

LEASE

THIS LEASE, made as of the first day of January, 1959, between UNITED STATES STEEL AND CARNEGIE PENSION FUND, a Pennsylvania corporation, hereinafter referred to as lessor, and SAFEWAY STORES, INCORPORATED, a Maryland corporation, hereinafter referred to as lessee;

W I T N E S S E T H :

That in consideration of the mutual agreements herein contained, the parties hereto do hereby covenant to and with each other as follows:

ARTICLE FIRST

Property Description. Lessor does hereby lease to lessee the following described real property and the buildings and improvements thereon, hereinafter referred to as the leased premises, situated in the County of Douglas, State of Nebraska, to wit:

PARCEL I

A tract of land lying West of 72nd St. and South of F st. in N. E.  $\frac{1}{4}$  of Section 2 Twp 14 North, Range 12 East of the 6th P. M. Douglas County, Nebraska, more particularly described as follows:

Beginning at a point 33.0 ft. West and 53.0 ft. South of N. E. corner of Section 2-14-12; thence North  $89^{\circ} 50'$  West, parallel to and 53.0 ft. South of the North line of said Section 2, for a distance of 642.0 ft.; thence South along a line 675.0 ft. West of and parallel to the East line of said Section 2 for a distance of 1270.5 ft.; thence West along a line 1323.5 ft. South of and parallel to the North line of said Section 2 for a distance of 358.0 ft.; thence South along a line 1033.0 ft. West of parallel to the East line of said Section 2 for a distance of 709.5 ft.; thence South  $89^{\circ} 50'$  East, 2033.0 ft. South of and parallel to the North line of said Section 2 for a distance of 1000.0 ft.; thence North a distance of 1980.0 ft. to point of beginning, subject to a slope easement to the U. P. R. R. as described and bounded as follows:

Beginning at a point 33.0 ft. West and 53.0 ft. South of the N. E. corner of Section 2, Twp 14 North, Rge 12 East of the 6th P. M.; thence West along a line 53.0 ft. South of and parallel to the North line of said Section 2 for 642.0 ft.; thence South parallel to the East line of said Section 2 for 9.38 ft.; thence Easterly on a straight line to a point 29.0 ft. South of point of beginning; thence North 29.0 ft. to point of beginning.

PARCEL II

A tract of land lying West of 72nd St. and South of P St. in the N. E.  $\frac{1}{4}$  of Section 2, Twp 14 North, Range 12 East of 6th P. M. Douglas County, Nebraska, more particularly described as follows:

Beginning at a point 53.0 ft. South of, and 675.0 ft. West of the N. E. corner of said Section 2, Twp 14 North, Range 12 East of the 6th P. M.; thence South along a line 675.0 ft. West of and parallel to the East line of said Section 2 for a distance of 1270.5 ft.; thence west along a line 1323.5 ft. South of and parallel to the North line of said Section 2 for a distance of 355.0 ft.; thence North along a line 1033.0 ft. West of and parallel to the East line of said Section 2 for a distance of 855.55 ft.; thence Northeasterly along a line forming an angle of  $80^{\circ} 10'$  from North to East with the last course (extended North) for a distance of 162.56 ft.; thence Northeasterly along a tangent curve to the right, having a radius of 292.94 ft. and a central angle of  $81^{\circ} 47'$  for a distance of 416.08 ft. to a point 53.0 ft. South of, measured at right angles, from the North line of said Section 2. Thence East along a tangent to said curve, which is a straight line 53.0 ft. South of and parallel to the North line of said Section 2 for a distance of 45.21 ft. to place of beginning subject to slope easement to the U. P. R. R. over that part of the foregoing tract described and bounded as follows:

Beginning at a point 53.0 ft. South of, and 675.0 ft. West of the N. E. corner of said section 2; thence West along a line 53.0 ft. South of and parallel to the North line of said Section 2 for a distance of 45.21 ft.; thence South parallel to the East line of said Section 2 for 8.0 ft.; thence easterly on a straight line to a point 675.0 ft. West of the East line of said Section 2, and 9.38 ft. South of point of beginning; thence North 9.38 ft. to point of beginning.

Term. TO HAVE AND TO HOLD, the above described premises, together with the tenements, hereditaments, appurtenances and easements thereunto belonging, at the rental and upon the terms and conditions herein stated, for (a) a preliminary term commencing on the first day of January, 1959, and extending to, but not including the effective date of the "first unit lease modification agreement" to be executed by the parties hereto pursuant to the provisions of Clause III of that certain Agreement between the parties hereto executed as of January 1, 1959, hereinafter referred to as the Agreement, and (b) an original term of 20 years, commencing on the day which shall be the effective date of said first unit lease modification agreement.

ARTICLE SECOND

Rent. Lessee does hereby agree to pay to lessor as the rent of the leased premises, the following:

time to inspect the same or to make such repairs as lessor may deem advisable (even though the same may not be required by this lease), or for the purpose of exhibiting the same to persons wishing to purchase the same. Lessor also reserves the right, at any time within 30 days next preceding the expiration of the term hereby granted or any renewal thereof, provided said term has not been extended by lessee's exercise of the option privileges contained in Article Seventeenth hereof, to place notices on the front of the leased premises offering said leased premises "to let" or "for sale", and such notices shall not be removed by lessee, or lessee's agents or employees. Such notices, however, shall not be placed upon the doors or windows of the building improvements.

#### ARTICLE SEVENTEENTH

Lessee's option privileges. Lessor hereby grants to lessee the right, at lessee's option, to extend the term of this lease for 6 separate and additional periods of 5 years each after the expiration of the term hereof at an annual rental payable in equal monthly installments, equivalent to 3-1/2% of the aggregate of (i) the purchase price of the real property as specified in Article Second hereof, and (ii) all advances made by lessor to lessee on account of the first unit of construction pursuant to the provisions of the Agreement, and upon the terms (other than length of term and monthly rental) herein specified. These options shall be exercised by written notice given to lessor by lessee at least 60 days before the expiration of the original term hereof, or, in the event lessee has previously exercised one or more options herein given, such notice shall be given at least 60 days before the expiration of the option term then in effect. The parties hereto agree that a new lease need not be executed upon the exercise of any

of these options, but that this lease will remain in full force and effect, changed only as to the matters specified in this Article Seventeenth, and except that lessee may, on the giving to lessor of a 6 months' written notice, cancel any option term then in effect.

#### ARTICLE EIGHTEENTH

Net character of lease. It is intended that the rent provided for in this lease shall be an absolutely net return to lessor for the term or terms of this lease, free of any expenses or charges with respect to the leased premises, including the taxes and assessments mentioned in Article Third hereof. Except as herein specifically provided, lessee shall be obligated to pay the rent herein reserved, regardless of whether or not lessee shall have the use and occupancy of the demised premises (unless the deprivation of such use and occupancy results from some act of lessor not permitted by the terms of this lease or by law), lessee having assumed all risks of damage or destruction of the buildings and improvements on the demised premises or any other event including Act of God which might deprive lessee of such use and occupancy, except such act of lessor.

#### ARTICLE NINETEENTH

Sales re parcel two. In the event lessee at any time during the original lease term decides that parcel two hereinabove described, or some portion or portions thereof, will not be needed for the construction of additional warehouses, plants, or other improvements, then lessee shall have the right to negotiate a sale of said parcel two or a sale or sales of such portion or portions of parcel two. Lessor agrees, providing any such sale is negotiated for a sale price that represents the fair market value of the property to be

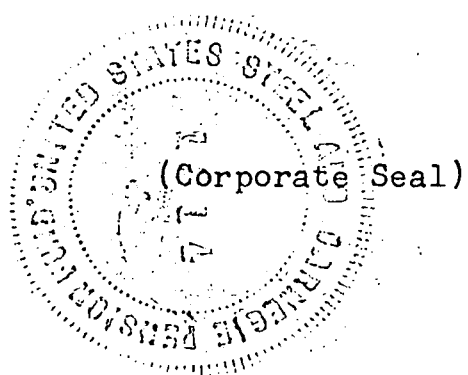
ARTICLE TWENTY-SECOND

Titles of Articles. The titles contained in the various articles hereof are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of this lease nor in any way affect the terms and provisions hereof.

ARTICLE TWENTY-THIRD

Successors and Assigns. Each and all of the covenants, terms, agreements and obligations of this lease shall extend to and bind and inure to the benefit of the successors and/or assigns of said parties hereto; herein the singular number includes the plural and the masculine gender includes the feminine and the neuter.

IN WITNESS WHEREOF, each of said parties hereto has caused its corporate name to be hereunto subscribed and its corporate seal to be hereunto affixed by its officers thereunto duly authorized.

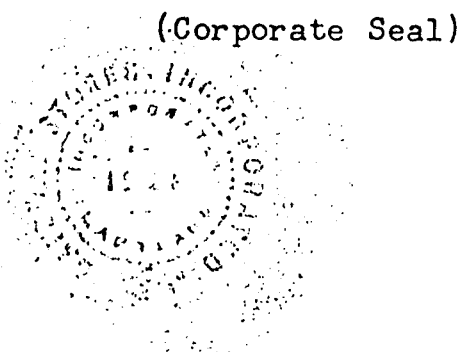


UNITED STATES STEEL AND CARNEGIE  
PENSION FUND  
(a Pennsylvania corporation)

By Harry Uebel  
Its VICE President

By Edmund Van Skiver  
Its ASST Secretary

(Lessor)



SAFeway STORES, INCORPORATED  
(a Maryland corporation)

By George T. Purroughs  
Its Vice President

By Paul W. Mouser  
Its Assistant Secretary

(Lessee)

POOR INSTRUMENT FILED

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STATE OF NEW YORK )  
COUNTY OF NEW YORK ) ss.

On this 23 day of December, A.D., 1954, before me, a Notary Public, duly commissioned and qualified in and for said County, personally came the above named Harvey M. ..., Vice - President, and ... Secretary of UNITED STATES STEEL AND CARNEGIE PENSION FUND, a Pennsylvania corporation, who are personally known to me to be the identical persons whose names are affixed to the above instrument as ... President and ... Secretary of said corporation, and they acknowledged the instrument to be their voluntary act and deed, and the voluntary act and deed of said corporation.

WITNESS my hand and official seal at New York, in said County, the date aforesaid.

George W. Gravenhorst  
(NOTARY PUBLIC)

My commission expires: \_\_\_\_\_.

GEORGE W. GRAVENHORST  
NOTARY PUBLIC, State of New York  
No. 30-6629700  
Qualified in Nassau County  
Cert. filed with New York County Clerk  
Term Expires March 30, 1950

STATE OF CALIFORNIA )  
COUNTY OF ALAMEDA ) ss.

On this 17 day of December, A.D., 1953, before me, a Notary Public, duly commissioned and qualified in and for said County, personally came the above named GEORGE T. BURROUGHS, Vice President, and PAUL W. MOUSER, Assistant Secretary of SAFEWAY STORES, INCORPORATED, a Maryland corporation, who are personally known to me to be the identical persons whose names are affixed to the above instrument as Vice President and Assistant Secretary of said corporation, and they acknowledged the instrument to be their voluntary act and deed, and the voluntary act and deed of said corporation.

WITNESS my hand and official seal at Oakland, in said County, the date aforesaid.

M. J. ...  
(Notarial Seal) NOTARY PUBLIC

My commission expires 1/28/62.

RECEIVED  
1982 APR 12 AM 10:54  
C. MARK BOSTER  
REGISTER OF CLERKS  
DOUGLAS COUNTY, NEBR.

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