

After Recording Return To:
Richard J. Schroeder, Esq.
Davis Wright Tremaine LLP
1501 Fourth Avenue
Suite 2600
Seattle, WA 98101-1688

2/27/97

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STATE OF WASHINGTON
COUNTY OF SKAGIT

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**LEASE ASSIGNMENT, ASSUMPTION, AMENDMENT, RATIFICATION,
CONSENT AND NONDISTURBANCE AGREEMENT**
Skagit County - 44

Grantor(s):

1. THRIFFY FOODS OF BURLINGTON, INC.

Additional names on page 1 of document

Grantee(s):

1. BROWN & COLE, INC.

Additional names on page 1 of document

Abbreviated Legal Description (lot, block and plat name, or section-township-range):

Lots 1-26, Block 102, Amended Plat of Burlington,
Vol. 3, Pg. 17

Additional legal description is on Exhibit A of document

Assessor's Property Tax Parcel Account Number(s): 4076-102 #s: 016-0007,
013-0000, 026-0005

Reference Numbers of Related Documents (if applicable):

Reference numbers of related documents on page _____ of document

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**LEASE ASSIGNMENT, ASSUMPTION, AMENDMENT, RATIFICATION,
CONSENT AND NONDISTURBANCE AGREEMENT**

Store No. and Name: #44, Burlington

THIS LEASE ASSIGNMENT, ASSUMPTION, AMENDMENT, RATIFICATION, CONSENT AND NONDISTURBANCE AGREEMENT (this "Agreement") is made by and between THRIFTY PROPERTIES OF BURLINGTON, a Washington general partnership ("Landlord"), THRIFTY FOODS OF BURLINGTON, INC., a Washington corporation ("Tenant"), and BROWN & COLE, INC., a Washington corporation ("B&C").

RECITALS

A. Landlord, by that certain Lease dated April 1, 1969, as amended by the Addendum to Lease dated November 11, 1993, and by the Lease Amendment, Ratification and Consent Agreement dated February 28, 1994 (collectively the "Lease"), leases to Tenant certain real property located at 130 Fairhaven, Burlington, Skagit County, Washington (the "Premises"). A Memorandum of the Lease was recorded in the real property records of Skagit County on February 28, 1994, under Recording No. 9402280160.

B. Thrifty Foods Acquisition Co. ("Acquisition"), a Delaware corporation, directly or beneficially is the holder of 100% of the issued and outstanding shares of stock of Tenant. Acquisition and its shareholders have entered into agreements with B&C pursuant to which B&C plans to acquire all of the issued and outstanding shares of the stock of Acquisition (the "Stock Transaction"), which is to close on a date anticipated to occur in January, 1997.

C. By means of one or a series of transactions to take place immediately following the Stock Transaction, Tenant by merger, liquidation or acquisition will be acquired by or become consolidated with B&C (the "Merger"), so that B&C, either by agreement or by operation of law, will succeed to all of Tenant's right, title and interest in, to and under the Lease (the "Tenant's Interest"), which is to close on a date anticipated to occur in January 1997. The parties by this Agreement wish to provide for the consent of Landlord to the substitution of B&C for Tenant as the tenant under the Lease.

D. Immediately following B&C's acquisition of Tenant, B&C wishes to encumber the Tenant's Interest with a leasehold deed of trust (the "Leasehold Deed of Trust") in favor of Bank of America National Trust and Savings Association, doing

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business as Seafirst Bank, acting as Agent securing obligations in the approximate amount of \$50 million and, in connection with such encumbrance, to amend certain provisions of the Lease. The parties by this Agreement wish additionally to effectuate such Lease amendments.

E. The date that is the later to occur of the Stock Transaction and the Merger shall be called the "Effective Date."

ACCORDINGLY, the parties agree as follows:

1. CONFIRMATION OF ASSIGNMENT; ASSUMPTION. As of the Effective Date and pursuant to the Stock Transaction and Merger, all parties acknowledge, confirm and consent to the transfer (the "Assignment") by operation of law of the Tenant's Interest from Tenant to B&C. As of the Effective Date and pursuant to the Stock Transaction and Merger, B&C hereby confirms its acceptance of the Tenant's Interest and agrees to assume each and every obligation associated with the Tenant's Interest, including but not limited to, the payment of all rental and other sums which are and will become due and payable under the Lease on and after the Effective Date.

2. LEASE AMENDMENT. The Lease is amended to change the name of Tenant to Brown & Cole, Inc., a Washington corporation.

3. NO OTHER MODIFICATION. Except as expressly set forth in this Agreement, all terms and conditions of the Lease remain in full force and effect. Without limiting the foregoing, Landlord and Tenant agree and confirm that the legal description attached as Exhibit A is the correct legal description of the Premises or, if the Premises are located in a shopping center, such shopping center.

4. LANDLORD'S RATIFICATION. Landlord represents and warrants to Tenant and Lender as follows:

4.1 The Lease as modified by this Agreement constitutes the entire agreement between Landlord and Tenant as to the leasing of the Premises and the Lease has not been amended or modified except as set forth in this Agreement.

4.2 The Lease is in full force and effect. Landlord has no outstanding claims against Tenant pursuant to the Lease or otherwise; to the best knowledge of Landlord, there are no outstanding defaults by Tenant under the Lease; and to the best knowledge of Landlord, there is no event or occurrence which, with the giving of notice or passage of time, or both, will result in a default by Tenant under the Lease.

4.3 As of the date of Landlord's execution of this Agreement, Tenant's payment of all sums due under the Lease (including without limitation common area maintenance, pro rata share of real estate taxes, pro rata share of property insurance, pro rata share of building operating expenses, pro rata share of utilities and services, and pro rata share of management charges) is current.

5. LANDLORD'S CONSENTS.

5.1 Landlord consents to (a) the Assignment, (b) the encumbrance of the Tenant's Interest by the Leasehold Deed of Trust, and (c) the amendments to the Lease set forth in this Agreement.

5.2 Landlord acknowledges receipt of written notice of the Leasehold Deed of Trust in favor of Lender.

6. CREDITING OF DEPOSITS. On the Effective Date, Landlord shall credit the amount of all deposits which Tenant has made with Landlord in B&C's favor.

7. TENANT. Tenant represents and warrants to B&C and Lender that the Lease as modified by this Agreement constitutes the entire agreement between Landlord and Tenant as to the leasing of the Premises and the Lease has not been amended or modified, except as set forth in this Agreement.

8. SUCCESSORS AND ASSIGNS; RECORDING. The provisions of this Agreement shall inure to the benefit of Tenant, B&C, Lender and their respective successors and assigns, and shall be binding upon Landlord, and its successors and assigns. The parties agree and consent to the filing of this document for recording in Skagit County, Washington.

9. NOTICES TO LENDER. All notices to Lender under this Agreement or the Lease shall be in writing, sent by certified mail, and shall be addressed to Lender at the following address:

Seafirst Bank
Seafirst Agency Services
701 Fifth Avenue, CSC-16
Seattle, WA 98104
Attn: Mr. Ken Puro

10. COUNTERPARTS. This Agreement may be signed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document.

DATED: January 24, 1997.

LANDLORD:

THRIFTY PROPERTIES OF BURLINGTON
a Washington general partnership

By: R. Kirk Wilson
Its managing partners

TENANT:

THRIFTY FOODS OF BURLINGTON, INC.
a Washington corporation

By: R. Kirk Wilson
Its President

B&C:

BROWN & COLE, INC., a Washington
corporation

By: Cesler
Its President

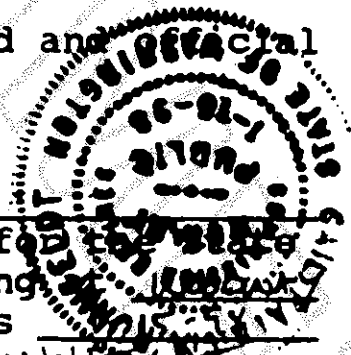
LANDLORD:

STATE OF WASHINGTON)
COUNTY OF KING) ss.

On this 24th day of January, 1997, before me, a Notary Public in and for the State of Washington, personally appeared R. Kirk Wilson, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who signed this instrument; on oath stated that he was authorized to execute the instrument as managing partner of THRIFTY PROPERTIES OF BURLINGTON; and acknowledged managing partner said instrument to be his free and voluntary act and deed, as partner, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

G. P. Runn
NOTARY PUBLIC in and for the State of Washington, residing _____
My appointment expires _____
Print Name GAIL P. RUNN



TENANT:

STATE OF WASHINGTON)
)
COUNTY OF KING) ss.

On this 24th day of January, 1997, before me, a Notary Public in and for the State of Washington, personally appeared R. KILKILSON, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the President of THRIFTY FOODS OF BURLINGTON, INC. to be the free and voluntary act and deed of said corporation for the uses and purposes mentioned in the instrument.

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

[Signature]
NOTARY PUBLIC in and for the State of Washington, residing at WOODWAY WASHINGTON
My appointment expires 12-31-98
Print Name GAIL PRUNTY

B&C:

STATE OF WASHINGTON)
)
COUNTY OF KING) ss.

On this 24th day of January, 1997, before me, a Notary Public in and for the State of Washington, personally appeared CRAIG COLE, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it

as the President of BROWN & COLE, Inc. to be the free and voluntary act and deed of said corporation for the uses and purposes mentioned in the instrument.

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

[Handwritten Signature]

NOTARY PUBLIC in and for the
State of Washington, residing at
WOODWAY WA 98148
My appointment expires 12-31-98
Print Name Eric P. Lund

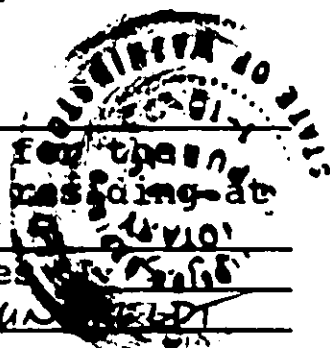


EXHIBIT A

Legal Description

Lots 1 through 26, inclusive, Block 102, "AMENDED PLAT OF BURLINGTON, SKAGIT COUNTY, WASH.", as per plat recorded in Volume 3 of Plats, page 17, records of Skagit County, Washington, EXCEPT those portions conveyed to the City of Burlington by deeds recorded April 13, 1990 under Auditor's File Nos. 9004130154 and 9004130155, TOGETHER WITH all of the vacated alley in said Block 102.

Situate in the City of Burlington, County of Skagit, State of Washington.

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax

JAN 28 1997

Amount Paid \$
Skagit Co. Treasurer
By Deputy

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