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**UNITED SUPERMARKETS, L.L.C.**  
**Notes to Financial Statements**  
(Dollars in thousands)

The following summarizes the future minimum lease payments under capital and operating lease obligations that have initial or remaining noncancelable lease terms in excess of one year at December 28, 2013:

	Capital Leases	Operating Leases
2014	\$ 2,804	\$ 21,503
2015	2,264	20,824
2016	1,726	20,399
2017	445	20,056
2018	323	19,493
Thereafter	802	88,004
Total minimum payments	8,364	<u>\$190,279</u>
Less amount representing interest		(1,102)
Present value of net minimum lease payments, including current portion of \$2,477	<u>\$ 7,262</u>	

The components of rent expense were as follows:

	Eleven-Month Period Ended December 28, 2013	Year Ended January 26, 2013
Minimum rents	\$ 15,387	\$ 17,307
Contingent rents based on sales	723	766
	<u>\$ 16,110</u>	<u>\$ 18,073</u>

**Note 5. Related-Party Transactions**

The Company leased three of its properties from HDS Properties, Inc. (the Related Company), a company affiliated with members of United, for the eleven-month period ended December 28, 2013 and for the year ended January 26, 2013. Rental payments to the Related Company for the eleven-month period ended December 28, 2013 and for the year ended January 26, 2013 were \$278 and \$304, respectively.

Certain assets of a distribution facility were purchased by the Company on July 29, 2007. The purchase price included a note payable to RC Taylor Distributing, Inc. (now Taylor Keeling, Inc.) of \$4,200. Principal and interest payments to the related company for the year ended January 26, 2013 was \$499. This note was paid off in the year ended January 26, 2013.

**Note 6. Team Member Benefits**

**Defined benefit plan:** Until November 2005, the Company sponsored a noncontributory defined benefit plan (the Plan) for all United team members who were at least 21 years of age and had completed 1,000 hours of service in any year of employment. In November 2005, the Board of Advisors amended the Plan to freeze benefit accruals effective March 31, 2006. Participants were