## SCHEDULE A (Continued)

## Column 1

## Column 2

Period in which	
purchase occurs	Applicable Amount
61	390,012.93
62	378,313,74
63	366,351.32
64	354,119.74
65	341,612.95
66	328,824.76
67	315,748.84
68	302,378.71
69	288,707.75
70	274,729.19
. 71	260,436.12
72	245,821.45
73	230,877.95
74	215,598,22
75	199,974.70
76	183,999.65
<b>7</b> 7	167,665.16
78	150,963.15
79	133,885.34
80	116,423.28

## SCHEDULE B

Montpelier, Bear Lake, County, Idaho Store No. 255

Lots 5 and 6, Block 13, of the Original Townsite of the City of Montpelier, according to Montpelier Plat A.

IN WITNESS WHEREOF, Lessor has caused this Lease to be duly executed and Lessee has caused this Lease to be executed and its corporate seal to be hereunto affixed by its duly authorized officers, as of the day and year first above set forth.

S. S. PROPERTIES, ASSOCIATES II

By Human Partner

SAFEWAY STORES, INCORPORATED

(a Mary)and corporation)

[Seal]

Assistant Vice President

Attest:

Assistant Secretary

STATE OF NEW YORK )
) SS.:
COUNTY OF NEW YORK)

On this /5 day of October, 1976, before me personally in said County and State appears SHELDON J. STREISAND, to me personally known and known to me to be a general partner of S. S. PROPERTIES ASSOCIATES II, a New Jersey limited partnership named in and executing the foregoing instrument, which instrument was produced to me in said County and State aforesaid by the said general partner, known to me to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its general partner, who by me being duly sworn, did severally depose, say and acknowledge, on his oath, in said County and State aforesaid, that he is a general partner of said partnership and that said partnership executed said instrument; that he, being informed of the contents of said instrument, signed said instrument and that he executed the same in the name and on behalf of said partnership, being duly authorized to do so; that he executed the same as, and said instrument is, his free and voluntary act and deed and the free and voluntary act and deed of said partnership for the consideration, uses and purposes therein set forth and expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid on the day and year first above written.

(Seal)

My Commission Expires:

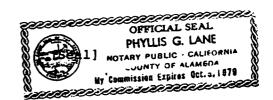
DON B. PANUSH
Natary Public, State of New York
No. 41-3009665
Qualified in Queens County
Commission Expires March 30, 1977

On this 15th day of October, 1976, before me, PHYLLIS G. LANE, a Notary Public in and for the said County and State, personally in said County and State appeared PATRICK S. TOTMAN and RICHARD H. COSTELLO, to me personally known and known to me to be the Assistant Vice President and Assistant Secretary, respectively, of SAFEWAY STORES, INCOR-PORATED, a corporation named in and executing the foregoing instrument, which instrument was produced to me in said County and State aforesaid by the said Assistant Vice President and Assistant Secretary, who are known to me to be the identical persons who subscribed the name of the maker thereof to the foregoing instrument as its Assistant Vice President and Assistant Secretary, respectively, who by me being duly sworn, did severally depose, say and acknowledge, in their several oaths, in said County and State aforesaid, that they are the Assistant Vice President and Assistant Secretary, respectively, of said corporation and that said corporation executed said instrument; that they know the seal of said corporation; that the seal affixed to said instrument is the corporate seal of said corportion; that they, being informed of the contents of said instrument, signed and sealed said instrument and that they executed the same in the name and on behalf of said corporation by order, authority and resolution of its Board of Directors and that they signed their names thereto by like order; that they executed the same as, and said instrument is, their free and voluntary act and deed and the free and voluntary act and deed of said corporation for the consideration, uses and purposes therein set forth and expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and my official seal in the County and State aforesaid on the day and year first above written.

My Commission Expires:

October 5, 1979



#### ASSIGNMENT AND ASSUMPTION

Safeway Stores, Incorporated, A Maryland Corporation ("Assignor") hereby assigns, sets over and transfers to Safeway Stores 53, Inc., A Delaware Corporation ("Assignee"), its successors and assigns, all of Assignor's estate, right, title and interest in, to and under that certain LEASE dated September 01, 1976 by and between S S Properties Associates II and Safeway Stores Incorporated, as such lease may have been from time to time modified, ("said Lease"), and all, if any, relative options, easements, licenses, subleases and other agreements (collectively "Related Agreements"). Said Lease pertains to that real property situated in the City of MONTPELIER, County (Parish) of BEAR LAKE, State of ID, as more particularly described in said Lease. Assignor shall have continued liability under said Lease to the extent and in the manner provided therein.

Assignee hereby accepts said assignment and covenants with Assignor and the lessor of said Lease, and for the benefit of any assignee or successor in interests of said lessor, that Assignee, its successor and assigns, hereby assumes and will henceforth perform or cause to be performed all of the obligations of every nature contained in said Lease and Related Agreements which, by the terms thereof, are imposed upon Assignor.

Assignee hereby agrees that the assignment set forth herein is subject and subordinate to the terms of said Lease.

This Assignment and Assumption shall be effective as of November  $\frac{37}{5}$ , 1986.

Executed as of November / , 1986.

("Assignee")

("Assignor")

Safeway Stores 53, Inc. A Delaware Corporation

Safeway Stores, Incorporated, A Maryland Corporation

By

seistant Mice Eresiden

By

ssistant Vice President

Bur

Commence

By.

Accietant Commons

FACILITY #:

0255

ADDRESS:

130 SO 4TH ST

MONTPELIER, ID

SL-23

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

Borman's, Inc. P.O. Box 33446 Detroit, Michigan 48232-5446 Attention: President

Store 255

#### ASSIGNMENT OF LEASE

THIS ASSIGNMENT is as of made this 27th day of April, 1987, between SAFEWAY STORES 53, INC., a Delaware corporation ("Assignor") and S E G STORES, INC., a Delaware corporation ("Assignee").

#### RECITALS

- A. Pursuant to the lease(s) and other documents listed in Exhibit "A", attached hereto and incorporated herein by this reference, as amended to date, true and complete copies of which are attached hereto as Exhibit B (collectively, the "Lease"), Safeway Stores, Incorporated, a Maryland corporation or its predecessor in interest (the "Original Tenant"), leased and acquired other rights in certain premises located at 130 South 4th Street, Montpelier, Idaho, as more particularly described in the Lease (the "Premises").
- B. Assignor obtained the Original Tenant's interest in the Lease pursuant to an Assignment and Assumption Agreement dated as of November 1, 1986.

Agreement dated as of April 27, 1987 between Safeway Stores, Incorporated, Safeway Stores 51, Inc., Safeway Stores 52, Inc., Safeway Stores 53, Inc., Safeway Stores 54, Inc., Safeway Stores 55, Inc., and Safeway Stores 57, Inc. as Seller, S E G Stores, Inc. as Buyer, and Borman's, Inc., Assignor desires to assign the Lease to Assignee, and Assignee desires to accept an assignment of the Lease, together with all right, title and interest of Assignor thereunder as hereinafter provided.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, and in consideration of the premises and the mutual covenants, conditions and agreements contained herein and in the Asset Purchase Agreement, the parties agree as follows:

1. Assignment: Assignor hereby transfers, sets over and assigns to Assignee all right, title and interest of Assignor in and to the Lease, TO HAVE AND TO HOLD the same to Assignee, its successors and assigns forever, together with any and all options in favor of Assignor under the lease, including, without limitation, any options to extend the term of the Lease, to terminate the term thereof, to expand the improvements on the Premises or to purchase the interest of Landlord in the Premises, and all rights of Assignor in or to any deposits and advance payments, if any, made by Assignor under the Lease; SUBJECT, HOWEVER, to each and every

provision of the Lease and as hereinafter provided; provided, further, that Assignor represents and warrants that nothing contained in the Lease precludes or prevents any holder of the interest of any tenant other than the original tenant named therein from exercising or enjoying any renewal options.

- 2. Acceptance of Assignment: Assignee accepts the within assignment and agrees to perform and discharge all of the covenants, terms, conditions and provisions to be kept, observed and performed by Assignor as tenant under the Lease from and after the Effective Date as defined in Paragraph 3 hereinbelow, including, without limitation, the payment of all rents, additional rents and other charges reserved in and by the Lease. Nothing herein shall obligate Assignee to assume or pay any rent, fee, charge, expense or adjustment attributable to any obligations of Assignor under the Lease which shall have arisen or accrued prior to the Effective Date.
- 3. <u>Effective Date</u>: This Assignment shall be effective April 27, 1987 (the "Effective Date").
- 4. <u>Delivery of Premises</u>. Assignor shall deliver full and unhindered possession of the premises to Assignee on the Effective Date.
- 5. <u>Notice</u>. Any notice, request, instruction or other document to be given hereunder by either party to the other shall be in writing and delivered personally or mailed

by certified mail, postage prepaid, return receipt requested (such mailed notice to be effective on the date such receipt is acknowledged), as follows:

If to Assignor, addressed to:

Safeway Stores, Inc. 201 Fourth Street Oakland, California 94660 Attention: Manager, Real Estate Law Division

With a copy to:

Latham & Watkins 555 South Flower Street Suite 4300 Los Angeles, California 90071 Attention: Michael C. Kelcy, Esq.

If to Assignee by mail, addressed to:

Borman's P.O. Box 33446 Detroit, Michigan 48232-5446 Attention: President

If to Assignee by personal service, addressed to:

Borman's 18718 Borman Avenue Detroit, Michigan 48228 Attention: President

With a copy to:

Stein Simpson & Rosen 1370 Avenue of the Americas New York, New York 10019 Attention: David Simpson, Esq.

or to such other place and with such other copies as either party may designate as to itself by written notice to the others.

6. <u>Counterparts</u>. This Agreement may be executed in one or more counterparts by the parties hereto. All

counterparts shall be construed together and shall constitute one agreement.

7. <u>Binding Effect</u>. This Agreement shall be binding on and inure to the benefit of the parties and their respective heirs, successors and assigns.

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

ASSIGNOR:

SAFEWAY STORES 53, INC., a Delaware corporation

Philip G. Horton

Its Vice President

ASSIGNEE:

S E G STORES, INC.

By:\_\_

Ted J. Simon

Its Vice President

Address:

Borman's, Inc. P.O. Box 33446 Detroit, Michigan

48232-5446

Attention: President

#### EXHIBIT "A"

Lease dated September 1, 1976 between SouthSouth Properties Associates II and Safeway Stores, Incorporated, a Maryland corporation. The Lessee's interest in the Lease was assigned by Assignment and Assumption Agreement dated November 1, 1986 between Safeway Stores, Incorporated and Safeway Stores 53, Inc., a Delaware corporation.

#### Related Agreements:

Grant of Easement (Utility) dated October 21, 1976 between Safeway Stores, Incorporated and The Mountain States Telephone and Telegraph Company, a Colorado corporation.

Grant of Easement (Utility) dated February 9, 1977 between Safeway Stores, Incorporated and City of Montpelier, Idaho.

STATE OF CALIFORNIA )

COUNTY OF LOS ANGELES )

On April <u>J</u>, 1987, before me, the undersigned, a Notary Public in and for said State, personally appeared PHILIP G. HORTON personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument as Vice President of SAFEWAY STORES 53, INC., a Delaware corporation, the corporation that executed the within instrument and acknowledged to me that he subscribed his name thereto as Vice President of said corporation and that said corporation executed the same.

WITNESS my hand and official seal.

OFFICIAL SEAL
BARBARA W. LANSBERG
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. July 24, 1988

Notary Public in and f said County and State STATE OF CALIFORNIA )

(COUNTY OF LOS ANGELES )

On April 26, 1987, before me, the undersigned, a Notary Public in and for said State, personally appeared TED J. SIMON personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument as Vice President of S E G STORES, INC., a Delaware corporation, the corporation that executed the within instrument, and acknowledged to me that he subscribed his name thereto as Vice President of said corporation and that said corporation executed the same.

WITNESS my hand and official seal.

OFFICIAL SEAL
BARBARA W. LANSBERG
Notary Public-California
LOS ANGELES COUNTY
My Comm. Exp. July 24, 1988

Notary Public in and for said County and State



#### ASSIGNMENT AND ASSUMPTION AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and adequacy of which are hereby acknowledged, SEG Stores, Inc., a Delaware corporation, whose address is 331 Bearcat Drive, P. O. Box 30001, Salt Lake City, Utah 84130 ("Assignor"), hereby assigns, transfers and conveys, upon the terms and conditions contained herein, to Fleming Companies, Inc., an Oklahoma corporation and Fleming Foods West, Inc., a California corporation, whose address is 2205 West 1500 South, Salt Lake City, Utah 84126 (collectively "Assignee"), all of Assignor's right, title and interest, as tenant, in and to that certain lease more fully described in Exhibit 1 to this Assignment and Assumption Agreement ("Lease").

The terms and conditions above-referred to are as follows:

- l. This Assignment and Assumption Agreement shall be effective as of the date hereof, and incorporates all the representations and warranties relating to the Lease made by Assignor to Assignee in that certain Agreement of Purchase and Sale between Assignor and Assignee dated February 22, 1988.
- 2. Assignee hereby assumes and agrees to perform and observe all of the obligations of the tenant under the Lease, which obligations are in respect of the period from and after the date of this Assignment and Assumption Agreement and Assignee hereby indemnifies and agrees to defend and hold harmless Assignor against all liabilities in connection with such obligations.
- 3. Assignor hereby indemnifies and agrees to defend and hold harmless Assignee against all liabilities in connection with the obligations of the tenant under the Lease in respect of the period subsequent to April 26, 1987 and prior to the date of this Assignment and Assumption Agreement.

	n the day of March, 1988.
ngreement has seen exceuted o	SEG Stores, Inc. A Delaware Corporation ("Assignor")
	Ву:
	Ted J. Simo∕n, Vice President
	Fleming Companies, Inc. An Oklahoma Corporation ("Assignee")
	By: Jan
	Fleming Foods West, Inc., an Oklahoma corporation ("Assignee")
	By: Coch January III
STATE OF UTAH ) SS	-
COUNTY OF SALT LAKE )	
Ted J. Simon, who being by me Vice President of SEG Stores, that said instrument was sign the authority of its bylaws of	Marie Bublic
	Residing in Scc. UPAL
My Commission expires:	

 $\frac{m_1^{\frac{1}{2}}+\kappa_1^{\frac{1}{2}}}{\kappa_1^{\frac{1}{2}}+\kappa_2^{\frac{1}{2}}}$ 

STATE OF UTAH )
COUNTY OF SALT LAKE )
On the 25 day of March, 1988, personally appeared before me Staplan Mangold, who being by me duly sworn, did say that he is the of Fleming Companies, Inc., an Oklahoma corporation, and that said instrument was signed in behalf of said corporation by the authority of its bylaws or of a resolution of its board of directors, and said acknowledged to that said corporation executed the same.
Notary Public Residing in SCC · U
My Commission expires:
3-11-90
STATE OF UTAH ) )SS COUNTY OF SALT LAKE )
On the 25 day of March, 1988, personally appeared before me Steplen March, 1988, personally appeared by the
My Commission expires:
3-11-80

wp:borflemexa

#### EXHIBIT 1

Store #255 \ - 130 So. 4th St. Montpelier, Idaho

Lease dated September 1, 1976 between S.S. Properties Associates II and Safeway Stores, Incorporated, a Maryland corporation. The Lessee's interest in the Lease was assigned by Assignment and Assumption Agreement dated November 1, 1986 between Safeway Stores, Incorporated and Safeway Stores 53, Inc., a Delaware corporation, and by Assignment of Lease dated April 27, 1987, between Safeway Stores 53, Inc., a Delaware corporation, and SEG Stores, Inc., a Delaware corporation.

Store No. 255

SE13

#### ASSIGNMENT AND ASSUMPTION AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and adequacy of which are hereby acknowledged, Fleming Companies, Inc., an Oklahoma corporation, whose address is P. O. Box 26647, Oklahoma City, Oklahoma 73126 ("Assignor"), hereby assigns, transfers and conveys to Fleming Foods West, Inc., a California corporation, whose address is 2205 West 1500 South, Salt Lake City, Utah 84126 ("Assignee"), all of Assignor's right, title and interest in and to that certain lease more fully described in Exhibit 1 to this Assignment and Assumption Agreement ("Lease").

Assignee hereby assumes and agrees to perform and observe all of the obligations of the tenant under the Lease, which obligations are in respect of the period from and after the date of this Assignment and Assumption Agreement, and Assignee hereby indemnifies and agrees to defend and hold harmless Assignor against all liabilities in connection with such obligations.

IN WITNESS WHEREOF, this Assignment and Assumption Agreement has been executed on the  $\frac{3}{2}$  day of May, 1989, and is to be effective as of March 25, 1988.

FLEMING COMPANIES, INC., an Oklahoma corporation

ATTEST:

Secretary

[Seal]

FLEMING FOODS WEST, INC., a

Vice President

ATTEST:

Secretary

[Seal]

Vice President

California corporation

	STATE OF OKLAHOMA ) ) ss: COUNTY OF OKLAHOMA )
	The foregoing instrument was acknowledged before me this 3/5+ day of May, 1989, by Atalian H. Mangala , Vice President of Fleming Companies, Inc. an Oklahoma corporation, on behalf of the corporation.
	Mella L. Trease Notary Public
	My commission expires:
	(Seal)
·	STATE OF OKLAHOMA ) ) ss: COUNTY OF OKLAHOMA )
	The foregoing instrument was acknowledged before me this 3/3 day of May, 1989, by Stephen H. Monapold, Vice President of Fleming Foods West, Inc. a California corporation, on behalf of the corporation.    Mella L. Jease   Notary Public
	My commission expires:
· ·.	(Seal)
	CALA:FLEHING_A_A_AGHT_255

#### EXHIBIT 1

Store #255 - 130 So. 4th St. Montpelier, Idaho

Lease dated September 1, 1976 between S.S. Properties Associates II and Safeway Stores, Incorporated, a Maryland corporation. The Lessee's interest in the Lease was assigned by Assignment and Assumption Agreement dated November 1, 1986 between Safeway Stores, Incorporated and Safeway Stores 53, Inc., a Delaware corporation, and by Assignment of Lease dated April 27, 1987, between Safeway Stores 53, Inc., a Delaware corporation, and SEG Stores, Inc., a Delaware corporation.

# EXHIBIT 1 (Continued)

The previously described lease covers certain real property more particularly described as:

Lots 5 and 6, Block 13, of the Original Townsite of the City of Montpelier, Idaho according to Montpelier Plat A.

Located in Bear Lake County

#### ASSIGNMENT AND ASSUMPTION OF LEASES

KNOW ALL MEN BY THESE PRESENTS: That for good and valuable consideration, receipt and adequacy of which is hereby acknowledged, S.S. PROPERTIES ASSOCIATES II, a New Jersey Limited Partnership ("Assignor"), having an office care of Financial Packaging Corporation, 205 East 42nd Street, Suite 1919, New York, New York 10017, hereby transfers, assigns, sells and sets over unto JANESS ASSOCIATES, a New York partnership, ("Assignee"), having an office at 77 Tarrytown Road, Suite 100, White Plains, New York 10607-1620, from and after May 30, 1996, all of the right, title, and interest of the Landlord under all leases of space and other rights of occupancy or use covering any portion of the premises located in the County of Bear Lake, State of Idaho ("Premises"), as described on Exhibit "A" hereto, including without limitation that certain Lease ("Lease") dated September 1, 1976, by and between S.S. Properties Associates II, a New Jersey limited partnership, as Landlord, and Safeway Stores, Incorporated, a Maryland corporation, as Tenant, as disclosed by Memorandum of Lease dated September 1, 1976 recorded as Microfilm Instrument No. 109987, Records of Bear Lake County, Idaho, together with all rents, issues, and profits to be derived therefrom and all powers and privileges relating thereto.

Assignor hereby indemnifies Assignee with respect to any and all obligations of the Landlord under the Lease which may arise on or before May 29, 1996. Assignee hereby assumes all of the obligations of the Landlord under the Lease which may arise from and after May 30, 1996, and hereby indemnifies Assignor with respect to any and all such obligations which may arise from and after May 30, 1996.

Assignor hereby agrees and confirms that all rentals to be paid by the Tenant under the Lease are being paid (pursuant to collateral assignment of lease dated September 1, 1976 recorded as Microfilm Instrument No. 109989, Records of Bear Lake County, Idaho, from S.S. Properties Associates II and Safeway Stores, Incorporated to First Brandywine Store Properties Corp., a Delaware corporation, and Shawmut Bank of Boston, N.A. and W.B. Wadland, Trustees, as reassigned to Shawmut Bank of Boston, N.A. and W.B. Wadland, Trustees by instrument dated September 1, 1976, recorded as Microfilm Instrument No. 109991, Records of Bear Lake County, Idaho) and shall continue to be paid by such Tenant directly to the holder ("Mortgagee") of that certain Deed of Trust ("Mortgage") covering the Premises which is dated September 1, 1976, recorded as Microfilm Instrument No. 109988, Records of Bear Lake County, Idaho, from S.S. Properties Associates II to Title and Trust Company, as Trustee, and First Brandywine Store Properties Corp., as Beneficiary, and Shawmut Bank of Boston, N.A. and W.B. Wadland, as Indenture Trustees, which Mortgage was assigned to Shawmut Bank of Boston, N.A. and W.B. Wadland, as Trustees by instrument dated September 1, 1976, recorded as Microfilm Instrument No. 109990, Records of Bear Lake County, Idaho. It expressly is understood and agreed by and between Assignor and Assignee that from the date hereof up to and including May 29, 1996, that all rentals payable under the Lease shall be paid to Shawmut Bank, N.A. under all circumstances. is expressly understood and agreed by the parties hereto that for the period from the date hereof to and including May 29, 1996, any excess

of such rentals, after deduction by the Mortgagee of the amounts necessary to service the indebtedness evidenced by the Note secured by the Mortgage and all expenses incurred by the Mortgagee with respect to the Mortgage, shall be paid by the Mortgagee directly to Assignor. Any such excess rents from and after May 30, 1996 shall be paid by the Mortgagee directly to Assignee. Assignor further agrees that Assignor shall make no change to the aforesaid rental directions without the prior written consent of all parties constituting the Assignee.

The parties hereto agree that in the event the date of May 29, 1996 shall be accelerated pursuant to the provisions of that certain Two-Party Agreement ("Agreement") dated as of even date herewith between Assignor and Assignee, all of the rights and obligations of the Landlord under the Lease shall automatically revert to Assignee.

This Assignment shall be under and subject to the Agreement.

The terms and provisions of this Assignment shall inure to the benefit of the parties hereto and their respective successors and assigns.

This instrument may be executed in any number of counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Assignment of Lease as of the 30th day of November, 1990.

WITNESS:	S.S. PROPERTIES ASSOCIATES II, a New Jersey limited partnership  By:  Sheldon J. Streisand, general partner
	By: S.D. ASSOCIATES, a partnership, general partner  By:  Robert Sylvor, partner
WITNESS:	JANESS ASSOCIATES, a New York partnership
	By: Sanford Sandelman, Partner
	By:

#### Prepared by:

Howard E. Heller, Esq. Kin Properties, Inc.

77 Tarrytown Road, Suite 100, White Plains, NY 10607

of such rentals, after deduction by the Mortgagee of the amounts necessary to service the indebtedness evidenced by the Note secured by the Mortgage and all expenses incurred by the Mortgagee with respect to the Mortgage, shall be paid by the Mortgagee directly to Assignor. Any such excess rents from and after May 30, 1996 shall be paid by the Mortgagee directly to Assignee. Assignor further agrees that Assignor shall make no change to the aforesaid rental directions without the prior written consent of all parties constituting the Assignee.

The parties hereto agree that in the event the date of May 29, 1996 shall be accelerated pursuant to the provisions of that certain Two-Party Agreement ("Agreement") dated as of even date herewith between Assignor and Assignee, all of the rights and obligations of the Landlord under the Lease shall automatically revert to Assignee.

This Assignment shall be under and subject to the Agreement.

The terms and provisions of this Assignment shall inure to the benefit of the parties hereto and their respective successors and assigns.

This instrument may be executed in any number of counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Assignment of Lease as of the 30th day of November, 1990.

WITNESS:	S.S. PROPERTIES ASSOCIATES II, a New Jersey limited partnership		
	Sheldon J. Streisand, general partner		
	By: S.D. ASSOCIATES, a partnership, general partner		
	By: Robert Sylvor, partner		
Moncy Jonalley	JANESS ASSOCIATES, a New York partnership  By: Sanford Sandelman, Partner		
Deboral & Paul	By: fuan Sandelman, Partner		

Prepared by:

Howard E. Heller, Esq. Kin Properties, Inc.

77 Tarrytown Road, Suite 100, White Plains, NY 10607

## EXHIBIT "A"

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## LEGAL DESCRIPTION

₹.

Lots 5 and 6, Block 13, of the Original Townsite of the City of Montpelier, according to the official plat thereof.

STATE OF NEW YORK )
COUNTY OF NASSAU ) SS.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public

My commission expires

RINA FONTANA
Notary Public, State of New York
No. 41-4879765
Qualified in Queens County
Gommission Expires December 16, 18, 41

STATE OF NEW YORK )
COUNTY OF NEW YORK ) SS.

on this 19 day of November, in the year 1990, before me, INSS. Kichman, a Notary Public, personally appeared Robert Sylvor, known or identified to me to be the partner of S.D. Associates, the partnership that executed this instrument acting in its capacity as general partner of S.S. Properties Associates II, the New Jersey limited partnership that executed the above instrument or the person who executed the instrument on behalf of said partnership acting in its capacity as general partner of said limited partnership and acknowledged to me that such limited partnership executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public

My commission expires

IRIS S. RICHMAN
Notary Public, State of New York
No. 31-4786411
Qualified in New York County
Commission Expires Dec. 31 1991

STATE OF NEW YORK )
COUNTY OF WESTCHESTER ) SS.

On this day of , in the year 1990, before me, Mary D. Martin, a Notary Public, personally appeared Sanford Sandelman and Susan Sandelman, known or identified to me to be the sole partners of Janess Associates, the New York partnership that executed the above instrument or the persons who executed the instrument on behalf of said partnership and acknowledged to me that such partnership executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public



6301 Waterford Blvd. P.O. Box 26647 Oklahoma City, OK 73126-0647 405/840-7200

CORPORATE STAFF

July 16, 1996

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Janess Associates C/O Kin Properties, Inc. 77 Tarrytown Road, #100 White Plains, NY 10607 Attn: Jeffrey Sandelman

Re:

Lease Renewal Notification ID-023; Peterson's IGA 130 South 4th Street Montpelier, ID 83254

Dear Mr. Sandelman:

Reference is hereby made to the Lease Agreement dated September 1, 1976, ("Lease"), by and between Janess Associates, successor in interest to S.S. Properties Associates II, ("Lessor"), and Fleming Companies, Inc., successor by merger to Fleming Foods West, Inc., successor in interest to SEG Stores, Inc., successor in interest to Safeway Stores 53, Inc., successor in interest to Safeway Stores, Inc., ("Lessee").

Please take notice that Fleming Companies, Inc. hereby exercises it's option to renew the term of the above-referenced Lease for a period of five (5) years, commencing December 1, 1996 and terminating on November 30, 2001, under the same terms and conditions except for rent, which shall be \$38,808.00 dollars annually, payable at \$3,234.00 per month.

Please acknowledge your receipt of this notice of renewal by signing and dating the enclosed copy of this letter in the space provided. Thereafter, please return the copy to us in the pre-addressed, postage prepaid envelope enclosed.

FLEMING COMPANIES, INC.

Robert W. Smith
Sr. Vice President

acknowledged this day of	, 1996.
	JANESS ASSOCIATES
	By:
	(Title)

RWS:sck

cc: Don Bradley, Jim McIntyre, Jim Costello



VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED P.O. Box 26647 Oklahoma City, Ok 73126 telephone 405.840.7200

June 22, 2001

Janess Associates C/O Kin Properties, Inc. 77 Tarrytown Road, Suite 100 White Plains, NY 10607

Re:

Fleming Lease File No. ID-023

130 South 4th Street

Montpelier, ID ("Fremises")

Dear Lessor:

Reference is hereby made to the Lease Agreement dated September 1, 1976 ("Lease"), by and between Janess Associates, successor Lessor, and Fleming Companies, Inc. ("Fleming"), as Lessee, covering the above reference Premises.

Please take notice that Fleming hereby exercises its option to renew the term of the Lease for a period of five (5) years, commencing December 1, 2001, and ending November 30, 2006, upon the same terms and conditions as currently stated in the Lease, including rent.

Please acknowledge receipt of this notice of renewal by signing and dating the enclosed copy of the letter in the space provided for the Landlord, and returning the same to us in the enclosed, stamped preaddressed envelope.

Sincerely,

FLEMING COMPANIES, INC.

FLEMING COMPANIES, INC	•		
NL			
William C. Mee			
VP Shared Services Real Estate			
Receipt of the Notice of Renewa	al of the above ref	2001	wledged this
JANESS ASSOCIATES			
Ву:	·	•	
	(Title)		

/smh

cc: Robert Glenn Missy Misialek Gary Whittaker

## **EXHIBIT B**

## **Lease Transaction Documents**

[See Attached]

## LEASE PURCHASE AND ASSIGNMENT TRANSACTION

by and between

FLEMING COMPANIES, INC.

and

MONTPELIER FOOD CORPORATION

March 3, 2003

#### **INDEX**

- 1. Purchase Agreement, by and between Fleming Companies, Inc. and Montpelier Food Corporation, dated March 3, 2003.
- 2. Lease Assignment and Assumption Agreement, by and between Fleming Companies, Inc. and Montpelier Food Corporation, dated March 3, 2003.
- 3. Sublease Termination Agreement, by and between Fleming Companies, Inc. and Montpelier Food Corporation, dated March 3, 2003.
- 4. Estoppel Certificate for Fleming Companies, Inc. and Montpelier Food Corporation, dated February 26, 2003.
- 5. Facility Standby Agreement, by Fleming Companies, Inc. and Montpelier Food Corporation, dated March 3, 2003.
- 6. Unanimous Written Consent of Board of Directors of Montpelier Food Corporation in Lieu of a Meeting, dated February 3, 2003.

## PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is made and entered into as of the day of March 2003, by and between FLEMING COMPANIES, INC., an Oklahoma corporation ("Seller") and MONTPELIER FOOD CORPORATION, an Idaho corporation ("Buyer"), collectively, the "Parties" and individually, a "Party."

#### **RECITALS:**

- A. Subject to the terms and conditions of this Agreement, Seller desires to sell and Buyer desires to purchase Seller's leasehold interest in and to that certain Lease, dated September 1, 1976 (the "Lease"), originally between S.S. Properties Associates II, a New Jersey limited partnership, as lessor (the "Original Landlord"), and Safeway Stores, Incorporated, a Maryland corporation, as lessee, relating to that certain building and real property located at 130 South 4<sup>th</sup> Street, Montpelier, Idaho (the "Leased Premises").
- B. The interest of the Original Landlord in and to the Lease and the Leased Premises is now held by Janess Associates, a general partnership ("Landlord").
- C. Buyer is the present occupant of the Leased Premises, pursuant to the terms of that certain Sublease Agreement, dated March 25, 1988, as amended, between Fleming Foods West, Inc., a Nevada corporation, Seller's predecessor-in-interest, as sublessor, and Buyer, as sublessee (the "Sublease").

NOW, THEREFORE, in consideration of the above recitals, which are incorporated into this Agreement by this reference, and the mutual promises set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties covenant and agree as follows:

#### 1. Agreement to Sell and Agreement to Purchase.

- 1.1 <u>Interest to be Conveyed.</u> On the terms and subject to the conditions set forth in this Agreement, on the Closing Date (defined below) Seller shall convey, transfer, assign, and deliver to Buyer and Buyer shall acquire, accept and purchase the leasehold interest of Seller relating to the Lease and the Leased Premises (collectively referred to below as the "Leasehold Interest").
- 1.2 <u>Closing</u>. The closing of the transaction herein contemplated shall, unless another date, time or place is agreed to in writing by the Parties, take place at the offices of the Seller's counsel in Salt Lake City, Utah, on March 7, 2003, or such later date or other place as may be agreed upon (the "Closing" or "Closing Date").
- 1.3 <u>Assumption of Liabilities</u>. Upon the terms and subject to the conditions contained herein, at the Closing, Buyer shall assume the liabilities resulting from the Leasehold Interest from and after the Closing Date (the "Assumed Liabilities").

1.4 Excluded Liabilities. Notwithstanding any other provision of this Agreement, and except for the Assumed Liabilities expressly specified in Section 1.3, Buyer shall not assume, or otherwise be responsible for, any liabilities of Seller, whether liquidated or unliquidated, known or unknown, arising out of Seller's Leasehold Interest prior to the Closing Date ("Excluded Liabilities"), unless such liabilities were previously assumed by Buyer pursuant to the Sublease.

### 2. Payments.

2.1 <u>Purchase Price</u>. The purchase price payable hereunder shall be the sum One Hundred Thousand Dollars (\$100,000.00), payable in full at Closing.

#### 3. Payments/Delivery of Documents.

- 3.1 <u>Payments</u>. On the Closing Date, as a condition to closing, Buyer shall pay to Seller or its designee, in immediately available funds, all amounts then due Seller as provided for hereunder.
- 3.2 <u>Delivery of Documents</u>. On the Closing Date, Seller shall deliver to Buyer a true and correct copy of the Lease and all other documents as are required by this Agreement to be delivered on such date.
- 3.3 <u>Payment of Prorations</u>. At the same time and manner as the payments are made as provided in Section 4 hereof, the Parties shall calculate all prorations of all matters to be prorated hereunder, and the net difference shall be paid to the applicable Party.
- 4. <u>Prorations</u>. Buyer, as Sublessee under the Sublease, is already responsible for the payment of all taxes, insurance, and related expenses of the Leased Premises. To the extent any proration of such items (or any other items that are customarily prorated in such a transaction) between Seller and Buyer is necessary, such will be made as of the Closing Date.
- 5. <u>Representations and Warranties of Seller</u>. Seller represents and warrants to Buyer that:
  - 5.1 <u>Lease</u>. To the best of Seller's actual knowledge, (i) the Lease has not been modified, supplemented, or amended in any way, and (ii) the tenant's interest in the Lease has been the subject of the following assignments:
    - (a) Assignment and Assumption [Agreement], dated November 1, 1986, by and between Safeway Stores, Incorporated, a Maryland corporation, as assignor, and Safeway Stores 53, Inc., a Delaware corporation, as assignee;
    - (b) Assignment of Lease, dated April 27, 1987, by and between Safeway Stores 53, Inc., a Delaware corporation, as assignor, and SEG Stores, Inc., a Delaware corporation, as assignee;

- (c) Assignment and Assumption Agreement, dated March 25, 1988, by and among SEG Stores, Inc., a Delaware corporation, as assignor, and Fleming Companies, Inc., an Oklahoma corporation, and Fleming Foods West, Inc., a California corporation, as assignees; and
- (d) Assignment and Assumption Agreement, dated May 31, 1989, by and between Fleming Companies, Inc., an Oklahoma corporation, as assignor, and Fleming Foods West, Inc., a California corporation, as assignee.

Following the assignment of the tenant's interest in the Lease to Fleming Foods West, Inc., a California corporation ("FFW-California"), FFW-California was merged into Fleming Foods West, Inc., a Nevada corporation ("FFW-Nevada"), and following such merger, FFW-Nevada was merged into Seller, its parent.

- 5.2 <u>Absence of Default</u>. With respect to Seller's performance under the Lease, to the best of Seller's actual knowledge, no event has occurred and no condition exists under the Lease which, with or without the giving of notice or the lapse of time or both, would constitute a material default, and neither Seller nor any of its affiliates have been given or received any notice regarding the same.
- 5.3 <u>Leasehold Interest; No Conflict</u>. Seller is the present holder of the Leasehold Interest and has not previously assigned such interest, except in connection with the Sublease. Seller's execution, delivery and performance of this Agreement and the documents referenced herein do not and will not conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Seller or the Leased Premises.
- 6. <u>Representations and Warranties of Buyer</u>. Buyer represents, warrants and acknowledges to Seller:
  - 6.1 <u>Litigation</u>. There is no litigation, proceeding or investigation pending or, to the knowledge of Buyer, threatened as of the date of this Agreement which might question the validity of any action taken or to be taken pursuant to or in connection with the provisions of this Agreement.
  - 6.2 <u>Financial Condition</u>. Buyer has not: (a) made a general assignment for the benefit of creditors; (b) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by its creditors; (c) suffered the appointment of a receiver to take possession of all or substantially all of its assets; or (d) suffered the attachment or judicial seizure of all, or substantially all, of its assets.
  - 6.3 No Warranty. Except as expressly provided for herein, Buyer is purchasing the Leasehold Interest, and the Leasehold Interest shall be conveyed and transferred to Buyer, specifically and expressly without any warranties, representations or guarantees, either express or implied, of any kind, nature or type whatsoever from or on behalf of the Seller. Except as expressly provided for herein, Buyer acknowledges that it has not relied, and is not relying, on any information, statement, representation, guarantee or warranty (whether express or implied, oral or written, material or immaterial) that may have been given by, or made by, or on behalf of, Seller.

SELLER HAS NOT, DOES NOT AND WILL NOT, WITH RESPECT TO THE LEASED PREMISES, MAKE ANY WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF CONDITION OR MERCHANTABILITY, OR WITH RESPECT TO THE VALUE, PROFITABILITY OR MARKETABILITY OF THE LEASED PREMISES.

EXCEPT AS EXPRESSLY PROVIDED FOR HEREIN, SELLER HAS NOT, DOES NOT AND WILL NOT, MAKE ANY REPRESENTATION OR WARRANTY WITH REGARD TO COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS INCLUDING, BUT NOT LIMITED TO, THOSE PERTAINING TO THE HANDLING, GENERATION, TREATMENT, STORAGE OR DISPOSAL OF ANY HAZARDOUS SUBSTANCES.

Buyer has had an adequate opportunity to make such legal, factual and other inquires and investigations as Buyer deems necessary, desirable or appropriate with respect to the Leasehold Interest and the Leased Premises. Such inquiries and investigations of Buyer shall be deemed to include, but shall not be limited to, the physical components of all portions of the Leased Premises, the condition of the Leased Premises, such state of facts as an inspection would show, the present and future zoning ordinances, permits, resolutions and regulations of the city, county and state where the Leased Premises are located, and the value and marketability of the Leased Premises.

Without in any way limiting the generality of the preceding subsections, Buyer specifically acknowledges and agrees that Buyer hereby waives, releases and discharges any claim Buyer has, might have had or may have against Seller or Seller's officers, directors, shareholders or agents with respect to the condition of the Leased Premises, whether such condition is patent or latent, and any other state of facts which exist with respect to the Leased Premises or the Leasehold Interest.

- 6.4 <u>Equity Owners</u>. The only shareholders of Buyer are Terry W. Rogers and Debra J. Peterson.
- 6.5 No Conflict. Buyer's execution, delivery, and performance of this Agreement and the documents referenced herein do not and will not conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Buyer or the Leased Premises.
- 7. <u>Representations and Warranties of the Parties</u>. Seller and Buyer represent and warrant to one another:
  - 7.1 Good Standing. The Parties are duly incorporated, validly existing and in good standing under the laws of their respective states of formation and possess full corporate power to own and operate their properties and carry on business as they are currently conducting it, and are furthermore qualified to do business and are in good standing in the State of Idaho.

- 7.2 <u>Corporate Authority</u>. All requisite corporate action has been taken by the Parties in order to authorize the execution and delivery of this Agreement and the assignment, transfer, conveyance and acceptance of Seller's interest in the Leased Premises and the Lease, as herein provided and the consummation of the transaction contemplated by this Agreement.
- 7.3 <u>Binding Obligation</u>. Each Party has duly and validly executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms, except that such enforceability may be subject to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditor's rights and to general principles of equity.
- 7.4 <u>Closing Date Warranties</u>. All representations and warranties of the Parties contained in this Agreement shall be true and correct in all material respects on and as of the Closing.
- 7.5 <u>Survival</u>. Any of the representations, warranties, indemnities, covenants and agreements of Buyer and Seller, as well as any rights and benefits of Buyer and Seller, pertaining to a period of time following the Closing of the transaction contemplated hereby shall survive the Closing and shall not be merged therein; provided, however that (a) any cause of action to be asserted by either party against the other based on a breach of any representation or warranty must be filed within one (1) year after the date of this Agreement or be forever barred, and (b) any other cause of action to be asserted by either party against the other based on any covenant in this Agreement must be filed within one (1) year after the date on which there is a breach of said covenant.
- 8. <u>Consents and Approvals</u>. The Parties shall cooperate with and aid one another in Seller's efforts to obtain any necessary consents and approvals required to authorize and permit the assignment of the Lease in connection with the transactions taken as a whole contemplated by this Agreement.

#### 9. Indemnification.

- 9.1 As used in this Section 9, the following terms shall have the following meanings:
  - (a) "Action" shall mean any chose in action, including any claim, suit, litigation, labor dispute, arbitration, investigation or other action or proceeding.
  - (b) "Damages" shall mean any and all debts, losses, claims, damages, costs, demands, fines, judgements, penalties, obligations, payments, Liabilities of every type and nature (whether known or unknown, fixed or contingent) (including, without limitation, those arising out of any Action), together with any reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and out-of-pocket expenses) incurred in connection with any of the foregoing (including, without limitation, reasonable costs and expenses incurred in investigating, preparing or defending any Action).

- (c) "Liabilities" shall mean any direct or indirect liability, indebtedness, obligation, commitment, expense, claim, deficiency, guaranty or endorsement of or by any person of any type, whether accrued, absolute, contingent, matured, unmatured or other.
- 9.2 Seller shall indemnify, defend and hold harmless Buyer against and with respect to:
  - (a) any and all Damages resulting from any material misrepresentation, breach of warranty, or covenant or nonfulfillment of any agreement on the part of Seller under this Agreement;
  - (b) any and all Damages arising from any default, nonperformance or other action or inaction of the tenant or lessee under the Lease or other matters arising or accruing prior to the Closing Date; and
    - (c) any and all Damages arising from any Excluded Liabilities.
- 9.3 Buyer shall indemnify, defend and hold harmless Seller against and with respect to:
  - (a) any and all Damages arising from any default, nonperformance or other action or inaction of Buyer (i) as sublessee under the Sublease, and (ii) as tenant under the Lease arising or accruing after the Closing or otherwise assumed by Buyer herein;
  - (b) any and all Damages resulting from any material misrepresentation, breach of warranty or covenant, or nonfulfillment of any agreement on the part of Buyer under this Agreement; and
    - (c) any and all Damages arising from any Assumed Liabilities.
- 10. Governmental Compliance. Buyer and Seller agree to indemnify, defend and save the other Party harmless from and against any liability which may arise from the indemnifying Party's failure to comply with any and all obligations, orders or decrees of any courts or any federal or state agency or authority concerning or arising out of the transactions contemplated by this Agreement.

# 11. <u>Conditions to Closing</u>.

- 11.1 <u>Conditions to Obligations of Each Party</u>. The obligations of Seller and Buyer to consummate the transactions contemplated hereby shall be subject to satisfaction, at or prior to the Closing Date, or such earlier period as provided herein with respect to certain conditions, of the following condition:
  - (a) <u>No Order or Injunction</u>. No temporary restraining order, preliminary injunction or injunction shall be in effect prohibiting the transactions

contemplated by this Agreement, nor will either party have received any notice of the threat of a temporary restraining order, preliminary injunction, or injunction.

- 11.2 <u>Conditions to Obligations of Buyer</u>. The obligations of Buyer to consummate the transactions contemplated hereby shall be, at the option of Buyer, subject to the fulfillment, at or prior to the Closing Date, of the following additional conditions:
  - (a) <u>Representations and Warranties True</u>. The representations and warranties of Seller contained in this Agreement or in any other document of Seller or its affiliates delivered pursuant hereto shall be true and correct in all material respects on the Closing Date.
  - (b) <u>Seller's Performance</u>. Each of the obligations of Seller to be performed by it on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed in all material respects on or before the Closing Date.
  - (c) <u>Closing Documentation</u>. At the Closing, Seller shall transfer, or cause to be transferred, to Buyer, the Leasehold Interest through Seller's and Buyer's execution and delivery of that certain Lease Assignment and Assumption Agreement, attached as Exhibit "A" to this Agreement (the "Lease Assignment and Assumption Agreement").
  - (d) <u>Termination of Sublease</u>. The existing Sublease between Seller and Buyer shall have been terminated through execution and delivery of that certain Sublease Termination Agreement attached as Exhibit "B" to this Agreement (the "Sublease Termination Agreement").
  - (e) <u>Estoppel Certificate</u>. With respect to the Lease, Seller shall have obtained and delivered to Buyer an estoppel certificate from Landlord substantially in the form of that attached as Exhibit "C" to this Agreement (the "Estoppel Certificate").
- 11.3 <u>Conditions to Obligations of Seller</u>. The obligation of Seller to consummate the transactions contemplated hereby shall be, at the option of Seller, subject to the fulfillment, at or prior to the Closing Date of the following additional conditions:
  - (a) <u>Representations and Warranties True</u>. The representations and warranties of Buyer contained in this Agreement or in any document of Buyer delivered pursuant hereto shall be true and correct in all material respects on the Closing Date.
  - (b) <u>Buyer's Performance</u>. Each of the obligations of Buyer to be performed on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed on or before the Closing Date, and at the Closing Buyer shall have delivered to Seller a certificate to such effect signed by an officer of Buyer.

- Closing Documentation. At the Closing, Buyer shall accept the (c) assignment of the Leasehold Interest and assume Seller's obligations under the Lease, pursuant to Buyer's execution and delivery of the Lease Assignment and Assumption Agreement.
- Termination of Sublease. The existing sublease between Seller and Buyer shall have been terminated through execution and delivery of the Sublease Termination Agreement.
- Estoppel Certificate. Seller shall have obtained from Landlord the executed Estoppel Certificate.
- Facility Standby Agreement. Buyer shall have executed and delivered to Seller a Facility Standby Agreement in the form of that attached as Exhibit "D" to this Agreement.
- <u>Limitation on Contingencies</u>. Except for the conditions set forth in this 11.4 Section, and as otherwise expressly provided for in this Agreement, there shall be no other conditions precedent to the Parties' obligations hereunder.
- Remedies. Seller and Buyer each agree to use its best efforts to close the purchase. Seller and Buyer shall each be entitled to obtain any relief or remedies available at law or in equity, including recovery of attorneys' fees and costs of court.

#### 13. Miscellaneous.

Notices. All notices, requests, demands, and other communications 13.1 hereunder shall be in writing and shall be deemed given when delivered personally or when received by overnight courier, or the U.S. Mail, postage prepaid, to the Parties, their successors in interest or their assignees at the following addresses, or at such other addresses as the Parties may designate by written notice in the manner aforesaid:

If to Buyer:

Montpelier Food Corporation 130 South 4<sup>th</sup> Street Montpelier, Idaho 83254

Attention: Debra J. Peterson

With a copy to:

Terry W. Rogers

9027 S. Cobble Canyon Lane

Sandy, UT 84093

and

Monte M. Deere Jr.

Bennett, Tueller, Johnson & Deere 3865 S. Wasatch Blvd., Suite 300 Salt Lake City, Utah 84109



If to Seller:

Fleming Companies, Inc. 2455 West 1500 South Salt Lake City, Utah 84104 Attn: Division President

With a copy to:

Michael L. Allen

Ballard Spahr Andrews & Ingersoll, LLP

201 S. Main Street, Suite 600 Salt Lake City, Utah 84111

- 13.2 <u>Assignability and Parties in Interest</u>. This Agreement shall not be assignable by Buyer without the prior written consent of Seller. This Agreement shall inure to the benefit of and be binding upon Buyer and Seller and their respective permitted successors and assigns. No person other than the Parties and their permitted assignees shall have any rights or benefits hereunder. Either Party shall have the right to transfer its rights hereunder to any party who is acquiring all or substantially all of its business.
- 13.3 <u>Governing Law</u>. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive and procedural laws of the State of Utah.
- 13.4 <u>Counterparts</u>. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute but one and the same instrument.
- 13.5 <u>Indemnification for Brokerage</u>. Each of Seller and Buyer represents and warrants to the other that no broker or finder has acted on its behalf in connection with this Agreement or the transactions contemplated hereby. Based on such representations and warranties, Seller and Buyer agree to indemnify and hold and save harmless the other from any other claim or demand for commissions or other compensation by any broker, finder or similar agent claiming to have been employed by or on behalf of such Party.
- 13.6 <u>Complete Agreement</u>. This Agreement, the Exhibits and the documents delivered or to be delivered pursuant to this Agreement contain or will contain the entire agreement between the Parties with respect to the transactions contemplated herein and shall supersede all previous oral and written and all contemporaneous oral negotiations, commitments and understandings.
- 13.7 <u>Modifications, Amendments and Waivers</u>. At any time prior to the Closing Date or termination of this Agreement, the Parties may, by written agreement:
  - (a) extend the time for the performance of any of the obligations or other acts of the Parties;
  - (b) waive any inaccuracies in the representations and warranties contained in this Agreement or in any document delivered pursuant to this Agreement;

- (c) waive compliance with any of the covenants or agreements contained in this Agreement; and
  - (d) amend or supplement any of the provisions of this Agreement.
- 13.8 <u>Interpretation</u>. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement shall be interpreted and construed only by the contents hereof, and there shall be no presumption or standard of construction in favor of or against either Seller or Buyer.
- 13.9 <u>Severability</u>. Any provision of this Agreement which is invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions hereof in such jurisdiction or rendering that or any other provision of this Agreement invalid, illegal or unenforceable in any other jurisdiction.
- 13.10 Expenses of Transactions. Buyer shall pay all sales, use, and documentary transfer taxes, if any, payable on account of the transfer of the Leasehold Interest. Except as expressly provided for elsewhere herein, all other fees, costs and expenses incurred by Buyer and Seller in connection with the transactions contemplated by this Agreement shall be borne by the Party incurring the same.
- 13.11 <u>Time is of the Essence</u>. Time is of the essence of each and every provision of this Agreement.
- 13.12 No Offer. THE SUBMISSION OF THIS AGREEMENT FOR EXAMINATION OR ITS NEGOTIATION OR THE NEGOTIATION OF THE TRANSACTION DESCRIBED HEREIN DOES NOT CONSTITUTE AN OFFER TO SELL OR PURCHASE, AND THE EXECUTION OF THIS AGREEMENT BY BUYER OR SELLER DOES NOT CONSTITUTE A BINDING CONTRACT UNTIL SUCH TIME AS THIS AGREEMENT HAS BEEN DULY EXECUTED BY AUTHORIZED OFFICERS OF THE PARTIES AND DELIVERED BY THEM TO EACH OTHER.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

SELLER:

FLEMING COMPANIES, INC., an Oklahoma corporation

By: Charles L. Ha
Title: Senior Vice Pr

BUYER:

MONTPELIER FOOD CORPORATION,

an Idaho corporation

Debra J. Peterson

Title: President

### LEASE ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS LEASE ASSIGNMENT AND ASSUMPTION AGREEMENT ("Agreement") is made effective the 3rd day of March 2003, by and between FLEMING COMPANIES, INC., an Oklahoma corporation ("Assignor"), and MONTPELIER FOOD CORPORATION, an Idaho corporation ("Assignee").

#### **RECITALS:**

- A. Assignor, as an assignee of the original tenant, is the tenant under that certain Lease, dated September 1, 1976 (the "Lease"), between S.S. Properties Associates II, a New Jersey limited partnership, as lessor (the "Initial Landlord"), and Safeway Stores, Incorporated, a Maryland corporation, as lessee, which covers certain premises located at 130 South 4<sup>th</sup> Street, Montpelier, Idaho, and which are more particularly described on the attached Exhibit "A" (the "Leased Premises").
- B. Pursuant to that certain Sublease Agreement, dated March 25, 1988, as amended, between Fleming Foods West, Inc., a Nevada corporation, Assignor's predecessor in interest, as sublessor, and Assignee, as sublessee (the "Sublessee"), the Leased Premises have been subleased to Assignee, and Assignee is currently in possession thereof and operating a retail grocery store therefrom.
- C. Assignor desires to assign its interest in the Lease and the Leased Premises to Assignee and Assignee desires to assume the Lease on the terms set forth below.
- D. The successor to the Initial Landlord and the present owner of the Leased Premises is Janess Associates, a general partnership (the "Landlord").

NOW, THEREFORE, in consideration of the above recitals, the mutual covenants set forth below, and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

#### AGREEMENT:

- 1. Recitals. The above recitals are integral to the agreement and understanding of the parties and are incorporated by this reference in this Agreement.
- 2. <u>Assignment</u>. Effective as of the date and subject to the terms of this Agreement, Assignor hereby grants, conveys, assigns, and transfers to Assignee all of Assignor's right, title, and interest in, and delegates to Assignee all of Assignor's duties, obligations and liabilities in connection with the Lease and the Leased Premises, including, but not limited to, all leasehold improvements and fixtures installed in or located thereon, and any options to extend the term of the Lease (the "Assignment"). Assignee hereby accepts the Assignment and assumes and promises to perform and abide by all of the covenants, terms, conditions, agreements and other obligations of the tenant under the Lease accruing from and after the date of this Agreement.
- 3. <u>Purchase Agreement</u>. The Assignment is made pursuant to and subject to the terms of that certain Purchase Agreement, dated as of March 3, 2003, by and between Assignor and Assignee (the "Purchase Agreement").

- 4. <u>Assignment and Subleasing</u>. Subject only to (a) the terms and conditions of the Lease, and (b) the terms and conditions of Section 8 (Right of First Refusal) of that certain Facility Standby Agreement, dated as of the date of this Agreement, between Assignor and Assignee (the "Facility Standby Agreement"), Assignee may assign the Lease or sublet all or a portion of the Leased Premises (collectively, a "Transfer"). Any such Transfer shall not relieve Assignee of its obligations hereunder, and any assignee or sublessee shall assume all of Assignee's obligations hereunder and under the Lease. The terms of Section 8 of the Facility Standby Agreement are hereby incorporated by this reference into this Agreement. Nothing in this Agreement shall be construed to extend the effectiveness of Section 8 of the Facility Standby Agreement beyond the duration of the Facility Standby Agreement.
- 5. <u>Amendments to Lease</u>. Assignee shall provide Assignor with prompt written notice (within ten (10) days) of any modification, amendment or supplement to the Lease, along with all documents evidencing or related to the same.
- 6. <u>Compliance</u>. Unless and until Assignor has by written agreement of the Landlord (and the Landlord's lender, if necessary) been released from all obligations under the Lease, or the Lease has been terminated pursuant to Section 16 below (an "Event of Termination"), at the written request of Assignor, which may be made as often as is reasonable, Assignee shall promptly deliver to Assignor a certificate from its president stating that Assignee is not in default in the performance of any of its obligations hereunder and under the Lease and that no event has occurred such that with notice or the passage of time, or both, Assignee would be in default hereunder or under the Lease. As often as Assignor may reasonably request, Assignee shall provide Assignor with evidence of the maintenance of the insurance required under the Lease.
- 7. <u>Communications</u>. Unless an Event of Termination has occurred, Assignee will give prompt notice (with ten (10) days) to Assignor of any communications from the Landlord, and provide Assignor with copies of any written communications between Assignee and the Landlord (within ten (10) days following Assignee's transmission or receipt) concerning in any way the Lease.
- 8. Right of Re-Entry. Unless an Event of Termination has occurred, Assignee will give Assignor immediate notice of any declaration of default or declaration of intent to declare a default from the Landlord or its successors or assigns. If (a) Assignee fails to perform any obligation under any provision of the Lease, this Agreement, and any other agreement between Assignor and Assignee, including but not limited to, the Facility Standby Agreement, and does not remedy such failure within any applicable cure period or thirty (30) days, whichever period of time is shorter, or if (b) there is filed by or against Assignee any case under any bankruptcy or insolvency law, or if (c) Assignee makes any assignment for the benefit of its creditors, or if (d) a trustee or receiver is appointed for any of Assignee's property, or if (e) Assignor reasonably determines that Assignee is unwilling or unable to indemnify Assignor as provided in Section 15 below, then Assignor may (unless an Event of Termination has occurred), in addition to any other remedy or right it may have under law or this Agreement do all or any of the following:
  - a. Remedy such default on behalf of Assignee, in which case Assignee shall immediately reimburse Assignor for all costs thereby incurred plus interest thereon at the lesser of fifteen percent (15%) per annum and the highest rate permitted by law;
  - b. Terminate this Agreement and require Assignee to reassign the Lease to Assignor, subject to no liens, claims, or other encumbrances, whereupon Assignee shall

immediately surrender the Leased Premises to Assignor and, at Assignor's option, remove Assignee's fixtures, equipment, and personal property from the Leased Premises and repair any damage caused by such removal; and

c. Re-enter the Leased Premises by summary proceedings, ejectment, or other legal proceedings and expel Assignee and reassign the Lease or sublet the Leased Premises at the best available rent readily obtainable and receive the benefits therefrom.

With regard to any remedy set forth in this Agreement, Assignee shall remain liable for the difference between the amount of rent and other charges under the Lease received by Assignor pursuant to such reassignment or subletting (after deducting therefrom all costs, including attorneys' fees, for obtaining possession of the Leased Premises and any repairs or alterations necessary to reassign the Lease or sublet the Leased Premises) and rent and other charges assumed by Assignee hereunder. If Assignee is required to reassign the Lease or is expelled from the Leased Premises, Assignee shall execute and deliver to Assignor any and all documents reasonably necessary to reassign the Lease and deliver the Leased Premises to Assignor pursuant to the terms of this Agreement. No re-entry to the Leased Premises shall be construed as a termination of this Agreement unless Assignor shall deliver to Assignee written notice of such intention. Regardless of the exercise of any remedy, in the event of any default by Assignee under the Lease or this Agreement, Assignee shall immediately pay to Assignor any cost, loss, or expense (together with interest thereon at the lesser of fifteen percent (15%) per annum and the highest rate permitted by law whichever is less) incurred by Assignor as the result of Assignee's default, including, without limitation, attorneys' fees and the reasonable costs of investigation.

# 9. Notices.

- a. <u>Form of Notice</u>. All notices or other communications required or contemplated by this Agreement shall be in writing and shall be deemed to have been given if personally delivered in return for a receipt, mailed by registered or certified mail, return receipt requested, or sent by a recognized overnight commercial courier service to the parties and addressed as set forth below. Any party may change the address to which notices are to be given hereunder by giving notice in the manner herein provided.
  - b. Notices to Assignor. Notices to Assignor shall be addressed as follows:

FLEMING COMPANIES, INC. 1945 Lakepointe Drive Lewisville, Texas 75057 Attn:	
With a copy to:	

FLEMING COMPANIES, INC. 2455 W. 1500 South Salt Lake City, Utah 84104 Attn: Division President

and

Michael L. Allen Ballard Spahr Andrews & Ingersoll, LLP 201 S. Main Street, Suite 600 Salt Lake City, Utah 84111

c. Notices to Assignee. Notices to Assignee shall be addressed as follows:

MONTPELIER FOOD CORPORATION 130 South 4<sup>th</sup> Street Montpelier, Idaho 83254 Attn: Debra J. Peterson

With a copy to:

Terry W. Rogers 9027 S. Cobble Canyon Lane Sandy, UT 84093

and

Monte M. Deere Jr.
Bennett, Tueller, Johnson & Deere
3865 S. Wasatch Blvd., Suite 300
Salt Lake City, Utah 84109

- 10. <u>Amendments</u>. This Agreement may not be altered, waived, amended, or extended except by a written agreement signed by Assignor and Assignee.
- 11. <u>Binding Effect</u>. The provisions of this Agreement will be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Each party expressly represents and warrants that the individual executing this Agreement on its behalf has a requisite authority to bind such party to the terms of this Agreement.
- 12. <u>Time of the Essence</u>. Time is of the essence with respect to the performance by the parties of their respective obligations hereunder.
- 13. <u>Waiver; Remedies</u>. No waiver by a party of any default shall constitute a waiver of any other or future default. No forbearance to enforce any remedy available by reason of a default shall be deemed to constitute a waiver of any default. All rights and remedies provided herein or in any other document executed in connection herewith shall be cumulative and in addition to any right or remedy allowed by law.
- 14. <u>Condition of Leased Premises</u>. Assignee, as the present occupant pursuant to the Sublease, has thoroughly and completely inspected the Leased Premises and has complete knowledge of the physical condition thereof. Assignee accepts the Leased Premises "as is," and acknowledges that Assignor has no liability whatsoever to Assignee for any latent or patent defects and conditions relating to the Leased Premises. In assuming the Lease and accepting the Leased Premises, Assignee is relying solely on its inspection of the Leased Premises, regardless of the type or cause. Assignee is not relying on any representation or warranty regarding the physical condition of the Leased Premises

by Assignor or any person acting on behalf of Assignor. Assignee acknowledges that neither Assignor nor any person acting on behalf of Assignor has made any representation or warranty regarding the physical condition of the Leased Premises.

- Indemnification. Assignee shall indemnify and hold harmless Assignor, Assignor's 15. officers, directors, employees, and agents (including attorneys), and their successors and assigns (collectively, the "Indemnified Parties"), from and against any and all damage, loss, liability, claim, cost, expense, action and cause of action (including, without limitation, attorneys' fees, litigation expenses, court costs, and the reasonable cost of investigation) incurred by or asserted against Assignor, its successors and assigns, occurring or accruing after the date hereof under the Lease, or arising from or pertaining to the use or occupancy of the Leased Premises by Assignee. Should any Indemnified Party incur any such liability, loss or damage which is indemnified against by Assignee under this Agreement, Assignee shall reimburse the Indemnified Party therefore immediately on demand. The indemnities contained in this Section shall survive the Closing under the Purchase Agreement and the termination of the Lease and Sublease. Given its position as sublessee under the Sublease and as Assignee under this Agreement, Assignee further agrees to indemnify and hold the Indemnified Parties harmless with respect to any and all violations by the Assignee, or parties claiming by, through or under Assignee, of any past and present health, safety, zoning, building and environmental laws, statutes, ordinances, regulations, rules, orders and restrictions of any municipal, state, federal or other governmental authority having jurisdiction with respect to the Leased Premises during the period of Assignee's occupancy (whether pursuant to the Sublease or the Lease). Assignee further agrees to indemnify and hold the Indemnified Parties harmless from any liability, costs and expenses (including, but not limited to, attorneys' fees and litigation costs and expenses) arising from any claim for personal injury, property damage or damage to the environment made, asserted, or prosecuted by or on behalf of any person or entity relating in any way to the Leased Premises and either (i) arising or alleged to arise under any environmental law, statute, regulation, ordinance, rule or order with respect to the period of Assignee's occupancy of the Leased Premises (whether pursuant to the Sublease or the Lease) and/or any activity of Assignee, or parties claiming by, through or under Assignee, on the Leased Premises or (ii) asserted as a result of actual, threatened or alleged pollution or contamination by, or exposure to, toxic or hazardous substances, pollutants, contaminants, products, raw materials or other chemicals or substances used in connection with or produced by the Leased Premises during Assignee's occupancy of the Leased Premises (whether pursuant to the Sublease or the Lease), in each case without regard to the form of action, and whether based on strict liability, gross negligence, negligence, or any other theory or recovery at law or in equity. Should any Indemnified Party incur any such liability, loss or damage which is indemnified against by Assignee under this Agreement, including costs, expenses and attorneys' fees, Assignee shall reimburse the Indemnified Party therefor immediately upon demand. The provisions of this Section 15 shall survive any termination of this Agreement.
- 16. <u>Termination of Lease</u>. Assignor and Assignee acknowledge and agree that should Assignee acquire fee title to the Leased Premises, then Assignee's leasehold interest in the Leased Premises shall merge with such fee interest, and the Lease shall automatically terminate.
- 17. Entire Understanding. Other than the Purchase Agreement, this Agreement represents the entire understanding of the parties hereto with respect to the Assignment, and supercedes all prior written or oral agreements or representations, if any, relative to the Assignment.
- 18. Attorneys' Fees. If any legal action is brought concerning any matter relating to this Agreement, or by reason of any breach of any covenant, condition or agreement contained or referred

to in this Agreement, the prevailing party shall be entitled to have and recover from the other party to the action all costs an expenses of suit, including reasonable attorneys' fees.

- Governing Law. This Agreement shall be construed under and governed by the laws of the State of Idaho.
- Section Headings. The section headings used in this Agreement are for reference only ntended to describe, interpret, define or limit the scope, extent or intent of this 20. aı
- W iı

nd are not intended to describe, interpret, carried agreement.	enne of mint the scope, extent of intent of this
	nay be executed in two or more counterparts, each of hich taken together will constitute one and the same
EXECUTED and DELIVERED as of the	e date first written above.
Α	SSIGNOR:
•	LEMING COMPANIES, INC., an Oklahoma corporation  Charles L. Hall
	Senior Vice President
A	ASSIGNEE:
E	ONTPELIER FOOD CORPORATION, an Idaho corporation  Debra J. Peterson ts: President
STATE OF TEXAS: ss COUNTY OF Denton	
This instrument was acknowledged Charles L. Hall , as Sy Oklahoma corporation.	before me on <u>March 6</u> , 2003, by <u>Vice President</u> of Fleming Companies, Inc., an
My commission expires:  [SEAL]  DONNA E. LEWIS  NOTARY PUBLIC STATE OF TEXAS  COMMISSION EXPIRES: OCTOBER 26, 2005	Notary Public

STATE OF Taleh )

: ss

COUNTY OF Jalt Sale)

This instrument was acknowledged before me on North 3, 2003, by Debra J. Peterson, as President of Montpelier Food Corporation., an Idaho corporation.

My commission expires:

Rhoda Christenson Notary Public

[SEAL]

Notary Public
RHODA CHRISTENSEN
2024 Blaine Avenue
Salt Laise City, Utah 84108
My Commission Expires
June 1, 2004
State of Utah

# Exhibit A

#### to

# Lease Assignment and Assumption Agreement

# Legal Description of Leased Premises

The Leased Premises consist of the following improved property located in Bear Lake County, Idaho:

Lots 5 and 6, Block 13, of the Original Townsite of the City of Montpelier, according to Montpelier Plat A.

#### SUBLEASE TERMINATION AGREEMENT

THIS SUBLEASE TERMINATION AGREEMENT ("Agreement") is made and entered into as of the 3<sup>a</sup> day of March 2003, by and between FLEMING COMPANIES, INC., an Oklahoma corporation ("Sublessor"), and MONTPELIER FOOD CORPORATION, an Idaho corporation ("Sublessee").

#### **RECITALS:**

- A. Sublessor and Sublessee are parties to that certain Sublease Agreement, dated March 25, 1988 (the "Sublease"), for that certain retail grocery store property located at 130 South 4<sup>th</sup> Street, Montpelier, Idaho (the "Property"). All undefined capitalized terms used below in this Agreement shall have the same meanings ascribed to such terms in the Sublease.
- B. Sublessor holds the leasehold interest in the Property as the assignee of the original tenant's interest in that certain Lease, dated September 1, 1976 (the "Master Lease"), between S.S. Properties Associates II, a New Jersey limited partnership, as lessor, and Safeway Stores, Incorporated, Maryland corporation, as lessee. Pursuant to the terms and conditions contained in that certain Purchase Agreement, dated as of this date by and between Sublessor and Sublessee, Sublessor has agreed to assign to Sublessee the leasehold interest in the Property now held by Sublessor under the Master Lease (the "Assignment").
- C. Although the present term of the Sublease is not due to expire until November 30, 2006, based on the Assignment and pursuant to the Purchase Agreement, Sublessor and Sublessee desire to terminate the Sublease as of the effective date of the Assignment (the "Effective Date").

NOW, THEREFORE, in consideration of the above recitals, the mutual covenants set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Sublessor and Sublessee agree as follows:

#### AGREEMENT:

- 1. <u>Recitals</u>. The above recitals, which are acknowledged to be true and accurate, are an integral part of the agreement and understanding of the parties and are incorporated in this Agreement by this reference.
- 2. <u>Termination of the Sublease</u>. Based on the satisfaction of the conditions set forth in the Purchase Agreement, the Sublease is hereby cancelled and terminated and all right, title, and interest of Sublessee in and to the Property under the Sublease is extinguished as of the Effective Date (the "Sublease Termination"). Except as may be provided in this Agreement, the provisions contained in the Sublease applicable to termination or expiration of the Sublease shall apply as if the Effective Date were the date on which the Sublease expired or terminated by its own terms. Such cancellation and termination shall not release or discharge Sublessee from any obligations that have accrued under the Sublease prior to the Effective Date. Following the Effective Date, the obligations of Sublessor and Sublessee to one another under the Sublease

shall be only those described herein and those, which pursuant to the Sublease, survive termination or expiration of the Sublease.

- 3. <u>Sublessee's Representations and Warranties</u>. Sublessee represents and warrants to Sublessor that:
  - a. Sublessee has not conveyed, assigned, pledged, alienated, sublet or any way transferred its right, title or interest arising under the Sublease.
  - b. Sublessee has all right, power, authority, and interest necessary to enter into this Agreement and to terminate the Sublesse.
  - c. Sublessee is the only entity having any interest in the interests or rights of the "Sublessee" arising under the terms and provisions of the Sublease.
  - d. No other individual, entity, or organization has any right, title, or interest in and to the Sublease or the Property by reason of such person's dealings with Sublessee or persons claiming by, through, or under Sublessee.

Sublessee hereby unconditionally agrees to hold harmless and indemnify Sublessor from any claim, loss, demand, debt, injury, or liability of any nature arising out of or related in any way to the inaccuracy or falsity of the representations and warranties of Sublessee set forth in this Section 3.

- 4. <u>Acknowledgment and Release</u>. Sublessee acknowledges and agrees that Sublessor has fully performed and satisfied its obligations as Sublessor under the Sublease. Sublessee hereby forever releases and discharges Sublessor (and its members, managers, officers, employees and agents) from any and all further duties, obligations, or liabilities arising under the terms of the Sublease or arising from or related to Sublessee's tenancy under the Sublease. Notwithstanding the above, nothing in this Section 4 is intended to release Sublessor from any obligations expressly created by any of the agreements executed by Sublessor in connection with the Assignment transaction.
- 5. <u>Entire Agreement</u>. This Agreement constitutes the entire agreement of the parties hereto pertaining to its subject matter, and supersedes all prior or contemporaneous agreements, undertakings and understandings of the parties in connection with the subject matter hereof.
- 6. <u>Binding Effect</u>. The covenants, conditions and agreements made and entered into by the parties hereto are declared to be binding upon and to inure to the benefit of their respective heirs, executors, administrators, successors, and/or assigns, as applicable.
- 7. <u>Signatures in Counterpart</u>. This Agreement may be executed in any number of counterparts, each of which shall be considered as an original and effective as such, and when each of the parties has signed at least one copy, such copies together shall constitute a fully-executed and binding agreement.
- 8. Attorneys' Fees. If any action is brought because of any breach of or to enforce or interpret any of the provisions of this Agreement, the party prevailing in such action shall be

entitled to recover from the other party reasonable attorneys' fees, court costs, and litigation expenses incurred in such action.

- 9. <u>Further Assurances</u>. Each party agrees to do, execute, acknowledge and deliver all such further acts, instruments and assurances, and to take such further action as shall be reasonably necessary or desirable to fully carry out this Agreement.
- 10. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Idaho, without regard to its choice of law principles.

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

CT	mr	ESSOR	
<b>N</b>	IKI	.P.S.SUK	•

FLEMING COMPANIES, INC., an Oklahoma corporation

By: Charles L. Hall

Senior Vice President

SUBLESSEE:

MONTPELIER FOOD CORPORATION,

an Idaho corporation

Debra J. Peterson

Its: President

# ESTOPPEL CERTIFICATE FOR FLEMING COMPANIES, INC. AND MONTPELIER FOOD CORPORATION

<u>LEASED PREMISES ADDRESS</u> (the "Leased Premises"): 130 South 4<sup>th</sup> Street
Montpelier, Idaho 83254

LANDLORD NAME, ADDRESS, AND TELEPHONE NUMBER ("Landlord"):

Janess Associates c/o Kin Properties, Inc. 185 NW Spanish River Blvd. Box 500 Boca Raton, FL 33431-4230

# DESCRIPTION OF LEASE AND ANY AMENDMENTS ("Lease"):

Fleming Companies, Inc., an Oklahoma corporation ("Tenant"), as tenant, presently leases the Leased Premises from Landlord, pursuant to that certain Lease, dated September 1, 1976, between S.S. Properties Associates II, a New Jersey limited partnership, as the original landlord, and Safeway Stores, Incorporated, a Maryland corporation, as the original tenant. Tenant is in the process of assigning its interest in the Lease to Montpelier Food Corporation, an Idaho corporation ("Assignee"). In connection with such assignment, Landlord hereby certifies and confirms to and for the benefit of Tenant and Assignee, the following:

- 1. That it is the landlord under the Lease and that it is the sole holder of the fee interest in and to the Leased Premises, free and clear of all mortgages, deeds of trust and similar encumbrances for which it is liable, except the following (if none, please write "none"): NONE.
- 2. A true and correct copy of the Lease, together with all amendments, modifications and riders thereto and assignments thereof, together with any covenants or restrictions affecting the Premises, is attached hereto as Exhibit "A" and incorporated herein by reference. The Lease has not been assigned, modified, amended or superseded, except as set forth in Exhibit "A", and we are advised that Fleming Foods West, Inc. merged into Fleming Companies, Inc., and that Fleming Companies, Inc. is the sole tenant.
- 3. The present term of the Lease will expire on November 30, 2006, and Tenant has six (6) additional remaining options to extend the term for five (5) years each.
- 4. All rent payments owed by Tenant under the Lease, including fixed rent and all other amounts to be paid to Landlord by Tenant, have been paid through February 28, 2003.

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- 5. Landlord holds a security deposit from Tenant in the amount of Zero Dollars (\$0.00).
- 6. The quarterly rent presently payable by Tenant to Landlord under the Lease during the renewal period that expires on November 30, 2006) is in the amount of \$9,702.00. During the subsequent option terms identified in paragraph 3 above, the quarterly rental shall be in the following amounts:

Option Term	Quarterly Rental
12/1/06 - 11/30/11	\$5,821.20
12/1/11 - 11/30/16	\$5,821.20
12/1/16 – 11/30/21	\$5,821.20
12/1/21 – 11/30/26	\$5,821.20
12/1/26 – 11/30/31	\$5,821.20
12/1/31 – 11/30/36	\$5,821.20

- 7. The Lease is in full force and effect; Landlord is not aware of any existing default by Landlord or Tenant thereunder, nor of any known condition existing which, with the passage of time or the giving of notice, or both, would constitute a default thereunder, except the following: None.
- 8. Landlord is not currently the subject of any bankruptcy or insolvency proceedings.
- 9. By executing this Estoppel Certificate, Landlord acknowledges receipt of notice of the assignment of the Lease to Assignee (the "Assignment"), as required by Article Seventh of the Lease. In connection with the Assignment, Landlord agrees to provide Tenant with written notice of any extensions or modifications to the Lease, and as provided in the Lease, only of any default of Assignee under the Lease. All such notices are to be provided to Tenant at the following address: Fleming Companies, Inc., 1945 Lakepointe Drive, Lewisville, Texas 75057, Attention: Lease Administration. Upon the effective date of this Assignment, Landlord acknowledges that Assignment shall have all of the rights and obligations of Tenant under the Lease. Neither Safeway Stores Incorporated, nor Tenant is released from their respective primary liability under the Lease.
- 10. Landlord acknowledges that this Estoppel Certificate is for the benefit and protection of Tenant and Assignee, and that Tenant and Assignee intend to rely thereon. The facts set forth herein are current as of the date hereof (except for payment of rent and other

money set forth in paragraph 4 above). Landlord is not required to furnish this Estoppel Certificate and doing so does not act as precedent for any future action.

11. The Assignee's address for notice purposes is 130 South 4<sup>th</sup> Street, Montpelier, Idaho 83251.

DATED: February 26, 2003.

LANDLORD:

JANESS ASSOCIATES, a general partnership

By: Sanstate Company, Inc.,

Name: Jeffrey Sandelman

Title: President

#### **FACILITY STANDBY AGREEMENT**

THIS FACILITY STANDBY AGREEMENT (the "Agreement") is made as of this 3rd day of March 2003 (the "Effective Date"), by FLEMING COMPANIES, INC., an Oklahoma corporation ("Fleming"), and MONTPELIER FOOD CORPORATION, an Idaho corporation ("Retailer"), with reference to the following circumstances:

- (i) Fleming is a full-line wholesale supplier of food, grocery, and related products through its product supply center at 2455 W. 1500 South, Salt Lake City, Utah, and other locations; and
- (ii) Retailer is a retailer of food, grocery, and related products and operates a retail grocery store from property subleased from Fleming and located at 130 South 4<sup>th</sup> Street, Montpelier, Idaho (the "Store Property"); and
- (iii) In a related transaction described in that certain Purchase Agreement, dated March 3, 2003, between Fleming and Retailer, Fleming has agreed to assign to Retailer Fleming's leasehold interest in the Store Property and terminate the existing sublease (the "Lease Assignment Transaction"); and
- (iv) Retailer has requested that Fleming be prepared to supply to Retailer a certain amount of food, grocery, and related products, and to be able to do so Fleming will have to commit certain resources, including capital, employees, inventory, equipment, and facilities; and
- (v) Retailer acknowledges that but for Retailer's covenants and agreements in this Agreement, Fleming would not have agreed to commit its resources for the benefit of Retailer, entered into this Agreement, and/or agreed to enter into the Lease Assignment Transaction.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants stated below, the parties agree as follows:

1. <u>Fleming's Commitment to Supply; Service Levels</u>. Throughout the term of this Agreement, Fleming will maintain capital, employees, inventory, equipment, and facilities sufficient to supply Products to Retailer in quantities sufficient to allow Retailer to purchase the Estimated Purchase Level described in Section 3 of this Agreement.

Fleming agrees that absent the occurrence of "condition beyond Fleming's control," as defined below, it will use its best efforts to obtain and maintain at any time an average service level of at least ninety-five percent (95%) for the immediate past twenty-six (26) weeks during the term of this Agreement. The average service level will be determined by comparing the gross dollar purchases of Products shipped to Retailer to the gross dollar purchases of Products ordered by Retailer. The term "condition beyond Fleming's control" means a situation that is not within the control of Fleming relating to the acquisition or distribution of Products. Examples include, but are not limited to: labor strikes, government rationing or other regulations, fire, flood, fuel shortages, equipment failure, earthquake, acts of God, drought or other weather conditions. If Fleming fails to attain the average service level of at least ninety-five percent (95%) for the immediate past twenty-six (26) weeks, Fleming will have thirty (30) days after

notice by Retailer to Fleming in writing of such deficiency in service level to attain an average service level of at least ninety-five percent (95%) prior to the failure to attain the required service level being deemed a default by Fleming.

2. Price and Other Terms of Sale. Except as hereinafter provided, the Products sold to Retailer pursuant to this Agreement shall be priced, and other terms of sale shall be established, generally in accordance with the Selling Plans generally described on the attached Exhibit "A" to this Agreement, which have been reviewed by Retailer, as amended from time to time by Fleming in its discretion upon thirty (30) days notice (collectively, the "Selling Plan"). Although Fleming has the ability to amend the Selling Plan in any respect, any amendments will be applicable to all customers of Fleming which are situated similarly to Retailer in Retailer's trade area and who are purchasing Products pursuant to the Selling Plan. As to any Products which are not covered by the Selling Plan, the price of such Products shall be Fleming's quoted selling price in effect for such Products from time to time.

During the term of this Agreement, the Products Fleming sells under the Selling Plan will be price competitive with any other Wholesale Supplier serving Retailer's market and offering the same assortment of Products, Service Level and retail support services.

For the purposes of this Agreement, Fleming will be deemed not to be price competitive only if Retailer's Total Net Cost of Products purchased from Fleming during eight (8) consecutive weeks ("Test Period") less all Rebates earned by Retailer, is more than the Total Net Cost for such Products in the same quantities and of substantially the same assortment of items had they been purchased during the Test Period from another Wholesale Supplier willing and able to supply the Stores under a Qualified Competing Supply Agreement.

Within thirty (30) days after Fleming's receipt of all appropriate documentation supporting Retailer's written claim that Fleming is not price competitive, Fleming will respond to Retailer. If Fleming agrees that its Total Net Cost for the Test Period is not price competitive with a Qualified Competing Supply Agreement, Fleming shall adjust its future Product pricing, charges, and incentives to Retailer to make them consistent with the Qualified Competing Supply Agreement commencing on the beginning of Fleming's next Period. If Fleming disagrees, the parties shall negotiate in good faith for a period of ten (10) days in order to attempt to resolve their disagreements. If after such ten (10) day period the parties are unable to resolve their disagreement, they shall submit the dispute to binding arbitration in accordance with this Agreement.

If the arbitrators find in favor of Fleming, this Agreement shall continue in full force and effect and Retailer shall be unable to challenge Fleming's price competitiveness under this Section 2 for one (1) year thereafter.

If the arbitrators find in favor of Retailer, they shall also determine the monetary difference between Fleming's total invoice cost to Retailer and the total invoice cost Retailer could have obtained under the Qualified Competing Supply Agreement from the time Retailer notified Fleming that it was not price competitive in accordance with this Section 2 to the date of determination by the arbitrators. Within thirty (30) days after Fleming's receipt of the written decision of the arbitrators, Fleming, in its sole election, shall either adjust its future prices to

become competitive with the Qualified Competing Supply Agreement and pay Retailer such monetary difference as determined by the arbitrators, or terminate this Agreement.

The relief set forth in this paragraph shall be Retailer's sole remedy for claims that Fleming is not price competitive.

# 3. Facility Standby Fee.

- (a) Amount. By entering into this Agreement, Fleming has committed to devote such capital, employees, inventory, equipment, and facilities as are required to supply Retailer with the quantity of Products necessary for Retailer to purchase the Estimated Purchase Level described in Section 3(b) for the term of this Agreement. Fleming is willing to so commit such resources because of the return it will realize from sale of Products in the quantities necessary for Retailer to purchase the Estimated Purchase Level during the term of this Agreement. If Retailer does not purchase Products in such quantities, Retailer agrees to pay Fleming a Facility Standby Fee. The amount of the Facility Standby Fee shall be equal to three percent (3%) of the amount by which Retailer's purchases during each 12-month period during the term of this Agreement are less than the Estimated Purchase Level. For example, if the Estimated Purchase Level is \$2,000,000 per year and at the first anniversary of this Agreement Retailer has purchased \$1,500,000 of Products, Retailer will owe a Facility Standby Fee of \$15,000.00. Retailer shall pay the Facility Standby Fee within ninety (90) days after the close of the twelve (12) month period for which such fee is owed.
- (b) Estimated Purchase Level. Retailer has estimated that its purchases of Products for delivery to the Stores during each 12-month period during the term of this Agreement will not be less than Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000.00) (the "Estimated Purchase Level"). Fleming will commit its resources, including capital, employees, inventory, equipment, and facilities, in order to be prepared to supply the Estimated Purchase Level of Products to Retailer. Notwithstanding any language to the contrary in this Agreement, if Retailer fails to meet the Estimated Purchase Level because of reduced gross sales attributable to changes in the competitive environment beyond Retailer's control, then Fleming agrees to lower the Estimated Purchase Level in an equitable manner to reflect Retailer's decrease in gross sales.
- (c) <u>No Other Retailer Obligations</u>. Except as otherwise provided in Section 14 of this Agreement, Retailer shall have no obligation to purchase any specific quantity or type of Products from Fleming.
- 4. <u>Term.</u> Unless terminated sooner in accordance with this Agreement, the term of this Agreement will commence on the date hereof and will extend until the date which is five (5) years following the date hereof.

## 5. Default.

(a) <u>Default by Retailer</u>. If Retailer fails to perform in any material respect any of its obligations under this Agreement, then Retailer shall be in default and Fleming shall have all rights and remedies available under law, including, without limitation, the right to immediately stop shipment of Products, the right to immediately terminate this Agreement by

written notice, and the right of specific enforcement of the obligations of Retailer. All such remedies shall be cumulative, and the resort to one remedy shall not be deemed an election of remedies. However, in the event of a monetary default, Retailer shall have five (5) days from receipt of the notice of termination from Fleming within which to cure the monetary default. Fleming shall not be obligated to ship any Products to Retailer during such five days. Fleming's remedy with respect to monetary damages shall be limited solely to direct damages, if any, suffered by Fleming. In no event whatsoever shall Retailer be liable to Fleming for, and Fleming waives, releases and covenants not to sue or make demand for any consequential damages, punitive damages (whether identified as exemplary damages or otherwise), unless such limitation, under the circumstances, is unconscionable or violates public policy.

- (b) Default by Fleming. If Fleming fails to perform in any material respect any of its obligations under this Agreement, then Fleming shall be in default and Retailer shall have the right to immediately terminate this Agreement by written notice and pursue all remedies available under this Agreement or law by reason of such default, including, without limitation, specific enforcement of the obligations of Fleming. All such remedies shall be cumulative, and the resort to one remedy shall not be deemed an election of remedies. However, in the event of a monetary default, Fleming shall have five (5) days from receipt of the notice of termination from Retailer within which to cure the monetary default. Retailer's remedy with respect to monetary damages shall be limited solely to direct damages, if any, suffered by Retailer. In no event whatsoever shall Fleming be liable to Retailer for, and Retailer waives, releases and covenants not to sue or make demand for any consequential damages, punitive damages (whether identified as exemplary damages or otherwise), unless such limitation, under the circumstances, is unconscionable or violates public policy.
- 6. <u>Disputes; Arbitration</u>. All disputes between Fleming and Retailer, including any matter relating to this Agreement, shall be resolved by final binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). To the extent they are available, arbitrators shall be selected from the AAA Food Industry Panel. In any dispute involving a claim in excess of \$100,000, three arbitrators will be employed. Absent a showing of good cause, the hearing shall be conducted within ninety (90) days from the service of the statement of claim. All proceedings shall be governed by the Federal Arbitration Act, and held in Salt Lake City, Utah.

Each party shall bear the expense of its own attorneys, experts and out of pocket costs as well as fifty percent (50%) of the expense of administration and arbitrator fees. However, the Retailer may be relieved from all or part of such obligation as it relates to such administration and arbitrator fees upon a finding by the arbitrator(s) of economic hardship.

The parties hereby WAIVE THE RIGHT TO SEEK OR RECEIVE CONSEQUENTIAL OR PUNITIVE DAMAGES unless, the arbitrator(s) or a court of competent jurisdiction determines that this limitation, under the circumstances, is unconscionable or violates public policy.

Depositions, other than those taken in lieu of live testimony, shall not be taken except upon the arbitrator(s) finding of special need. Parties shall be entitled to conduct document

discovery in accordance with a procedure where responses to information requests shall be made within twenty (20) days from their receipt.

Either party shall be entitled to pursue remedies for emergency judicial relief in any court of competent jurisdiction, e.g., in order for Fleming to preserve its collateral, except that immediately following the preliminary adjudication of such request for emergency relief, the parties hereby consent to the stay of such judicial proceedings pending a determination of the dispute on the merits by as herein provided.

- 7. <u>Change of Control</u>. If Fleming does not elect to exercise its right of first refusal provided in Section 8 below and there has been a Change of Control, upon thirty (30) days written notice to Retailer Fleming may terminate this Agreement.
- Right of First Refusal. Subject to the written consent of Fleming as may be 8. required under any other agreement between Fleming and Retailer, (including without limitation, under any security agreement or lease/sublease between Fleming or its affiliate and Retailer), in the event (a) Retailer desires to lease/sublease and/or sell, assign or otherwise transfer, other than in the ordinary course of its business, all or substantially all of its Assets, or (b) any Equity Owner desires to sell, assign or otherwise transfer in excess of fifty percent (50%) of an Equity Interest in Retailer or otherwise transfer in excess of fifty percent (50%) of the ownership or control of Retailer and in the event Retailer/Equity Owner shall have received a bona fide offer for such lease/sublease and/or sale, Retailer/Equity Owner shall promptly notify Fleming in The notice shall state the name and address of the proposed writing of such offer. lessee/sublessee and/or purchaser and the terms of the proposed lease/sublease or sale, including the price and manner and time of payment and other terms and conditions of such proposed lease/sublease or sale and shall be accompanied by a complete copy of the offer. Within thirty (30) days after receipt of such notice, Fleming may elect to lease/sublease and/or purchase as the case may be, the Assets or the Equity Interest, which is the subject of such offer, upon the terms and conditions as are contained in the offer by providing Retailer/Equity Owner with a written notice of election to lease/sublease and/or purchase. Retailer/Equity Owner shall thereupon lease/sublease and/or sell as the case may be, the Assets or Equity Interest to Fleming upon the same terms and conditions as are contained in the offer from such third party, except that in the event of a sale of the Assets or Equity Interest, Retailer/Equity Owner agrees that it shall be bound to comply with the applicable laws in the State of Idaho to pay or otherwise satisfy any and all claims, liens, taxes and encumbrances in connection therewith and to deliver to Fleming good and marketable title for the Assets or Equity Interest being conveyed to Fleming.

In the event such offer is not accepted by Fleming within thirty (30) days from the date of delivery of the notice of the written offer and provided the written consent of Fleming as required by any lease/sublease or other agreement between Fleming and Retailer has been given, Retailer shall have the right for a period of one hundred twenty (120) days to lease/sublease or sell, as the case may be, the Assets or Equity Interest in Retailer to the third party specified in the written notice at a price not less than and upon terms and conditions no more favorable than offered to Fleming. If the proposed sale or lease/sublease is not consummated within such one hundred twenty (120) day period, the Assets and Equity Interest in Retailer shall again become subject to the restrictions of this right of first refusal. Notwithstanding the foregoing, the right of first refusal granted hereunder shall not apply to any lease/sublease, sale, assignment, or other

transfer between Retailer and/or an Equity Owner and (a) another Equity Owner, (b) a spouse or lineal descendant of an Equity Owner, (c) a trust for the benefit of an Equity Owner or a spouse or lineal descendant of an Equity Owner, (d) a trust described in the foregoing clause (c) and any beneficiary of such trust, (e) an entity Controlled by one or more Equity Owners, any spouse of an Equity Owner, or lineal descendants of an Equity Owner (collectively, an "Exempt Transfer"). In order to preserve Fleming's right of first refusal in the Equity Interest, each Equity Owner shall, contemporaneously with the execution of this Agreement or as soon thereafter as is practicable, provide evidence to Fleming that the following restrictive legend has been conspicuously stated on the face of all certificates of stock or other similar type documents evidencing the Equity Interest in Retailer:

"The shares of stock evidenced by this certificate are subject to a right of first refusal to purchase such shares granted to Fleming Companies, Inc."

The right of first refusal granted hereunder to Fleming shall terminate upon the termination of this Agreement unless Fleming specifically terminates such right of first refusal in writing prior to such time. Furthermore, Fleming may assign this right of first refusal to any person or entity independent of or with any assignment of this Agreement, so long as such assignment is in connection with a sale of all or any portion of Fleming's wholesale supply business.

- 9. <u>Amendment or Waiver</u>. This Agreement may not be amended, nor any of its terms waived, unless such amendment or waiver is in writing and signed by the parties hereto.
- 10. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Utah.
- 11. <u>Counterparts</u>. This Agreement may be executed in multiple counterparts, all of which taken together will constitute one instrument and each of which will be considered an original for all purposes.
  - 12. <u>Time is of the Essence</u>. Time is of the essence of this Agreement.
- 13. Notices. Whenever any notice is required to be given under this Agreement, then such notice shall be written and shall be given or sent, and the other party shall be deemed to have received it, if delivered personally or by national overnight courier, on the date such notice is delivered personally or by the national overnight courier, or if mailed, on the third business day after mailing, if sent by first-class certified mail, postage prepaid, return receipt requested, and addressed as follows:
  - (a) Notices to Fleming:

Fleming Companies, Inc. 2455 W. 1500 South Salt Lake City, Utah 84104 Attention: Division President With copies to:

Fleming Companies, Inc.
1945 Lakepointe Drive
P.O. Box 299013
Lewisville, Texas 75057
Attention:

## (b) Notices to Retailer:

Montpelier Food Corporation 130 South 4<sup>th</sup> Street Montpelier, Idaho 83254 Attention: Debra J. Peterson

With copies to:

Terry W. Rogers 9027 S. Cobble Canyon Lane Sandy, UT 84093

and

Bennett Tueller Johnson & Deere 3865 S. Wasatch Blvd., Suite 300 Salt Lake City, Utah 84109 Attention: Monte M. Deere Jr.

or to such other address as may be designated on ten days prior notice in writing by such party. All such notices and communications shall be in writing and signed by the party giving such notice.

14. Purchase of Store Supplies and Control Label Products. Upon the termination of this Agreement, Retailer will purchase from Fleming (i) all store supplies that Fleming has purchased or obtained as supplies for Retailer, and (ii) private label or label designated products, each group of which, because of any special design, label, logo, quantity, or other feature cannot be sold promptly by Fleming to other retailers being served by the product supply center servicing Retailer under this Agreement at the same price being paid for such supplies and control label products by Retailer. Retailer will pay to Fleming the then current price for such supplies and control label products being charged by Fleming to Retailer. Such amount will be paid and such supplies and products will be delivered by Fleming to Retailer within ten (10) days after termination of this Agreement.

#### 15. Miscellaneous.

(a) <u>Authorization</u>. Retailer or Fleming will execute and deliver any and all documents that may reasonably be requested by the other in order to properly document this

Agreement, including, but not limited to, certified resolutions of the owners of Equity Interests in Retailer authorizing the undersigned to enter into this Agreement.

- (b) <u>Binding Effect</u>. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and assigns. Except as expressly provided herein, neither this Agreement nor the rights and obligations of Retailer hereunder shall be assignable by Retailer, and any purported assignment in contravention hereof shall be void without the consent of Fleming. However, if Fleming should consent to an assignment or if without Fleming's consent the rights and obligations of Retailer are transferred by operation of law or otherwise, Retailer shall require that such rights and obligations be expressly assumed in writing by the transferee. Notwithstanding any language to the contrary in this Section 15(b), Retailer may assign its rights and obligations in this Agreement as follows: (a) to a third party lessee/sublessee and/or purchaser who makes an offer of the type which triggers the application of the right of first refusal granted to Fleming in Section 8 above (assuming Fleming declines to exercise its rights thereunder), or (b) in connection with an Exempt Transfer; provided, however, that in any such instance, Retailer shall require that such rights and obligations be expressly assumed in writing by the assignee.
- (c) <u>Exhibits</u>. Any Exhibit attached to this Agreement is made a part hereof and is fully incorporated herein by reference.
- (d) Entire Agreement. This Agreement is the final expression of the agreement of the parties regarding the purchase of Products by Retailer from Fleming and supersedes any prior or contemporaneous agreement between the parties pertaining to the matters covered by this Agreement. There are no representations, promises, warranties, understandings, or agreements, express or implied, oral or otherwise, except those expressly referred to or set Retailer acknowledges that the execution and delivery of this forth in this Agreement. Agreement is its free and voluntary act and deed and that Retailer's execution and delivery have not been induced by or done in reliance upon any representations, promises, warranties, understandings, or agreements made by Fleming or its agents, officers, employees, or representatives that are not expressly stated in this Agreement. No promise, representation, warranty, or agreement made subsequent to the execution and delivery of this Agreement by either party, and no revocation, partial or otherwise, or change, amendment, addition, alteration, waiver or modification of this Agreement or any of the terms hereof will be enforceable, unless it is in writing and signed by Fleming and Retailer.
- (e) <u>Headings</u>. Headings or captions of the sections in this Agreement are for convenience of reference only and in no way define or limit or describe the intent of this Agreement or any provision hereof.
- (f) <u>Inconsistency with Selling Plan</u>. If any of the provisions of this Agreement are inconsistent with the provisions of the Selling Plan, the provisions of this Agreement will govern.
- (g) No Effect. The length of the term of this Agreement may not correspond with the terms of other agreements between Fleming and Retailer, and nothing shall be implied therefrom. Furthermore, this Agreement shall have no relevance or effect in determining

whether or not a loan, mortgage, sublease, license, franchise, or other agreement, if any, between Fleming and Retailer will be extended or renewed.

- (h) <u>Limitation of Actions</u>. An action for breach of this Agreement must be commenced within two (2) years after the cause of action has accrued by sending the other party a statement of claim and demand for arbitration. A cause of action is accrued when the breach occurs, regardless of the aggrieved party's lack of knowledge of the breach.
- (i) Cross Default. Any material breach of this Agreement by Retailer will be deemed to be a breach of any and all other agreements by and between Retailer and Fleming and its affiliates, whether now in existence or hereafter entered into, including, with limitation, any and all lease agreements, franchises, licenses, sublease agreements, promissory notes, loan agreements, security agreements, deeds of trust, leasehold deeds of trust, and pledge agreements. Upon breach of any of the agreements referenced in the preceding sentence, Fleming may pursue all remedies legally available to it under those other agreements, including, without limitation, terminating those agreements, accelerating Retailer's obligations pursuant to those agreements, seeking monetary damages, and seeking equitable relief. Notwithstanding any language to the contrary in this Section 15(i), in no event shall a material breach by Retailer under this Agreement, standing alone, be deemed a breach by Retailer under the Lease Assignment and Assumption Agreement to be executed and delivered by Fleming and Retailer pursuant to the Lease Assignment Transaction.
- (j) <u>Force Majeure</u>. Neither party shall be deemed in default of this Agreement if such party's non-performance is the result of a condition beyond its control, including, but not limited to, labor strikes, government rationing or other regulations, flood, fuel shortages, earthquake, acts of God, drought, and other weather conditions; provided, however, a party's failure to pay or advance funds under this Agreement shall not constitute an event or condition beyond such party's control.
- (k) State and Local Taxes. Retailer represents and warrants that all Products purchased from Fleming that are tangible personal property shall be purchased for resale in the ordinary course of Retailer's business, and that Retailer shall comply with pertinent state and local laws regarding the collection and payment of sales, use, and other taxes applicable to all such resale transactions and furnish evidence thereof to Fleming. If any such tangible personal property is put to a taxable use by Retailer or is purchased by Retailer other than for resale, Retailer shall make timely return and payment to the proper taxing authority of all sales, use, and like taxes applicable thereto, and shall indemnify Fleming against such taxes and all penalties and interest related thereto.
- (l) <u>Partial Invalidity</u>. Should any clause or provision of this Agreement be determined to be invalid, void or unenforceable for any reason, such invalid, void or unenforceable clause or provision shall not affect the balance of this Agreement, but such balance of this Agreement shall remain in full force and effect.
- 16. <u>Definitions</u>. Capitalized terms used in this Agreement shall have the following meanings.

"Affiliate" means any Person that directly, or indirectly through one or more intermediaries, Controls Retailer (a "Controlling Person") or any Person that is Controlled by or is under common Control with a Controlling Person.

"Assets" means assets in or related to the conduct of Retailer's at the Store Property, including, without limitation Retailer's leasehold or other interest in land and building located at the Store Property, together with substantially all furniture, fixtures, equipment, inventory, accounts, general intangibles, and other personal property of any kind or character that is used in connection with such Store.

"Change of Control" means the acquisition by any Person of the sufficient Equity Interest in Retailer such that the Person has the power to Control Retailer.

"Control" means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of equity, by contract, or otherwise.

"Effective Date" shall have the meaning stated in the first paragraph of this Agreement.

"Equity Interest" means, in the case of a corporation, the voting capital preferred or common stock or other voting security of the corporation, and in the case of a limited liability company or partnership, any membership, partnership, or other economic interest in the entity.

"Equity Owner" means any person or entity owning any Equity Interest in Retailer.

"Estimated Purchase Level" shall have the meaning described in Section 3(b) of this Agreement.

"Exempt Transfer" shall have the meaning described in Section 8 of this Agreement.

"Facility Standby Fee" shall have the meaning described in Section 3(a) of this Agreement.

"Fleming" shall have the meaning stated in the first paragraph of this Agreement.

"Offer" means any proposal or offer for the acquisition of any of the Assets, other than in the ordinary course of Retailer's business, or any Equity Interest made by or on behalf of any Person.

"Period" means any of the 13 four-week periods into which Fleming divides each calendar year for Fleming's internal accounting purposes.

"Person" means any individual, a partnership, a corporation, an association, a limited liability company, a joint stock company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department agency or political subdivision thereof).

"Products" means food, grocery, meat, perishables, and other related products, supplies, and merchandise described in the Selling Plan that Fleming offers for sale to its other retail customers.

"Qualified Competing Supply Agreement" means a bona fide written proposal from a Wholesale Supplier containing the same terms and conditions as this Agreement, including, without limitation, term, Service Level, and Rebates.

"Rebates" means all vendor lump sums for advertising, promotion, display, or marketing support received or earned by Retailer based on purchases of Products during the Test Period, whether paid through Fleming or received directly from the vendor (including the rebate to be credited to Retailer pursuant to Section 17 of this Agreement).

"Retailer" means the person identified in the first paragraph of this Agreement and any successors thereof.

"Selling Plan" shall have the meaning described in Section 2 of this Agreement.

"Store" means the retail grocery store operated by Retailer at the Store Property.

"Test Period" shall have the meaning described in Section 2 of this Agreement.

"Total Net Cost" means the net amount less Rebates paid by Retailer to Fleming during the Test Period for Products plus fee and freights (if applicable), as such terms are defined in the Selling Plan.

"Wholesale Supplier" means a wholesale supplier of Products actually engaged in serving Retailer's market and offering the same assortment of Products and retail support services in the market as Fleming during the Test Period. The term includes Associated Food Stores, Inc., but excludes companies that are classified as integrated retailers or self-suppliers.

- 17. <u>Credit Rebate</u>. Retailer shall be entitled to receive from Fleming an annual rebate equal to the amount typically paid to similarly-situated customers of Fleming, subject to and contingent upon satisfaction of each of the following conditions:
- (a) No default has occurred and Retailer has complied with and fulfilled all of its obligations under this Agreement, including without limitation consistently achieving the Estimated Purchase Level as set forth in this Agreement; and
- (b) Retailer has not defaulted under any agreement or undertaking with Fleming and is in full compliance with all of its obligations owed to Fleming.

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

FLEMING:

FLEMING COMPANIES, INC., an Oklahoma corporation

Charles L. Hall

Senior Vice President

RETAILER:

MONTPELIER FOOD CORPORATION, an Idaho corporation

y: // W////

Debra J. Peterson Its: President

**EQUITY INTEREST OWNERS' NAMES\*** 

AM ///

<sup>\*</sup>Executed for the purpose of agreeing to the provisions of Section 8 hereof.

# UNANIMOUS WRITTEN CONSENT OF BOARD OF DIRECTORS OF MONTPELIER FOOD CORPORATION IN LIEU OF A MEETING

Pursuant to Section 30-1-821 of the Idaho Business Corporation Act, which authorizes the board of directors of a corporation to take action without a meeting if all members of the board consent in writing, the undersigned, being all of the directors of MONTPELIER FOOD CORPORATION, an Idaho corporation (the "Corporation"), did as of the 2<sup>pd</sup> day of 2003, adopt and consent to the following:

#### RECITALS:

- A. The Corporation owns and operates a retail grocery supermarket located at 130 South 4<sup>th</sup> Street, Montpelier, Idaho (the "Store").
- B. The Board of Directors of the Corporation deems it advisable and in the best interest of the Corporation to execute and deliver to Fleming Companies, Inc., an Oklahoma corporation, the following documents: a Purchase Agreement, Lease Assignment and Assumption Agreement, Sublease Termination Agreement, and Facility Standby Agreement (collectively, the "Transaction Documents").

# NOW, THEREFORE, IT IS HEREBY RESOLVED:

- 1. That the execution, delivery and performance of the Transaction Documents are approved and ratified by the Board of Directors of the Corporation.
- 2. That the president or any vice president of the Corporation is authorized and directed to execute and deliver the Transaction Documents and to take such further action as may be necessary or advisable to consummate the transactions contemplated therein.
- 3. That any and all actions taken by the president or any vice president of the Corporation, or the Corporation's agents for and on behalf of the Corporation, related to the transactions that are the subject of the Transaction Documents are hereby ratified and approved, and all other actions as such officers may deem necessary or desirable to effect such transactions are hereby authorized and approved.
- 4. That this Consent is to be filed with the minutes of the proceedings of the Corporation's Board of Directors.

DATED as of date first written above.

**DIRECTORS**:

Debra J. Peterson

Terry W. Rogers

Kris H. Smedley

Was Amudley

# EXHIBIT C

## Order

[See Attached]

## ASSIGNMENT, ASSUMPTION AND RELEASE AGREEMENT

(LA-072CL)

THIS ASSIGNMENT, ASSUMPTION AND RELEASE AGREEMENT ("Agreement") is made as of this 20th day of November, 2003, by and among Fleming Companies, Inc., an Oklahoma corporation, as debtor and debtor-in-possession operating under chapter 11 of the Bankruptcy Code (as hereinafter defined) ("Assignor" or "Fleming"), and McDaniel Food Management, Inc., a Louisiana corporation ("Assignee" or "MFM").

#### **RECITALS**

- A. Assignor, as successor in interest through merger with the original tenant, was, prior to the 'Lease Transaction' (as defined herein), tenant under that certain lease dated as of September 20, 1980 between R.W. Butler and Sons Lumber Co., Inc., a Louisiana corporation, Bernon W. Butler and his wife, Helen Drane Butler, and James A. Butler and his wife, Carol Briley Butler (collectively, the 'Initial Landlord') and Malone & Hyde, Inc., a Tennessee corporation, as lessee (such lease, as amended, modified, supplemented or restated is hereinafter referred to as the 'Lease') for the premises located at 5336 Cypress, West Monroe, Louisiana and more specifically described in the Lease (the 'Premises'). A copy of the Lease is attached hereto as Exhibit A. The successor landlord to the Initial Landlord and the present owner of the Premises is KM, Inc., a Louisiana corporation (the 'Landlord');
- B. Assignor, as successor in interest through merger with the original sublandlord, was, prior to the Lease Transaction, sublandlord under that certain sublease dated as of September 20, 1980 among Fleming, MFM and C.R. "Reggy" McDaniel, Jr., as subtenants and successors in interest to the original subtenant (the 'Subtenants') (such sublease, as amended, modified, supplemented or restated is hereinafter referred to as the 'Sublease'). A copy of the Sublease is attached hereto as Exhibit B;
- C. On or about May 4, 2001, Fleming and MFM entered into a Assignment of Lease and Sublease without Warranty (the "**Lease Transaction**"), with copies of the relevant documents being attached hereto as <u>Exhibit C</u>. The purpose and intent of the Lease Transaction was to convey Fleming's leasehold interest in the Lease and the Sublease to MFM;
- D. Notwithstanding Fleming's assignment of certain of its rights and obligations under the Lease and the Sublease to MFM as part of the Lease Transaction, Fleming remained a party to the Lease and the Sublease and retained its primary liability thereunder;
- E. On April 1, 2003, Assignor and various of its affiliates filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C §§ 101 et. seq. (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). Assignor continues to operate its business and manage its properties as a debtor-in-possession; and
- F. Assignor desires to assign all of Assignor's remaining right, title and interest under the Lease and the Sublease and Assignee is desirous of assuming, pursuant to Section

365(f) of the Bankruptcy Code and on the terms and conditions set forth herein, all of Assignor's obligations under the Lease and the Sublease.

**NOW**, **THEREFORE**, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

### 1. Assignment and Assumption.

- (a) Pursuant to the terms and conditions set forth in this Agreement, Assignor hereby grants, assigns, sets over and conveys to Assignee all of Assignor's right, title, and interest in the Premises and the Lease and the Sublease. Assignee hereby accepts the foregoing assignment, without any merger of title relative to such interest with any other interest of Assignee in the Lease or the Sublease, whether as landlord, sublandlord or otherwise, and assumes and agrees to perform and fulfill all of Assignor's duties, responsibilities and obligations under the Lease and the Sublease arising or occurring from and after the date hereof.
- (b) Further, pursuant to Section 365(k) of the Bankruptcy Code, on and after the Closing, Assignor and its estate shall be relieved from any liability for any breach of the Lease or the Sublease occurring after the Closing, and Assignee agrees to defend and indemnify Assignor against, and hold Assignor harmless from, any and all claims, actions, proceedings, suits, costs, liabilities, losses, damages or expenses, arising or occurring after the Closing in connection with the performance or observance or the failure or refusal to perform or observe any agreement or obligation of the tenant under the Lease or the Sublease or any term or provision thereof required to be performed by the tenant or the sublandlord, as the case may be, under the Lease or the Sublease after the date of this Agreement.
- (c) Upon entry of the order of the Bankruptcy Court approving the assignment and assumption of the Lease and the Sublease on the terms and conditions set forth herein (the "**Order**"), the parties shall attach a copy of the Order to this Agreement as <u>Exhibit</u> <u>D</u>, and the Closing shall occur in the manner provided herein.
- 2. <u>Consideration</u>. The total consideration to be paid by Assignee in connection with the assignment contemplated hereunder is Twenty-Five Thousand Dollars (\$25,000) (the "**Purchase Price**"). Upon execution of this Agreement, Assignee shall pay to Assignor the Purchase Price. Said Purchase Price shall be paid by certified or bank check made payable to Assignor, or by wire transfer to the account of Assignor pursuant to written wire instructions to be provided by Assignor. Said funds are to be released and paid as directed by the Order.
- 3. <u>Release</u>. Assignee, for itself, its successors and assigns, does hereby release, acquit, satisfy and forever discharge Assignor, Assignor's affiliates, owners, parent companies and subsidiaries, and their respective past, present and future shareholders, officers, directors, employees, agents, attorneys, representatives, guarantors and predecessors (the "**Released Parties**") from, and does hereby covenant and agree never to institute or cause to be instituted any suit or other form of action or proceeding of any kind or nature whatsoever, including, but

not limited to those for rejection damages under Section 365 of the Bankruptcy Code, against the Released Parties based upon any claims, demands, indebtedness, agreements, promises, causes of action, obligations, damages or liabilities of any kind or nature whatsoever, in law or equity, whether or not known, suspected or claimed, that Assignee has ever had, claimed to have, now has or may hereafter have or claim to have, if any, against the Released Parties by reason of the matter, cause, thing, document, agreement, instrument, act or omission of the Released Parties, arising out of the Lease, the Sublease or the occupancy of the Premises.

- 4. <u>Closing</u>. The consummation of the assignment and assumption of the Lease and the Sublease pursuant to this Agreement (the 'Closing") shall take place not later than two (2) business days after the date of entry by the Bankruptcy Court of the Order, and shall be held at the offices of Assignor's counsel or at such other location as Assignor shall reasonably designate.
- 5. <u>Court Approval</u>. Promptly following mutual execution and delivery of this Agreement, Assignor shall, at Assignor's sole cost and expense, file a motion with the Court seeking the Order and shall use its reasonable efforts to obtain the Order. This Agreement, however, shall constitute an irrevocable offer by Assignee to consummate the transactions described herein on the terms hereof.
- 6. <u>Cure Costs</u>. Although Assignor and Assignee are not aware of any unpaid amounts due Landlord under the Lease or C.R. "Reggy" McDaniel, Jr. under the Sublease, Assignee shall be responsible for any and all cure costs, cure claims or other amounts due Landlord or C.R. "Reggy" McDaniel, Jr. in connection with the transaction contemplated in this Agreement or under the Lease or the Sublease. Assignee hereby expressly waives any and all other cure amounts related to the Sublease, as between Fleming and MFM, and stipulates and agrees that no such cure amounts are due in connection with the assumption and assignment of the Sublease to Assignee.
- 7. <u>Remedies</u>. If the Bankruptcy Court does not approve the assignment and assumption of the Lease and the Sublease pursuant hereto for any reason other than a material breach of this Agreement by Assignee, then this Agreement shall terminate, the Purchase Price shall be refunded to Assignee, and Assignee shall have no further claims against Assignor.
- 8. Free and Clear of Liens, Claims and Encumbrances. At Closing, the assignment and assumption of the Lease and the Sublease shall be made free and clear of any liens, claims and encumbrances against Assignor's interest in (i) the Lease (other than any liens, claims and encumbrances of Assignee's lender or mortgagee) and (ii) the Sublease (other than any liens, claims and encumbrances of Assignee's or subtenant's lender or mortgagee), to the extent permitted under the Bankruptcy Code.
- 9. Adequate Assurance Data. Prior to or with the execution of this Agreement by Assignee, Assignee shall supply Assignor with (i) the full name and identity of Assignee; (ii) a current financial statement or such other proof of financial condition of Assignee; (iii) a written statement of Assignee's expected use of the Premises; (iv) such other information relating to the proposed business to be conducted at the Premises and retail experience of Assignee; (v) a projection of gross sales, if the Lease contains a percentage rent provision; and (vi) such other

documentation as may be reasonably requested by the Bankruptcy Court to demonstrate "adequate assurance of future performance" by Assignee.

#### 10. Representations and Warranties.

- (a) Assignor. Assignor hereby represents and warrants to Assignee the following:
- (i) Subject to the entry and effectiveness of the Order, this Agreement has been duly and validly executed and delivered by Assignor and constitutes a valid and binding agreement of Assignor, enforceable against Assignor in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditor's rights generally from time to time in effect and to general equitable principles.
- (ii) The copy of the Lease attached hereto as <u>Exhibit A</u> is a true, accurate and complete copy of the Lease (and all amendments thereto).
- (iii) The copy of the Sublease attached hereto as <u>Exhibit B</u> is a true, accurate and complete copy of the Sublease (and all amendments thereto).
- (iv) The copies of the Lease Transaction documents attached hereto as  $\underline{\text{Exhibit C}}$  are a true, accurate and complete copies of the same (and all amendments thereto).
- (b) <u>Assignee</u>. Assignee hereby represents and warrants to Assignor the following:
- (i) This Agreement has been duly and validly executed and delivered by Assignee and constitutes a valid and binding agreement of Assignee, enforceable against Assignee in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditor's rights generally from time to time in effect and to general equitable principles.
- (ii) That Assignee will, at all times after the date of this Agreement, be able to demonstrate "adequate assurance of future performance" under the Lease and the Sublease as that term is defined in Section 365 of the Bankruptcy Code.
- (iii) The copy of the Sublease attached hereto as <u>Exhibit B</u> is a true, accurate and complete copy of the Sublease (and all amendments thereto).
- (iv) The copies of the Lease Transaction documents attached hereto as <u>Exhibit C</u> are a true, accurate and complete copies of the same (and all amendments thereto).
- 11. "As Is" Transaction. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, ASSIGNEE HEREBY ACKNOWLEDGES AND AGREES THAT, THE ASSIGNOR MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY MATTER RELATING TO THE

INTEREST (INCLUDING, WITHOUT LIMITATION, INCOME TO BE DERIVED FROM OR EXPENSES TO BE INCURRED IN CONNECTION WITH THE PREMISES; THE PHYSICAL CONDITION OF THE PREMISES OR THE IMPROVEMENTS; THE SQUARE FOOTAGE OF THE PREMISES OR THE IMPROVEMENTS; THE PRESENCE OR ABSENCE OF ANY "HAZARDOUS MATERIALS" IN, ON OR ABOUT THE PREMISES OR ANY OTHER MATTER RELATING TO THE ENVIRONMENTAL CONDITION OF THE PREMISES; THE ZONING OF THE PREMISES; THE POSSIBILITY OF DEVELOPING OR USING THE PREMISES IN THE MANNER CONTEMPLATED BY PERMITS, ASSIGNOR OR OBTAINING ANY CONSENTS, APPROVALS, AUTHORIZATIONS OR ENTITLEMENTS IN CONNECTION THEREWITH; THE VALUE OF THE INTEREST; THE FITNESS OF THE PREMISES FOR ANY PARTICULAR PURPOSE OR USE; THE ACCURACY, COMPLETENESS, OWNERSHIP TRANSFERABILITY OF ANY DOCUMENTS OR OTHER MATERIALS FURNISHED TO ASSIGNEE WITH RESPECT TO THE PREMISES (OR ANY PORTION THEREOF); THE TITLE OF THE PREMISES; OR ANY OTHER MATTER OR THING RELATING TO THE PREMISES OR THE INTEREST). ASSIGNEE ALSO ACKNOWLEDGES THAT ASSIGNEE HAS CONDUCTED OR WAIVED THE RIGHT TO AN INDEPENDENT INSPECTION AND INVESTIGATION OF THE PHYSICAL AND ENVIRONMENTAL CONDITION OF THE PREMISES AND ALL SUCH OTHER MATTERS RELATING TO OR AFFECTING THE PREMISES AND/OR THE INTEREST AS ASSIGNEE DEEMED NECESSARY OR APPROPRIATE AND THAT ASSIGNEE IS ACQUIRING THE INTEREST HEREUNDER BASED SOLELY UPON SUCH INDEPENDENT INSPECTIONS AND INVESTIGATIONS OR ASSIGNEE'S INDEPENDENT JUDGMENT. ACCORDINGLY, ASSIGNEE HEREBY ACCEPTS THE PREMISES AND INTEREST "AS IS" AND "WITH ALL FAULTS."

12. <u>Commission</u>. The parties hereto represent and warrant to the other that there is no commission or other fee payable by as a result of this Agreement or the transactions contemplated hereunder.

#### 13. Miscellaneous.

- (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Louisiana. The parties agree that the Bankruptcy Court shall have exclusive jurisdiction over any disputes hereunder, and they each hereby consent to such jurisdiction.
- (b) This Agreement sets forth the entire agreement and understanding of the parties with respect to the transactions contemplated hereby and supersedes any prior instruments, arrangements and understandings relating to the subject matter hereof.
- (c) Assignor may assign its rights and obligations hereunder to any trustee appointed by the Bankruptcy Court. Assignee may not assign its rights and obligations hereunder to any party without Assignor's written consent and, following Bankruptcy Court approval, any assignment of this Agreement by Assignee must also be permitted by the terms of the Lease or agreed to by the Landlord.

- (d) This Agreement may be executed with counterpart signature pages or in more than one counterpart, all of which shall be deemed one and the same agreement.
- (e) Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder ("Notices") shall be in writing and shall be given as follows: (i) by hand delivery; (ii) by Federal Express or other reputable express courier service; or (iii) by facsimile transmission (other than for notices of default):

#### If to Assignor:

Fleming Companies, Inc. 1945 Lakepointe Drive Lewisville, Texas 75057 Attention: Real Estate Department

Facsimile: (972) 906-1405

With a copy to:

Kirkland & Ellis 200 E. Randolph Drive Chicago, IL 60601 Attention: Robert T. Buday, Esq.

Facsimile: (312) 861-2200

If to Assignee:

McDaniel Food Management, Inc. Attention: Reggy McDaniel 404 Wall Street Columbia, Louisiana 71418

or at such other address or to such other addressee or to such other facsimile number as the party to be served with Notice shall have furnished in writing to the party seeking or desiring to serve Notice as a place for the service of Notice. Notices shall be deemed to have been rendered or given on the date received or on the date they are deemed to be received as hereinafter set forth. The inability to deliver Notices because of changed address of which no notice was given, or rejection or refusal to accept any Notice offered for delivery shall be deemed to be receipt of the Notice as for the date of such inability to deliver or rejection or refusal to accept delivery.

- (f) This Agreement can be amended only by a written instrument duly executed by each of the parties.
- (g) The parties agree to execute such additional instruments as may be reasonably necessary to carry out the provisions of this Agreement.

- (h) If any action is brought by either party against the other party, the prevailing party shall be entitled to recover court costs and reasonable attorneys' fees and costs actually incurred.
- (i) This Agreement is deemed to have been drafted jointly by the parties, and any uncertainty or ambiguity shall not be construed for or against either party as an attribution of drafting to either party.

[Signature Page Follows]

IN WITNESS WH , 2003.	<b>EREOF</b> , this Agreement has been duly executed this day of
	ASSIGNOR:
	FLEMING COMPANIES, INC., an Oklahoma corporation
	By: Name: Title:
	ASSIGNEE:
	MCDANIEL FOOD MANAGEMENT, INC., a Louisiana corporation
	By: Name:

IN WITNESS WHEREOF, th	is Agreement has been duly executed this day of
	ASSIGNOR:
	FLEMING COMPANIES, INC., an Oklahoma corporation
	By: Name: Title:
	ASSIGNEE:
	MCDANIEL FOOD MANAGEMENT, INC., a Louisiana corporation  By: Car R M D D  Name: CLEAVON R M'DANIEL TR  Title: PRESIDENT

IN WITNESS WHEREOF, thi	s Agreement has been duly executed this day of
	ASSIGNOR:
	FLEMING COMPANIES, INC., an Oklahoma corporation  By:  Name:  Title:  Anti-Jung-d-Faguerry
	ASSIGNEE:
	MCDANIEL FOOD MANAGEMENT, INC., a Louisiana corporation
	By:

## EXHIBIT A

Lease

[See Attached]

### LEASE AGREEMENT

THIS LEASE made on the 20# day of September, 1980, between R. W. BUTLER AND SONS LUMBER CO., INC., a Louisiana corporation domiciled in West Monroe, La., and BERNON W. BUTLER and his wife, HELEN DRANE BUTLER, and JAMES A. BUTLER and his wife, CAROL BRILEY BUTLER (all individually), hereinafter called "Landlord," and MALONE & HYDE, INC., a Tennessee corporation with principal offices in Memphis, Tennessee, hereinafter called "Tenant".

WITNESSETH:

COVENANTS. The parties hereto agree that this Lease sets forth all agreements, covenants and conditions express or implied between the parties, and supersedes any prior oral or written agreements between the parties with respect to the premises hereinafter described. The following exhibits are attached to this Lease and made a part hereof:

Exhibit "A" Legal Description

Exhibit "B" - Plot Plan

Exhibit "C" - Title Exceptions

Exhibit "D" - Minimum Basic Building Requirements

(Specifications)

Exhibit "E" - Investment Tax Credit Election and attached Schedule A

PREMISES. Landlord hereby leases to Tenant and Tenant hereby hires from Landlord the premises located on U. S. #80 at Wallace-Dean Road, West Monroe, La., and more particularly described as Demised Premises in Exhibit "A" and shown outlined on Exhibit "B", together with all improvements now or hereafter erected thereon and all rights and appurtenances thereunto belonging. The building (15,000 sq. ft.) to be erected upon Demised Premises is herein called "The Building", and is part of the Entire Premises described in Exhibit "A" and shown outlined on Exhibit "B".

TERM AND COMMENCEMENT. The term of this Lease ("The Term") shall commence on the same date as provided in Section "Minimum Rent" for the commencement of payment of the annual rent and shall end upon the expiration of Twenty (20) years less one (1) day

after such commencement date, at midnight, unless sooner terminated or extended as herein provided. Upon commencement of The Term the parties will execute a memorandum setting forth the commencement and termination dates.

RENEWAL OPTIONS. Landlord grants to Tenant two (2) separate options to extend the Term for two (2) separate consecutive additional periods (hereinafter called "Renewal Periods") of five (5) years each on the same terms and conditions as set forth in this Lease for the Term. Each option shall be automatically exercised by Tenant unless Tenant shall give notice to Landlord at least three (3) months before the expiration of the Term or Renewal Period then in effect of Tenant's desire to terminate said Lease and, upon such automatic renewal, the Renewal Period shall become part of the Term.

USE. Tenant may use Demised Premises for any lawful purpose. However, for use other than as a food supermarket, Landlord's consent shall be required, which consent shall not be unreasonably withheld. Tenant shall indemnify and hold Landlord harmless of and from all fines or penalties imposed by law arising by reason of the violation by Tenant of any laws, rules, ordinances, or regulations relating to the conduct of business in Demised Premises issued by any governmental authority having jurisdiction over Demised Premises.

MINIMUM RENT. Tenant agrees to pay to Landlord the monthly sum of Five Thousand and Sixty-Two and 50/100 Dollars (unless such rent shall be abated (\$5,062.50) or diminished as in this Lease elsewhere provided) (hereinafter called "Minimum Rent") in advance, on the first day of each calendar month, commencing with the first day of the month next following the earlier of (a) the opening by Tenant of its complete store in the Demised Premises for business with the public, or (b) the expiration of sixty (60) days after delivery by Landlord to the Tenant of the Demised Premises in accordance with the provisions of this Lease. All payments of rent shall be made to Bernon W. Butler and Helen Drane Butler and James A. Butler and or to such other person or corporation Carol Briley Butler or at such other place as shall be designated by Landlord, in

PERCENTAGE RENT: (a) On or before the first day of October following the end of each Fiscal Year of the Term, Tenant agrees to mail or to deliver to Landlord a statement showing the gross sales made by Tenant during such Fiscal Year computed as hereinafter provided. The term "Fiscal Year" when used herein shall mean the twelve (12) month period beginning with the commencement date and terminating one year thereafter during each year of the Lease Agreement or any renewal thereof.

writing, delivered to Tenant at least ten (10) days prior to

the next ensuing rent payment date.

(b) Tenant shall pay to Landlord as Percentage Rent (hereinafter called "Percentage Rent") under this Lease a sum equal to one percent (1%) of such gross sales during each Fiscal Year, less the Minimum Rent and Additional Rent payable for that Fiscal Year. Percentage Rent shall be due and payable at the time of the submission of the statement required to be submitted under the provisions of Section "PERCENTAGE RENT (A)" hereof.

(c) In computing its gross sales the Tenant shall take the total amount of all sales of merchandise made by it in the ordinary course of business in Demised Premises and exclude or deduct therefrom the following:

- (i) All credits and refunds made to customers for merchandise returned or exchanged;
- (ii) All receipts from weighing machines, lockers, public telephones, public toilets and other coin-operated service facilities;
- (iii) All receipts from vending machines, except such portion thereof as may be retained by Tenant;
- (iv) All sums and credits received in settlement of claims for loss or damage to merchandise;
- (V) All exchanges of merchandise pursuant to a trading stamp redemption plan, register tape plan or similar promotional plan;
- (vi) All sales taxes, excise taxes, or similar taxes imposed under any existing or future rules, regulations, laws or ordinances;
- (vii) All service or interest charges on credit sales and charges for delivery of any merchandise to customers;
  - (viii) All sales of cigarettes and tobacco;
  - (ix) All sales of store fixtures and equipment;
- (x) All transfers of merchandise between Demised Premises and other stores or warehouses operated by Tenant or its affiliates, not made to consummate a sale made at Demised Premises; and
- (xi) All sales, at a discount, pursuant to government sponsored food distribution plans. (However, it is understood and agreed that this exclusion shall not apply to existing [at date of store opening] governmental food stamp programs.)
- (d) Landlord or its agents may (on twenty [20] days prior written notice to Tenant) make an annual inspection of Tenant's records of gross sales made in Demised Premises for any Fiscal Year at Monroe, Louisiana, provided that such inspection is made within ninety (90) days after Tenant's statement of sales for such Fiscal Year is mailed or delivered to the Landlord and is limited to the period covered by such statement. Unless Landlord shall file with Tenant a written claim challenging any statement of gross sales within ninety (90) days after the mailing or delivery

thereof, said statement shall be deemed to have been accepted by Landlord as fully and correctly setting forth the facts therein contained. Landlord shall hold in confidence all gross sales figures and other information obtained from Tenant's records.

- (e) Tenant makes no representations or warranties as to its expected gross sales. Nothing in this Lease shall be deemed to create a relationship between the parties other than that of Landlord and Tenant. Landlord shall not be deemed a partner or co-venturer with Tenant, and Tenant shall not pledge the credit of Landlord. Tenant may operate its business on Demised Premises, subject to the terms of this Lease, as Tenant deems best and there shall be no restrictions upon Tenant or upon the operation of its business. Tenant may discontinue the operation of its business at any time during the Term but shall remain liable for the performance of the terms and conditions of this Lease. In the event Tenant vacates the premises for a period of ninety (90) consecutive days, then Landlord shall have the right to cancel this Lease Agreement by giving Tenant thirty (30) days advance written notice.
- (f) Notwithstanding anything herein contained to the contrary, if Tenant shall sublet the whole of Demised Premises (other than to its parent, subsidiary or affiliated companies) or if Tenant shall vacate Demised Premises, the gross sales shall be computed as the average of gross sales reported by Tenant for and with respect to the last three (3) Fiscal Years, or any shorter period during the first three years of The Term immediately preceding such subletting or vacating of Demised Premises. For so long as such subletting (for purposes other than as a food supermarket) or vacating shall exist, the provisions of Section "PERCENTAGE RENT (A), (C) AND (D)" shall be of no further effect hereunder.

LANDLORD'S TITLE: (a) Landlord covenants that Landlord has fee simple title to the premises described on Exhibit "A" hereof and full right and authority to make this Lease; that said premises are free and clear of and from all liens, restrictions, leases and encumbrances (except as set forth in Exhibit "C"); and that there are no laws, ordinances, governmental rules or regulations or title restrictions or zoning or other matters which will restrict, limit or prevent Tenant's operation of a food supermarket or any department thereof in Demised Premises. Landlord covenants that so long as Tenant is not in default hereunder, Tenant shall have quiet and peaceful possession and enjoyment of Demised Premises and of all rights and appurtenances thereunto belonging.

- (c) Landlord represents, warrants and agrees and this Lease is upon the express condition that Landlord shall at all times during the term of this Lease or any extension or renewal thereof maintain a Parking Area as shown on Exhibit "B" annexed hereto, to furnish parking space without charge to all customers of Tenant seeking parking.

clear and remove all building(s) from the area shown on the attached plot plan designated as "Future access and parking areas" within eighteen (18) months from and after the commencement of The Term. From and after the aforesaid 18-month period, all rentals hereunder shall abate in the event Landlord fails, refuses or neglects to remove said buildings for any reason whatsoever, and said rental abatement shall continue until such time as the aforesaid building(s) are removed.

SUBORDINATION AND NON-DISTURBANCE. If any Mortgagee (as hereinafter defined) so requests, this Lease shall be subject and subordinate to a first mortgage or first deed of trust covering Demised Premises and to all renewals, modifications, consolidations, replacements and extensions thereof, provided such mortgage complies with the following provisions:

- ("Mortgagee") shall be a recognized financial institution such as a bank, savings and loan association, college or university, pension, retirement or trust fund, or insurance company; and
- (b) the Mortgagee shall agree to non-disturbance provisions in favor of Tenant substantially as follows:

"So long as Tenant continues to pay the rent reserved in Lease and otherwise complies with the terms and provisions thereof, Mortgagee shall not disturb the rights of possession of Tenant in Demised Premises as set forth in this Lease, notwithstanding any foreclosure or proceedings in lieu thereof affecting Demised Premises whether or not Tenant is made a party thereto. If the Building is damaged or destroyed by casualty or by the exercise of any right of eminent domain, the proceeds of any insurance or condemnation award relating thereto shall be made available for the purpose of repair or restoration thereof as provided in this Lease, subject to protective provisions required by such Mortgagee with respect to the disbursement of such funds. Upon passing of title to Demised Premises to Mortgagee or to any other party in any foreclosure or proceedings in lieu thereof, the party acquiring such title shall thereupon, by virtue of such acquisition of title and without the execution of any further instruments or documents be deemed to be the Landlord for all purposes of Lease and be deemed to have assumed the full and complete performance of all the obligations of Landlord as therein set forth. If Mortgagee shall take possession, without acquiring title thereto, but in such a manner as to be entitled to receive rents therefor,

Mortgagee shall, in addition, be deemed to have assumed all the obligations of Landlord set forth in Lease (excepting those hereafter set forth in Section "PROTECTIVE COVENANT (b)" of this Lease) accruing during such period of possession and upon the termination of such possession shall be deemed released from all liability accruing thereafter."

POSSESSION. (a) Upon commencement of The Term the covenant of Landlord set forth in Section "LANDLORD'S TITLE (a)" shall be in force except for matters junior to this Lease and Demised Premises shall be unoccupied. At such time The Building and any other improvements erected upon Demised Premises shall be in full compliance with all laws, ordinances and regulations relating to the use, occupation and construction thereof.

(b) Tenant agrees to deliver to Landlord physical possession of Demised Premises upon the termination of The Term in good condition excepting, however, ordinary wear and tear, damage by fire, or any other casualty insured against under policies maintained or required to be maintained by Landlord, or damage from any other cause unless such other cause is solely attributable to the negligence of Tenant.

ASSIGNMENT AND SUBLETTING. Tenant may assign this Lease without the consent of Landlord. Tenant may sublet the Demised Premises or any part thereof, but notwithstanding any such subletting or any such assignment, Tenant shall remain primarily—liable for the performance of all the terms and conditions of this Lease. However, in no event shall the premises be sublet for purposes other than as a food supermarket without Landlord's consent, such consent not to be unreasonably withheld.

PROTECTIVE COVENANT. In order to induce Tenant to enter into this Lease, Landlord agrees for itself, its heirs, successors and assigns, that none of the foregoing shall use, suffer, permit or consent to the use or occupancy as a food supermarket, any of the following:

- (a) any other premises now or hereafter owned or controlled by Landlord or any of the above described parties adjacent to Demised Premises, or
- (b) any premises now or hereafter owned or controlled by Landlord or any of the above described parties within a radius of one-third (1/3) mile of the perimeter of Demised Premises.
  - (c) This covenant shall not apply to "convenience stores".

LANDLORD'S REPAIRS. (a) Landlord shall maintain the exterior portions (not to include plate glass or automatic doors) and structural elements of Demised Premises or the building of which Demised Premises is a part and the appurtenances thereto and any improvements outside of Demised Premises erected by Landlord for Tenant (including without limitation the roof, roof structures and supports, foundation and structural supports, walls, floors (not to include floor covering and plumbing as installed) and conduits embedded in the floors, gutters, downspouts, streets, parking lot, curbs, sidewalks, and utility lines servicing Demised Premises to the extent not maintained by public utility companies) in good and usable repair during The Term. Upon receipt of at least ten (10) days written notice from Tenant, Landlord shall also make and pay for all other repairs to the interior of Demised Premises necessitated by (i) Landlord's failure to make any repairs required of it hereunder, or (ii) defective workmanship or materials in the original construction of Demised Premises or of any other improvements outside of Demised Premises erected by Landlord for Tenant.

- (b) During The Term, Tenant shall make and pay for all necessary repairs and replacements to the Heating and Air Conditioning servicing the Building. Landlord shall assign all of the warranties and guarantees on the Demised Premises to Tenant.
- (c) Anything in this Lease to the contrary notwithstanding, Landlord agrees that if, in an emergency, it shall
  become necessary to make any repairs hereby required to be made
  by Landlord, Tenant may, after giving Landlord at least forty-eight
  (48) hours telegraphic notice, proceed forthwith to have such
  repairs made and pay the cost thereof. Tenant may make such

emergency repairs, without notice to Landlord, in an amount not to exceed five hundred dollars (\$500.00) for each separate occurrence. Landlord agrees to pay Tenant the cost of such repairs on demand, and Landlord further agrees that if it fails so to pay Tenant, Tenant may deduct the amount so expended by it from rent or any other payment due or to become due.

- (d) If Tenant is deprived of the use of any portion of Demised Premises for a period of more than seven (7) days during the making of any repairs, improvements or alterations by Landlord under any provisions of this Lease, then so long as Landlord does not proceed diligently to remedy such condition all rent and other sums payable hereunder shall abate for such period as Tenant is deprived of such use.
- (e) Landlord agrees to indemnify and save Tenant harmless from and against all loss to merchandise, fixtures and equipment occasioned by Landlord's failure within ten (10) days after receipt of notice of necessity therefor, to commence and thereafter proceed diligently with any repairs required of Landlord hereunder.

TENANT'S REPAIRS AND ALTERATIONS. (a) Subject to Landlord's obligations under Section "LANDLORD'S REPAIRS", Tenant shall make and pay for all ordinary non-structural repairs to the interior of Demised Premises arising from Tenant's operation of business therein not occasioned by ordinary wear and tear, fire or other casualty, subject to Landlord's approval, which approval shall not be unreasonably withheld. Tenant may make and shall pay for any alterations and improvements to Demised Premises as Tenant deems desirable and Tenant agrees that all such alterations and improvements shall be made in a good and workmanlike manner and in such fashion as not to diminish the value of Demised Premises, subject to Landlord's approval, which approval shall not be unreasonably Tenant may paint, erect or authorize the installation of signs (which Tenant deems necessary to the operation of its business) in Demised Premises on the parapet of the building located on the Demised Premises and may at any time remove therefrom any such signs. On surrendering possession of Demised Premises to Landlord

at the expiration or sooner termination of this Lease, Tenant shall not be required to restore the same to the condition existing at the commencement of The Term and Landlord agrees to accept the Demised Premises with all alterations and improvements made by Tenant.

compliance with Laws. Tenant shall make and pay for nonstructural improvements and alterations to comply with all laws,
ordinances, rules or regulations of any governmental authority
promulgated after the commencement of The Term applying to the
physical condition of Demised Premises and arising from Tenant's
conduct of business in Demised Premises. Any improvements installed by Tenant under the terms of this Section shall be deemed
trade fixtures under the terms of Section "TENANT'S FIXTURES"
of this Lease. Landlord agrees to make and pay for all other
repairs, improvements or alterations to Demised Premises required
by any such authority.

TENANT'S FIXTURES. Tenant may install in Demised Premises such fixtures (trade or otherwise) and equipment as Tenant deems desirable and all of said items shall remain Tenant's property whether or not affixed or attached to Demised Premises. Tenant may remove said fixtures and equipment from Demised Premises at any time and from time to time during The Term. Landlord shall not mortgage, pledge or encumber said fixtures, equipment or improvements. Tenant shall, within thirty (30) days after expiration of The Term, repair any damage to Demised Premises caused by Tenant's removal of any such fixtures or equipment.

Premises throughout The Term such sewer facilities and such utilities (including without limitation, water, electric power and gas) as the Tenant may require, so long as same are available from local utility companies, with necessary facilities to accommodate separate meters to be installed by Tenant for such utilities. Tenant agrees to pay for all such utilities consumed by Tenant in Demised Premises, during The Term, as evidenced by readings taken from said meters.

PUBLIC LIABILITY INSURANCE. Throughout The Term or any extensions thereof, Tenant shall maintain insurance against public liability for injury to person (including death) or damage to property occurring within the Demised Premises arising out of the use and occupancy thereof by Tenant. Such insurance shall be with minimum limits of \$200,000/\$500,000 for personal injury or death and \$100,000 for property damage and Landlord shall be named as additional assured under the policy. Tenant shall deliver to Landlord a certificate of such insurance naming Landlord as an additional assured and an agreement by the insurer that said policy may not be cancelled without ten (10) days prior written notice delivered to Landlord.

(b) Throughout The Term or any extensions thereof,
Landlord shall maintain insurance against public liability for
injury to person (including death) or damage to property arising
out of the acts or omissions of Landlord or arising out of the
use of common facilities as defined in this Lease by Tenant or
its licensees, employees, invitees or customers. Such insurance
shall be with minimum limits of \$200,000/\$500,000 for personal
injury or death and \$100,000 property damage and Tenant shall be
named as additional assured under the policy. Landlord shall deliver
to Tenant a certificate of such insurance naming Tenant as
additional assured and an agreement by the insurer that said
policy of insurance may not be cancelled without ten (10) days
prior written notice delivered to Tenant.

DAMAGE BY CASUALTY. (a) If Demised Premises is damaged or destroyed by fire, the elements, subsidence of sublateral or subjacent support or other casualty, Landlord shall promptly and diligently repair and restore Demised Premises or any such other store to its condition just prior to the damage.

(b) If Tenant is not actually open for business during all or any part of the period ("Restoration Period") from the

date of such damage or destruction as aforesaid until the date

Demised Premises is redelivered to Tenant in accordance with the

terms of this Lease, all rent or other sums payable hereunder

shall abate for such period as Tenant is not open for business.

If Tenant is actually open for business during the Restoration

Period, the rent and other sums payable hereunder shall abate

in proportion to the usable space; provided, however, that if

after thirty (30) days written notice from Tenant, Landlord does

not proceed diligently with restoration of Demised Premises all

rent and other sums payable hereunder shall abate.

(c) Landlord agrees to keep in effect on Demised Premises and on all other buildings which may be erected on Demised Premises, fire insurance with extended coverage endorsement in an amount not less than eighty percent (80%) of the full, fair insurable value of the buildings and improvements thereon. Landlord and Tenant shall obtain from their respective insurers, endorsements whereby the insurers agree to waive any right of subrogation against Landlord or Tenant, as the case may be, in connection with fire or other risks or casualties covered by said insurance. Landlord shall furnish a certificate of such insurance to Tenant. Landlord agrees that it shall make no claim nor authorize any claim to be made against Tenant, its employees, servants or agents in connection with or as a result of fire, explosion or other casualty damaging Demised Premises. Tenant agrees that it shall make no claim nor authorize any claim to be made against Landlord, its employees, servants or agents in connection with or as a result of fire, explosion or other casualty damaging the contents or fixtures installed in Demised Premises, excepting, however, such claims as may be permitted pursuant to the terms of Section "LANDLORD'S REPAIRS" hereof by reason of Landlord's failure to make repairs to Demised Premises.

(d) If any such damage or destruction shall occur within the last three (3) years of the Term, or of any Renewal Period, affecting more than fifty percent (50%) of the replacement value of Demised Premises, either party may terminate this Lease by notice to the other party within thirty (30) days of the occurrence of such damage or destruction effective sixty (60) days after the date of such notice. If this Lease is terminated as provided in this Section, both parties shall be relieved of any further liabilities hereunder except for obligations accrued at the date of such damage or destruction and any sums prepaid by Tenant shall be apportioned and appropriately refunded to Tenant.

INCREASE IN FIRE INSURANCE PREMIUM. Tenant agrees that it will not keep, use, sell or offer for sale in or upon the leased premises any article which may be prohibited by the standard form of fire insurance policy. Tenant agrees to pay any increase in premiums for fire and extended coverage insurance that may be charged during the term of this lease on the amount of such insurance which may be carried by Landlord on said premises or the building of which they are a part, resulting from the type of merchandise sold by Tenant in the leased premises, whether or not Landlord has consented to same. In determining whether increased premiums are the result of Tenant's use of the leased premises, a schedule, issued by the organization making the insurance rate on the leased premises, showing the various components of such rate,—shall be conclusive evidence of the several items and charges which make up the fire insurance rate on the leased premises.

Bills for such additional premiums shall be rendered by Landlord to Tenant at such times as Landlord may elect, and shall be due from, and payable by Tenant when rendered, and the amount thereof shall be deemed to be, and shall be paid as, additional rent.