

STATE OF MAINE  
KENNEBEC, SS.

IN RE THE PROPOSED MERGER OF )  
CONSOLIDATED WASTE SERVICE, ) ASSURANCE  
INC. AND WM MAINE I, INC. )

Whereas the Attorney General has conducted an investigation pursuant to 5 M.R.S.A. § 209 to determine whether the proposed merger of Consolidated Waste Services, Inc. and WM Maine I, Inc. would substantially lessen competition in the special waste landfill market within the State of Maine; and

Whereas the Attorney General has concluded his investigation and has determined that the proposed acquisition may restrain trade in the special waste landfill market for the disposal of solid waste incinerator ash residue and incinerator shutdown waste in the State of Maine; and

Whereas WM Maine I, Inc. and Consolidated Waste Services, Inc., contend that the acquisition would not restrain trade; and

Whereas WM Maine I, Inc., Waste Management of New Hampshire, Inc., and Consolidated Waste Services, Inc., without admitting any violations of the Maine Act, voluntarily enter the following Assurance upon the terms and conditions disclosed below in order to permit the acquisition to close with the consent of the Department of the Attorney General;

Now, therefore, without the taking of any evidence, and without trial or adjudication of any issue of fact or law, the Attorney General of the State of Maine makes the following findings:

FINDINGS OF THE ATTORNEY GENERAL

The Attorney General, after examining the proposed acquisition, has found the following:

1. Consolidated Waste Services, Inc. (hereinafter CWS) is a Maine corporation with its headquarters located in Norridgewock, Somerset County, Maine. The primary business of CWS is to own and operate a commercial secure landfill for the disposal of special waste in Norridgewock (hereinafter CWS Landfill).

2. WM Maine I, Inc. (hereinafter WMM) is a Delaware corporation with its registered office located in Delaware. WMM is an affiliate of Waste Management of Maine, Inc., which is a Maine corporation with its principal place of business in Portland, Maine. The primary business of Waste Management of Maine, Inc. is to own and operate a solid waste collection business in southwest Maine.

3. Waste Management of New Hampshire, Inc. (WMNH) is a Connecticut corporation and an affiliate corporation of WMM. WMNH owns and operates a commercial secure landfill in Rochester, New Hampshire, known as the Turnkey landfill.

4. Currently there exists a scarcity of commercial secure landfills licensed to accept incinerator ash residue and incinerator shutdown waste generated in the State of Maine.

5. On April 10, 1990, CWS and WMM executed an agreement by which WMM would merge with CWS.


6. Implementation of the agreement in the absence of this Assurance might have the effect of restraining competition for the disposal of solid waste incinerator ash residue and incinerator shutdown waste in the State of Maine from four waste to energy facilities: Penobscot Energy Recovery Facility (PERC) in Orrington, Maine; Maine Energy Recovery Facility (MERC) in Biddeford, Maine; Mid-Maine Waste Action Coalition (MMWAC) in Auburn, Maine; and Regional Waste Systems (RWS) in Portland, Maine.

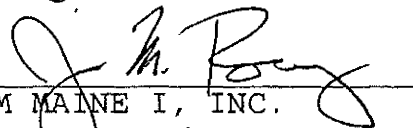
7. The potential effect referred to above will be ameliorated by the execution of this Assurance, whereby WMM, WMNH, and CWS agree to provide landfill capacity at a competitive price for a period ending December 31, 1996 to PERC, MERC, MMWAC and RWS.

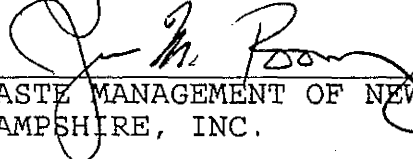
WHEREFORE, WMM, WMNH, and CWS, pursuant to 5 M.R.S.A. § 210, and without making any admissions as to any issue of law or fact, enter into the following Assurances:

1. That prior to consummation of the merger, WMM and CWS shall agree to execute contracts substantially in the form attached as Exhibits A, B, C and D to provide solid waste disposal capacity for incinerator ash residue, front end process residue, and incinerator shutdown waste and will tender those contracts for review and acceptance to MERC, PERC, MMWAC and RWS respectively.

2. That the Attorney General may file an action under 5 M.R.S.A. § 209 and seek appropriate relief from the Superior Court to remedy a material and substantial breach by WMM, CWS, or WMNH, their successors, agents or any other persons acting in or on their behalf in the performance of the contracts contained in Exhibits A, B, C and D; and that any such material and substantial breach, if found by the Superior Court, shall constitute an unfair method of competition in violation of 5 M.R.S.A. § 207.

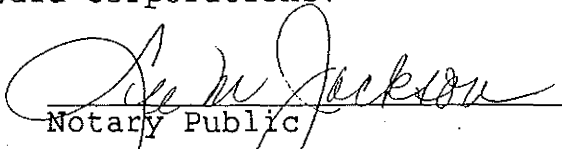
Dated: October 24, 1990 By:   
CONSOLIDATED WASTE SERVICES, INC.

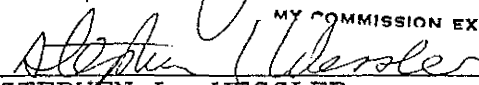
Dated: October 24, 1990 By:   
WM MAINE I, INC.

Dated: October 24, 1990 By:   
WASTE MANAGEMENT OF NEW HAMPSHIRE, INC.

STATE OF ~~MAINE~~ MASSACHUSETTS  
~~KENNEBEC~~, SS.  
MIDDLESEX

Personally appeared before me the above-named individuals and acknowledged the foregoing to be their free act and deed and the free act and deed of said corporations.

Dated: 10/26/90   
Notary Public

Dated: 10/29/90   
MY COMMISSION EXPIRES OCT. 18, 1996  
STEPHEN L. WESSLER  
Deputy Attorney General  
Chief, Consumer & Antitrust Division  
State House Station 6  
Augusta, Maine 04333  
(207) 289-3661  
Attorney for the State of Maine



5. Venue is properly laid in Kennebec County pursuant to 5 M.R.S.A. §209 (Supp. 1993).

### III. NATURE OF TRADE AND COMMERCE

6. WMM provides a wide range of trash hauling services in southern and central Maine including the collection and disposal of residential waste, commercial waste and construction debris. WMM disposes of the waste which it collects at a variety of disposal facilities.

7. Municipalities have differing rules and ordinances with respect to which disposal services, if any, the municipality pays for: some municipalities pay for the hauling and disposal both of residential waste and of commercial waste; other municipalities pay for only some types of hauling and disposal; finally, yet other municipalities do not pay for any type of hauling or disposal but, rather, require the generator of the waste to pay the hauling and disposal fees.

8. Many municipalities have adopted flow control ordinances which require trash haulers to bring certain types of trash to particular disposal facilities.

9. Solid waste disposal facilities generally are of two types: landfills and incinerators (otherwise known as waste to energy facilities).

### IV. CAUSE OF ACTION (Mixing)

10. Paragraphs 1 through 9 are incorporated by reference into this Cause of Action.

11. WMM has collected commercial and residential waste from customers in York, Cumberland and Androscoggin Counties and, when disposing that waste, has represented that all of the waste was from one particular municipality when, in

fact, a portion of the waste was from other municipalities.

12. Defendant's practice has had the effect in some instances of causing disposal facilities to bill certain municipalities for waste generated in other municipalities.

13. Defendant's conduct constitutes a violation of 5 M.R.S.A. §207 (1989).

RELIEF REQUESTED

WHEREFORE, Plaintiff State of Maine respectfully requests that this Court:

1. Enjoin Defendant, its officers, agents, servants, employees, attorneys, and all other persons in active concert or participation with it from engaging in any unfair or deceptive practices in the collection and disposal of solid waste in violation of the Unfair Trade Practices Act including, but not limited to, engaging in any acts of representing to any person, including disposal facilities, that solid waste originated from a particular municipality or source when in fact the waste originated from another municipality or source; and
2. Order Defendant to make payments pursuant to 5 M.R.S.A. §209.
3. Order Defendant to pay the Department of the Attorney General for the costs of investigation of this matter, costs of suit and reasonable attorneys fees.
4. Grant such other relief as the Court deems just and proper.

Dated:

MICHAEL E. CARPENTER  
Attorney General

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STEPHEN L. WESSLER  
Assistant Attorney General  
Director, Public Protection Unit  
State House Station 6  
Augusta, Maine 04333  
(207) 626-8800

STATE OF MAINE  
KENNEBEC, SS

SUPERIOR COURT  
CIVIL ACTION  
DOCKET NO.

STATE OF MAINE, )  
 )  
 Plaintiff )  
 )  
 v. )  
 )  
 RITE AID CORPORATION, )  
 )  
 Defendant )

**CONSENT ORDER**

WHEREAS, Plaintiff, State of Maine, having filed its Complaint herein on September 29, 1995, and Plaintiff and Defendant, by their respective attorneys, having consented to the entry of this Consent Order without trial or adjudication of any issue of fact or law herein and without this Consent Order constituting any evidence against or admission by any party with respect to any such issue;

AND WHEREAS, Defendant has agreed to be bound by the provisions of this Consent Order pending its approval by the Court;

AND WHEREAS, Defendant has consented to the entry of this Consent Order concurrently with its execution of certain agreements entered into between Defendant and the Federal Trade Commission ("FTC"), FTC File No. 951 -0120;

NOW, THEREFORE, before the taking of any testimony and without trial or adjudication of any issue of fact or law herein, and upon consent of the parties hereto, it is hereby ORDERED, ADJUDGED AND DECREED as follows:



## I. JURISDICTION

This Court has jurisdiction over the subject matter of this action and over each of the parties hereto. The Complaint states a claim upon which relief may be granted against Defendant under 10 M.R.S.A. §1104.

## II. DEFINITIONS

In this Consent Judgment, the following definitions shall apply:

A. "Rite Aid" means Rite Aid Corporation, its directors, officers, employees, agents, representatives, predecessors, successors and assigns, its subsidiaries, divisions, groups and affiliates controlled by Rite Aid, and the respective directors, officers, employees, agents, representatives, successors and assigns of each.

B. "Brooks" means Maxi Drug, Inc. d/b/a Brooks Pharmacy, its directors, officers, employees, agents, representatives, predecessors, successors and assigns, its subsidiaries, divisions, groups and affiliates controlled by Brooks, and the respective directors, officers, employees, agents, representatives, successors and assigns of each.

C. "Department" means the Maine Department of the Attorney General.

D. "Acquisition" means the transaction contemplated by the July 14, 1995 Asset Purchase Agreement between Rite Aid and Brooks, under which Rite Aid would acquire the assets of 20 retail drugstores operated by Brooks and located in Maine.

E. "Acquirer" means the party or parties to whom Rite Aid divests the assets herein ordered to be divested.

F. "Prescription drugs" means ethical drugs available at retail only by prescription.

G. "Brooks Pharmacy Business" means Brooks' business of selling prescription drugs at any of the retail drugstores listed in Paragraph II.K of this Consent Order, excluding Brooks' business of selling other products in those retail stores, and including but not limited to:

1. lists of stock keeping units ("SKUs"), i.e., all forms, package sizes and other units in which prescription drugs are sold and which are used in records of sales and inventories;
2. lists of all prescription drug customers, including but not limited to third party insurers, including all files of names, addresses, and telephone numbers of the individual customer contacts, the unit and dollar amounts of sales, by product, to each customer, and store profit and loss statements;
3. all names and addresses of prescription drug manufacturers and distributors that supply Brooks or have supplied Brooks within the six months preceding the date on which this Consent Order is entered by the Court; and
4. goodwill, tangible and intangible, utilized in the sale of prescription drugs.

H. "Brooks Assets" means all assets constituting the Brooks retail drugstores, excluding those assets pertaining to Brooks trade names, trade dress, trade marks and service marks, and those assets pertaining to Brooks computer systems, cash registers, and security systems, and including but not limited to:

1. fixtures and other appurtenances located at the Brooks retail drugstores;
2. machinery, equipment, furniture and other items used in the operation

of the Brooks retail drugstore;

3. all pharmaceuticals, over-the-counter items, tobacco products, beer, wine, supplies and sundry merchandise located at the retail drugstores;

4. leases and deeds;

5. zoning approvals and registrations;

6. books, records, manuals, and operations reports relating to the Brooks retail drugstores, but only if the divestiture is to an Acquirer that does not already operate a pharmacy in any location; and

7. inventory instructions relating to the Brooks Assets.

I. "Rite Aid Pharmacy Business" means Rite Aid's business of selling prescription drugs at any of the retail stores listed in Paragraph II.K of this Consent Order, excluding Rite Aid's business of selling other products in those retail stores, and including but not limited to:

1. lists of stock keeping units ("SKUs"), i.e., all forms, package sizes and other units in which prescription drugs are sold and which are used in records of sales and inventories;

2. lists of all prescription drug customers, including but not limited to third party insurers, including all files of names, addresses, and telephone numbers of the individual customer contacts, the unit and dollar amounts of sales, by product, to each customer, and store profit and loss statements;

3. all names and addresses of prescription drug manufacturers and distributors that supply Rite Aid or have supplied Rite Aid within the six

months preceding the date on which this Consent Order is entered by the Court;  
and

4. goodwill, tangible and intangible, utilized in the sale of prescription drugs.

J. "Rite Aid Assets" means all assets constituting the Rite Aid retail drugstores, excluding those assets pertaining to Rite Aid trade names, trade dress, trade marks and service marks, and those assets pertaining to Rite Aid computer systems, cash registers, and security systems, and including but not limited to:

1. fixtures and other appurtenances located at the retail drugstores;
2. machinery, equipment, furniture and other items used in the operation of the retail drugstores;
3. all pharmaceuticals, over-the-counter items, tobacco products, beer, wine, supplies and sundry merchandise located at the retail drugstores;
4. leases and deeds;
5. zoning approvals and registrations;
6. books, records, manuals, and operations reports relating to the Rite Aid Assets, but only if the divestiture is to an Acquirer that does not already operate a pharmacy in any location; and
7. inventory instructions relating to the Rite Aid Assets.

K. "Assets Subject To Divestiture" means:

- (1) either the Brooks Assets or the Rite Aid Assets in each of the following cities or towns in Maine:

1. Fort Kent;
2. Caribou;
3. Houlton; and

(2) for the following cities or towns in Maine:

1. Either (a) the Brooks Assets in Jay or (b) the Rite Aid Assets in Livermore Falls; and
2. Either (a) the Brooks Assets in either Dover-Foxcroft or Milo or (b) the Rite Aid Assets in Dexter;

L. "Competitiveness, viability and marketability" of the Assets Subject To Divestiture mean that Respondent shall continue the operation of the Assets Subject To Divestiture in the ordinary course of business without material change or alteration that would adversely affect the value or goodwill of the Assets Subject To Divestiture.

### III. APPLICABILITY

A. The provisions of this Consent Order shall apply to Rite Aid, and to all other persons in active concert or participation with Rite Aid who shall have received actual notice of this Consent Order by personal service or otherwise.

B. Rite Aid shall require, as a condition of the sale or other disposition of all or substantially all of its assets or stock, or the sale of a substantial part of its assets in Maine, other than as a result of bankruptcy or the action of any regulatory authority based on the insolvency of Rite Aid or its noncompliance with the regulatory requirements, that the acquiring party agree to be bound by the provisions of this Consent Order.

**IV. DIVESTITURE**

A. Within six months of the date on which this Consent Order is entered by the Court, the Department shall, in good faith and in its sole discretion, determine in which cities and towns in Maine, if any, Assets Subject to Divestiture shall be divested by Rite Aid. Provided, however, that Rite Aid shall not be required to divest any Rite Aid Assets or Rite Aid Pharmacy Business except in the event that it fails to accomplish divestiture in accordance with the terms of this Part, and the trustee elects to divest a Rite Aid Asset or Rite Aid Pharmacy Business pursuant to Part V below. The Department shall promptly notify Rite Aid and the Court in writing of its determination.

B. Rite Aid shall cooperate with the Department in the completion of its investigation by responding promptly to the request for documents contained in documentary summonses issued by the Department on or about July 20, 1995 and August 31, 1995, and other reasonable requests. Rite Aid shall also cooperate by making its employees available upon reasonable notice for the provision of information to the Department.

C. Prior to making the determination set forth in Paragraph A above, the Department shall afford Rite Aid an opportunity to make a presentation to the Department.

D. Rite Aid shall absolutely and in good faith divest the Assets Subject to Divestiture, as determined by the Department pursuant to Paragraph A above, within six months of either: (a) the date on which the Order contained in an Agreement

Containing Consent Order executed by Rite Aid in FTC File No. 951 -0120, in its original or a modified form, becomes final, or, in the event no Order is approved or accepted by the FTC, the date on which the FTC notifies Rite Aid that it has closed its investigation into this matter; or (b) the date on which the Department files its written notification with Rite Aid and with the Court pursuant to Paragraph A above; whichever is the later. It is the intent of this clause to provide that, if the FTC and the Department both determine that Rite Aid must divest assets, the period within which the divestitures determined by the Department are required to be made shall commence no earlier than the period within which the divestitures ordered by the FTC are required to be made. Provided, however, if, for any of the Assets Subject To Divestiture, the Acquirer wants to acquire only the Pharmacy Business at such Asset Subject To Divestiture, Respondent need only divest the relevant Brooks or Rite Aid Pharmacy Business. Respondent shall effect such arrangements as are necessary to assure the viability, competitiveness, and marketability of the Assets Subject To Divestiture.

E. Rite Aid shall divest the Assets Subject to Divestiture only to an Acquirer or Acquirers that receive the prior approval of the Department and only in a manner that receives the prior approval of the Department. The Department may, in good faith and in its sole discretion, approve the divestiture of less than all of the Assets Subject to Divestiture. The purpose of the divestiture of the Assets Subject to Divestiture is to ensure the continued use of the Assets Subject to Divestiture as ongoing viable retail drugstores engaged in the same business in which the Assets

Subject to Divestiture are presently employed and to remedy the lessening of competition resulting from the acquisition as alleged in the Department's Complaint.

F. If a divestiture includes a lease of physical space, and if pursuant to that lease, Rite Aid through default of the lease or otherwise, regains possession of the space, Rite Aid shall notify the Department of such repossession within thirty days and shall redivest such assets or interest pursuant to Part IV of this Consent Order within six months of such repossession. If Rite Aid has not redivested such assets or interest pursuant to Part IV of this Consent Order within six months of such repossession, the provisions of Part V shall apply to such assets.

G. Rite Aid shall not enforce any restrictive covenant or any other agreement or provision limiting the right of any employee of Brooks to acquire any of the Assets Subject to Divestiture.

#### **V. DIVESTITURE BY TRUSTEE**

A. If Rite Aid has not divested, absolutely and in good faith and with the Department's prior approval, the Assets Subject to Divestiture as determined by the Department, within six months of the date on which the Department files its written notification with Rite Aid and with this Court pursuant to Paragraph IV.A above, the Department may appoint a trustee to divest the Assets Subject to Divestiture.

B. In the event a trustee is appointed by the Department pursuant to Paragraph V.A of this Consent Order, Rite Aid consents to the following terms and conditions regarding the trustee's powers, duties, authority, and responsibilities:

1. The Department shall select the trustee, subject to the consent of Rite Aid,



which consent shall not be unreasonably withheld. The trustee shall be a person with experience and expertise in acquisitions and divestitures. If Rite Aid has not opposed, in writing, including the reasons for opposing, the selection of any proposed trustee within ten days after notice by the Department to Rite Aid of the identity of any proposed trustee, Rite Aid shall be deemed to have consented to the selection of the proposed trustee.

2. Subject to the prior approval of the Department, the trustee shall have the exclusive power and authority to divest the Assets Subject to Divestiture as determined by the Department.

3. Within ten days after the appointment of the trustee, Rite Aid shall execute a trust agreement that, subject to the prior approval of the Department, transfers to the trustee all rights and powers necessary to permit the trustee to effect the divestiture required by this Consent Order.

4. The trustee shall have twelve months from the date the Department approves the trust agreement described in Part V.B.3 to accomplish the divestiture, which shall be subject to the prior approval of the Department. If, however, at the end of the twelve month period, the trustee has submitted a plan of divestiture or believes that divestiture can be achieved within a reasonable time, the divestiture period may be extended by the Department.

5. The trustee shall have full and complete access to the personnel, books, records, and facilities related to the Assets Subject to Divestiture or any other relevant information, as the trustee may reasonably request. Rite Aid shall

develop such financial or other information as such trustee may reasonably request and shall cooperate with the trustee. Rite Aid shall take no action to interfere with or impede the trustee's accomplishment of the divestiture. Any delays in divestiture caused by Rite Aid shall extend the time for divestiture under this Paragraph in an amount equal to the delay, as determined by the Department.

6. The trustee shall use best efforts to negotiate the most favorable price and terms available in each contract that is submitted to the Department subject to Rite Aid's absolute and unconditional obligation to divest at no minimum price. The divestiture shall be made in the manner and to the Acquirer or Acquirers as set out in Part IV of this Consent Order. Provided, however, if the trustee receives bona fide offers from more than one Acquirer, and if the Department determines to approve more than one such Acquirer, the trustee shall divest to the Acquirer or Acquirers selected by Rite Aid from among those approved by the Department.

7. The trustee shall serve, without bond or other security, at the cost and expense of Rite Aid, on such reasonable and customary terms and conditions as the Department may set. The trustee shall have authority to employ, at the cost and expense of Rite Aid, on reasonable and customary terms and conditions, such consultants, accountants, attorneys, investment bankers, business brokers, appraisers, and other representatives and assistants as are reasonably necessary to carry out the trustee's duties and responsibilities. The trustee shall account

for all monies derived from the divestiture and all expenses incurred. After approval by the Department of the account of the trustee, including fees for services, all remaining monies shall be paid at the direction of Rite Aid and the trustee's power shall be terminated. The trustee's compensation shall be based at least in significant part on a commission arrangement, contingent on the trustee's divesting the Assets Subject to Divestiture as determined by the Department.

8. Rite Aid shall indemnify the trustee and hold the trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the trustee's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of any such claim, whether or not resulting in any liability, except to the extent that such liabilities, losses, damages, claims, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the trustee.

9. If the trustee ceases to act or fails to act diligently, a substitute trustee shall be appointed in the same manner as provided in Part V.A and B of this Consent Order.

10. The Department may request this Court to issue such additional orders or directions as may be necessary or appropriate to accomplish the divestiture required by this Consent Order.

11. The trustee shall have no obligation or authority to operate or maintain

the Assets Subject to Divestiture.

12. The trustee shall report in writing to Rite Aid and to the Department every sixty days concerning the trustee's efforts to accomplish divestiture.

**VI. PRIOR NOTIFICATION**

It is further ORDERED that, for a period of ten years from the date of this Consent Order, Rite Aid shall not, without providing the Department with at least thirty days prior written notification, directly or indirectly:

A. Acquire any stock, share capital, equity, or other interest in any concern, corporate or noncorporate, engaged in the business of selling prescription drugs at one or more retail stores in the following Maine counties: Androscoggin, Aroostook, Franklin, Penobscot, Piscataquis and Somerset.

B. Acquire any assets used for or previously used for selling prescription drugs at one or more retail stores in the Maine counties of Androscoggin, Aroostook, Franklin, Penobscot, Piscataquis, and Somerset. Provided, however, that this prohibition shall not relate to the construction of new facilities.

C. Enter into any agreement or other arrangement to obtain direct or indirect ownership, management, or control of any concern, corporate or noncorporate, engaged in selling prescription drugs at one or more retail stores in the Maine counties of Androscoggin, Aroostook, Franklin, Penobscot, Piscataquis and Somerset, including, but not limited to, a lease of or management contract for any such concern.

D. Acquire or otherwise obtain the right to designate, directly or indirectly, directors or trustees of any concern, corporate or noncorporate, engaged in selling

prescription drugs at one or more retail stores in the Maine counties of Androscoggin, Aroostook, Franklin, Penobscot, Piscataquis and Somerset.

#### VII. PRESERVATION OF ASSETS

Until the required divestiture of the Assets Subject To Divestiture, as determined by the Department, has been accomplished, Rite Aid shall take all steps necessary to assure and maintain the competitiveness, viability and marketability of the Assets Subject To Divestiture. This obligation shall be on the following terms and conditions:

A. Pending divestiture, Rite Aid shall provide the Assets Subject To Divestiture with the same or better quality of support services, including, without limitation, payroll processing, accounting, management information systems, and computer support, as was provided by Brooks prior to the proposed acquisition.

B. Rite Aid shall refrain from taking any actions that may cause any material adverse change in the business or financial conditions of the Assets Subject To Divestiture.

C. Rite Aid shall refrain from terminating or altering one or more current employment, salary or benefit agreements (except that Rite Aid may substitute its benefit agreement provided that the employees of the Assets Subject To Divestiture receive benefits comparable to those of other Rite Aid employees) for one or more store managers or pharmacists of Assets Subject To Divestiture and shall refrain from transferring one or more store managers or pharmacists of the Assets Subject To Divestiture, except that Rite Aid may fill vacancies, remove, terminate, or transfer

management and pharmacists for cause.

D. Rite Aid shall release any employee currently employed at any of the Assets Subject To Divestiture, or such employees hired at any of the Assets Subject To Divestiture pending divestiture, from all contractual restrictions that would prevent such person from obtaining employment with the Acquirer of any Asset Subject To Divestiture.

E. Rite Aid shall maintain separate financial and operating records for the Assets Subject To Divestiture.

F. If necessary, Rite Aid shall provide any or all of the Assets Subject To Divestiture with sufficient working capital to operate at their current levels.

G. Rite Aid shall refrain from, directly or indirectly, encumbering, selling, disposing of, or causing to be transferred any assets, property, or business of the Assets Subject To Divestiture, except that the Assets Subject To Divestiture may advertise, purchase merchandise and sell or otherwise dispose of merchandise in the ordinary course of business.

#### **VIII. REPORTS TO THE DEPARTMENT**

A. Within sixty days after the date on which this Consent Order is entered by the Court and every sixty days thereafter until Rite Aid has fully complied with the provisions of Parts IV and V of this Consent Order, Rite Aid shall submit to the Department a verified written report setting forth in detail the manner and form in which it intends to comply, is complying, and has complied with those provisions. Rite Aid shall include in its compliance reports, among other things that are required

from time to time, a full description of the efforts being made to comply with Parts IV and V of the Consent Order, including a description of all substantive contacts or negotiations for the divestiture and the identity of all parties contacted. Rite Aid also shall include in its compliance reports copies of all written communications to and from such parties, all internal memoranda, and all reports and recommendations concerning divestiture.

B. One year from the date on which this Consent Order is entered by the Court, annually thereafter for the next nine years on the anniversary of the date of this Consent Order, and at such other times as the Department may require, Rite Aid shall file a verified written report with the Department setting forth in detail the manner and form in which it has complied and is complying with Part VI hereof.

#### IX. CHANGE IN CORPORATE STATUS

IT IS FURTHER ORDERED that Rite Aid shall notify the Department at least thirty days prior to any proposed change in its corporate status such as dissolution, assignment, sale resulting in the emergence of a successor corporation, or in the creation or dissolution of subsidiaries or any other change in corporate status that may affect compliance obligations arising out of the Consent Order.

#### X. ACCESS


IT IS FURTHER ORDERED that, for the purpose of determining or securing compliance with this Consent Order upon reasonable notice and subject to any legally recognized privilege, Rite Aid shall permit any duly authorized representative of the Department:

A. Access, during office hours and in the presence of counsel, to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of Rite Aid relating to any matters contained in this Consent Order; and

B. Upon five days notice to Rite Aid, and without restraint or interference from it, to interview or take testimony under oath from officers, directors, or employees of Rite Aid who may have counsel present.

DATED:

RITE AID CORPORATION


By: 

PHILLIP A. PROGER  
Jones, Day, Reavis & Pogue  
Counsel for Defendant

DATED:

9/28/95

ANDREW KETTERER  
Attorney General

By: 

STEPHEN L. WESSLER  
Assistant Attorney General  
Director, Public Protection Unit  
State House Station 6  
Augusta, Maine 04333  
(207) 626-8845



It is hereby ORDERED and DECREED as set forth above.

DATED:

JUSTICE, SUPERIOR COURT