



§§ 510(c); and (ii) disallowing certain of the Claims as duplicative pursuant to 11 U.S.C. § 502(a).

**The Defendants**

3. The Defendants are:

a. Troy Groeb (“Troy Groeb”), is upon information and belief, a resident and citizen of the State of Florida, who maintains a mailing address of 11680 NE 14<sup>th</sup> Ave., Anthony FL 32617. Troy Groeb is the former Treasurer, Director, VP of Operations and Chairman of Groeb Farms Inc. Troy Groeb is a current shareholder of the Debtor, and holds 3.17% of Convertible Preferred Series B Shares of the Debtor.

b. Ernest L. Groeb (“Ernest Groeb”), is upon information and belief, a resident and citizen of the State of Michigan, who maintains a mailing address of 9707 Sheeler Road, Onsted, MI 49265. Ernest Groeb is the former President, Chief Executive Officer, Director, and current shareholder of the Debtor. Ernest Groeb holds 3.17% of Convertible Preferred Series B Shares of the Debtor.

c. The E. Jeanne Groeb Living Trust (the “JG Trust”) is upon information and belief, a trust organized for the benefit of E. Jeanne Groeb, who upon information and belief, is a resident and citizen of the State of Florida, maintains a mailing address of 11991 N.E. 14<sup>th</sup> Ave., Anthony, Florida 32617-2624, and is related to Ernest Groeb or Troy Groeb or both.

d. Groeb Farms LLC is upon information and belief, a Florida limited liability company, of which Troy Groeb, Ernest Groeb and E. Jeanne Groeb are members. Troy Groeb is the Managing Member.

e. The Ernest L. Groeb Jr. Trust B (“EG Trust”) is upon information and belief, a trust organized for the benefit of Ernest Groeb, which maintains a mailing address of PO Box 248, Tecumseh, Michigan, 49286.

### **Facts Relevant To The Allegations In The Complaint**

#### **A. The Junior Subordinated Note**

4. On March 16, 2007, the Debtor and GF Acquisition, Inc. issued that 8% Junior Subordinated Note Due March 16, 2014 in the amount of \$1,500,000 (the “Subordinated Note”) to Ernest L. Groeb as Shareholders’ Representative (the “Payee”) under the Stock Purchase Agreement (defined below). A copy of the Subordinated Note is attached hereto as Exhibit A. The Subordinated Note was issued by the Debtor in connection with that certain Securities Purchase Agreement among Argosy investment Partners III, L.P., Horizon Capital Partners III, L.P., Marquette Capital Fund I, LLP, GF Acquisition, Inc. and Groeb Farms, Inc. dated April 24, 2001, as Amended (the “Stock Purchase Agreement”).

5. The Subordinated Note was issued on an unsecured basis and by its terms, is expressly subordinate to all of the Debtor’s Senior Indebtedness as set forth in the Subordination Agreement between Ernest Groeb, Marquette Capital Fund I, LP, Argosy Investment Partners III, L.P., and Horizon Capital Partners III, L.P.

6. The Subordinated Note bears interest at 8% per annum, payable monthly in arrears. Upon information and belief, the total outstanding amount under the Subordinated Note is \$1,580,667 (the “Subordinated Note Indebtedness”).

7. Upon information and belief, the Subordinated Note is held 24.5% by Troy Groeb, 24.5% by Ernest Groeb, and 51% by JG Trust.

**B. The Investment Agreements**

8. Ernest Groeb, Troy Groeb and the Debtor are party to that certain Investment Agreement for 26,923 Shares of Series C 6% Convertible Preferred Stock Issue by Groeb Farms, Inc. dated March 31, 2013 (the “2010 Investment Agreement”). Also, Ernest Groeb and the Debtor are party to that certain Investment Agreement for 78,500 Shares of Convertible Preferred Stock and 2,500 Shares of Series D Common Stock Issued by GF Acquisition, Inc. dated March 17, 2007 (the “2007 Investment Agreement” and together with the 2010 Investment Agreement, the “Investment Agreements”).

**C. Events Leading to Debtor’s Bankruptcy**

9. As set forth in the *Declaration of Jack Irvin, Jr. in Support of Chapter 11 Petitions and First Day Motions* filed in the Bankruptcy Case [Docket No. 15] (the “First Day Declaration”):

a. “In 2001, the Government imposed anti-dumping duties on honey imported from China. After the institution of these duties, the amount of Chinese imports fell, as the amount of honey exports rose from Vietnam, Malaysia, Indonesia, and other Asian countries that had not historically exported significant amounts of honey. As a result, the Government

began to investigate the honey industry and the possibility that honey was being transshipped (i.e. shipped through a second country to conceal its origins) and/or mislabeled to avoid the antidumping duties. Beginning in 2007, the U.S. Department of Justice (“DOJ”) brought the first of several cases in different districts alleging that U.S. honey packers had imported transshipped honey. In 2008, the Debtor received a grand jury subpoena seeking information relating to the investigation of its industry.” *Id.* at ¶ 22.

b. “Following an extensive DOJ investigation, in February 2013, the Debtor entered into a deferred prosecution agreement (the “DPA”) with the DOJ as a global resolution of the Debtor. The agreement required the Debtor to: (1) accept and acknowledge responsibility for historical purchases of transshipped honey; (2) continue cooperating with the government’s ongoing investigation for two years; (3) pay a \$2 million fine; (4) dispose of any and all Chinese-origin honey in its possession, which entered the country in contradiction to the duty requirements; and (5) cease selling any of its finished goods containing such Chinese honey. The agreement further required the Debtor to put in place a number of compliance and remediation measures. The DPA acknowledged that two former, unnamed executives had misled the Debtor’s board, the Debtor’s customers, and the public.” *Id.* at ¶ 23.

c. “Both before and after execution of the DPA, the Debtor took a number of steps to remediate issues regarding potentially transshipped honey. In January 2012, the Debtor retained Foley & Lardner LLP to conduct an internal investigation. In January 2012, the Debtor also began revising its policies and procedures relating to the procurement of honey overseas. In February 2012, the Debtor named a new interim president and relieved its then

current CEO from his operating responsibilities. In June 2012, the Debtor agreed to a separation agreement with such CEO and stripped the then-current vice president of operations of all purchasing responsibility and subsequently terminated him.” *Id.* at ¶ 24. The CEO at the time of the DPA execution was Ernest Groeb and the vice president of operations at the time was Troy Groeb.

d. “The Debtor had hoped that the DPA would enable the Debtor to have a fresh start with new executives and a new compliance program. However, in April 2013, just two months after the DPA was finalized, two civil putative class action lawsuits were filed against the Debtor in the United States District Court for the Northern District of Illinois by producers, packers and/or distributors of honey. In *Adee Honey Farms, et al v. Groeb Farms, et al.*, Case No. 1:13-cv-02922 (the “Adee Lawsuit”), the putative class alleges violations of the Racketeer Influenced and Corrupt Organizations Act (“RICO”) and Lanham Act. In *Moore’s Honey Farm, et al. v. Groeb Farms, Inc., et al.*, Case No. 1:13-cv-02905 (the “Moore Lawsuit” and collectively with the Adee Lawsuit the “Putative Class Action”), the putative class alleges violations of RICO and common law fraud, negligent misrepresentations, conspiracy, and clandestine wrongful importation without paying the anti-dumping duties. On June 24, 2013, the Putative Class Actions were consolidated (hereinafter, the “Putative Class Action”) by Order of the Court handling the Moore Lawsuit (the “Consolidation Order”). . . . The Putative Class Action is based on the factual statements contained in the DPA and claims the class members were harmed by the Debtor and other defendants’ purchases of transshipped honey. While none

of the claims make a specific demand, RICO and Lanham Act cases carry a potential for treble damages and attorneys' fees." *Id.* at ¶ 26.

e. "As a result of the DPA, and the costs associated with it, including: (1) the \$2,000,000 fine; (2) the legal fees; (3) the costs of the compliance programs; and (4) the costs incurred in recruiting and hiring new, experienced executives, the Debtor has incurred significant unanticipated expenses." *Id.* at ¶ 27.

f. "Although the Debtor has significant defenses to the allegations in the Putative Class Action, the fine, the attorney's fees and litigation and other expenses have severely strained, and would continue to severely strain, the Debtor's liquidity." *Id.* at ¶ 28.

10. The Debtor's liquidity crisis largely resulted from the conduct of the Groebs, which in turn led to the DPA and resultant fines and legal fees, and the Putative Class Action.

#### **D. The Debtor's Bankruptcy Filing**

11. On October 1, 2013 (the "Petition Date"), the Debtor filed a voluntary petition in this Court for relief under chapter 11 of the Bankruptcy Code. Subsequent to the Petition Date, the Debtor continued to manage and operate its business as a debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

12. On October 9, 2013, an Official Committee of Unsecured Creditors (the "Committee") was appointed in this case. [Docket No. 69]

13. On October 4, 2013, the Court entered that certain *First Day Order Establishing Bar Date for Filing Proofs of Claim, Including 503(b)(9) Claims, and Approving*

*Form and Manner of Notice Thereof* (the “Bar Date Order”). [Docket No. 48] The Bar Date Order established November 4, 2013, as the General Bar Date (as defined in the Bar Date Order), and March 31, 2014, as the Government Bar Date (as defined in the Bar Date Order) (collectively, the “Bar Dates”).

**E. The Proofs of Claim**

14. On November 4, 2013, Troy Groeb filed a claim against the Debtor identified as Claim No. 152, a copy of which is attached hereto as Exhibit B. Troy Groeb asserts a claim for (i) 24.5% of the Subordinated Note Indebtedness pursuant to the Stock Purchase Agreement and the Subordinated Note; (ii) a breach of contract claim under the Investment Agreements for several alleged violations thereunder; (iii) an unliquidated indemnification claim under the Investment Agreements; (iv) an unliquidated indemnification claim under the Debtor’s Articles of Incorporation; (v) various outstanding invoices as scheduled on the Debtor’s Schedule F in the amount of \$19,763.35; (vi) an unliquidated shareholder minority oppression claim; (vii) an unliquidated claim for breach of fiduciary duties and of good faith and loyalty against the Debtor; and (viii) a general reservation of rights to assert administrative claims, attorney’s fees and costs, and any other claim against the Debtor.

15. On November 4, 2013, Ernest Groeb filed a claim against the Debtor identified as Claim No. 154, a copy of which is attached hereto as Exhibit C. Ernest Groeb asserts a claim for (i) \$1,500,000 under the Subordinated Note in his capacity as Shareholder Representative of Ernest Groeb, Troy Groeb, and JG Trust; (ii) 24.5% of the Subordinated Note Indebtedness owed to Ernest Groeb in his individual capacity pursuant to the Stock Purchase



Agreement and the Subordinated Note; (iii) a breach of contract claim under the Investment Agreements for several alleged violations thereunder; (iv) an unliquidated indemnification claim under the Investment Agreements; (v) an unliquidated indemnification claim under the Debtor's Articles of Incorporation in an amount no less than \$27,252.05; (vi) unpaid vacation of no less than \$13,000; (vii) an unliquidated shareholder minority oppression claim; (viii) an unliquidated claim for breach of fiduciary duties and of good faith and loyalty against the Debtor; and (ix) a general reservation of rights to assert administrative claims, attorney's fees and costs, and any other claim against the Debtor.

16. On November 4, 2013, Jeanne Groeb, as Trustee of the JG Trust filed a claim against the Debtor identified as Claim No. 155, a copy of which is attached hereto as Exhibit D. The JG Trust asserts a claim in the amount of 51% of the Subordinated Note Indebtedness pursuant to the Stock Purchase Agreement and the Subordinated Note. The JG Trust reserves its rights to assert claims for administrative expenses, attorney's fees and costs, and any other claim that the JG Trust may have against the estate.

17. On November 4, 2013, Groeb Farms LLC filed a claim against the Debtor identified as Claim No. 156, a copy of which is attached hereto as Exhibit E. Groeb Farms LLC asserts that it is the landlord under a lease between Groeb Farms LLC and the Debtor for the property located at 3220 SE Hwy 484, Belleview, Florida. Groeb Farms LLC asserts (i) a contingent unliquidated lease rejection claim; (ii) an unliquidated claim for damages to the property; (iii) a claim for \$4,958 based on Schedule F; and (iv) a reservation of rights to assert additional claims.

18. On November 4, 2013, United Bank & Trust as Trustee of the EG Trust filed a claim against the Debtor identified as Claim No. 149, a copy of which is attached hereto as Exhibit F. EG Trust asserts that it is the landlord under a lease between EG Trust and the Debtor for the property located at 10464 Bryan Highway, Onsted, Michigan. EG Trust asserts (i) a contingent unliquidated lease rejection claim; (ii) a contingent unliquidated claim for damages to the property; and (iii) a reservation of rights to assert additional claims.

19. Collectively, Claim Numbers 149, 152, 154, 155, and 156 are referred to as the “Claims”.

#### **Jurisdiction and Venue**

20. This Court has jurisdiction over the parties and the Claims set forth in this matter pursuant to 28 U.S.C. §§ 157 and 1334.

21. The statutory predicates for this adversary proceeding include, without limitation, sections 101(a), 105, 502, 544, 547, 548, 550 and 551 of title 11 of the United States Code (11 U.S.C. §§ 101 et seq. as amended, the “Bankruptcy Code”), and the Declaratory Judgment Act, 28 U.S.C. § 2201, et seq., as supplemented by Rules 3001, 3007, 7001(2) and 7001(9) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

22. This adversary proceeding arises in connection with the bankruptcy case pending in the United States Bankruptcy Court for the Eastern District of Michigan (the “Bankruptcy Court”) captioned *In re Groeb Farms, Inc.* (Case No. 13-52800) (the “Bankruptcy Case”). The Bankruptcy Case has been assigned to the Honorable Walter Shapero.

23. This is a core proceeding under 28 U.S.C. § 157(b)(2)(A), (K) and (O).

24. This adversary proceeding is initiated pursuant to Bankruptcy Rule 7001.

25. Venue is proper in this Court pursuant to 28 U.S.C. § 1409(a).

**Count I**

**Equitable Subordination of the Claims**  
**Pursuant to 11 U.S.C. §§ (510(c))**

26. The Committee incorporates and re-alleges the allegations set forth in the previous paragraphs as if fully set forth herein.

27. Ernest Groeb and Troy Groeb, in their capacities as former officers, directors and shareholders of the Debtor engaged in the inequitable conduct surrounding the Debtor's purchase of transshipped honey asserted by the DOJ that led to the DPA, including, *inter alia*, misleading the Debtor's board of directors, the Debtors' customers, and the public regarding the origin of country of the Debtor's honey.

28. Because Ernest Groeb and Troy Groeb, insiders of the Debtor, conducted themselves in a manner that resulted in injury to the Debtor and its creditors, the Claims should be equitably subordinated and paid *pari passu* with the Debtor's equity interest holders.

29. WHEREFORE, the Committee respectfully requests that the Court enter an Order pursuant to 11 U.S.C. § 510(c) against the Defendants that the Claims are deemed to be equitably subordinated to the claims of all other unsecured creditors of the Debtor together with such other relief as is determined by this Court to be fair and equitable.

## **Count II**

### **Objection to Proofs of Claim (Duplicate Claims)**

30. A creditor has a claim against the Debtor's estate only to the extent that such creditor has a "right to payment" for the asserted liability as of the Petition Date and such claim is otherwise allowable. 11 U.S.C. §§ 101(5), 101(10), and 502(a).

31. Section 502(b) of the Bankruptcy Code prescribes the grounds on which a proof of claim may be disallowed and provides, in relevant part:

[T]he court, after notice and a hearing, shall determine the amount of [a] claim in lawful currency of the United States as of the date of the filing of the petition, and shall allow such claim in such amount, except to the extent that . . . such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law for a reason other than because such claim is contingent or unmatured.

11 U.S.C. § 502(b)(1).

32. Furthermore, Bankruptcy Rule 3007(d) allows the Committee to object to multiple objections in an omnibus objection if the objections are based solely on the grounds that the claims should be disallowed, in whole or in part, because, *inter alia*, ". . . they duplicate other claims . . . ." Fed. R. Bankr. P. 3007(d)(1).

33. A proof of claim generally constitutes *prima facie* evidence of the validity and amount of the claim. 11 U.S.C. § 502(a); Fed. R. Bankr. P. 3001(f). A claim, however, should not be allowed if that claim is "unenforceable against the debtor and property of the debtor, under any agreement or applicable law . . . ." 11 U.S.C. § 502(b)(1).

34. Portions of Claim No. 152 filed by Troy Groeb and Claim No. 155 filed by JG Trust are duplicative of Claim number 154 filed by Ernest Groeb. Pursuant to

the terms of the Subordinated Note, the Payee is Ernest L. Groeb as Shareholders' Representative under the Stock Purchase Agreement. The claims of Troy Groeb and JG Trust for amounts owed under the Subordinated Note are encompassed within the claim of Ernest Groeb, and as such, are duplicative. Moreover, the Payee on the Subordinated Note is Ernest Groeb, not Troy Groeb or JG Trust. Accordingly, the claims of Troy Groeb and JG Trust with respect to the Subordinated Note Indebtedness should be disallowed.

### **Reservation of Rights**

35. The Committee reserves all rights to contest the claims on a substantive basis if the relief requested herein is not granted.

### **Conclusion**

WHEREFORE, the Committee requests entry of an order and judgment in its favor and against the Defendants as follows:

- a. for equitable subordination of the Claims to the claims of all other unsecured creditors;
- b. for disallowance of the Claims to the extent that they are duplicative as set forth above; and
- c. for such other and further relief in favor of the Committee as is just and proper.

Respectfully submitted,

DYKEMA GOSSETT PLLC

By: /s/ Sheryl L. Toby  
Sheryl L. Toby (P39114)  
Dykema Gossett PLLC  
39577 Woodward Avenue, Suite 300  
Bloomfield Hills, MI 48304  
(248) 203-0522; (855) 232-1790 (fax)  
[stoby@dykema.com](mailto:stoby@dykema.com)

Robert J. Feinstein  
Bradford J. Sandler  
Pachulski Stang Ziehl & Jones LLP  
919 North Market Street, 17th Floor  
Wilmington, DE 19801  
(302) 778-6424; (302) 652-4400 (fax)  
[bsandler@pszjlaw.com](mailto:bsandler@pszjlaw.com)

Counsel for the Unsecured Creditors Committee  
of Groeb Farms, Inc.

Dated: December 5, 2013

## **EXHIBIT A**

THE INDEBTEDNESS EVIDENCED BY THIS INSTRUMENT IS SUBORDINATED TO THE PRIOR PAYMENT IN CASH IN FULL OF THE SENIOR INDEBTEDNESS (AS DEFINED IN THE SUBORDINATION AGREEMENT BETWEEN THE HOLDER HEREOF AND COMERICA BANK, DATED AS OF MARCH 16, 2007) PURSUANT TO, AND TO THE EXTENT PROVIDED IN, THE SUBORDINATION AGREEMENT BY THE MAKER HEREOF AND THE PAYEE NAMED HEREIN IN FAVOR OF COMERICA BANK.

THE INDEBTEDNESS EVIDENCED BY THIS INSTRUMENT IS ALSO SUBORDINATED TO THE RIGHTS OF THE HOLDERS OF THE 12% SENIOR SUBORDINATED DEBENTURES ISSUED BY MAKERS, AS DESCRIBED HEREIN.

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY APPLICABLE STATE SECURITIES LAW AND MAY NOT BE TRANSFERRED UNLESS (i) THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR SUCH APPLICABLE STATE SECURITIES LAWS, OR (ii) IN THE OPINION OF COUNSEL REASONABLY ACCEPTABLE TO MAKERS REGISTRATION UNDER THE SECURITIES ACT OR SUCH APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED IN CONNECTION WITH SUCH TRANSFER.

**8% JUNIOR SUBORDINATED NOTE**

**DUE MARCH 16, 2014**

**\$1,500,000**

**March 16, 2007**

FOR VALUE RECEIVED, GROEB FARMS, INC., a Michigan corporation and GF ACQUISITION, INC., a Michigan corporation (individually a "Maker" and collectively "Makers") hereby unconditionally and jointly and severally promise to pay to the order of Ernest L. Groeb, as Shareholders' Representative under the Stock Purchase Agreement (as defined below) ("Payee"), or registered assigns, at the address of Makers as provided from time to time to Payee, or at such other address as the holder hereof may designate, in lawful money of the United States, the principal sum of One Million Five Hundred Thousand Dollars (\$1,500,000) together with interest thereon as provided for below.

This Note has been issued pursuant to a Stock Purchase Agreement dated on or about March 16, 2007, to which Makers and Payee are parties (the "Stock Purchase Agreement"), a copy of which is available for inspection at the principal office of Makers. Capitalized terms used herein without definition shall have the meanings set forth in the Stock Purchase Agreement. Reference to the Stock Purchase Agreement shall in no way impair the absolute and unconditional obligation of the Makers to pay both the principal of, and the interest and other fees provided for in, this Note as provided herein.

1. Interest. Interest shall accrue on the outstanding principal balance hereof at a rate equal to eight percent (8%) per annum, payable monthly in arrears, on the first (1st) day



of each month commencing April 1, 2007 (each an "Interest Payment Date") and continuing until the Maturity Date (as defined below) at which time the principal balance and all accrued and unpaid interest shall be paid in full. Interest shall be computed on the basis of elapsed days in a 360-day year.

Anything contained in this Note to the contrary notwithstanding, Payee does not intend to charge and Makers shall not be required to pay interest or other charges in excess of the maximum rate permitted by applicable law. Any payments in excess of such maximum rate shall be refunded to Makers or credited against principal, as Payee elects.

2. Payment of Principal and Interest. Makers shall pay one-eighth of the face amount of the principal hereof beginning June 30, 2013, and at the end of each three months thereafter, and the entire remaining principal hereof, and any accrued and unpaid interest thereon, in one lump payment due on the earlier of (i) March 16, 2014 or (ii) the occurrence of an Exit Event (such earlier date the "Maturity Date"). For purposes of this Note, an "Exit Event" shall occur when: (i) all or substantially all of Maker's assets, on a consolidated basis, are sold as an entirety to any person or related group of persons in a bona fide arms length transaction and the Maker shall thereafter promptly liquidate, or (ii) there shall be consummated any consolidation or merger of the Maker in a bona fide arms length transaction (A) in which the Maker is not the continuing or surviving company or (B) pursuant to which the Common Stock and/or Common Stock Equivalents would be converted into cash, securities or other property (except in the case of (i) or (ii) any transaction in which the holders of all outstanding stock of the Maker immediately prior to such transaction have, directly or indirectly, at least a majority of all classes of all outstanding stock or other equity interests of the transferee or of the continuing or surviving company immediately after such sale of assets or consolidation or merger), or (iii) consummation of a Proposed Transfer as defined in the Securities Purchase Agreement referenced below. "Common Stock Equivalents" means Common Stock owned by all shareholders of the Maker assuming conversion of all Convertible Preferred Shares, and the conversion, exchange or exercise of all options, warrants or other instruments convertible into or exchangeable for Common Stock in the Maker. "Common Stock" shall mean the Series A, Series B, Series C, Series D, Series E and Series F Common Stock of Maker. "Convertible Preferred Shares" means the shares of stock referred to in Article 4B of the Maker's Amended and Restated Articles of Incorporation as Convertible Preferred Stock. Both the principal hereof and interest hereon shall be payable by lawful currency of the United States of America and in funds immediately available to Payee to a bank account designated in writing by Payee to Makers concurrently with its execution of this Note.

3. Subordination.

The Payee, for himself and on behalf of all transferees, assigns, and persons claiming interests by reason of any agreement or arrangement with the Payee, agrees, and each subsequent holder hereof further agrees, by the receipt and acceptance hereof, to the following provisions of subordination:

The obligations of Makers hereunder are expressly subordinated to each and all the following:

(a) any and all obligations of the Makers defined as "Senior Indebtedness" in the Subordination Agreement, and

(b) any and all obligations of the Makers under the 12% Senior Subordinated Debentures issued by the Makers on or about the date hereof pursuant to that certain Securities Purchase Agreement by and among the Makers and Argosy Investment Partners III, L.P., Horizon Capital Partners III, L.P., Marquette Capital Fund I, LP, and GFI (the "Securities Purchase Agreement"), a copy of which is available for inspection at the principal office of Makers,

including any modification, extension, renewal, novation or refinancing thereof (each and all of the foregoing, "Senior Debt"); and the rights of all Subordinate Parties (as defined below) are expressly subordinated to the rights of the holders of Senior Debt. Payment of any obligations on or arising from this Note may be made if and only so long as, on the date set for payment, no event or circumstance exists which constitutes, or with the giving of notice or the passage of time would constitute, an event of default under any Senior Debt (and such payment would not cause or constitute such an event). If any payment hereon is received by any holder other than as permitted in the previous sentence, such payment shall be held in trust for the holders of the Senior Debt as their interests appear. Until all Senior Debt is paid in full, no holder hereof shall, without the prior written consent of the holders of all Senior Debt, initiate (or join with any creditor of the Makers in initiating) any proceedings, voluntary or involuntary, for the collection of moneys due hereunder, including, without limitation, proceedings for the acceleration of the maturity hereof or the liquidation, dissolution or winding up of the Makers or any guarantor or their business, receivership, insolvency or bankruptcy proceedings, an assignment for the benefit of creditors or other relief under any bankruptcy, reorganization or insolvency law or any law relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangement, composition, extension or otherwise. Each holder hereof, for such holder and all transferees, assignees, and persons claiming interests by reason of any agreement or arrangement with the holder (collectively, "Subordinate Parties") waives any defense based on the adequacy of a remedy at law which might be asserted as a bar to the remedy of specific performance hereof in any action brought by any holder of Senior Debt. Subject to Section 7 below, the Subordinate Parties further waive presentment, notice and protest in connection with all negotiable instruments evidencing Senior Debt, notice of any loans made, extensions or modifications granted or other action taken in reliance on the terms set forth in this paragraph and all demands and notices of every kind in connection with the Senior Debt, and assent to any renewal, extension or postponement of the time of payment or any other indulgence in connection with Senior Debt, to any exchange, substitution or release of collateral therefor and to the addition or release of any person primarily or secondarily liable thereon. The subordination provided by this paragraph shall terminate only if (1) all outstanding Senior Debt is paid in full, (2) no person that may be the holder of Senior Debt has any obligation to extend or continue credit to the Makers, and (3) the holder receives from the Makers written notice of termination of all subordination hereof. Each holder hereof shall take any action or execute and deliver any further instrument reasonably requested by the holder of any Senior Debt to carry out the purposes of this paragraph, including, without limitation, one or more specific debt subordination agreements with and in favor of specific holders of Senior Debt on terms consistent with this paragraph and containing other terms and conditions as are customary in subordinating junior debt to bank debt.

4. Liquidation Right. In the event of any voluntary or involuntary liquidation, dissolution or winding up of either Maker, this Note shall be entitled to a claim in liquidation after the payment in full of all Senior Debt but before participation by the holders of any equity of Makers. The amount of the claim in liquidation shall equal the amount to which Payee of this Note would be entitled in the case of payment, whether or not this Note is eligible for payment at the time of liquidation.

5. Prepayment. The Makers may prepay the principal hereof and all interest thereon in whole or in part at any time after written notice to Payee; provided that (a) any partial prepayment of principal is in multiples of \$50,000; (b) the notice provided for above sets forth the date the prepayment will be made; and (c) each prepayment of principal shall be accompanied by a prepayment fee equal to (i) 5% of the principal amount of any prepayment made prior to March 16, 2008; (ii) 4% of the amount of any prepayment made on or after March 16, 2008 but prior to March 16, 2009; (iii) 3% of the amount of any prepayment made on or after March 16, 2009 but prior to March 16, 2010; (iv) 2% of the amount of any prepayment made on or after March 16, 2010 but prior to March 16, 2011; and (v) 1% of the amount of any prepayment made on or after March 16, 2011 but prior to March 16, 2012. The prepayment fee described above will also apply to any payment of principal made within ten days following or made concurrently with the occurrence of an Exit Event, as defined in the Securities Purchase Agreement. At the time of any prepayment, all interest owing on the amount prepaid to the date of payment must simultaneously be paid. The prepayment fee provided for above will also apply to any prepayment resulting from the acceleration of the indebtedness evidenced hereby.

6. Expenses. Makers agree to pay Payee, on demand, for all reasonable costs and expenses, including, but not limited to, reasonable attorneys' fees, incurred in the collection, enforcement, modification, restatement, replacement or amendment of this Note.

7. Disclosure of Senior Debt. Makers shall notify Payee of the creation, and any subsequent written modification, extension, renewal, replacement or rollover, of any Senior Debt or any default therein within five (5) Business Days of the date it is incurred or occurs. Such notice shall provide Payee access to all documents executed in connection therewith.

8. Default; Acceleration. Upon the occurrence of an Event of Default, as defined in the Securities Purchase Agreement, or in the event default shall occur in the making of any payment of interest hereon, or any payment of the principal hereof (or any premium provided hereunder) when the same shall have become due, then Payee, at Payee's option and without the need for presentment, demand, protest, or other notice of any kind, but subject to the terms of Section 3 above, may declare all unpaid principal hereof and interest hereunder, to be immediately due and payable and the same shall become immediately due and payable upon such declaration; provided that in the event of any Event of Default specified in Sections 13.1(i)-(k) of the Securities Purchase Agreement, all such amounts shall become immediately due and payable automatically and without any requirement of notice from Payee.

9. Certain Waivers. Makers and any endorser or guarantor hereof (collectively, the "Obligors") and each of them (i) waive presentment, diligence, protest, demand, notice of demand, notice of acceptance or reliance, notice of non-payment, notice of dishonor, notice of protest and all other notices to parties in connection with the delivery,

acceptance, performance, default or enforcement of this Note, any endorsement or guaranty of this Note, or any collateral or other security; (ii) consent to any and all delays, extensions, renewals or other modifications of this Note, any related document or the debts or collateral evidenced hereby or thereby or any waivers of any term hereof or thereof, any release, surrender, taking of additional, substitution, exchange, failure to perfect, record, preserve, realize upon, or lawfully dispose of or any other impairment of any collateral or other security, or any other failure to act by Payee or any other forbearance or indulgence shown by Payee, from time to time and in one or more instances (without notice to or assent from any of the Obligors) and agree that none of the foregoing shall release, discharge or otherwise impair any of their liabilities; (iii) agree that the full or partial release or discharge of any Obligor shall not release, discharge or otherwise impair the liabilities of any other Obligor; and (iv) otherwise waive any other defenses based on suretyship or impairment of collateral.

10. Registration and Transfer of this Note. Makers shall keep at the principal executive office of Makers a register (herein sometimes referred to as the "Note Register"), in which Makers shall provide for the registration and transfer of this Note. Any transfer of this Note is subject to compliance with applicable securities laws and regulations. The Payee of this Note, at such Payee's option, may in person or by duly authorized attorney surrender this Note for exchange at the principal office of Makers, to receive in exchange therefor a new Note, as may be requested by Payee, in the same unpaid principal amount as the aggregate unpaid principal amount of the Note so surrendered; provided, however, that any transfer tax relating to such transaction shall be paid by Payee requesting the exchange. Each such new Note shall be dated as of the date to which interest has been paid and registered in such name or names as such Payee may designate in writing. Neither this Note nor any replacement Note may be transferred or assigned in part.

11. Lost Documents. Upon receipt by Makers of evidence satisfactory to them of the loss, theft, destruction or mutilation of this Note or any Note exchanged for it, and of indemnity satisfactory to it, and upon reimbursement to Makers of all reasonable expenses incidental thereto, and upon surrender and cancellation of such Note, if mutilated, Makers will make and deliver in lieu of such Note a new Note of like tenor and unpaid principal amount and dated as of the date to which interest has been paid on the unpaid principal amount of the Note in lieu of which such new Note is made and delivered.

12. Commercial Transaction; Jury Waiver. MAKERS ACKNOWLEDGE THAT THE TRANSACTION OF WHICH THIS NOTE IS A PART IS A COMMERCIAL TRANSACTION. MAKERS HEREBY KNOWINGLY AND VOLUNTARILY WAIVE TRIAL BY JURY AND THE RIGHT THERETO IN ANY ACTION OR PROCEEDING OF ANY KIND, ARISING UNDER OR OUT OF, OR OTHERWISE RELATED TO OR OTHERWISE CONNECTED WITH, THIS NOTE AND OR ANY RELATED DOCUMENT. MAKERS FURTHER ACKNOWLEDGE THAT THEY HAVE HAD AN OPPORTUNITY TO REVIEW THIS NOTE AND THE OTHER DOCUMENTS EXECUTED IN CONNECTION HERewith WITH THEIR COUNSEL AND THAT MAKERS ON THEIR OWN HAVE MADE THE DETERMINATION TO EXECUTE THIS NOTE AND ALL OTHER DOCUMENTS TO WHICH MAKERS ARE A PARTY AFTER CONSIDERATION OF ALL OF THE TERMS OF THIS NOTE AND SUCH OTHER DOCUMENTS (INCLUDING THE

INTEREST RATE) AND OF ALL OTHER FACTORS WHICH MAKERS CONSIDER RELEVANT.

13. Binding Nature. This Note shall bind Makers and their respective successors and permitted assigns and shall inure to the benefit of Payee and Payee's successors and assigns. The term "Payee" as used herein shall include, in addition to the initial Payee, any successors, endorsees, or other assignees of such Payee and shall also include any other holder of this Note. Neither Maker may assign any of its rights hereunder without the prior written consent of Payee. In the event of a merger or consolidation between the Makers, at a time when one Maker is a wholly-owned subsidiary of the other and as a result of which all the outstanding equity interests (primary and fully diluted) of the surviving entity immediately after the merger or consolidation are identical to those of the parent immediately before the merger, then the term "Maker" or "Makers" as used herein shall thereafter be construed as meaning the surviving entity in such merger or consolidation; and such merger or consolidation shall not be deemed to constitute an "Exit Event," a "Proposed Transfer," a liquidation of the non-surviving entity, or any other event triggering rights or obligations hereunder.

14. Governing Law; Jurisdiction, Venue and Service. This Debenture shall be governed by and construed and interpreted in accordance with the laws of the State of Michigan without regard to its rules pertaining to conflicts of laws.

15. Waiver of Trial by Jury.

**PAYEE AND MAKERS HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDINGS, CLAIMS OR COUNTER-CLAIMS, WHETHER IN CONTRACT OR TORT, AT LAW OR IN EQUITY, ARISING OUT OF OR IN ANY WAY RELATING TO THIS INSTRUMENT.**

16. Miscellaneous. No delay or omission by Payee in exercising any right or remedy hereunder shall operate as a waiver of such right or remedy or any other right or remedy; and a waiver on one occasion shall not be a bar to or waiver of any right or remedy on any other occasion. All rights and remedies of Payee hereunder, any other applicable document and under applicable law shall be cumulative and not in the alternative. No provision of this Note may be waived or modified orally but only by a writing signed by the party against whom enforcement of such amendment, waiver or other modification is sought.

17. Notices. All notices, requests, consents and demands shall be made in writing and shall be mailed first class postage prepaid, delivered by overnight courier providing proof of delivery, or delivered by hand or by messenger to Makers or to Payee at their respective addresses set forth in the Stock Purchase Agreement or at such other respective addresses as may be furnished in writing to each other.

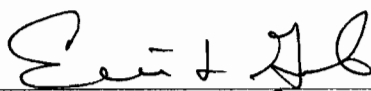
*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]*

DUPLICATE

IN WITNESS WHEREOF, Makers have executed and delivered this Note as of the day and year first written above.

**MAKER:**

**GROEB FARMS, INC.**

By:   
Name: Ernest L. Groeb  
Title: V-P

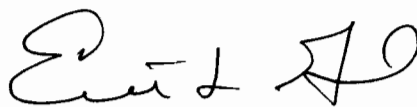
**MAKER:**

**GF ACQUISITION, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Endorsement**

Subject to the term of that certain Escrow Agreement of even date hereof, by and among Maker, Payee, and Comerica Bank, National Association, pay to the order of Comerica Bank, National Association, as Escrow Agent.

  
Ernest L. Groeb

[signature page to 8% Junior Subordinated Note]

DUPLICATE

**IN WITNESS WHEREOF**, Makers have executed and delivered this Note as of the day and year first written above.

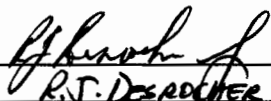
**MAKER:**

**GROEB FARMS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**MAKER:**

**GF ACQUISITION, INC.**

By:   
Name: R.T. DESAUTELS JR.  
Title: PRESIDENT

**Endorsement**

Subject to the term of that certain Escrow Agreement of even date hereof, by and among Maker, Payee, and Comerica Bank, National Association, pay to the order of Comerica Bank, National Association, as Escrow Agent.

\_\_\_\_\_  
Ernest L. Groeb

[signature page to 8% Junior Subordinated Note]

DATE: \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned does (do) hereby sell, assign and transfer to \_\_\_\_\_

SOCIAL SECURITY OR TAXPAYER I.D. NO. \_\_\_\_\_

IF STOCK,  
COMPLETE  
THIS  
PORTION

\_\_\_\_\_ shares of the \_\_\_\_\_ (CAPITAL, COMMON OR PREFERRED) stock  
 issued by \_\_\_\_\_ (ISSUER)  
 represented by Certificate No(s). \_\_\_\_\_

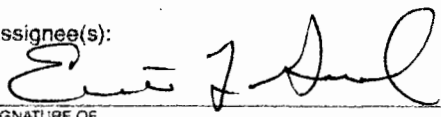
IF BONDS,  
COMPLETE  
THIS  
PORTION

<sup>2014</sup>  
 8% Junior Subordinated Note, Due March 16, 2004 \_\_\_\_\_ in the principal amount of  
 (RATE, DESCRIPTION, DUE DATE)  
 \$1,500,000 Groeb Farms Inc. \_\_\_\_\_ (ISSUER)  
 represented by Certificate No(s). \_\_\_\_\_

The undersigned does (do) hereby irrevocably constitute and appoint \_\_\_\_\_ attorney  
 to transfer the said stock or bond(s), as the case may be, on the books of said Company with full power of substitution in the premises.

The signature(s) must correspond with the name(s)  
 as written on the certificate in every particular.

Assignee(s):



SIGNATURE OF

SIGNATURE OF

SIGNATURE OF

SIGNATURE OF

**Note: Signature(s) to Assignment must be Medallion  
 Guaranteed by a Bank, Trust Company or Stock  
 Exchange Member Recognized by the Transfer Agent,  
 pursuant to the Securities Transfer Agents Medallion  
 Program (STAMP) set forth by the Securities and  
 Exchange Commission (SEC).**

Signature(s) Medallion Guaranteed by: \_\_\_\_\_



## **EXHIBIT B**

B10 (Official Form 10) (04/13)

<b>UNITED STATES BANKRUPTCY COURT</b> <u>Eastern District of Michigan</u>		<b>PROOF OF CLAIM</b>						
Name of Debtor: <b>Groeb Farms, Inc.</b>	Case Number: <b>13-58200</b>	<div style="font-size: 24px; font-weight: bold;">RECEIVED</div> <div style="font-size: 24px; font-weight: bold;">NOV 04 2013</div> <div style="font-weight: bold;">KURTZMAN CARSON CONSULTANTS</div> <div style="font-weight: bold;">COURT USE ONLY</div>						
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.								
Name of Creditor (the person or other entity to whom the debtor owes money or property): <b>TROY GROEB</b>								
Name and address where notices should be sent: <b>Rebecca Rosenthal</b> <b>77 W. Wacker Drive, Suite 3100</b> <b>Chicago, IL 60601</b>  Telephone number: (312) 456-8400 email: <a href="mailto:rosenthalr@qtlaw.com">rosenthalr@qtlaw.com</a>		<input type="checkbox"/> Check this box if this claim amends a previously filed claim.  Court Claim Number: _____ (If known)  Filed on: _____						
Name and address where payment should be sent (if different from above):   Telephone number: _____ email: _____		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.						
<b>1. Amount of Claim as of Date Case Filed:</b> \$ <u>see attached</u>  If all or part of the claim is secured, complete item 4.  If all or part of the claim is entitled to priority, complete item 5.  <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.								
<b>2. Basis for Claim:</b> <u>see attached</u> (See instruction #2)								
<b>3. Last four digits of any number by which creditor identifies debtor:</b>  _____	<b>3a. Debtor may have scheduled account as:</b>  _____ (See instruction #3a)	<b>3b. Uniform Claim Identifier (optional):</b>  _____ (See instruction #3b)						
<b>4. Secured Claim</b> (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.  Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____  Value of Property: \$ _____  Annual Interest Rate _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)  <b>Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any:</b> \$ _____  <b>Basis for perfection:</b> _____  <b>Amount of Secured Claim:</b> \$ _____  <b>Amount Unsecured:</b> \$ _____								
<b>5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.</b>  <table style="width: 100%;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).         </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> Wages, salaries, or commissions (up to \$12,475*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).         </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).         </td> </tr> <tr> <td style="vertical-align: top;"> <input type="checkbox"/> Up to \$2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).         </td> <td style="vertical-align: top;"> <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).         </td> <td style="vertical-align: top;"> <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)(____).         </td> </tr> </table> <div style="text-align: right; margin-top: 10px;"> <b>Amount entitled to priority:</b> \$ _____       </div>			<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).	<input type="checkbox"/> Wages, salaries, or commissions (up to \$12,475*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).	<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).	<input type="checkbox"/> Up to \$2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).	<input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).	<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)(____).
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).	<input type="checkbox"/> Wages, salaries, or commissions (up to \$12,475*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).	<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).						
<input type="checkbox"/> Up to \$2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).	<input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).	<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)(____).						
<i>*Amounts are subject to adjustment on 4/01/16 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</i>								
<b>6. Credits.</b> The amount of all payments on this claim has been credited for the purpose of making this claim								

**7. Documents:** Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, security agreements, or, in the case of a claim based on an open-end or revolving consumer credit agreement, a statement providing the information required by FRBP 3001(c)(3)(A). If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. If the claim is secured by the debtor's principal residence, the Mortgage Proof of Claim Attachment is being filed with this claim. (See instruction #7, and the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

**8. Signature:** (See instruction #8)

KURTZMAN CARSON CONSULTANTS

Check the appropriate box.

- ☒ I am the creditor.    ☐ I am the creditor's authorized agent.    ☐ I am the trustee, or the debtor, or their authorized agent.    ☐ I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)  
(See Bankruptcy Rule 3004.)

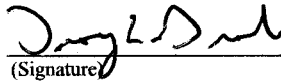
I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: TROY GROEB

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Address and telephone number (if different from notice address above): \_\_\_\_\_

  
(Signature)

11/01/2013

(Date)

Telephone number: \_\_\_\_\_

email: \_\_\_\_\_

*Penalty for presenting fraudulent claim:* Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

**INSTRUCTIONS FOR PROOF OF CLAIM FORM**

*The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.*

**Items to be completed in Proof of Claim form**

**Court, Name of Debtor, and Case Number:**

Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

**Creditor's Name and Address:**

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

**1. Amount of Claim as of Date Case Filed:**

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

**2. Basis for Claim:**

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

**3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:**

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

**3a. Debtor May Have Scheduled Account As:**

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

**3b. Uniform Claim Identifier:**

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

**4. Secured Claim:**

Check whether the claim is fully or partially secured. Skip this section if the

claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

**5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).**

If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

**6. Credits:**

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

**7. Documents:**

Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest and documents required by FRBP 3001(c) for claims based on an open-end or revolving consumer credit agreement or secured by a security interest in the debtor's principal residence. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

**8. Date and Signature:**

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

## ADDENDUM TO PROOF OF CLAIM OF TROY GROEB

1. This addendum is made in connection with the attached proof of claim (“**Proof of Claim**”) of Troy Groeb (“**TG**”). TG submits this claim for the amount owed by Groeb Farms, Inc. (the “**Debtor**”) as of October 1, 2013 (the “**Petition Date**”).<sup>1</sup>

### BASIS OF CLAIM

#### A. Subordinated Note

2. TG and the Debtor are party to that certain 8% Junior Subordinated Note (the “**Subordinated Note**”) dated March 16, 2007 in the principal amount of \$1,500,000 plus interest at 8% per annum (the “**Subordinated Note Amount Owed**”). The Subordinated Note was issued in connection with that certain Securities Purchase Agreement among Argosy investment Partners III, L.P., Horizon Capital Partners III, L.P., Marquette Capital Fund I, LLP, GF Acquisition, Inc. and Groeb Farms, Inc. dated March 16, 2007 (the “**Stock Purchase Agreement**”).

3. TG is owed and has a claim in the amount of 24.5% of the Subordinated Note Amount Owed against the Debtor pursuant to the Stock Purchase Agreement and the Subordinated Note.

#### B. Breach of Contract

4. TG and the Debtor are party to that certain Investment Agreement for 26,923 Shares of Series C 6% Convertible Preferred Stock Issue by Groeb Farms, Inc. dated March 31, 2013 (the “**2010 Investment Agreement**”). Also, TG and the Debtor are party to that certain Investment Agreement for 78,500 Shares of Convertible Preferred Stock and 2,500 Shares of Series D Common Stock Issued by GF Acquisition, Inc. dated March 17, 2007 (the “**2007**

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<sup>1</sup> Documents referred to herein are not attached due to their voluminous nature. They will be provided upon request and it is believed that the Debtor has copies of all agreements referenced herein.

**Investment Agreement”** and together with the 2010 Investment Agreement, the “**Investment Agreement”**).

5. TG has a breach of contract claim against the Debtor for several violations of the Investment Agreement which include, but are not limited to, the following:

(a) Section 6.12 of the Investment Agreement provides that the company, Debtor herein, shall furnish to each Purchaser various financial reports within specified time periods. TG was not provided with those financial reports and, as a result, was harmed by the Debtor by an amount not yet determined.

(b) Section 6.20(ii) of the Investment Agreement also provides that the company, Debtor herein, “shall give each Purchaser no less than the same prior notice (which shall be no less than seven (7) days) of the time and place of all meetings of the Board of Directors (or any committee thereof) as is given to members of the Board of Directors (or such committee members)... Company shall promptly furnish each Purchaser with copies of the minutes of all meetings of the Board of Directors, copies of all unanimous consents in writing adopted by the Board of Directors and copies of all materials presented prior to or at meetings of the Board of Directors.” TG was not provided with notice of all meetings of the Board of Directors, copies of the minutes of all meetings of the Board of Directors, copies of all unanimous consents in writing adopted by the Board of Directors or copies of all materials presented prior to or at meetings of the Board of Directors and has been harmed, in an amount not yet determined, as a result of the Debtor’s breach.

(c) Section 6.28.(c) of the Investment Agreement requires that the company, Debtor herein, “shall furnish Investors, copies of the minutes of each Board and shareholders meeting within ten (10) business days after such meeting.” TG was not provided with copies of

the minutes of each Board and shareholders meeting within ten (10) business days after such meeting. TG has been harmed, in an amount not yet determined, as a result of the Debtor's breach.

(d) Section 6.29.(f) of the Investment Agreement states that the company, Debtor herein, "will not amend, violate or breach any of the provisions of the Company's Restated Articles of Incorporation or Bylaws, as then in effect." The Debtor restated its Articles of Incorporation on February 8, 2011 and its Bylaws on January 26, 2012. TG has been harmed, in an amount not yet determined, as a result of the Debtor's breach.

6. The above contract breaches are not inclusive of all contractual breaches with respect to the Investment Agreement and TG reserves the right to supplement this Proof of Claim with additional breaches of the Investment Agreement.

#### C. Investor Indemnification

7. Section 10.02 of the Investment Agreement provides that the company, Debtor herein,

"agrees to indemnify each Investor and each officer, employee, agent, partner, stockholder and affiliate of each Purchaser (collectively, the "Indemnified Parties") for, and hold each Indemnified Party harmless from and against, (i) subject to the limitation set forth below, any and all damages, losses, Claims and other liabilities of any and every kind, including, without limitation, judgments and costs of settlement, and (ii) any and all out-of-pocket costs and expenses of any and every kind, including, without limitation, reasonable fees and disbursements of counsel for such Indemnified Parties (all of which expenses periodically shall be reimbursed as incurred), in each case, arising out of or suffered or incurred in connection with any misrepresentation or any breach of any warranty or covenant made by either Company in this Agreement or in any of the other applicable documents. As used in this Article 10, the term "Claim" shall include (i) all debts, liabilities and obligations; (ii) all losses, damages (including, without limitation, interest (including prejudgment interest in any litigated matter), penalties, court costs and attorney fees and expenses); and (iii) all demands, claims, suits, actions, costs or investigation, causes of action, proceedings and assessments, whether or not ultimately determined to be valid.

The amount of each Claim shall be determined based on the assumption that Investors own 100% of equity interests in Company.”

Accordingly, under section 10.02 of the Investment Agreement, TG has an indemnification claim against the Debtor in an amount yet to be determined.

8. In addition, section 12.04 of the Investment Agreement provides that the company, Debtor herein, “shall indemnify each Investor for all liability and reasonable costs and expenses incurred by each Investor in any proceeding to which the Investor was a party because such Investor is an investor in Company...”. TG is incurring costs and expenses in connection with the Debtor’s Chapter 11 case, as a result of being an “Investor” as defined in the 2010 Investment Agreement. Accordingly, TG has an indemnification claim against the Debtor in an amount yet to be determined.

D. Officer/Director Indemnification

9. Section 9 of the Debtor’s Articles of Incorporation (the “**Indemnification Provision**”) provides that the corporation, Debtor herein, shall “indemnify any and all persons whom it shall have the power to indemnify” under the Business Corporation Act of the State of Michigan. The Debtor has ceased paying TG’s counsel with respect to certain litigation covered by the Indemnification. Accordingly, TG has an indemnification claim against the Debtor in an amount that has yet to be determined.

E. Various Invoices

10. TG is listed on Schedule F of the Debtor’s bankruptcy schedules as having a claim of \$19,763.35 (the “**Scheduled Unsecured Claim Amount**”). The Scheduled Unsecured Claim Amount is not listed as contingent, unliquidated or disputed. Accordingly, TG has a claim, per the Debtor’s schedules, in the amount of the Scheduled Unsecured Claim Amount.

F. Shareholder Minority Oppression Claim

11. Under facts that are known to the Debtor, TG believes he has a claim for shareholder minority oppression against the Debtor in an amount that has yet to be determined.

G. Breach of Fiduciary Duty

12. Under facts that are known to the Debtor, TG believes he has a claim for breach of fiduciary duties of good faith and loyalty against the Debtor in an amount that has yet to be determined.

**SETOFF AND COUNTERCLAIM**

13. No judgment has been rendered on these claims.

14. To the best of TG's knowledge, the claim set forth in this Proof of Claim is not subject to any valid setoff or counterclaim by Debtor, provided however, TG expressly reserves and does not waive any setoff or recoupment rights that it may possess.

**RESERVATION OF RIGHTS**

15. TG also asserts, without limitation, the following additional claims, as to which TG expressly reserves and preserves all rights, notwithstanding anything contained in this Proof of Claim, including, without limitation, (1) the right to assert claims for administrative expenses; (2) the right to assert claims for attorneys' fees and costs which continue to accrue and to be incurred; (3) right to estimate contingent claims and assert additional claims if contingent claims are estimated and/or liquidated; (4) the right to assert any other claims TG may have against Debtor relating or incidental to Debtor's obligations; and (5) the right to amend this Proof of Claim.

16. This Proof of Claim is without prejudice to claims, if any, that TG has or may have for payment of an administrative expense allowable under section 503(b) of the Bankruptcy



Code with respect to any transaction arising out of the relevant documents, whether or not such amounts are included in this Proof of Claim, and TG expressly reserves its rights to file such claim or any similar claim at an appropriate time.

17. TG expressly reserves its rights to (1) amend, update, modify, supplement or otherwise revise this Proof of Claim in any respect at any time; and/or (2) file additional proofs of claim for additional claims which may be based on the same or additional documents. This Proof of Claim is filed without prejudice to the filing by TG of additional proofs of claim with respect to any other liability or indebtedness of Debtor. TG specifically preserves all of its procedural and substantive defenses and rights with respect to any claim that may be asserted against TG by Debtor or any other party in interest in this bankruptcy case, or any other person of entity whatsoever.

18. Filing of this Proof of Claim is not intended to be, and may not be construed to be: (a) a waiver or release of TG's rights against any other entity or person liable for all or part of any claim described herein; (b) a waiver of the right to seek to have the reference withdrawn with respect to the subject matter of these claims, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this case against or otherwise involving TG; (c) a waiver of any right to the subordination, in favor of TG, of indebtedness or liens held by creditors of Debtor; or (d) an election of remedy which waives or otherwise affects any other remedy of TG.

## **EXHIBIT C**

B10 (Official Form 10) (04/13)

UNITED STATES BANKRUPTCY COURT      Eastern District of Michigan		PROOF OF CLAIM						
Name of Debtor:  Groeb Farms, Inc.	Case Number:  13-58200	<div style="font-size: 24pt; font-weight: bold;">RECEIVED</div> <div style="font-size: 24pt; font-weight: bold;">NOV 04 2013</div> <div style="font-weight: bold;">KURTZMAN CARSON CONSULTANTS</div> <div style="font-weight: bold;">COURT USE ONLY</div> <div> <input type="checkbox"/> Check this box if this claim amends a previously filed claim.             Court Claim Number: _____            (If known)             Filed on: _____         </div> <div> <input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.         </div>						
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.								
Name of Creditor (the person or other entity to whom the debtor owes money or property): ERNEST GROEB								
Name and address where notices should be sent: Rebecca Rosenthal 77 W. Wacker Drive, Suite 3100 Chicago, IL 60601  Telephone number: (312) 456-8400      email: rosenthalr@qtlaw.com								
Name and address where payment should be sent (if different from above):     Telephone number:      email:								
1. Amount of Claim as of Date Case Filed:      \$ <u>see attached</u>  If all or part of the claim is secured, complete item 4.  If all or part of the claim is entitled to priority, complete item 5.  <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.								
2. Basis for Claim: <u>see attached</u> (See instruction #2)								
3. Last four digits of any number by which creditor identifies debtor:	3a. Debtor may have scheduled account as:  (See instruction #3a)	3b. Uniform Claim Identifier (optional):  (See instruction #3b)						
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.  Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____  Value of Property: \$ _____  Annual Interest Rate _____% <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)								
Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____  Basis for perfection: _____  Amount of Secured Claim: \$ _____  Amount Unsecured: \$ _____								
5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.								
<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).         </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> Wages, salaries, or commissions (up to \$12,475*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).         </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).         </td> </tr> <tr> <td style="vertical-align: top;"> <input type="checkbox"/> Up to \$2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).         </td> <td style="vertical-align: top;"> <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).         </td> <td style="vertical-align: top;"> <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)( ).         </td> </tr> </table> <div style="text-align: right; margin-top: 10px;"> <b>Amount entitled to priority:</b>          \$ _____       </div>			<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).	<input type="checkbox"/> Wages, salaries, or commissions (up to \$12,475*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).	<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).	<input type="checkbox"/> Up to \$2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).	<input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).	<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)( ).
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).	<input type="checkbox"/> Wages, salaries, or commissions (up to \$12,475*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).	<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).						
<input type="checkbox"/> Up to \$2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).	<input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).	<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)( ).						
*Amounts are subject to adjustment on 4/01/16 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.								
6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)								

**7. Documents:** Attached are **redacted** copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, security agreements, or, in the case of a claim based on an open-end or revolving consumer credit agreement, a statement providing the information required by FRBP 3001(c)(3)(A). If the claim is secured, box 4 has been completed, and **redacted** copies of documents providing evidence of perfection of a security interest are attached. If the claim is secured by the debtor's principal residence, the Mortgage Proof of Claim Attachment is being filed with this claim. (See instruction #7, and the definition of "redacted".)

RECEIVED

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

NOV 04 2013

**8. Signature:** (See instruction #8)

KURTZMAN CARSON CONSULTANTS

Check the appropriate box.

☒ I am the creditor. ☐ I am the creditor's authorized agent. ☐ I am the trustee, or the debtor, or their authorized agent. ☐ I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)  
(See Bankruptcy Rule 3004.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: ERNEST GROEB

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Address and telephone number (if different from notice address above): \_\_\_\_\_

(Signature)

(Date)

11/01/2013

Telephone number: \_\_\_\_\_ email: \_\_\_\_\_

*Penalty for presenting fraudulent claim:* Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

**INSTRUCTIONS FOR PROOF OF CLAIM FORM**

*The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.*

**Items to be completed in Proof of Claim form****Court, Name of Debtor, and Case Number:**

Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

**Creditor's Name and Address:**

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

**1. Amount of Claim as of Date Case Filed:**

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

**2. Basis for Claim:**

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

**3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:**

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

**3a. Debtor May Have Scheduled Account As:**

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

**3b. Uniform Claim Identifier:**

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

**4. Secured Claim:**

Check whether the claim is fully or partially secured. Skip this section if the

claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

**5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).**

If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

**6. Credits:**

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

**7. Documents:**

Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest and documents required by FRBP 3001(c) for claims based on an open-end or revolving consumer credit agreement or secured by a security interest in the debtor's principal residence. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

**8. Date and Signature:**

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

## **ADDENDUM TO PROOF OF CLAIM OF ERNEST GROEB**

1. This addendum is made in connection with the attached proof of claim (“**Proof of Claim**”) of Ernest Groeb (“**EG**”). EG submits this claim for the amount owed by Groeb Farms, Inc. (the “**Debtor**”) as of October 1, 2013 (the “**Petition Date**”).<sup>1</sup>

### **BASIS OF CLAIM**

#### A. Subordinated Note

2. EG and the Debtor are party to that certain 8% Junior Subordinated Note (the “**Subordinated Note**”) dated March 16, 2007 in the principal amount of \$1,500,000 plus interest at 8% per annum. The Subordinated Note was issued in connection with that certain Securities Purchase Agreement among Argosy investment Partners III, L.P., Horizon Capital Partners III, L.P., Marquette Capital Fund I, LLP, GF Acquisition, Inc. and Groeb Farms, Inc. dated March 16, 2007 (the “**Stock Purchase Agreement**”).

3. EG, in his capacity as the shareholder representative of EG, Troy Groeb and the E. Jeanne Living Trust is owed and has a claim in the approximate amount of \$1,580,667 under the Subordinated Note. Stated another way, EG, in his individual capacity is owed and has a claim in the amount of 24.5% of the Subordinated Note Amount Owed by the Debtor pursuant to the Stock Purchase Agreement and the Subordinated Note.

#### B. Breach of Contract

4. EG and the Debtor are party to that certain Investment Agreement for 26,923 Shares of Series C 6% Convertible Preferred Stock Issue by Groeb Farms, Inc. dated March 31, 2013 (the “**2010 Investment Agreement**”). Also, EG and the Debtor are party to that certain Investment Agreement for 78,500 Shares of Convertible Preferred Stock and 2,500 Shares of

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<sup>1</sup> Documents referred to herein are not attached due to their voluminous nature. They will be provided upon request and it is believed that the Debtor has copies of all agreements referenced herein.

Series D Common Stock Issued by GF Acquisition, Inc. dated March 17, 2007 (the “**2007 Investment Agreement**” and together with the 2010 Investment Agreement, the “**Investment Agreement**”).

5. EG has a breach of contract claim against the Debtor for several violations of the Investment Agreement which include, but are not limited to, the following:

(a) Section 6.12 of the Investment Agreement provides that the company, Debtor herein, shall furnish to each Purchaser various financial reports within specified time periods. EG was not provided with those financial reports and, as a result, was harmed by the Debtor by an amount not yet determined.

(b) Section 6.20(ii) of the Investment Agreement also provides that the company, Debtor herein, “shall give each Purchaser no less than the same prior notice (which shall be no less than seven (7) days) of the time and place of all meetings of the Board of Directors (or any committee thereof) as is given to members of the Board of Directors (or such committee members)... Company shall promptly furnish each Purchaser with copies of the minutes of all meetings of the Board of Directors, copies of all unanimous consents in writing adopted by the Board of Directors and copies of all materials presented prior to or at meetings of the Board of Directors.” EG was not provided with notice of all meetings of the Board of Directors, copies of the minutes of all meetings of the Board of Directors, copies of all unanimous consents in writing adopted by the Board of Directors or copies of all materials presented prior to or at meetings of the Board of Directors and has been harmed, in an amount not yet determined, as a result of the Debtor’s breach.

(c) Section 6.28.(c) of the Investment Agreement requires that the company, Debtor herein, “shall furnish Investors, copies of the minutes of each Board and shareholders

meeting within ten (10) business days after such meeting.” EG was not provided with copies of the minutes of each Board and shareholders meeting within ten (10) business days after such meeting. EG has been harmed, in an amount not yet determined, as a result of the Debtor’s breach.

(d) Section 6.29.(f) of the Investment Agreement states that the company, Debtor herein, “will not amend, violate or breach any of the provisions of the Company’s Restated Articles of Incorporation or Bylaws, as then in effect.” The Debtor restated its Articles of Incorporation on February 8, 2011 and its Bylaws on January 26, 2012. EG has been harmed, in an amount not yet determined, as a result of the Debtor’s breach.

6. The above contract breaches are not inclusive of all contractual breaches with respect to the Investment Agreement and EG reserves the right to supplement this Proof of Claim with additional breaches of the Investment Agreement.

C. Investor Indemnification

7. Section 10.02 of the Investment Agreement provides that the company, Debtor herein,

“agrees to indemnify each Investor and each officer, employee, agent, partner, stockholder and affiliate of each Purchaser (collectively, the “Indemnified Parties”) for, and hold each Indemnified Party harmless from and against, (i) subject to the limitation set forth below, any and all damages, losses, Claims and other liabilities of any and every kind, including, without limitation, judgments and costs of settlement, and (ii) any and all out-of-pocket costs and expenses of any and every kind, including, without limitation, reasonable fees and disbursements of counsel for such Indemnified Parties (all of which expenses periodically shall be reimbursed as incurred), in each case, arising out of or suffered or incurred in connection with any misrepresentation or any breach of any warranty or covenant made by either Company in this Agreement or in any of the other applicable documents. As used in this Article 10, the term “Claim” shall include (i) all debts, liabilities and obligations; (ii) all losses, damages (including, without limitation, interest (including prejudgment interest in any litigated matter), penalties, court costs and attorney fees and expenses); and (iii) all demands, claims, suits, actions, costs or investigation, causes of action,

proceedings and assessments, whether or not ultimately determined to be valid. The amount of each Claim shall be determined based on the assumption that Investors own 100% of equity interests in Company.”

Accordingly, under section 10.02 of the Investment Agreement, EG has an indemnification claim against the Debtor in an amount yet to be determined.

8. In addition, section 12.04 of the Investment Agreement provides that the company, Debtor herein, “shall indemnify each Investor for all liability and reasonable costs and expenses incurred by each Investor in any proceeding to which the Investor was a party because such Investor is an investor in Company...”. EG is incurring costs and expenses in connection with the Debtor’s Chapter 11 case, as a result of being an “Investor” as defined in the 2010 Investment Agreement. Accordingly, EG has an indemnification claim against the Debtor in an amount yet to be determined.

D. Officer/Director Indemnification

9. Section 9 of the Debtor’s Articles of Incorporation (the “**Indemnification Provision**”) provides that the corporation, Debtor herein, shall “indemnify any and all persons whom it shall have the power to indemnify” under the Business Corporation Act of the State of Michigan. The Debtor has ceased paying EG’s counsel with respect to certain litigation covered by the Indemnification. Accordingly, EG has an indemnification claim against the Debtor in an amount no less than \$27,252.05.

E. Vacation Pay

10. EG is a former employee of the Debtor. Upon termination of his employment, EG was owed 3 weeks of vacation time (the “**Unpaid Vacation**”). The approximate value of the Unpaid Vacation is \$13,000. Accordingly, EG has a claim for Unpaid Vacation against the Debtor in an amount no less than \$13,000.



F. Shareholder Minority Oppression Claim

11. Under facts that are known to the Debtor, EG believes he has a claim for shareholder minority oppression against the Debtor in an amount that has yet to be determined.

G. Breach of Fiduciary Duty

12. Under facts that are known to the Debtor, EG believes he has a claim for breach of fiduciary duties of good faith and loyalty against the Debtor in an amount that has yet to be determined.

**SETOFF AND COUNTERCLAIM**

13. No judgment has been rendered on these claims.

14. To the best of EG's knowledge, the claim set forth in this Proof of Claim is not subject to any valid setoff or counterclaim by Debtor, provided however, EG expressly reserves and does not waive any setoff or recoupment rights that it may possess.

**RESERVATION OF RIGHTS**

15. EG also asserts, without limitation, the following additional claims, as to which EG expressly reserves and preserves all rights, notwithstanding anything contained in this Proof of Claim, including, without limitation, (1) the right to assert claims for administrative expenses; (2) the right to assert claims for attorneys' fees and costs which continue to accrue and to be incurred; (3) right to estimate contingent claims and assert additional claims if contingent claims are estimated and/or liquidated; (4) the right to assert any other claims EG may have against Debtor relating or incidental to Debtor's obligations; and (5) the right to amend this Proof of Claim.

16. This Proof of Claim is without prejudice to claims, if any, that EG has or may have for payment of an administrative expense allowable under section 503(b) of the Bankruptcy

Code with respect to any transaction arising out of the relevant documents, whether or not such amounts are included in this Proof of Claim, and EG expressly reserves its rights to file such claim or any similar claim at an appropriate time.

17. EG expressly reserves its rights to (1) amend, update, modify, supplement or otherwise revise this Proof of Claim in any respect at any time; and/or (2) file additional proofs of claim for additional claims which may be based on the same or additional documents. This Proof of Claim is filed without prejudice to the filing by EG of additional proofs of claim with respect to any other liability or indebtedness of Debtor. EG specifically preserves all of its procedural and substantive defenses and rights with respect to any claim that may be asserted against EG by Debtor or any other party in interest in this bankruptcy case, or any other person of entity whatsoever.

18. Filing of this Proof of Claim is not intended to be, and may not be construed to be: (a) a waiver or release of EG's rights against any other entity or person liable for all or part of any claim described herein; (b) a waiver of the right to seek to have the reference withdrawn with respect to the subject matter of these claims, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this case against or otherwise involving EG; (c) a waiver of any right to the subordination, in favor of EG, of indebtedness or liens held by creditors of Debtor; or (d) an election of remedy which waives or otherwise affects any other remedy of EG.

## **EXHIBIT D**

B10 (Official Form 10) (04/13)

UNITED STATES BANKRUPTCY COURT      Eastern District of Michigan		PROOF OF CLAIM
Name of Debtor: <b>Groeb Farms, Inc.</b>	Case Number: <b>13-58200</b>	<div style="font-size: 24pt; font-weight: bold;">RECEIVED</div> <div style="font-size: 24pt; font-weight: bold;">NOV 04 2013</div> <div style="font-weight: bold;">KURTZMAN CARSON CONSULTANTS</div>
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): <b>E. Jeanne Groeb Living Trust</b>		
Name and address where notices should be sent: <b>Rebecca Rosenthal 77 W. Wacker Drive, Suite 3100 Chicago, IL 60601</b>		<b>COURT USE ONLY</b> <input type="checkbox"/> Check this box if this claim amends a previously filed claim.  <b>Court Claim Number:</b> _____ <i>(If known)</i>  <b>Filed on:</b> _____
Telephone number: <b>(312) 456-8400</b> email: <b>rosenthalr@qtlaw.com</b>		
Name and address where payment should be sent (if different from above):     Telephone number: _____ email: _____		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.
<b>1. Amount of Claim as of Date Case Filed:</b> <u>\$see attached</u> <div style="float: right;"> <input checked="" type="checkbox"/> Date Stamped Copy Returned  <input type="checkbox"/> No self addressed stamped envelope  <input type="checkbox"/> No copy to return         </div>		
If all or part of the claim is secured, complete item 4. If all or part of the claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.		
<b>2. Basis for Claim:</b> <u>see attached</u> (See instruction #2)		
<b>3. Last four digits of any number by which creditor identifies debtor:</b>	<b>3a. Debtor may have scheduled account as:</b> _____ (See instruction #3a)	<b>3b. Uniform Claim Identifier (optional):</b> _____ (See instruction #3b)
<b>4. Secured Claim (See instruction #4)</b> Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.		
Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____
Value of Property: \$ _____		Basis for perfection: _____
Annual Interest Rate _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____
<b>5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.</b>		
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).	<input type="checkbox"/> Wages, salaries, or commissions (up to \$12,475*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).	<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).
<input type="checkbox"/> Up to \$2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).	<input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).	<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)(____).
Amount entitled to priority: \$ _____		
<i>*Amounts are subject to adjustment on 4/01/16 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</i>		
<b>6. Credits.</b> The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)		



**7. Documents:** Attached are **redacted** copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, security agreements, or, in the case of a claim based on an open-end or revolving consumer credit agreement, a statement providing the information required by FRBP 3001(c)(3)(A). If the claim is secured, box 4 has been completed, and **redacted** copies of documents providing evidence of perfection of a security interest are attached. If the claim is secured by the debtor's principal residence, the Mortgage Proof of Claim must also be filed with this claim. (See instruction #7, and the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

**8. Signature:** (See instruction #8)

KURTZMAN CARSON CONSULTANTS

Check the appropriate box.

- ☐ I am the creditor. ☒ I am the creditor's authorized agent. ☐ I am the trustee, or the debtor, or their authorized agent. ☐ I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)  
(See Bankruptcy Rule 3004.)

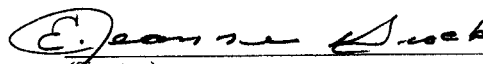
I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: JEANNE GROEB

Title: Trustee

Company: \_\_\_\_\_

Address and telephone number (if different from notice address above): \_\_\_\_\_

  
(Signature)

11/01/2013

(Date)

Telephone number: \_\_\_\_\_ email: \_\_\_\_\_

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

**INSTRUCTIONS FOR PROOF OF CLAIM FORM**

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.

**Items to be completed in Proof of Claim form**

**Court, Name of Debtor, and Case Number:**

Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

**Creditor's Name and Address:**

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

**1. Amount of Claim as of Date Case Filed:**

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

**2. Basis for Claim:**

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

**3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:**

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

**3a. Debtor May Have Scheduled Account As:**

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

**3b. Uniform Claim Identifier:**

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

**4. Secured Claim:**

Check whether the claim is fully or partially secured. Skip this section if the

claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

**5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).**

If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

**6. Credits:**

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

**7. Documents:**

Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest and documents required by FRBP 3001(c) for claims based on an open-end or revolving consumer credit agreement or secured by a security interest in the debtor's principal residence. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

**8. Date and Signature:**

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

**ADDENDUM TO PROOF OF CLAIM OF THE**  
**E. JEANNE LIVING TRUST**

1. This addendum is made in connection with the attached proof of claim (“**Proof of Claim**”) of the E. Jeanne Living Trust (“**JG Trust**”). The JG Trust submits this claim for the amount potentially owed by Groeb Farms, Inc. (the “**Debtor**”) as of October 1, 2013 - the petition date.

**BASIS OF CLAIM**

2. JG Trust and the Debtor are party to that certain 8% Junior Subordinated Note (the “**Subordinated Note**”) dated March 16, 2007 in the principal amount of \$1,500,000 plus interest at 8% per annum (the “**Subordinated Note Amount Owed**”). The Subordinated Note was issued in connection with that certain Securities Purchase Agreement among Argosy investment Partners III, L.P., Horizon Capital Partners III, L.P., Marquette Capital Fund I, LLP, GF Acquisition, Inc. and Groeb Farms, Inc. dated March 16, 2007 (the “**Stock Purchase Agreement**”).

3. JG Trust is owed and has a claim in the amount of 51% of the Subordinated Note Amount Owed against the Debtor pursuant to the Stock Purchase Agreement and the Subordinated Note.

## **SETOFF AND COUNTERCLAIM**

4. No judgment has been rendered on these claims.

5. To the best of the JG Trust's knowledge, the claim set forth in this Proof of Claim is not subject to any valid setoff or counterclaim by Debtor, provided however, the JG Trust expressly reserves and does not waive any setoff or recoupment rights that it may possess.

## **RESERVATION OF RIGHTS**

6. JG Trust also asserts, without limitation, the following additional claims, as to which JG Trust expressly reserves and preserves all rights, notwithstanding anything contained in this Proof of Claim, including, without limitation, (1) the right to assert claims for administrative expenses; (2) the right to assert claims for attorneys' fees and costs which continue to accrue and to be incurred; (3) right to estimate contingent claims and assert additional claims if contingent claims are estimated and/or liquidated; (4) the right to assert any other claims JG Trust may have against Debtor relating or incidental to Debtor's obligations; and (5) the right to amend this Proof of Claim.

7. This Proof of Claim is without prejudice to claims, if any, that JG Trust has or may have for payment of an administrative expense allowable under section 503(b) of the Bankruptcy Code with respect to any transaction arising out of the relevant documents, whether or not such amounts are included in this Proof of Claim, and JG Trust expressly reserves its rights to file such claim or any similar claim at an appropriate time.

8. JG Trust expressly reserves its rights to (1) amend, update, modify, supplement or otherwise revise this Proof of Claim in any respect at any time; and/or (2) file additional proofs of claim for additional claims which may be based on the same or additional documents. This Proof of Claim is filed without prejudice to the filing by JG Trust of additional proofs of claim

with respect to any other liability or indebtedness of Debtor. JG Trust specifically preserves all of its procedural and substantive defenses and rights with respect to any claim that may be asserted against JG Trust by Debtor or any other party in interest in this bankruptcy case, or any other person or entity whatsoever.

9. Filing of this Proof of Claim is not intended to be, and may not be construed to be: (a) a waiver or release of JG Trust's rights against any other entity or person liable for all or part of any claim described herein; (b) a waiver of the right to seek to have the reference withdrawn with respect to the subject matter of these claims, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this case against or otherwise involving JG Trust; (c) a waiver of any right to the subordination, in favor of JG Trust, of indebtedness or liens held by creditors of Debtor; or (d) an election of remedy which waives or otherwise affects any other remedy of JG Trust.



## **EXHIBIT E**

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**7. Documents:** Attached are **redacted** copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, security agreements, or, in the case of a claim based on an open-end or revolving consumer credit agreement, a statement providing the information required by FRBP 3001(c)(3)(A). If the claim is secured, box 4 has been completed, and **redacted** copies of documents providing evidence of perfection of a security interest are attached. If the claim is secured by the debtor's principal residence, the Mortgage Proof of Claim Attachment is being filed with this claim. (See instruction #7, and the definition of "redacted".)

RECEIVED

NOV 04 2013

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

**8. Signature:** (See instruction #8)

KURTZMAN CARSON CONSULTANTS

Check the appropriate box.

- ☐ I am the creditor. ☒ I am the creditor's authorized agent. ☐ I am the trustee, or the debtor, or their authorized agent. ☐ I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.) (See Bankruptcy Rule 3004.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: \_\_\_\_\_

Title: Managing Member

Company: \_\_\_\_\_

Address and telephone number (if different from notice address above): \_\_\_\_\_

Daryl L. Smith  
(Signature)

11/01/2013

(Date)

Telephone number: \_\_\_\_\_ email: \_\_\_\_\_

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**INSTRUCTIONS FOR PROOF OF CLAIM FORM**

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**3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:**

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**3a. Debtor May Have Scheduled Account As:**

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

**3b. Uniform Claim Identifier:**

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**4. Secured Claim:**

Check whether the claim is fully or partially secured. Skip this section if the

claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

**5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).**

If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

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## **ADDENDUM TO PROOF OF CLAIM OF GROEB FARMS LLC**

1. This addendum is made in connection with the attached proof of claim (“**Proof of Claim**”) of Groeb Farms LLC (“**GF LLC**”). GF LLC submits this claim for the amount owed by Groeb Farms, Inc. (the “**Debtor**”) as of October 1, 2013 (the “**Petition Date**”).

### **BASIS OF CLAIM**

2. GF LLC and the Debtor are parties to that certain lease (the “**FL Lease**”) of property located at 3220 SE Hwy 484, Belleview, Florida (the “**FL Property**”).

3. GF LLC believes that the Debtor intends to reject the FL Lease and that such rejection will damage GF LLC in an amount unknown at this time.

4. Monthly rent owed pursuant to the FL Lease is \$4,958.00 per month. At a minimum, rent is owed for the month of November, 2013 and this amount may increase.

5. Pursuant to the FL Lease, the Debtor was also obligated to pay Florida property taxes and Florida personal property taxes related to personal property located at the FL Property (the “**FL Taxes**”). GF LLC has a claim for amounts to be determined related to FL Taxes.

6. GF LLC is aware that the floors and roof were damaged during the Debtor’s occupancy. As GF LLC is unable to inspect the FL Property, GF LLC is unable to ascertain the extent of damage to the property and whether additional damage has occurred. GF LLC has a claim against the Debtor for any and all damages caused to the FL Property by the Debtor.

7. In addition, GF LLC is listed on Schedule F of the Debtor’s bankruptcy schedules as having a claim of \$4,958.00 (the “**Scheduled Unsecured Claim Amount**”) described as “Trade AP as of 9/30/2013”. The Scheduled Unsecured Claim Amount is not listed as contingent, unliquidated or disputed. Accordingly, GF LLC has a claim, per the Debtor’s schedules, in the amount of the Scheduled Unsecured Claim Amount.

### **SETOFF AND COUNTERCLAIM**

8. No judgment has been rendered on these claims.

9. To the best of GF LLC's knowledge, the claim set forth in this Proof of Claim is not subject to any valid setoff or counterclaim by Debtor, provided however, GF LLC expressly reserves and does not waive any setoff or recoupment rights that it may possess.

### **RESERVATION OF RIGHTS**

10. GF LLC also asserts, without limitation, the following additional claims, as to which GF LLC expressly reserves and preserves all rights, notwithstanding anything contained in this Proof of Claim, including, without limitation, (1) the right to assert claims for administrative expenses; (2) the right to assert claims for attorneys' fees and costs which continue to accrue and to be incurred; (3) right to estimate contingent claims and assert additional claims if contingent claims are estimated and/or liquidated; (4) the right to assert any other claims GF LLC may have against Debtor relating or incidental to Debtor's obligations; and (5) the right to amend this Proof of Claim.

11. This Proof of Claim is without prejudice to claims, if any, that GF LLC has or may have for payment of an administrative expense allowable under section 503(b) of the Bankruptcy Code with respect to any transaction arising out of the relevant documents, whether or not such amounts are included in this Proof of Claim, and GF LLC expressly reserves its rights to file such claim or any similar claim at an appropriate time.

12. GF LLC expressly reserves its rights to (1) amend, update, modify, supplement or otherwise revise this Proof of Claim in any respect at any time; and/or (2) file additional proofs of claim for additional claims which may be based on the same or additional documents. This Proof of Claim is filed without prejudice to the filing by GF LLC of additional proofs of claim

with respect to any other liability or indebtedness of Debtor. GF LLC specifically preserves all of its procedural and substantive defenses and rights with respect to any claim that may be asserted against GF LLC by Debtor or any other party in interest in this bankruptcy case, or any other person or entity whatsoever.

13. Filing of this Proof of Claim is not intended to be, and may not be construed to be: (a) a waiver or release of GF LLC's rights against any other entity or person liable for all or part of any claim described herein; (b) a waiver of the right to seek to have the reference withdrawn with respect to the subject matter of these claims, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this case against or otherwise involving GF LLC; (c) a waiver of any right to the subordination, in favor of GF LLC, of indebtedness or liens held by creditors of Debtor; or (d) an election of remedy which waives or otherwise affects any other remedy of GF LLC.

LEASE *FL Pro...*

THIS LEASE is made this 1<sup>st</sup> day of January, 2003  
by and between GROEB FARMS, a partnership, of Onsted, Michigan  
(hereinafter referred to as the "Landlord") and GROEB FARMS, INC.  
of Onsted, Michigan (hereinafter referred to as the "Tenant").

## WITNESSETH:

The Landlord and Tenant do hereby mutually covenant, grant  
and agree to and with each other as follows:

1. The Landlord, for and in consideration of rent as  
provided herein, and covenants and agreements hereinafter  
mentioned, does hereby demise and lease to the Tenant 20 acres of  
land and buildings thereon located in Belleview, Florida, and  
legally described as:

Parcel #1: The Northwest 1/4 of the Northeast 1/4 of  
the Southeast 1/4 of Section 10, Township 17, South,  
Range 22 East. EXCEPT road right of way.

Parcel #2: The East 1/2 of the Northwest 1/4 of the  
Southeast 1/4. EXCEPT the Northwest 1/4 of the Northeast 1/4  
of the Northwest 1/4 of the Southeast 1/4 of Section 10,  
Township 17, South, Range 22 East. EXCEPT road right of way

2. The term of this Lease shall be for three (3) years  
commencing January 1, 2002 and ending December 31, 2005 and  
from month to month thereafter unless either party shall notify  
the other in writing that it elects to have the Lease end at the  
then current term, which notice must be given at least thirty  
(30) days prior to the end of the then current term.

3. The Tenant agrees to pay the Landlord as rent the sum of  
Four Thousand Five Hundred Ninety and no/100 Dollars (\$ 4590.00 )  
commencing January 1, 1991 and a like amount on the first day of

each and every month thereafter for the duration of this Lease.

4. The Landlord does covenant that the Tenant, on paying the aforesaid rent and performing covenants pursuant to this Lease, will and may peacefully and quietly have, hold and enjoy said leased premises for the term aforesaid. Landlord further warrants that it has the lawful right and authority to make this Lease.

5. The Tenant will furnish and supply at its own expense all heat, gas, water, electricity, and other utilities that are necessary for the use and occupancy of the leased premises.

6. The Tenant covenants that it will, at its own expense, keep the leased premises and every part thereof in as good repair and at the expiration of the term of this Lease, yield and deliver up the same in like condition as when taken, reasonable use and wear thereof and damage by the elements excepted. The Tenant expressly assumes the responsibility and duty to repair and maintain the plumbing, heating and electrical facilities. The Landlord agrees that it will be responsible for keeping in good order and repair the roof and four outer walls of any buildings on the premises, and Landlord will have no obligation to maintain the driveways and parking areas on and about the premises.

7. The Tenant covenants and agrees to indemnify and save harmless the Landlord from all claims, mechanic's liens, damages, demands, actions, costs and charges which may arise out of or by reason of either the erection and construction by Tenant of any



improvements on said premises or the operation by Tenant of any uses herein authorized.

8. All notices given hereunder will be properly served if delivered either personally or sent by registered mail to the Landlord and the Tenant at their then present mailing address; further, date of service of any notice served by mail shall be the date on which such notice is deposited in a receptacle of the United States Postal Service.

9. The Tenant covenants and agrees as follows:

A. To satisfy all personal property taxes and similar taxes levied upon any personal property caused by the Tenant to be maintained upon said premises;

B. To pay all reasonable costs, attorney fees and expenses incurred by Landlord in enforcing the terms and provisions of this Lease;

C. To comply with all police, sanitary, building and fire rules and regulations, and all municipal, state and federal laws and ordinances relating to or affecting the use of said premises except Tenant shall not be required to make any capital improvements to the premises during any twelve (12) month period during the term hereof to secure such compliance.

D. To permit the Landlord, or its agents, to enter upon said premises or any part thereof at reasonable hours for the purpose of examining same.

E. That at the expiration or sooner termination of

the original term of this Lease or any renewal hereof, to give peaceful possession of all of said premises to Landlord, in as good condition as the same are on the date hereof, except for usual wear and tear and damage by the elements.

F. That this Lease shall, at the option of Landlord, terminate if Tenant is by any Court adjudged bankrupt or insolvent, or if Tenant makes an assignment for the benefit of creditors or if a receiver, conservator or other similar officer is appointed to administer the affairs and/or property of Tenant.

G. The Tenant shall neither assign its interest in this Leasehold Agreement nor sublet all or any portion of the subject premises without first obtaining the Landlord's written consent thereto.

H. The Tenant agrees that it will, during the term of this Lease or any extensions thereof, at its expense, indemnify and hold harmless Landlord for any damage to persons or property on or about the premises from any cause whatsoever, and agrees to procure for the protection of both Landlord and Tenant comprehensive general liability insurance with minimum limitations of One Hundred Thousand and no/100 Dollars (\$100,000.00) for damage to any one person, Three Hundred Thousand and no/100 Dollars (\$300,000.00) for damage in any one accident, and Fifty Thousand and

no/100 Dollars (\$50,000.00) for property damage. The policies must cover accident or damage in or on the demised premises, sidewalk in front thereof, parking area, entrance ways and all other portions of the buildings thereon. In addition, the Tenant will be responsible for providing fire and extended coverage insurance insuring the basic structure of the buildings at no less than 90% of their replacement cost.

10. The parties agree that all policies of fire and extended coverage and other insurance covering the premises or buildings, or contents thereof will contain a clause or endorsement providing in substance that the insurer expressly waives any right of recovery from any person, corporation or firm by way of subrogation or otherwise for any loss or damage occasioned by any of the perils insured against.

11. The Tenant will pay all real estate taxes levied on the premises during the term hereof.

12. The Tenant covenants and agrees that in the event of the nonperformance by Tenant of any of the terms and provisions of this Leasehold Agreement, including the provisions hereof pertaining to payment by Tenant of the rentals and other sums required hereunder, and if such nonperformance or nonpayment is continued for a period of fifteen (15) days after written notice thereof is given by Landlord to Tenant demanding such payment, performance or observance, Landlord shall thereupon have the immediate right to re-enter and take possession of all of the

subject premises, using summary proceedings or such other legal manner as it shall deem expedient and, in such event, Tenant hereby expressly waives any and all other demand of the rental and possession of the said premises. In the event of a re-entry pursuant to the above, Landlord may, at its option, forthwith re-let all or any portion of said premises.

13. Tenant covenants and agrees that no waiver by Landlord of, or assent by Landlord to, any breach or nonperformance of any of Tenant's covenants, obligations, duties, and agreements will be deemed or construed to be a waiver of or assent to any other or future breach or nonperformance by Tenant of the same or of any other covenant, obligation, duty and agreement of Tenant. Tenant further covenants and agrees that the acceptance of money by Landlord from Tenant after a default by Tenant of any of the terms and provisions hereof will not affect any action Landlord may then have taken or may thereafter take to terminate this Lease by reason of such default.

14. Tenant may make such alterations, additions or improvements to the premises as it deems consistent with the uses which it is authorized to conduct from said premises; any such alterations, additions or improvements (including any fixtures installed therein) made by the Tenant shall become the property of the Landlord at the expiration of this Lease, provided, however, all furnishings and equipment installed by the Tenant shall remain the property of the Tenant and may be removed by it at any time provided that the Tenant repairs any damage caused by such

removal, and any fixtures installed in or about the premises by the Tenant will be construed to be personal property and may be removed by the Tenant provided they may be so removed without rendering the premises untenable or causing substantial damage to the premises.

15. If during the term hereof the subject premises are substantially destroyed by fire, the elements or other cause, this Lease shall, at Landlord's or Tenant's option, become null and void and of no further effect from the date of such damage or destruction and, in such event, rental otherwise due or paid hereunder will be due only to the time of such damage or reimbursement from that time. If said premises are damaged by fire or other cause so as to be capable of being repaired within a reasonable time, Landlord shall have the option to repair same, and during the period such repairs are being made, the rental herein provided for will be adjusted to fairly reflect the value therefor to Tenant in their damaged state for so long as same have not been repaired.

16. Tenant covenants and agrees that if all or any portion of the subject premises are taken by eminent domain, condemnation or other similar taking, Landlord will be entitled to receive all payments and awards pertaining to such taking, and that such taking will not be deemed to constitute a breach of any of Landlord's covenants and agreements. Landlord agrees that if such a taking occurs, and if such taking substantially prevents Tenant from using said premises for the purposes herein set

forth, then and in such event, Tenant may at its option declare this Lease to be null and void and of no further effect and, in such event, each party hereto will be relieved of all future liability hereunder to the other party hereto.

17. The Tenant shall have the right to erect or display signs on the premises.

18. All negotiations, considerations, representations and understandings between the parties are incorporated herein and may be modified or altered only by agreement in writing between the parties. This agreement supercedes all prior agreements between Landlord and Tenant relating to the premises covered by this Lease.

IN WITNESS WHEREOF, the Landlord and Tenant have caused this instrument to be duly executed the day and year first above written.

In the Presence of:

*Monty J. McMichael*  
*Claudette J. Branch*

LANDLORD

GROEB FARMS

By: *[Signature]*

Its: *President*

In the Presence of:

*Monty J. McMichael*  
*Claudette J. Branch*

TENANT

GROEB FARMS INC.

By: *[Signature]*

Its: *Vice-President*

**FIRST AMENDMENT TO LEASE**

This First Amendment to Lease is made this 16th day of March, 2007 (the "Amendment Effective Date") by and between Ernest Leland Groeb, Troy L. Groeb, and E. Jeanne Groeb, as tenants in common and doing business as Groeb Farms, whose address is 10464 Bryan Highway, Onsted, Michigan 49265 ("Landlord") and Groeb Farms, Inc., a Michigan corporation whose address is 10464 Bryan Highway, P.O. Box 269, Onsted, Michigan 49265 ("Tenant").

**RECITALS**

A. Landlord and Tenant have heretofore entered into a lease dated as of January 1, 2003 (the "Lease") relating to the premises located in Belleview, Florida and more particularly described on Exhibit A hereto (the "Premises" or "premises").

B. In connection with a sale by Tenant of all or substantially all of its stock, Landlord and Tenant desire to amend the Lease in various respects.

**AGREEMENT**

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows.

1. Section 2 of the Lease is hereby deleted, and the following is substituted in lieu thereof:

"The term of this Lease (the "Term") shall commence January 1, 2002 and shall expire on March 31, 2012, subject to two (2) five (5) year renewal options, with annual options thereafter, as hereinafter set forth."

2. Section 3 of this Lease is hereby amended by adding the following provisions thereto:

"If Tenant shall fail to pay, within ten (10) days after due date, any installment due hereunder, Tenant shall be required to pay an additional charge of five percent (5%) of the late installment. Such charge shall be paid to Landlord at the time of payment of the payment of the past due installment. The charge is deemed by the parties to cover Landlord's administrative costs resulting from Tenant's delinquency."

3. Section 5 of this Lease is hereby amended by adding the following provisions thereto:

"Notwithstanding the foregoing, at its sole cost and expense, Landlord shall relocate any septic tanks, facilities appurtenant thereto or any other facilities or improvements serving the premises but located in whole or in part off the premises and not having the benefit of a recorded easement. Such relocation shall be accomplished in such a manner so as to not cause material disruption to Tenant's business."

4. Section 6 of the Lease is hereby amended by deleting the first sentence thereof, and substituting the following in lieu thereof:

"The Tenant covenants that it will, at its own expense, keep the premises and every part thereof in good condition and repair, and at the expiration of the Term, yield up and deliver up the same in like condition as when taken, reasonable use and wear thereof and damage by casualty and the elements excepted."

5. Section 6 of the Lease is hereby further amended by substituting the word "Tenant" for the word "Landlord" which appears as the second word of the last sentence of said Section 6.

6. Section 9D of the Lease is hereby deleted, and the following is substituted in lieu thereof:

"D. To permit the Landlord, or its agents, to enter upon said premises or any part thereof at reasonable hours after reasonable advance notice, for the purpose of examining same."

7. Section 9E of the Lease is hereby deleted, and the following is substituted in lieu thereof:

"E. That at the expiration or sooner termination of the original term of this Lease or any renewal hereof, to give peaceful possession of all said premises to Landlord, in like condition as when taken, reasonable use and wear thereof and damage by casualty and the elements excepted."

8. Section 9F of the Lease is hereby amended by adding the following to the end hereof:

"unless such appointment is dismissed not later than one hundred twenty (120) days following the date thereof."

9. Section 9G of the Lease is hereby deleted, and the following is substituted in lieu thereof:

"G. The Tenant shall neither assign its interest in this Leasehold Agreement nor sublet all or any portion of the subject premises without first obtaining the



Landlord's written consent thereto, which shall not be unreasonably withheld, delayed or conditioned. Notwithstanding anything in this Section 10F or this Lease to the contrary, Tenant, on prior notice to Landlord (but with Landlord's consent), may assign this Lease or sublet the premises to (each, a "Permitted Transferee"): (1) any parent, subsidiary or other entity which other entity has in common with Tenant not less than 50% ownership; (2) any entity in which Tenant owns more than 50% of all voting and non-voting equitable interests; (3) any entity that acquires all or substantially all of the assets or stock of Tenant; or (4) any entity that merges or consolidates with Tenant, regardless of whether Tenant or said other entity is the surviving entity, so long as the assignee in any of the foregoing transactions is a bona fide entity (i.e., not a shell entity) and assumes the obligations of the Tenant."

10. Section 9H of the Lease is hereby deleted and the following is substituted in lieu thereof:

"The Tenant agrees that it will, during the term of this Lease or any extensions thereof, at its expense, indemnify and hold harmless Landlord for any damage to persons or property on or about the Premises from any cause whatsoever, and agrees to procure for the protection of both Landlord and Tenant comprehensive general liability and property damage insurance on the Premises within minimum limits of One Million Dollars (\$1,000,000.00) for each occurrence of property damage, personal injury or death to person(s) with an insurance company rated "A" or better by A.M. Best. The policies must cover accident or damage in or on the Premises, the sidewalks, parking areas, entrance ways and all other portions of the Premises. The Tenant will be responsible for providing at its cost, fire and extended coverage insurance insuring the basic structure of the building in an amount no less than ninety per cent (90%) of the estimated replacement cost thereof. Landlord shall have the right to approve insurance companies issuing policies required to be procured by the Tenant under this Lease, which approval shall not be unreasonably withheld, delayed or conditioned. An insurance certificate and other evidence of such insurance reasonably requested by Landlord shall be delivered by Tenant to Landlord who will also be named as an additional insured party thereon."

11. Section 11 of the Lease is hereby amended to read in its entirety as follows:

"The Tenant will pay all real estate taxes and special assessments levied on the premises during the term hereof."

12. Section 12 of the Lease is hereby amended by adding the following to the end thereof:

"Notwithstanding the foregoing, in the case of nonperformance which cannot be cured by the payment of money and which cannot, with diligence, be cured within such fifteen (15) day period, then such fifteen (15) day period shall be extended

for such period as shall be reasonably necessary for the Tenant to effectuate such cure."

13. Section 15 of the Lease is hereby deleted, and the following is substituted in lieu thereof:

"A. If the premises shall be damaged or destroyed by casualty or other cause, then Landlord, at its own expense, shall promptly and with due diligence repair or rebuild the same so as to restore the premises to substantially the same condition they were in immediately prior to such damage or deconstruction with any necessary changes required, and to the extent permitted, by then applicable zoning and building laws. Should the net amount of insurance proceeds available to Landlord not be sufficient to cover the cost of so restoring the premises, in the reasonable estimate of Landlord, Landlord or Tenant may, but shall have no obligation to, supply the amount of such insufficiency and restore the premises with all reasonable diligence or Landlord or Tenant may terminate this Lease by giving notice to the other not later than a reasonable time after Landlord has determined the estimated net amount of insurance proceeds available to Landlord and the estimated cost of such restoration. Unless this Lease is terminated as provided in this Section 16A or in Section 16B below, if the premises shall be damaged or destroyed by fire or other insured casualty, then Tenant shall equip the premises with trade fixtures and all personal property necessary or proper for the operation of Tenant's business.

B. If the premises shall be damaged or destroyed by any cause, and an architect reasonably satisfactory to Landlord, certifies that the same cannot be reasonably expected to be restored to substantially the same condition as prior to such damage or destruction within eighteen (18) months from the time that such repair or restoration work would be commenced, then Landlord or Tenant shall have the right to terminate this Lease by notice to the other given within thirty (30) days following receipt of such certification.

C. Rent shall equitably abate during any period following damage or destruction in which the premises may be substantially untenable or unsuitable for use or occupancy by Tenant and such time as Landlord effects the restoration, if any, described in Section 16A above."

14. A new Section 19 is added to the Lease as follows:

"A. Provided that at the time Tenant gives notice of the exercise of its rights under this Section 20, and at the time the Term would have otherwise expired but for the exercise of such rights, this Lease is in full force and effect, and Tenant is not in default hereunder, then Tenant will have the right to extend the Term hereof for two (2) successive periods of five (5) years each (each an "Extension Term"), such options to extend to be exercised by the giving of notice by Tenant to Landlord at least sixty (60) days prior to the expiration of the then current

Term. Upon the giving of such notice, this Lease and the Term hereof shall be extended for an additional term of five (5) years, without the necessity for the execution of any additional documents. The Extension Terms shall be upon all of the terms, conditions and provisions of this Lease except that the rent for the Extension Terms will be as follows. The annual rent for the First Extension Term shall be Fifty-Five Thousand Dollars (\$55,000.00) plus the sum arrived at by multiplying \$55,000 times the percentage increase, if any, in the CPI (as hereinafter defined) from the Amendment Effective Date to the last month of the initial Term. The annual rent for the Second Extension Term shall be the annual rent for the First Extension Term plus the sum arrived at by multiplying said annual First Extension Term rent times the percentage increase, if any, in the CPI (as hereinafter defined) from the first month of the First Extension Term to the last month of the First Extension Term. The annual rent for each of the Extension Terms shall be paid in equal monthly installments on the first day of each month.

B. As used herein, the term "CPI" shall mean the Consumer Price Index for All Urban Consumers (CPI-U) (1982-84=100) (Detroit-Ann Arbor-Flint, MI), published by the Bureau of Labor Statistics, U.S. Department of Labor.

C. In addition to Tenant's extension options described above, provided that at the time Tenant gives notice to the exercise of its rights under this Section 10C, and at the times the Term would have been otherwise expired but for the exercise of such rights, this Lease is in full force and effect, then Tenant shall have the annual right to extend the Term hereof for one (1) additional year each (each an "Additional Extension Term"), such options to extend to be exercised by the giving of notice by Tenant to Landlord at least sixty (60) days prior to the expiration of the then current Additional Extension Term. Upon the giving of such notice, this Lease and the Term hereof shall be extended for an additional year, without the necessity for the execution of any additional documents. The Additional Extension Terms shall be upon all of the terms, conditions and provisions of this Lease except that the annual rent for each Additional Extension Term shall be the annual rent payable during the last year of the Second Extension Term, adjusted, in the manner provided in Section 19A above, at the beginning of each Additional Extension Term, to reflect the increase, if any, in the CPI since the date of the most recent previous adjustment. Notwithstanding the foregoing, Landlord may terminate Tenant's right to exercise further Additional Extension Term options by giving Tenant written notice thereof (the "Option Termination Notice") not less than twenty-four (24) months prior to any Additional Extension Term. By way of example, if an Additional Extension Term would commence on April 1, 2020, then in order to terminate Tenant's right to exercise such option, Landlord would be required to give Tenant an Option Termination Notice no later than April 1, 2018."

15. A new Section 20 is added to the Lease as follows:

"A. At the end of the initial Term, Tenant shall have the option to purchase the premises for its Fair Market Value, excluding the value of any leasehold

improvements (including, without limitation, major reconstruction or replacement of facilities) made by Tenant during the initial Term ending March 31, 2012, minus (1) the cost of relocating any septic tanks, facilities appurtenant thereto or any other facilities or improvements serving the premises but located in whole or in part off the premises and not having the benefit of a recorded easement and (2) the aggregate amount of all special assessments on the premises paid by Tenant after March 16, 2007 ("FMV"). So long as Tenant is not then in default of the Lease beyond any applicable notice and cure period, Tenant may exercise such option by written notice delivered to Landlord no less than six (6) months before the expiration of the Term. Within twenty (20) days after delivery of such notice of exercise, Landlord and Tenant shall confer to determine the actual FMV. If agreement is reached, such agreed-upon value shall be FMV. If Landlord and Tenant are unable to agree on the FMV within forty (40) days after delivery of such notice of exercise, the FMV shall be determined by appraisal as follows: Landlord and Tenant shall each specify a real estate appraiser within thirty (30) days after delivery of the notice of exercise. If only one appraiser is specified within such thirty day period, such appraiser shall determine FMV. If two appraisers are specified, the two appraisers so designated shall attempt to reach mutual agreement regarding the FMV. If the two appraisers agree upon the FMV, then Landlord and Tenant shall be bound to the appraisers' determination. If the two appraisers are unable to reach agreement, each of the two appraisers shall, not later than the thirtieth (30th) day following the designation of the second appraiser, render a written determination of the FMV. The two appraisers shall also select a third appraiser prior to the end of the period when their separate appraisals must be rendered. Within thirty (30) days after the appointment of the third appraiser, the third appraiser shall render a written determination of the FMV. From the three appraisals, the appraisal which is the farthest from the median appraisal shall be disregarded and the average of the remaining two appraisals shall conclusively constitute the FMV. All appraisers selected in accordance with this Section shall have at least ten (10) years experience in appraising commercial real estate in Florida and shall be members of the American Institute of Real Estate Appraisers or similar professional organization. If either Landlord or Tenant fails or refuses to select an appraiser, the other appraiser shall alone determine the FMV. Landlord and Tenant agree that they shall be bound by the determination of FMV pursuant to this Section. Landlord shall bear the fee and expenses of its appraiser; Tenant shall bear the fee and expense of its appraiser; and Landlord and Tenant shall share equally the fee and expense of the third appraiser, if any. Acquisition of the premises shall be consummated not later than the last day of the Term on an all cash basis unless the parties agree otherwise. Title shall be conveyed free and clear of all encumbrances other than the exceptions to title specified in Schedule B of the leasehold title insurance policy obtained by the Tenant on or about the Amendment Effective Date.

B. If the option is so exercised, the delivery of a good and sufficient warranty deed in the customary Florida form (the "Deed") transferring to Tenant or its nominee good and clean record and marketable title to the premises subject to

only the Permitted Exceptions, shall take place on a date (the "Closing Date") specified by Tenant in a written notice to the Landlord, which date shall in no event be later than the last day of the initial Term.

C. Simultaneously with the delivery of the Deed, Landlord shall deliver to Tenant, and, as applicable, execute:

- a) Appropriate resolutions authorizing the execution and delivery of the Deed and related closing documents;
- b) Affidavits and indemnities with respect to parties in possession and mechanics liens to induce Tenants' title insurer to issue an owner's and mortgagee's policy of title insurance without exception for these matters;
- c) An affidavit, satisfying the requirements of Section 1445 of the Internal Revenue Code or regulations issued thereunder, which states, under penalty of perjury, Landlord's United States taxpayer identification number, that Landlord is not a foreign person and the Landlord's address;
- d) Assignments to Tenant, and copies of, any warranties, guaranties and assurances in the possession of Landlord given by third parties with respect to any part of the premises;
- e) Copies, and an assignment to the extent assignable, of certificates of occupancy, licenses, service agreements, all leases, and other governmental permits in the possession of Landlord regarding the Premises; and
- f) Any other documentation as may reasonably be requested by Tenant, the Tenant's lender, or their attorneys, to effectuate the sale of the premises to the Tenant or to evidence compliance herewith.

D. Closing costs and transfer taxes shall be allocated to the parties in accordance with the then local custom.

E. Landlord is expressly aware that in the event of a default by Landlord hereunder Tenant would sustain damages that would be difficult or impossible to ascertain. It is agreed, therefore, that in the event Landlord shall fail to execute and deliver the Deed as herein provided, or shall otherwise breach the terms of this Section 21 then Tenant, at its option, shall be entitled to specific performance of the aforesaid option rights by Landlord."

16. A new Section 21 is hereby added to the Lease as follows:

"Tenant will, upon ten (10) business days written notice at the request of Landlord, execute, acknowledge and deliver to Landlord a certificate of Tenant, stating that this Lease is unmodified and in full force and effect as modified, and setting forth such modifications, that this Lease is in full force and effect as

modified, and setting forth such modifications) and stating the dates to which rent and other sums payable hereunder have been paid and either stating that to the knowledge of Tenant no default exists hereunder or specifying each such default of which Tenant has knowledge and whether or not Tenant is still occupying and operating the Premises and such other information as Landlord shall reasonably request. Any such certificate may be relied upon by any actual or prospective mortgagee or purchaser of the premises. Landlord will upon ten (10) business days written notice at the request of Tenant, execute, acknowledge and deliver to Tenant a certificate of Landlord, stating that this Lease is in full force and effect as modified, and setting forth such modifications) and the dates to which rent and other sums payable hereunder have been paid, and either stating that to the knowledge of Landlord no default exists hereunder or specifying each default of which Landlord has knowledge and other such information as Tenant shall reasonably request. Any such certificate may be relied upon by Tenant or any actual or prospective assignee or subtenant of the premises or lender to Tenant."

17. A new Section 22 is hereby attached to the Lease as follows:

"Except as expressly provided herein, this Lease may not be modified or terminated except by a writing signed by Landlord and Tenant. Any writing required hereunder may be executed in counterparts, and signatures delivered by facsimile or similar means shall be effective upon delivery, with the same effect as if the original had been so delivered. The board of directors of Tenant will consider, in its discretion, Landlord proposals for alternative uses of that portion of the Premises not currently occupied by the operating facilities, including future development by the Landlord."

18. A new Section 23 is hereby added to the Lease as follows:

"Except as specifically set forth in this Lease, all consents and approvals to be granted by Landlord shall not be unreasonably withheld, delayed, or conditioned, but shall be deemed given unless Landlord objects in writing to the particular request for consent within thirty days of its receipt in accordance with the notice requirements of this Lease."

19. A new Section 24 of the Lease is hereby added as follows:

"The parties shall record a "short form" Memorandum of Lease identifying the Term and option to purchase granted to Tenant by this Lease, and any other terms to which the parties may agree. Any recording costs associated with the memorandum or short form of this Lease shall be borne by Tenant. Upon expiration or earlier termination of this Lease, Tenant shall promptly execute and deliver to Landlord an instrument in recordable form, wherein Tenant acknowledges the expiration or earlier termination of this Lease."

20. A new Section 25 of the Lease is hereby added as follows:

"During any Extension Term, Landlord shall have the right to terminate the Lease by giving Tenant twenty-four (24) months written notice in advance of said termination (the "Lease Termination Notice"). Subject to compliance by Landlord with the Lease Termination Conditions (as hereinafter defined), the Lease shall terminate on the day which is twenty-four months following the day that Tenant receives the Lease Termination Notice (the "Lease Termination Date"). Notwithstanding the foregoing, the Lease shall not so terminate unless Landlord satisfies all of the following conditions (the "Lease Termination Conditions") not later than the Lease Termination Date, to wit:

- a) Landlord shall provide an alternate production facility (the "Alternate Facility") which complies with all applicable statutes, laws, rules, regulations and ordinances, suitable for honey production, and which is equivalent to or exceeding in all material respects the current facility located at the premises (the "Current Facility") with regard to capacity, storage space, office space, land area, etc. The Alternate Facility shall be located within a ten (10) mile radius of the Current Facility;
- b) Landlord shall have paid Tenant an amount equal to Tenant's good faith estimate of the total costs to be incurred by Tenant in relocating its business to the Alternate Facility, with any excess to be refunded to Landlord, and any shortfall to be paid to Tenant, not later than thirty (30) days after final determination of the actual relocation costs;
- c) Landlord shall have completed, at its sole cost and expense, all leasehold improvements (i) requested by Tenant, the scope of such request to encompass leasehold improvements substantially equivalent to those then present at the Current Facility, and (ii) required to ensure that the Alternate Facility meets or exceeds all USDA or other government standards for honey production. Notwithstanding the foregoing, Tenant may specify leasehold improvements exceeding those then present in the Current Facility so long as Tenant agrees to pay for the cost of such excess leasehold improvements; and
- d) Landlord shall have entered into a lease of the Alternate Facility with Tenant on terms similar to the lease relating to the Current Facility and reasonably acceptable to Tenant. Such lease shall provide rent offset rights with respect to any relocation payments owed to Tenant pursuant to subsection (b) above.

The Lease Termination Date shall be extended (i) one day for each day that the Lease Termination Conditions remain unsatisfied beyond the original Lease Termination Date, plus (ii) ninety (90) days. By way of example, if a Lease Termination Notice was given to Tenant on August 1, 2012, and if by August 1, 2014 the Lease Termination Conditions have not been satisfied but were subsequently satisfied on August 31, 2014, then the Lease Termination Date would be November 28, 2014.

*[Signature Page to Follow]*

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Lease to be executed under seal as of the date first written above.

**LANDLORD:**

Groeb Farms Partners

By: 

Name: Ernie Groeb

Title: General Partner

By: \_\_\_\_\_

Name: Troy Groeb

Title: General Partner

By: \_\_\_\_\_

Name: Jeanne Groeb

Title: General Partner

**TENANT:**

Groeb Farms, Inc.

By: 

Name: Ernest L. Groeb

Title: \_\_\_\_\_

*Signature Page to First Amendment to Lease*

BOST\_233663.2



IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Lease to be executed under seal as of the date first written above.

**LANDLORD:**

Groeb Farms Partners

By: \_\_\_\_\_  
Name: Ernie Groeb  
Title: General Partner

By: Troy W Groeb  
Name: Troy Groeb  
Title: General Partner

By: Jeanne Groeb  
Name: Jeanne Groeb  
Title: General Partner

**TENANT:**

Groeb Farms, Inc.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

### **EXHIBIT A**

**Parcel #1: The Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of the Section 10, Township 17, South, Range 22 East, EXCEPT road right of way.**

**Parcel #2: The East  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ , EXCEPT the Northwest  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of Section 10, Township 17, South, Range 22, East, EXCEPT road right of way.**

This instrument prepared  
by and return to:

Thomas W. Ruggles, P.A.  
603 Indian Rocks Road  
Belleair, FL 33756-2056



DAVID R. ELLSPERMANN, CLERK OF COURT MARION COUNTY

DATE: 03/20/2007 01:38:35 PM

FILE #: 2007039281 OR BK 04742 PGS 0861-0863

RECORDING FEES 27.00

DEED DOC TAX 0.70

KE

## SPECIAL WARRANTY DEED

THIS INDENTURE made this 28<sup>th</sup> day of December, 2006, between

**TROY L. GROEB,**

whose mailing address is P.O. Box 398, Belleview, Florida 34421, Grantor\*, and

**GROEB FARMS, LLC,** a Florida limited liability company,

whose mailing address is P.O. Box 398, Belleview, Florida 34421, Grantee.\*

WITNESSETH, that the Grantor, for and in consideration of the sum of TEN and 00/100 (\$10.00) DOLLARS, and other good and valuable consideration to Grantor in hand paid by Grantee, the receipt whereof is hereby acknowledged, has sold, granted, bargained assigned, set over and transferred to the said Grantee, and Grantee's successors and assigns forever, the following described property, situate, lying and being in Marion County, Florida to wit:

An undivided one-third (1/3) interest as a tenant in common in and to  
the property as described in EXHIBIT "A" attached hereto and  
expressly incorporated herein by reference, together with improvements thereon.  
Subject to easements, restrictions and reservations of record, zoning ordinances,  
easements for public utilities and taxes for the current and subsequent years,

which has a street address commonly known as 3220 SE County Road 484, Belleview, FL 34420.

\* "Grantor" and "Grantee" are used for singular or plural, as context requires.

Property Appraiser's Parcel Number: 41520-003-00

TOGETHER with all the tenements, hereditaments, appurtenances, with every privilege, right, title, interest and estate, reversion, remainder and easement thereto belonging or in any wise appertaining together.

Special Warranty Deed  
Troy L. Groeb (Grantor)  
Groeb Farms, LLC (Grantee)

AND said Grantor does hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons claiming by, through or under Grantor, but against none other.

SUBJECT TO: Easements, restrictions and reservations of record and taxes for the year 2006 and all subsequent years.

The subject property is not and was never the homestead of the Grantor.

IN WITNESS WHEREOF, the Grantor has hereunto set their hand and seal the day and year first above written.

Signed, sealed and delivered  
in the presence of:

Beth A. Stockford  
Print Name BETH A. STOCKFORD

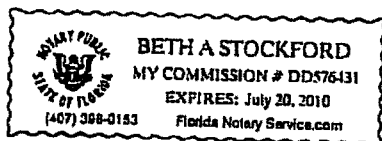
Troy L. Groeb (Seal)  
TROY L. GROEB

Constance S. Cordingley  
Print Name Constance S. Cordingley

STATE OF FLORIDA

COUNTY OF MARION

The foregoing document was acknowledged before me on the 28 day of December, 2006 by TROY L. GROEB, who ☒ is personally known to me, of ☐ is not personally known to me, who produced \_\_\_\_\_ as identification.



NOTARY PUBLIC

Beth A. Stockford  
State of Florida

Commission Number & Expiration Date:

BETH A. STOCKFORD

F:\Probate\An Estate - GROEB\Special Warranty Deed3.wpd  
#11844-04

Special Warranty Deed by and between  
Troy L. Groeb (Grantor)  
Groeb Farms, LLC (Grantee)

**EXHIBIT "A"**

Grantor's undivided one-third (1/3) interest in and to the following described real property located in Marion County, Florida:

Parcel #1: NW 1/4 of the NE 1/4 of the NW 1/4 of the SE 1/4 of Section 10, Township 17 South, Range 22 East, EXCEPT road right of way.

Parcel #2: East 1/2 of NW 1/4 of SE 1/4, EXCEPT NW 1/4 of the NE 1/4 of NW 1/4 of SE 1/4 of Section 10, Township 17 South, Range 22 East, EXCEPT road right of way.

This instrument prepared  
by and return to:

Thomas W. Ruggles, P.A.  
603 Indian Rocks Road  
Belclair, FL 33756-2056



DAVID R. ELLSPERMANN, CLERK OF COURT MARION COUNTY

DATE: 03/20/2007 01:38:35 PM

FILE #: 2007039279 OR BK 04742 PGS 0855-0857

RECORDING FEES 27.00

DEED DOC TAX 0.70

KE

## SPECIAL WARRANTY DEED

THIS INDENTURE made this 28<sup>th</sup> day of December, 2006, between

E. JEANNE GROEB, an un-remarried widow,

whose mailing address is P.O. Box 269, Onsted, MI 49265, Grantor\*, and

GROEB FARMS, LLC, a Florida limited liability company,

whose mailing address is P.O. Box 398, Belleview, FL 34420, Grantee.\*

WITNESSETH, that the Grantor, for and in consideration of the sum of TEN and 00/100 (\$10.00) DOLLARS, and other good and valuable consideration to Grantor in hand paid by Grantee, the receipt whereof is hereby acknowledged, has sold, granted, bargained assigned, set over and transferred to the said Grantee, and Grantee's successors and assigns forever, the following described property, situate, lying and being in Marion County, Florida to wit:

An undivided one-third (1/3) interest as a tenant in common in and to the property as described in EXHIBIT "A" attached hereto and expressly incorporated herein by reference, together with improvements thereon. Subject to easements, restrictions and reservations of record, zoning ordinances, easements for public utilities and taxes for the current and subsequent years,

which has a street address commonly known as 3220 SE County Road 484, Belleview, FL 34420.

\* "Grantor" and "Grantee" are used for singular or plural, as context requires.

Property Appraiser's Parcel Number: 41520-003-00

TOGETHER with all the tenements, hereditaments, appurtenances, with every privilege, right, title, interest and estate, reversion, remainder and easement thereto belonging or in any wise appertaining together.

Special Warranty Deed  
E. Jeanne Groeb (Grantor)  
Groeb Farms, LLC (Grantee)

AND said Grantor does hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons claiming by, through or under Grantor, but against none other.

SUBJECT TO: Easements, restrictions and reservations of record and taxes for the year 2006 and all subsequent years.

The subject property is not and was never the homestead of the Grantor.

IN WITNESS WHEREOF, the Grantor has hereunto set their hand and seal the day and year first above written.

Signed, sealed and delivered  
in the presence of:

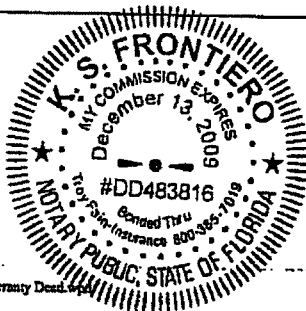
THOMAS W. RUGGLES  
Print Name THOMAS W. RUGGLES

E. JEANNE GROEB (Seal)  
E. JEANNE GROEB

K.S. FRONTIERO  
Print Name K.S. FRONTIERO

STATE OF FLORIDA  
COUNTY OF Pinellas

The foregoing document was acknowledged before me on the 28<sup>th</sup> day of December, 2006 by E. JEANNE GROEB, who ☒ is personally known to me, or ☐ is not personally known to me, who produced \_\_\_\_\_ as identification.



NOTARY PUBLIC

K.S. FRONTIERO

State of Florida

Commission Number & Expiration Date:

FileProbaAn Estates - GROEBSpecial Warranty Deed.doc  
#11844-04

Special Warranty Deed by and between  
E. Jeanne Groeb (Grantor)  
Groeb Farms, LLC (Grantee)

**EXHIBIT "A"**

Grantor's undivided one-third (1/3) interest in and to the following  
described real property located in Marion County, Florida:

Parcel #1: NW 1/4 of the NE 1/4 of the NW 1/4 of the  
SE 1/4 of Section 10, Township 17 South, Range 22  
East, EXCEPT road right of way.

Parcel #2: East 1/2 of NW 1/4 of SE 1/4, EXCEPT NW  
1/4 of the NE 1/4 of NW 1/4 of SE 1/4 of Section 10,  
Township 17 South, Range 22 East, EXCEPT road  
right of way.



This instrument prepared  
by and return to:

Thomas W. Ruggles, P.A.  
603 Indian Rocks Road  
Belleair, FL 33756-2056



DAVID R. ELLSPERMANN, CLERK OF COURT MARION COUNTY

DATE: 03/20/2007 01:38:35 PM

FILE #: 2007039280 OR BK 04742 PGS 0858-0860

RECORDING FEES 27.00

DEED DOC TAX 0.70

KE

## SPECIAL WARRANTY DEED

THIS INDENTURE made this 28<sup>th</sup> day of December, 2006, between

**ERNEST LELAND GROEB,**

whose mailing address is P.O. Box 398, Belleview, Florida 34421, Grantor\*, and

**GROEB FARMS, LLC,** a Florida limited liability company,

whose mailing address is P.O. Box 398, Belleview, Florida 34421, Grantee.\*

WITNESSETH, that the Grantor, for and in consideration of the sum of TEN and 00/100 (\$10.00) DOLLARS, and other good and valuable consideration to Grantor in hand paid by Grantee, the receipt whereof is hereby acknowledged, has sold, granted, bargained assigned, set over and transferred to the said Grantee, and Grantee's successors and assigns forever, the following described property, situate, lying and being in Marion County, Florida to wit:

An undivided one-third (1/3) interest as a tenant in common in and to  
the property as described in EXHIBIT "A" attached hereto and  
expressly incorporated herein by reference, together with improvements thereon.  
Subject to easements, restrictions and reservations of record, zoning ordinances,  
easements for public utilities and taxes for the current and subsequent years,

which has a street address commonly known as 3220 SE County Road 484, Belleview, FL 34420.

\* "Grantor" and "Grantee" are used for singular or plural, as context requires.

Property Appraiser's Parcel Number: 41520-003-00

TOGETHER with all the tenements, hereditaments, appurtenances, with every privilege, right, title, interest and estate, reversion, remainder and easement thereto belonging or in any wise appertaining together.

Special Warranty Deed  
Ernest Leland Groeb (Grantor)  
Groeb Farms, LLC (Grantee)

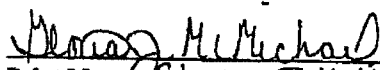
AND said Grantor does hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons claiming by, through or under Grantor, but against none other.

**SUBJECT TO:** Easements, restrictions and reservations of record and taxes for the year 2006 and all subsequent years.

The subject property is not and was never the homestead of the Grantor.

IN WITNESS WHEREOF, the Grantor has hereunto set their hand and seal the day and year first above written.

Signed, sealed and delivered  
in the presence of:

  
Print Name Gloria J. McMichael

 (Seal)  
**ERNEST LELAND GROEB**

  
Print Name MICHAEL R. RATZ

STATE OF MICHIGAN }  
COUNTY OF Lenawee }

The foregoing document was acknowledged before me on the 28th day of December, 2006 by **ERNEST LELAND GROEB**, who ☒ is personally known to me, or ☐ is not personally known to me, who produced \_\_\_\_\_ as identification.

NOTARY PUBLIC

 8-19-2013  
Commission Number & Expiration Date:

F:\Probate\An Estate - GROEB\Special Warranty Deed2.wpd  
#11844-04



Page 2 of 2

Special Warranty Deed by and between  
Ernest L. Groeb (Grantor)  
Groeb Farms, LLC (Grantee)

EXHIBIT "A"

Grantor's undivided one-third (1/3) interest in and to the following described real property located in Marion County, Florida:

Parcel #1: NW 1/4 of the NE 1/4 of the NW 1/4 of the SE 1/4 of Section 10, Township 17 South, Range 22 East, EXCEPT road right of way.

Parcel #2: East 1/2 of NW 1/4 of SE 1/4, EXCEPT NW 1/4 of the NE 1/4 of NW 1/4 of SE 1/4 of Section 10, Township 17 South, Range 22 East, EXCEPT road right of way.



**Corporate Headquarters**  
10464 Bryan Hwy  
Onsted, MI 49265  
Ph (517) 467-2065  
FAX (517) 467-2840

**Additional Locations**  
Bellevue, FL  
Baytown, TX  
Colton, CA



43-0512004

March 15, 2012

Ernest Leland Groeb, Troy L Groeb and E Jeanne Groeb  
10464 Bryan Highway  
Onsted, MI 49265

Dear Lady and Gentlemen

Please confirm the extension of our Lease of the property located at 3220 SE Hwy 484, Bellevue, Florida for an additional term of five years commencing April 1, 2012 and expiring March 31, 2017 The annual rent will initially be \$59,400 (i.e., \$4950 per month starting April 1, 2012) calculated according to the First Amended Michigan Lease, based on the percentage of CPI change from March of 2007 to March of 2012 The initial rent being charged of \$59,400 will be adjusted when the CPI Index is finally available for April 2012 As a result of the CPI not being available during March of 2007 or March of 2012, it will be necessary to take the CPI for both February and April and combine the two months and thereafter divide by two in order to arrive at a final average CPI for the month of March in each respective year 2007 and 2012 Any increase or decrease in the annual rent to be paid and computed on a monthly basis will be adjusted later in 2012 in accordance with the final CPI to be computed for March 2007 and 2012

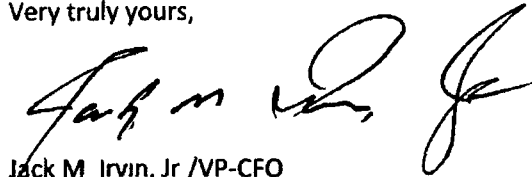
Please confirm the extension of our lease of the property located in the Northwest ¼ of the Northeast ¼ of the Southeast ¼ of Section 10, and in the East ½ of the Northwest ¼ of the Southeast ¼ of Section 10, Township 17, South, Range 22, East, Bellevue, Florida, for an additional term of five years, commencing April 1, 2012 and expiring March 31, 2017 The annual rent will be \$59,400 calculated

**Honey ~ Molasses ~ Mustard ~ Peanut Butter**

**[www.groebfarms.com](http://www.groebfarms.com)**

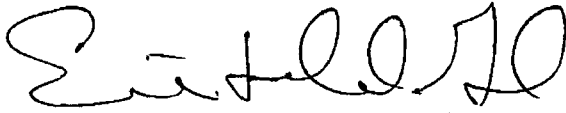
according to the First Amendment to Lease, based on the percentage CPI change from March 2007 to December 2011, the latest month available

Very truly yours,

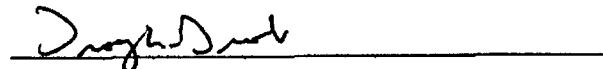


Jack M Irvin, Jr /VP-CFO  
Groeb Farms, Inc

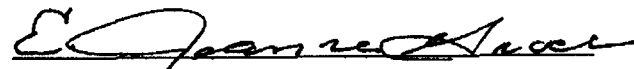
Acknowledged and agreed to this 20th day of MARCH, 2012



Ernest Leland Groeb



Troy L. Groeb



E Jeanne Groeb

## **EXHIBIT F**

B10 (Official Form 10) (04/13)

UNITED STATES BANKRUPTCY COURT      Eastern District of Michigan		PROOF OF CLAIM
Name of Debtor:  Groeb Farms, Inc.	Case Number:  13-58200	<div style="font-size: 24pt; font-weight: bold;">RECEIVED</div> <div style="font-size: 18pt; font-weight: bold;">NOV 04 2013</div> <div style="font-weight: bold;">KURTZMAN CARSON CONSULTANTS</div>
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): UNITED BANK & TRUST, TRUSTEE OF THE ERNEST L. GROEB JR. TRUST B		
Name and address where notices should be sent: Rebecca Rosenthal 77 W. Wacker Drive, Suite 3100 Chicago, IL 60601  Telephone number: (312) 456-8400      email: rosenthalr@qtlaw.com		<input type="checkbox"/> Check this box if this claim amends a previously filed claim.  Court Claim Number: _____ (If known)  Filed on: _____
Name and address where payment should be sent (if different from above):     Telephone number: _____ email: _____		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.
1. Amount of Claim as of Date Case Filed:      \$ <u>see attached</u>  If all or part of the claim is secured, complete item 4.  If all or part of the claim is entitled to priority, complete item 5.  <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.		
2. Basis for Claim: <u>see attached</u> (See instruction #2)		
3. Last four digits of any number by which creditor identifies debtor:	3a. Debtor may have scheduled account as:  (See instruction #3a)	3b. Uniform Claim Identifier (optional):  (See instruction #3b)
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.  Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe:  Value of Property: \$ _____  Annual Interest Rate _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		
Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____  Basis for perfection: _____  Amount of Secured Claim: \$ _____  Amount Unsecured: \$ _____		
5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.  <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B).             </div> <div style="width: 30%;"> <input type="checkbox"/> Wages, salaries, or commissions (up to \$12,475*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4).             </div> <div style="width: 30%;"> <input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5).             </div> </div> <div style="text-align: right; margin-top: -20px;">Amount entitled to priority: \$ _____</div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 30%;"> <input type="checkbox"/> Up to \$2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).             </div> <div style="width: 30%;"> <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).             </div> <div style="width: 30%;"> <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)(____).             </div> </div>		
*Amounts are subject to adjustment on 4/01/16 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.		
6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)		

**7. Documents:** Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, security agreements, or, in the case of a claim based on an open-end or revolving consumer credit agreement, a statement providing the information required by FRBP 3001(c)(3)(A). If the claim is secured, box 4 has been completed, and redacted copies of evidence of perfection of a security interest are attached. If the claim is secured by the debtor's principal residence, the Mortgage Proof of ( filed with this claim. (See instruction #7, and the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

RECEIVED

NOV 04 2013

**8. Signature:** (See instruction #8)

Check the appropriate box.

- ☐ I am the creditor. ☒ I am the creditor's authorized agent. ☐ I am the trustee, or the debtor, or their authorized agent. ☐ I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)  
(See Bankruptcy Rule 3004.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: CHARLES N. WATERHOUSE, Vice President  
Title: Trustee  
Company: UNITED BANK & TRUST  
Address and telephone number (if different from notice address above):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Telephone number: \_\_\_\_\_ email: \_\_\_\_\_

(Signature)

(Date)

11/01/2013

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

**INSTRUCTIONS FOR PROOF OF CLAIM FORM**

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.

**Items to be completed in Proof of Claim form**

**Court, Name of Debtor, and Case Number:**

Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

**Creditor's Name and Address:**

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

**1. Amount of Claim as of Date Case Filed:**

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

**2. Basis for Claim:**

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

**3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:**

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

**3a. Debtor May Have Scheduled Account As:**

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

**3b. Uniform Claim Identifier:**

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

**4. Secured Claim:**

Check whether the claim is fully or partially secured. Skip this section if the

claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

**5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).**

If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

**6. Credits:**

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

**7. Documents:**

Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest and documents required by FRBP 3001(c) for claims based on an open-end or revolving consumer credit agreement or secured by a security interest in the debtor's principal residence. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

**8. Date and Signature:**

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.



**ADDENDUM TO PROOF OF CLAIM OF THE**  
**ERNEST L. GROEB JR. TRUST B**

1. This addendum is made in connection with the attached proof of claim (“**Proof of Claim**”) of the Ernest L. Groeb Jr. Trust B (“**EG Trust**”). The EG Trust submits this claim for the amount potentially owed by Groeb Farms, Inc. (the “**Debtor**”) as of October 1, 2013 - the petition date.

**BASIS OF CLAIM**

2. EG Trust and the Debtor are parties to that certain lease (the “**MI Lease**”) of property located at 10464 Bryan Highway, Onsted, Michigan (the “**MI Property**”). EG Trust believes that the Debtor intends to reject the MI Lease and that such rejection will damage EG Trust in an amount unknown at this time.

3. Monthly rent owed pursuant to the MI Lease is \$7,500.00 per month. At a minimum, rent is owed for the month of November, 2013 and this amount may increase. Pursuant to the MI Lease, the Debtor was also obligated to pay Michigan property taxes and Michigan personal property taxes related to personal property located at the MI Property (the “**MI Taxes**”). EG Trust has a claim for amounts to be determined related to MI Taxes.

4. EG Trust is unaware if the MI Property has been damaged as a result of the Debtor’s occupancy. As EG Trust is unable to inspect the MI Property, EG Trust is unable to ascertain whether the MI Property has been damaged and if so, to the extent of any such damage. EG Trust has a claim against the Debtor for any and all damages caused to the MI Property by the Debtor.

## **SETOFF AND COUNTERCLAIM**

5. No judgment has been rendered on these claims.

6. To the best of the EG Trust's knowledge, the claim set forth in this Proof of Claim is not subject to any valid setoff or counterclaim by Debtor, provided however, the EG Trust expressly reserves and does not waive any setoff or recoupment rights that it may possess.

## **RESERVATION OF RIGHTS**

7. EG Trust also asserts, without limitation, the following additional claims, as to which EG Trust expressly reserves and preserves all rights, notwithstanding anything contained in this Proof of Claim, including, without limitation, (1) the right to assert claims for administrative expenses; (2) the right to assert claims for attorneys' fees and costs which continue to accrue and to be incurred; (3) right to estimate contingent claims and assert additional claims if contingent claims are estimated and/or liquidated; (4) the right to assert any other claims EG Trust may have against Debtor relating or incidental to Debtor's obligations; and (5) the right to amend this Proof of Claim.

8. This Proof of Claim is without prejudice to claims, if any, that EG Trust has or may have for payment of an administrative expense allowable under section 503(b) of the Bankruptcy Code with respect to any transaction arising out of the relevant documents, whether or not such amounts are included in this Proof of Claim, and EG Trust expressly reserves its rights to file such claim or any similar claim at an appropriate time.

9. EG Trust expressly reserves its rights to (1) amend, update, modify, supplement or otherwise revise this Proof of Claim in any respect at any time; and/or (2) file additional proofs of claim for additional claims which may be based on the same or additional documents. This Proof of Claim is filed without prejudice to the filing by EG Trust of additional proofs of

claim with respect to any other liability or indebtedness of Debtor. EG Trust specifically preserves all of its procedural and substantive defenses and rights with respect to any claim that may be asserted against EG Trust by Debtor or any other party in interest in this bankruptcy case, or any other person or entity whatsoever.

10. Filing of this Proof of Claim is not intended to be, and may not be construed to be: (a) a waiver or release of EG Trust's rights against any other entity or person liable for all or part of any claim described herein; (b) a waiver of the right to seek to have the reference withdrawn with respect to the subject matter of these claims, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this case against or otherwise involving EG Trust; (c) a waiver of any right to the subordination, in favor of EG Trust, of indebtedness or liens held by creditors of Debtor; or (d) an election of remedy which waives or otherwise affects any other remedy of EG Trust.

**LEASE**

THIS LEASE is made as of the 1st day of February, 2006, by and between ERNEST L. GROEB, JR. TRUST B, UNITED BANK & TRUST, SUCCESSOR TRUSTEE, whose address is P.O. Box 248, Tecumseh, Michigan 49286, (hereinafter called the "Landlord") and GROEB FARMS, INC., a Michigan corporation, whose address is 10464 Bryan Highway, P.O. Box 269, Onsted, Michigan 49265, (hereinafter called the "Tenant").

**WITNESSETH:**

The Landlord and Tenant do hereby mutually covenant, grant and agree to and with each other as follows:

1. The Landlord, for and in consideration of rent as provided herein, and covenants and agreements hereinafter mentioned, does hereby demise and lease to the Tenant the premises located at 10464 Bryan Highway, Onsted, Michigan. The premises are to be used and occupied by the Tenant as and for offices, food processing and storage. In no event may the premises be used for the use, storage, treatment or transportation of hazardous substances. Tenant agrees to indemnify and hold harmless the Landlord from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, any and all sums paid for settlement of claims, attorneys' fees, consultants, and expertise) arising during or after the lease term from or in connection with the presence or suspected presence of hazardous substances in or on the premises, unless the hazardous substances are present at the commencement of the Lease or are caused solely as a result of negligence, willful misconduct, or other acts of Landlord, Landlord's agents, employees, contractors, or invitees. Without limitation of the foregoing, this indemnification shall include any and all costs incurred due to any investigation of the site or any clean up, removal, or restoration mandated by a federal, state, or local agency or political

subdivision, unless the hazardous substances are present solely as a result of the negligence, willful misconduct, or other acts of Landlord, Landlord's agents, employees, contractors, or invitees. This indemnification shall specifically include any and all costs due to hazardous substances that flow, diffuse, migrate or percolate into, onto or under the premises after the lease term commences.

2. The term of this Lease shall be for one (1) year commencing February 1, 2006 and ending January 31, 2007 and from month to month thereafter unless either party shall notify the other in writing that it elects to have the Lease end at the then current term, which notice must be given at least thirty (30) days prior to the end of the then current term.

3. The Tenant agrees to pay the Landlord as rent the sum of Ninety Thousand Dollars (\$90,000.00) in monthly installments of Seven Thousand Five Hundred Dollars (\$7,500) commencing February 1, 2006 and a like amount on the 1st day of each and every month thereafter for the duration of this Lease and any holdovers thereof.

4. If Tenant shall fail to pay, within ten (10) days after due date, any installment due hereunder, Tenant shall be required to pay an additional charge of five percent (5%) of the late installment. Such charge shall be paid to Landlord at the time of payment of the past due installment. The charge is deemed by the parties to cover Landlord's administrative costs resulting from Tenant's delinquency.

5. The Landlord does covenant that the Tenant, on paying the aforesaid rent and performing covenants pursuant to this Lease, will and may peacefully and quietly have, hold and enjoy said leased premises for the term aforesaid.

6. The Tenant will furnish and supply at its own expense all heat, gas, water, electricity, and other utilities that are necessary for the use and occupancy of the leased premises.

7. The Tenant covenants that it will, at its own expense, keep the leased premises and every part thereof in good condition and repair and at the expiration of the term of this Lease, yield and deliver up the same in like condition as when taken, reasonable use and wear thereof and damage by the elements excepted. The Tenant expressly assumes the responsibility and duty to repair and maintain the plumbing, heating and electrical facilities. The Tenant agrees that it will be responsible for keeping in good order and repair the roof and four outer walls of the premises and Tenant agrees that it will be responsible for maintaining and repairing the driveways and parking areas on and about the premises. The Tenant further agrees that it will be responsible, to the extent practicable, for keeping the premises clean and free from rubbish and dirt and the sidewalks, driveway, parking areas and other means of access to the premises clear of snow and ice at all times. The Tenant further agrees that it will be responsible for mowing and raking the lawn so that the same will at all times look presentable.

8. The Tenant covenants and agrees to indemnify and save harmless the Landlord from all claims, mechanic's liens, damages, demands, actions, costs and charges which may arise out of or by reason of either the erection and construction by Tenant of any improvements on said premises or the operation by Tenant of any uses herein authorized.

9. All notices given hereunder will be properly served if delivered either personally or sent by registered mail to the Landlord and the Tenant at their then present mailing address; further, date of service of any notice served by mail shall be the date on which such notice is deposited in a receptacle of the United States Post Office Department.

10. The Tenant covenants and agrees as follows:

- A. To satisfy all personal property taxes and similar taxes levied upon any personal property caused by the Tenant to be maintained upon said premises;
- B. To pay all reasonable costs, attorney fees and expenses incurred by Landlord in enforcing the terms and provisions of this Lease;
- C. To comply with all police, sanitary, building and fire rules and regulations, and all municipal, state and federal laws and ordinances relating to or affecting the use of said premises.
- D. To permit the Landlord, or its agents, to enter upon said premises or any part thereof at reasonable hours for the purpose of examining same.
- E. That this Lease shall, at the option of Landlord, terminate if Tenant is by any Court adjudged bankrupt or insolvent, or if Tenant makes an assignment for the benefit of creditors or if a receiver, conservator or other similar officer is appointed to administer the affairs and/or property of Tenant.
- F. The Tenant shall neither assign its interest in this Leasehold Agreement nor sublet all or any portion of the subject premises without first obtaining the Landlord's written consent thereto.
- G. The Tenant agrees that it will, during the term of this Lease or any extensions thereof, at its expense, indemnify and hold harmless Landlord for any damage to persons or property on or about the premises from any cause whatsoever, and agrees to procure for the protection of both Landlord and Tenant comprehensive general liability and property damage insurance on the Premises

with minimum limits of One Million Dollars (\$1,000,000) for each occurrence of property damage, personal injury or death to person(s) with an insurance company rated "A" or better by A.M. Best. The policies must cover accident or damage in or on the Premises, the sidewalks, parking areas, entrance ways and all other portions of the Premises. The Tenant will be responsible for providing at its cost, fire and extended coverage insurance insuring the basic structure of the building in an amount no less than ninety per cent (90%) of the estimated replacement cost thereof. Landlord shall have the right to approve insurance companies issuing policies required to be procured by the Tenant under this Lease, which approval shall not be unreasonably withheld, delayed or conditioned. An insurance certificate and other evidence of such insurance reasonably requested by Landlord shall be delivered by Tenant to Landlord who will also be named as an additional insured party thereon.

11. The parties agree that all policies of fire and extended coverage and other insurance covering the premises or building, or contents thereof will contain a clause or endorsement providing in substance that the insurer expressly waives any right of recovery from any person, corporation or firm by way of subrogation or otherwise for any loss or damage occasioned by any of the perils insured against.

12. The Tenant will pay all real estate taxes levied on the premises during the term hereof.

13. The Tenant covenants and agrees that in the event of the nonperformance by Tenant of any of the terms and provisions of this Leasehold Agreement, including the provisions hereof



pertaining to payment by Tenant of the rentals and other sums required hereunder, and if such nonperformance or nonpayment is continued for a period of fifteen (15) days after written notice thereof is given by Landlord to Tenant demanding such payment, performance or observance, Landlord shall thereupon have the immediate right to re-enter and take possession of all of the subject premises, using summary proceedings or such other legal manner as it shall deem expedient and, in such event, Tenant hereby expressly waives any and all other demand of the rental and possession of the said premises. In the event of a re-entry pursuant to the above, Landlord may, at its option, forthwith re-let all or any portion of said premises.

14. Tenant covenants and agrees that no waiver by Landlord of, or assent by Landlord to, any breach or nonperformance of any of Tenant's covenants, obligations, duties, and agreements will be deemed or construed to be a waiver of or assent to any other or future breach or nonperformance by Tenant of the same or of any other covenant, obligation, duty and agreement of Tenant. Tenant further covenants and agrees that the acceptance of money by Landlord from Tenant after a default by Tenant of any of the terms and provisions hereof will not affect any action Landlord may then have taken or may thereafter take to terminate this Lease by reason of such default.

15. Tenant may make such alterations, additions or improvements to the premises as it deems consistent with the uses which it is authorized to conduct from said premises; any such alterations, additions or improvements (including any fixtures installed therein) made by the Tenant shall become the property of the Landlord at the expiration of this Lease, provided, however, all furnishings and equipment installed by the Tenant shall remain the property of the Tenant and may be removed by Tenant at any time provided that the Tenant repairs any damage

caused by such removal, and any fixtures installed in or about the premises by the Tenant will be construed to be personal property and may be removed by the Tenant provided they may be so removed without rendering the premises untenable or causing substantial damage to the premises.

16. If during the term hereof the subject premises are substantially destroyed by fire, the elements or other cause, this Lease shall, at Landlord's or Tenant's option, become null and void and of no further effect from the date of such damage or destruction and, in such event, rental otherwise due or paid hereunder will be due only to the time of such damage or reimbursed from that time. If said premises are damaged by fire or other cause so as to be capable of being repaired within a reasonable time, Landlord shall have the option to repair same, and during the period such repairs are being made, the rental herein provided for will be adjusted to fairly reflect the value therefor to Tenant in their damaged state for so long as same have not been repaired.

17. Tenant covenants and agrees that if all or any portion of the subject premises are taken by eminent domain, condemnation or other similar taking, Landlord will be entitled to receive all payments and awards pertaining to such taking, and that such taking will not be deemed to constitute a breach of any of Landlord's covenants and agreements. Landlord agrees that if such a taking occurs, and if such taking substantially prevents Tenant from using said premises for the purposes herein set forth, then and in such event, Tenant may at its option declare this Lease to be null and void and of no further effect and, in such event, each party hereto will be relieved of all future liability hereunder to the other party hereto.

18. The Tenant shall have the right to erect or display signs on the premises.

19. All negotiations, considerations, representations and understandings between the parties are incorporated herein and may be modified or altered only by agreement in writing between the parties. This agreement supersedes all prior agreements between Landlord and Tenant relating to the premises covered by this Lease.

IN WITNESS WHEREOF, the Landlord and Tenant have caused this instrument to be duly executed the day and year first above written.

In the Presence of:

\_\_\_\_\_  
\_\_\_\_\_

ERNEST L. GROEB, JR. TRUST,  
UNITED BANK & TRUST, SUCCESSOR  
TRUSTEE

By William E. Baker, Asst. Vice Pres.  
Its Trustee

In the Presence of:

Cheryl L. Harner  
Claudette J. Branch

GROEB FARMS, INC.

By Ernest L. Groeb  
Ernest L. Groeb, its Vice President

430512004  
DUPLICATE  
Lease

FIRST AMENDMENT TO LEASE

This First Amendment to Lease is made this 4<sup>th</sup> day of March, 2007 (the "Amendment Effective Date") by and between Ernest L. Groeb, Jr. Trust B, United Bank & Trust, Successor Trustee, whose address is P O Box 248, Tecumseh, Michigan, 49286 ("Landlord") and Groeb Farms, Inc., a Michigan corporation whose address is 10464 Bryan Highway, P O Box 269, Onsted, Michigan 49265 ("Tenant")

RECITALS

A Landlord and Tenant have heretofore entered into a lease dated as of February 1, 2006 (the "Lease") relating to the premises located at 10464 Bryan Highway, Onsted, Michigan and more particularly described on Exhibit A hereto (the "Premises" or "premises")

B In connection with a sale by Tenant of all or substantially all of its stock, Landlord and Tenant desire to amend the Lease in various respects

AGREEMENT

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows

1 Section 1 of the Lease is hereby deleted, and the following is substituted in lieu thereof

"The Landlord, for and in consideration of rent as provided herein, and covenants and agreements hereinafter mentioned, does hereby demise and lease to the Tenant the premises located at 10464 Bryan Highway, Onsted, Michigan. The premises are to be used and occupied by the Tenant as and for offices, food processing, storage and any other use permitted by law. In no event however, may the premises be used for storage, treatment or transportation of hazardous substances except those hazardous substances which are utilized in Tenant's business in compliance with applicable environmental laws. Tenant agrees to indemnify and hold harmless the Landlord from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, any and all sums paid for settlement claims, attorneys' fees, consultants, and experts) arising during the lease term from or in connection with the presence or suspected presence of hazardous substances in or on the premises, unless the hazardous substances are present as of the Amendment Effective Date or to the extent caused as a result of negligence, willful misconduct, or other acts of Landlord, Landlord's agents, employees, contractors or invitees. Without limitation of the foregoing, this indemnification shall include any and all costs incurred due to any investigation of the site or any clean up, removal, or restoration mandated by federal, state or local agency or political subdivision, except to the extent the hazardous substances are present as a result of negligence,

willful misconduct, or other acts of Landlord, Landlord's agents, employees, contractors or invitees. This indemnification shall specifically include any and all costs due to hazardous substances that flow, diffuse, migrate or percolate into, onto or under the premises after the Amendment Effective Date

2 Section 2 of the Lease is hereby deleted, and the following is substituted in lieu thereof

"The term of this Lease (the "Term") shall commence February 1, 2006 and shall expire on March 31, 2012, subject to two (2) five (5) year renewal options, with annual options thereafter, as hereinafter set forth "

3 Section 6 of this Lease is hereby amended by adding the following provisions thereto

"Notwithstanding the foregoing, at its sole cost and expense, Landlord shall relocate any septic tanks, facilities appurtenant thereto or any other facilities or improvements serving the premises but located in whole or in part off the premises and not having the benefit of a recorded easement. Such relocation shall be accomplished in such a manner so as to not cause material disruption to Tenant's business "

4 Section 7 of the Lease is hereby amended by deleting the first sentence thereof, and substituting the following in lieu thereof

"The Tenant covenants that it will, at its own expense, keep the premises and every part thereof in good condition and repair, and at the expiration of the Term, yield up and deliver up the same in like condition as when taken, reasonable use and wear thereof and damage by casualty and the elements excepted "

5 Section 10D of the Lease is hereby deleted, and the following is substituted in lieu thereof

"D To permit the Landlord, or its agents, to enter upon said premises or any part thereof at reasonable hours after reasonable advance notice, for the purpose of examining same "

6 Section 10E of the Lease is hereby amended by adding the following to the end hereof

"unless such appointment is dismissed not later than one hundred twenty (120) days following the date thereof"

7 Section 10F of the Lease is hereby deleted, and the following is substituted in lieu thereof

"F. The Tenant shall neither assign its interest in this Leasehold Agreement nor sublet all or any portion of the subject premises without first obtaining the Landlord's written consent thereto, which shall not be unreasonably withheld, delayed or conditioned. Notwithstanding anything in this Section 10F or this Lease to the contrary, Tenant, on prior notice to Landlord (but with Landlord's consent), may assign this Lease or sublet the premises to (each, a "Permitted Transferee") (1) any parent, subsidiary or other entity which other entity has in common with Tenant not less than 50% ownership, (2) any entity in which Tenant owns more than 50% of all voting and non-voting equitable interests, (3) any entity that acquires all or substantially all of the assets or stock of Tenant, or (4) any entity that merges or consolidates with Tenant, regardless of whether Tenant or said other entity is the surviving entity, so long as the assignee in any of the foregoing transactions is a bona fide entity (i.e., not a shell entity) and assumes the obligations of the Tenant."

8 Section 12 of the Lease is hereby amended to read in its entirety as follows

"The Tenant will pay all real estate taxes and special assessments levied on the premises during the term hereof"

9 Section 13 of the Lease is hereby amended by adding the following to the end thereof

"Notwithstanding the foregoing, in the case of nonperformance which cannot be cured by the payment of money and which cannot, with diligence, be cured within such fifteen (15) day period, then such fifteen (15) day period shall be extended for such period as shall be reasonably necessary for the Tenant to effectuate such cure"

10 Section 16 of the Lease is hereby deleted, and the following is substituted in lieu thereof

"A. If the premises shall be damaged or destroyed by casualty or other cause, then Landlord, at its own expense, shall promptly and with due diligence repair or rebuild the same so as to restore the premises to substantially the same condition they were in immediately prior to such damage or deconstruction with any necessary changes required, and to the extent permitted, by then applicable zoning and building laws. Should the net amount of insurance proceeds available to Landlord not be sufficient to cover the cost of so restoring the premises, in the reasonable estimate of Landlord, Landlord or Tenant may, but shall have no obligation to, supply the amount of such insufficiency and restore the premises with all reasonable diligence or Landlord or Tenant may terminate this Lease by giving notice to the other not later than a reasonable time after Landlord has

determined the estimated net amount of insurance proceeds available to Landlord and the estimated cost of such restoration. Unless this Lease is terminated as provided in this Section 16A or in Section 16B below, if the premises shall be damaged or destroyed by fire or other insured casualty, then Tenant shall equip the premises with trade fixtures and all personal property necessary or proper for the operation of Tenant's business

B If the premises shall be damaged or destroyed by any cause, and an architect reasonably satisfactory to Landlord, certifies that the same cannot be reasonably expected to be restored to substantially the same condition as prior to such damage or destruction within eighteen (18) months from the time that such repair or restoration work would be commenced, then Landlord or Tenant shall have the right to terminate this Lease by notice to the other given within thirty (30) days following receipt of such certification

C Rent shall equitably abate during any period following damage or destruction in which the premises may be substantially untenable or unsuitable for use or occupancy by Tenant and such time as Landlord effects the restoration, if any, described in Section 16A above "

11 A new Section 20 is added to the Lease as follows

"A. Provided that at the time Tenant gives notice of the exercise of its rights under this Section 20, and at the time the Term would have otherwise expired but for the exercise of such rights, this Lease is in full force and effect, then Tenant will have the right to extend the Term hereof for two (2) successive periods of five (5) years each (each an "Extension Term"), such options to extend to be exercised by the giving of notice by Tenant to Landlord at least sixty (60) days prior to the expiration of the then current Term. Upon the giving of such notice, this Lease and the Term hereof shall be extended for an additional term of five (5) years, without the necessity for the execution of any additional documents. The Extension Terms shall be upon all of the terms, conditions and provisions of this Lease except that the rent for the Extension Terms will be as follows. The annual rent for the First Extension Term shall be Ninety Thousand Dollars (\$90,000.00) plus the sum arrived at by multiplying \$90,000 times the percentage increase, if any, in the CPI (as hereinafter defined) from the Amendment Effective Date to the last month of the initial Term. The annual rent for the Second Extension Term shall be the annual rent for the First Extension Term plus the sum arrived at by multiplying said annual First Extension Term rent times the percentage increase, if any, in the CPI (as hereinafter defined) from the first month of the First Extension Term to the last month of the First Extension Term. The annual rent for each of the Extension Terms shall be paid in equal monthly installments on the first day of each month.

B As used herein, the term "CPI" shall mean the Consumer Price Index for All Urban Consumers (CPI-U) (1982-84=100) (Detroit-Ann Arbor-Flint, MI), published by the Bureau of Labor Statistics, U S Department of Labor

C In addition to Tenant's extension options described above, provided that at the time Tenant gives notice to the exercise of its rights under this Section 10C, and at the times the Term would have been otherwise expired but for the exercise of such rights, this Lease is in full force and effect, and Tenant is not in default hereunder, then Tenant shall have the annual right to extend the Term hereof for one (1) additional year each (each an "Additional Extension Term"), such options to extend to be exercised by the giving of notice by Tenant to Landlord at least sixty (60) days prior to the expiration of the then current Additional Extension Term. Upon the giving of such notice, this Lease and the Term hereof shall be extended for an additional year, without the necessity for the execution of any additional documents. The Additional Extension Terms shall be upon all of the terms, conditions and provisions of this Lease except that the annual rent for each Additional Extension Term shall be the annual rent payable during the last year of the Second Extension Term, adjusted, in the manner provided in Section 20A above, at the beginning of each Additional Extension Term, to reflect the increase, if any, in the CPI since the date of the most recent previous adjustment. Notwithstanding the foregoing, Landlord may terminate Tenant's right to exercise further Additional Extension Term options by giving Tenant written notice thereof (the "Option Termination Notice") not less than twenty-four (24) months prior to any Additional Extension Term. By way of example, if an Additional Extension Term would commence on April 1, 2020, then in order to terminate Tenant's right to exercise such option, Landlord would be required to give Tenant an Option Termination Notice no later than April 1, 2018."

12 A new Section 21 is added to the Lease as follows

"A. At the end of the initial Term, Tenant shall have the option to purchase the premises for its Fair Market Value, excluding the value of any leasehold improvements (including, without limitation, major reconstruction or replacement of facilities) made by Tenant during the initial Term ending March 31, 2012, minus (1) the cost of relocating any septic tanks, facilities appurtenant thereto or any other facilities or improvements serving the premises but located in whole or in part off the premises and not having the benefit of a recorded easement and (2) the aggregate amount of all special assessments on the premises paid by Tenant after March 16, 2007 ("FMV"). So long as Tenant is not then in default of the Lease beyond any applicable notice and cure period, Tenant may exercise such option by written notice delivered to Landlord no less than six (6) months before the expiration of the Term. Within twenty (20) days after delivery of such notice of exercise, Landlord and Tenant shall confer to determine the actual FMV. If agreement is reached, such agreed-upon value shall be FMV. If Landlord and Tenant are unable to agree on the FMV within forty (40) days after delivery of such notice of exercise, the FMV shall be determined by appraisal as follows: Landlord and Tenant shall each specify a real estate appraiser within thirty (30) days after delivery of the notice of exercise. If only one appraiser is specified within such thirty day period, such appraiser shall determine FMV. If two appraisers are specified, the two appraisers so designated shall attempt to reach



mutual agreement regarding the FMV. If the two appraisers agree upon the FMV, then Landlord and Tenant shall be bound to the appraisers' determination. If the two appraisers are unable to reach agreement, each of the two appraisers shall, not later than the thirtieth (30th) day following the designation of the second appraiser, render a written determination of the FMV. The two appraisers shall also select a third appraiser prior to the end of the period when their separate appraisals must be rendered. Within thirty (30) days after the appointment of the third appraiser, the third appraiser shall render a written determination of the FMV. From the three appraisals, the appraisal which is the farthest from the median appraisal shall be disregarded and the average of the remaining two appraisals shall conclusively constitute the FMV. All appraisers selected in accordance with this Section shall have at least ten (10) years experience in appraising commercial real estate in Michigan and shall be members of the American Institute of Real Estate Appraisers or similar professional organization. If either Landlord or Tenant fails or refuses to select an appraiser, the other appraiser shall alone determine the FMV. Landlord and Tenant agree that they shall be bound by the determination of FMV pursuant to this Section. Landlord shall bear the fee and expenses of its appraiser, Tenant shall bear the fee and expense of its appraiser, and Landlord and Tenant shall share equally the fee and expense of the third appraiser, if any. Acquisition of the premises shall be consummated not later than the last day of the Term on an all cash basis unless the parties agree otherwise. Title shall be conveyed free and clear of all encumbrances other than the exceptions to title specified in Schedule B of the leasehold title insurance policy obtained by the Tenant on or about the Amendment Effective Date.

B. If the option is so exercised, the delivery of a good and sufficient warranty deed in the customary Michigan form (the "Deed") transferring to Tenant or its nominee good and clean record and marketable title to the premises subject to only the Permitted Exceptions, shall take place on a date (the "Closing Date") specified by Tenant in a written notice to the Landlord, which date shall in no event be later than the last day of the initial Term.

C. Simultaneously with the delivery of the Deed, Landlord shall deliver to Tenant, and, as applicable, execute

- i) Appropriate resolutions authorizing the execution and delivery of the Deed and related closing documents,
- ii) Affidavits and indemnities with respect to parties in possession and mechanics liens to induce Tenants' title insurer to issue an owner's and mortgagee's policy of title insurance without exception for these matters,
- iii) An affidavit, satisfying the requirements of Section 1445 of the Internal Revenue Code or regulations issued thereunder, which states, under penalty of perjury, Landlord's United States taxpayer identification number, that Landlord is not a foreign person and the Landlord's address,

iv) Assignments to Tenant, and copies of, any warranties, guaranties and assurances in the possession of Landlord given by third parties with respect to any part of the premises,

v) Copies, and an assignment to the extent assignable, of certificates of occupancy, licenses, service agreements, all leases, and other governmental permits in the possession of Landlord regarding the Premises, and

vi) Any other documentation as may reasonably be requested by Tenant, the Tenant's lender, or their attorneys, to effectuate the sale of the premises to the Tenant or to evidence compliance herewith

D Closing costs and transfer taxes shall be allocated to the parties in accordance with the then local custom

E Landlord is expressly aware that in the event of a default by Landlord hereunder Tenant would sustain damages that would be difficult or impossible to ascertain It is agreed, therefore, that in the event Landlord shall fail to execute and deliver the Deed as herein provided, or shall otherwise breach the terms of this Section 21 then Tenant, at its option, shall be entitled to specific performance of the aforesaid option rights by Landlord "

13 A new Section 22 is hereby added to the Lease as follows

"Tenant will, upon ten (10) business days written notice at the request of Landlord, execute, acknowledge and deliver to Landlord a certificate of Tenant, stating that this Lease is unmodified and in full force and effect as modified, and setting forth such modifications, that this Lease is in full force and effect as modified, and setting forth such modifications) and stating the dates to which rent and other sums payable hereunder have been paid and either stating that to the knowledge of Tenant no default exists hereunder or specifying each such default of which Tenant has knowledge and whether or not Tenant is still occupying and operating the Premises and such other information as Landlord shall reasonably request Any such certificate may be relied upon by any actual or prospective mortgagee or purchaser of the premises Landlord will upon ten (10) business days written notice at the request of Tenant, execute, acknowledge and deliver to Tenant a certificate of Landlord, stating that this Lease is in full force and effect as modified, and setting forth such modifications) and the dates to which rent and other sums payable hereunder have been paid, and either stating that to the knowledge of Landlord no default exists hereunder or specifying each default of which Landlord has knowledge and other such information as Tenant shall reasonably request Any such certificate may be relied upon by Tenant or any actual or prospective assignee or subtenant of the premises or lender to Tenant "

- 14 A new Section 23 is hereby attached to the Lease as follows

"Except as expressly provided herein, this Lease may not be modified or terminated except by a writing signed by Landlord and Tenant. Any writing required hereunder may be executed in counterparts, and signatures delivered by facsimile or similar means shall be effective upon delivery, with the same effect as if the original had been so delivered."

- 15 A new Section 24 is hereby added to the Lease as follows

"Except as specifically set forth in this Lease, all consents and approvals to be granted by Landlord shall not be unreasonably withheld, delayed, or conditioned, but shall be deemed given unless Landlord objects in writing to the particular request for consent within thirty days of its receipt in accordance with the notice requirements of this Lease."

- 16 A new Section 25 of the Lease is hereby added as follows

"The parties shall record a "short form" Memorandum of Lease identifying the Term and option to purchase granted to Tenant by this Lease, and any other terms to which the parties may agree. Any recording costs associated with the memorandum or short form of this Lease shall be borne by Tenant. Upon expiration or earlier termination of this Lease, Tenant shall promptly execute and deliver to Landlord an instrument in recordable form, wherein Tenant acknowledges the expiration or earlier termination of this Lease."

*[Signature Page to Follow]*

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Lease to be executed under seal as of the date first written above.

**LANDLORD:**

Ernest L. Groeb, Jr. Trust B, United  
Bank & Trust

By Alvin L. Baker  
Name: Alvin L. Baker  
Title: First Vice President

**TENANT:**

Groeb Farms, Inc

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Lease to be executed under seal as of the date first written above

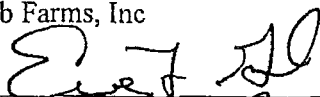
**LANDLORD:**

Ernest L Groeb, Jr Trust B, United  
Bank & Trust

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

**TENANT:**

Groeb Farms, Inc

By   
Name Ernest L. GROEB  
Title \_\_\_\_\_

**EXHIBIT "A"**

**DESCRIPTION OF LEASED PREMISES**

The following described premises located in the Township of Cambridge, County of Lenawee, State of Michigan

All that part of the northeast  $\frac{1}{4}$  of the southwest  $\frac{1}{4}$  of section 14, town 5 south, range 2 east, described as commencing at the southeast corner of the northeast  $\frac{1}{4}$  of the southwest  $\frac{1}{4}$  of section 14, aforesaid, said point being located 1323 50 feet north 0 degrees 13' 39" west from the south  $\frac{1}{4}$  corner of said section 14, and running thence north 89 degrees 51' 20" west 375 0 feet, thence north 0 degrees 13' 39" west 1000 0 feet, thence south 89 degrees 51' 20" east 375 0 feet to the north and south  $\frac{1}{4}$  line of said section 14, thence south 0 degrees 13' 39" east along said line 1000 0 feet to the place of beginning Containing 8 609 acres

BOST\_232745 4



**Corporate Headquarters**  
10464 Bryan Hwy.  
Onsted, MI 49265  
Ph: (517) 467-2065  
FAX: (517) 467-2840

**Additional Locations:**  
Bellevue, FL  
Baytown, TX  
Colton, CA



March 15, 2012

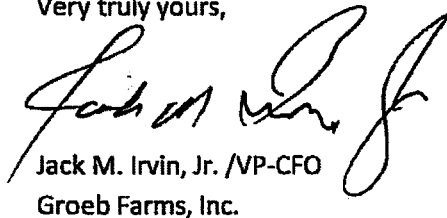
Ms. Holleigh E. Baker, J.D. CTFA  
Senior Vice President, United Bank & Trust  
Successor Trustee for the Ernest L. Groeb, Jr. Trust B  
Wealth Management Group  
603 N. Evans St., P.O. Box 248  
Tecumseh, MI 49286

Dear Ms. Baker:

Please confirm the extension of our Lease of the property located at 10464 Bryan Highway, Onsted, Michigan, for an additional term of five years commencing April 1, 2012 and expiring March 31, 2017. The annual rent will initially be \$97,200 (i.e., \$8100 per month starting April 1, 2012) calculated according to the First Amended Michigan Lease, based on the percentage of CPI change from March of 2007 to March of 2012. The initial rent being charged of \$97,200 will be adjusted when the CPI Index is finally available for April 2012. As a result of the CPI not being available during March of 2007 or March of 2012, it will be necessary to take the CPI for both February and April and combine the two months and thereafter divide by two in order to arrive at a final average CPI for the month of March in each respective year 2007 and 2012. Any increase or decrease in the annual rent to be paid and computed on a monthly basis will be adjusted later in 2012 in accordance with the final CPI to be computed for March 2007 and 2012.

Please confirm the extension of our lease of the property located at 10464 Bryan Highway, Onsted, Michigan, for an additional term of five years, commencing April 1, 2012 and expiring March 31, 2017. The annual rent will be \$97,200, calculated according to the First Amendment to Lease, based on the percentage CPI change from March 2007 to December 2011, the latest month available.

Very truly yours,



Jack M. Irvin, Jr. /VP-CFO  
Groeb Farms, Inc.

**Honey ~ Molasses ~ Mustard ~ Peanut Butter**

Acknowledged and agreed to this 20 day of March, 2012.

Ernest L. Groeb Trust B

By: United Bank & Trust as Successor Trustee

By: Hollie E. Baker

Name: Hollie E. Baker

Title: Senior Vice President