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An appraisal of the property known as John's IGA Foods, 221 West Seminary Street, Richland Center, Wisconsin. December 25, 1986

Landmark Research, Inc.

[s.l.]: [s.n.], December 25, 1986

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AN APPRAISAL OF THE PROPERTY

KNOWN AS

JOHN'S IGA FOODS

221 WEST SEMINARY STREET

RICHLAND CENTER, WISCONSIN

Landmark
Research
Inc.

AN APPRAISAL OF THE PROPERTY
KNOWN AS
JOHN'S IGA FOODS
221 WEST SEMINARY STREET
RICHLAND CENTER, WISCONSIN

AS OF
DECEMBER 25, 1986

PREPARED FOR
THE ESTATE OF ALFRED E. ANDING

PREPARED BY
LANDMARK RESEARCH, INC.

Landmark
Research
Inc.

James A. Graaskamp, Ph.D., S.R.E.A., C.R.E.

Jean B. Davis, M.S.

August 3, 1987

Alfred E. Anding, Jr.
A.E. Anding Estate
5900 Monona Drive, Suite 401
Monona, WI 53716

Dear Mr. Anding:

RE: John's IGA Foods in Richland Center, Wisconsin

With this letter we are transmitting our appraisal of certain interests of the late A.E. Anding, Sr., in a free standing supermarket facility in Richland Center, Wisconsin. These interests have been valued as of December 25, 1986, as currently encumbered by certain leases and capital improvement obligations on the landlord as of that date.

John's IGA Foods is an integrated, free-standing structure located at 221 West Seminary Street in the City of Richland Center, Richland County, Wisconsin. The building was constructed in two phases by two separate Anding family enterprises, not as tenancy in common, but as separate owners of a party wall structure on separate pads of land. Arrangements for the responsibility of maintenance, repairs, and taxes between the two landlord interests are somewhat informal. It was first necessary to determine the total value of land and improvements of the supermarket and then allocate these interests between the S & A Corporation interest in the property and the A. E. Anding, Sr., interest in the property. It was also necessary to assume that the base lease which expires in December of 1987 would be renewed for the existing five-year option because there has been some modest increase in grocery sales in recent years with increased percent rent payments. Because the related interests of the two family ownership entities are so close, no discount was applied to the price to reflect lack of marketability of a minority interest or cost of curing the divided ownership. It was assumed that closing costs for these sellers would be typical for this type of property even though title would have to be assembled from two interrelated entities.

Mr. Alfred E. Anding, Jr.
August 3, 1987
Page Two

Subject to the assumption that the tenant will renew the lease for another five years in December of 1987, as well as the basic lending conditions and other working assumptions identified herein as part of the appraisal process, we have determined that the Market Value of the building and land housing John's IGA Foods and subject to actual contract rents as of December 25, 1986, is:

THREE HUNDRED FIFTY THOUSAND DOLLARS

(\$350,000)

of which \$285,000 was allocated to improvements and \$65,000 to the land as though vacant. This value assumes the buyer will obtain third party institutional financing with cash to the seller.

This total value for the property was then allocated between the two related family ownership entities as follows as of December 25, 1986:

S & A Corporation Interests:

ONE HUNDRED THIRTY-FIVE THOUSAND DOLLARS

(\$135,000)

(\$96,000 to improvements and \$39,000 to the land)

A. E. Anding, Sr., Interests:

TWO HUNDRED FIFTEEN THOUSAND DOLLARS

(\$215,000)

(\$189,000 to the improvements and \$26,000 to the land)

Thank you for the opportunity to be of service. Please call if you have questions.

FOR LANDMARK RESEARCH, INC.

James A. Graaskamp

James A. Graaskamp, Ph.D., SREA, CRE
Urban Land Economist

Jean B. Davis

Jean B. Davis
Appraiser/Analyst

Enclosures

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I. PURPOSE AND DATE OF THE APPRAISAL

The purpose of this appraisal is to estimate the Fair Market Value of two separate interests in the property described herein as of the date of death of Alfred E. Anding, Sr., on December 25, 1986.

II. DEFINITION OF FAIR MARKET VALUE

Market value is defined according to the Eighth Edition of The Appraisal of Real Estate, published by the American Institute of Real Estate Appraisers with related assumptions as follows: [1]

The most probable price in cash, terms equivalent to cash, or in other precisely revealed terms, for which the appraised property will sell in a competitive market under all conditions requisite to fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

Fundamental assumptions and conditions presumed in this definition are as follows:

1. Buyer and seller are motivated by self-interest.
2. Buyer and seller are well informed and are acting prudently.
3. The property is exposed for a reasonable time on the open market.
4. Payment is made in cash, its equivalent, or in specified financing terms.
5. Specified financing, if any, may be the financing actually in place or on terms generally available for the property type in its locale on the effective appraisal date.
6. The effect, if any, on the amount of market value of atypical financing, services, or fees shall be clearly and precisely revealed in the appraisal report.

III. DEFINITIONS OF INTERESTS TO BE APPRAISED

A. Location of the Subject Property.

The subject property, known as John's IGA Foods, is located on the southwest corner of Main Street and Seminary Street in the City of Richland Center, Richland County, State of Wisconsin. Richland Center is 60 miles northwest of the State Capitol of Madison, Wisconsin, and is shown on the area map in Exhibit 1. The property is located on a major north/south artery in the downtown area of Richland Center as indicated on the city map in Exhibit 2.

The property represents an assemblage of more than half the lots in Block 13 of the original plat of Richland Center as shown in Exhibit 3.

B. Legal Description and Owners of Record

Title to the subject property is divided between personal ownership by the late A. E. Anding, Sr., and the S & A Corporation, a Wisconsin corporation controlled by A. E. Anding, Sr. The legal descriptions of these two ownerships has been provided to the appraisers by Donald R. Huggett, attorney for the Estate in a letter dated April 29, 1987, found in Appendix A.

1. The property owned personally by the late A. E. Anding, Sr., consists of the East one-half of Lots 1, 4, 6 and 7, Block 13, in the City of Richland Center, Original Plat, Richland County, Wisconsin. Title appears under two deeds, one in the name of A.E. Anding and the other in the name of A.E. Anding, Sr. This property is not encumbered by mortgage. See Exhibit 3 for a plat map locating the property.
2. The S & A Corporation is the title holder of Lots 2 and 3, and the West 66 feet of Lots 1 and 4, all in Block 13, Original Plat, in the City of Richland Center. The mortgage of record to National Guardian was in fact satisfied as of the date of the appraisal.

A Certificate of Title dated April 9, 1987, by Gordon Hampton, President of the Richland County Abstract Corporation, indicated no judgments outstanding for the previous ten years, although, part of the 1986 taxes remained under the installment option. A copy of the Certificate of Title is shown in Appendix A.

C. Tax Assessment Data as of January 1, 1986

The property is identified as Tax Parcel Number 21-010-001.

Assessed Valuation - Land	\$ 79,200
Improvements	<u>269,300</u>
TOTAL	\$348,500

Fair Market Value Equivalent	\$338,700
As Determined by the Wisconsin Department of Revenue	

The net tax mill rate is 0.0265065 for a total tax due in 1987 of \$9,237.52. The landlord pays general real estate taxes at the 1971 base of \$3,612.80 and the tenant pays all additional general taxes above that amount. (See Exhibit 4.) S & A Corporation, has historically paid the real estate tax on the total property while A.E. Anding, Sr., has taken responsibility for other maintenance costs for the total structure.

D. Encumbrances

There is a recorded lease as of November 2, 1976, between Piggly Wiggly Dairyland, Inc., and A.E. Anding, Sr., and the S & A Corporation for a term of approximately 11 years, 2 months ending December 31, 1987, unless intent to renew is provided by July 1, 1987, for an additional term of 5 years under the same terms and conditions except for the minimum fixed rental which would be adjusted to the Consumer Price Index, as defined in the lease. This lease, which is provided in full in Appendix B, was later assigned to Richland Center IGA, Inc., and this tenant later assigned the lease as modified to Gateway Foods, Inc., a Wisconsin Corporation as of September 6, 1984. The leasehold interest was then subleased to John and Jean Hagenbrock to operate under the name of John's IGA Foods.

With the exception of the usual utility easements and other town ordinances controlling the site, there are no other formal encumbrances. However, the subtenant has received notice from the Richland Center Director of Public Works relative to sidewalk reconstruction along Seminary Street and Main Street which will be the responsibility of the landlord. In addition, there is a responsibility under the lease to reimburse the tenant for certain roofing problems that culminated in serious damage to the building and merchandise in February of 1987, which may be charged against rent payments in 1987. However, these encumbrances might not have been measurable or anticipated as of December 25, 1986, so that no deductions were made against value for these specific items.

E. Mortgage Liens

Under instructions from Mr. Huggett, this appraisal assumes that there are no existing mortgages or judgments on the subject property as of the date of appraisal.

IV. APPRAISAL METHODOLOGY

The appraisal process seeks as a conclusion a defensible benchmark of value through the application of three approaches: The Cost Approach, the Market Comparison Approach, and the Income Approach. The Cost Approach consists of determining the replacement cost of land to which is added the cost of duplicating the improvements. The result is reduced by the physical, functional, and locational obsolescence to arrive at value by the Cost Approach. This approach is appropriate only for recently improved real estate.

The Market Comparison Approach can be applied to land as though vacant or to the total property. It consists of identifying sales of similar properties and analyzing the market pricing behavior of buyers of these properties. Presumably differences between each comparable and the subject property can be adjusted so that values will converge on a similar set of attributes for the subject property in comparison to the comparable sales.

The Income Approach involves discounting the future cash flows attributable to the subject real estate at a rate of return appropriate to potential investors. Cash inflows and outflows are estimated from past operating results as well as current market and financing conditions. The discounted amount indicates the value of the income characteristics of the subject property.

In this case, the Income Approach provides the most reliable data and the greatest sensitivity to the encumbrances imposed on the property by an existing lease of long standing, as well as sensitivity to expenses incurred by the owner in maintaining these older buildings under the terms of the existing leases. The Cost Approach provides a rough check on the remaining productivity of the improvements, given the Market Value of the land as though vacant. However, it is not considered reliable for buildings with as much functional and locational obsolescence as exists in the subject property. The Market Comparison Approach cannot be applied in this case, because there are no sales of commercial vacant land to indicate a pattern for land values, and the lack of economic vitality in the Richland Center area and other small towns in the hinterland do not provide appropriate comparable improved property sales.

V. SITE DESCRIPTION

The subject is an assemblage of seven lots and partial lots from Block 13 of the Original Plat totaling 43,560 square feet of land, more or less, allocated between two ownerships as previously discussed. The contribution of each lot allocated by ownership is provided in Exhibit 5, which further indicates 40 percent of the land is owned by A.E. Anding, Sr., and 60 percent of the land by S & A Corporation. This assemblage provides 264 feet of frontage on Seminary Street where the main parking lot entrance apron is located at midblock. See Exhibit 6 for plot plan. The rear of the store is on the east lot line for a total of 132 feet on Main Street. Additional parking access is available from 66 feet of frontage on Haseltine Street and at the northwest corner of the subject parcel from Jefferson Street. That portion of the site which is not covered by the building is paved with asphalt and in average to poor condition, and the cars are prevented from crossing sidewalks or the curb on Jefferson Street with concrete wheel stops. The site has a capacity for approximately 60 parking spaces and off-street truck unloading at the southwest corner of the building. There is one flood light to provide night illumination for employee parking on the Hazeltine Street side and several floodlights mounted on the west parapet wall of the building to provide less than adequate light for customer parking. The drive-through layout is such that cars can pick up their groceries from a covered porch along the west side of the building. The site is virtually flat and drains into Jefferson Street on the west.

The site has sidewalks along Main Street and along the frontage facing Seminary Street. There are no sidewalks on the Jefferson or Haseltine Streets. When the addition was built to the original store on the northeast corner of the lot, nothing was done to replace driveway aprons or broken curbs along the Seminary/Main Street corner. It is these

sidewalks and curbs which the City of Richland Center will be repairing with special assessment to the property.

The site is well located to the downtown activity area of Richland Center. To the northwest of the site is a second major food store, Carroll's Super Valu, to the north on Seminary Street is a convenience retail/gas station, to the northeast is a Shell Station for sale, and to the southeast of the site is the City Hall and an elderly housing project under construction. Main Street ties the site to a variety of banking and retail services. The site is zoned commercial according to Richland Center ordinances, and there appears to be no nonconforming uses of the site or contiguous properties. On the same block facing Main Street is the Richland County Department of Social Services and on the southwest corner of the site is an old feed mill warehouse. For photographs of the subject property, see Exhibit 7.

The population of Richland Center declined from 1980 to 1987, but is forecast to stabilize through 1992. The majority of the population can be described as older, lower to middle income households with 57 percent of the population 30 years and older and 21 percent of the population 65 years and older. Although the median family income is almost \$28,000, the median household income is approximately \$19,000 with 44 percent of the population single, divorced, or widowed. For further demographic data for the trade area of the subject site, see Appendix C for information provided by CACI, a commercial demographic company.

The Richland Center market for downtown commercial sites is erratic at best. Since 1976, a strip shopping center has been built on the east edge of Richland Center on Highway 12, and it has seriously encroached on downtown shopping.

The assessment of the site from 1982 to 1987 has been \$1.82 per square foot for 43,560 square feet for a total assessment of \$79,200. The assessment is based upon the assumption that land which borders a flood plain in Richland Center is worth \$600 a front foot. On this corner site, the 132 feet along Main Street is used for valuation; therefore, \$600 multiplied by 132 feet equals \$79,200.

There are no comparable sales of vacant sites in the downtown area of Richland Center. The historical purchases of the various components of the site show the influence of both inflation and captive buyers as shown in Exhibit 5.

After discussions with the assessor and several real estate brokers in Richland Center, the appraisers set the value of the land, as though vacant, at \$1.50 per square foot for a total of \$65,340, or \$65,000, rounded.

VI. BUILDING DESCRIPTION

The original grocery store was built to typical Kroger specifications as a basic rectangle of 70 by 130 feet (9,100 SF) on the east end of the original land purchase in June of 1955, consisting of Lots 2 and 3 and the

western 1/2 of Lots 1 and 4 for a total land area of 26,136 square feet. By acquiring the balance of Lots 1 and 4 in 1976, this original building was expanded with a new addition 66 by 130 feet to create a total floor area of 17,680 square feet. A sketch of the building which delineates the original and the addition is found in Exhibit 8. The front entrance remains at the northwest corner on Seminary Street with store windows facing a portion of Seminary and a portion of the parking lot facing Jefferson Street, as shown in the photographs in Exhibit 7.

Retaining walls and foundations are of poured concrete as is the floor on a gravel base. There is no basement. Exterior walls are of painted concrete block with yellow face brick on the Seminary Street, Main Street, and west entrance edges of the building. A stained cedar parapet wall has been added on the Seminary Street and Main Street sides to provide a strong horizontal band and back drop for signage. The roof structure is supported on Lally posts, light steel beams and webbed steel trusses. The original roof utilizes a wood deck while the addition utilizes corrugated steel decking. In addition to the main entry there is a roll-up garage door, but no loading dock at the southwest corner of the original building. There is also a roll-up door on the southeast corner of the addition as well as steel fire door exits on Seminary and on Main Streets. A frame lean-to has been added on a portion of the west wall for empty bottle storage near the roll-up garage door. This storage is not adequate as there are unsightly piles of old cardboard boxes, and other trash at the southwest corner of the building.

Interior finishes include asphalt tile flooring, painted block behind shelving and other store fixtures, and acoustical tile ceiling. In the original building, ceiling tiles were glued or stapled to stringers below the webbed steel, but in the new building the tiles were suspended in metal framing and were replaced in 1987 because of the severe damage caused by roof leaks. There is strip fluorescent lighting in both the new and the old sections as illustrated in the photographs in Exhibit 7. There is oil-fired forced hot air heating delivered down a central spine parallel to what would have been a dividing wall between the new and the old sections. There are supplementary space heaters in the delivery/storage areas at the south end of the building and the tenant has further improved a deli food preparation area with special partitioning, range hoods, stoves, rooftop air conditioning, and removable walk-in freezers. There are two washrooms with a toilet and basin in each for the employees adjacent to the food preparation area. There is heavy duty electrical service circuit breakers on the south wall at the shipping door with power line transformers mounted on poles just outside the entrance point. The building is not sprinklered.

The roof on the southwest corner of the newer addition received significant water damage to the plywood decking, bat insulation and some ceiling tile during the February 1987 thaw. The tenant made substantial repairs to the roof in February and the landlord then replaced this roof. The landlord is also aware that the roof on the older section must be replaced in approximately five years.

VII. MOST PROBABLE USE AND MOST PROBABLE BUYER

Given the site characteristics, the current site improvements, and the steady increase in gross sales by the current tenant, the present use of the structure must be regarded as the most probable use for the foreseeable future.

The most probable buyer would be a small local investor for income and for control of a significant assemblage of downtown land adjacent to the court house. The property is of inferior quality for regional or institutional investors since the structure is obsolete and the regional credit on the original Piggly Wiggly Dairyland, Inc., lease will expire as of December 31, 1987, unless the renewal option is exercised.

VIII. VALUATION OF THE SUBJECT PROPERTY

There are three customary approaches to value, specifically the Income Approach, the Market Comparison Approach, and the Cost Approach. In this case, the Income Approach will be relied upon primarily, with the Cost Approach used as a check on the Income Approach. The Market Comparison Approach can not be relied upon because of the lack of comparable sales in Richland Center and other small communities in the area.

A. The Income Approach

The Income Approach combines the present value of cash flows to the equity investor during the project holding period with the justified mortgage amount based on property income. The premise is that investment value is the sum of the present value of benefits to the owner plus the original balance to the loan since a loan is the present value of all the interest and principal payments due the lender under the financing contract.

Using discounted cash flow the Income Approach begins with a determination of revenues and expenses which determine net operating income during a five-year projection period. In this case, revenues will consist of a base rent to be renegotiated as of December 3, 1987, overage rents earned on gross sales in excess of \$2 million annually, and some pass-through of specific costs such as real estate taxes.

The current lease provides for a five-year renewal option as of January 1, 1988, with notice to extend required as of July 1, 1987. However, according to the lease, the base rent at the time of renewal was to have been indexed from December 1976 to the date of renewal on a CPI index. Strictly applied, the new base rent would increase more than 180 percent and would probably be unacceptable to the tenant, given the sales volume. The appraisers have assumed that a renegotiated lease extension would be for five years as of January 1, 1988, and the base rent would be adjusted from the current \$14,400 to \$16,560 per year as of January 1, 1988. A second component of the revenue is a base rent computed at 13 percent of cost for

construction of the addition in 1976 for a charge of \$22,800 per year. This amount has been continued over the next five years without indexing. It is also assumed that gross sales will continue to increase so that, in turn, percentage rents will increase at three percent per year. A history of gross sales and percentage rent payments is provided in Exhibit 9.

As a part of the renegotiation strategy, the tenant may insist upon an increase in the base gross sales. The landlord has little negotiation advantage. Gross sales from the subject property in 1986 were \$3,029,852 or \$171.37 per square foot; although this represents a six percent increase from 1985 gross sales, the median sales for supermarkets between 6,000 and 30,000 SF in United States neighborhood shopping centers is \$269.79 per SF according to ULI Dollars and Cents of Shopping Centers: 1987.

There is no reimbursement of tenant payments for snow removal or common area maintenance. The original lease requires the landlord to pay \$3,613, reflecting 1971 base year taxes; all increases thereafter are paid for by the tenant. Insurance on the structure is paid by the landlord while the tenant is responsible for the contents. The landlord is also responsible for exterior structural maintenance and special assessments for capital improvements. A management fee of four percent of effective gross revenue has been assumed without provision for commissions on the renegotiated lease extension option. Tenants are responsible for their own utilities and interior maintenance where damage is not attributable to a structural responsibility of the landlord. These revenues and expenses are summarized in Exhibit 10 and further supported with footnotes to Exhibit 10.

Using these assumptions, it is possible to project 1987 revenue and expenses for four more years through 1992. The five-year projection of revenue and expenses is based upon assumptions detailed in footnotes to Exhibit 10 and the revenue and expenses summary is found in Exhibit 11.

To convert the projected net operating income estimate for five years to a capitalized value, the appraisers have used an after-tax, discounted cash flow model called ATV, prepared by Robert Martin for use by appraisers. The assumptions required in this model are itemized in Exhibit 12, but it should be noted that there are several critical variables relative to financing and income tax as well as resale at the end of the projection period. First, the appraisers believe that in December, 1986, a buyer could have obtained mortgage terms at 9.5 percent interest per annum for a term not exceeding 15 years and a debt cover ratio at a conservative ratio of 1.5 assuming there was agreement on extension of the lease in January of 1988. Resale price is estimated to be \$320,000 by capitalizing the fifth year income at 14 percent. For tax purposes, the investor is assumed to have both an ordinary and a capital gains income tax rate of 33 percent throughout the projection period as a scheduled tax reduction to an upper level of 28 percent will probably be modified

by Congress in 1987. The useful life of the depreciable asset has been set at 31.5 years of straight-line depreciation.

The ATV output provided in Exhibit 13 indicates an after-tax value of \$325,922, rounded to \$330,000. At this value the property would provide an after tax yield of 12 percent to the investor and would imply an overall cap rate of 0.124 based upon the first year NOI of \$40,825. Purchase would presume an original mortgage of approximately \$217,000 and a down payment of approximately \$108,600. The annual equity dividend of 0.125 is appropriate for the risk and lack of quality and the decline in resale price which reflects the growing obsolescence of the building structure relative to contemporary marketing standards for groceries.

B. The Cost Approach

The Cost Approach is based on the premise that the value of the property can be indicated by the current cost to construct a reproduction or replacement for the improvements less the amount of depreciation evident in the structure from all causes plus the value of the land and entrepreneurial profit. Current costs for constructing improvements are derived from cost estimators, cost estimating publication, builders and contractors.

The Calculator Method, a computerized cost service of the Marshall and Swift Valuation Service, provides a check on the values estimated by both the Market Comparison Approach (where applicable) and the Income Approach. The Calculator Method was applied to the subject property based upon the cost assumptions provided in the input form shown in Exhibit 14. The indicated cost to replace the grocery store structure and parking surfaces less depreciation is indicated in Exhibit 15 as \$410,000 which includes the value of the land as though vacant of \$65,340 as of December 25, 1986. The reader should be reminded that average costs in a small town are subject to considerable variance, particularly when the structure itself has significant elements of deterioration, functional obsolescence and economic obsolescence in terms of the shift of retail activity to the far east side of Richland Center on Highway 12. The Cost Approach is even less reliable when the two sections of the building vary in age by 21 years.

IX. RECONCILIATION OF VALUATION METHODOLOGIES FOR VALUE CONCLUSIONS

The Income Approach, which is the primary indicator of value for this type of functionally obsolete property subject to contract rents, suggests an investment value of \$330,000 and is weighted 80 percent in estimating the Market Value as of December 25, 1986. The Cost Approach is far less reliable for this type of property which is subject to significant elements of functional and economic obsolescence. As a result, the

appraisers have attached a weight of 20 percent to replacement cost new less depreciation. The synthesized weighted average is calculated as follows:

INCOME APPROACH $\$330,000 * 80\% = \$264,000$
(Five-year discounted cash flow)

COST APPROACH $\$410,000 * 20\% = \$82,000$
(Marshall & Swift)

ESTIMATED VALUE $\$346,000$

ROUNDED $\$350,000$

THEREFORE, THE APPRAISERS CONCLUDE THAT THE MARKET VALUE OF THE SUBJECT PROPERTY, AS OF DECEMBER 25, 1986, ENCUMBERED BY CERTAIN CONTRACT RENTS AND SUBJECT TO THE ASSUMPTIONS USED THROUGHOUT THIS REPORT AND THE LIMITING CONDITIONS AS CONTAINED HEREIN, IS:

THREE HUNDRED FIFTY THOUSAND DOLLARS

(\$350,000)

assuming third party financing and cash to the seller.

This total value for the property was then allocated between the two related family ownership entities as follows as of December 25, 1986:

S & A Partnership Interests:

ONE HUNDRED THIRTY-FIVE THOUSAND DOLLARS

(\$135,000)

(\$96,000 to improvements and \$39,000 to the land)

A. E. Anding, Sr., Interests:

TWO HUNDRED FIFTEEN THOUSAND DOLLARS

(\$215,000)

(\$189,000 to the improvements and \$26,000 to the land)

EXHIBITS

FOR

JOHN'S IGA FOODS

RICHLAND CENTER, WISCONSIN

EXHIBIT 1

AREA MAP
SHOWING THE RELATIONSHIP BETWEEN RICHLAND CENTER AND MADISON

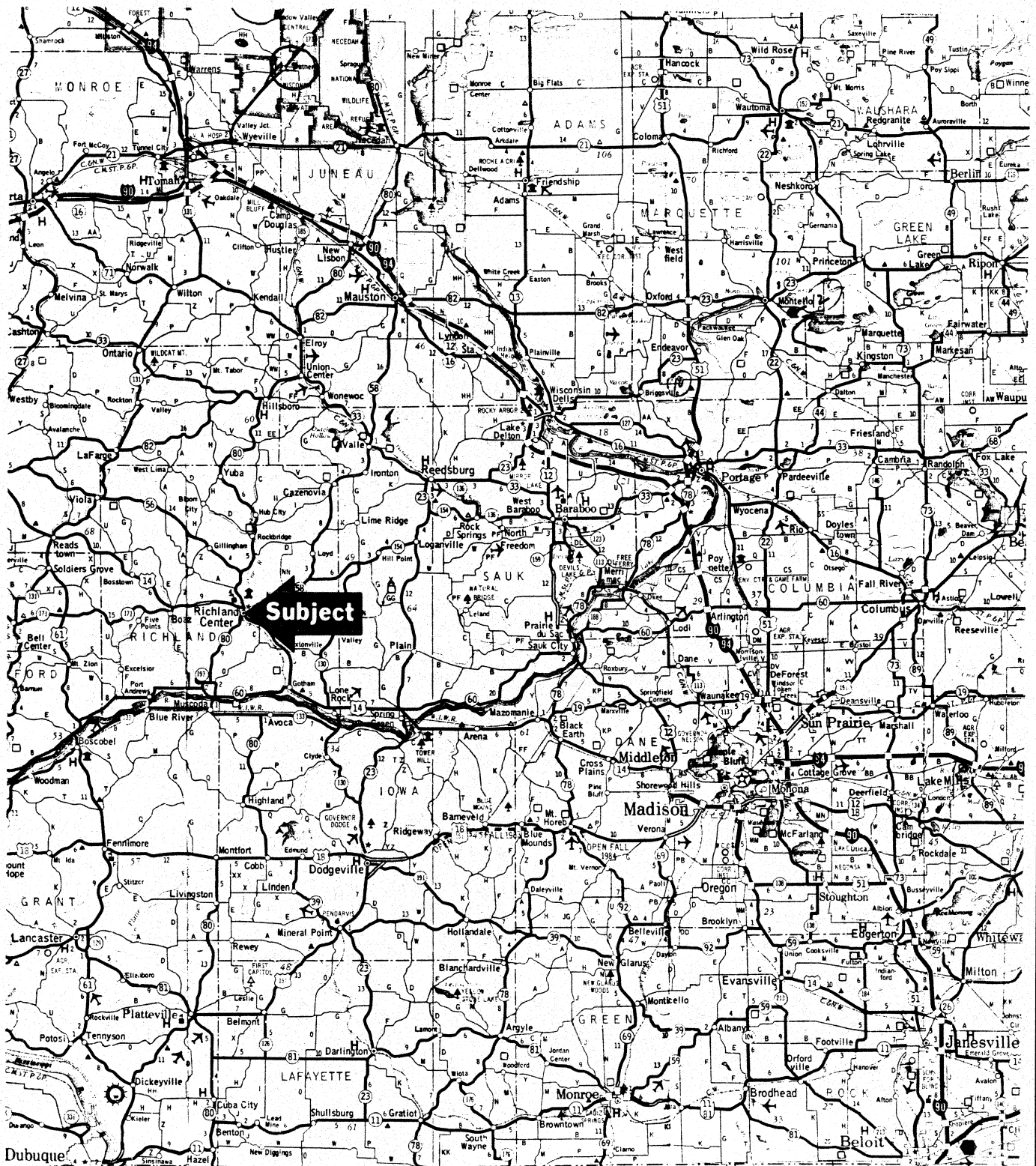


EXHIBIT 3

PLAT MAP OF SUBJECT SITE

RICHLAND CENTER

N.W.⁴ SEC. 21

T. 10N. - R. 1E.

SCALE 200 FT. TO 1 IN.

SEE PAGE 10

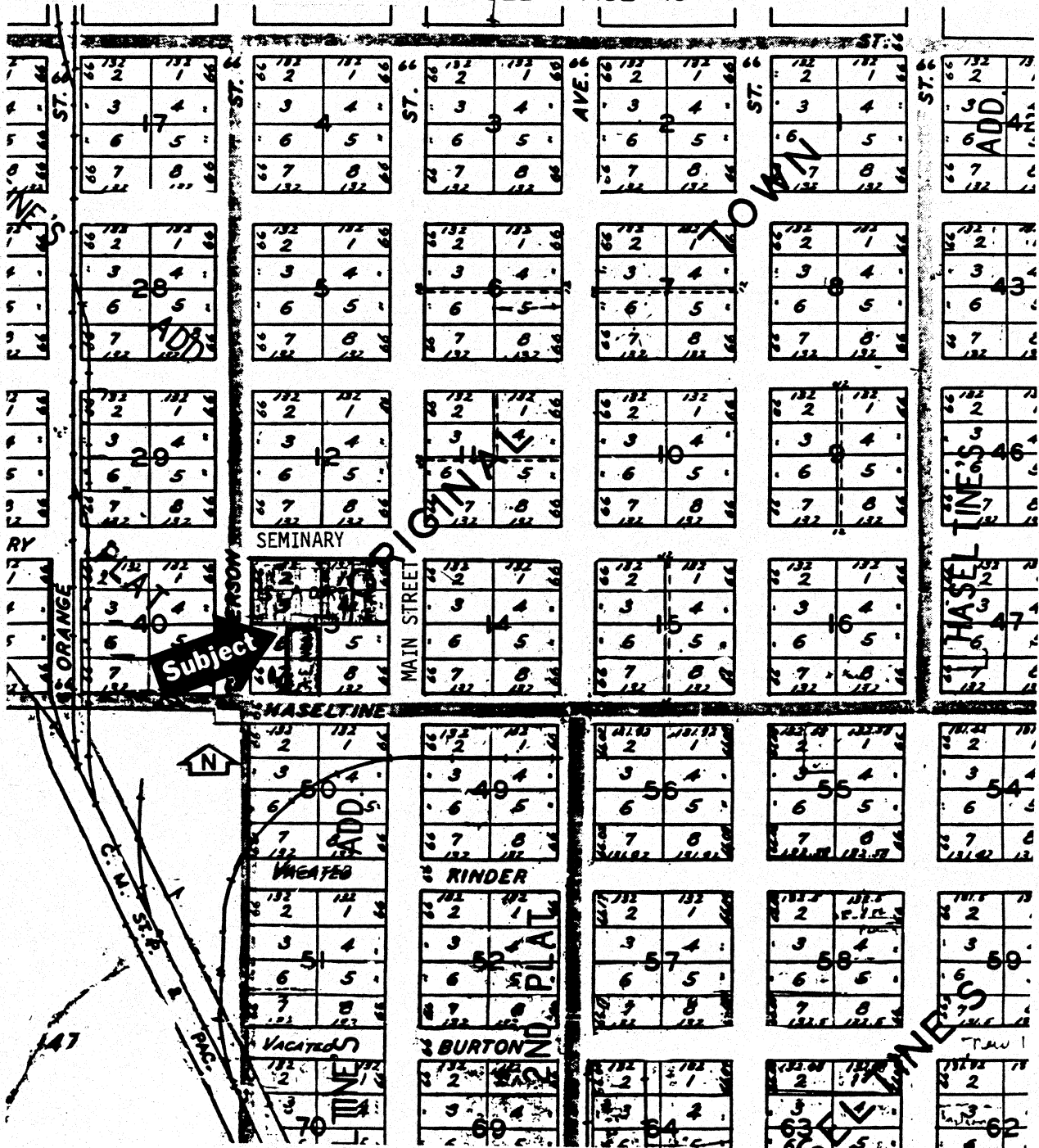


EXHIBIT 4

EVIDENCE OF 1986 REAL ESTATE TAXES
AND 1971 BASE YEAR TAXES

STATEMENT

S. & A. CORPORATION



Real Estate Development and Leasing

5900 Monona Dr. #200, Madison, Wis. 53716
608/221-3854

February 5, 1987

Mr. Russell Wulf
Controller
Gateway Foods, Inc.
P.O. Box 1957
LaCrosse, WI 54602-1957

*See me:
Request a copy of
original top bill before
paying. Please*

RE: Real Estate Taxes--Richland Center

1986 Real Estate Taxes	\$9,237.52
1971 Real Estate Taxes Base Year	<u>3,612.80</u>
TOTAL AMOUNT DUE:	\$5,624.72

EXHIBIT 5

ALLOCATION OF LAND BETWEEN OWNERSHIPS, LAND PURCHASE HISTORY,
AND 1987 LAND ASSESSMENT

					TOTAL (SF)	A. E. (SF)	S & A (SF)
LOT SIZE							
1	132	*	66	=	8,712	4,356	4,356
2	132	*	66	=	8,712	0	8,712
3	132	*	66	=	8,712	0	8,712
4	132	*	66	=	8,712	4,356	4,356
6	66	*	66	=	4,356	4,356	0
7	66	*	66	=	4,356	4,356	0
TOTAL					43,560 100%	17,424 40%	26,136 60%

PURCHASED BY	DESCRIPTION OF PARCELS	SIZE (SF)	PRICE PAID	PRICE/SF	DATE OF PURCHASE
S & A Corporation	Lot 2 & 3, 1/2 Lot 1, 1/2 Lot 4	26,136	\$18,000	\$0.69	June 1955
A.E. Anding, Sr.	1/2 Lot 6, 1/2 Lot 7	8,712	\$14,500	\$1.66	December 1975
A.E. Anding, Sr.	1/2 Lot 1, 1/2 Lot 4	8,712	\$20,000 (boot)	\$2.30	May 1976

1982-1987 ASSESSMENT

1982-1987 ASSESSED			
PARCEL NO.	VALUE OF LAND	SIZE	ASSESSMENT/ SF
52276CIT2100.1310	\$79,200	43,560	\$1.82

EXHIBIT 6

PLOT PLAN OF SUBJECT PROPERTY

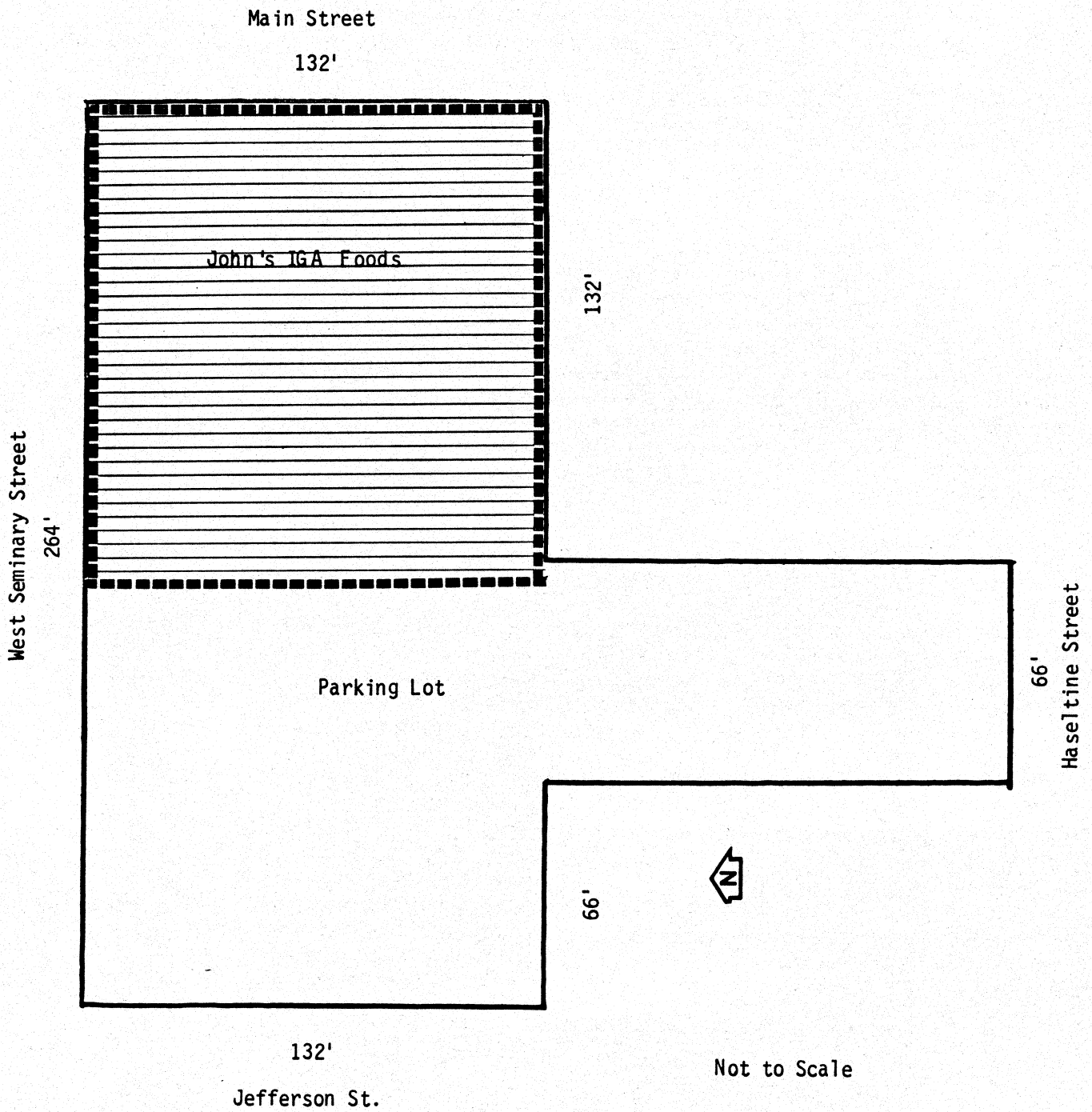


EXHIBIT 7

PHOTOGRAPHS OF SUBJECT PROPERTY AND NEIGHBORHOOD
JOHN'S IGA FOODS
RICHLAND CENTER, WISCONSIN



Main entrance to John's IGA Foods at 221 West Seminary Street
The original addition, built in 1955, has plate glass display windows.



The new addition, built in 1976, hugs the corner of Main Street and West Seminary Street. Note that the driveway aprons still remain from the previous site.

EXHIBIT 7 (Continued)



The west side of John's IGA Foods is adjacent to the main parking lot. The floodlights on the building are used to illuminate the parking lot. Note the trash area at southwest corner of the original building.



The additional parking lot fronts on Hazeltine Street to the south of the main parking lot.

EXHIBIT 7 (Continued)



This Kwik Trip Store is located on West Seminary Street across from the subject property.



A Super Valu Food Store is located on the corner of Jefferson Street and West Seminary Street. The parking lot of John's IGA Foods is in the foreground.

EXHIBIT 7 (Continued)



A Shell Service Station that is for sale is located to the northeast of the subject property on the corner of Main Street and West Seminary Street.



The Richland County Courthouse is located on the southwest corner of Main Street and West Seminary Street.

EXHIBIT 8
SKETCH OF JOHN'S IGA FOODS BUILDING

MAIN STREET

130'

66'

New Addition
8,580 SF
Built 1976

WEST SEMINARY STREET
136'

Existing Building
9,100 SF
Built 1955

70'

130'

Not to Scale



EXHIBIT 9

HISTORY OF GROSS SALES FOR SUBJECT PROPERTY
AS REPORTED BY PIGGLY WIGGLY AND GATEWAY

YEAR	GROSS SALES	BASE	NET OVERAGE	PERCENTAGE RENT @ 1.25% OF NET OVERAGE	PERCENTAGE CHANGE
1982	\$2,974,963.00	\$2,000,000.00	\$974,963.11	\$12,187.04	
1983	\$2,700,094.90	\$2,000,000.00	\$700,094.00	\$8,751.19	-39%
1984	NA	\$2,000,000.00	NA	NA	
1985	\$2,854,828.67	\$2,000,000.00	\$854,828.00	\$10,685.36	+22%
1986	\$3,029,851.54	\$2,000,000.00	\$1,029,851.00	\$12,873.14	+20%

EXHIBIT 10

REVENUE AND EXPENSES FOR SUBJECT PROPERTY - 1987
JOHN'S IGA FOODS - RICHLAND CENTER, WI

	LEASE LENGTH	OPTIONS	NLA (SF)	MONTHLY RENT	CONTRIBUTION TO ANNUAL RENT PER SF	ANNUAL RENT
<hr/>						
REVENUES						
<hr/>						
IGA-Base Rent [1]	11/76 - 12/87	1 - 5 yr.		\$1,200	\$0.81	\$14,400
IGA-13% of Total Project Costs [2]				\$1,900	\$1.29	\$22,800
IGA-Overage Rent @ 1.25% Gross Over \$2,000,000 [3]				\$1,073	\$0.73	\$12,873
Potential Gross Revenue			17,680		\$2.83	\$50,073
Less Vacancy @ 0%						\$0
Effective Gross Revenue (EGR)						\$50,073
<hr/>						
EXPENSES						
<hr/>						
R.E. Taxes [4]					\$3,613	
Insurance [5]					\$1,832	
Maintenance & Repairs [6]					\$1,800	
Management @ 4% [7]					\$2,003	
TOTAL EXPENSES [8]						\$9,248
<hr/>						
NET OPERATING INCOME (NOI)						\$40,825
<hr/>						

EXHIBIT 10 (Continued)

FOOTNOTES

- [1] When the lease is renewed as of January 1, 1988, it is assumed the first component of the base rent will increase 15 percent from \$14,400 per year to \$16,560 per year.
- [2] Total project costs for the 1976 addition were \$175,385; 13 percent of these costs result in a second base rent component of \$22,800 per year. The appraisers have assumed this rent will remain constant through the five-year projection period.
- [3] It is assumed the percentage rents will increase at three percent per year; gross sales increased six percent from 1985 to 1986 and percentage rent increased 20 percent during that same time period. But it is assumed that during the lease negotiations the tenant will insist on an increase in the base sales floor to flatten the increase in percentage rents in the future.
- [4] S & A Corporation pays real estate taxes of \$3,612.80 which are the 1971 base real estate taxes. The tenant pays all real estate taxes over this 1971 base. The appraisers have assumed that real estate taxes will increase at five percent per year.
- [5] A.E. Anding, Sr., is responsible for the property and liability insurance premiums.
- [6] The landlord is responsible for the maintenance, replacement, and repair of the exterior structural portions of the building which includes the foundations, walls, and roof; the tenant is responsible for all other maintenance, repairs, and replacements including the HVAC system. A contribution of \$1,800 per year or \$0.10 per square foot is made to a reserve fund to meet the landlord's obligations.
- [7] A fee for management is assigned at four percent of effective gross revenue. No provision is made for a commission for lease renegotiation.
- [8] While some expenses are paid specifically either by S & A Corporation or by A.E. Anding, Sr., all other expenses are split on the basis of the agreed ratio of S & A Corporation = 12/31 and A.E. Anding, Sr., = 19/31.

EXHIBIT 11

FIVE YEAR PROJECTION OF REVENUE AND EXPENSES
FOR JOHN'S IGA FOODS PROPERTY

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
BASE RENT	\$14,400	\$16,560	\$16,560	\$16,560	\$16,560
13% OF COST	\$22,800	\$22,800	\$22,800	\$22,800	\$22,800
OVERAGE RENT	\$12,873	\$13,259	\$13,657	\$14,067	\$14,489
GROSS INCOME	\$50,073	\$52,619	\$53,017	\$53,427	\$53,849
VACANCY	\$0	\$0	\$0	\$0	\$0
EFF. GROSS INCOME	\$50,073	\$52,619	\$53,017	\$53,427	\$53,849
INSURANCE	\$1,832	\$1,887	\$1,944	\$2,002	\$2,062
MAINTENANCE	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
PROPERTY TAXES	\$3,613	\$3,613	\$3,613	\$3,613	\$3,613
MANAGEMENT FEE	\$2,003	\$2,105	\$2,121	\$2,137	\$2,154
TOTAL EXPENSES	-\$9,248	-\$9,405	-\$9,477	-\$9,552	-\$9,629
NET OPERATING INC.	\$40,825	\$43,214	\$43,540	\$43,875	\$44,220

EXHIBIT 12

ASSUMPTIONS USED FOR FIVE YEAR DISCOUNTED CASH FLOW
JOHN'S IGA FOODS - RICHLAND CENTER, WI

HOLDING PERIOD	=	FIVE YEARS
EQUITY YIELD RATE	=	12%
DEBT COVER RATIO	=	1.5
INTEREST RATE	=	9.5%
AMORTIZATION PERIOD	=	15 YEARS
INVESTOR'S INCOME TAX RATE	=	ORDINARY = 33% CAPITAL GAIN = 33%
DEPRECIATION METHOD	=	STRAIGHT LINE - 31.5 YEARS
LAND VALUE	=	\$65,340 (\$1.50/SF * 43,560 SF)
RESALE PRICE	=	14% CAP OF FIFTH YEAR NOI

EXHIBIT 13

INCOME APPROACH VALUATION - ATV DISCOUNTED CASH FLOW

JOHN'S IGA FOODS
221 WEST SEMINARY STREET
RICHLAND CENTER, WI 53581
By LANDMARK RESEARCH INC

VALUE \$325,922.
AFTER TAX YIELD 12.00000
OVERALL RATE 0.12526
MORTGAGE CONSTANT 0.12531
MORTGAGE VALUE \$217,201.
BUILDING VALUE \$260,582.
EQUITY VALUE \$108,721.
EQUITY DIVIDEND 0.12517

EQUITY YIELD RATE 12.00000
HOLDING PERIOD 5
LOAN NUMBER 1
INTEREST RATE 0.09500
LOAN TERM 15.00000
PAYMENTS PER YEAR 12
DSCR & LOAN/VALUE RATIOS 1.50000
TAX RATE 0.33000
CAPITAL GAINS TAX RATE 0.33000
RESALE PRICE \$320,000.
LAND VALUE \$65,340.
DEPRECIATION METHOD SL
COST RECOVERY PERIOD 32
NET OPERATING INCOME \$40,825.
CHANGE IN NOI 0.08315
INCOME ADJUSTMENT FACTOR YR
SELLING COST 0.04000

CASH FLOW SUMMARY

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
NOI	\$40,825.	\$43,214.	\$43,540.	\$43,875.	\$44,220.
DEBT SER#1	-\$27,217.	-\$27,217.	-\$27,217.	-\$27,217.	-\$27,217.
BTCF	\$13,608.	\$15,998.	\$16,323.	\$16,658.	\$17,003.
NOI	\$40,825.	\$43,214.	\$43,540.	\$43,875.	\$44,220.
INTEREST 1	-\$20,340.	-\$19,657.	-\$18,907.	-\$18,082.	-\$17,176.
DEPREC	-\$8,272.	-\$8,272.	-\$8,272.	-\$8,272.	-\$8,272.
TAXABLE	\$12,213.	\$15,285.	\$16,360.	\$17,520.	\$18,772.
TAXES	\$4,030.	\$5,044.	\$5,399.	\$5,782.	\$6,195.
ATCF	\$9,578.	\$10,954.	\$10,924.	\$10,876.	\$10,808.

RESALE PRICE \$320,000.
SELLING COST -\$12,800.
LOAN BALANCE # 1 -\$175,279.

RESALE PRICE \$320,000.
SELLING COST -\$12,800.
ADJUSTED BASIS -\$284,560.
TAXABLE GAIN \$22,640.
LONG TERM GAIN \$22,640.
ORDINARY TAXES \$0.
CAPITAL GAINS TAX \$7,471.

BEFORE TAX PROCEEDS \$131,921.
TAXES -\$7,471.
AFTER TAX PROCEEDS \$124,450.

EQUITY CASH FLOW SUMMARY

YEAR CASH FLOW
0 -\$108,721.
1 \$9,578.
2 \$10,954.
3 \$10,924.
4 \$10,876.
5 \$135,258.

EXHIBIT 14

INPUTS USED IN COST APPROACH

COMMERCIAL/INDUSTRIAL FIELD FORM - CAL

Computerized Service based on
MARSHALL AND SWIFT VALUATION SERVICE

- 1) COST ESTIMATE FOR ANDING ESTATE
2) PROPERTY OWNER S & A Corp. & A. F. Anding, Sr.
3) ADDRESS 249 West Seminary Street, Richland Center, WI
4) SURVEYED BY Landmark Research, Inc.
5) DATE OF SURVEY 12/25/86

- 6) REGION: 1 Western CLIMATE: ① Extreme
② Central 2 Moderate
3 Eastern 3 Mild

- 7) OCCUPANCY CODE 340 (Refer to back of Form)

- 8) CONSTRUCTION CLASS:
A Fireproof Structural Steel Frame
B Reinforced Concrete Frame
③ C Masonry Bearing Walls
D Wood or Steel Framed Exterior Walls

- 9) LOCAL MULTIPLIER 53581
(Refer to Section 99, Marshall Valuation Service)

- 10) COST RANK:
① Low 3 Above Average
2 Average 4 High
17,680

- 11) TOTAL FLOOR AREA 17,680

- 12) SHAPE or PERIMETER 1
1 Approximately Square
2 Slightly Irregular
3 Irregular
4 Very Irregular

- 13) NUMBER OF STORIES 1

- 14) AVERAGE STORY HEIGHT 14'

- 15) EFFECTIVE AGE 20

- 16) CONDITION:
1 Worn Out 4 Good
2 Badly Worn 5 V. Good
③ 3 Average 6 Excellent

17) EXTERIOR WALL:

Masonry Walls

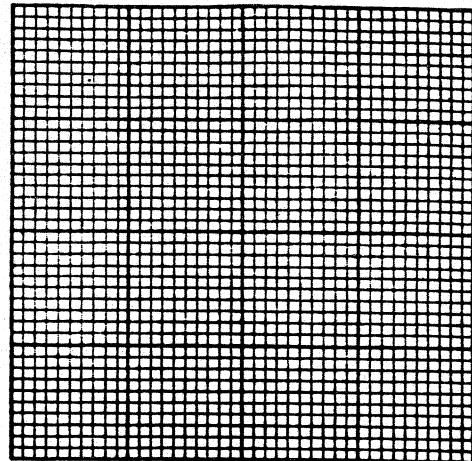
- 1 Adobe Block
2 Brick, Block Back-Up
3 Common
4 Cavity
⑤ 5 Face Brick (Add)
⑥ 6 Concrete Block
7 Concrete, Reinforced
8 Concrete, Tilt-Up
9 Sin. Ashlar Veneer, Block
10 Stone, Rubble
11 Pilaster
12 Bond Beams
13 Insulation (Add)

Curtain Walls

- 14 Concrete, Precast
15 Concrete/Glass Panels
16 Metal/Glass Panels
17 Stainless Steel/Glass
18 Bronze and Glass
19 Stone Panels
20 Steel Studs/Stucco
21 Tile, Clay
22 Facing Tile (Add)

Wood or Steel Framed Walls

- 23 Aluminum Siding
24 Asbestos Siding
25 Asbestos Shingles
26 Shingles
27 Shakes
28 Stucco on Wire/Paper
29 on Sheathing
30 Wood Siding on Paper
31 on Sheathing
32 Veneer, Common Brick
33 Face Brick
34 Stone
35 Used Brick
36 Siding, Vinyl Surface
37 Hardboard
38 Textured Plywood
39 Board/Batten Box Frame
40 Log, Rustic
41 Insulation (Add)
Wood or Steel Skeleton Frames
42 Aluminum Cover
43 Sandwich Panels
44 Corr. Steel on Steel Frame
45 on Wood Frame
46 Transite
47 Siding, Post/Girder Frame
48 Sheathing (Add)



18) HEATING, COOLING & VENTILATION:

- 1 Elec. (Cable, Panel/Baseboard) 12 Steam, with Boiler
2 Elec. Wall Heaters 13 Steam, without Boiler
③ 3 Forced Air 14 Air Cond. Hot/Chilled Water
4 Floor Furnace 15 Air Cond. Warm/Cooled Air
5 Gas Steam Radiator 16 Package Heating/Cooling
6 Gravity Furnace 17 Heat Pump
7 Heaters, Vented 18 Evaporative Cooling
8 Hot Water ① 19 Refrigerated Cooling
9 Hot Water, Radiant 20 Ventilation
10 Space Heat, Gas 21 Wall Furnace
11 Space Heat, Steam

- 19) ELEVATORS 0 Sq. Ft. Served

- 20) SPRINKLERS 0 Sq. Ft.

- 21) TOTAL

- BASEMENT 0 Sq. Ft.
1 Unfinished 5 Utility
2 Finished 6 Resident Units
3 Parking 7 Display
4 Storage 8 Office

MISCELLANEOUS COST

- LAN: \$65,340 Land
SIT: Site Improvements
PHY: Physical Depreciation
FUN: Functional Depreciation
LOC: Locational Depreciation
EXC: Insurance Exclusions

EXHIBIT 14 (Continued)

COST REFINEMENTS

Mezzanines
(Sq. Ft. of Mezzanines)

MZM: _____ Display
MZB: _____ Office
MZC: _____ Storage
MZD: _____ Open

Balconies
(Sq. Ft. of Balconies)

BCA: _____ Apartment Exterior
BCD: _____ Auditorium
BCC: _____ Church
BCT: _____ Theater

Docks
(Sq. Ft. of Dock Area)

DLR: _____ Loading with Roof
DLW: _____ Loading without Roof
DOS: _____ Shipping
DOF: _____ Dock Height Floors

Parking Lots
(Sq. Ft. of Parking)

PAS: 24,560 _____ Paving, Asphalt
PCO: _____ Paving, Concrete
LIG: _____ Parking Lot Lighting (Sq. Ft. of Area Served)
BUM: 232 _____ Parking Bumpers (Lin. Ft.)

Commercial and Institutional Built-ins
(Total Sq. Ft. of Building Area)

UW: _____ Bank Equipment
 (counters, vault doors, etc.)
UX: _____ Jail Equipment
 (cell blocks, locking devices, etc.)
UY: _____ Hospital Equipment (Groups II and III)
UAA: _____ Hospital Pneumatic Conveyor System
UAB: _____ College Commons Kitchen Equipment
UAC: _____ Science Building Laboratory Equipment

Bank Vaults
(Sq. Ft. of Vault Area)

UAD: _____ Money
UAG: _____ Record Storage

Stages & Permanent Fixtures
(Sq. Ft. of Stage Area)

UAH: _____ Live Performance
UAJ: _____ Motion Picture Only
UAK: _____ Speaker's Platform

High Rise Apartment Miscellaneous
(Number of Units)

APP: _____ Appliance Allowance (enter # of apart. units)
UAM: _____ Wall Air Conditioning (# of units)

Barns and Sheds
(Sq. Ft. of Loft)

LOF: _____ Lofts for Barns or Sheds

ADDITIONS

ADD TO (SUPERstructure, BASEment, EXTra (Depreciated), MIScellaneous (Not Depreciated))

BRIEF DESCRIPTIONS			(+ or -) COST
EXT :	Plywood Storage 320 SF * \$4.00/SF		\$ 1,280
_____ :	_____		\$ _____
_____ :	_____		\$ _____
_____ :	_____		\$ _____
_____ :	_____		\$ _____

REMARKS

REM: _____

REM: _____

REM: _____

OCCUPANCY CODES

300 Apartment (High Rise)
301 Armory
302 Auditorium
303 Automobile Showroom
304 Bank
304 Barber Shop
305 Barn
306 Barn, Hog
307 Barn, Sheep
308 Barn, Fruit Packing
306 Bowling Alley
304 Cabins (Transient Labor)
308 Church with
 Sunday School
300 Church without
 Sunday School
310 City Club
311 Clubhouse
312 Coldwater Flat
313 Convalescent Hospital
314 Country Club
315 Creamery & Milk
 Process
316 Dairy & Milking Barn
317 Dairy Sales Building
318 Department Store
319 Discount Store
320 Dispensary
303 Dormitories (Labor)
321 Dormitory
322 Fire Station
323 Fraternal Building
324 Fraternity House
325 Garage, Service
326 Garage, Storage
327 Governmental Building
328 Hangar, Storage
329 Hangar, Maintenance
 & Office
330 Home for the Elderly
331 Hospital
332 Hotel
402 Hotels, Resort
334 Industrial, Manuf.
302 Industrial, Engineering
335 Jail

336 Laundromat
337 Library
338 Loft
330 Lumber Stge., Horizontal
300 Lumber Stge., Vertical
340 Market
341 Medical Office
342 Mortuary
343 Motel
344 Office Building
345 Parking Structure
308 Parking Structure,
 Underground
346 Post Office
347 Poultry House
348 Rectory
348 Restaurant, Drive-in
360 Restaurant, Table Serv.
363 Retail Store
School, Elem. & Sec.
365 Arts & Crafts
366 Classroom

367 Commons
368 Gymnasium
369 Lecture Hall
360 Library
361 Manual Arts
362 Multi-Purpose
363 Physical Education
364 Science
365 Entire Elementary
366 Entire Secondary
School, College
367 Arts & Crafts
368 Classroom
369 Commons
370 Gymnasium
371 Lecture Hall
372 Library
373 Manual Arts
374 Multi-Purpose
375 Physical Education
376 Science
377 Entire College

309 Shed, Cattle
400 Shed, Hay
403 Shower Building
378 Stable
389 Storage, Equipment
391 Storage, Material
395 Storage, Potato or
 Vegetables
379 Theater,
 Stage Presentation
380 Theater, Motion Picture
383 Tobacco Barn
404 Utility Building, Farm
381 Veterinary Hospital
382 Warehouse
386 Warehouse, Mini
387 Warehouse, Transit

EXHIBIT 15

COST APPROACH VALUATION
MARSHALL AND SWIFT CALCULATOR METHOD

COST ESTIMATE FOR: ANDING ESTATE
 PROPERTY OWNER: S & A CORP. AND A.E. ANDING, SR.
 ADDRESS: 249 W SEMINARY ST., RICHLAND CENTER, WI
 SURVEYED BY: LANDMARK RESEARCH, INC
 DATE OF SURVEY: 12/25/86

DESCRIPTION:

OCCUPANCY: MARKET

FLOOR AREA: 17,680 Square Feet

CLASS: C Masonry

COST RANK: 1.0 Low

NUMBER OF STORIES: 1.0

AVERAGE STORY HEIGHT: 14.0 Feet

EFFECTIVE AGE: 20 Years

CONDITION: 3.0 Average

COST AS OF: 01/87

EXTERIOR WALL:

Face Brick..... 75%

Concrete Block..... 100%

HEATING AND COOLING:

Forced Air..... 100%

Refrigerated Cooling..... 100%

	UNITS	COST	TOTAL
BASIC STRUCTURE COST:	17,680	29.77	526,317
EXTRAS:			
Paving, Asphalt.....	24,560	1.24	30,454
Parking Lot Bumpers.....	232	2.53	587
Parking Lot Lighting.....	17,168	0.11	1,888
PLYWOOD STORAGE			1,280
REPLACEMENT COST NEW.....			560,526
LESS DEPRECIATION:			
Physical and Functional.....	<39.0%>		<218,605>
DEPRECIATED COST.....			341,921
Estimated Land Value.....			65,340
INDICATED VALUE BY COST APPROACH:			407,261
ROUNDED TO NEAREST \$10,000			410,000

Cost Data by MARSHALL and SWIFT

CERTIFICATION OF VALUE

We hereby certify that we have no interest, present or contemplated, in the property and that neither the employment to make the appraisal nor the compensation is contingent on the value of the property. We certify that we have personally inspected the property and that according to our knowledge and belief, all statements and information in the report are true and correct, subject to the underlying assumptions and limiting conditions.

Based on the information and subject to the limiting conditions contained in this report, it is our opinion that the Market Value as defined herein, of this property as of December 25, 1986, is:

THREE HUNDRED FIFTY THOUSAND DOLLARS
(\$350,000)

assuming third party financing and cash to the seller.

This total value for the property was then allocated between the two related family ownership entities as follows as of December 25, 1986:

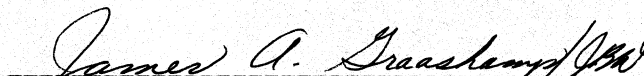
S & A Partnership Interests:

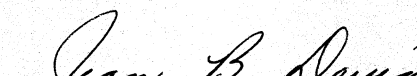
ONE HUNDRED THIRTY-FIVE THOUSAND DOLLARS
(\$135,000)

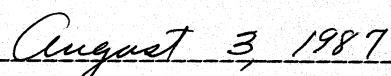
A.E. Anding, Sr., Interests:

TWO HUNDRED FIFTEEN THOUSAND DOLLARS
(\$215,000)

assuming cash to the seller.


James A. Graaskamp, Ph.D., SREA, CRE


Jean B. Davis, Real Estate Appraiser/Analyst


Date

STATEMENTS OF GENERAL ASSUMPTIONS AND
LIMITING CONDITIONS

1. Contributions of Other Professionals

- . Information furnished by others in the report, while believed to be reliable, is in no sense guaranteed by the appraisers.
- . The appraiser assumes no responsibility for legal matters.
- . All information furnished regarding property for sale or rent, financing, or projections of income and expenses is from sources deemed reliable. No warranty or representation is made regarding the accuracy thereof, and it is submitted subject to errors, omissions, change of price, rental or other conditions, prior sale, lease, financing, or withdrawal without notice.
- . All direct and indirect information supplied by the client, agents of the client, or the lawyer of the client concerning the subject property is assumed to be true and accurate but may be modified by the appraiser as appropriate to the definition of value or purpose of the appraisal consistent with other standards specified herein.

2. Facts and Forecasts Under Conditions of Uncertainty

- . The comparable sales data relied upon in the appraisal is believed to be from reliable sources. Though all the comparables were examined, it was not possible to inspect them all in detail. The value conclusions are subject to the accuracy of said data.
- . Forecasts of the effective demand for space are based upon the best available data concerning the market, but are projected under conditions of uncertainty.
- . Engineering analyses of the subject property were neither provided for use nor made as a part of this appraisal contract. Any representation as to the suitability of the property for uses suggested in this analysis is therefore based only on a rudimentary investigation by the appraiser and the value conclusions are subject to said limitations.
- . Since the projected mathematical models are based on estimates and assumptions, which are inherently subject to uncertainty and variation depending upon evolving events, we do not represent them as results that will actually be achieved.
- . Sketches in the report are included to assist the reader in visualizing the property. These drawings are for illustrative purposes only and do not represent an actual survey of the property.
- . In this appraisal assignment, the existence of potentially hazardous material introduced on site or in proximity to the site as a result

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

of nearby existing or former uses in the neighborhood, or the existence of toxic waste or other building materials such as asbestos, formaldehyde insulation, radon, or other materials incorporated in property improvements must be disclosed by the owner to the appraiser. The appraiser is not qualified to detect such substances nor is he obliged to do so. Nevertheless, the existence of potentially hazardous material found on the subject property or in proximity to the site may have an adverse effect on the value and market price of the property. The property owner or those relying on this appraisal are urged to retain, at their discretion, an expert in this field of hazardous materials.

3. Controls on Use of Appraisal

- . Values for various components of the subject parcel as contained within the report are valid only when making a summation and are not to be used independently for any purpose and must be considered invalid if so used.
- . Possession of the report or any copy thereof does not carry with it the right of publication nor may the same be used for any other purpose by anyone without the previous written consent of the appraiser or the applicant and, in any event, only in its entirety.
- . Neither all nor any part of the contents of the report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author, particularly regarding the valuation conclusions and the identity of the appraiser, of the firm with which he is connected, or any of his associates.
- . The report shall not be used in the client's reports or financial statements or in any documents filed with any governmental agency, unless: (1) prior to making any such reference in any report or statement or any document filed with the Securities and Exchange Commission or other governmental agency, the appraiser is allowed to review the text of such reference to determine the accuracy and adequacy of such reference to the appraisal report prepared by the appraiser; (2) in the appraiser's opinion the proposed reference is not untrue or misleading in light of the circumstances under which it is made; and (3) written permission has been obtained by the client from the appraiser for these uses.
- . The appraiser shall not be required to give testimony or to attend any governmental hearing regarding the subject matter of this appraisal without agreement as to additional compensation and without sufficient notice to allow adequate preparation.

Contents of this appraisal report are governed by the By-Laws and Regulations of the American Institute of Real Estate Appraisers of the National Association of Realtors.

QUALIFICATIONS OF THE APPRAISERS

J A M E S . A . G R A A S K A M P

PROFESSIONAL DESIGNATIONS

SREA, Senior Real Estate Analyst, Society of Real Estate Appraisers
CRE, Counselor of Real Estate, American Society of Real Estate Counselors
CPCU, Certified Property Casualty Underwriter, College of Property Underwriters

EDUCATION

Ph.D., Urban Land Economics and Risk Management - University of Wisconsin
Master of Business Administration, Security Analysis - Marquette University
Bachelor of Arts - Rollins College

ACADEMIC AND PROFESSIONAL HONORS

Chairman, Department of Real Estate and Urban Land Economics,
School of Business, University of Wisconsin
Urban Land Institute Research Fellow
University of Wisconsin Fellow
Omicron Delta Kappa
Lambda Alpha - Ely Chapter
Beta Gamma Sigma
William Kiekhofer Teaching Award (1966)
Larson Teaching Award (1985)
Alfred E. Reirman, Jr. Award - Society of Real Estate Appraisers (1986)
Urban Land Institute Trustee
Research Committee - Pension Real Estate Association (PREA)
Richard T. Ely Real Estate Educator Award from Lambda Alpha
Homer Hoyt Foundation Fellow

PROFESSIONAL EXPERIENCE

Dr. Graaskamp is the President and founder of Landmark Research, Inc., which was established in 1968. He is also co-founder of a general contracting firm, a land development company, and a farm investment corporation. He is formerly a member of the Board of Directors and treasurer of the Wisconsin Housing Finance Agency. He is currently a member of the Board and Executive Committee of First Asset Realty Advisors, Inc., a subsidiary of First Bank Minneapolis. He is the designer and instructor of the Urban Land Institute (ULI) School of Real Estate Development and the American Bankers Association (ABA) National School of Real Estate Finance. His work includes substantial and varied consulting and valuation assignments such as investment counseling to insurance companies and banks, court testimony as an expert witness and the market/financial analysis of various projects, both nationally and locally, for private and corporate investors and municipalities. Currently is a member of Salomon Brothers Real Estate Advisory Board.

QUALIFICATIONS OF THE APPRAISERS (Continued)

J E A N B. D A V I S

EDUCATION

Master of Science - Real Estate Appraisal and Investment Analysis -
University of Wisconsin

Master of Arts - Elementary Education - Stanford University

Bachelor of Arts - Stanford University (with distinctions)

Additional graduated and undergraduate work at Columbia Teachers College and
the University of Wisconsin

PROFESSIONAL EDUCATION

Society of Real Estate Appraisers

Appraising Real Property Course 101

Principles of Income Property Appraising Course 201

American Institute of Real Estate Appraisers

Residential Valuation (Formerly Course VIII)

Certified as Assessor I, Department of Revenue, State of Wisconsin

PROFESSIONAL EXPERIENCE

Trained in appraisal and investment analysis, Ms. Davis is a partner at Landmark Research, Inc., specializing in tax assessment as assessor in the Village of Maple Bluff and a representative of owners appealing assessed valuations in other jurisdictions. She also emphasizes market and survey research to estimate effective demand for elderly housing, residential development, office and retail projects.

Her experience includes appraisal of major income properties, rehabilitated older commercial properties, and residential properties.

APPENDIX A

LEGAL DESCRIPTIONS OF THE SUBJECT PROPERTY

AS PROVIDED BY

DONALD R. HUGGETT

ATTORNEY FOR THE ESTATE

APPENDIX A

LAW OFFICES

DeWITT, PORTER,
HUGGETT, SCHUMACHER, MORGAN, S.C.

Jack R. DeWitt
Donald R. Huggett
Duane P. Schumacher
James W. Morgan
William F. Nelson
John Duncan Varda
Ronald W. Kuehn
Jon P. Axelrod
John H. Lederer
Jayne K. Kuehn
Stuart C. Herro
Jean G. Setterholm
Michael S. Varda
Frederic J. Brouner

Henry J. Handzel, Jr.
William C. Lewis, Jr.
Anthony R. Varda
Ronald R. Ragatz
Eric A. Farnsworth
David E. Stewart
Peter A. Peshek
Douglas L. Flygt
Richard J. Lewandowski
Fred Gants
Paul G. Kent
Howard Goldberg
Margaret M. Baumgartner
Margaret A. Satterthwaite

Karen K. Gruenisen
Timm P. Speerschneider

Of Counsel
A.J. McAndrews
James G. Derouin
David W. Kruger
J. Thomas McDermott

Philip H. Porter
1891-1976

Madison Center
121 South Pinckney Street
Mailing Address: P.O. Box 2509
Madison, Wisconsin 53701
(608) 255-8891

Madison West
Suite 120 Teton Wood
6515 Grand Teton Plaza
Madison, Wisconsin 53719
(608) 255-8891

Mount Horeb
108 East Main Street
Mt. Horeb, Wisconsin 53572
(608) 437-3622

April 29, 1987

Madison Center

Mr. Alfred E. Anding, Jr.
Commercial Management Services
P. O. Box 6124
Madison, WI 53716

Landmark Research, Inc.
✓ATTN: Ms. Jean B. Davis
4610 University Avenue, Suite 105
Madison, WI 53705

Re: A. E. Anding Estate
Richland Center Property

Dear Al and Jean:

I enclose for your files, records and information a copy of a certificate of title we received from the Richland County Abstract Corporation with respect to the Richland Center property.

From this certificate it appears that the personally owned property consists of the East one-half of Lots 1, 4, 6 and 7, Block 13, in the City of Richland Center, Original Plat, Richland County, Wisconsin. Title appears under two deeds, one in the name of A. E. Anding and the other in the name of A. E. Anding, Sr. This property is not encumbered by mortgage.

It also appears that S. & A. Corporation, a/k/a The S & A Corporation, a Wisconsin corporation, is the title holder of Lots 2 and 3, and the West 66 feet of Lots 1 and 4, all in Block 13, Original Plat, in the City of Richland Center,

APPENDIX A (Continued)

DeWITT, PORTER, HUGGETT, SCHUMACHER & MORGAN, S.C.

Mr. Alfred E. Anding, Jr.
Ms. Jean B. Davis
April 29, 1987
Page 2

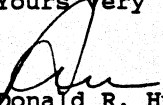
appears of record to be subject to a 1968 mortgage to National Guardian Life in the original amount of \$923,456.49, but I understand this mortgage has been paid. I am writing to National Guardian to obtain a satisfaction which I will then record.

I also enclose a map of the area in Richland Center depicting Block 13 on which I have shaded the areas owned by the decedent or his corporation, and also a map of the City locating Block 13 and the property.

I note that Lots 2 and 3 and the westerly 66 feet of Lots 1 and 4 were acquired by the corporation in 1955. Mr. Anding acquired the remainder of Lots 1 and 4 in 1975 when an addition was constructed for the grocery store. The East half of Lots 6 and 7 were acquired by Mr. Anding in the following 1976 year, and I believe were acquired to be used for customer and employee parking. Al Anding can advise Landmark Research as to this for appraisal purposes.

This is a reminder also to Al Anding to recheck his files to see if he can obtain an "as-built" survey, in which case he should supply a copy of same to Landmark's office and to mine.

Yours very truly,


Donald R. Huggett
DRH/sn
Enclosure

APPENDIX A (Continued)

DeWitt, Porter, Huggett, Schumacher,
Morgan, S.C.
Attorney Donald R. Huggett
Re: A. E. Anding Estate

CERTIFICATE OF TITLE

OWNER: S. & A. Corporation, a Wisconsin Corporation.

INSTRUMENT: Warranty Deed from A. Keith Brewer, an unmarried man, to
S. & A. Corporation, a Wisconsin Corporation, dated
June 13, 1955 and recorded June 29, 1955 at 11:40 A.M.
in Volume 103 of Deeds on page 156, as Document No. 118712.
Photocopy attached.

OWNER: A. E. Anding, Sr.

INSTRUMENT: Warranty Deed from James Pulvermacher, doing business as
Pratts Feight Service, to A. E. Anding, Sr., dated
December 30, 1975 and recorded December 30, 1975 at
1:58 P.M. in Volume 139 of Deeds on page 48, as Document
No. 159398.
Photocopy attached.

OWNER: A. E. Anding.

INSTRUMENT: Warranty Deed from Earl M. Ewing to A. E. Anding, dated
May 25, 1976 and recorded May 25, 1976 at 4:25 P.M. in
Volume 140 of Deeds on page 13, as Document No. 160342.
Photocopy attached.

UNPAID MORTGAGES: Mortgage from A.E. Anding and Beryl Ann Anding, his
wife, and The S & A Corporation, a Wisconsin Corporation and
Anding Realty Company, a Partnership, to National Guardian
Life Insurance Company, in the originally stated amount of
\$923,456.49, dated November 20, 1968 and recorded November
25, 1968 at 10:50 A.M. in Volume 72 of Mortgages on page
521-526, as Document No. 142346.
Photocopy attached.

TAXES: No unpaid tax sale certificates during the last fifteen years.
Part of the 1986 Taxes have been Postponed. Tax Search Not
made to include Special Assessments.

SEARCH: A. E. Anding, A. E. Anding, Sr., and S.&A. Corporation.

Judgments during the last ten years: None.

Mechanic Liens during the last three years: None.

Delinquent Income Taxes: None.

Federal Tax Liens: None.

Old Age Assistance Liens during the last 10 years: None.

APPENDIX A (Continued)

Bankruptcy Proceedings have not been checked.

Search Not made to include Chattel Mortgages and Financing Statements.

Dated at Richland Center, Wisconsin, this 9th day of April, 1987 at
8:00 A.M.

RICHLAND COUNTY ABSTRACT CORPORATION
BY:

G. Gordon Hampton
G. Gordon Hampton, President

APPENDIX A (Continued)

150

WARRANTY DEED. STATE OF WISCONSIN—FORM No. 9

NUMBER 118712

This Indenture, Made by A. Keith Brewer, an unmarried man,

grantor of Washington, D.C.

S. A. Corporation, a Wisconsin Corporation,

grantee of IOWA County, Wisconsin, for

the sum of ---Eighteen Thousand Dollars-----

the following tract of land in Richland County, State of Wisconsin:

-----Lot Number Two (2), Lot number Three (3), the West sixty-six (66) feet of Lot Number One (1), and the West sixty-six (66) feet of Lot Number Four (4), all in Block Number Thirteen (13), of the Original Plat, City of Richland Center,-----

Nineteen Dollars and Eighty Cents (\$19.80) of Revenue Stamps affixed and Cancelled.

IN WITNESS WHEREOF, the said grantor has hereunto set his hand and seal this 13 day of June, A. D., 1955.

Signed and Sealed in Presence of

Sue M. Imirie

Sue M. Imirie

Lillian H. Phillips

Lillian H. Phillips

STATE OF MARYLAND

COUNTY OF MONTGOMERY

District of Columbia

City of Washington

Personally came before me, this 13th day of June, A. D., 1955.

the above named A. Keith Brewer,

to me known to be the person who executed the foregoing instrument and acknowledged the same.

Received for Record this 29th day of June, A. D., 1955, at 11:40 o'clock A. M.

William W. Blackburn Register of Deeds.

Deputy.

SEAL

Sue M. Imirie

Sue M. Imirie - Notary Public

Washington, District of Columbia

My Commission Expires May 6, 1957

Volume 103 of Deeds page 152.

VOL 139 PAGE 48

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APPENDIX A (Continued)

DOCUMENT NO. 160342	VOL 140 PAGE 13	STATE BAR OF WISCONSIN - FORM 1 WARRANTY DEED THIS SPACE RESERVED FOR RECORDING DATA
THIS DEED, made between <u>Earl M. Ewing</u>		REGISTER OF DEEDS OFFICE Richland County, Wis. RECEIVED FOR RECORD THIS <u>25th</u> DAY OF <u>May</u> A.D. 19 <u>76</u> <u>4:25</u> O'CLOCK <u>P.</u> M., AND RECORDED IN VOL. <u>140</u> OF <u>Deeds</u> PAGE <u>13</u> <u>William H. Black</u> REGISTER
and <u>A. E. Anding</u> Grantor		
Grantee,		
Witnesseth, That the said Grantor for a valuable consideration		
conveys to Grantee the following described real estate in <u>Richland</u> County, State of Wisconsin:		RETURN TO <u>Fowell & Kasper</u>
The East one-half (E½) of Lots One (1) and Four (4) in Block Thirteen (13), in the City of Richland Center as laid out and platted by Ira S. Haseltine, June 6, 1851 on the Northwest Quarter (NW¼) of Section Number Twenty-one (21), Township Number Ten (10) North, Range Number One (1) East, Richland County, Wisconsin		
TRANSFER <u>\$20.00</u> FEE Represents "boot" in exchange of properties as per Vol 140 of Deeds on pages 14 & 15 WJB		
Together with all and singular the hereditaments and appurtenances thereunto belonging or in any wise appertaining; And <u>Earl M. Ewing</u> warrants that the title is good, indefeasible in fee simple and free and clear of encumbrances except		
and will warrant and defend the same.		
Executed at <u>Richland Center, Wis.</u> this <u>25th</u> day of <u>May</u> , 19 <u>76</u> .		
SIGNED AND SEALED IN PRESENCE OF <u>Earl M. Ewing</u> (SEAL) <u>Earl M. Ewing</u> (SEAL) (SEAL) (SEAL)		
Signatures of <u>Earl M. Ewing</u> authenticated this <u>25th</u> day of <u>May</u> , 19 <u>76</u> <u>Ralph W. Fink</u> Title: Member State Bar of Wisconsin Other Party Authorized under Sec. 706.06 vis.		
STATE OF WISCONSIN } ss. County. } Personally came before me, this _____ day of _____, 19____, the above named _____ to me known to be the person _____ who executed the foregoing instrument and acknowledged the same.		
This instrument was drafted by <u>R. W. Fink</u> FINK AND FINK ATTORNEYS AT LAW RICHLAND CENTER, WIS 53581 The use of witnesses is optional.		
Notary Public _____ County, Wis. My Commission (Expires) (Is) _____		

APPENDIX A (Continued)

142346

VOL 72 PAGE 521

REGISTER OF DEEDS OFFICE
Richland County, Wis.

RECEIVED FOR RECORD THIS 25th

DAY OF Nov. A.D. 1967

10:50 O'CLOCK A.M. AND RECORDED

IN VOL 72 OF Integ. PAGE 21-526

William L. Blakburn REGISTER

National Guardian Life
Insurance Company
Madison 1, Wisconsin

Real Estate Mortgage

Know All Men, That A. E. Anding and Beryl Ann Anding, his wife, of Arena
Wisconsin, and The S. & A. Corporation, a Wisconsin Corporation, and Anding
Realty Company, a Partnership
of Madison, Wisconsin, hereinafter (whether one or
more in number) called the mortgagor, in consideration of the sum of Nine Hundred Twenty-Three
Thousand Four Hundred Fifty-Six and 49/100-----(\$923,456.49)-----Dollars
in hand paid by National Guardian Life Insurance Company, a Wisconsin Corporation located at and whose post-
office address is Madison 1, Wisconsin, mortgagee, the receipt whereof is hereby acknowledged, does hereby grant,
bargain, sell and convey to the mortgagee, the following described real estate, together with the privileges, her-
editaments and appurtenances thereunto belonging, and all of the rents, issues and profits thereof, including (but
without limitation by reason of specification) all fixtures, machinery and equipment now or hereafter affixed or
connected to said real estate, all of which shall be deemed to be accessions to the freehold and part thereof, in
County Wisconsin

the premises described as Parcels I-IV, inclusive and more particularly
described in Schedule A attached hereto and made a part hereof, said
premises being located as follows:

Parcel I	Florence Township, Stephenson County, Illinois
Parcel II	City of Madison, Dane County, Wisconsin
Parcel III	City of Richland Center, Richland County, Wisconsin
Parcel IV	City of Madison, Dane County, Wisconsin

The mortgagee may collect a "late charge" not to exceed four per centum (4%) of any installment when paid more
than ten (10) days after the due date thereof to cover the extra expense in handling delinquent payments.

APPENDIX A (Continued)

VOL 72 PAGE 526

Parcel III - Lot Two (2), Lot Three (3), the West 66 feet of Lot One (1) and the West 66 feet of Lot Four (4), in Block Thirteen (13), in the City of Richland Center as laid out and platted by Ira S. Haseltine, June 6, 1851 on the NW 1/4 of Section Number 21, Township Number 10 North, Range Number 1 East, Richland County, Wisconsin.

Parcel IV - Lot One (1), Block One (1), Quaker Heights formerly in the Township of Blooming Grove, now in the City of Madison, Dane County, Wisconsin.

Subject to Easements to Town of Blooming Grove as set forth in Vol. 191 of Misc. Page 244, #719717 and in Vol. 258 of Misc. Page 149, #854427.

~~Parcel V - The North 140' of Lots 8 and 9 in Block 6 of Demeit's Industrial Addition to the City of La Crosse, La Crosse County, Wisconsin.~~

APPENDIX B

ORIGINAL LEASE BETWEEN

A. E. ANDING, SR., AND THE S & A CORPORATION

AND

PIGGLY WIGGLY DAIRYLAND, INC.

AND

ITS ASSIGNEES

APPENDIX B

Piggly
Wiggly

SHOPPING CENTER LEASE

211 West 2nd St
3-1-1

THIS INDENTURE, entered into and executed in duplicate this 2nd day of November

19 76, by and between

*A. E. ANDING (and Beryl A. Anding, wife of A. E. Anding, joining herein solely to bar her dower interest and any other interests that she may have in the premises to the terms hereof), of Arena, Wisconsin, of Arena, Wisconsin
*ANDING REALTY, a partnership consisting of A. E. Anding, Alfred E. Anding and Larry J. Anding as co-partners, with offices at Arena, Wisconsin,
*THE S & A CORPORATION, a corporation duly organized and existing under and by virtue of the Laws of the State of Wisconsin, with principal offices at Arena, Wisconsin,

(*delete as required)

party of the first part, hereinafter referred to as the "Lessor" and Piggly-Wiggly Dairyland, Inc.
A. Wisconsin corporation
of Prairie du Chien, Wis., party of the second part, whether one or more, hereinafter referred to as the "Tenant",

WITNESSETH:

WHEREAS, the Lessor is the owner of an existing food store building and parking lot in the City of Richland Center
State of Wisconsin at 249 West Seminary Street, Presently leased by Tenant XXXXXX
and,

Lessor acquiring additional land and is presently constructing
WHEREAS, the said Center has been or will be XXXXXX in the manner shown on XXXXXX
an addition to Tenant's store said additional store as well as the existing store, which
WHEREAS, the Tenant is desirous of leasing XXXXXX
XXXXXX are hereinafter referred to as the "demised premises",

NOW THEREFORE, in consideration of the covenants and agreements hereinafter set forth to be kept and performed by both parties, the Lessor does hereby lease, let and demise unto the Tenant and the Tenant does hereby take from the Lessor the demised premises described above.

TO HAVE AND TO HOLD the demised premises unto the Tenant for a term of approx. 11 years, commencing on the first day of the month following the day the Tenant's rental obligation commences pursuant to Paragraph 3 of this lease and ending Dec. 31, 198
XXXXXX unless extended or sooner terminated as hereinafter provided. The parties agree to execute a supplemental document indicating the beginning XXXXXX dates of this lease, when determined.

1. LESSOR'S WORK

The Lessor covenants and agrees to do such of the work set forth on Exhibit "B" as is indicated thereon and that the said work will be substantially completed on or about November 1, 1976

If the Lessor's work is not substantially completed as of that date, such fact shall not invalidate this lease and no rights hereunder shall thereby become impaired, nor shall the Lessor be liable for any damages by reason of delays for any cause in completing such work, but the rentals herein reserved shall abate until said work is substantially completed, with the commencement and expiration dates of the term hereof being adjusted accordingly so as to provide for the full lease term as hereinabove prescribed. It is to be foreseen by the Lessor that its work will not be completed on such date the Lessor shall endeavor to give the Tenant at least thirty (30) days advance written notice of the date upon which it is anticipated that such work shall be completed, but failure to give such notice shall not invalidate this lease nor impair any rights thereunder. In the event the Lessor fails to let contracts for the work to be completed by it prior to
the Tenant may cancel this lease upon six (6) months written notice to the Lessor, unless within such six month period the Lessor shall let the contracts for the construction of the work to be done by the Lessor.

By occupying the demised premises as a tenant, the Tenant shall thereby conclusively be deemed to have accepted the same and to have acknowledged that the demised premises are in the condition required by this lease. In the event of a dispute, the certificate of Lessor's architect or engineer that the Lessor's work has been done in accordance with the terms of this lease shall be conclusive.

Notwithstanding any provision of the lease to the contrary, the Lessor may without consent of the Tenant, make such variations in the Lessor's work described in Exhibit "B" hereunto annexed as it may deem desirable, appropriate or necessary for the development of the Shopping Center, but such changes shall not materially alter the general appearance or amount of the Tenant's floor space nor substantially change the interior arrangement of the demised premises.

2. TENANT'S WORK

The Tenant covenants and agrees to do such of the work set forth on Exhibit "B" as is indicated thereon and shall at its own expense, provide and install upon the demised premises, in a first class, workmanlike fashion, and in a manner approved by the Lessor, electrical fixtures; interior partitions within the lease areas; light coves and other ceilings not standard to the project; floor coverings; interior painting and decorating; trade fixtures and furnishings; display window backs, display window floors, display window ceilings, and display window lighting fixtures; plumbing fixtures within the lease premises (except such as Lessor is required to install); refrigeration equipment, compressors, coils and controls for summer air conditioning.

Any openings or holes in the roof or walls not provided in the original construction of the building of which the leased premises are a part and which may be required for the use of Tenant's business, shall be cut only by a contractor approved by the Lessor and no other. The patching and flashing of all such openings shall be done by a contractor approved by the Lessor and no other. The Tenant nonetheless shall be liable for any damage resulting from such openings as aforesaid.

APPENDIX B (Continued)

No changes shall be made in Tenant's work in Exhibit "B" except upon written consent of both Lessor and Tenant and any additional expenses resulting from changes as are requested by Tenant and approved by both parties shall be paid by Tenant upon demand.

In the event of a dispute, the Lessor's architect or engineer shall determine whether the Tenant's work has been done in accordance with the terms of this lease and his decision shall be conclusive. All such Tenant's work shall be done by it on or before 60 days after completion of Lessor's work.

The Tenant agrees to open for business not later than sixty (60) days after the Lessor's work shall have been completed ~~and shall cooperate with the Lessor in the joint opening of the Center to dealers.~~

In the performance of the work in or about the premises, either before or after the commencement of the term, the Tenant will employ only such labor as will not cause any conflict or controversy with any labor organization representing trades performing work for the Lessor, its contractors or sub-contractors, ~~and about the Shopping Center or any part thereof, including the premises herein leased.~~

3. ACCRUAL OF RENTAL OBLIGATION

The Tenant's obligation for payment of rentals herein reserved shall accrue as of the date upon which the Tenant shall have opened the demised premises for the conduct of its retail business, but not later than sixty (60) days subsequent to the date upon which the Lessor shall have given written notice to the Tenant that the Lessor has completed its work. In the event the aforesaid obligation for payment of rentals herein reserved shall accrue other than on the first day of a calendar month, all rentals applicable to such fractional month shall be paid pro rata with the monthly installment for the first full month next succeeding ~~the date the Tenant fails to open for business within the time provided in Article 3 of this lease.~~ In the event, the Tenant agrees to pay to the Lessor, as liquidated damages, in addition to the rent reserved herein, the sum of (\$) Dollars per day for each day's delay unless such delay is caused by acts of God, war or governmental de-

4. LEASE YEAR

The term "Lease Year" as used herein shall mean a period of twelve (12) consecutive calendar months, the first of which lease years shall commence January 1, 1977 ~~on the first day of the month of January, 1977.~~ Subsequent lease years shall run consecutively, each commencing upon an anniversary of the commencement of the first lease year. Any portion of the term of this lease commencing prior to the first full lease year or after the expiration of the last full lease year shall be deemed a partial lease year.

5. PAYMENT OF RENTALS

(See Paragraph 38 A for FIXED RENTAL provisions)

The Tenant covenants and agrees to pay the Lessor at its office or at such other place as the Lessor may from time to time designate in writing, rentals for the demised premises as follows:

~~FIXED RENTAL: A fixed annual minimum rental herein called "fixed rental" of (\$) Dollars, payable in equal monthly installments on the first day of each and every month, in advance, during the demised term of this lease or any extension thereof. The first monthly installment of the fixed rental shall become due and payable as prescribed in Article 3 hereof, and shall include the proportion of such rental for the fractional month of any preceding~~

EARNED RENTAL: In addition to the fixed rental hereinabove required to be paid, the Tenant shall pay to the Lessor one & one-quarter (1.25%) (hereinafter called the "percentage") of all gross sales made by the Tenant on or upon the demised premises in each lease year in excess of TWO Million (\$2,000,000.00) Dollars (which sum is hereinafter referred to as "Quota Sales"). Earned rental for partial lease years shall be prorated.

~~The Tenant shall furnish to the Lessor, on or before the fifteenth (15) day of each month by registered mail, an accurate and correct statement, duly certified by the Tenant, reflecting the amount of gross sales made upon the demised premises by the Tenant for the preceding month. The aforesaid certified statement for the first full month of the lease year shall include gross sales for the preceding fractional month if the Tenant's initial obligation for payment of rentals herein reserved shall have accrued other than on the first day of a calendar month, and the earned rental for the first month shall be computed accordingly. The Lessor shall have the privilege, at its option of examining the books and records of the Tenant in order to determine the gross volume of business conducted on the demised premises during the term of this lease.~~

The Tenant shall pay to the Lessor annually "percentage" of the gross sales made in such year in excess of four (4%) of the "quota sales" as defined above.

Within thirty (30) days after the close of each lease year, the Tenant shall deliver via U.S. certified mail an annual statement to the Lessor showing the total of all gross sales made upon the demised premises by the Tenant during the lease year, which annual statement shall be duly verified by a qualified officer of the Tenant and by a recognized qualified independent auditor, and an annual adjustment shall be made of the amounts required to be paid as fixed rental or earned rental.

By the term "gross sales" as used herein is meant the aggregate of all ~~retail~~ sales of every kind, type, and description, and services performed for patrons, whether for cash or for credit, made in, upon, or from the demised premises by the Tenant or by any sub-lessee, licensee, concessionaire, or other occupant of part or all of said demised premises, or resulting from the conduct of the business upon the demised premises, or all orders taken in or from the leased premises though filled elsewhere, or orders resulting from mail or telephone, or procured from the leased premises by house to house or other types of canvassing or resulting from inquiry directed to the leased premises, but deducting therefrom credits, allowances, and refunds arising by virtue of the return of merchandise by customers or refunds made in the normal or usual conduct of said business, and excluding likewise therefrom such taxes, federal or state, which the Tenant may collect for and on behalf of any governmental unit, which taxes are not included in the sales price of the merchandise. Refunds for deposits shall likewise be credited against gross sales, provided that the deposits shall have originally been included therein.

Each sale made upon installment or credit shall be treated as a sale for the full price in the month in which such sale shall be made, irrespective of the time when the Tenant shall receive either, complete or partial payment from its customer.

The term "gross sales" shall not include the mere exchange or transfer of merchandise between the stores of the Tenant, if any, where such exchanges or transfers of merchandise are made solely for the convenient operation of the business of the Tenant and not for the purpose of consummating a sale made at, in or upon the leased premises, or for the purpose of depriving the Lessor of the benefit of a sale which would otherwise be made at, in, from or upon the said leased premises.

If any audit made on behalf of the Lessor discloses an error in any statements furnished by the Tenant establishing a deficiency in sales reported, in an amount equal to or greater than one percent (1%) of the actual sales disclosed by such audit, the Tenant shall pay the costs of any such audit as well as any deficiency in earned rental. In the event such audit shall disclose an error of three percent (3%) or more of sales reported, then, in addition to the cost of such audit, the Tenant agrees to pay as liquidated damages for such under-reporting three (3) times the deficiency of earned rental so disclosed, and the Lessor may, at its option, upon ten (10) days notice after discovery of such deficiency cancel and terminate this lease.

APPENDIX B (Continued)

The Tenant agrees to keep full, true, and accurate accounts, records and books of all purchases, sales, inventory, credits, and all other information reasonably necessary or pertinent to determining the rentals due from the Tenant to the Lessor from receipts as above defined, all of which accounts, records, and books shall be kept by the Tenant at a place reasonably available for the Lessor's inspection, and which records the Tenant need not keep for longer than three years. All information which the Lessor may obtain from the examination of the Tenant's records shall be kept strictly confidential except as revelation thereof may be necessary to enforce the provisions of this lease.

ADDITIONAL RENTAL: In addition to the fixed rental and the earned rental hereinbefore required to be paid, the Tenant shall pay, as part of the consideration for this lease, such additional rental as is hereinafter required. Such additional rental may be estimated and billed monthly by the Lessor, and in such cases the same shall be adjusted annually. Such additional rental shall be paid by the Tenant within ten (10) days after billing.

6. PARKING FACILITIES AND COMMON AREAS

Lessor agrees that, at such time as Tenant should build other stores on this or contiguous land for lease, it will include in the terms and conditions of their leases that the lessees

Tenant

The Lessor shall furnish parking facilities of concrete, cement compound, or bituminous surface in such area and in such location as Lessor may determine and may vary or alter the common area shown on Exhibit "A". Such parking facilities and all landscaped and vacant areas, passageways for trucks, ~~avenues, malls, roads, walks, corridors, ~~public wash rooms, comfort rooms, lounges, drinking fountains, toilets, stairs, escalators, elevators, ramps, shelters, porches, bus stations, and loading docks, if any, and all space within the Shopping Center that is not designated for rental to or for the exclusive use of tenants, whether enumerated above or not, are herein referred to as the "common area".~~~~ Such common area shall be available to tenants, their customers and invitees under a revocable license and not as a part of the demised premises. The Lessor shall maintain the common area in good condition and repair and the Tenant agrees to pay upon demand, but no later than once each calendar month, as additional rental (which additional rental may be estimated by the Lessor subject to adjustments in future billings to the Tenant), a proportionate share of the cost of managing and operating the common area, including, but not limited to lighting, cleaning, removing snow, heating, sewer charges, water charges, air conditioning, decorating, policing, insuring against casualties, injuries, and damages which may occur in such common area, properly maintaining the common area, ~~and a reasonable allowance for depreciation and maintenance of equipment used in the care of the common area, and a reasonable allowance for the administration of the care and maintenance of said common area,~~ in the ratio which the number of square feet of floor area included in the leased premises bears to the number of square feet of rented floor area included in the buildings comprising the Shopping Center. The cost of maintaining and operating the common area shall not include real estate taxes, special taxes, special assessments nor the cost of any capital improvements made thereto, all of which shall be paid for by the Lessor, except as may be hereinafter provided.

The Lessor expressly reserves the right to temporarily close portions of the common area to prevent the acquisition of public rights in such area or for any other reason, and to promulgate from time to time reasonable rules and regulations relating to the use of the common area or any part thereof, including the right to designate locations for parking of tenant employee vehicles, or to prohibit such employee parking entirely.

Said rules and regulations may be amended from time to time by the Lessor with or without advance notice and all such amendments shall be effective upon delivery of a copy thereof to the Tenant. For the enforcement of said rules and regulations, the Lessor shall have available to it all remedies in this lease provided for a breach thereof and all legal remedies, whether or not provided for in this lease, at law or in equity, including a cancellation of the license to use the common areas. If the Lessor shall require the payment of any fee or charge by the general public for parking in said Shopping Center, then during any period in which such a charge is made the revenue derived from all such fees and charges shall be applied on said cost of operation and maintenance before any apportionment among the tenants of said Shopping Center of additional

7. LESSOR'S RIGHT TO ALTER PLOT PLAN

The Lessor reserves the right to change building perimeters, add buildings, driveways, malls or other structures, and to make any other changes it desires in and about the Shopping Center, provided only that reasonable access to the Tenant's premises is provided and maintained. The Lessor makes no representation as to the identity of other tenants in the Shopping Center and said tenants may be changed from time to time. It is agreed that Exhibit "A" attached hereto shows only approximate location of the buildings and improvements in the Shopping Center and that Tenant's consent is not needed for any revision, extension, contraction or change therein.

8. UTILITIES

The Tenant shall be responsible for all water, heat, gas, electricity, air conditioning, and power used by it. The Tenant shall pay any sewer charge which any municipality or public or private utility may levy for furnishing sewerage services. The Lessor shall provide the Tenant with separate meters, sub-meters, or other accurate measuring devices, to which no jointly used facility shall be connected, for all services which are not billed to the Tenant on a fixed monthly or annual charge. In the event the Lessor shall elect to furnish any such service, the Tenant shall accept and use the same; provided, however, that the Tenant shall not be required to pay any more for such service so rendered than if the said Tenant purchased the same, in the same quantity, from any local public utility furnishing the same to the said Shopping Center. The Lessor shall have the right to terminate such service, or any of them, on thirty (30) days prior written notice, provided there shall be available a substitute service from a public utility or otherwise. If the Lessor undertakes to furnish such service, or any of them, it shall not be responsible for any damages resulting from the interruption of such service for any cause whatsoever.

heating and air conditioning units, and any replacements to such mechanical systems

9. REPAIRS

BY THE TENANT: The Tenant shall maintain, replace, and keep in good repair the interior portions, entrances, and plate glass of the demised premises at its own expense and shall upon the expiration of the initial term of this lease or any extension thereof, deliver up the premises in as good condition and repair as received, reasonable wear and tear and damage by fire or other casualty excepted; it being understood that the obligation of the Tenant to perform repairs to the interior portion of the demised premises shall include, but not be limited to, the maintenance and repair of all plumbing fixtures and facilities, electrical fixtures, interior walls and partitions, replacement of plate glass which may become broken or cracked during the demised term, interior painting, and the repair of any damage caused to the structural portions (interior or exterior) of the demised premises by reason of its negligence or the negligence of its agents and employees. However, the Tenant shall not be liable for damage to the building of which the demised premises are a part which shall be caused by fire or other hazard covered by the Lessor's insurance and on which insurance the Lessor shall have recovered its full, undepreciated loss for such damage, notwithstanding the fact that such damage may have been caused by the negligence of the Tenant, its agents, employees, or invitees; and the Lessor does hereby expressly release the Tenant of and from liability for such damage so recovered from the Lessor's insurer.

BY THE LESSOR: The Lessor shall perform only such repairs as may be required to maintain, replace and keep in good repair the exterior structural portions of the demised premises, to-wit: foundations, walls, and roof; but the obligation hereby imposed shall not require the Lessor to make any such repairs as may become necessary by reason of negligence by the Tenant, its employees or agents, which repairs shall be made by the Tenant.

10. LESSOR NOT LIABLE FOR DAMAGE

The Lessor shall not be liable for any loss or damage to persons or to the property of the Tenant or of its employees or invitees occasioned by or resulting from defects in electric wiring, plumbing, gas, water heating, sewer or other pipes, or radiator bursting, leaking, running, or stoppage or overflow of any boiler, tank, washstand, tub, toilet, or waste pipe in or upon the said premises, nor for any damage occasioned by water, snow, ice, or anything being upon or coming through the roof, walls, or windows of the demised premises, or by breakage of glass in the show windows or doors or other lites, nor for damage arising from acts or neglect of co-tenants or other occupants of the building or of adjacent or contiguous property nor resulting from failure of Lessor to make any repairs.

APPENDIX B (Continued)

11. USE OF THE PREMISES

The Tenant agrees that it will use the demised premises for the purpose of conducting thereon a food supermarket

in compliance with all applicable laws, ordinances, and regulations of federal, state, and local governments, and for no other purpose without the consent of the Lessor first had and obtained in writing. The Tenant further agrees not to engage directly or indirectly nor through subsidiary or affiliated corporations or other related commercial vehicles in the same or in any similar business within a radius of three (3) miles from the extreme limits of said Shopping Center during the term of this lease and for a period of one (1) year thereafter.

No part of the demised premises shall be occupied or used by any person for any purpose or in a manner so as to increase the insurance risk or prevent the obtaining of insurance, or so that, in accordance with any requirement of law or any public authority, the Lessor shall be obliged to make any addition or alteration to or in the building. No auction, fire, or bankruptcy sales shall be conducted upon the demised premises without the prior written consent of the Lessor.

The Tenant shall continuously and uninterruptedly, during the lease term, occupy and use the entire leased premises for the purpose or purposes herein specified, and shall continuously use not less than 100% of the premises for such purposes, except during any time when the premises may become untenantable by reason of fire or any casualty.

12. CONDUCT OF BUSINESS, SIGNS, AND MERCHANTS' ASSOCIATION

~~The Tenant shall not erect, display, or affix any sign, shade, awning, fence, antenna, or any device or structure, whatsoever to, upon, or above the exterior of the demised premises nor upon the building in which the demised premises are situated nor upon the show windows of the leased premises, nor upon the exterior walls or roof thereof, without, in each instance, the consent of the Lessor first had and obtained in writing.~~

Any sign or fixture permitted to be installed must comply with the general architecture and control standard established for the Shopping Center, shall be kept in good operating condition and repair at the expense of Tenant.

The Tenant shall conduct its business in good faith and shall not divert any business from the leased premises to other premises owned or operated by the Tenant.

The Tenant shall not use any advertising medium that shall be a nuisance to the Lessor or other tenants, such as loudspeakers, phonographs, or radios broadcast in a manner to be heard outside of the demised premises.

All display windows and electrical signs shall be in operating condition prior to the opening of the Center and thereafter shall be kept well lighted during such times as the Lessor may from time to time determine, and the Tenant shall keep the demised premises open for business at least six (6) days a week (except holidays) at least eight (8) hours per day, and at such opening and closing hours as may be established by the Lessor according to the rules to be established for the operation of the Center.

The Tenant shall not change its advertised name of Piggly Wiggly now used by it without the written consent of the Lessor first had and obtained in writing.

The Tenant shall conduct its business in a lawful manner and in good faith, so that the Lessor will at all times receive the maximum amount of rental from the operation of the Tenant's business on and from the demised premises, consistent with sound business judgment. The Tenant shall maintain on the premises a substantial stock of goods, wares, and merchandise and equipment adequate to assure successful operation of the Tenant's business, and shall employ clerks, salesmen, and others sufficient for the service and convenience of customers and shall do such advertising as is generally consistent with the standard practice in the Tenant's business.

The Tenant agrees during the term of this lease or any renewals thereof, to carry and maintain and pay for fire and extended coverage insurance on its inventory, fixtures, leasehold improvements and sign, to the reasonable value thereof. Such insurance shall be written in insurance companies approved by the Lessor and which insurance shall waive any subrogation rights against the Lessor. The Tenant shall furnish the Lessor with certificates of such insurance.

The Tenant shall not carry any stock of goods or do anything in or about the demised premises which will in any way impair or invalidate the obligation of any policy of insurance relating thereto or to the building in which the said premises are situated. The Tenant agrees to pay upon demand, as additional rent, any increase in insurance premiums resulting from the business carried on in the demised premises by the Tenant, whether or not the Lessor has consented to the same. If the Tenant installs any electrical equipment which overloads the electrical facilities, it shall, at its own expense, make whatever changes are necessary to comply with the requirements of the insurance underwriters and governmental authorities having jurisdiction, but no such changes shall be made by the Tenant until it first submits to the Lessor plans and specifications for the proposed work and obtains the Lessor's written approval to perform the same. ~~The Tenant shall not display any merchandise outside of the leased premises nor obstruct any sidewalk, mall or passageway.~~

~~The Tenant agrees to cooperate in forming and maintaining an effective Merchants' Association among the tenants of the Shopping Center and shall join said Association, and to use its best efforts to develop an effective joint promotional and public relations program for the benefit of all the merchants in said Shopping Center. The Tenant hereunder shall obtain and maintain membership in said Association during the term of this lease or any extension thereof, and shall join in all advertising of such Association. The failure of the Tenant to pay dues and assessments which may be levied by such Merchants' Association shall, at the option of the Lessor, be deemed to be a breach of the conditions of this lease and the same may be cancelled pursuant to the default provisions of this lease, or at Lessor's option, such dues and assessments may be paid by Lessor to the Merchants' Association and the amounts thereof so paid shall constitute additional rental under the provisions of this lease.~~

The Tenant shall advertise simultaneously as to time and medium, all such items and sales as Tenant may advertise or promote in any other establishment which the Tenant may operate in County and which advertisement shall make prominent reference to the Shopping Center in which the premises herein demised are located.

13. COVENANT TO HOLD HARMLESS AND PUBLIC LIABILITY INSURANCE

The Tenant agrees to indemnify and save the Lessor harmless against and from any and all claims, damages, costs, and expenses, including reasonable attorney's fees, arising from the conduct or management of the business conducted by the Tenant on the demised premises. It is further understood and agreed that the Lessor shall not be liable, and the Tenant waives all claims, for damage to person or property sustained by the Tenant, its employees or agents, resulting from the condition of the building in which the demised premises are situated, the demised premises proper, or any equipment or appurtenance; or such as may result from any accident in or about said building or the demised premises or which may result directly or indirectly from any act or neglect of any other tenant in said Shopping Center. The Tenant agrees to carry and pay the premiums for public liability insurance, insuring itself and the Lessor against injury to property, person, or loss of life arising out of the use and occupancy of the demised premises, with limits of at least \$50,000.00 property damage, \$100,000.00 for one person, and \$300,000.00 for any number of persons injured or killed in any one accident, and shall furnish to the Lessor as may be requested from time to time, a certificate of said insurance.

Such policies of insurance shall not be cancelled, discontinued, or altered without ten (10) days written notice to the Lessor. Such policies of insurance shall consent to the waiver of subrogation hereinabove set forth.

APPENDIX B (Continued)

14. **PARTIAL OR TOTAL DESTRUCTION OF THE PREMISES** In the event the demised premises shall be damaged or partially destroyed by fire or the elements to the extent of less than one-third (1/3) of the cost of replacement thereof above foundation, the same shall be repaired as quickly as is practicable, by and at the expense of the Lessor. If such damage or partial destruction shall be of such character so as to require the tenant to discontinue business therein, the fixed rentals provided for herein shall abate from the date of such closing until the premises are again ready for occupancy.

In the event the said premises are totally destroyed by fire or the elements, which total destruction shall be construed to mean damage to an extent of more than one-third (1/3) of the cost of replacement thereof above foundation, rentals shall be paid up to the time of such destruction and the Lessor may, at its option, cancel this lease and shall be under no obligation or duty to rebuild.

If the Lessor shall undertake to restore or repair the demised premises, it shall initiate and pursue the necessary work with all reasonable dispatch, in a manner consistent with sound construction methods, but it shall not be liable for any delays or interruptions occasioned by strikes, casualties, critical materials in short supply, governmental regulations, or any other causes beyond its control. Following the restoration of the premises or completion of repairs thereto, possession and occupancy of said premises shall be tendered to the Tenant and rental shall commence and accrue as of that date; whereupon this lease shall continue unabated.

15. **PARTIAL DESTRUCTION OF SHOPPING CENTER** If more than one-third (1/3) of the rentable space in the entire Shopping Center is damaged by fire or other hazard, and the Lessor determines not to rebuild or repair said damage, then at Lessor's option, this lease may be terminated by Lessor upon ten (10) days written notice to Tenant and thereupon this lease shall end and Tenant shall surrender possession.

16. **SUBORDINATION** At the Lessor's option, this lease shall be and is subordinated to any existing mortgages covering said premises, any extension or renewal thereof, or to any new mortgages which may be placed thereon from time to time; provided, however, anything to the contrary contained herein notwithstanding, every such mortgage shall recognize the validity of this lease in the event of a foreclosure of the Lessor's interest as long as the Tenant shall not be in default under any of the terms of this lease. The Tenant shall execute whatever instruments may be required to effect such subordination.

17. **NOTICES** Whenever in this lease it shall be required or permitted that notice be given by either party hereto to the other, such notice shall be forwarded by U. S. certified mail addressed as follows:

TO THE LESSOR: A. E. Anding The S & A Corporation
Arena, Wis. and to 3310 University Avenue, Madison
 TO THE TENANT: Commerce Court 53
Prairie du Chien, WI 53821

or to such other place as the parties may designate in writing.

It is further agreed that either of the parties hereto will promptly submit a copy of any notice received by such party from any third person affecting the rights of either party under this lease.

18. **TRADE FIXTURES** The Tenant may ~~install~~ fixtures, equipment, and appliances for the conduct of its business upon the demised premises, and shall be permitted to make such installation as soon as practicable without hindering construction; but the Lessor shall have no responsibility or liability whatsoever for any loss or damage to the fixtures, equipment or appliances so installed or left on the premises during the course of construction. The Tenant agrees not to create, or suffer others to create, any lien or obligation against the premises or the Lessor by reason of the authorized installation aforesaid, and, further, to hold the Lessor harmless of and from all claims and demands of third persons in any manner relating to such installation or to the Tenant's occupancy of the demised premises for such purpose.

~~The aforesaid fixtures, equipment, and appliances may be affixed to the building and the Tenant may remove the same at will and shall remove the same at the Lessor's request, provided, however, that all damage thereby incurred to the building or the demised premises shall be repaired by and at the expense of the Tenant; and provided, further, that the Tenant is not then in default under any of the conditions and provisions of this lease, in which latter event the Lessor shall have a lien consonant with a chattel mortgage on such fixtures, equipment, and appliances, and the Tenant shall not remove said fixtures, equipment, or appliances until the default issue shall have been resolved or satisfied.~~

~~The Tenant agrees not to install any used or second hand fixtures, display cases, racks, or similar equipment in or about the leased premises during the term of this lease, and agree that it will install only such fixtures and equipment as shall be approved in writing by the Lessor.~~

19. **EMINENT DOMAIN** In the event the demised premises shall be condemned or taken by Eminent Domain by any authority having the right of Eminent Domain, or if purchased by such authority in lieu of condemnation of said premises, then the term of this lease shall cease and terminate as of the date title vests in the condemnor and all rentals shall be paid up to that date, and the Tenant shall have no claim against the owner for the value of any unexpired term of the lease.

In the event part of the demised premises shall be taken by Eminent Domain by any authority having the right of Eminent Domain, or if purchased by such authority in lieu of condemnation of said premises, and such purchase or taking shall render the remainder of the demised premises unsuitable for the business of the Tenant, then the term of the lease shall cease and terminate at the same time and in the same manner as if the entire demised premises had been taken.

In the event a partial taking of the demised premises does not render the remainder of the demised premises unsuitable for the business of the Tenant, then the Lessor shall promptly restore the leased premises to a condition reasonably comparable to the condition of the demised premises at the time of the commencement of such condemnation proceedings and thereafter this lease shall continue in force without diminution of rental.

If the entire Parking Area of the Shopping Center of which the demised premises are a part, shall be acquired or taken by Eminent Domain, then this lease shall cease and terminate in the same fashion and at the same time as if there were a total taking of the demised premises unless the Lessor shall provide Parking Areas within ninety (90) days from the date the Parking Areas are acquired by the condemnor to the extent of at least seventy-five (75%) percent of that taken.

If any part of the Parking Area of the Shopping Center shall be condemned, and if, as a result of such condemnation the Parking Area shall be reduced to less than fifty (50%) percent of the Parking Area, the term of this lease shall end unless the Lessor shall, within six (6) months after taking of such area provide parking space so as to increase the parking area to at least seventy-five (75%) percent of its former area.

In the event the entire Shopping Center or more than one-third (1/3) thereof shall be condemned or taken by Eminent Domain by any public authority having the right of Eminent Domain, or if purchased by such authority in lieu of condemnation of such premises, then, at the option of the Lessor, this lease shall terminate and the Tenant shall surrender the possession of the premises.

APPENDIX B (Continued)

In any event the Tenant shall have no interest in any award resulting from any condemnation, except for such items in the award which may have been installed and paid for the Tenant, and for which items the Tenant has not been reimbursed by the Lessor.

Tenant hereby grants to Lessor the right to give, and consents to the assignment to appropriate governmental units, temporary easements for the construction or repair of adjacent roadways, roadway improvements or other special improvements.

20. **WARRANTY OF QUIET POSSESSION** The Lessor hereby warrants and covenants that it has full authority to execute this lease, and further agrees that the Tenant, on paying rent and performing the covenants and conditions of this lease, may have and shall quietly have, hold, and enjoy the demised premises during the term hereof.
21. **RENT DEFAULTS** It is mutually agreed that, in the event the Tenant shall default in the payment of rentals when due, the Lessor may forward written notice of such default by U.S. Certified Mail, addressed to the Tenant as hereinbefore set forth, and failure on the part of the Tenant to cure such default within ten (10) days after the date of mailing of said notice, shall, at the option of the Lessor, work a forfeiture of this lease. In case the Tenant so continues the default of any rental payment due after notice, the Tenant shall not be released of any liability for rent hereunder by reason of the Lessor's repossession of the demised premises or by the Lessor's taking any other legal proceedings available to it upon such default. Nor shall a forfeiture of this lease release the Tenant from continuing liability for the payment of rent as herein provided.
22. **OTHER DEFAULTS** It is mutually agreed that in the event the Tenant shall default in any of the terms and provisions of this lease other than payment of rent, the Lessor may forward written notice of such default by U.S. Certified Mail, addressed to the Tenant as hereinbefore set forth, and the Tenant agrees that if it be in default as set forth in such notice it will cure such default within twenty (20) days after the date of mailing of such notice (or in the event such default is of such a character as to require more than twenty (20) days to cure, the Tenant will use due diligence to cure such default). And, in the event the Tenant shall fail to cure such default as herein set forth, the Lessor may cure such default and the cost and expense thereof shall be deemed to be additional rent to be paid by the Tenant on the next day when fixed monthly rental shall become due and collectible.

If, however, after due notice to the Tenant of an opportunity to cure the same, the Tenant shall refuse to cure or make good any such default, the Lessor may, at its option, terminate this lease.

Failure to give notice of any default shall not be deemed to be a waiver thereof nor consent to the continuation thereof.
23. **BANKRUPTCY** Neither this lease, nor any interest therein nor any estate thereby created shall pass to any trustee or receiver or assignee for the benefit of creditors or otherwise by operation of law. In the event the estate created hereby shall be taken in execution or by other process of law, or if the Tenant shall be adjudicated insolvent or bankrupt pursuant to the provisions of any state or federal insolvency or bankruptcy act, or if a receiver or trustee of the property of the Tenant shall be appointed by reason of the Tenant's insolvency or inability to pay its debts, or if any assignment shall be made of the Tenant's property for the benefit of creditors, then and in any such events the Lessor may at its option, in addition to the remedies provided herein, terminate this lease and all rights of the Tenant herein, by giving to the Tenant notice in writing of the election of the Lessor so to terminate. The Tenant shall not cause or give cause for the institution of legal proceedings seeking to have the Tenant adjudicated bankrupt, reorganized or rearranged under bankruptcy laws of the United States, and shall not cause or give cause for the appointment of a trustee or a receiver for the Tenant's assets, and shall not make an assignment for the benefit of creditors or become or be adjudicated insolvent. The allowance of any petition under the bankruptcy laws, or the appointment of a trustee or a receiver of the Tenant or its assets, shall be conclusive evidence that the Tenant caused, or gave cause therefor, unless such allowance of the petition, or the appointment of a trustee or receiver, is vacated within thirty (30) days after such allowance or appointment.
24. **CONTINUED LIABILITY FOR RENT** If the Tenant shall abandon or vacate the demised premises before the end of the term of this lease, or shall suffer any installments or rent or other payment to be in arrears, or shall neglect or fail to keep and perform any other provisions or terms of this lease on the part of the Tenant to be kept and performed, the Lessor after notice as hereinabove provided, may enter said premises and remove any signs of said Tenant therefrom, and relet the same as the Lessor may see fit, without thereby voiding or terminating this lease. And if a sufficient sum shall not be realized from such reletting after payment of the expenses of such reletting to equal the monthly rentals stipulated to be paid by the Tenant under the provisions of this lease, plus the Lessor's cost for remodeling such premises for such reletting purposes, plus reasonable fees therefor, then the Tenant agrees to pay said deficiency during each month during the entire term, on demand, it being expressly agreed that no surrender of the demised premises, and no action taken on the part of the Lessor to repossess itself as of its former estate, shall release or relieve the Tenant of its continued liability for the payment of rent, unless such release be evidenced by written consent to the Tenant from the Lessor.

In computing damages for rental due under this lease, the value of earned rental for any period subsequent to the termination of this lease shall be an amount per year equal to one-third (1/3) of the total earned rental paid or payable by the Tenant for the last three (3) full lease years immediately preceding such termination, and if less than three (3) full lease years shall have elapsed, such value shall be an amount per year equal to the average yearly earned rental theretofore paid or payable by the Tenant.
25. **CUMULATIVE REMEDIES** All rights and remedies of the Lessor herein enumerated shall be cumulative and none shall exclude any other right or remedies allowed by law, and such rights and remedies may be exercised and enforced concurrently and whenever and as often as the occasion therefor arises, and failure on the part of the Lessor to enforce any of its remedies in connection with any default shall not be deemed a waiver of such default nor a consent to any continuation thereof.
26. **ASSIGNMENT AND SUBLEASING** The Tenant shall not assign, mortgage nor sell this lease or sublet the premises, or any portion thereof, nor permit any licensee or concessionaire to operate in or use the leased premises without the written consent of the Lessor first had and obtained. The Lessor may accept rent from any person in possession without releasing the Tenant from this covenant. The Tenant may, however, assign this lease to a wholly owned subsidiary of the Tenant, which subsidiary shall assume all of the obligations on the part of the Tenant to be kept and performed, and such assignment shall not release the Tenant from its obligations under this lease. The Lessor's right to assign this lease is and shall remain absolute and unqualified.
27. **HOLDING OVER** In the event the Tenant shall continue to occupy the premises after the expiration of the demised term, or any extension thereof, such holding over shall be deemed to constitute a tenancy from month to month, upon the same terms and conditions as herein provided, and in no event shall the tenancy be deemed to be one from year to year.

APPENDIX B (Continued)

28. **RIGHT TO ENTER AND VIEW** The Lessor or its representatives may enter and view the premises hereby leased for the purpose of examining the same, provided that such entering and viewing shall be done at a time mutually agreeable to the parties and in a manner so as not to unduly interfere with the conduct of the Tenant's business; and the Lessor may, at any time within ninety (90) days prior to the expiration of the demised term or any extension thereof, place upon the demised premises a sign or signs announcing the fact that said premises are available for rental (the composition and dimensions of said signs, as well as the location thereof, to be within the sole discretion of the Lessor).
29. **ALTERATIONS** The Tenant shall make no alterations or additions in, upon, or to the demised premises, or any part thereof, without the consent of the Lessor first had and obtained in writing. In the event such consent be obtained, all such alterations or additions shall be performed at the expense of the Tenant in a first class, workmanlike manner; and the Tenant covenants and agrees not to create, or suffer others to create, any lien or obligation against the premises or the Lessor by reason of the alterations or additions so authorized, and, further, to hold the Lessor harmless of and from any and all claims and demands of third persons in any manner relating to or arising out of such work. All alterations or additions so made by the Tenant shall become part of the realty, as a consequence of which the Tenant, upon the expiration of the demised term or the cancellation thereof, shall have neither the right nor the obligation to remove the same.
30. **SALES RECORDING DEVICES** The Tenant shall install sales recording devices approved by Lessor upon which all sales made in or from the demised premises shall be recorded. Such sales devices shall be of the kind and type which will tabulate all sales made. All records, tapes, sales slips, tabulations, reports, mail orders and other sales information shall be kept available for the Lessor's examination for a period of three (3) years after the close of each lease year.
31. **CORPORATE OWNERSHIP** If the Tenant is a corporation and if at any time during the term of this lease any part or all of the corporate shares of said corporation shall be transferred by sale, assignment, operation of law or other disposition (except transfers by gift, bequest or inheritance) so that the result of such transfer would be the loss of voting control of said corporation by the person or persons owning a majority of said corporate shares at the date of this lease, namely Roy L. George and Ralph Perrott, the Tenant shall notify the Lessor in writing of such changes and the Lessor may terminate this lease at any time after such change in control by giving the Tenant ninety (90) days written prior notice of such termination. This article, however, shall not apply if on the date this lease is executed the Tenant is a corporation, the outstanding common stock of which is listed on a recognized security exchange, or if at least eighty (80%) percent of the Tenant's stock is owned by another corporation, the common stock of which is so listed, nor shall this article apply if fifty (50%) percent or more of the outstanding shares of common stock of the Tenant corporation is owned by fifteen (15) unrelated stockholders. For the purpose of this article, stock ownership shall be determined in accordance with the principles of Section 544 of the Internal Revenue Code of 1954 as the same existed on January 1, 1957, and the term "voting" shall refer to shares of stock entitled to vote for directors of the corporation.
32. **COSTS OF ENFORCEMENT** The Tenant shall pay upon demand all Lessor's costs, charges and expenses, including the fees of counsel, agents and others retained by the Lessor, incurred in enforcing the Tenant's obligations hereunder or incurred by the Lessor in any litigation in which the Lessor, without the Lessor's fault, becomes involved or concerned by reason of the existence of this lease or the relationship hereunder of the Lessor and the Tenant.
33. **GENERAL TAXES** ~~The Tenant shall pay as additional rental a proportionate share of any increase in the general taxes on the~~
(See Paragraph 38 B first full assessment on the land and buildings comprising the Shopping Center, of which the leased premises are a part, in the ratio which the number of square feet of area included in the leased premises bears to the number of square feet of rentable area included in the buildings comprising the Shopping Center. Any additional rental due under this paragraph shall be paid by the Tenant to the Lessor on or before May 1st in the year following such increased assessment. The Lessor shall notify the Tenant of the amount of the first full assessment after the same shall have been determined.)
for GENERAL TAXES provisions)
34. **SPECIAL ASSESSMENTS** The Lessor shall pay all special assessments levied and assessed against the Shopping Center, except such special assessments which may be levied by reason of governmentally owned off-street parking areas. The Tenant agrees to pay as additional rental a proportionate share of such special assessments levied by reason of such governmentally owned off-street parking areas, in the ratio which the number of square feet of area included in the leased premises bears to the number of square feet of the rentable area included in the buildings comprising the Shopping Center. Such additional rental shall be paid on or before May 1st in the year following the levy of such special assessments.
35. **SHORT FORM LEASE** At the option of the Lessor, and upon its demand, a Short Form Lease for recording purposes, in form and content acceptable to the Lessor, and which shall in no way vary or alter the terms of this lease, shall be executed by the parties hereto.
36. **HEADINGS, MISCELLANEOUS, NO OFFSETS, EMERGENCIES, NO PARTNERSHIPS AND NO REPRESENTATION**
 - a. The word "Tenant" when used herein shall be taken to mean either the singular or the plural and shall refer to male or female, to corporations or partnerships, as the case may be, or as grammatical construction shall require.
 - b. The headings of the various articles of this lease are intended only for convenience and are not intended to limit, define, or construe the scope of any article of this lease, nor offset the provisions thereof.
 - c. The covenant to pay rent whether fixed, earned or additional, is hereby declared to be an independent covenant on the part of the Tenant to be kept and performed and no offset thereto shall be permitted or allowed except as specifically stated in this lease.
 - d. In case of an emergency (the existence of which shall be determined solely by the Lessor) if Tenant shall not be present to permit entry, Lessor or its representatives may enter the same forcibly without rendering Lessor or its representatives liable therefor or affecting Tenant's obligations under this lease.
 - e. Neither the method of computation of rent nor any other provision of this lease shall be deemed to create any relationship between the parties hereto other than that of Lessor and Tenant.
 - f. Tenant affirms and agrees that Lessor and its agents have made no representations or promises with respect to the demised premises or the entry into of this lease except as in this lease expressly set forth and that no claim or liability shall be asserted by Tenant against Lessor or its agents for breach of any representations or promises not expressly stated herein.
37. **GUARANTEE ON BEHALF OF TENANT** ~~The sole purpose of guaranteeing the performance of the Tenant hereunder and the payment of rent is the creation of a lien in favor of the Lessor in the real estate premises and the obligation and duty of the Tenant to pay rent.~~

APPENDIX B (Continued)

38. SPECIAL PROVISIONS

A. **FIXED RENTAL:** A fixed annual minimum rental, hereinafter called "fixed rental", of Fourteen Thousand Four Hundred (\$14,400.00) Dollars, plus an amount equal to thirteen (13%) per cent of Lessor's Total Project Cost, payable in equal monthly installments on the first day of each and every month, in advance, during the demised term of this lease or any extension thereof. The first monthly installment of the fixed rental shall become due and payable as prescribed in Article 3 hereof, and shall include the proration of such rental for the fractional month, if any, preceding. Lessor's Total Project Cost is herein defined as the cost to Lessor of the demised premises, including, but not limited by reason of enumeration to, the land acquired in 1975 and 1976 valued at \$79,500.00, cost of demolition of buildings thereon, blacktopping and other site improvements thereto, Lessor's cost of buildings and improvements furnished plus 10% of construction costs for general contracting overhead, site preparation, grading, excavating, paving, blacktopping or other surfacing, surveying costs and engineering or architectural fees or charges, points, discounts, finder's or mortgage placement fees or charges incurred in obtaining construction and permanent mortgage financing of such improvements, interest incurred for construction financing, and property taxes and builder's risk insurance incurred during such construction, but shall not include any management or operating costs or fees, any costs incurred by Lessor on the existing store presently leased to Tenant, or any costs or expenses otherwise paid by Tenant or reimbursed to Lessor by Tenant. As soon as Lessor's Total Project Cost has been determined, Lessor shall certify same to Tenant. Tenant shall be entitled to a reasonable inspection of Lessor's books and records upon request for the purpose of verifying Lessor's Total Project Cost. The parties hereto agree to execute a supplement to this lease to confirm the fixed rental as determined in accordance herewith.

B. **GENERAL TAXES:** The Tenant shall pay direct, or reimburse the Lessor upon invoice therefor, before their due date, the general property taxes assessed on the new building being constructed for Tenant and the land parcel on which it and the additional parking facilities located (the E 1/2 of Lots 1, 4, 6 and 7, Block 13, in the City of Richland Center).

The Tenant shall also pay as additional rental upon invoice therefor any increase in the general real estate taxes over the 1971 net real estate taxes on the land and buildings comprising the balance of the premises.

In the event additional buildings are constructed for lease to other lessees on these or contiguous lands, Lessor shall attempt to have such buildings separately assessed or, if assessed together with Tenant's buildings, Lessor shall attempt to obtain a breakdown of the assessment, and the general taxes assessed as to such additional buildings and land upon which they are constructed shall be borne by Lessor.

C. (See attached sheet)

IN WITNESS WHEREOF, the Lessor and Tenant have both duly executed this lease and affixed their respective seals hereto, all being done on the day and year first above written.

IN THE PRESENCE OF:

James E. Donahue

IN THE PRESENCE OF:

D.E. Travis

*THE S & A CORPORATION

~~XXXXXXXXXX~~

By:

P. E. Anding (SEAL)

*(President)

Attest:

~~XXX~~ Alfred E. Anding, Secretary

(SEAL)

~~XXXXXXXXXX~~ A. E. Anding, individually

~~XXXXXXXXXX~~

PIGGLY WIGGLY DAIRYLAND, INC. (SEAL)

By: John (SEAL)

Attest: John (SEAL)

APPENDIX B (Continued)

C. **OPTION TO EXTEND:** Provided Tenant is not then in default, Tenant shall then ~~have the option to extend~~ this lease for a term of five years on the same terms and conditions as herein set forth, except for this extension option ~~and except for the annual minimum fixed rental which shall be determined as hereinafter set forth.~~ To exercise this option, Tenant must give Lessor written notice of intention to exercise not less than six months prior to the end of the original lease term.

July 1, 1997

Fixed minimum rental during said extension period shall be determined as follows: The annual minimum rental in the lease year next preceding the extension term shall be modified commensurate with the increased growth of the economy and possible deflation of the value of money by application to said rental of a cost of living index. The United States Department of Labor, Bureau of Labor Statistics, Consumers Price Index, National Series, United States City Average, on the base of 1967, shall be used. The application of the index shall be in the following manner except that the annual minimum fixed rental during extension period shall not be less than the annual minimum fixed rental during the year preceding this option.

The index for the first month of the extension period shall be determined which is herein called the extension index and the index of the first month of the original term of this lease shall be determined which is herein called the base year index, and the adjusted annual minimum fixed rental shall be that amount determined by multiplying the annual minimum fixed rental applicable to the last lease year next preceding said extension period by the extension index and dividing the sum thus obtained by the base year index.

Should the base year of the index be changed from the base year of 1967, the numerical index shall be changed to the equivalent index for the base year 1967.

Should the said consumers price index be terminated, then a mutually agreeable price index or method of computing the increase in the cost of living shall be applied, but this index shall be corrected to the equivalent index for the base year of 1967.

D. **OPTION TO TERMINATE IN CERTAIN EVENTS:** In the event the tangible net worth of Tenant should at any time during this lease, or any renewal or extension hereof, be less than \$150,000.00, Lessor may, at its option, terminate this lease on sixty (60) days notice to Tenant; provided Tenant has not within said 60 days, by contribution of capital or otherwise, increased said net worth to an amount not less than \$150,000.00 and given Lessor notice of such increase of net worth, and evidence thereof. Tangible net worth is herein defined as net worth, excluding good will and other intangibles, as determined by a balance sheet as used on Tenant's federal tax return, valuing assets at cost less depreciation, prepared on an accrual basis, and otherwise in accordance with standard accounting procedures consistently applied. Tenant shall deliver to Lessor annually, within 75 days after each fiscal year, a copy of such financial statement.

E. **SUPERSEDES EXISTING LEASE:** At such time as Tenant occupies the new building being constructed as stated in this lease, then this lease shall supersede and replace the existing lease dated December 11, 1972 except as to obligations of the parties then accrued thereunder and not fully performed. However, this lease shall be effective and enforceable in accordance with its terms upon execution hereof by the parties hereto.

APPENDIX B (Continued)

EXHIBIT "B"

LESSOR'S WORK:

Lessor shall perform the following work on the new building:

Construction of foundation, exterior walls, concrete floor, roof and ceiling,

Installation of floor tile to match floor tile in existing building, and

Sheet-rocking of inside of exterior front and side wall, from ceiling to floor on front wall, and from ceiling to 66 inches from floor on side wall, taped and painted to Tenant's color choice.

TENANT'S WORK:

Tenant shall perform the following work on the new building, ~~which shall become~~
~~Lessor's property upon termination of lease:~~

All heating, ventilating and air conditioning systems and apparatus,

All electrical work, including light fixtures, and

All plumbing and sewer and water piping and apparatus.

APPENDIX B (Continued)

112382/091384C7

ASSIGNMENT OF LEASE

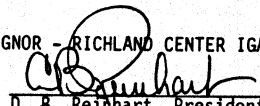
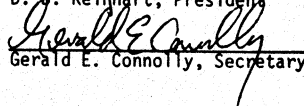
RICHLAND CENTER IGA, INC. ("ASSIGNOR") hereby assigns to GATEWAY FOODS, INC. ("ASSIGNEE") that certain Lease, as modified, between A. E. ANDING & S & A CORPORATION, Lessor, and Richland Center IGA, Inc., as assignee of Piggly-Wiggly Dairyland, Inc. Lessee, dated November 2, 1976, (the "LEASE"), a copy of which is attached hereto and incorporated herein by reference, covering 249 West Seminary Street, Richland Center, Wisconsin. This Assignment of Lease to be effective September 6, 1984.

ASSIGNOR warrants that the LEASE is in full force and effect and that ASSIGNOR is not in default of the LEASE as of the date hereof. ASSIGNOR agrees to hold ASSIGNEE harmless from and against any and all covenants and obligations which ASSIGNOR has under said LEASE arising prior to the effective date of this Assignment of Lease.

In Witness Whereof, this Assignment is executed this 27th day of September, 1984.

ASSIGNOR - RICHLAND CENTER IGA, INC.

By:


D. B. Reinhart, President
Gerald E. Connolly, Secretary

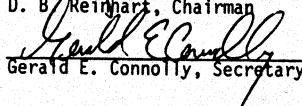
ACCEPTANCE OF ASSIGNMENT OF LEASE

ASSIGNEE hereby accepts the foregoing Assignment of Lease subject to the same terms and conditions as the LEASE and agrees to perform all covenants and obligations which ASSIGNOR has thereunder from and after the effective date of this Assignment of Lease. ASSIGNEE agrees to hold ASSIGNOR harmless from and against any and all covenants and obligations under said LEASE arising after the effective date of this Assignment of Lease.

In Witness Whereof, this Acceptance of Assignment of Lease is executed this 27th day of September, 1984.

ASSIGNEE - GATEWAY FOODS, INC.

By:


D. B. Reinhart, Chairman
Gerald E. Connolly, Secretary

APPENDIX B (Continued)

CONSENT

The undersigned hereby acknowledge notice of the foregoing assignment as set forth above and in consideration thereof consent to the same.

In Witness Whereof, this consent is executed this ____ day of September, 1984.

A. E. Anding _____

S & A CORPORATION

By: _____ President

APPENDIX B (Continued)

Assignor has caused this Assignment to be executed as of the day and year first written above.

ASSIGNOR: RICHLAND FOODS, INC.

By: *John Hagenbrock*
John Hagenbrock, President

Jean Hagenbrock
Jean Hagenbrock, Vice President

SUB
CONSENT TO COLLATERAL ASSIGNMENT OF/LEASE

The undersigned hereby acknowledge notice of the foregoing Collateral Assignment of Lease as set forth above and in consideration thereof consent to the same.

IN WITNESS WHEREOF, this Consent is executed this ____ day of _____, 1984.

LANDLORD:

A. E. Anding

S & A CORPORATION

By: _____

APPENDIX B (Continued)

STATE OF WISCONSIN)
) SS.
COUNTY OF LA CROSSE)

Personally came before me September, 1984, the above-named John Hagenbrock & Jean Hagenbrock to me known to be the person(s) who executed the foregoing instrument and acknowledged ~~themselves~~ [that ~~they~~ they] executed the same for the said corporation by its authority].

Constance R. Meunier
Constance R. Meunier
Notary Public, State of Wisconsin
My Commission expires 1/10/88

STATE OF WISCONSIN)
) SS.
COUNTY OF DANE)

Personally came before me September, 1984, the above-named A. E. Anding, Jr., to me known to be the person(s) who executed the foregoing instrument and acknowledged [the same] ~~that [he] [they] executed the same for the said corporation by its authority]~~.

Notary Public, State of Wisconsin
My Commission _____

STATE OF WISCONSIN)
) SS.
COUNTY OF DANE)

Personally came before me September, 1984, the above-named A. E. Anding, President, to me known to be the person(s) who executed the foregoing instrument and acknowledged ~~themselves~~ [that [he] [they] executed the same for the said corporation by its authority].

Notary Public, State of Wisconsin
My Commission _____

This instrument drafted by:

Thomas E. Reinhart
Attorney at Law
P. O. Box 1957
La Crosse, WI 54602-1957

APPENDIX C

DEMOGRAPHIC DATA FOR TRADE AREA

AROUND

JOHN'S IGA FOODS

IN

RICHLAND CENTER, WI

CACI

RICHLAND CTR., WI
HASELTINE/JEFF & W. SEM.
0-2 MILES

DEMOGRAPHIC & INCOME FORECAST REPORT

AREA REFERENCE:

LATITUDE: 43 20 13
LONGITUDE: 90 23 14

RADIUS: OUTER 2.00
DEGREES NORTH 43.34
DEGREES WEST 90.39

	1980 CENSUS	1987 UPDATE	1992 FORECAST	1987-1992 CHANGE	ANNUAL GROWTH
POPULATION	5008	4967	4960	-7	0.0%
HOUSEHOLDS	2092	2163	2216	53	0.5%
FAMILIES	1331	1332	1344	12	0.2%
AVG HH SIZE	2.34	2.24	2.18	-0.06	-0.5%
AVG FAM SIZE	3.00	2.91	2.86	-0.06	-0.4%
TOT INC (MIL\$)	33.4	48.7	53.2	4.5	1.8%
PER CAPITA INC \$	6673	9808	10724	916	1.8%
AVG FAM INC \$	19644	27894	29819	1925	1.3%
MEDIAN FAM INC \$	17642	25239	27024	1785	1.4%
AVG HH INC \$	15968	22508	24005	1497	1.3%
MEDIAN HH INC \$	13054	19214	20487	1273	1.3%

	1980 CENSUS	%	1987 UPDATE	%	1992 FORECAST	%
HOUSEHOLD INCOME						
\$ 0- 9999	792	37.9	580	26.8	561	25.3
\$ 10000-14999	351	16.8	287	13.3	282	12.7
\$ 15000-24999	614	29.3	509	23.5	483	21.8
\$ 25000-34999	204	9.8	423	19.6	451	20.4
\$ 35000-49999	62	3.0	228	10.5	259	11.7
\$ 50000-74999	63	3.0	71	3.3	99	4.5
\$ 75000 UP	6	0.3	65	3.0	81	3.7

AGE DISTRIBUTION

0- 4	312	6.2	368	7.4	341	6.9
5-11	435	8.7	447	9.0	502	10.1
12-16	345	6.9	297	6.0	304	6.1
17-21	472	9.4	357	7.2	333	6.7
22-29	668	13.3	667	13.4	547	11.0
30-44	677	13.5	952	19.2	1163	23.4
45-54	450	9.0	374	7.5	405	8.2
55-64	576	11.5	457	9.2	384	7.7
65+	1073	21.4	1048	21.1	981	19.8

AVERAGE AGE	39.9	39.5	38.9
MEDIAN AGE	34.9	35.5	35.8

RACE DISTRIBUTION

WHITE	4984	99.5	4942	99.5	4933	99.5
BLACK	3	0.1	3	0.1	3	0.1
OTHER	21	0.4	22	0.4	24	0.5

HISPANIC	14	0.3
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- IMPORTANT: 1. HOUSEHOLD INCOME INCLUDES THE INCOME OF FAMILIES AND UNRELATED INDIVIDUALS. HOUSEHOLD INCOME IS THE TOTAL AVAILABLE INCOME FOR THE AREA.
2. INCOME FIGURES ARE EXPRESSED IN CURRENT DOLLARS FOR 1980 AND 1987. 1992 FIGURES ARE EXPRESSED IN 1987 DOLLARS.

CACI

1980 CENSUS PROFILE REPORT

PAGE 1 OF 2

RICHLAND CTR., WI
HASELTINE/JEFF & W. SEM.
0-2 MILES

AREA REFERENCE:

LATITUDE: 43 20 13

LONGITUDE: 90 23 14

RADIUS: OUTER 2.00
DEGREES NORTH 43.34
DEGREES WEST 90.39

	1980 CENSUS	1987 UPDATE	ANNUAL CHANGE	
* POPULATION	5008	4967	-0.12%	*
* HOUSEHOLDS	2092	2163	0.48%	*
* MEDIAN HSHLD INCOME \$	13054	\$ 19214	5.68%	*

POPULATION:			AGE BY:	MALE	FEMALE	TOTAL
WHITE	4984	99.5%	0- 4	149	6.6%	6.2%
BLACK	3	0.1%	5- 9	157	7.0%	6.3%
OTHER	21	0.4%	10-13	121	5.4%	4.8%
TOTAL	5008	100.0%	14-17	154	6.8%	5.9%

			18-20	139	6.2%	6.2%
SPANISH	14	0.3%	21-24	174	7.7%	7.3%
ASIAN	11	0.2%	25-29	197	8.8%	7.8%
GRP QTRS	123	2.5%	30-34	139	6.2%	5.6%
FAM POP	3988	79.6%	35-44	202	9.0%	7.9%
HH POP	4885	97.5%	45-54	200	8.9%	9.0%

			55-64	263	11.7%	11.5%
HOME VALUE (NON-CONDO'S):			65-74	205	9.1%	10.6%
\$ 0- 20K	188	16.6%	75-84	116	5.2%	8.2%
\$ 20- 30K	266	23.5%	85+	33	1.5%	2.7%
\$ 30- 40K	272	24.0%	TOTAL	2249	100.0%	
\$ 40- 50K	175	15.5%	AVERAGE	36.67	42.48	39.87
\$ 50- 80K	203	17.9%	MEDIAN	31.21	40.10	34.88
\$ 80-100K	15	1.3%				
\$100-150K	11	1.0%				
\$150-200K	1	0.1%				
\$200+	0	0.0%				
TOTAL	1131	100.0%				
AVERAGE \$	37153					
MEDIAN \$	34099					

MARITAL STATUS (POP > 14 YRS):		
SINGLE	935	23.0%
MARRIED	2288	56.2%
DIVORCED/SEPARATED	259	6.4%
WIDOWED	586	14.4%

GROSS RENT (INCL UTIL):			OCCUPIED HSG UNITS	2092	95.1%
NO \$ RENT	21	2.7%	VACANT HSG UNITS:		
\$ < 100	131	16.9%	FOR SALE OR RENT	66	3.0%
\$100-149	160	20.6%	SEASONAL/MIGRATORY	8	0.4%
\$150-199	197	25.4%	OCCASIONAL USE/OTHER	33	1.5%
\$200-249	129	16.6%	TOTAL HSG UNITS	2199	100.0%
\$250-299	87	11.2%			
\$300-399	45	5.8%	SINGLE PERSON HOUSEHOLDS	662	31.6%
\$400-499	0	0.0%	MALE	148	7.1%
\$500+	5	0.6%	FEMALE	514	24.6%
TOTAL	775	100.0%			
AVERAGE \$	176		FAMILY HOUSEHOLDS	1331	63.6%
MEDIAN \$	172		MARRIED COUPLE	1116	53.3%

CONDOMINIUM HOUSING:

RENTED	0	0.0%	NON-FAMILY HOUSEHOLD	99	4.7%
OWNED	0	0.0%	MALE HEAD OF HH	43	2.1%
VACANT	0	0.0%	FEMALE HEAD OF HH	56	2.7%
TOTAL	0	0.0%			
AVG VAL OWN/OCC:\$	0		TOTAL HOUSEHOLDS	2092	100.0%
OCCUPIED HOUSING UNITS:			AVERAGE SIZE	2.34	
% OWNED	62.6%		TOTAL FAMILIES	1331	
% RENTED	37.4%		AVERAGE SIZE	3.00	

OCCUPATION:

	INCOME LEVEL:			NO. OF HSHLDS		NO. OF FAMILIES	
EXEC	195	9.0%	\$ 0- 2.4K	30	1.4%	5	0.4%
PROF	284	13.2%	\$ 2.5- 4.9K	350	16.8%	42	3.2%
TECH	36	1.7%	\$ 5.0- 7.4K	223	10.7%	98	7.4%
SALES	256	11.9%	\$ 7.5- 9.9K	188	9.0%	107	8.1%
CLERICAL	370	17.2%	\$10.0-12.4K	226	10.8%	160	12.0%
PRIVATE	5	0.2%	\$12.5-14.9K	124	5.9%	85	6.4%
SERVICE	272	12.6%	\$15.0-17.4K	187	9.0%	158	11.9%
FARMING	32	1.5%	\$17.5-19.9K	199	9.5%	159	12.0%
CRAFT	269	12.5%	\$20.0-22.4K	142	6.8%	129	9.7%
OPER	348	16.1%	\$22.5-24.9K	85	4.1%	84	6.3%
LABORER	89	4.1%	\$25.0-27.4K	63	3.0%	62	4.7%

INDUSTRY:

AGRIC	44	2.0%			
CONST	117	5.4%			
MANUF	535	24.8%			
TRANS	65	3.0%			
COMMUN	51	2.4%			
WHOLESL	57	2.6%			
RETAIL	427	19.8%			
FINANCE	138	6.4%			
SERVICE	26	1.2%			
RECRE	73	3.4%			
HEALTH	170	7.9%			
EDUC	299	13.9%			
OTHER SVC	72	3.3%			
GOVT	81	3.8%			

WKS UNEMP (POP>15):

1- 4	150	29.2%	POP BELOW POVERTY:	
5-14	198	38.6%	WHITE	448 100.0%
15+	165	32.2%	BLACK	0 0.0%
			OTHER	0 0.0%
			TOTAL	448 100.0%

EDUCATION COMPLETED:
(POP > 24 YRS)

ELEMENT.	673	21.3%
SOME HS	351	11.1%
HS GRAD	1106	35.1%
SOME COL	555	17.6%
COL GRAD	470	14.9%
AVERAGE	11.59	
MEDIAN	12.50	

SOURCE OF HSHLD INCOME:

WAGE OR SALARY	1527	73.0%
NONFARM SELF-EMPLOYED	210	10.0%
FARM SELF-EMPLOYED	48	2.3%
INTEREST/DIVIDEND/RENT	1200	57.4%
SOCIAL SECURITY	907	43.4%
PUBLIC ASSISTANCE	248	11.9%
OTHER	542	25.9%

GROUP QUARTERS POP BY TYPE:

COLLEGE	0	0.0%
INMATE/MENTAL	0	0.0%
INMATE/NURSING	88	71.5%
INMATE/OTHER	4	3.3%
OTHER (INC MILITARY)	31	25.2%
TOTAL	123	100.0%

VEHICLES AVAILABLE:

NONE	391	18.7%
1	888	42.4%
2	614	29.3%
3+	200	9.6%

YEAR STRUCTURE BUILT:
(OCCUPIED HSG UNITS)

1975-80	272	13.0%
1970-74	74	3.5%
1960-69	239	11.4%
1950-59	147	7.0%
1940-49	248	11.9%
< 1940	1112	53.2%

UNITS IN STRUCTURE:
(YR-ROUND HSG UNITS)

1 DET.	1467	66.9%
1 ATT.	7	0.3%
2	237	10.8%
3-4	147	6.7%
5+	286	13.0%
MOBILE	48	2.2%

STORIES IN STRUCTURE:
(YR-ROUND HSG UNITS)

1- 3	2186	99.7%
4- 6	6	0.3%
7-12	0	0.0%
13+	0	0.0%

CACI

ACORN AREA FORECAST REPORT

RICHLAND CTR., WI
 HASELTINE/JEFF & W. SEM.
 0-2 MILES

AREA REFERENCE:
 LATITUDE: 43 20 13
 LONGITUDE: 90 23 14

RADIUS: OUTER 2.00
 DEGREES NORTH 43.34
 DEGREES WEST 90.39

*****HOUSEHOLDS*****

ACORN ACORN TYPE DESCRIPTION		1987		1992		ANNUAL GROWTH 87-92
			%		%	
A	WEALTHY AREAS.....	0	0.0	0	0.0	0.0
B	UPPER-MID INC HIGH VALUE SUBURBS	0	0.0	0	0.0	0.0
C	YNG,MOBILE FAMS, MULTI-UNIT HSG.	0	0.0	0	0.0	0.0
D	HIGH DENSITY RENTAL/CONDO.....	0	0.0	0	0.0	0.0
E	HISPANIC NEIGHBORHOODS.....	0	0.0	0	0.0	0.0
F	BLACK NEIGHBORHOODS.....	0	0.0	0	0.0	0.0
G	MID-INCOME, SUB, BLUE COLLAR....	0	0.0	0	0.0	0.0
H	LOWER-MID INC RURAL & SM. TOWNS.	5	0.2	5	0.2	0.0
I	OLDER POPULATION LOWER-MID INC..	2160	99.8	2212	99.8	0.5
J	MOBILE HOMES & SEASONAL.....	0	0.0	0	0.0	0.0
K	AGRICULTURAL AREAS.....	0	0.0	0	0.0	0.0
L	DEPRESSED RURAL TOWNS, BLUE COLL	0	0.0	0	0.0	0.0
M	SPECIAL POPULATIONS.....	0	0.0	0	0.0	0.0
		-----		-----		
		2165		2217		

***SEE ACORN USERS GUIDE AND/OR SUPERSITE USERS MANUAL FOR DETAILED
 DEMOGRAPHIC LIFESTYLE AND MARKETING IMPLICATIONS

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*****HOUSEHOLDS*****

ACORN ACORN TYPE DESCRIPTION	1987	%	1992	%	ANNUAL GROWTH 87-92
A 1 ESTABLISHED SUBURBS.....	0	0.0	0	0.0	0.0
A 2 NEWER SUBURBS.....	0	0.0	0	0.0	0.0
A 3 OLDER FAMILIES, HIGHER DENSITY..	0	0.0	0	0.0	0.0
B 4 NEWER SUBURBS, VERY HIGH INCOME.	0	0.0	0	0.0	0.0
B 5 OLDER FAMILIES POST-WAR SUBURBS.	0	0.0	0	0.0	0.0
B 6 YOUNG FAMILIES, HIGH MOBILITY...	0	0.0	0	0.0	0.0
B 7 FAMILIES WITH OLDER CHILDREN....	0	0.0	0	0.0	0.0
B 8 MIDDLE INCOME, BLUE COLLAR.....	0	0.0	0	0.0	0.0
C 9 UPPER-MID INC HIGH RENT/VAL CNDO	0	0.0	0	0.0	0.0
C 10 YNG ADULTS MID & LOWER/MID INC..	0	0.0	0	0.0	0.0
C 11 COLLEGE UNDERGRADUATES.....	0	0.0	0	0.0	0.0
C 12 COLLEGE AREAS, OLDER STUDENTS...	0	0.0	0	0.0	0.0
D 13 HIGHRISE AREAS.....	0	0.0	0	0.0	0.0
D 14 OLDER, MID-RISE AREAS.....	0	0.0	0	0.0	0.0
E 15 LOWER-MIDDLE INCOME, BLUE COLLAR	0	0.0	0	0.0	0.0
E 16 YNG HISPS, SOUTHWESTERN STATES...	0	0.0	0	0.0	0.0
E 17 OLDER POPULATION, ETHNIC MIX....	0	0.0	0	0.0	0.0
E 18 POOR FAMILIES, VERY OLD HOUSING.	0	0.0	0	0.0	0.0
E 19 HISP & BLKS; MID-RISE, LOW RENT.	0	0.0	0	0.0	0.0
F 20 LOWER-MID INC LOW VAL HOUSE/APT.	0	0.0	0	0.0	0.0
F 21 OLDER POPULATION, OLD RENTAL HSG	0	0.0	0	0.0	0.0
F 22 VERY POOR BLACKS; LOW RENT HSG..	0	0.0	0	0.0	0.0
G 23 MIDDLE INCOME, HIGHER VALUE HSG.	0	0.0	0	0.0	0.0
G 24 YOUNG FAMILIES.....	0	0.0	0	0.0	0.0
H 25 YOUNG MOBILE FAMILIES.....	0	0.0	0	0.0	0.0
H 26 FARMS & OLDER HOUSING.....	0	0.0	0	0.0	0.0
H 27 SEASONAL HOUSING AND FARMS.....	5	0.2	5	0.2	0.0
H 28 RURAL INDUSTRIAL.....	0	0.0	0	0.0	0.0
I 29 OLDER FAMS & RETIREES, HIGH MBLTY	0	0.0	0	0.0	0.0
I 30 OLDER HOUSING.....	0	0.0	0	0.0	0.0
I 31 SMALL TOWNS.....	959	44.3	983	44.3	0.5
I 32 EASTERN EUROPEANS, N. E. U.S....	0	0.0	0	0.0	0.0
I 33 RURAL RETIREMENT AREAS.....	678	31.3	693	31.3	0.4
I 34 LOW VALUE VERY OLD HOUSING.....	523	24.2	536	24.2	0.5
J 35 SEASONAL HOUSING.....	0	0.0	0	0.0	0.0
J 36 MOBILE HOME AREAS.....	0	0.0	0	0.0	0.0
K 37 SELF EMPLOYED FARMERS.....	0	0.0	0	0.0	0.0
K 38 LRG FARMS, LOW INC., FARM WORKERS	0	0.0	0	0.0	0.0
L 39 LOW INCOME, POST-WAR HOUSING....	0	0.0	0	0.0	0.0
L 40 POOR FAMILIES, HIGH UNEMPLOYMENT	0	0.0	0	0.0	0.0
L 41 SMALL FARMS.....	0	0.0	0	0.0	0.0
L 42 V. LOW INC, BLKS, WHITES, LRG FAM	0	0.0	0	0.0	0.0
M 43 MILITARY AREAS.....	0	0.0	0	0.0	0.0
M 44 INSTITUTIONS.....	0	0.0	0	0.0	0.0
	2165		2217		

***NUMBER OF HOUSEHOLDS ON ACORN REPORT MAY DIFFER FROM THAT ON
 DEMOGRAPHIC REPORTS DUE TO DIFFERENT ALLOCATION METHODOLOGIES
 APPLIED TO NEIGHBORHOOD BLOCK GROUPS

CACI**ACORN AREA FORECAST REPORT**

RICHLAND CTR., WI
HASELTINE/JEFF & W. SEM.
0-2 MILES

AREA REFERENCE:

LATITUDE: 43 20 13
LONGITUDE: 90 23 14

RADIUS: OUTER 2.00
DEGREES NORTH 43.34
DEGREES WEST 90.39

*******POPULATION*******

ACORN ACORN TYPE DESCRIPTION	1987	%	1992	%	ANNUAL GROWTH 87-92
A WEALTHY AREAS.....	0	0.0	0	0.0	0.0
B UPPER-MID INC HIGH VALUE SUBURBS	0	0.0	0	0.0	0.0
C YNG,MOBILE FAMS, MULTI-UNIT HSG.	0	0.0	0	0.0	0.0
D HIGH DENSITY RENTAL/CONDO.....	0	0.0	0	0.0	0.0
E HISPANIC NEIGHBORHOODS.....	0	0.0	0	0.0	0.0
F BLACK NEIGHBORHOODS.....	0	0.0	0	0.0	0.0
G MID-INCOME, SUB, BLUE COLLAR....	0	0.0	0	0.0	0.0
H LOWER-MID INC RURAL & SM. TOWNS.	11	0.2	11	0.2	0.0
I OLDER POPULATION LOWER-MID INC..	4956	99.8	4949	99.8	0.0
J MOBILE HOMES & SEASONAL.....	0	0.0	0	0.0	0.0
K AGRICULTURAL AREAS.....	0	0.0	0	0.0	0.0
L DEPRESSED RURAL TOWNS, BLUE COLL	0	0.0	0	0.0	0.0
M SPECIAL POPULATIONS.....	0	0.0	0	0.0	0.0
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	4967		4960		

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ACORN AREA FORECAST REPORT

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*****POPULATION*****

ACORN ACORN TYPE DESCRIPTION					ANNUAL GROWTH
	1987	%	1992	%	87-92
A 1 ESTABLISHED SUBURBS.....	0	0.0	0	0.0	0.0
A 2 NEWER SUBURBS.....	0	0.0	0	0.0	0.0
A 3 OLDER FAMILIES, HIGHER DENSITY..	0	0.0	0	0.0	0.0
B 4 NEWER SUBURBS, VERY HIGH INCOME.	0	0.0	0	0.0	0.0
B 5 OLDER FAMILIES POST-WAR SUBURBS.	0	0.0	0	0.0	0.0
B 6 YOUNG FAMILIES, HIGH MOBILITY...	0	0.0	0	0.0	0.0
B 7 FAMILIES WITH OLDER CHILDREN....	0	0.0	0	0.0	0.0
B 8 MIDDLE INCOME, BLUE COLLAR.....	0	0.0	0	0.0	0.0
C 9 UPPER-MID INC HIGH RENT/VAL CND0	0	0.0	0	0.0	0.0
C 10 YNG ADULTS MID & LOWER/MID INC..	0	0.0	0	0.0	0.0
C 11 COLLEGE UNDERGRADUATES.....	0	0.0	0	0.0	0.0
C 12 COLLEGE AREAS, OLDER STUDENTS...	0	0.0	0	0.0	0.0
D 13 HIGHRISE AREAS.....	0	0.0	0	0.0	0.0
D 14 OLDER, MID-RISE AREAS.....	0	0.0	0	0.0	0.0
E 15 LOWER-MIDDLE INCOME, BLUE COLLAR	0	0.0	0	0.0	0.0
E 16 YNG HISPS, SOUTHWESTERN STATES...	0	0.0	0	0.0	0.0
E 17 OLDER POPULATION, ETHNIC MIX....	0	0.0	0	0.0	0.0
E 18 POOR FAMILIES, VERY OLD HOUSING.	0	0.0	0	0.0	0.0
E 19 HISP & BLKS; MID-RISE, LOW RENT.	0	0.0	0	0.0	0.0
F 20 LOWER-MID INC LOW VAL HOUSE/APT.	0	0.0	0	0.0	0.0
F 21 OLDER POPULATION, OLD RENTAL HSG	0	0.0	0	0.0	0.0
F 22 VERY POOR BLACKS; LOW RENT HSG..	0	0.0	0	0.0	0.0
G 23 MIDDLE INCOME, HIGHER VALUE HSG.	0	0.0	0	0.0	0.0
G 24 YOUNG FAMILIES.....	0	0.0	0	0.0	0.0
H 25 YOUNG MOBILE FAMILIES.....	0	0.0	0	0.0	0.0
H 26 FARMS & OLDER HOUSING.....	0	0.0	0	0.0	0.0
H 27 SEASONAL HOUSING AND FARMS.....	11	0.2	11	0.2	0.0
H 28 RURAL INDUSTRIAL.....	0	0.0	0	0.0	0.0
I 29 OLDER FAMS & RETIREES, HIGH MBLTY	0	0.0	0	0.0	0.0
I 30 OLDER HOUSING.....	0	0.0	0	0.0	0.0
I 31 SMALL TOWNS.....	2281	45.9	2278	45.9	0.0
I 32 EASTERN EUROPEANS, N. E. U.S....	0	0.0	0	0.0	0.0
I 33 RURAL RETIREMENT AREAS.....	1444	29.1	1442	29.1	0.0
I 34 LOW VALUE VERY OLD HOUSING.....	1231	24.8	1229	24.8	0.0
J 35 SEASONAL HOUSING.....	0	0.0	0	0.0	0.0
J 36 MOBILE HOME AREAS.....	0	0.0	0	0.0	0.0
K 37 SELF EMPLOYED FARMERS.....	0	0.0	0	0.0	0.0
K 38 LRG FARMS, LOW INC., FARM WORKERS	0	0.0	0	0.0	0.0
L 39 LOW INCOME, POST-WAR HOUSING....	0	0.0	0	0.0	0.0
L 40 POOR FAMILIES, HIGH UNEMPLOYMENT	0	0.0	0	0.0	0.0
L 41 SMALL FARMS.....	0	0.0	0	0.0	0.0
L 42 V. LOW INC, BLKS, WHITES, LRG FAM	0	0.0	0	0.0	0.0
M 43 MILITARY AREAS.....	0	0.0	0	0.0	0.0
M 44 INSTITUTIONS.....	0	0.0	0	0.0	0.0
-----			-----		
		4967			4960

CACI

SHOPPING CENTER SALES POTENTIAL REPORT 1987 RETAIL MARKET POTENTIAL FOR SHOPPING CENTER MERCHANDISE

RICHLAND CTR., WI
HASELTINE/JEFF & W. SEM.
0-2 MILES

AREA REFERENCE:

LATITUDE: 43 20 13
LONGITUDE: 90 23 14

RADIUS: OUTER 2.00
DEGREES NORTH 43.34
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* 1980 CENSUS 1987 UPDATE ANNUAL CHANGE *
* POPULATION 5008 4967 -0.12% *
* HOUSEHOLDS 2092 2163 0.48% *
* MEDIAN HSHLD INCOME \$ 13054 \$ 19214 5.68% *

MARKET POTENTIAL INDEX: 105.0
MARKET GROWTH INDEX: 99.6

ECONOMIC REGION:
MIDWEST NON-METRO

TYPE OF EXPENDITURE	MPI (BASE=100)	ANNUAL TOTAL (THOU \$)	ANNUAL \$ PER HSHLD	ANNUAL \$ PER CAPITA
1987 DEPT STORE MERCHANDISE	105.1	4434.5	2050.16	892.79
1980 DEPT STORE MERCHANDISE	105.7	3692.5	1765.04	737.31
ANNUAL GROWTH RATE 1980-1987		2.65%	2.16%	2.77%
1987 DRUG STORE MERCHANDISE	106.2	2582.7	1194.02	519.97
1980 DRUG STORE MERCHANDISE	106.4	1866.7	892.30	372.74
ANNUAL GROWTH RATE 1980-1987		4.75%	4.25%	4.87%
1987 GROCERY STORE MERCHNDSE	104.8	6507.1	3008.36	1310.06
1980 GROCERY STORE MERCHNDSE	105.2	5179.4	2475.80	1034.22
ANNUAL GROWTH RATE 1980-1987		3.31%	2.82%	3.44%
1987 RESTAURANTS (FOOD ONLY)	104.5	1510.5	698.34	304.11
1980 RESTAURANTS (FOOD ONLY)	105.0	1167.1	557.90	233.05
ANNUAL GROWTH RATE 1980-1987		3.75%	3.26%	3.87%
1987 APPAREL STORE MERCHNDSE	108.9	1912.0	883.94	384.93
1980 APPAREL STORE MERCHNDSE	109.5	1643.1	785.44	328.10
ANNUAL GROWTH RATE 1980-1987		2.19%	1.70%	2.31%
1987 FOOTWEAR STORE MRCHNDSE	103.4	613.9	283.83	123.60
1980 FOOTWEAR STORE MRCHNDSE	104.3	549.7	262.78	109.77
ANNUAL GROWTH RATE 1980-1987		1.59%	1.11%	1.71%
1987 HOME IMPROVEMENT STORE	102.0	575.4	266.02	115.84
1980 HOME IMPROVEMENT STORE	103.0	469.9	224.60	93.82
ANNUAL GROWTH RATE 1980-1987		2.94%	2.45%	3.06%
1987 AUTO AFTERMARKET	100.3	1155.3	534.11	232.59
1980 AUTO AFTERMARKET	100.7	955.0	456.48	190.69
ANNUAL GROWTH RATE 1980-1987		2.76%	2.27%	2.88%
1987 HAIR SALON SERVICES	106.1	287.3	132.84	57.85
1980 HAIR SALON SERVICES	106.5	228.1	109.03	45.55
ANNUAL GROWTH RATE 1980-1987		3.35%	2.86%	3.48%

SEE NOTES ON NEXT PAGE

SHOPPING CENTER SALES POTENTIAL REPORT
1987 RETAIL MARKET POTENTIAL FOR
SHOPPING CENTER MERCHANDISE

CONTINUATION

1. THESE EXPENDITURE DATA REPRESENT THE ESTIMATED SPENDING OF CONSUMERS WHO LIVE IN THE DEFINED AREA FOR THE ABOVE MERCHANDISE IN ALL TYPES OF RETAIL OUTLETS AND NOT EXCLUSIVELY IN SHOPPING CENTER STORES.
2. MARKET POTENTIAL INDEX (MPI) MEASURES THE RELATIVE SALES POTENTIAL OF THE DEFINED AREA WITH ECONOMIC REGION IN WHICH IT IS LOCATED. THE MPI OF YOUR AREA IS 105.0, WHICH MEANS THAT THE PER CAPITA SALES POTENTIAL IN YOUR AREA IS 5.0% GREATER THAN THE ECONOMIC REGION.
3. MARKET GROWTH INDEX (MGI) MEASURES THE RELATIVE GROWTH RATE IN SALES POTENTIAL OF THE DEFINED AREA WITH THE ECONOMIC REGION IN WHICH IT IS LOCATED. THE MGI OF YOUR AREA IS 99.6, WHICH MEANS THAT THE TOTAL ANNUAL SALES POTENTIAL GROWTH RATE OF YOUR AREA IS 0.4% LESS THAN THE ECONOMIC REGION.
4. FOR GREATER DETAIL, REQUEST THE INDIVIDUAL STORE REPORTS.

THE SECONDARY SOURCES USED TO BENCHMARK THESE DATA INCLUDE:
FAIRCHILD PUBLICATIONS, CENSUS OF RETAIL TRADE, CURRENT BUSINESS
REPORTS, MERCHANDISING MAGAZINE, RECORDING INDUSTRY ASSOC. OF AMERICA,
INTL SPORTING GOODS ASSOC., TOY MANUFACTURERS OF AMERICA, STANDARD &
POORS INDUSTRY SURVEY, DRUG TOPICS MAGAZINE, CHAIN STORE AGE, AMERICAN
FOOTWEAR INDUSTRIES, SUPERMARKET BUSINESS, INDUSTRIAL OUTLOOK FOR U.S.,
PHARMACEUTICAL MANUFACTURERS ASSOC., AUTOMOTIVE PARTS & ACCESSORIES
ASSOC., USDA, NATL RESTAURANT ASSOC., BUILDING SUPPLY NEWS, AUTOMOTIVE
MARKET RESEARCH COUNCIL, AMERICAN HAIRDRESSER/SALON OWNER MAGAZINE,
DEPT OF COMMERCE REPORTS ON SELECTED SERVICES

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