

LEASE MODIFICATION AGREEMENT NO. J

WITNESSETH,

WHEREAS, the undersigned parties now being Landlord and Tenant, respectively, under the terms of a lease dated March 5 - - - - - 1980, - - - - - and thereafter modified by NO - - - - - separate modification agreements, and primarily covering a storeroom - - - - - located on the north side of Hall Road, between Gill St. and Lindsay St., City of Alcoa - - - - - County of Blount - - - - - and State of Tennessee - - - - - do now desire to modify and amend such lease.

NOW, THEREFORE, for and in consideration of One Dollar (\$1.00) and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, and of the promises and undertakings hereinafter set forth, the parties agree that such lease shall be and is hereby amended and modified as follows:

1. The following is added to Paragraph 21 of the Lease Agreement: "All compensation awarded for any taking pursuant to a condemnation proceeding shall be the sole property of Landlord, whether such compensation shall be awarded for diminution in the value of, or loss of, the leasehold, or for diminution in the value of, or loss of, the fee in the leased premises, or otherwise, and Tenant hereby assigns to Landlord all of Tenant's right and title to and interest in any and all such compensation; provided, however, that Landlord shall not be entitled to and Tenant shall have the sole right to make its independent claim for and retain any portion of any award made by the condemning authority directly to the Tenant for loss of business, or damage to or depreciation of, and cost of removal of fixtures, personalty, and improvements installed in the leased premises by or at the expense of Tenant, and to any other award made by condemning authority directly to Tenant."

2. The following is added to Paragraph 24 of the Lease Agreement: "If required by Lessor's first mortgagee, this Lease shall be subject and subordinate to the lien of such mortgage placed on the leased premises by Landlord, and Tenant agrees to execute and deliver upon demand such other instruments as shall be reasonably required by such mortgagee; provided that if and when such mortgagee requests that this Lease be subordinate to such mortgage, the mortgagee will agree, for itself and for every subsequent holder or owner of the mortgage, that in the event of foreclosure Tenant's quiet possession of the leased premises will not be disturbed on account of such mortgage so long as Tenant continues to pay rent and perform the other covenants on its part required. It is agreed that if Lessor's mortgagee requests such subordination that mortgagee shall not:

- (1) Be liable for any acts or omissions of any prior Lessor;
(2) Be liable for return of any security deposit;
(3) Be bound by any rent or additional payments paid by Tenant for more than the current month;
(4) Be bound by any agreement or modification of the Lease not expressly consented to by mortgagee; or
(5) Be bound by any rights or set-off allowable between any prior Lessor and Tenant."

(A RIDER, containing Paragraphs 3, 4, and 5, is attached hereto and made a part hereof.)

All other terms and conditions of said lease and of any previous modification thereof shall remain unchanged.

The provisions of this Lease Modification Agreement shall bind and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, said parties have hereunto set their hands and seals, July 7, 1980 (as to Landlord) July 17, 1980 (as to Tenant).

Signed and acknowledged in triplicate in presence of:

Witnesses for Landlord:

Handwritten signatures of witnesses for Landlord.

Landlord: KING HOLDING COMPANY (Seal)
H. G. King, President (Seal)

Witnesses for Tenant:

Handwritten signatures of witnesses for Tenant.



Tenant: SUPERX DRUGS CORPORATION

By C. N. Ballerud, Vice President



RIDER

This RIDER, containing Paragraphs 3, 4, and 5, is attached to and made a part of Lease Modification Agreement No. 1 between KING HOLDING COMPANY, as Landlord, and SUPERX DRUGS CORPORATION, as Tenant.

3. The following sentence is added to Paragraph 25 of the Lease Agreement: "No such assignment or subletting shall affect or diminish the obligation of the Tenant to perform all of its obligations under this Lease."

4. Tenant agrees to give any mortgagee and/or trust deed holders, by certified mail, a copy of any notice of default which would give Tenant the right to terminate or withhold from rent served upon the Landlord, provided that prior to such notice Tenant has been notified, in writing (by way of notice of Assignment of Rents and Leases or otherwise) of the address of such mortgagee and/or trust deed holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the mortgagees and/or trust deed holders shall have an additional thirty (30) days within which to cure such default, or if such default cannot be cured within that time, then such additional time as may be necessary if within such thirty (30) days any mortgagee and/or trust deed holder has commenced and is diligently pursuing the remedies necessary to cure such default (including, but not limited to, commencement of foreclosure proceedings, if necessary to effect such cure), in which event this Lease shall not be terminated while such remedies are being so diligently pursued. In the event of a bona fide emergency, Tenant may take whatever action is necessary to remedy the situation and bill the Landlord for the cost thereof, so long as it then gives notice to mortgagee.

5. Tenant understands that this Shopping Center will be financed by the issuance and sale by The Industrial Development Board of the City of Alcoa, Tennessee, of its industrial development revenue bonds. In connection therewith, Tenant agrees to execute a Certificate, in form and substance attached hereto, the covenants and agreements of which are incorporated herein by reference and are covenants of Tenant hereunder, and provide such additional information and execute such additional documentation as shall be reasonably necessary to obtain such financing.

STATE OF _____ }
COUNTY OF _____ } SS

This day, before me, a Notary Public in and for said County, personally came _____ voluntarily came
the Landlord in the foregoing Lease Modification Agreement, and acknowledged the signing to be
_____ A. D., 19 ____
Witness my hand and official seal this _____ day of _____

Notary Public

My commission expires _____

STATE OF TENNESSEE }
COUNTY OF Blount } SS

This day, before me, a Notary Public in and for said County, personally came H. G. King, _____
_____ President King Security Services
of King Holding Company _____ Vice President, Superx Drugs Corpora-
the corporation described in and which executed the above instrument; who being by me duly sworn, did depose and say that:
they know the seal of said corporation; that the seal affixed to said instrument was such corporate seal; that it was so affixed by
order of the Board of Directors of said corporation; and that they signed their names thereto by like order.

Witness my hand and official seal this 7th day of July, A. D., 1980.

Notary Public

My commission expires _____

10-17-82

STATE OF OHIO }
COUNTY OF HAMILTON } SS

This day, before me, a Notary Public in and for said County, personally came C. N. Ballsrud, _____
_____ Vice President, Superx Drugs Corpora-
tion _____ the corporation described in and which executed the above instrument; who being by me duly sworn, did
depose and say that: he knew the seal of said corporation; that the seal affixed to said instrument was such corporate seal;
that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

Witness my hand and official seal this 17th day of _____, A. D., 1980.

Notary Public

My commission expires _____

NANCY R. BROWN
Notary Public, State of Ohio.
My Commission Expires Feb. 4, 1984

CERTIFICATE REGARDING ELECTION TO HAVE THE
PROVISIONS OF SECTION 103(b)(6)(D) APPLY

The undersigned, Super X Drugs Corporation, a Michigan corporation ("Company") does hereby certify, in connection with the issuance by The Industrial Development Board of the City of Alcoa, Tennessee (the "Issuer") of not exceeding \$1,875,000 in aggregate principal amount of the Issuer's Revenue Bond, Series 1980 (King Holding Company) dated July 2/, 1980 (the "Bond"), as follows:

INITIAL
HERE



1. The Company is and will be a principal user of the proceeds of the Bond and the facilities to be acquired, constructed and equipped with said proceeds within the meaning of Section 103(b)(6) of the Internal Revenue Code of 1954, as amended (the "Code"). [as currently interrupted]

2. The proceeds of the Bond are to be used primarily with respect to facilities to be located in the City of Alcoa, Tennessee.

3. There are no outstanding obligations of any state, territory or possession of the United States, or any political subdivision of the foregoing, or of the District of Columbia, issued subsequent to April 30, 1968, the proceeds of which are or will be used primarily with respect to facilities (a) the principal user of which is or will be the Company or related persons (within the meaning of Section 103(b)(6) of the Code) and (b) which are located in the City of Alcoa, Tennessee, the location of the facilities to be acquired and constructed with the proceeds of the Bond.

4. The aggregate amount of capital expenditures (within the meaning of Section 103(b)(6) of the Code), made or incurred by the Company within the three years preceding the date of issue of the Bond with respect to facilities the principal user of which is or will be the Company or related persons (within the meaning of Section 103(b)(6)(C) of the Code) and which are located in the City of Alcoa, Tennessee is \$ ~~500,000.00~~ **7429.00**

5. The attached schedule is a complete listing of all capital expenditures (within the meaning of Section 103(b)(6)(C) of the Code), made or incurred by the Company within the three years preceding the date of issue of the Bond with respect to facilities the principal user or users of which is or will be the Company or related persons (within the meaning of Section 103(b)(6)(C) of the Code) and which are located in the City of Alcoa, Tennessee, including those capital expenditures which are not required to be

AS

taken into account pursuant to Section 103(b)(6)(F) of the Code and the reason for such exclusion.

6. The Company agrees not to spend, nor to permit any "related person" (as that term is defined in Section 103(b)(6)(C) of the Code) to spend, more than Five Hundred Thousand Dollars (\$ 500,000.00) in the aggregate in capital expenditures (as that term is defined in Section 103(b) of the Code and the regulations with respect thereto) within the city limits of the City of Alcoa, Tennessee, covering a time period of three (3) years prior to and three (3) years after the issuance of said bond financing. The Company agrees to file with its tax returns annually a statement of all its capital expenditures incurred within the city limits of the City of Alcoa, Tennessee, in the form required by the Code and a copy of such statement shall be provided to the holder of the Bond.

if required by law,

7. The Company will file its income tax return for the present taxable year with the Internal Revenue Service Center, in Memphis, Tennessee. Companies employer identification number is 38-090-0860.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed as of this ___ day of _____, 1980.

SUPER X DRUGS CORPORATION

BY: _____
TITLE: Vice President, Real Estate

INITIAL
HERE

AB

This does not apply to The Kroger Co.
Which has executed a separate certificate

CAPITAL EXPENDITURES
DURING THE PERIOD
JUNE 1, 1977 TO , 1980
SUPER X DRUGS CORPORATION

June 1, 1977 to May 31, 1978	\$ 168.00
June 1, 1978 to May 31, 1979	47.00
June 1, 1979 to <u>July 12</u> , 1980	7,214.00
Total	<u>\$ 7,429.00</u>

AX

ATTACHMENT TO PARAGRAPH 5