

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
Fleming Companies, Inc., et al.,¹) Case No. 03-10945 (MFW)
) Jointly Administered
Debtors.)

**STIPULATION BETWEEN THE DEBTORS
AND ROBERT S. AND KATHLEEN E. MOSS REGARDING
REAL PROPERTY LEASE NUMBER PA-2470CL**

This stipulation (the "Stipulation") is by and between Fleming Companies, Inc. ("Fleming") and its affiliated debtors (collectively, the "Debtors") and Robert S. Moss and Kathleen E. Moss (jointly, the "Landlord").

This Stipulation is based on the following recitals:

A. On October 3, 1988, Landlord and S.M. Flicker Co., Inc., as lessee, entered into that certain lease agreement (the "Lease," attached hereto as Exhibit A) for premises located in Corry, Pennsylvania which expires on October 3, 2008. Fleming became the successor to the Lease by merger to Lessee on May 9, 1997.

¹ The Debtors are the following entities: Core-Mark International, Inc.; Fleming Companies, Inc.; ABCO Food Group, Inc.; ABCO Markets, Inc.; ABCO Realty Corp.; ASI Office Automation, Inc.; C/M Products, Inc.; Core-Mark Interrelated Companies, Inc.; Core-Mark Mid-Continent, Inc.; Dunigan Fuels, Inc.; Favara Concepts, Ltd.; Fleming Foods Management Co., L.L.C., Fleming Foods of Texas, L.P.; Fleming International, Ltd.; Fleming Supermarkets of Florida, Inc.; Fleming Transportation Service, Inc.; Food 4 Less Beverage Company, Inc.; Fuelserv, Inc.; General Acceptance Corporation; Head Distributing Company; Marquise Ventures Company, Inc.; Minter-Weisman Co.; Piggly Wiggly Company; Progressive Realty, Inc.; Rainbow Food Group, Inc.; Retail Investments, Inc.; Retail Supermarkets, Inc.; RFS Marketing Services, Inc.; and Richmar Foods, Inc.

B. Pursuant to that certain assignment and assumption agreement between Fleming and The Penn Traffic Company dated December 13, 1999, Fleming assigned all of its rights, title and interest in, to, and under the Lease to The Penn Traffic Company.

C. On April 1, 2003, the Debtors filed voluntary petitions under chapter 11 of title 11 of the United States Code.

D. Due to The Penn Traffic Company's filing for chapter 11 protection under the Bankruptcy Code and its subsequent rejection of the Lease, rent and other obligations arising under the Lease for June, July and August 2003 were not paid to Landlord. Unpaid rent and other obligations for June and July, 2003 total \$12,014.22. Unpaid rent, taxes and other obligations for August, 2003 total an additional \$10,976.19.

E. On July 28, 2003, Landlord filed the Motion of Robert S. and Kathleen E. Moss to Compel Immediate Payment of Post-Petition Obligations Pursuant to Section 365(d)(3) of the Bankruptcy Code, requesting that the Debtors, as assignor of the Lease, immediately pay to Landlord the sum of \$22,990.41, which sum constitutes the aforementioned rent and other obligations for June, July and August, 2003.

F. In consideration for the Debtors' immediate payment of \$22,990.41, Landlord agrees to the rejection of the Lease by the Debtors, effective on the date this Stipulation is executed.

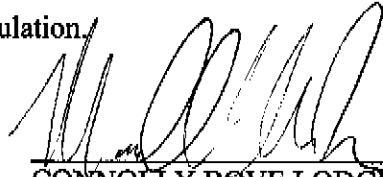
Based on the foregoing the Debtors and Landlord hereby stipulate:

1. Upon entry of an order approving this Stipulation, the Lease will be deemed to be rejected by the Debtors effective on the date this Stipulation is executed and any

rejection damages under section 365 of the Bankruptcy Code will be deemed pre-petition claims and must be filed by Landlord no later than September 15, 2003.

2. The Debtors shall pay to the Landlord \$22,990.41 immediately upon entry of an order approving this Stipulation.

Dated: August 19, 2003



CONNOLLY BOVE LODGE & HUTZ LLP

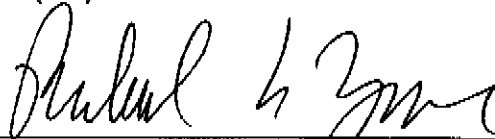
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EXHIBIT A

Lease Agreement

RETAIL BUILDING LEASE

THIS LEASE, entered into this 3rd day of October, 1988, by and between ROBERT S. MOSS and KATHLEEN E. MOSS, (who is joined as a party to this Lease solely for the purpose of releasing her inchoate rights of dower), husband and wife of P. O. Box 6, 664 Water Street, Country Lake, Pennsylvania 16316, ("Lessor"), and S. M. FLICKINGER CO., INC., a New York corporation, 416 East State Street, Olean, New York 14760, ("Lessee").

WITNESSETH:

1. DEFINITIONS.

1.1 Leased Building. That certain retail store building consisting of approximately 15,370 square feet (as expanded) located on the Real Property and described on the Site Plan attached hereto as Exhibit "A" (the "Site Plan").

1.2 Real Property. The certain Real Property more particularly described on Exhibit "B" attached hereto.

1.3 Leased Premises. The Leased Building, the Real Property and all appurtenances thereto.

1.4 Existing Lease. Lessor's predecessors in interest and Lessee have previously entered into that certain Lease dated January 17, 1977, as amended, covering a portion of the Leased Space described herein ("Existing Lease"). Lessor and Lessee have agreed to certain improvements, expansions and renovations to the Leased Space and Lessor and Lessee desire to completely amend and restate the Existing Lease as set forth herein and to provide for Lease terms covering the period during which such expanded Lease Space is to be constructed and covering the period after completion of such expansion, all as more specifically set forth herein (the "Lease"). Upon execution hereof, the terms of the Existing Lease will no longer be in force and effect and the terms of the Lease shall control.

2. PREMISES. In consideration of the covenants and agreements herein set forth, Lessor does hereby lease, demise and let unto Lessee the Leased Space, together with all the rights, easements, entrances, approaches and exits appurtenant to the Leased Space.

3. TERM. The terms and conditions of this Lease shall be effective upon execution and run during the period of Lessor's construction obligations as set forth in Paragraph 5 hereof until the Commencement Date as determined in accordance with such Paragraph 5. Thereafter, the Initial Term of this Lease shall run and extend for twenty (20) years from and after the Commencement Date unless sooner terminated as herein provided or less extended or renewed upon the terms hereinafter stated (the "Initial Term").

3.1 Renewal of Lease. This Lease shall be extended automatically under the same terms, conditions and covenants herein contained, and

for the rentals set forth in Paragraph 4 hereof, for four (4) separate additional terms of five (5) years each, ("Extended Terms") each Extended Term to begin at the expiration of the preceding Initial Term or Extended Term, as the case may be, unless at least three (3) months prior to the expiration of the then current Initial Term or Extended Term, Lessee shall notify Lessor that it intends not to renew the Lease.

4. RENTAL. Lessee agrees to pay Lessor as rental for the Leased Premises the following:

4.1 Prior to the Commencement Date. Beginning with the execution of the Lease until the Commencement Date as set forth in Paragraph 5 hereof, the rental shall be Fourteen Thousand Four Hundred and No/100 Dollars (\$14,400.00) per Lease Year payable at the rate of One Thousand Two Hundred and No/100 Dollars (\$1,200.00) per month in advance beginning with the execution of this Lease and continuing thereafter on the first day of each calendar month until the Commencement Date.

4.2 After the Commencement Date. After the Commencement Date as set forth in Paragraph 5 hereof the rental shall be Seventy-Two Thousand Eighty-Five and 30/100 Dollars (\$72,085.30) per Lease Year payable at the rate of Six Thousand Seven and 11/100 Dollars (\$6,007.11) per month in advance on the first day of each calendar month.

4.3 Extended Term Rental. Lessee shall pay Lessor as rental for the Leased Premises during each Extended Term as follows:

- a. First Five Year Extended Term: Seventy-Nine Thousand Seven Hundred Seventy and 30/100 Dollars (\$79,770.30) per Lease Year payable at the rate of Six Thousand Six Hundred Forty-Seven and 53/100 Dollars (\$6,647.53) per month in advance;
- b. Second Five Year Extended Term: Eighty-Three Thousand Six Hundred Twelve and 80/100 Dollars (\$83,612.80) per Lease Year payable at the rate of Six Thousand Nine Hundred Sixty-Seven and 73/100 Dollars (\$6,967.73) per month in advance;
- c. Third Five Year Extended Term: Eighty-Seven Thousand Four Hundred Fifty-Five and 30/100 Dollars (\$87,455.30) per Lease Year payable at the rate of Seven Thousand Two Hundred Eighty-Seven and 90/100 Dollars (\$7,287.90) per month in advance; and
- d. Fourth Five Year Extended Term: Ninety-One Thousand Two Hundred Ninety-Seven and 80/100 Dollars (\$91,297.80) per Lease Year payable at the rate of Seven Thousand Six Hundred Eight and 15/100 Dollars (\$7,608.15) per month in advance.

4.4 Lease Year. The term Lease Year shall mean the period of twelve (12) consecutive months commencing with the Commencement Date, as hereinabove defined, or any succeeding twelve (12) month period during the term of this Lease.

5. CONSTRUCTION OF EXPANSION AREA AND IMPROVEMENTS. The Leased Premises shall be expanded by Lessor at its expense, according to plans and specifications for such work (the "Construction Plans") to be prepared at Lessor's

expense and submitted by Lessor to Lessee within thirty (30) days after the date of this Lease, subject to approval by Lessee in writing within thirty (30) days after receipt thereof, and the Lessor shall not deviate from the Construction Plans without Lessee's prior written consent. Lessor shall not be obligated to furnish any materials or perform any work except as set forth in the Construction Plans. In the event the Construction Plans are not submitted to Lessee within the time allowed or are not approved by Lessee within the time allowed, Lessee shall have the right to cancel this Lease by written notice to Lessor in which event the Existing Lease shall remain in full force and effect and this Lease shall be null and void. Upon approval of the Construction Plans by Lessee, such Construction Plans shall become a part of the Lease as Exhibit "C". Lessee's review and approval of said Construction Plans is solely a courtesy review and Lessor shall remain solely responsible to Lessee for the accuracy and the design of the project set out in said Construction Plans.

5.1 Lessee's Installation of Fixtures and Equipment. Provided there is no interference with Lessor's construction work, Lessee shall be permitted to enter the expansion area for the purpose of storing and/or installing fixtures and equipment, receiving merchandise, and preparing for grand opening of the expanded Leased Space. It is agreed that such entry does not constitute acceptance of the Leased Space as being completed and that Lessee shall not interfere with completion of construction work.

5.2 Completion of Improvements. Lessor covenants and agrees that the improvement and renovation of the Leased Space as provided herein shall begin no later than November 1, 1988 and that all work required by Lessor shall be completed no later than March 31, 1989, provided that if weather does not permit the completion of all of the parking areas as required by the Construction Plans, then any remaining required work on the parking area shall be completed by May 15, 1989. In the event such improvements and renovation are not begun or completed by such dates (so long as such delay is not caused by Lessee), the Lessee shall have the option of completing such construction obligations on behalf of Lessor and deducting the cost thereof from all rental due or to become due hereunder or to terminate this Lease by written notice to Lessor.

5.3 Quality of Construction. The Leased Premises shall be constructed with materials of grade and quality as specified on Exhibits "C" and "D", in a good and workmanlike manner by workmen skilled in the appropriate trades, and according to the Construction Plans.

5.4 Construction of Parking Area. As and to the extent required by the Construction Plans, Lessor, at its expense, shall construct and hard surface the parking area shown on Exhibit "A" attached hereto within the same time limit set for commencement and completion of the Leased Premises. Lessor shall provide proper grade level and drainage for said parking area, and shall install adequate surfacing, lighting facilities and shall meter Lessee's parking lot lighting directly into the Leased Premises. Lessor shall provide paved driveways of adequate width and number (i) providing a means of ready ingress and egress from the Leased Premises to the surrounding streets and highways for Lessee's customers and invitees, and (ii) at the rear of the Leased Premises for the purpose of receiving and delivering merchandise to and from the Leased Premises, all in accordance with the site plan attached as Exhibit "A". Before construction of the parking area begins, the light fixtures, amount of illumination, grade

level, surface material and striping of the parking area must be approved by Lessee in writing, provided, however, that any such approval by Lessee shall not relieve Lessor from any liability or obligation for the proper construction of such parking area.

5.5 Commencement Date. The Initial Term of this Lease shall commence on the earlier of (i) the first day of the first month after the Lessor has completed all Lessor's construction obligations including, without limitation, the construction requirements set forth in Exhibit "C" attached hereto and made a part hereof and has delivered the Leased Space to Lessee for preparation for opening for transaction of business therein, and Lessee has been notified in writing or (ii) the date on which Lessee commences retail sales in the expanded retail space. By opening for business Lessee shall be deemed to have accepted the Leased Premises as in full compliance with the Construction Plans, subject however, to a punch list of specific items to be furnished to Lessor within thirty (30) days of the Commencement Date.

5.6 Addendum to Lease. When the Commencement Date of the Initial Term has been so ascertained, it shall be set forth in an Addendum to Lease in the form of Exhibit "E" attached hereto which shall be executed in the same manner as this Lease and shall be attached to this Lease as a part hereof.

6. LESSOR'S COVENANTS AND REPRESENTATIONS. In addition to all other covenants and agreements by Lessor found in this Lease, the Lessor hereby specifically covenants and represents as follows:

6.1 Zoning. The Real Property is presently zoned for the type of business operation contemplated by Lessee.

6.2 Quiet Enjoyment. The Lessor has good and marketable indefeasible fee simple title to the Leased Premises and warrants there are no encumbrances or liens thereon except as set forth on Exhibit "B-1" hereto. Lessor has full authority to execute this Lease and further warrants to the Lessee that it shall have, hold and enjoy the Leased Premises and its rights hereunder during the term hereof. Lessor shall not permit the emanation of any undue noise, obnoxious fumes or odors, or any other nuisance from any property or building adjacent to or near the Leased Premises, which is owned or controlled by Lessor.

6.3 Use of Adjacent Real Property. No portion of any real property owned by Lessor or any affiliate or related party and located within 500 yards of the Real Property (the "Adjacent Real Property") shall be used for a bowling alley, theater, billiard parlor, night club, video arcade or other place of recreation or amusement, or auto service station unless designated on Exhibit "A" attached hereto or approved in writing by Lessee. Neither Lessor nor any affiliate or related party shall, without Lessee's prior written consent, own, operate or grant any lease or permit any assignment or sublease for a store (or any portion of a store) on the Adjacent Real Property which permits a tenant under such lease to sell or offer for sale groceries, meats, poultry, seafood, dairy products, fruits, vegetables or baked goods. In the event of any violation of the terms of this Subparagraph 6.3 and in addition to all equitable remedies available to Lessee, all rental obligations under this Lease shall be abated by twenty percent (20%) during the period of such violation.

6.4 Site Plan. The site plan attached hereto as Exhibit "A" is an accurate representation of the Leased Premises and no changes shall be made to such site plan without the prior written consent of Lessee.

6.5 Use of Parking and Access Areas. No tenants, owners, occupants or other users of land adjoining the Real Property shall be allowed access to, from or across the Real Property or use of the Real Property, without the prior written consent of Lessee, which consent shall not be granted until reciprocal access and parking agreements have been effected in a manner satisfactory to Lessee. Lessor shall not change or reconfigure the parking or access areas as shown on the site plan attached hereto as Exhibit "A", without the Lessee's prior written consent.

6.6 Utilities. Lessor, at its own cost, shall furnish, install and maintain adequate utility lines and services to serve the Leased Premises, which utilities shall be separately metered to the Lease Premises. Lessee shall pay for the separately metered utility services which it uses at the Leased Premises.

6.7 Compliance With Laws. Lessor agrees to make, at Lessor's own cost and expense, all necessary changes, additions, alterations and improvements to the Leased Premises and appurtenances thereto, that may be required at any time during the term hereof to make the Leased Premises comply with all laws, ordinances, rules and regulations of all duly constituted city, county, state or federal authorities. Lessee agrees to make any such changes resulting from Lessee's supermarket operations.

6.8 Taxes. At all times during the term hereof, all ad valorem taxes, real estate taxes and similar taxes, special assessments and any other taxes or charges levied or assessed against the Leased Premises or any part thereof by reason of the ownership or operation thereof shall be paid and discharged by Lessee before becoming delinquent. All such taxes for which Lessee is liable hereunder for the calendar years of commencement and termination of this Lease shall be prorated from the commencement date and to the termination date of the term of the Lease. Such taxes shall be paid by Lessee before their due date and prior to the assessment of any late penalty. This Subparagraph 6.8 shall not be deemed or construed to require Lessee to pay or discharge any tax which may be levied upon the income, profits or business of Lessor or any personal property, franchise, inheritance or estate taxes which may be levied against Lessor or any tax of the same nature as any tax heretofore mentioned in this sentence, even though such taxes may become a lien against the Leased Premises.

6.9 Hazardous Substances. For purposes of this section "Hazardous Substances" shall be defined as any hazardous, toxic, or dangerous waste, substance, or material defined as such in (or for purposes of) any state, federal or local environmental laws, regulations, decrees or ordinances or in the Comprehensive Environmental Response, Compensation and Liability Act, as amended, or in any so called state or local "Super Fund", "Super Lien" or Cleanup Lien" law or any other federal, state or regulation, order or decree relating to or imposing liability or standards of conduct concerning any such substances or material or any amendments or successor statutes thereto. Lessee represents and warrants that, except for items commonly sold or utilized in supermarkets, no Hazardous Substances will be stored on the Leased Premises and that during the Lease

Term, no Hazardous Substances will be discharged on the Leased Premises solely and directly as a result of Lessee's operations in the Leased Space during the term of this Lease. In its supermarket operations, Lessee shall store, handle and sell any such Hazardous Substances in such a manner as is consistent with the reasonable standards of its supermarket operations and Lessee shall have any required permits for the storage and sale of such Hazardous Substances. Lessee agrees that such representations and warranties shall survive any termination of this Lease and Lessee agrees to indemnify and hold harmless the Lessor from any and all costs, expenses, claims and damages arising from its breach of any of the foregoing warranties of Lessee.

7. MAINTENANCE RESPONSIBILITY. The Lessor and the Lessee shall have the following responsibilities for maintenance of the Leased Premises, provided that any obligation or liability not specifically covered by the terms of this Lease shall be considered an obligation of the Lessor.

7.1 Maintenance by Lessor. Lessor, at its cost and expense and without charging Lessee any direct or indirect management fees or charges of any nature whatsoever, shall be responsible for all repairs to the Leased Premises of a structural nature or arising out of structural defect.

7.2 Maintenance by Lessee. Except for Lessor's obligations under Subparagraph 7.1, Lessee, at its costs, shall maintain, repair and replace all portions of the Leased Premises (provided, that the Lessee shall be entitled to all parts and service guaranties and any warranties in effect on equipment which it is responsible for maintaining under the terms hereof and to the benefit of any roof bonds) including but not limited to responsibility for repair and replacement of the roof and for maintaining the parking area and for removing ice and snow from the parking area and shall be responsible for plate glass of windows and doors.

7.3 Remodeling and Expansion at Lessee's Expense. During the term hereof, or any extension thereof, Lessee and its successors and assigns, shall have the right and the privilege to redecorate, expand and remodel the Leased Premises from time to time as it shall see fit; to erect and install such machinery and equipment, counters, shelving, light fixtures, partitions, fixtures, and signs in, upon and about the Leased Premises as in Lessee's judgment may be necessary or desirable in the conduct of its business and to change the same in its sole discretion, provided, with respect to any structural addition Lessor shall have the right to approve Lessee's plans and specifications therefor, such approval to not be unreasonably withheld.

7.4 Lessor's Failure to Make Repairs. Lessee may make any structural repairs required to be made by Lessor, provided Lessee has used reasonable effort to contact Lessor or Lessor's representatives (by telephone at telephone numbers designated in writing by Lessor in the case of emergency repairs, "emergency" being defined as imminent danger to Lessee, to Lessee's property or business or to the general public) and any such payments shall be deducted from the next following rental payment or payments.

8. ADVERTISING SIGNS. Lessee may erect its standard signs on the Leased Premises in a manner and location satisfactory to Lessee. Lessee shall

install its signs at its own expense and may remove them at the termination of this Lease. Any damage to the building as a result of the removal of Lessee's signs shall be repaired at the expense of the Lessee. Lessor shall not erect, nor permit to be erected, any signs on the Leased Premises other than those of Lessee.

9. EMINENT DOMAIN - CASUALTY LOSS. The Lessor and the Lessee agree as follows:

9.1 Eminent Domain Affecting Leased Building. In the event any part of the Leased Building should be taken by any public authority under the power of eminent domain or by transfer in lieu thereof, then the terms of this Lease shall cease on that part on the date of condemnation or transfer in lieu thereof, and the rent shall be paid up to that day, and from that day, the Minimum Rental shall be reduced in proportion to the amount of the store room taken; provided, however, that should five percent (5%) or more of the Leased Building be taken by the power of eminent domain or by transfer in lieu thereof, Lessor shall give Lessee written notice thereof and Lessee shall have the option, to be exercised within sixty (60) days after receipt of written notice, to cancel this Lease and declare the same null and void effective on the date such option is exercised. If Lessee should not elect to cancel this Lease, Lessor shall, at its sole cost, build on the new building line a wall, or front, similar to the one removed. It is understood and agreed that any and all condemnation awards or payments shall be paid to and retained by Lessor, except that Lessee shall be entitled to any award or payment made for damage to fixtures, equipment and merchandise owned by Lessee (including costs of removal of same), loss of Lessee's business and moving expense.

9.2 Eminent Domain Affecting Parking Area. In the event ten percent (10%) or more of the parking area on the Leased Premises should be taken by the power of eminent domain or transfer in lieu thereof, upon notice given to Lessor within sixty (60) days after such taking or transfer in lieu thereof, Lessee shall have the option to cancel this Lease and declare the same null and void effective thirty (30) days after such notice.

9.3 Destruction of Leased Premises. In the event the Leased Premises should be partially destroyed (less than one-third (1/3)) as a result of fire or other casualty, regardless of the cause, then Lessee shall, at its sole cost and expense, promptly, and in any event within thirty (30) days of receipt of insurance proceeds, commence to build or replace the same in as good condition as prior to such casualty, which rebuilding or replacement shall be completed within six (6) months following such commencement. In the event the Leased Premises should be substantially (one-third (1/3) or more) destroyed as a result of fire or other casualty, or it should be untenable and unfit for occupancy, then, Lessee may at Lessee's sole option, expressed to Lessor in writing within fifteen (15) days of such occurrence, (i) state its intention to commence to build or replace the same as aforesaid, which rebuilding and replacement shall be completed within six (6) months following such commencement thereof, or (ii) to terminate this Lease, effective on the date of such casualty. In the event of termination all insurance proceeds with respect to the Leased Premises shall be turned over to Lessor. Monthly Minimum Rentals shall abate proportionately to the use in the event of partial or

substantial destruction during the term of this Lease. Lessor shall have no interest or claim to any portion of the proceeds of any insurance carried by Lessee on Lessee's personal property.

10. INSURANCE

10.1 Insurance on Leased Premises. At all times during the term of this Lease, Lessee shall maintain, on the Leased Premises, fire insurance with additional coverage commonly known as Supplemental Contract or Extended Coverage, together with coverage for vandalism and malicious mischief, written by a financially responsible insurer duly authorized to do business in the State of Pennsylvania in an amount sufficient to prevent any coinsurance and in any event not less than eighty percent (80%) of the Full Insurable Value of the Leased Premises as determined from time to time. Such insurance shall name Lessor and Lessee and any mortgagee of the Leased Premises as additional insureds as their interests may appear and shall be payable in case of loss jointly to Lessor and Lessee. All insurance costs for which Lessee is liable hereunder for the calendar years of commencement and termination of this Lease shall be prorated from the commencement date and to the termination date of the term of the Lease.

10.1.1 Full Insurable Value. The term Full Insurable Value shall mean actual replacement cost (exclusive of the cost of excavation, foundations and footings below the basement floor) without deduction for fiscal depreciation.

10.1.2 Failure of Lessee to Insure. If the Lessee shall fail, refuse or neglect to obtain such insurance or to maintain the same, and furnish the Lessor with proof of the same upon demand, the Lessor shall have the right to procure such insurance and the cost thereof from shall be payable to the Lessor on demand.

10.1.3 Notice From Insurance Company. The insurance company will agree that the Lessor and Lessee will be given ten (10) days advance written notice of any cancellation or reduction of insurance under such policy and that copies of all endorsements and notices issued after the date of such policy will be forwarded to the Lessor.

10.2 Insurance on Lessee's Property. Lessee, at its own cost and expense, shall carry on its fixtures, equipment, and merchandise in the Leased Premises, fire insurance with additional coverage commonly known as Supplemental Contract or Extended Coverage, together with coverage for vandalism and malicious mischief, written by a financially responsible insurer authorized to do business in the State of Pennsylvania. Lessee shall provide Lessor with satisfactory evidence that its insurance policy contains an adequate waiver of subrogation clause in favor of Lessor.

10.3 Waiver of Subrogation Clause. Any insurance maintained by Lessee or by Lessor with respect to the Leased Premises, shall contain an adequate waiver of subrogation clause in favor of the other. Lessor and Lessee and all parties claiming under each of them hereby mutually release and discharge each other from all claims and liabilities arising from or caused by any hazard covered by insurance on the Leased Premises or covered by insurance in connection with the Leased Premises on or activities conducted on the Leased Premises regardless of the cause of the damage or loss.

11. ASSIGNMENT, SUBLETTING AND DISCONTINUANCE OF OPERATIONS.

11.1 Assignment and Subletting. Lessee shall have the right to assign this Lease or to sublease the Leased Premises or any part thereof without the consent of Lessor. Any assignee or sublessee hereunder shall be entitled to all the benefits due or accruing to Lessee under this Lease, and Lessor agrees to accept the performance of Lessee's obligations hereunder from any such assignee or sublessee. No assignment or subletting shall release Lessee from liability for its obligations hereunder.

11.2 Discontinuance of Operations. Lessee shall have the right to discontinue its operations in the Leased Premises without the consent of Lessor. (As used herein, discontinuance of operations shall mean Lessee is not open for business, holidays excepted and closure for remodeling, or for repairs after fire or other casualty excepted). In the event Lessee discontinues its operations in the Leased Premises for a period of six (6) continuous months, then Lessor shall have the right to terminate this Lease during the ninety (90) day period immediately following said six (6) months of discontinuance of operations. If Lessor does not terminate this Lease during said ninety (90) day period following the period of six (6) months of discontinuance of operations, then Lessee shall have the full right to assign or sublease the Leased Premises for any use. Provided, in the event Lessor does not terminate this Lease and Lessee or any assignee or sublessee of Lessee recommences operations in the Leased Premises after such six (6) month period then Lessor's right to terminate this Lease is extinguished until any subsequent discontinuance of operations in the Leased Premises for a period of six (6) continuous months.

12. INDEMNITY. Subject to the waiver of subrogation provisions of Paragraph 10.3, the Lessor and the Lessee shall provide the following indemnification:

12.1 Lessor's Indemnity. Lessor agrees to defend and indemnify, and shall hold Lessee harmless against all claims, judgments and demands of any person or persons whomsoever on account of injuries or accidents occurring in, on or about the Leased Premises as a result of willful or negligent acts or omissions of Lessor, its employees, agents or representatives.

12.2 Lessee's Indemnity. Lessee agrees to defend and indemnify and shall hold Lessor harmless against all claims, judgments and demands of any person or persons whomsoever on account of any injuries or accidents occurring in, on or about the Leased Premises as a result of willful or negligent acts or omissions of Lessee, its employees, agents or representatives.

12.3 Liability Insurance. Lessee shall carry public liability insurance on the Leased Premises stipulating limits of not less than \$1,000,000 for each occurrence, and \$500,000 for property damage. Certificates of such insurance shall be furnished to Lessor, and Lessee shall have all such policies of insurance name Lessor, Lessee and any mortgagee of the Leased Premises as additional insureds as their interests may appear.

13. DEFAULT.

13.1 Lessee's Default. Notwithstanding the default notice requirements set forth below, in the event Lessee fails to pay an installment of Annual Minimum Rental within five (5) days when due, then the amount of Annual Minimum Rental due and owing shall begin to accrue interest at the rate of one and one-half percent (1-1/2%) per month from the due date pro-rated to the date of payment. In the event Lessee should default in payment of rental, Lessor shall give Lessee written notice of such default by certified mail, and Lessee shall have ten (10) days from the date of receiving such notice to correct same. Should Lessee fail to correct such default in said ten (10) day period, Lessor may, in addition to all other rights available to Lessor under the laws of the state in which the Leased Premises is located, at its option, terminate this Lease or terminate Lessee's right of possession to the Leased Premises without terminating this Lease. In the event Lessee should fail to comply with any other provision of this Lease, Lessor shall give Lessee written notice of such default by certified mail. Should such default continue to exist at the expiration of sixty (60) days from the date of receipt of such notice, and Lessee is not then engaged in prudent efforts to cure such default, Lessor shall then give Lessee a second written notice by certified mail, and five (5) days from the receipt of such second notice, Lessor may, in addition to all other rights available to Lessor under the laws of the state in which the Leased Premises is located, at its option, terminate this Lease or terminate Lessee's right of possession without terminating this Lease. Should Lessee correct its default within the time provided or correct such default by action commenced during such time period and prudently pursued thereafter, then Lessee's rights hereunder shall be re-established as though said default had not occurred. Lessor may terminate Lessee's right of possession (but not the Lease) and may repossess the Leased Premises by appropriate proceedings and re-let the same for the account of Lessee on such terms as satisfactory to Lessor including making repairs, changes, alterations and additions as may be convenient or necessary to prepare the Leased Premises for subletting. Landlord shall be entitled to receive all rent and other costs to the date possession is recovered and all rent and other charges thereafter diminished by sums actually received from re-letting after deducting all costs of re-letting, including but not limited to repairs, alterations, brokerage fees and other miscellaneous costs. Such re-letting shall not be construed as an election to terminate this Lease unless Lessor gives written notice thereof to Lessee.

13.2 Lessor's Default. Should Lessor default in fulfillment of any of the covenants or agreements of this Lease and fail to correct such within sixty (60) days from receipt of written notice from Lessee of such default, (except for failure to make emergency repairs as set forth in subparagraph 7.4 hereof which shall not require sixty (60) days written notice), or in the event any representation or warranty made by Lessor is false or misleading in any material respect then Lessee, at its option, may (i) correct such default and deduct any and all cost as a result of such correction from rentals due or becoming due until Lessee shall be reimbursed in full for cost of such correction, provided that in no event shall Lessee deduct more than fifty percent (50%) from any month's rent, or (ii) provided Lessor has not commenced to cure such default, Lessee shall have the right, so long as default shall continue, to terminate this Lease.

14. REDELIVERY OF LEASED PREMISES. Lessee shall, at the termination of this Lease or any extension thereof, peacefully quit, surrender and deliver

up to Lessor, its successors or assigns, the Leased Premises in good condition, with the exception of usual wear and tear, fire, the elements, civil riot, war, or other unavoidable casualty, loss or damage, regardless of the cause.

15. HOLDING OVER. In the event the Lessee should remain in possession of the Leased Premises after expiration of this Lease, without the execution of a new Lease, Lessee shall be deemed to be occupying the Leased Premises as a tenant from month to month, subject to all of the conditions, provisions and obligations of this Lease insofar as the same are applicable to a month to month tenancy.

16. REMOVALS BY LESSEE. Lessee shall have the right at any time prior to or upon termination or expiration of this Lease to remove any and all of its merchandise, machinery, equipment, counters, shelving, light fixtures, signs and other fixtures (regardless of the manner in which any of said items have been attached or fastened to the Leased Premises) which it owns and has placed in, upon and about the Leased Premises, as well as any and all personal property located in said Leased Premises and owned by Lessee at such time. In removing such personal property, Lessee shall not materially injure or damage the Leased Premises and any such material damage resulting shall be repaired at the expense of Lessee. It is understood that a bona fide dispute between Lessor and Lessee as to rental claimed to be due shall not operate to prevent removal of property by Lessee pursuant to this paragraph, but in such event Lessee shall have the right to remove the same as if no rental were then due. Lessor hereby waives any rights, security interest or "Landlord's Lien" whether by statute or common law in Lessee's personal property.

17. NOTICES. All notices required or options granted under this Lease shall be given or exercised in writing, and shall be deemed to be properly served if (i) sent by certified mail with return receipt requested, or (ii) sent by telegram, or (iii) personally delivered to the address hereinafter identified. Except as herein otherwise specifically provided to the contrary, the effective date of such notice or exercise of any option shall be the date which is stamped by the United States Post Office Department on the envelope enclosing same, the date of the telegram or the date on which personal delivery is made. The parties hereto shall not refuse to accept deliver of said notices.

17.1 Addresses. Until changed by written notice from the appropriate party to the other, the addresses of the parties are and shall be:

LESSOR: Robert Moss
664 Water Street
Conneaut Lake, Pennsylvania 16316

LESSEE: S. M. Flickinger Co., Inc.
Post Office Box 26030
5701 North Shartel
Oklahoma City, Oklar na 73126
Attn: General Counsel

17.2 Rental Payment Address. Until appropriately changed by thirty (30) days written notice to Lessee, rental payments hereunder shall be made to Lessor either by mail or otherwise as follows:

-11-

LESSOR:

Robert Moss
664 Water Street
Conneaut Lake, Pennsylvania 16316

In the event the rental payment address is changed in connection with the transfer of beneficial interest in the Leased Premises, Lessee shall not be required to comply with such notice unless the same is accompanied by evidence satisfactory to Lessee of such change of ownership, and any payments made by Lessee prior to receiving such satisfactory evidence shall be deemed properly paid.

18. AUTHORITY. Each party hereto affirms and states that it has full right and authority to enter into and perform this Lease Agreement.

19. MEMORANDUM OF LEASE. The Lessor agrees that it will not record this Lease, but will at any time, at the request of Lessee, execute a Memorandum of Lease, in the form of Exhibit "F" attached hereto, which will set forth a legal description of the Real Property, the term of the Lease and any other provisions hereof as Lessee may request, and Lessee may, at its option, record such Memorandum of Lease in the real property records of the county in which the Real Property is located.

20. SUBORDINATION AND NON-DISTURBANCE. The Lessee agrees that it will obtain execution of a Subordination and Non-Disturbance Agreement in the form of Exhibit "G" attached hereto which will subordinate Lessee's interest hereunder to the interest of any mortgagee holding a mortgage lien on the Leased Premises, if the mortgagee requires such a subordination; provided, however, such subordination shall be subject to the non-disturbance provisions contained therein. Prior to the execution of this Lease, Lessor shall provide to Lessee a fully executed Non-Disturbance Agreement from each existing mortgagee of the Leased Premises, which Non-Disturbance Agreement shall be in the form of Exhibit "H" attached hereto.

21. MISCELLANEOUS.

21.1 Modifications to Lease. Lessor and Lessee agree that no alterations, changes or modifications of this Lease shall be effective unless made in writing and executed in the same manner as is this present instrument and specifically agree that no verbal or oral changes are effective.

21.2 Partial Invalidity. Should any clause or provision of this Lease be invalid or void for any reason, such invalid or void clause shall not affect the whole of this instrument, but the balance of the provisions hereof shall remain in full force and effect.

21.3 Descriptive Headings. The descriptive headings of the paragraphs of this Lease are for convenience only and shall not be used in the construction of the contents hereof.

21.4 Binding Effect. It is covenanted between the parties hereto that all covenants and undertakings in this Lease contained shall extend to and be binding upon the respective successors and assigns of the parties hereto. The covenants and agreements contained herein shall run with the land and continue for the term of this Lease and any extension thereof.

21.5 Estoppel Certificates. Lessee shall, at any time and from time to time upon not less than ten (10) business days prior to request by Lessor, execute, acknowledge and deliver to Lessor a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications) and, if so, the dates to which the fixed rent and any other charges have been paid in advance and that there are no defaults under the Lease, or if there are defaults specifying the nature thereof.

21.6 Transfer of Lessor's Interest. If Lessor should sell or otherwise transfer Lessor's interest in the Leased Premises, Lessee agrees that Lessor shall thereafter have no liability to Lessee under this Lease or any modification or amendment thereof or extensions or renewals thereof, except for such liabilities which might have accrued prior to the date of such sale or transfer of Lessor's interest. The Lessor shall be liable under this Lease only while owner of the Leased Premises.

21.7 Limitation of Lessor's Liability. Notwithstanding anything to the contrary provided in this Lease it is specifically understood and agreed, as a primary consideration for the execution of this Lease by Lessor, that in no event shall Lessee have any right to levy execution against any property of Lessor, or any successor in interest to Lessor, other than such party's interest in the Leased Premises. Lessor covenants and agrees that it will not mortgage or voluntarily grant any lien on its interest in the Leased Premises in excess of eighty percent (80%) of the current MAI appraised value of the Leased Premises, or eighty percent (80%) of the amount of any appraisal made by any institutional lender, it being the intention of the parties that Lessee shall have at all times recourse to at least twenty percent (20%) of the appraised value of the Leased Premises. If Lessor fails to perform any covenant, term or condition of this Lease and, as a consequence of such default, Lessee shall recover a money judgment against Lessor, such judgment shall be satisfied by any or all of the following sources, at Lessee's option: (a) out of the proceeds of sale received upon execution of such judgment and levy thereon against the right, title and interest of Lessor in the Leased Premises and neither Lessor, nor, if Lessor be a partnership, trust or tenants in common, any of the partners, tenants in common, trustees or beneficiaries comprising such entity or individuals shall be liable for any deficiency; or (b) such judgment shall be satisfied by Lessee deducting an amount equal to such money judgment and interest thereon from rentals due or becoming due until Lessee's judgment shall be satisfied in full; or (c) such judgment shall be satisfied out of any insurance payments or proceeds thereof paid to Lessor out of coverage obtained by Lessee as required under the terms of this Lease. Lessee's right to injunctive relief and other equitable remedies shall not be impaired by this clause and Lessee shall be entitled to such remedies throughout the Initial Term or any Extended Term of this Lease.

21.8 Non-Waiver. Any assents, expressed or implied, by Lessor or Lessee to any breach of any specific 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.

21.9 Lessee's Use. Lessee may use the Leased Premises for any lawful purpose.

21.10 Choice of Law. This Lease shall be governed by and construed in accordance with the laws of the State of Pennsylvania.

IN WITNESS WHEREOF, the Lessor and Lessee have executed and delivered this Lease on the date first above written.

Roberta M. Alexander
Witness

Robert S. Moss
Robert S. Moss

James J. [Signature]
Witness

Kathleen E. Moss
Kathleen E. Moss
(solely for the purpose of waiving her inchoate rights of dower)

LESSEE:

S. M. FLICKINGER CO., INC.
A New York Corporation

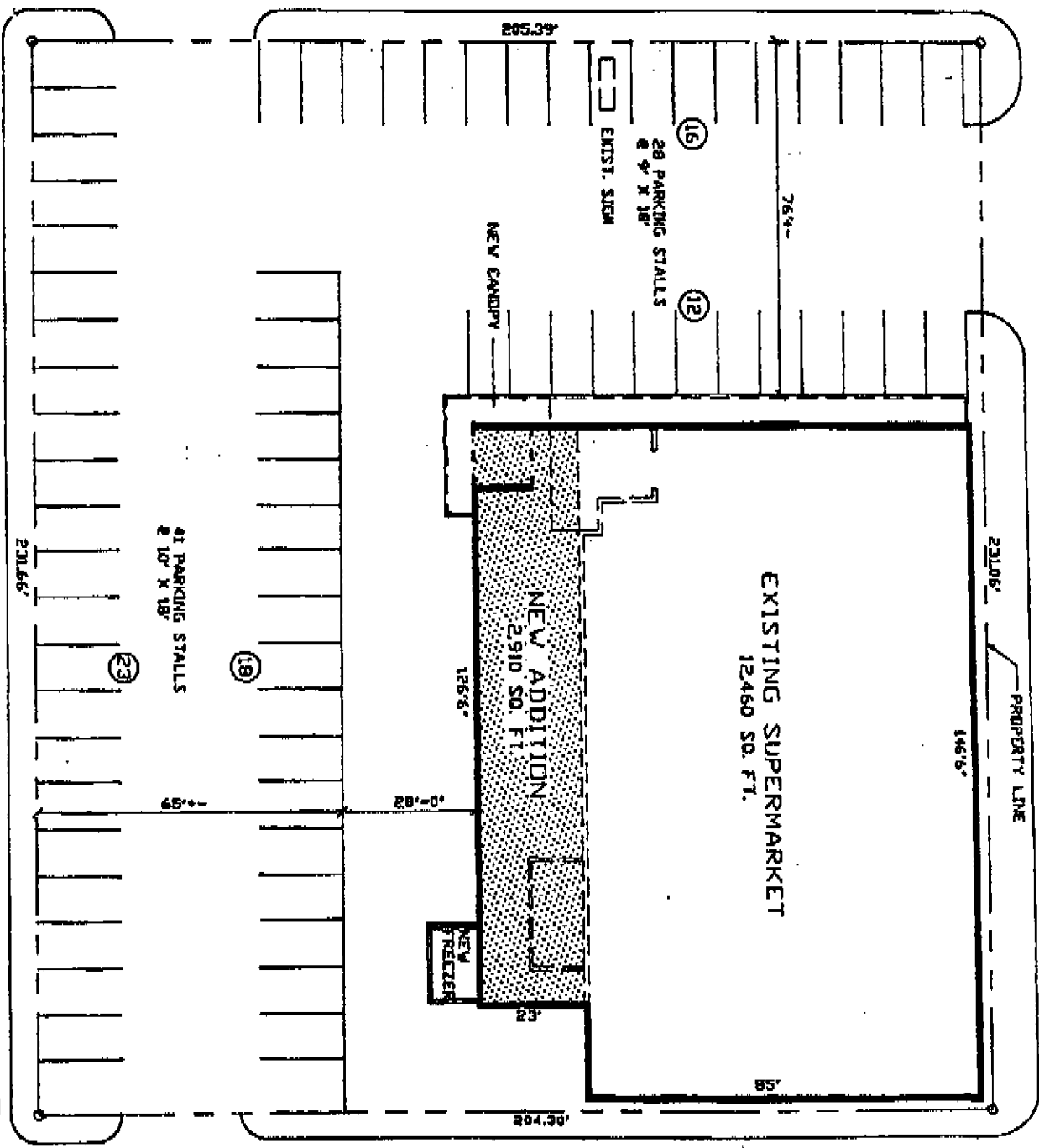
ATTEST:

[Signature]
Asst. Secretary
[SEAL]

By: [Signature]
Jerry D. Metcalf, President

KEP(D20)CORRY.L1

SPRING STREET



FIRST AVENUE

WEST PLEASANT STREET

PROPOSED SITE PLAN
SCALE: 1" = 30'-0"



PARKING DATA	BUILDING SIZE 15,370 SQ. FT.
TOTAL STALLS	69 STALLS
OVERALL RATIO	4.5 STALLS/1000 S.F.

WML

City of Corry, County of Erie, Pennsylvania, described as follows:

Being that certain piece, city block bounded on the North by the South line of West South Street and having a frontage of Two Hundred Five and Thirty-Five Hundredths (205.35) feet; bounded on the East by West Line of Spring Street and having a frontage of Two Hundred Thirty-One and Six Hundredths (231.06) feet; bounded on the South by the North Line of West Pleasant Street and having a frontage of Two Hundred Four and Three Tenths (204.3) feet; and bounded on the West by the East Line of First Avenue and having a frontage of Two Hundred Thirty-One and Sixty-Six Hundredths (231.66) feet.

EXHIBIT "B"
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W

ADDENDUM TO LEASE

THIS ADDENDUM TO LEASE, entered into this 18 day of February, 1989, by and between ROBERT S. MOSS and KATHLEEN E. MOSS, husband and wife, hereinafter referred to as "Lessor," and S. M. FLICKINGER CO., INC., a New York corporation, hereinafter referred to as "Lessee";

WITNESSETH:

WHEREAS, the Lessor and the Lessee have previously entered into a certain Lease dated October 3, 1988, covering Leased Space in the improvements located on the Real Property more particularly described on Exhibit "A" attached hereto; and

WHEREAS, by this instrument and pursuant to the terms of Paragraph 3.1 of the Lease, the Lessor and the Lessee desire to set forth in a written documents the Commencement Date of the term of the Lease.

NOW, THEREFORE, for valuable consideration and in consideration of the terms and covenants herein contained, the Lessor and Lessee agree as follows:

1. COMMENCEMENT DATE. The Commencement Date of the primary term of the Lease shall be at 12:01 P.M. on the 1st day of March, 1989.

2. TERMINATION. The Termination Date of the primary term of the Lease shall be at 12:00 P.M. on the 30th day of April, 2009, provided that the Lessee has the option to extend the term of the Lease for four (4) additional terms of five (5) years.

3. EFFECT. This Addendum to Lease is executed pursuant to the terms of Paragraph 3.1 of the Lease and in no way alters, modifies or amends the Lease, and the Lease continues uninterrupted, unabated and in full force and effect.

IN WITNESS WHEREOF, the Lessor and Lessee have executed and delivered this Addendum to Lease on the day, month and year first above written.

LESSOR

James M. Coyle
Witness

James M. Coyle
Witness

Robert S. Moss
Robert S. Moss

Kathleen E. Moss
Kathleen E. Moss

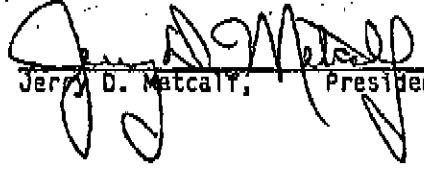
LESSEE:

ATTEST:


Asst. Secretary

(SEAL)

S. M. FLICKINGER CO., INC.
A New York Corporation

By: 
Jerry D. Matcalf, President

KEP(D25)MOSS.ATL1

City of Salt Lake, County of Salt Lake, State of Utah, and the State of Utah

Being that certain piece, city block bounded on the North by the South line of West South Street and having a frontage of Two Hundred Five and Thirty-Five Hundredths (205.35) feet; bounded on the East by West Line of Spring Street and having a frontage of Two Hundred Thirty-One and Six Hundredths (231.06) feet; bounded on the South by the North Line of West Pleasant Street and having a frontage of Two Hundred Four and Three Tenths (204.3) feet; and bounded on the West by the East Line of First Avenue and having a frontage of Two Hundred Thirty-One and Sixty-Six Hundredths (231.66) feet.

EXHIBIT "B"
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