

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

Albertson's, Inc.
P.O. Box 20
Boise, Idaho 83726
Attn: Legal Dept.



(Space above this line for recorder's use only)

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MEMORANDUM OF LEASE TERMINATION AGREEMENT

Jewel Store No. 01-7536
Chicago, Illinois

THIS MEMORANDUM OF LEASE TERMINATION AGREEMENT

("Memorandum"), is made as of the 19th day of August, 1999 ("Agreement Date"), by and between HOWARD AND WESTERN, LLC, a Delaware limited liability company ("Landlord"), and JEWEL FOOD STORES, INC., a New York corporation ("Tenant"); individually, a "Party", or collectively, the "Parties".

RECITALS

A. Landlord, as successor-in-interest to Chicago National Bank, as Trustee under the terms of that certain Trust Agreement dated as of November 12, 1956, and known as Trust No. 14369 through various *mesne* conveyances, and Tenant, as successor-in-interest to Jewel Tea Co., Inc., a New York corporation, are parties to that certain Lease dated as September 26, 1957, a memorandum dated September 26, 1957, of which was recorded on October 31, 1957 with the Recorder of Deeds for Cook County, Illinois ("Official Records"), as Instrument Number 17053722 in Book 5549, Page 529, which Lease has been modified and/or supplemented by that certain: (i) Lease Modification Agreement dated as of December 20, 1957; (ii) Lease Modification Agreement dated as of June 28, 1958; (iii) Lease Modification Agreement dated as of March 4, 1964; (iv) Fourth Amendment to Lease dated as of March 10, 1967; (v) Fifth Amendment to Lease dated as of October 26, 1967; (vi) Agreement dated as of May 29, 1968; (vii) Seventh Amendment to Lease dated as of May 14, 1969; (viii) Eighth Amendment to Lease dated as of September 22, 1976; (ix) Ninth Amendment to Lease dated as of September 25, 1979; and (x) Tenth Amendment to Lease dated as of October 24, 1983 (collectively, "Lease"). The Lease affects certain real property commonly known as 7536 North Western, Chicago, Illinois, and ("Premises"), which Premises are more particularly described in the Lease. The Premises are part of a shopping center ("Shopping Center"), which Shopping Center is more particularly described in the Lease and legally described on Exhibit "A".

DEC Accommodation
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B. The Parties have agreed to terminate and cancel the Lease upon the conditions set forth more fully in that certain Lease Termination Agreement dated of even date herewith ("**Agreement**").

NOW THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

- 1. Termination of Lease.** Subject to the terms of the Agreement, the Lease is terminated, canceled and of no further force or effect as of 11:59 p.m., central time, on September 11, 1999 ("**Termination Date**"). Pursuant to the Agreement, Tenant gives, grants and surrenders unto Landlord all of Tenant's right, title and interest in and to the Premises that was obtained through the Lease, with the intent that the term of the Lease be extinguished completely. As of the Termination Date, Landlord accepts Tenant's surrender of such right, title and interest.
- 2. Agreement.** The Parties acknowledge that this Memorandum is being recorded pursuant to the terms of the Agreement. This Memorandum is not intended to modify the terms of the Agreement, all of which are incorporated by reference herein.
- 3. Restrictive Covenant.** Landlord shall not be restricted from using, or allowing the use of, the Premises for the retail selling of food. However, Landlord covenants that, for a period of ten (10) years after the Termination Date, no other portion of the Shopping Center, excluding the Premises but including any enlargement of the Shopping Center, shall be used or occupied for the retail selling of food (including but not limited to groceries, salads, dairy products, meats, poultry, fish, sea foods, delicatessen products, fruits and vegetables, and all other food products, whether fresh, canned, cured, frozen or otherwise processed) for consumption off the premises ("**Restrictive Covenant**"); provided, that this shall not preclude the use and occupancy of other store premises in the Shopping Center for: (i) the retail selling, including the preparation thereof, of handcrafted bakery goods and delicatessen products; provided further that any premises used for the sale of delicatessen products shall not exceed three thousand two hundred (3,200) square feet in size; (ii) the retail selling by drug and variety stores of those foods normally sold by such stores (excepting, however, fresh and frozen fresh meats, poultry and fish) for consumption off the premises so long as such food sales are merely incidental to the primary purpose for which the store is leased; (iii) a convenience store selling a mix of sundry and food items; provided, such convenience store shall not exceed five thousand (5,000) square feet of floor space during the first five (5) years after the Termination Date and shall not exceed ten thousand (10,000) square feet of floor space during the period from five (5) years after the Termination Date until ten (10) years after the Termination Date; and (iv) restaurants (including carry-out restaurants).

Notwithstanding the foregoing, the Restrictive Covenant shall also not preclude the use and occupancy of other store premises in the Shopping Center by Waldo's \$1 Mart, L.L.C., a Delaware limited liability company ("**Waldo's**"), for the retail selling of canned and frozen foods, beverages and candy and snack items so long as the aggregate square footage devoted to the sale

of such items does not exceed four thousand five hundred (4,500) aggregate square feet of the Waldo's premises, to be measured over the surface of the floor at the base of the gondolas. In addition, the provisions of this paragraph are personal to, and shall only be deemed to apply to, Waldo's or any affiliate of Waldo's. For purposes of this paragraph, "any affiliate of Waldo's" means any entity controlling, controlled by or under common control with Waldo's. In the event Waldo's assigns its lease or sublets its premises to a non-affiliate, or Landlord or Waldo's otherwise transfers the Waldo's lease or premises to a non-affiliate of Waldo's, this paragraph shall be deemed of no further force or effect, except to the extent the foregoing would be invalid pursuant to the applicable provisions of the Federal Bankruptcy Code and Rules ("Code"), including, but not limited to, Section 365 of the Code (1121 U.S.C. § 365). In addition, the Restrictive Covenant shall also not preclude the incidental sale by Blockbuster, Inc. of food products that are normally sold in a movie theater; provided, the sales area of such food products shall occupy no more than two hundred (200) square feet of the total leasable floor area of the premises leased by Blockbuster, Inc.. In addition, the Restrictive Covenant shall not apply to Walgreen Co. so long as Walgreen Co. is a tenant of the Shopping Center. Notwithstanding the foregoing, in the event Waldo's and/or Blockbuster, Inc., leases or occupies the Premises or a portion thereof, the foregoing restrictions on the sale of food items contained in this Section 6.2 shall not apply to that portion of the Premises so leased or occupied by Waldo's and/or Blockbuster, Inc.

Landlord represents and warrants that, as of the Agreement Date, other than the Lease, Landlord has leases with only the following tenants in the Shopping Center: (i) Walgreen Co.; (ii) Remco America, Inc.; (iii) F.W. Woolworth Co.; (iv) 99¢ + Discount, Inc.; and (v) No Pretense (on a month-to-month tenancy) (collectively, "**Existing Tenants**"). Landlord's leases with the Existing Tenants are hereinafter collectively referred to as the "**Existing Leases**". In addition, Tenant acknowledges that Landlord is currently involved in lease negotiations with the following tenants: (a) Blockbuster, Inc.; and (b) Waldo's (collectively, "**Pending Leases**"). Except to the extent specifically provided to the contrary herein, Landlord covenants that, as of the Termination Date, the Existing Leases are in compliance with and subject to, and shall, in the future, remain in compliance with and subject to, the Restrictive Covenant. The Parties acknowledge that, although Landlord's lease with Walgreen Co. predates the date of the Lease, the premises leased by Walgreen Co. shall not be used in violation of the Restrictive Covenant except as specifically permitted pursuant to the terms of Landlord's lease with Walgreen Co. Landlord also covenants that, except as expressly provided herein, the Pending Leases will be in compliance with and subject to, and shall in the future remain in compliance with and subject to, the Restrictive Covenant.

The Restrictive Covenant shall be for the benefit of Tenant and its Affiliates and their respective successors and assigns, and shall attach to and run with the land comprising the Shopping Center as described herein. Tenant shall be entitled to monetary damages and to enforce the Restrictive Covenant at law and in equity, including, but not limited to, through injunctive proceedings, or any combination of these and any other remedies.

4. Miscellaneous.

4.1 Recitals; Exhibits; Defined Terms. The foregoing Recitals and Exhibits "A" attached hereto is incorporated herein by this reference. Defined terms and phrases shall have the same meaning as set forth in the Agreement unless provided herein to the contrary.

4.2 Complete and Integrated Agreement. The Parties intend and agree that the terms set forth in the Memorandum, the Lease and this Agreement are intended by the Parties as a complete, final and exclusive expression of their agreement with respect to the Premises and the Shopping Center. This Memorandum may only be amended or modified by a writing signed by the Parties.

4.3 Severability. If any provision of this Memorandum is held invalid, it will not affect the validity of the remainder of this Memorandum.

4.4 Headings. The headings of the sections contained herein are for convenience only and shall not be used to define, limit, or construe their contents.

4.5 Choice of Law. This Memorandum is to be construed in accordance with the laws of the State of Illinois.

4.6 Successors. All of the rights and obligations of the Parties under this Memorandum shall bind and inure to the benefit of the respective successors, grantees and assigns of the Parties.

4.7 Attorneys' Fees. Each Party shall bear its own attorneys' fees and costs in connection with the execution of this Memorandum. In the event that either Party brings or commences a legal proceeding to enforce any of the terms hereof, the prevailing Party in such action shall have the right to recover reasonable attorneys' fees and costs from the other Party to be fixed by the court in the same action. The term "legal proceedings" shall include appeals from a lower court judgment as well as proceedings in the Federal Bankruptcy Court ("**Bankruptcy Court**"), whether or not they are adversary proceedings or contested matters. The "**prevailing Party**": (i) as used in the context of proceedings in the Bankruptcy Court means the prevailing Party in an adversary proceeding or contested matter, or any other actions taken by the non-bankruptcy Party which are reasonably necessary to protect its rights under this Memorandum; and (ii) as used in the context of proceedings in any court other than the Bankruptcy Court shall mean the Party that prevails in obtaining a remedy or relief which most nearly reflects the remedy or relief which the Party sought; so that, for example, the prevailing Party may be a Party which is ordered to pay \$100 where the obligation to pay \$80 was undisputed and the claiming Party claimed that it was entitled to \$1,000.

4.8 Authority. The individuals who execute this Memorandum represent and warrant that: (i) they are duly authorized to execute this Memorandum on behalf of Landlord or Tenant, as the case may be; (ii) no other signature, act or authorization is necessary to bind such entity to the provisions of this Memorandum; and (iii) to the best of their knowledge, the Parties named are all the

necessary and proper parties.

4.9 **Knowledge, Review and Interpretation.** The Parties, and each of them, acknowledge, declare, and agree, that they: (i) have consulted legal counsel about this Memorandum, including the meaning and effect of waiving any legal rights, or have had the opportunity to do so and have voluntarily chosen not to do so; (ii) have had adequate time and opportunity to review the terms of this Memorandum and have carefully read it; (iii) are sophisticated parties that have negotiated this Memorandum at arm's length, and accordingly, expressly waive any rule of law or any legal decision that would require interpretation of any ambiguities in this Memorandum against the Party that has drafted it; and (iv) intend to be legally bound to the provisions of this Memorandum, which shall be interpreted in a reasonable manner to effect the purposes of this Memorandum and intent of the Parties as outlined herein.

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THE SUBMISSION OF THIS MEMORANDUM FOR EXAMINATION OR THE NEGOTIATION OF THE TRANSACTION DESCRIBED HEREIN DOES NOT CONSTITUTE AN OFFER BY TENANT, AND THE EXECUTION OF THIS MEMORANDUM BY LANDLORD DOES NOT CONSTITUTE A BINDING AGREEMENT UNTIL SUCH TIME AS THIS MEMORANDUM HAS BEEN APPROVED BY THE GOVERNING REAL ESTATE

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COMMITTEE OF TENANT, EXECUTED BY AUTHORIZED OFFICERS OF TENANT AND DELIVERED TO LANDLORD.

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

HOWARD AND WESTERN, LLC,
a Delaware limited liability company

By: AMB PROPERTY II, L.P.,
a Delaware limited partnership,
its sole member

By: AMB Property Holding Corporation,
a Maryland corporation,
its general partner

By: Steven T. Kimball
Name: Steven T. Kimball 7/29/99
Its: Vice President

ATTEST

By: Kristi L. Fischer
Name: Kristi L. Fischer
Its: Assistant

"Landlord"

JEWEL FOOD STORES, INC.,
a New York corporation

By: William H. Arnold
Name: WILLIAM H. ARNOLD
Its: VICE PRESIDENT

ATTEST

By: Royce L. O'Riordan
Name: Royce L. O'Riordan
Its: ASSISTANT-SECRETARY

APPROVED AS TO FORM
ASPI LEGAL

NW Luthy

"Tenant"

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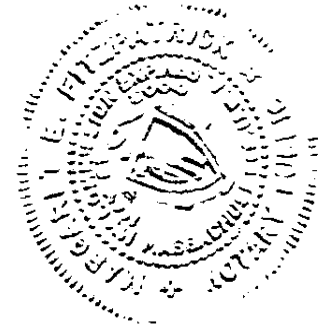
Commonwealth of Massachusetts
County of Middlesex

I, Margaret E. Fitzpatrick, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Steven T. Kimball, who is personally well known to me, to be the person who executed the foregoing document. He appeared before me on this date and did acknowledge that he executed said document and did acknowledge said document to be his act and deed for the uses and purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 29th day of July, 1999.

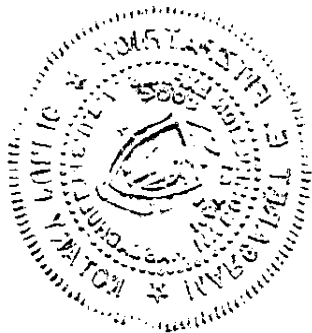
Margaret E. Fitzpatrick
Margaret E. Fitzpatrick

My commission expires: 2 May 04



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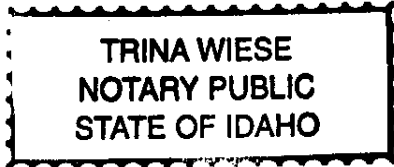
STATE OF IDAHO)
) ss.
County of Ada)

On this 19th day of August, 1999, before me, the undersigned, a Notary Public in and for said State, personally appeared **William H. Arnold and Kaye L. O'Riordan**, known or identified to me to be the **Vice President and Secretary**, of **Jewel Food Stores, Inc.**, the corporation that executed the foregoing instrument, and acknowledged to me that the said instrument is the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS MY HAND and official seal hereto affixed the day, month and year in this certificate first above written.

My commission expires:

January 28, 2004



Trina Wiese
Notary Public in and for the
State of Idaho.
Residing at Boise, Idaho.

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[SIGNATURES MUST BE ACKNOWLEDGED]

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EXHIBIT "A" TO MEMORANDUM OF LEASE 99818637

Legal Description of Shopping Center

LOT 19 IN HOWARD WESTERN PROPERTIES, BEING A RESUBDIVISION OF LOTS 1 AND 2 IN SAMUEL F. HILLMAN'S SUBDIVISION, BEING A SUBDIVISION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER (EXCEPT STREETS) IN SECTION 25, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PN # 10-25-402-004

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