

Pueblo International, Inc.

Office of the Chairman of the Board

AUGUST 15, 1979

DR. ABRAHAM ZALEZNIK
CHAIRMAN OF COMPENSATION COMMITTEE
151 FOLLEN ROAD
LEXINGTON, MASSACHUSETTS 02173

RE: DAVID GLEASON

DEAR ABE:

EFFECTIVE 7/30/79 (START OF THIRD QUARTER FISCAL 1980), PUEBLO COMMUNICATIONS' GENERAL MANAGER, DAVID GLEASON, WILL REPORT DIRECTLY TO ME.

DAVID GLEASON'S CURRENT BASE SALARY IS AT THE RATE OF \$50,000 ANNUALLY WITH AN EARN-OUT POTENTIAL OF 50% OF BASE SALARY TO A MAXIMUM OF \$75,000.

I AM RECOMMENDING THAT DAVID'S BASE SALARY BE INCREASED (RETROACTIVE 7/30/79) TO \$67,500 WITH AN EARN-OUT POTENTIAL OF \$22,500 MAXIMUM. DAVID IS CURRENTLY PROVIDED WITH A COMPANY CAR AND IS RECEIVING A \$3,000 PER YEAR UNACCOUNTED FOR EXPENSE ALLOWANCE, THIS WILL CONTINUE TO REMAIN IN EFFECT!

SINCERELY,

H Toppel
HAROLD TOPPEL

HT/SP

- CC: G. RODRIGUEZ
- H. REXACH
- A. M. VICTORY
- M. I. VALLECILLO

9/12/79

*Approved by Comp. Committee
of Bd of Dir on 9/11/79*

(HT)

*C. C. Joel R.
Bob L.*

STOCK OPTION CONTRACT

THIS STOCK OPTION CONTRACT made as of the 10th day of February, 1975, between PUEBLO INTERNATIONAL, INC. (herein referred to as the "Company"), and David Gleason (herein referred to as "Optionee").

W I T N E S S E T H :

1. The Company, in accordance with the allotment made by the Stock Option Committee, and subject to the terms and conditions of the 1969 Stock Option Plan of the Company (the "Plan"), grants as of the date hereof, to the Optionee an option to purchase an aggregate of 2,500 shares of the Common Stock no par value, of the Company ("Common Stock") at \$3.50 per share, being the fair market value of such stock on the date hereof.

2. The term of the option shall be ten (10) years from the date hereof, subject to earlier termination as provided in the Plan. The option is exercisable, commencing one year from the date hereof, as to 25% of the aggregate number of shares originally subject thereto and as to an additional 25% after each succeeding annual anniversary date, provided, however, that the right to purchase shall be cumulative, so that if the full number of shares purchaseable in a period shall not be purchased, the balance may be purchased at any time or from time to time thereafter but prior to the termination of the option. The option may be exercised at any time or from time to time as to shares which have so become purchaseable by giving written notice to the Stock Option Committee of the Company, at its New York corporate office, presently at
375 Park Avenue, New York, New York 10022,
specifying the number of shares purchased and accompanied by payment in full of the aggregate purchase price.

3. The Optionee agrees to make his services available to the Company and its subsidiaries, at the election of the Company, for a period of one year from the later of (i) the date hereof, or (ii) the termination date of any existing employment contract, provided, however, that nothing in the Plan or herein shall confer upon the optionee any right to continue in the employ of the Company or its subsidiaries or interfere in any way with the right of the Company or its subsidiaries to terminate such employment at any time during such periods without liability to the Company or its subsidiaries.

4. The Optionee represents and agrees that in the event of any exercise of the option, the shares of Common Stock subject to option will be acquired for investment and not with a view to distribution thereof.

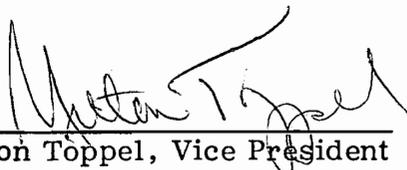
5. The Company and the Optionee further agree that they will both be subject to and bound by all of the terms and conditions of the Plan, a copy of which is attached hereto and made a part hereof. In the event the employment of the Optionee terminates or in the event of his death, his rights hereunder shall be governed by and subject to the provisions of the Plan.

6. The option is not transferable otherwise than by Will or the laws of descent and distribution and may be exercised, during the lifetime of the Optionee, only by him.

7. This contract shall be binding upon and enure to the benefit of any successor or assignee of the Company and to any executor, administrator or legal representative entitled by law to the Optionee's rights hereunder.

IN WITNESS WHEREOF, we have hereunto set our hands in duplicate as of the day and year first above written.

PUEBLO INTERNATIONAL, INC.

By 
Milton Toppel, Vice President

Optionee

PUEBLO SUPERMARKETS, INC.

1969 STOCK OPTION PLAN

As Approved by Stockholders on May 23, 1969

1. Purposes of the Plan.

This Stock Option Plan (the "Plan") is intended to provide an incentive to key employees of Pueblo Supermarkets, Inc. ("Company") and of its present and future subsidiaries ("Subsidiaries"), as that term is defined in Section 425(f) of the Internal Revenue Code of 1954, as presently in effect or hereafter amended ("Code"), and to offer an additional inducement in obtaining the services of key personnel. Certain of the options granted hereunder are intended to qualify as "qualified stock options" under Section 422 of the Code ("Qualified Stock Option").

2. Shares Subject to the Plan.

Options may be granted under the Plan from time to time to purchase in the aggregate not more than (a) 106,003 shares of Common Stock, no par value ("Common Stock"), of the Company; and (b) such additional shares of Common Stock which are reserved for outstanding employee stock options on the date of the adoption of the Plan, as shall become available as a result of the lapse or termination of such options, provided, however, that the maximum number of shares for which options may be granted hereunder shall not exceed 226,640 shares in the aggregate. Such shares of Common Stock may be, in whole or in part, as the Committee shall from time to time determine, authorized but unissued shares or issued shares of Common Stock which shall have been reacquired by the Company. If any option shall expire or terminate for any reason without having been exercised in full, the shares allocable to any unexercised portion of such option (unless the Plan shall have been terminated) shall again become available for options under the Plan.

3. Administration of the Plan.

The Plan shall be administered by a Stock Option Committee ("Committee") consisting of three members of the Board of Directors of the Company ("Board of Directors"), none of whom shall be eligible to participate in the Plan. The Committee shall be appointed by, and shall serve at the pleasure of, the Board of Directors. A majority of the members shall constitute a quorum, and the acts of a majority of the members present at any meeting at which a quorum is present, and any acts approved in writing by a majority of the members without a meeting, shall be the acts of the Committee.

Subject to the express provisions of the Plan, the Committee shall have the authority, in its discretion: (i) to determine whether the option to be granted shall be a Qualified Stock Option; (ii) the individuals to receive options; (iii) the times when they shall receive them; (iv) the number of shares to be subject to each option; (v) the term of each option; (vi) the date each option shall become exercisable; (vii) whether an option granted hereunder shall be exercisable in whole, in part, or in installments, and if in installments, the number of shares to be subject to each installment, the date each installment shall become exercisable and the term of each installment; (viii) to accelerate the date of exercise of any installments; (ix) to construe the respective option agreements and the Plan; and (x) to make all other determinations necessary or advisable for administering the Plan. The determinations of the Committee on the matters referred to in this paragraph shall be conclusive.

4. Eligibility.

The Committee may, consistent with the purposes of the Plan, grant options from time to time, within ten (10) years from the date of adoption of the Plan by the Board of Directors of the Company, to key employees of the Company or of its Subsidiaries, including officers and

8. Exercise of Options.

Each option shall be exercisable, in whole or in part, as to such number of shares of Common Stock and at such time or times (except that in all events such options in whole or in part, shall not be exercisable prior to one year from the date of grant) as the Committee shall in its discretion determine, provided, however, that unless otherwise determined by the Committee at the time of grant, each Qualified Stock Option shall become exercisable as to 25% of the aggregate number of shares originally subject thereto, commencing one year after the date of granting of such option and as to an additional 25% after each succeeding anniversary of the date of granting. The right to purchase shares upon exercise of any option shall be cumulative so that if the full number of shares purchaseable in a period shall not be purchased, the balance may be purchased at any time or from time to time thereafter but prior to the termination of such option. No Qualified Stock Option granted hereunder to any employee shall be exercisable, in whole or in part, while there is outstanding with respect to such employee (within the meaning of Section 422(c)(2) of the Code) any Qualified Stock Option or any restricted stock option of the Company or any Subsidiary which was granted prior to the grant of such Qualified Stock Option, unless (a) the Qualified Stock Option granted hereunder to the employee and all outstanding qualified or restricted stock options held by the employee are to purchase shares of Common Stock of the Company, and (b) the exercise price of each such outstanding option (determined as of the date of grant of the option being granted) does not exceed the exercise price of the option being granted.

Options shall be exercised only by the option holder giving written notice to the Company at its principal office, accompanied by payment in full of the aggregate purchase price therefor in cash, certified check or bank check. Except as provided in Sections 9 and 10 hereof, an option may not be exercised at any time unless the holder thereof shall then be in the employ of the Company or a Subsidiary. The holder of an option shall not have any of the rights of a shareholder of the Company in respect of the shares of Common Stock issuable upon exercise of his option unless and until one or more certificates evidencing such shares of Common Stock shall have been delivered to him upon the due exercise thereof. In no event may a fraction of a share be purchased or issued under the Plan.

9. Termination of Employment.

Any option holder whose employment has terminated for any reason other than death may exercise his option, to the extent exercisable upon the effective date of such termination, at any time within thirty calendar days after the date of termination, but in no event after the expiration of the term of the option, provided, however, that if his employment shall be terminated either (i) for cause or (ii) without the consent of the Company, said option shall (to the extent not previously exercised) terminate immediately. Options granted under the Plan shall not be affected by any change of employment so long as the holder continues to be an employee of the Company or of any constituent corporation, as that term is defined in paragraph 14 hereof.

10. Death of Employee.

If an option holder dies while he is employed by the Company or any of its Subsidiaries or within thirty calendar days after termination of his employment (unless such termination was either (i) for cause, or (ii) without the consent of the Company), the option may be exercised, to the extent exercisable on the date of his death, by his executor, administrator or other person at the time entitled by law to his rights under the option, at any time within six (6) months after death, but in no event after the expiration of the term of the option.

11. Non-Transferability of Options.

Options shall not be transferable otherwise than by will or the laws of descent and distribution, and an option may be exercised during the lifetime of the option holder only by him. Options may not be assigned, transferred, pledged, hypothecated or disposed of in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process.



WZNT/WQII/METRO BROADCASTING COMPANY, INC., P.O. BOX 101, GUAYNABO, P.R. 00657/TEL: 790-5001

MEMO

TO: Harold Toppel
CC: Joel Fenigstein
Lcdo. M. I. Vallecillo
FROM: David Gleason
RE: Budget Variation Alert/Engineering
DATE: August 17, 1979

In the second quarter the contract engineers who provide all WQII/WZNT engineering services advised of their desire to discontinue such services. They currently receive a monthly fee of \$2,000.00.

There exist no other such service groups locally. In addition, no local engineer is available with the ability to service our installations on a full-time basis. The only solution appears to be hiring of a Chief Engineer from the continental U.S. and providing him with a trainee level assistant, available locally. The second person is necessary to provide back-up emergency support and to assist in maintenance.

The cost of this change would be a salary of \$25,000 to \$30,000 for the Chief Engineer (exclusive of benefits and a vehicle allowance), some moving expenses and a \$9,000 to \$12,000 salary for the assistant.

It is expected that no change will be made prior to the end of the third quarter. Some expense may be incurred in the process of interviewing prospective candidates.

Recruitment is being conducted through trade magazine advertisements and contact with our consulting engineers in Washington.

memo

From: JOEL A. FENIGSTEIN

Date: AUGUST 30, 1971

Subject: VARIATIONS FROM BUDGET OF PUEBLO COMMUNICATIONS, INC. IN DETERMINING
INCENTIVE BONUS FOR FISCAL 1980

To:

DAVID GLEASON ✓

CC: HAROLD TOPPEL
MANUEL I. VALLECILLO
ADRIAN COLON

BASED UPON DISCUSSIONS WITH MR. HAROLD TOPPEL, THE EXTRAORDINARY ITEMS DETAILED IN YOUR MEMORANDUM DATED AUGUST 17, 1979 SHALL BE EXCLUDED FROM THE COMPUTATIONS OF YOUR BONUS FOR FISCAL 1980. ALTHOUGH THE BUDGET OF PUEBLO COMMUNICATIONS, INC. REMAINS UNCHANGED, THE METHOD FOR CALCULATING THE INCENTIVE BONUS WILL TAKE INTO CONSIDERATION THE VARIATIONS NOTED IN YOUR MEMORANDUM (A COPY OF WHICH IS ENCLOSED).


JAF/DML

DAVID GLEASON

Compensation Package
Commencing Fiscal 1979-80

I.	BASIC SALARY	\$ 50,000
II.	PERQUISITES	
	A. Car and Gasoline	
	B. Allowance for Expenses	3,000
III.	BONUS ARRANGEMENT	
	A. The Budgeted Net Profit of Metro is adjusted as follows to reflect the Adjusted Net Profit Before Taxes used for Bonus Computations:	
	NPBT 1979-80	\$343,800
	Less: Inter-Company	<u>162,000</u>
		\$181,800
	Add: Provision for Bonus to Mr. Gleason included in the Budget	<u>22,700</u>
	<u>Adjusted Net Profit Before Taxes for Bonus Computations</u>	<u>\$204,500</u>
	B. Bonus Computations:	
	(1) If Metro makes the Adjusted Net Profit Before Taxes of \$204,500 or more, Mr. Gleason will receive a Bonus equal to 10% of the Net Profit Before Taxes for Bonus Computation, but in no event will said Bonus be an amount in excess of 50% the Basic Salary of Mr. Gleason	
	(2) Should the Net Profit Before Taxes for Bonus Computation be 90% but less than 100% of the Net Profit Before Taxes for Bonus Computation, the Bonus will be 8% of such Net Profit Before Taxes for Bonus Computation.	

cc: Mr. Harold Toppel
Mr. Milton Toppel ✓

January 31, 1979.

12. Adjustments.

Notwithstanding any other provision contained herein, in the event of any change in the outstanding Common Stock by reason of a stock dividend, recapitalization, merger, consolidation, split-up, subdivision, combination or exchange of shares, or the like, the aggregate number and kind of shares available under the Plan and the number and kind of shares subject to each outstanding option and the option prices shall be proportionately adjusted by the Board of Directors, whose determination shall be conclusive.

13. Termination and Amendment of the Plan.

Unless sooner terminated, as hereinafter provided, this Plan shall terminate on April 11, 1979 and no options shall be granted hereunder after that date. The Board of Directors may, without further approval by the shareholders, terminate or amend this Plan without notice at any time prior to that date, or make such amendments to, or modifications of, the Plan as it shall deem advisable, including amendments or modifications designed to afford the options hereunder the benefits of any provisions hereafter enacted and applicable to the Company, or to conform to any change in applicable law or to regulations or rulings of administrative agencies; provided that the Board of Directors may not, without prior approval by the holders of a majority of the outstanding shares of Common Stock of the Company, (i) increase the maximum number of shares as to which options may be granted under the Plan (except as contemplated by paragraph 12 hereof), or (ii) change the eligibility requirements for individuals entitled to receive options hereunder. No termination, amendment or modification of the Plan may, without the consent of the person to whom any options shall theretofore have been granted, adversely affect the rights of such person under such option or any unexercised portion thereof.

14. Substitutions and Assumptions of Options of Certain Constituent Corporations.

Anything in this Plan to the contrary notwithstanding, the Board of Directors may, as contemplated by Section 425(a) of the Code, without further approval by the shareholders, grant new options, which may be "Qualified Stock Options", in substitution for prior options (of whatever nature) of a constituent corporation (as hereinafter defined) or assume the prior options of such constituent corporation, even if the resulting number of shares then becoming available for options exceeds the total number of shares referred to in paragraph 2 hereof. The term "constituent corporation" shall mean an employer corporation, or a parent or subsidiary of such corporation, which has been merged into or consolidated with the Company or one or more subsidiaries of the Company, or stock of which or whose assets have been acquired by the Company or by one or more subsidiaries of the Company, in a merger, consolidation, acquisition or reorganization. The term "parent" as used in this paragraph 14 shall mean any "parent corporation", as the latter term is defined in Section 425(e) of the Code.

15. Shareholders' Approval.

The Plan shall be subject to approval by the holders of a majority of the outstanding shares of Common Stock of the Company at the annual meeting of its shareholders to be held May 23, 1969.

directors who are employees, covering such number of shares of Common Stock as it may determine. The number of shares of Common Stock covered by the option or options which shall be granted to any individual employee under this Plan (exclusive of any options heretofore granted) shall not exceed six thousand (6,000) in the aggregate (subject to adjustment as provided in paragraph 12 hereof), except that with the approval of the Board of Directors of the Company, an option may be granted covering a larger number of shares. No option may be granted to an individual who, immediately after such option is granted, owns shares of stock possessing more than 5% of the total combined voting power or value of all classes of stock of the Company or any of its Subsidiaries; for the purpose of such limitation, an employee shall be deemed to own shares of stock which he may purchase under outstanding options and shares of stock attributed to him under Section 425(d) of the Code or any comparable provision thereafter enacted. Employees, including those who have previously been granted stock options by the Company, may receive more than one option under the Plan.

5. Option Price.

The purchase price for each share of Common Stock to be optioned hereunder shall be determined by the Committee, and in the case of Qualified Stock Options, shall not be less than the fair market value of the Common Stock at the time of granting of such options, and in the case of all other options shall not be less than 95% of the fair market value of the Common Stock at the time of granting of such option. For such purposes, the fair market value per share of the Common Stock shall be the mean of the high and low sale prices of the Company's Common Stock on the New York Stock Exchange on the date of the grant of the option, or, if no sales were made on such day, on the next preceding day on which sales of such Common Stock were made on such Exchange.

6. Term of Options.

The term of each option granted hereunder shall be, in the case of a Qualified Stock Option, for a period not exceeding five (5) years from the date of granting thereof and in the case of all other options, for a period not exceeding ten (10) years from the date of granting. Options shall be subject to earlier termination as hereinafter provided.

7. Stock Option Contract.

Options shall be evidenced by a written Stock Option Contract which shall be duly executed by the Company and by the employee and which shall contain such terms and conditions not inconsistent herewith as may be determined by the Committee, provided that each such Stock Option Contract shall (a) provide that the employee agrees to remain in the employ of the Company or its Subsidiaries, at the election of the Company, for a period of at least one year from the later of (i) the date the option is granted to him and (ii) the date to which he is then otherwise obligated to remain in the employ of the Company, and (b) contain a representation by the employee that, in the event he exercises the option, the shares of Common Stock issuable upon exercise thereof will be acquired by him for investment and not with a view to the distribution of such shares. Any Stock Option Contract shall further provide that, as such time as the shares of Common Stock issuable upon exercise of the option have been registered with the Securities and Exchange Commission pursuant to an effective registration statement under the Securities Act of 1933, as amended, the Company may waive the provisions of such representation.

Nothing in the Plan or in any option contract entered into pursuant hereto shall confer upon any employee any right to continue in the employ of the Company or the Subsidiaries, or interfere in any way with the right of the Company or the Subsidiaries to terminate his employment at any time without liability to the Company or the Subsidiaries.