

a Delaware corporation, and FOODHOLD U.S.A. INCORPORATED changes its name to BI-LO, Inc. (said transaction is hereinafter called the "merger").

D. By virtue of the merger, an Assignment by Novation dated as of December 30, 1977 by and among FOODHOLD U.S.A. INCORPORATED, Lessor and Predecessor BI-LO and a Consent of Trustee dated December 19, 1977, FOODHOLD U.S.A. INCORPORATED, as the surviving corporation, became the Lessee described in this Amendment. By reason of certain technical accounting principles, this merger did not comply with the requirements of said Section 14.03, although such requirements could have been complied with by certain actions of the Lessee prior to said merger through transactions which would not necessarily have been in the best interests of the Bondholders.

E. The merger was in the best interests of the Bondholders by reason of the fact that it strengthened the financial position of the Lessee through enabling the Lessee to increase its cash flow thus providing additional cash for payment of its obligations under the Lease, and the merger was not to the prejudice of the Trustee or materially adverse to the Bondholders because it did not change in a material manner the then current or anticipated financial obligations of the Predecessor BI-LO.

F. Section 6.12 of the Indenture provides that the Lessor and the Trustee shall, without the consent of or notice to the holders of the Outstanding Bonds, consent to any amendment of the Lease as may be required which, in the judgment of the Trustee, is not to the prejudice of the Trustee, or materially adverse to the holders of the Bonds. By letter dated February 10, 1978, a copy of which is attached hereto, the Trustee has advised the Lessor that it deems this Amendment to the Lease not to be to its prejudice or materially adverse to the holders of the Bonds and consequently to be within the terms of said Section 6.12.

G. It appears to the parties hereto that it is in the best interests of the Bondholders to execute this Amendment to the Lease.

NOW THEREFORE, in consideration of the premises, the obligations under the Lease, and of other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do hereby amend the Lease as follows:

Section 14.03 of the Lease is hereby amended by adding the

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