

STATE OF VERMONT
WASHINGTON COUNTY, SS.

SUPERIOR COURT
DOCKET NO. 5-369-89 Wnc

IN THE MATTER OF:)
)
PROPOSED ACQUISITION BY)
MTH HOLDINGS, INC. OF)
GRAND UNION ACQUISITION)
CORPORATION)

JUL 7 8 57 AM '89
SUPERIOR COURT,
WASHINGTON COUNTY

FILED

ASSURANCE PURSUANT TO 9 V.S.A. §2459

Whereas the Attorney General has initiated an investigation of the proposed acquisition by MTH Holdings, Inc. ("MTH") of certain voting securities of Grand Union Acquisition Corporation ("GUAC"); and

Whereas the Attorney General has reason to believe that the proposed acquisition would constitute an unfair method of competition in commerce in violation of the Vermont Consumer Fraud Law, 9 V.S.A. §2451 et seq., in that the Attorney General alleges that:

A. MTH and its affiliate, Penn Traffic, control P&C Supermarkets in Vermont and elsewhere, and GUAC controls the Grand Union Company, which in turn controls Grand Union supermarkets in Vermont and elsewhere; and

B. The effect of the proposed acquisition, if consummated, would be to substantially lessen competition in the supermarket line of commerce in parts of Vermont; and

Office of the
ATTORNEY
GENERAL
Montpelier,
Vermont 05602

Whereas, MTH, GUAC and each of their respective affiliates deny that the Acquisition will result in any substantial lessening of competition in any line of commerce in any section of the country and thus vigorously deny any violation of any law; and

Whereas, MTH wishes to proceed promptly with the Acquisition and avoid the delay and expense of further investigation by agreeing to the divestiture requirements set forth herein; and

Whereas the Attorney General is willing to accept an Assurance of Discontinuance pursuant to 9 V.S.A. §2459 in lieu of instituting an action under state and federal law, and MTH and GUAC wish to assure the State of Vermont of their good faith compliance in the future; and

Whereas, prompt and certain divestiture is the essence of this agreement, and MTH has represented to the Attorney General that the divestiture required below can and will be made and that MTH will later raise no claims of hardship or difficulty as grounds for requesting modification of any of the divestiture provisions contained below; and

IT IS HEREBY AGREED by and among MTH, P&C Food Markets, Inc., and GUAC and The Grand Union Company, by their duly authorized officers, and the Attorney General of the State of Vermont as follows:

I. Definitions

As used in this Assurance, the following definitions shall apply:

(A) "MTH" means MTH Holdings, Inc., a corporation organized and existing under the laws of the State of New York with executive offices located at 331 Madison Avenue, New York, N.Y., its parents, subsidiaries, divisions, and groups controlled by MTH (including P&C Food Markets, Inc.), and their respective directors, officers, employees, agents and representatives and their respective successors and assigns.

(B) "GU" means Grand Union Acquisition Corporation, a corporation organized and existing under the laws of the State of Delaware with executive offices located at 25 Old Kings Highway Road, Darien, Connecticut, its parents, subsidiaries (including The Grand Union Company), divisions, and groups controlled by GU and their respective directors, officers, employees, agents and representatives and their respective successors and assigns.

(C) "Acquisition" means the acquisition of ownership and operating control of the business of GU by MTH, together with one or more other persons or entities.

(D) "Acquiror" means the acquiring party in the Acquisition.

(E) "IIA properties" means the assets described in Part II(A) of this Assurance.

(F) "To be acquired store" means any Grand Union grocery store in Vermont.

(G) "Divest" and "Divestiture" mean the transfer by MTH and GU of all assets, properties, stores, good will, rights, privileges, and interests of whatever nature including real property (including leasehold interests), tangible and intangible (excluding trademarks and/or trade names) interests associated exclusively with each retail grocery store to be divested, other than inventory.

(H) "Assets eligible for divestiture" means either MTH assets or GU assets or an appropriate combination thereof.

(I) "Retail grocery store" means any full-line retail establishment primarily and presently engaged in selling a wide variety of canned and frozen foods, dry groceries, non-edible grocery items, fresh meat, poultry, produce, dairy products and other grocery items for home preparation and consumption.

(J) "Attorney General" means the Vermont Attorney General or a duly authorized representative thereof.

II. Divestiture

(A) Subject to the approval of the Attorney General pursuant to Part IV(A) below, MTH or GU, as the case may be, shall divest, absolutely and in good faith, within nine months from the date of Acquisition, the retail grocery stores (either the to be acquired stores or stores presently operated by P&C Food Markets, Inc., or any combination thereof, at Acquiror's option) set forth below, and the grocery businesses operated therein, in each of the following locations:

- (1) One store in Morrisville, Vermont;
- (2) One store in Barre, Montpelier, or Berlin, Vermont unless, within four months after closing the Acquisition, authorization has been granted to commence construction of a retail grocery store of 40,000 square feet selling space or more under Land Use Permit #5W0584-9 or an amendment thereto, and construction of such a retail grocery store has commenced in the shopping area known as the Berlin Mall. If authorization has been granted to commence construction of a retail grocery store of 40,000 square feet selling space or more under Land Use Permit #5W0584-9 or an amendment thereto, and construction of such a retail grocery store

has commenced within four months after closing the Acquisition, but such a retail grocery store has nevertheless not opened within eight months after closing the Acquisition, then a store in Barre, Montpelier, or Berlin shall be divested within sixteen months after the Acquisition:

- (3) One store in Windsor, Vermont;
- (4) One store in Springfield, Vermont;
- (5) One store in Brattleboro, Vermont;
- (6) One store in Bennington, Vermont;
- (7) One store in Manchester, Vermont;
- (8) Two stores in Rutland, Vermont, which shall also include West Rutland, Vermont, and North Clarendon, Vermont;
- (9) Three stores in the Burlington, Vermont Metropolitan Statistical Area (including one store on North Avenue, but not including the Cherry Street Grand Union or the store in Colchester;)

(B) In effecting the divestitures, MTH and/or GU, as the case may be, shall divest all rights to occupy the IIA properties and to operate a retail grocery business therein and shall retain no control, direct or indirect, over the retail grocery business to be conducted after divestiture. The purpose of the divestiture of such stores and of this

Agreement (including the Agreement to Hold Separate) is to ensure the continuation of the assets as ongoing, competitive enterprises engaged in the retail sale of groceries and thereby to remedy the alleged lessening of competition resulting from the proposed acquisition.

(C) The IIA properties shall not be divested, directly or indirectly, to anyone who is after the date of the divestiture an officer, director, other control person or any other person under the control, direction or influence of MTH.

(D) Pending divestiture, MTH and GU shall maintain the viability and marketability of the IIA properties and shall not cause or permit the wasting, deterioration, destruction, removal, or impairment of any assets or business of the IIA properties except in the ordinary course of business and except for ordinary wear and tear.

(E) Pending divestiture, MTH and GU shall comply with the Agreement to Hold Separate which is attached hereto as Exhibit A.

III. Trustee

(A) If MTH and GU have not divested the IIA properties within the nine month period from the date of closing on the Acquisition or other relevant period under Part IIA,

MTH and GU shall consent to the appointment of a trustee by the Attorney General to divest the remaining IIA properties subject to the approval of the Attorney General pursuant to Part IV(A). In the event that the Attorney General brings an action pursuant to the Vermont Consumer Fraud Act, or a parens patriae or other action to enforce the federal laws for any violation of this Assurance related to divestiture, MTH and GU shall consent to the immediate appointment of a trustee by the Attorney General to divest the remaining IIA properties subject to Part IV(A) approval. Appointment of a Trustee shall not preclude the Attorney General from seeking civil penalties and other relief available to the State of Vermont to enforce the provisions of this Assurance of Discontinuance.

(B) If a trustee is appointed by the Attorney General pursuant to Part III(A) of this Assurance, the provisions of Part II(B), (C), (D), and (E) shall remain in full force and effect.

(C) If a trustee is appointed by the Attorney General pursuant to Part III(A) of this Assurance, MTH and GU shall consent to the following additional terms and conditions regarding the trustee's appointment, duties and responsibilities:

1. The Attorney General shall select the trustee, subject to the consent of MTH and GU, which consent shall not be unreasonably withheld. The trustee shall be a person with experience and expertise in the conveyance of businesses, or shall be a business broker or a member of the investment banking community, or shall be otherwise acceptable to the parties.

2. The trustee shall have the power and authority to divest the IIA properties that have not been divested by MTH and GU. The trustee shall have nine (9) months from the date of appointment to accomplish such divestiture. If, however, at the end of the nine-month period the trustee has submitted a plan of divestiture or believes that divestiture can be achieved within a reasonable time period, the divestiture period may be extended by the Attorney General for such reasonable time period up to 9 months; provided, however, that the Attorney General may extend the divestiture period only once.

3. If, at the end of the divestiture period (including any extension pursuant to paragraph III(C)(2) above), all IIA properties have not been divested, the trustee may, upon written approval of the Attorney General, with a copy to Acquiror, for good cause shown stating the reasons therefor, add or substitute such additional assets

as are reasonably necessary to complete such unfulfilled divestiture requirements, subject to the following:

(a) Acquiror shall be afforded no less than thirty (30) days' notice prior to the addition of any such assets by the trustee; and

(b) Subject to the provisions of Part XI, Acquiror may submit an application to this Court containing a satisfactory showing that this section should be altered, modified or set aside, in whole or in part, because (1) changed conditions of law or fact so require; or (2) the trustee is acting unreasonably or unjustly under this section. In the event that Acquiror submits such an application to this Court, Acquiror shall afford the Attorney General's office no less than fifteen (15) days' notice prior to submission of such request; and

(c) The application referred to in Part III(C)(3)(b) shall not be deemed satisfactory if the request is merely conclusory or otherwise fails to set forth by affidavit(s) specific facts demonstrating in detail the basis of the application and the reasons why these

circumstances require the requested modifications of this section. Each affidavit shall set forth facts that would be admissible in evidence and shall show that the affiant is competent to testify to the matters stated therein. The parties shall seek an expedited ruling from the Court on the application; and

(d) In the event Acquiror applies to this Court pursuant to Part III(C)(3)(b), the order of the court shall govern the obligations of the parties hereunder.

4. The trustee shall have full and complete access to the personnel, books, records and facilities of MTH and GU that are reasonably necessary to allow the trustee to fulfill his or her obligations. MTH and GU shall develop such financial or other information as the trustee may reasonably request and shall cooperate with the trustee. MTH and GU shall take no action to interfere with or impede the trustee's accomplishment of the divestiture.

5. The trustee shall use his or her best efforts to negotiate the most favorable price and terms available in each contract that is submitted to the Attorney General for approval pursuant to Part IV(A), subject to the

absolute and unconditional obligation of MTH to divest at no minimum price and consistent with the purposes of this Assurance.

6. The trustee shall serve without bond or other security and on such reasonable and customary terms and conditions as the trustee and MTH agree to, subject to the approval of the Attorney General, prior to the appointment of the trustee. The Attorney General's approval shall not be unreasonably withheld. The trustee shall have authority to retain, at the cost and expense of MTH, such consultants, accountants, attorneys, business brokers, appraisers and other representatives and assistants as are reasonably necessary to assist in the divestiture, unless the parties agree otherwise. The trustee shall account for all monies derived from the divestiture and all expenses incurred. After approval by the Attorney General of the account of the trustee, including fees for his or her services, all remaining proceeds from the divestiture shall be paid to MTH and the trustee's power shall be terminated. The trustee's compensation shall be based at least in significant part on a commission arrangement contingent upon the trustee's divesting the IIA properties. Nothing herein shall be construed to limit the trustee's compensation to an amount not in excess of monies derived from the sale.

7. Within fifteen (15) days after appointment of the trustee and subject to the approval of the Attorney General, MTH and GU shall execute such documents that transfer to the trustee all rights and powers necessary to permit the trustee to effect the divestiture of the II(A) properties.

8. If the trustee ceases to act or fails to act diligently, a successor trustee shall be appointed in the same manner as described in Part III(A), (B), and (C).

9. The trustee shall report in writing to MTH and the Attorney General sixty (60) days from the date the trust agreement or other documents referred to in Part III(C)(7) are executed and every sixty (60) days thereafter, concerning the trustee's efforts to accomplish divestiture.

IV. Approval of Divestiture; Notice; Initial Information

(A) MTH and Grand Union or the trustee, whichever is then responsible for effecting the divestiture required by this Assurance, shall provide thirty (30) days' advance notice to the Attorney General of the divestiture of any retail grocery store pursuant to this Assurance.

Consummation of any divestiture shall be subject to the

approval of the Attorney General, and shall be to an entity or entities for operation as retail grocery stores competitive with such stores owned or controlled by MTH and GU. The Attorney General's approval of the divestiture shall not be unreasonably withheld.

(B) The thirty-day advance notice described in Part IV(A) shall set forth the details of the proposed transaction.

(C) Within fifteen (15) days after receipt of notice of the proposed divestiture, the Attorney General may request from MTH, GU and the proposed purchaser such reasonable additional information concerning the proposed transaction, the proposed purchaser, other potential purchasers, if any, and MTH and GU to enable the Attorney General to determine whether such divestiture complies with the terms and purposes of this Assurance. MTH, GU and the proposed purchaser shall furnish the additional information requested from them, to the extent available, within fifteen (15) days of the receipt of the request, unless the Attorney General shall agree to extend the time.

(D) If within fifteen days of the receipt of the additional information requested or notification that such information is not available, or a combination thereof, the Attorney General certifies in writing with proper reasons

that he or she is not satisfied that MTH, GU and the proposed purchaser have provided the available additional information requested from them, then the time period referred to in Part IV(E) shall not commence. If the Attorney General fails to respond in writing within fifteen days of receipt of the available additional information, then the additional information response shall be deemed sufficient.

(E) Within thirty (30) days after receipt of the notice of the proposed divestiture or within fifteen (15) days after receipt of the additional information deemed sufficient pursuant to Part IV(D) from MTH, GU and the proposed purchaser, whichever is later, unless MTH and GU shall agree to extend the time, the Attorney General shall notify MTH and GU and the trustee, if there is one, if the Attorney General objects to the proposed divestiture. The notice shall be in writing and shall state the reasons for the objection. If the Attorney General fails to object within the period specified, or if the Attorney General notifies MTH and GU and the trustee, if there is one, in writing, that the Attorney General does not object, the divestiture may be consummated. Upon objection by the Attorney General, the divestiture proposed by the MTH and GU or the trustee, if there is one, shall not be

consummated, unless and until this Court, upon application pursuant to Rule 75 of the Vermont Rules of Civil Procedure, orders otherwise.

(F) As soon as practicable, and not later than thirty (30) days prior to the date of the first proposed divestiture or three (3) months from the date of this agreement, whichever occurs first, MTH and GU respectively shall provide to the Attorney General the responses of MTH Holdings, Inc. and James Goldsmith to Specifications 14, 17 and 18, or the portion thereof relating to Vermont, contained in the FTC's request for additional information dated on or about May 12, 1989.

V. Reporting by MTH and GU

(A) Thirty (30) days from the date of execution of this Assurance and every thirty (30) days thereafter until the divestiture required by Part II(A) has been completed, MTH and GU shall submit in writing to the Attorney General a verified written report showing compliance with Part II(A) of this Assurance. Each such report of compliance with Part II(A) shall include, for each person who, during the preceding thirty (30) days, made an offer to acquire, expressed an interest or desire to acquire, entered into negotiations to acquire, made an

inquiry about acquiring or was contacted about acquiring any ownership interest in the assets to be divested, the name, address, and telephone number of that person and a description of each contact with that person during that period. MTH and GU shall maintain full records of all efforts made to divest the assets to be divested.

VI. Subsequent Acquisitions

(A) For a period commencing on the date this Assurance is filed, and continuing for 10 years thereafter, MTH shall cease and desist from acquiring, without the prior approval of the Attorney General, directly or indirectly, through subsidiaries or otherwise, any retail grocery store, including any facility that has been operated as a retail grocery store within six (6) months of the date of the offer by MTH to purchase the facility, or any interest in a retail grocery store, or any controlling interest in any individual, firm, partnership, corporation or other legal or business entity that directly or indirectly owns or operates a retail grocery store, anywhere in Vermont.

(B) On August 1, 1990, and on August 1 of each of the nine years thereafter, MTH shall file with the Attorney General a verified written report of its compliance with this Part VI.

VII. Access to Information

For purposes of determining and securing compliance with this Assurance, subject to any legally enforceable privilege, and upon written request with ten days' notice to MTH and GU made to their principal offices, MTH and GU shall permit any duly authorized representatives of the Attorney General:

(A) Access, during normal working hours, to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other documents relating to compliance with this Assurance;

(B) Upon five days' notice to MTH and GU, and without restraint or interference from them, to interview directors, agents, representatives, officers, or employees of MTH and GU, who may have counsel present, regarding such matters.

VIII. Investigative Costs

Upon signing this Assurance, MTH and GU shall reimburse the State of Vermont \$15,000 for its costs in investigating this matter.

IX. Escrow Account

In order to permit the State of Vermont to discharge its duty to review sale documents, to evaluate the suitability of particular stores for divestiture and the suitability of buyers and potential buyers, to assist the Trustee, to monitor compliance with the Agreement to Hold Separate which is attached as Exhibit A, and to monitor compliance with this Assurance, MTH and GU shall create on the date of the acquisition an escrow account of \$150,000, to be paid out for out-of-pocket expenses at the request of the Attorney General. This escrow account is to be used exclusively for the purposes identified in this Part IX. If at the conclusion of the divestiture of all IIA properties any funds remain, they shall be returned to MTH.

X. Current Employees

(A) MTH and GU respectively shall extend their reasonable best efforts to retain the employ of all employees who are working at Grand Union and P&C stores in Vermont at the time of the Acquisition.

(B) With respect to any employee of a store which is a IIA property who

(i) has worked at the store for 20 or more hours per week for at least one year as of the date of the Acquisition, and

(ii) is to be terminated for any reason other than misconduct,

MTH and GU shall, up until the time such store is divested (and in the event of divestiture shall procure the agreement of the divestee of such store to, for at least one year following divestiture,) afford no less than one (1) week's advance written notice or one (1) week's severance pay for each year of such employee's service up to a maximum of thirteen (13) years. Each such employee shall receive a minimum of two (2) weeks' advance written notice or two (2) weeks' severance pay. Severance pay shall be calculated at the employee's greatest rate of pay during the six months prior to such termination, and the severance pay shall be in addition to pay for compensation time, accrued vacations, sick leave, unemployment compensation and other benefits, if any, to which such employee may be entitled under company policy, state or federal law, or pursuant to other provisions.

XI. Judicial Review

(A) MTH and GU waive all rights to seek judicial review or otherwise challenge or contest the validity of this Assurance, except as provided elsewhere in this Assurance.

(B) The Attorney General agrees to conclude and

terminate his investigation and review of the Acquisition, except in accordance with this Assurance, and further agrees that he will not commence or cause to be commenced any litigation or other proceeding under the laws of the United States or the State of Vermont with respect to the Acquisition, except to enforce this Assurance.

XII. Conflicts With Order Of The Federal Trade Commission

To the extent any Order of the Federal Trade Commission requires divestiture of any IIA properties listed in this Assurance, the Order of the Federal Trade Commission will govern, but only with regard to timing of the divestiture, approval of the divestiture or the appointment of a trustee. The Federal Trade Commission Order shall have no effect on the divestiture of any IIA property listed in this Assurance but not listed for divestiture in the Federal Trade Commission Order.

XIII. Miscellaneous

(A) This Assurance shall be binding upon all parties and their parents, subsidiaries, divisions, and groups and their respective directors, officers, employees agents and representatives and their respective successors and assigns.

(B) This Assurance may not be modified or amended

except by a written agreement signed by all parties, or
except as otherwise provided herein.

(C) This Assurance is for settlement purposes only and
does not constitute an admission by MTH, P&C Food Markets,
Inc., GU or GU Acquisition Corporation that the law has
been violated.

STATE OF VERMONT

JEFFREY L. AMESTOY
ATTORNEY GENERAL

Dated: July 6, 1989 by: Julie Brill
Julie Brill
Assistant Attorney General

MTH HOLDINGS, INC.

Dated: July 5, 1989 by: [Signature]
(Name) Gary D. Hirsch
(Title) Managing Director

P&C FOOD MARKETS, INC.

Dated: July 5, 1989 by: [Signature]
(Name) Gary D. Hirsch
(Title) Chairman

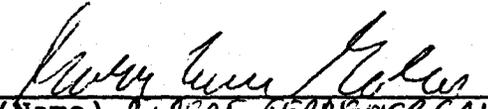
STIPULATED TO AS TO FORM:

DONOVAN LEISURE NEWTON AND IRVINE
Attorneys for MTH Holdings, Inc.
and P&C Food Markets, Inc.

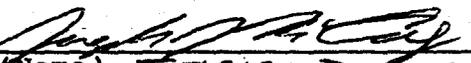
by: 
Kenneth E. Newman

Dated: 7/5/89

GU ACQUISITION CORPORATION

by: 
(Name) ROBERT TERRENCE GALVIN
(Title) SR Vice President

THE GRAND UNION COMPANY

by: 
(Name) JOSEPH S. PELSTER
(Title) PRESIDENT G.U.C.O.

STIPULATED TO AS TO FORM:

SKADDEN, ARPS, SLATE, MEAGHER
& FLOM, Attorneys for GU
Acquisition Corporation and
The Grand Union Company

by: 
William C. Pelster

Dated: 7/3/89

EXHIBIT A

AGREEMENT TO HOLD SEPARATE

This is an agreement dated as of ^{July} ~~June~~ 6, 1989 (the "Agreement"), by and among MTH Holdings, Inc., a corporation organized and existing under the laws of the State of New York with executive offices located at 331 Madison Avenue, New York, N.Y.; P&C Food Markets, Inc., a corporation organized and existing under the laws of the State of New York with executive offices located at State Fair Boulevard and Van Vleck Road, Syracuse, New York (collectively "MTH"); Grand Union Acquisition Corporation, a corporation organized and existing under the laws of the State of Delaware with executive offices located at 25 Old Kings Highway Road, Darien, Connecticut; The Grand Union Company, a corporation organized and existing under the laws of the State of Delaware with executive offices located at 201 Willowbrook Boulevard, Wayne, New Jersey (collectively "GU"); and the Attorney General of the State of Vermont ("Attorney General") (collectively, the "Parties").

WHEREAS, the Parties have agreed to an Assurance Under 9 V.S.A. §2459 ("Assurance"), which Assurance provides,

inter alia, that certain retail grocery stores to be acquired by MTH, retail grocery stores presently operated by P&C Food Stores, Inc., or any combination thereof shall be divested by MTH; and

WHEREAS, the Attorney General is concerned that if an understanding is not reached preserving the status quo ante during the period prior to the divestiture of the IIA properties pursuant to the Assurance, divestiture resulting from any proceeding challenging the legality of the Acquisition might not be possible or might be a less effective remedy; and

WHEREAS, the purpose of this Agreement and the Assurance is to preserve the assets to be divested as a viable operation pending the divestiture of the IIA properties as viable, ongoing enterprises in order to remedy any anticompetitive effects of the Acquisition, and to preserve the assets to be divested as a viable operation in the event that divestiture of the IIA properties is not achieved promptly,

NOW, THEREFORE, in consideration of the Attorney General's agreement that he will not seek further relief from the parties with respect to the Acquisition, except that the Attorney General may exercise any and all rights to enforce this Agreement and the Assurance annexed hereto and made a part hereof, the Parties agree as follows:

1. MTH and GU agree to execute and to be bound by the attached Assurance, which is hereby incorporated into and made a part of this Agreement.

2. Until such time as the IIA properties are divested pursuant to the Assurance, MTH and GU agree to hold separate and otherwise retain the separate identity of the assets eligible for divestiture as set forth in Part IIA of the Assurance.

3. Until such time as the IIA properties are divested, neither MTH nor GU shall cause or permit the wasting or deterioration of the IIA properties in any manner that impairs the marketability of any of the IIA properties or impairs in any manner the viability of such properties or the operation thereof as retail grocery stores, except in

the ordinary course of business and except for ordinary wear and tear.

4. This Agreement shall remain in effect until such time as the IIA properties are divested.

5. For the purpose of determining or securing compliance with this Agreement, subject to any legally recognized privilege, and upon written request with reasonable notice to MTH or GU made to their principal offices, MTH and GU shall permit any duly authorized representative or representatives of the Attorney General:

(a) Upon ten (10) days' notice to MTH and GU and without restraint or interference from them, access during the office hours of MTH or GU, in the presence of counsel, to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of MTH or GU relating to compliance with this Agreement; and

(b) Upon five (5) days' notice to MTH or GU and without restraint or interference from them, to interview officers or employees of MTH or GU, who may have counsel present, regarding any such matters.

6. This Agreement may be amended only by a writing signed by the Parties.

STATE OF VERMONT

JEFFREY L. AMESTOY
ATTORNEY GENERAL

Dated: July 6, 1989 by: Julie Brill
Julie Brill
Assistant Attorney General

MTH HOLDINGS, INC.

Dated: July 5, 1989 by: [Signature]
(Name) Gary D. Hirsch
(Title) Managing Director

P&C FOOD MARKETS, INC.

Dated: July 5, 1989 by: [Signature]
(Name) Gary D. Hirsch
(Title) Chairman

STIPULATED TO AS TO FORM:

DONOVAN LEISURE NEWTON AND IRVINE
Attorneys for MTH Holdings, Inc.
and P&C Food Markets, Inc.

by: [Signature]
Kenneth E. Newman

Dated: 7/5/89

GU ACQUISITION CORPORATION

by: [Signature]
(Name) ROBERT TERRENCE GALVIN

(Title) Sr Vice President

THE GRAND UNION COMPANY

by: [Signature]
(Name) ROBERT S. PELSTER
(Title) MANAGER of G.U.

STIPULATED TO AS TO FORM:

SKADDEN, ARPS, SLATE, MEAGHER
& FLOM, Attorneys for GU
Acquisition Corporation and
The Grand Union Company

by: William C. Pelster
William C. Pelster

Dated: 7/3/89