregoing, Tenant at its option and at its own expense, may obtain such insurance on the Building, in which case Tenant shall provide such certificates and obtain such endorsements as are required for all other insurance as provided in paragraph 8.01.
- 8.03 Waiver of Subrogation. With respect to all insurance coverages obtained by either Landlord or Tenant pursuant to this Lease, or which either party may obtain with respect to the Premises, the Building or the Shopping Center independent of its obligations under this Lease, each party shall, to the extent such insurance endorsement is available, obtain for the benefit of the other party a waiver of any right of subrogation which the insurer of such party may acquire against the other party by virtue of the payment of any loss covered by such insurance.

#### 9 T<u>AXES</u>

9.01 Real Property Taxes and Assessments. Tenant agrees to pay Landlord, as additional rent Tenant's pro rata share of all

real property taxes and installments of assessments levied and assessed for each lease year upon the Building Site, including all buildings and improvements located on the Building Site. Tenant's pro rata share of such real property taxes and assessments shall be paid in the manner described in paragraph 5.03 fifteen (15) days before the due date. Landlord shall arrange for installment payment of any assessments levied against the Building Site, and thereafter Tenant shall be obligated to pay only those installments coming due during the term of this Lease or any renewal term.

- 9.02 Additional Taxes. In addition to all other amounts which Tenant is required to pay under this Lease, Tenant shall pay before delinquency:
  - A. Any and all taxes, assessments, license fees, and public charges levied, assessed, or imposed during the Lease term upon all leasehold improvements in the Premises, whether installed by Landlord or Tenant;
  - B. All taxes and assessments levied against fixtures, equipment and personal property installed or located in the Premises; and
  - C. Any and all taxes, assessments or other charges of any kind imposed by any federal, state, county, municipal or other governmental body or agency and payable by Landlord or Tenant (excluding gross income taxes), whether or not now customary or within the contemplation of the parties, with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises.
- 9.03 Sales Tax. Tenant agrees to pay to Landlord a sum equal to the amount which Landlord is required to pay or collect by reason of any privilege tax, sales tax, gross proceeds, tax, rent tax, or like tax levied, assessed or imposed by any federal, state, county or municipal governmental authority, or any subdivision thereof, upon any rent or other charges required to be paid under this Lease. Such sum shall be paid simultaneously with the rental payment of other charge upon which such sum is based.
- 9.04 Action to Reduce or Abate Taxes. Tenant may take any action, including litigation, either in its own name or in the name of Landlord, to reduce or abate any taxes.

#### 10 UTILITIES

10.01 <u>Utilities</u>. Tenant agrees to pay, when billed, for all gas, water, electricity, telephone, heat, air conditioning and other utilities or services used or consumed on the Premises.

#### 11 TENANT'S WORK

11.01 Tenant's Work; Prior Occupancy. Without the payment of rent and without the Lease term commencing, Tenant may occupy the Premises for a period of sixty (60) days after substantial completion of the Addition or until Tenant opens for business in the Premises, whichever first occurs. Tenant's Work shall consist of interior decorating of the Premises and the installation in the Premises of leasehold improvements and fixtures for a retail grocery store. Tenant shall provide Landlord with evidence of liability insurance to adequately protect Landlord from and against any and all claims or liability whatsoever resulting from such occupancy by Tenant.

#### 12 REPAIRS AND MAINTENANCE

- Landlord agrees Repairs and Maintenance by Landlord. to repair the foundations, the structural columns contained in walls shared by Tenant and other tenants in the Building, exterior walls (other than store fronts and exterior entrances), any common walls with other tenants, the roof of the Premises, and, to the extent not located on the Premises or premises leased to other tenants, the plumbing and sewage systems; however, Landlord shall not have any duty to make any of the foregoing repairs until a reasonable time after Landlord has received written notice from Tenant that such repairs need to be made. Landlord also agrees to maintain any portion of the Building used in common with other tenants in the Building and to maintain any portion of the Buiding Site which is not Common Area. If Landlord refuses or neglects to commmence repairs within ten (10) days after receipt of written demand from Tenant, or adequately to complete such repairs within a reasonable time after such demand, Tenant may make such repairs and set off the cost thereof, together with the interest at the rate of eighteen percent (18%) per annum, against the amounts next coming due hereunder as rent.
- All items of ordinary maintenance and repair, except roof repair, are the sole responsibility and expense of Tenant. Not-withstanding the foregoing, Tenant agrees, at Tenant's expense, immediately to make all necessary repairs to the Premises or the Building caused by the acts or omissions of Tenant, its agents, customers, employees or licensees.
- 12.02 Repairs and Maintenance by Tenant. Tenant agrees, at Tenant's expense, to keep the Premises in a clean, safe and sanitary condition. Tenant agrees to immediately replace broken glass in exterior and interior windows and doors with glass of the same

quality, and, on Landlord's request, to remove any encroachments maintained or authorized by Tenant on any public place without Landlord's prior written consent. Tenant shall not overload any floor or facility, throw any foreign substances in plumbing fixtures or use the plumbing fixtures for any purpose other than that Tenant also agrees to keep the Premises for which constructed. (including exterior entrances, store fronts and the interior of exterior walls), all partitions, doors, fixtures and equipment (including lighting, heating and plumbing fixtures and any air conditioning system), and all items of Tenant's Work in good order, condition and repair and in accordance with all applicable laws, rules and regulations. If Tenant refuses or neglects to commence repairs within ten (10) days after receipt of written demand from Landlord, or adequately to complete such repairs within a reasonable time after such demand, Landlord, in addition to any other rights and remedies contained in this Lease, may enter the Premises and make the repairs, at Tenant's expense and without liability to Tenant for any loss or damage which may accrue to Tenant's stock or business by reason of such entry and repair Landlord may enter into repair or maintenance contracts covering the heating, air conditioning and ventilation systems located on the Premises and other parts of the Building, and Tenant agrees to pay for the service or repairs rendered under such contracts to the extent that such charges are attributable to items which Tenant is obligated to maintain and repair under this paragraph 12. Landlord may enter the Premises to make repairs pursuant to this paragraph 12.02 only when imperative to protect the Premises and only at night so as to cause minimal inconvenience to Tenant's business.

12.03 Improvements Required by Governmental Authorities. during the term of this Lease or any renewal term any governmental authority shall require any repair, alteration or improvement of the Premises, including without limitation, installation of sprinkler system, fire doors, or emergency lighting, Landlord shall promptly make such repair, alteration or improvement at his own expense and the cost thereof shall not be reflected in the rent, directly or indirectly. If Landlord refuses or neglects to commence any such repair, alteration or improvement within ten (10) days after receipt of written demand from Tenant, or adequately to complete such work within a reasonable time after such demand, Tenant may make such repair, alteration or improvement and set off the cost thereof, together with interest at the rate of eighteen percent (18%) per annum against the amounts next coming due hereunder as rent. However any required improvement which applies to grocery stores in particular and not to shopping centers in general shall be done at the expense of Tenant.

# 13 ALTERATIONS AND IMPROVEMENTS

13.01 Alterations and Improvements. After Tenant's Work has been completed, Tenant may not make any alterations, improvements, additions, or utility installations to the Premises, the exterior

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of the Premises, the exterior walls, the roof, the store front, or any structural, mechanical or electrical component without Landlord's prior written consent, which consent shall not be unreasonably withheld. As a condition to giving such consent, Landlord may require that:

- A. Tenant agree to remove any such alteration, improvements, additions, or utility installations at the expiration of the Lease term and to restore the Premises to their prior condition;
- B. Tenant provide Landlord with such assurance as Landlord may reasonably require to insure Landlord against any liability for mechanics' and materialmen's liens and to insure completion of the work.
- 13.02 Trade Fixtures. Tenant may bring trade fixtures into the Premises and install walk-in coolers in the Rear Loading Area attached to the Building without the consent of Landlord. Tenant agrees to remove the trade fixtures upon expiration or termination of this Lease. Tenant agrees to repair any damage to the Premises caused by such removal. All other improvements, including Tenant's Work, which may be made or installed by either Landlord or Tenant shall remain upon the Premises and shall become the property of Landlord upon termination of this Lease for any reason, unless Landlord requests removal of a particular item by Tenant, in which case Tenant shall remove the item and restore the Premises to the condition prior to installation of the particular item.
- 13.03 Liens. Tenant agrees to keep the Premises, the Building and the Building Site free from any liens arising out of any work performed on the Premises or materials furnished to the Premises. Landlord may, at any time and in accordance with applicable law, post notices of non-responsibility on the Premises and record verified copies of those notices in connection with all work of any kind upon the Premises.

#### 14 ADVERTISING

14.01 Advertising. Tenant agrees not to make any changes to the store front or to install any exterior lighting, decorations, signs or paintings without first securing Landlord's written permission. All signs and advertising media shall conform to the design, motif and decor of the Shopping Center and Building and shall be in good taste, as determined in Landlord's sole discretion.

# 15 PARKING AND COMMON AREAS AND FACILITIES

- 15.01 Control of Common Areas by Landlord. All Common Areas, except Tenant's Parking Area and the Rear Loading Area, but including without limitation all other parking areas, driveways, entrances and exits thereto, the structural and exterior portions and walls of all buildings in the Shopping Center, including without limitation roofs and foundations, the truck way or ways, loading docks, pedestrian sidewalks and ramps, landscaped areas, and all other areas and improvements provided by Landlord for the general use, in common, of tenants, their officers, agents, employees and customers, shall at all times be subject to the exclusive control and management of Landlord. Landlord shall have the right to construct, maintain and operate lighting facilities on all said Common Areas; to police the same; from time to time to change the area, level, location and arrangement of other parking areas and other facilities hereinabove referred to; to restrict parking by tenants, their officers, agents and employees to employee parking areas; to discourage non-customer parking; and to do and perform such other acts in and to said Common Areas as the Landlord shall determine to be advisable with a view to the improvement of the convenience and use thereof by tenants, their officers, agents, employees and customers. Landlord will operate and maintain the Common Areas referred to above in such manner as Landlord, in its sole discretion, shall determine.
- 15.02 Tenant's Parking. Landlord will not erect or permit to be erected on the Tenant's Parking Area any structure or other obstruction. In the event any building is constructed east of the Premises and north of the easterly extension of the north line of the Premises, Landlord shall, at Tenant's request, erect a fence along the entire east line of the Building Site to control parking. If Landlord or any entity to which he is a party erects a building east of the Premises, Landlord shall not seek any variance or waiver of any zoning law or other governmental regulation relating to required or permitted parking for said building or its occupants without the prior written consent of Tenant.

# 15.03 Tenant to Pay Pro Rata Share of Common Area Maintenance Expense.

A. In each lease year Tenant will pay to Landlord, in the manner and at the intervals provided hereinbelow and in addition to the rentals specified in paragraph 4 and elsewhere in this Lease, as further additional rent, subject to the limitation hereinafter set forth, Tenants Sharing Percentage of the Common Area Maintenance Expense, as hereinafter defined.

- The term "Common Area Maintenance Expense" means the total cost and expense incurred in operating and maintaining the Common Areas actually used or available for use by Tenant and the employees, agents, servants, customers and other invitees of Tenant, excluding only items of expense commonly known and designated as carrying charges, but specifically including, without limitation, gardening, repairing, repaving, painting, restriping, cleaning, sweeping, planting, water retention systems, and landscaping, the cost of public liability and property damage insurance, repairs, preventive maintenance, line painting, lighting, sanitary control, removal of trash, rubbish, garbage and other refuse, depreciation on or rental of machinery and equipment used in such maintenance, cost of all utilities and services consumed or performed on the Common Areas, required fees or charges levied pursuant to any governmental authority, and the cost of personnel to implement such services, to direct parking, and to police the Common Areas. Tenant may solicit bids for any services and may direct Landlord to accept the lowest responsible bid.
- C. The additional rent provided to be paid in this Section 15.03 shall be computed on a monthly basis and shall be paid by Tenant each month promptly upon receipt of a bill thereof from Landlord without any deduction, reduction diminution, or setoff whatsoever.
- D. Changes in any particular floor area occuring during any monthly period shall be effective on the first day of the next succeeding month, and the amount of any floor area in effect for the whole of any monthly period shall be the average of the total amounts in effect on the first day of each calendar month.

# 16 ASSIGNMENT AND SUBLETTING

- 16.01 Assignment and Subletting. Tenant may assign its interest in this Lease or sublet the Premises at any time without the consent of Landlord. If this Lease is assigned or sublet to some party which does not intend to use the Premises for a grocery store, the Landlord may, within thirty (30) days after written notice of such intended use, or if no notice is given, within thirty (30) days after knowledge of such non-grocery use, have the option to cancel this Lease by written notice to Tenant. An assignment shall not release Tenant from his liability under this Lease. This Lease shall not be assigned or sublet where the intended use is that of storage only.
- 16.02 <u>Concessionaires</u>. Tenant agrees not to permit any business to be operated in the Common Area or the parking lot by any licensee or other concessionaire without the prior written consent of Landlord.

16.03 Assignment by Operation of Law; Bankruptcy. In no event shall this Lease or any interest in this Lease be assigned or assignable by operation of law or by voluntary or involuntary bankruptcy proceedings without the prior written consent of Landlord. In no event shall this Lease or any rights or privileges under this Lease be an asset of Tenant under any bankruptcy, insolvency or reorganization proceedings.

### 17 EMINENT DOMAIN

- 17.01 Entire or Substantial Taking. If title to all or a substantial portion of the Premises or Tenant's Parking Area is taken or any public or quasi-public use under any statute or by right of eminent domain, or by private purchase in lieu of condemnation, so that a reasonable amount of reconstruction of the Premises will not result in the Premises being a practical improvement reasonably suited to Tenant's continued occupancy for the uses and purposes for which the Premises are leased, this Lease shall terminate as of the date that possession of said Premises, or part thereof, is taken.
- 17.02 Partial Taking. Except as provided in paragraph 17.03, if any part of the Premises are taken and the remaining part (after reconstruction of the then existing building in which the Premises are located) is reasonably suitable for Tenant's continued occupancy for the purposes and uses for which the Premises are leased, this Lease shall terminate as to the part so taken as of the date that possession of such part of the Premises is taken, and the Minimum Rent shall be reduced in the same proportion that the floor area of the portion of the Premises so taken (less any additions to the Premises by reason of any reconstruction) bears to the original floor area of the Premises. Landlord shall, at Landlord's expense, make all necessary repairs or alterations to the Building so as to constitute the portion of the Building not taken a complete architectural unit and the remaining Premises a complete merchandising unit, however, such work shall not exceed the scope of Landlord's work in originally constructing said Tenant shall likewise restore Tenant's Work in the Building. Premises. A just and proportionate part of the Minimum Rent shall be abated during such restoration if there is a substantial interference with Tenant's business.
- 17.03 Election to Terminate. If more than twenty percent (20%) of the floor area of the Premises or Tenant's Parking Area is taken, either party may terminate this Lease upon sixty (60) days' notice to the other without regard to the provisions of Section 17.02.

70 2003 17.04 Disposition of Proceeds. Landlord and Tenant shall each be entitled to pursue the condemning authority for their respective damages incurred as a result of the taking.

### 18 DAMAGE OR DESTRUCTION

- 18.01 Damage or Destruction: Landlord to Rebuild. In case the Premises are partially or totally destroyed by fire or other casualty insurable under Landlord's fire and extended coverage insurance so as to become partially or totally untenantable, Landlord agrees to rebuild and repair the Premises as provided in paragraph 18.02.
- 18.02 Portions to be Rebuilt by Landlord and Tenant. Landlord's obligation to rebuild shall be limited to the basic Building. Tenant, at its own expense, shall replace and fully repair all of Tenant's Work, exterior signs, trade fixtures, equipment, display cases and other installations originally installed by Tenant. All insurance proceeds payable under Landlord's fire and Tenant. All insurance shall be payable solely to Landlord, and Tenant shall have no interest in such proceeds.
- 18.03 Non-Liability. Tenant shall not be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises, the Building, Tenant's personal property or any inconvenience or annoyance caused by such damage, property or any inconvenience or annoyance caused by such damage, property or reconstruction. Notwithstanding the destruction or repair, or reconstruction. Notwithstanding the destruction or injury to the Premises or any part of the Premises, whether or not the same are rendered untenantable or unfit for occupancy, Tenant shall have no right to quit and surrender possession and shall have no right to any abatement of rent, except as specifically provided in paragraph 18.04.
- 18.04 Operations During Reconstruction Period. During any period of repair and reconstruction, the Minimum Rent shall be abated proportionately with the degree to which Tenant's use of the Premises is impaired, such abatement to commence with the date of damage or destruction and to continue throughout the period of repair, unless the damage or destruction was caused by Tenant, repair, unless the damage or destruction was caused by Tenant, remain's employees or agents. Tenant agrees to continue the opertenant's employees or agents. Tenant agrees during any such period ation of Tenant's business on the Premises during any such period ation of Tenant reasonably practicable from the standpoint of prudent business management. The obligation of Tenant to pay percentage rent and additional rent shall remain in full force and effect under all circumstances.

### 19 ENTRY BY LANDLORD

- 19.01 Access to Premises. Landlord and Landlord's employees and agents may enter the Premises at all reasonable hours (and in emergencies at all times) without diminution or abatement of rent and without liability to Tenant (i) to inspect the Premises; (ii) to make repairs, additions or alterations to the Premises, the Building, or any property owned or controlled by Landlord (and for such purposes Landlord may erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing that the entrance to the Premises shall not be blocked thereby); (iii) to serve or post any notice required or permitted under the provisions of this Lease or by law; (iv) to cure any default by Tenant or to exercise any remedy of Landlord for a default; and (v) for any other lawful purpose. If an excavation is made or is authorized to be made upon land adjacent to the Premises or the Building, Tenant agrees to permit all necessary persons to enter the Premises for the purpose of doing such work as Landlord deems necessary to preserve the walls of the Building from injury or damage, and Tenant shall not have any claim against Landlord for damages, indemnification or diminution or abatement of rent. Landlord's entry pursuant to this paragraph 19.01 shall be at times convenient to Tenant and shall be conducted to provide the least interference with Tenant's business.
- 19.02 Access for Prospective Tenants. For a period commencing ninety (90) days prior to the end of the Lease term, Landlord may have reasonable access to the Premises for the purpose of exhibiting the Premises to prospective Tenants and of posting usual "For Lease" signs.

### 20 EVENTS OF DEFAULT BY TENANT

- 20.01 Events of Default. The following shall constitute events of default by Tenant under this Lease:
  - A. If Tenant fails to pay rent (including additional rent) or any other sum payable pursuant to this Lease within ten (10) days after receipt of written notice of default from Landlord;
  - B. If Tenant fails to observe or perform any of the covenants or agreements contained in this Lease to be observed or performed by Tenant, and Tenant fails to promptly commence and diligently pursue all appropriate action to cure such default after receipt of written notice of such default from Landlord;

- C. If Tenant or any guarantor of this Lease shall become bankrupt, go into receivership, or make an assignment for the benefit of creditors, or take or have taken against Tenant or any guarantor of this Lease any proceeding of any kind under any provision of the Federal Bankruptcy Act;
- D. If this Lease or any estate of Tenant under this Lease shall be sold under any attachment or execution or shall devolve upon or pass to anyone else, by law or otherwise, without the prior witten consent of Landlord.

# 21 REMEDIES OF LANDLORD

- 21.01 Remedies. On any event of default, Landlord at Landlord's option, without notice or demand, may do any one or more of the following, in order, successively or concurrently:
  - A. <u>Cure of Default</u>. Landlord may take any action deemed necessary by Landlord, in Landlord's sole discretion, to cure the default. Tenant shall be liable to Landlord for all of Landlord's expenses so incurred, as additional rent, payable by Tenant to Landlord on demand.
  - B. Continuation of Lease without Reentry. Landlord may continue the Lease in full force and effect, without reentry, and may recover from Tenant, on one or more actions, all amounts due or coming due from Tenant, plus any added costs, expenses or damages caused by or arising out of Tenant's default, and without any obligation of Landlord to reenter, relet, terminate or take other action.
  - Continuation of Lease with Reentry. Landlord may continue this Lease in full force and effect and reenter and take possession of the Premises, ejecting all persons from the Premises. Upon Landlord's reentry or demand to reenter, Tenant shall immediately surrender possession of the Premises to Landlord. Upon obtaining possession, Landlord shall attempt to relet the premises using reasonable effort to do so at a fair rental, set in Landlord's sole discretion, which rental may be more, equal to, or less than the rent under Any reletting may be at one or more times, to this Lease. one or a number or succession of tenants, and for a term or terms less than, equal to, or more than, the remaining term of this Lease. On Landlord's reentry or demand to recenter, Tenant shall immediately pay to Landlord all accrued rent and other sums then due under this Lease. Then, until temination or expiration of this Lease, Tenant shall be liable to Landlord for, and shall pay to Landlord, all rent, including rent

adjustments and all other sums due under this Lease, offset by the amount, if any, of Landlord's net income from the reletting of the Premises, after deduction of all expenses of recovery of possession, of reletting, and of other amounts chargeable to Tenant under this Lease. The amounts so owed by Tenant shall be paid by Tenant to Landlord as billed or demanded from time to time, either prior to or after the termination or expiration of this Lease. If the net income to Landlord from reletting exceeds the amount of Tenant's rentals during any portion of the remaining term, Landlord may retain the surplus, without interest, until the expiration or termination of this Lease for application against any subse-On termination or expiration of this quent deficiency. Lease, Tenant shall remain liable for, and shall pay to Landlord on demand, any deficiency by which the amounts for which Tenant is or becomes liable to Landlord under this Lease after crediting Tenant with payments received by Landlord from Tenant and from any net income from reletting the Premises. If there remains a surplus, it shall be then paid to Tenant.

Termination of Lease. Landlord may terminate this Lease by written notice to Tenant of Landlord's election to do so, whether or not Landlord has previously elected to continue the Lease in effect, with or without reentry. Landlord's notice of termination, Tenant immediately shall pay to Landlord the amount of all accrued rentals and other sums due under this Lease to the date of termination. in addition, Tenant shall pay Landlord, on demand, from time to time, the amount of Landlord's damages as determined in retrospect after the expiration of any portion, or all, of the full term of this Lease (had it not been terminated) and consisting of the full amounts of rentals, including rental adjustments, and all other sums to have been paid by Tenant under this Lease or arising by reason of Tenant's default, reduced by rentals and other sums received from Tenant applicable against Tenant's obligations under this Lease, and by Landlord's net income, if any, from the reletting of the Premises during the remaining term period. Additionally or alternatively, at any time prior to the expiration of the full term of this Lease (had it not been terminated), Tenant shall pay Landlord, at Landlord's option, on demand, Landlord's prospective damages over the remaining term as a lump sum in an amount determined by Landlord and binding on both parties, so long as made reasonably and in good faith. prospective damages shall be an amount equal to Landlord's calculation of the probable amount of the difference by which the rentals for the full term of the Lease, including rental adjustments, plus all accrued and reasonably anticipated costs, damages and expenses for which the Tenant is or would become liable for under this Lease (including those arising out of Tenant's default), will exceed all offsetting actual rentals received from Tenant, all actual net rental income over the full remaining term, and all security deposits and other credits, if any, to Tenant's account. The parties agree that such lump-sum determination is a reasonable, appropriate and agreed upon means of liquidating damages prior to the expiration of the period of the full term that if the Landlord elects such lump-sum settlement neither Landlord nor Tenant shall be entitled to any subsequent redetermination of damages over the remaining term, and that on the payment of the lump-sum, Tenant shall be released of all liability for any claim of Landlord for additional damages arising over the remaining term.

- E. Acceleration of Rent. If, pursuant to paragraph 21.01(B), Landlord elects to continue the Lease in effect without reentry, Landlord, at Landlord's option, may declare the present worth of all Minimum Rent due and payable as prepaid rent. After receipt of such payment, Landlord shall not terminate this Lease, nor reenter the Premises, on account of the default which gave rise to the acceleration. However, such full recovery of Minimum Rent shall not relieve Tenant of Tenant's obligations to pay rental other sums to Landlord under this Lease, or otherwise to perform Tenant's obligations under this Lease, nor restrict Landlord in the exercise of other remedies on the happening of any other event of default.
- 21.02 Expenses and Damages. Either party, in every case, shall be entitled to recover from the other all of his or its expenses, costs and damages arising out of any event of default, including, but not limited to, advertising, brokerage fees, clean-up, repair, alterations, refurnishing, refurbishing, custodial and security expenses, bookkeeping and accounting costs, legal expenses (whether or not suit is brought), and costs and expenses of litigation.
- other rights Landlord may have under statute, regulation, common law, or generally in law or equity. Landlord may exercise any remedy without court action, or by one or more court actions, and in exercising any remedy may obtain partial relief without waiving its right to further relief. The exercise of any remedy by Landlord shall not waive Landlord's right to exercise any other remedy.

### 22 SUBORDINATION

- 22.01 <u>Subordination</u>. Tenant agrees that this Lease shall be subordinate to any mortgages or trust deeds which may be placed on the Premises now or later, to any and all advances made or to be made pursuant to any such mortgage or trust deed and to all renewals, replacements and extensions of any such mortgage or trust deed. Tenant agrees to execute and deliver such further instruments evidencing this subordination as Landlord may request. Not withstanding any subordination of this Lease, Landlord agrees that withstanding any subordination of this Lease, Landlord agrees that shall have peaceable and exclusive possession of the Premises so long as it is not in default hereunder.
- 22.02 Attornment. If any proceedings are brought for foreclosure or if there is an exercise of the power of sale under any mortgage or trust deed described in paragraph 23.01, Tenant shall (at the election of the purchaser) attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser and Landlord under this Lease.

# 23 ESTOPPEL CERTIFICATES

23.01 Estoppel Certificates. Tenant agrees at any time and from time to time upon not less than ten (10) days prior request by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect (of if there have been modifications, that the Lease is in full force and effect as modified and stating the modifications), stating the dates to which the Minimum Rent and other charges have been paid in advance, if any, and confirming Tenant's acceptance of the Premises, the commencement of the Lease term, and the rent provided under the Lease, it being Lease term, and the rent provided under the Lease, it being intended that any such statement delivered pursuant to this paragraph may be relied upon by any prospective purchaser, mortgagee, or assignee of any mortgagee or the Premises or the Building.

# 24 SALE OF PREMISES

24.01 Sale of Premises by Landlord. In the event of any sale or exchange of the Premises by Landlord and the assignment by Landlord of this Lease, Landlord shall be and is hereby entirely released of all liability under any and all of its covenants and obligations contained in or derived from this Lease occurring after the consummation of such sale or exchange and assignment, provided the purchaser or assignee assumes all obligations of Landlord hereunder.

# 25 HOLDING OVER

25.01 Holding Over. If Tenant should remain in possession of the Premises after the expiration of the Lease term with the express written consent of Landlord and without executing a new Lease, then such holding over shall be construed as a tenancy from Lease, then such holding over shall be construed as a denancy from month-to-month, subject to all conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy, except that the Minimum Rent shall be an amount to-month tenancy, except that the Minimum Rent shall be an amount equal to One Hundred Fifty percent (150%) of the Minimum Rent that equal to One Hundred Fifty percent (150%) of the minimum Rent that equal to One Hundred Fifty percent (150%) of the minimum Rent that equal to One Hundred Fifty percent (150%) of the minimum Rent that equal to One Hundred Fifty percent (150%) of the minimum Rent that equal to One Hundred Fifty percent (150%) of the minimum Rent that equal to One Hundred Fifty percent (150%) of the minimum Rent that equal to One Hundred Fifty percent (150%) of the minimum Rent that equal to One Hundred Fifty percent (150%) of the minimum Rent that equal to One Hundred Fifty percent (150%) of the minimum Rent that equal to One Hundred Fifty percent (150%) of the Minimum Rent that equal to One Hundred Fifty percent (150%) of the Minimum Rent that equal to One Hundred Fifty percent (150%) of the Minimum Rent that equal to One Hundred Fifty percent (150%) of the Minimum Rent that equal to One Hundred Fifty percent (150%) of the Minimum Rent that equal to One Hundred Fifty percent (150%) of the Minimum Rent that equal to One Hundred Fifty percent (150%) of the Minimum Rent that equal to One Hundred Fifty percent (150%) of the Minimum Rent that equal to One Hundred Fifty percent (150%) of the Minimum Rent that equal to One Hundred Fifty percent (150%) of the Minimum Rent that equal that equal that experiment (150%) of the Minimum Rent that equal that experiment (150%) of the Minimum Rent that exper

# 26 SURRENDER OF PREMISES

- 26.01 Surrender. On the last day or sooner termination of the Lease term, Tenant agrees to quit and surrender the Premises, broom clean, in good condition and repair (reasonable wear and tear and damage by acts of God or fire excepted) together with all alterations, additions and improvements which may have been made in, to or on the Premises, except furniture or trade fixtures put in at the expense of Tenant. Tenant shall ascertain from Landlord within thirty (30) days before the end of the Lease term whether Landlord desires to have the Premises or any part of the Premises restored to their condition when the Premises were delivered to Tenant, and if Landlord so desires then Tenant shall so restore the Premises or such part before the end of the Lease term at the Tenant's expense. Tenant on or before the end of the Lease term, shall remove all of Tenant's property from the Premises, and all property not removed shall be deemed abandoned by Tenant. Premises are not surrendered at the end of the Lease term, Tenant shall indemnify Landlord against loss of liability resulting from delay by Tenant in so surrendering the Premises including, without limitation, any claims made by and succeeding Tenant based on such delay.
  - der of this Lease by Tenant, or a mutual cancellation of this Lease, shall not automatically work a merger, and Landlord may Lease, shall not automatically work a merger, and treat the either terminate all or any existing subtenancies or treat the surrender or cancellation as an assignment to Landlord of any or all such subtenancies.

#### 27 QUIET ENJOYMENT

- 27.01 Quiet Enjoyment. So long as Tenant is not in default of its obligations hereunder, Tenant shall peaceably and quietly have, hold and enjoy the Premises during the term of this Lease and any renewal term thereof without hinderance or interruption by the Landlord or by any other person or persons lawfully or equitably claiming by, through or under the Landlord, subject nevertheless to the terms and conditions of this Lease.
- 27.02 Limitation on Retail Grocery Stores. Landlord agrees that during the term of this Lease and any renewal term, it will not lease any portion of the Shopping Center to a retail food or grocery store and will not permit any affiliated entity (herein defined as an entity which has a principal which is also a principal of Landlord) to lease premises contiguous to or in close proximity to the Shopping Center to a retail food or grocery store.

# 28 GENERAL PROVISIONS

- 28.01 Waivers. One or more waivers by Landlord of any covenant or condition contained in this Lease or of any breach or default by Tenant shall not be construed as a waiver of a subsequent breach of default of the same or of any other covenant of condition, and the consent or approval by Landlord to or of any act of Tenant which requires Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to or of any subsequent or similar act by Tenant. The subsequent acceptance by Landlord of rent or of any other payment shall not constitute a waiver of any concurrent or preceding breach of default by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental or payment so accepted, regardless of Landlord'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 Landlord.
- 28.02 No Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the rent provided to be paid shall be deemed to be other than on account of the earliest rent due and payable under this Lease, nor shall any endorsement or statement on any check or letter accompanying any check or payment as rent be deemed an accord and satisfaction. Landlord may accept any such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease.

- 28.03 Notices. All notices, demands, and statements shall be in writing and shall be given by personal delivery or by deposit in the United States Mail, Certified, Return Receipt Requested, Postage Prepaid, addressed to the parties at the addresses appearing on page 1 of this Lease or at such other place as either party may designate in writing to the other party. The date notice is given shall be the date on which the notice is delivered, if notice is given by personal delivery, or the date of deposit in the mail, if the notice is sent through the United States Mail. Notice is deemed to have been received on the date on which the notice is delivered, if notice is given by personal delivery, or three (3) days after deposit in the mail, if the notice is sent through the United States Mail.
- 28.04 Relationship of the Parties. Nothing contained in this Lease shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent, or partnership or joint venture or of any association between Land-lord and Tenant, and neither the method of computation of rent nor any other provision contained in this Lease nor any acts of the parties shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.
- 28.05 Attorneys' Fees. In the event of any action or proceeding brought by either party against the other under this Lease or any guarantee of this Lease, the prevailing party shall be entitled to recover attorney's fees in such amount as the court may judge reasonable.
- 28.06 Binding Effect. Subject to all limitations on assignment and subletting set forth in this Lease, all of the terms and provisions of this Lease shall inure to the benefit of and be binding upon the successors and assigns of each of the parties to this Lease.
- 28.07 Interest on Past Due Obligations. Any amount due to Landlord which is not paid when due shall bear interest from the due date until paid at the rate of eighteen percent (18%) per annum. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.
- 28.08 Severability. If any one or more of the provisions of this Lease or the applicability of any such provision to a specific situation shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Lease and all other applications of such provisions shall not be affected by such determination.

- 28.09 Entire Agreement; Amendment. This Lease, together with the attached exhibits which are an integral part of this Lease, constitutes the entire agreement between the parties pertaining to the subject matter of this Lease. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are superseded and merged in this Lease. No supplement, modification or amendment of this Lease shall be binding unless in writing and executed by both parties.
- 28.10 <u>Captions</u>. The captions of the paragraphs of this Lease are for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.
- 28.11 Construction. The laws of the State of Minnesota shall govern the validity, performance, and enforcement of this Lease. This Lease shall not be construed either for or against Landlord or Tenant. This Lease shall be interpreted in an effort to reach an equitable result. Whenever the context may require, any pronouns used in this Lease shall include the corresponding masculine, feminine or neuter forms and the singular form of nouns and pronouns shall include the plural and vice versa. If there is more than one Tenant, the obligations under this Lease shall be considered the joint and several obligations of each.
- 28.12 Time of Essence. Time is of the essence with respect to the performance of each of the covenants and agreements contained in this Lease.
- 28.13 Cancellation After 21 Years. Notwithstanding any other provision of this Lease, in the event the term of this Lease shall not have commenced within twenty-one (21) years from the date of execution, this Lease shall become null and void and Landlord and Tenant shall be released from any and all obligations with respect to this Lease. This provision shall not be deemed to extend the commencement date of the term of this Lease.
- 28.14 Corporate Authorization. If Tenant is a corporation, this Lease must be executed by the President of the Corporation, and Tenant shall provide to Landlord a certified copy of a Resolution of the Board of Directors authorizing execution of this Lease. Also Tenant's Corporate Seal must be affixed to Tenant's corporate signature.
- 28.15 Brokers. Tenant warrants that Tenant has not had any dealings with any realtor, broker or agent, in connection with the negotiation of this Lease, and Tenant agrees to pay and to hold Landlord harmless from any cost, expense or liability for any compensation, commission or charge claimed by any other realtor, broker or agent with respect to this Lease.

28.16 Execution of Additional Documents. Landlord and Tenant each agree to execute such additional documents as may be necessary or appropriate to fully carry out the provisions of this Lease.

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- 28.17 <u>Time Periods</u>. If the time for the performance of any obligation under this Lease expires on a Saturday, Sunday or Legal Holiday, the time for performance shall be extended to the next succeeding day which is not a Saturday, Sunday or Legal Holiday.
- 28.18 Limitation of Liability. Landlord's liability hereunder is limited to Landlord's interest in the Building Site.

#### 29 CONTINGENCIES

- 29.01 <u>Cancellation of Existing Lease</u>. This Lease is contingent upon Landlord's obtaining a cancellation of an existing lease of said Premises and transferring to Tenant, without cost, good title to fixtures as listed in Exhibit C.
- 29.02 Financing. The Minimum Rent figure of \$61,315 in paragraph 4.01 is based on the following formula:
  - \$2.00 per square foot of area of existing Premises plus .1375 of the cost of the Addition and remodeling.
  - $$2.00 \times 13,470 \text{ square feet} = $26,940$  $.1375 \times 250,000 = $34,375$ \$61,315

In the event the total of all bids for the Addition and remodeling exceed \$305,000, this Lease shall be void. In the event the bids ACTUAL of \$61,315 in paragraph 4.01 shall be recalculated according to of \$61,315 in paragraph 4.01 shall be recalculated according to said formula. But this Lease shall then be contingent upon Landlord obtaining a mortgage for the full amount of said bid up to \$295,000. Tenant agrees to pay to Landlord in cash any costs of the Addition between \$295,000 and \$305,000. The Tenant may of the Addition between \$295,000 and \$305,000. The Addition waive this contingency by paying for all costs of the Addition over \$250,000, and in that event the Minimum Rent shall not be recalculated. Tenant may also waive this contingency by loaning to Landlord all costs of the Addition over \$250,000 at the same to Landlord all costs of the Addition over \$250,000 at the same to Landlord all costs of the Addition over \$250,000 at the same to Landlord all costs of the Addition over \$250,000 at the same to Landlord all costs of the Addition over \$250,000 at the same to Landlord all costs of the Addition over \$250,000 at the same to Landlord all costs of the Addition over \$250,000 at the same to Landlord all costs of the Addition over \$250,000 at the same to Landlord all costs of the Addition over \$250,000 at the same to Landlord all costs of the Addition over \$250,000 at the same to Landlord all costs of the Addition over \$250,000 at the same to Landlord negotiates for interest rate and payment schedule which Landlord negotiates for the loan of \$250,000, and in that event the Minimum Rent shall be recalculated.

IN WITNESS WHEREOF, this Lease has been executed by Landlord and Tenant as to the date of execution appearing on Page 1 of this Lease.

"Landlord"

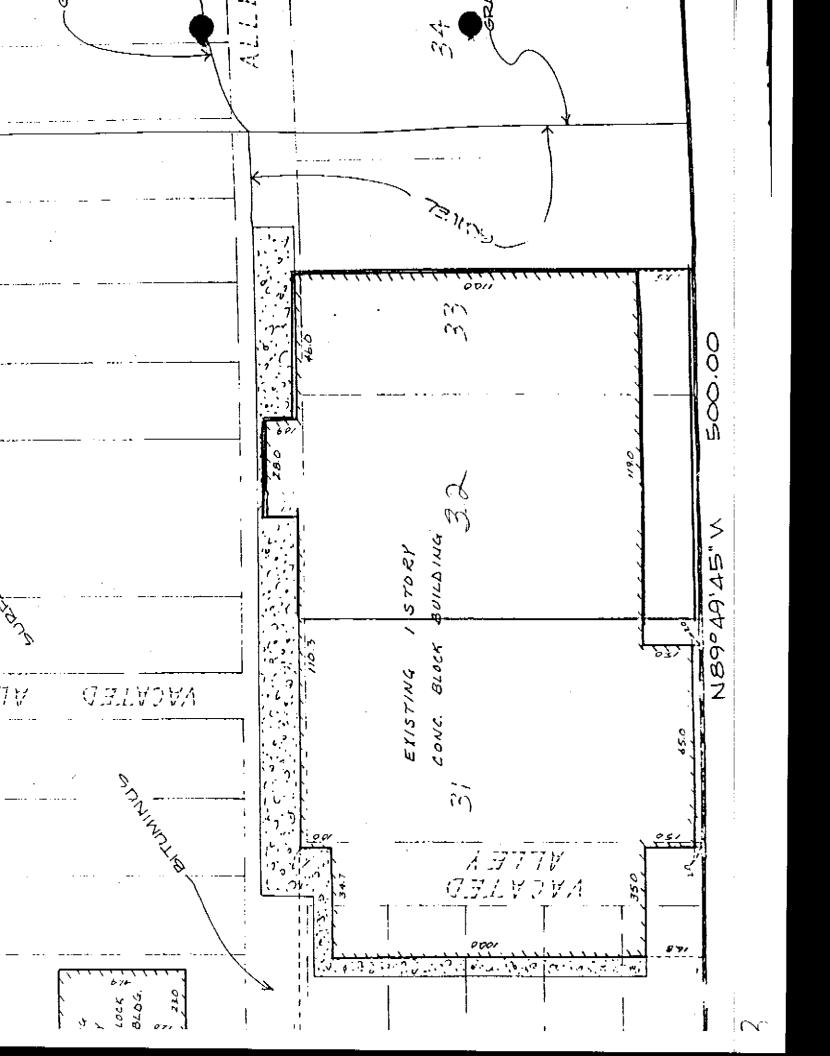
Mark Saliterman

"Tenant"

TWIN PORTS GROCERY CO.

Its President

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November 12, 1984

# EXISTING EQUIPMENT LIST FROM MOUND, MN.

- 1. 56' Single Deck Produce
- 2. 48' Single Deck Meat
- 3. 24' Single Deck Frozen
- 4. 20' 5-Deck Smoked Meat
- 5. 36' 5-Deck Dairy
- 6. Assorted Existing Shelving
- 7. Assorted Coils
- 8. Assorted Compressors
- 9. 1 Pallet Lift

EXHIBIT C

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### CONSENT TO ASSIGNMENT AND ASSUMPTION AND RELEASE

The undersigned, TWIN PORTS GROCERY CO., a Delaware corporation, Tenant pursuant to that certain Shopping Center Lease dated November 12, 1984, with Mark Saliterman, as Landlord covering certain property located in Mound, Minnesota, which is currently occupied by Stevens' Market, Inc., formerly known as Mound Super Valu, Inc., pursuant to a Sublease dated November 12, 1984, a copy of which is attached as Exhibit A and referred to herein as the "Sublease", hereby consents to an assignment of the Sublease to Mound Foods, Incorporated, a Minnesota corporation, and the assumption by Mound Foods, Incorporated of all obligations of Stevens' Market, Inc. pursuant to the Sublease and further hereby releases Stevens' Market, Inc., from any and all obligations arising out of the use and occupancy of the premises covered by the Sublease after October 12, 1984.

Dated: October 141, 1985.

TWIN PORTS GROCERY CO.

By Paul Jeourides

#### EXHIBIT I

# ASSIGNMENT, ASSUMPTION OF SUBLEASE

KNOW ALL MEN THAT Stevens' Market, Inc. (formerly known as Mound Super Valu, Inc.), a Minnesota corporation (the "Assignor"), in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby transfer and assign unto Mound Foods, Incorporated, a Minnesota corporation (the "Assignee"), all of its right, title and interest in that certain Sublease (the "Sublease") (including any and all options for renewal thereunder) by and between Mound Super Valu, Inc. and Twin Ports Grocery Co. dated November 12, 1984, attached hereto and by this reference incorporated herein for all purposes.

Assignee hereby acknowledges receipt of an executed copy of said Sublease and assumes full responsibility from and after the date hereof with respect thereto, and agrees to indemnify and hold Assignor harmless with respect to all obligations under the Sublease from and after the date hereof, including reasonable attorneys' fees and expenses incurred by Assignor in investigating or defending any claim or claims against it on account of such obligations, or incurred by Assignor to obtain indemnification hereunder. The parties hereto expressly acknowledge and agree that Twin Ports Grocery Co. releases Assignor, effective as of the date hereof, from any and all obligations under the Sublease.

Twin Ports Grocery Co. expressly acknowledges that it has received a copy of this Assignment and Assumption of Sublease, has read and understands the same, and hereby consents to said Assignment and Assumption of Sublease and to releases Assignor's obligations thereunder arising from and after 8:00 p.m., October 12, 1985.

IN WITNESS WHEREOF, Assignor, Assignee and Twin Ports Grocery Co.. have duly executed this Assignment and Assumption of Sublease agreement this day of October, 1985.

ASSIGNOR:

ASSIGNEE:

STEVENS' MARKET, INC.

MOUND FOODS, INCORPORATED

Its President

Its President

TWIN PORTS GLOCERY CO.

By: Paul Jeourtas