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NW 27 }
11-003-0002
0102

MEMORANDUM OF LEASE

Between

SMITH'S FOOD KING PROPERTIES, INC.,
a Utah corporation
1544 South Redwood Road
Salt Lake City, Utah 84104

and

SMITH'S MANAGEMENT CORP.,
a Utah corporation
1544 South Redwood Road
Salt Lake City, Utah 84104

This Lease has been assigned to and is subject to a security interest in favor of American General Life and Accident Insurance Company under that certain Assignment of Lease dated as of October 1, 1988, whose post office address is c/o American General Corporation, 2929 Allen Parkway, Houston, Texas 77019, Attention: Private Placement, A37-01, and all subsequent registered holders of the Notes secured thereby.

The property secured is located in the County of Davis, State of Utah.

This Memorandum of Lease has been executed in three counterparts of which this is counterpart No. 3.

Retail Grocery and Drug Facility
(Layton, Utah)

MT 14173

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE, dated as of December 1, 1987, between SMITH'S FOOD KING PROPERTIES, INC., a Utah corporation (herein, together with any corporation succeeding thereto by consolidation, merger, or acquisition of its assets substantially as an entirety, called "Landlord"), having an address at 1544 South Redwood Road, Salt Lake City, Utah 84104, and SMITH'S MANAGEMENT CORP., a Utah corporation (herein, together with any corporation succeeding thereto by consolidation, merger or acquisition of its assets substantially as an entirety, called "Tenant"), having an address at 1544 South Redwood Road, Salt Lake City, Utah 84104.

WITNESSETH:

WHEREAS, Landlord and Tenant have entered into a lease dated as of the date hereof (herein called the "Lease Agreement," which Lease Agreement, together with this Memorandum of Lease, is herein called the "Lease"), whereby Landlord has let and demised to Tenant, for the Initial Term, Primary Term and Extended Term hereinafter described, the premises (herein called the "Premises") consisting of (i) the land described in Schedule A hereto, (ii) all buildings and other improvements thereon, and (iii) all easements, rights and appurtenances relating thereto; and Landlord has therein granted to Tenant certain rights and options to purchase the Premises and Tenant has undertaken to purchase the Premises under certain circumstances; and a copy of the Lease Agreement is being held by Tenant at its office at its address stated above; and

WHEREAS, Landlord and Tenant desire to enter into this Memorandum of Lease, which is to be recorded in order that third parties may have notice of the estate of Tenant in the Premises and of the Lease Agreement;

NOW, THEREFORE, in consideration of the rents and covenants provided for in the Lease Agreement to be paid and performed by Tenant, Landlord does hereby let and demise unto Tenant the Premises.

The Initial Term of this Lease shall commence on October 26, 1988 and shall end at midnight on October 31, 1988.

The Primary Term of this Lease shall commence on the expiration of the Initial Term and shall end at midnight on November 1, 2003.

Tenant is hereby given the option to extend the term of this Lease beyond the Primary Term for up to four consecutive Extended Terms of five years each, at the rentals and upon the terms and conditions set forth in the Lease Agreement. The Tenant shall exercise its option to extend the term of this Lease for one or more Extended Terms by giving notice thereof to Landlord not less than six months prior to the expiration of the then existing term. The entire term of this Lease shall not extend beyond midnight on November 1, 2023.

Tenant shall have the right during the term hereof to make additions to and alterations of the buildings and other improvements to the Premises and to construct upon the Premises additional buildings and other improvements and make substitutions therefor and replacements thereof, all as provided in the Lease Agreement.

All the terms, conditions, provisions and covenants of the Lease Agreement are incorporated in this Memorandum of Lease by reference as though written out at length herein, and both the Lease Agreement and this Memorandum of Lease shall be deemed to constitute a single instrument or document.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Lease to be signed and sealed as of the date first above written.

SMITH'S FOOD KING PROPERTIES, INC.

By *Richard D. Smith*
Printed Name: RICHARD D. SMITH
Its President

as LANDLORD



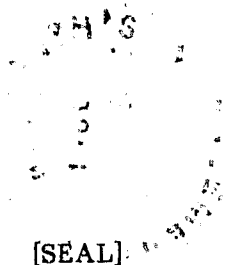
ATTEST:

Thomas W. Welch
Printed Name: THOMAS WELCH
Its Secretary

SMITH'S MANAGEMENT CORP.

By *Richard D. Smith*
Printed Name: RICHARD D. SMITH
Its President

as TENANT



[SEAL]

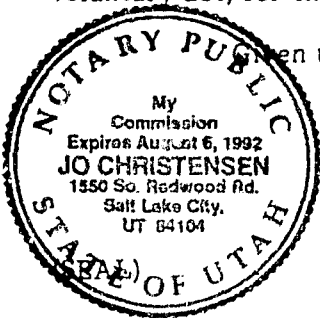
ATTEST:

Thomas W. Welch
Printed Name: THOMAS WELCH
Its Secretary

STATE OF UTAH)
) SS
COUNTY OF SALT LAKE)

I, Jo Christensen, a Notary Public in and for the County and State aforesaid, do hereby certify that Richard D. Smith and Thomas Welch, personally known to me to be the same persons whose names are respectively, as President and Secretary of SMITH'S FOOD KING PROPERTIES, INC., a Utah corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

Witness my hand and notarial seal this 24th day of October, 1988.



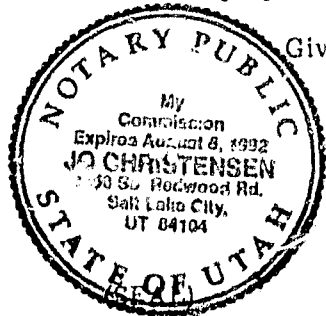
Jo Christensen
Notary Public
Printed Name: Jo Christensen

Commission expires:
8/6/92

STATE OF UTAH)
) SS
COUNTY OF SALT LAKE)

I, Jo Christensen, a Notary Public in and for the County and State aforesaid, do hereby certify that Richard D. Smith and Thomas Welch, personally known to me to be the same persons whose names are respectively, as President and Secretary of SMITH'S MANAGEMENT CORP., a Utah corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with the seal of said corporation, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

Given under by hand and notarial seal this 24th day of October, 1988.



Jo Christensen
Notary Public
Printed Name: Jo Christensen

Commission expires:
8/6/92

Schedule A

A part of the Northwest Quarter of Section 27 and the Southwest Quarter of Section 22, Township 4 North, Range 1 West, Salt Lake Base and Meridian, U.S. Survey:

BEGINNING at the Intersection of the South line of Gentile Street and the East line of Fairfield Road, said point being South $89^{\circ}30'20''$ East 1460.13 feet along the Section line and North $21^{\circ}47'40''$ West 554.43 feet along said East line of Fairfield Road from the Northwest Corner of said Section 27; and running thence Northeasterly 214.88 feet along the arc of a 922.37 foot radius curve to the right (center bears South $15^{\circ}49'52''$ East and long chord bears North $80^{\circ}50'34''$ East 214.39 feet) along the South line of Gentile Street; thence North $87^{\circ}31'00''$ East 61.39 feet along said South line of Gentile Street; thence Northeasterly 110.53 feet along the arc of a 987.94 foot radius curve to the left (center bears North $2^{\circ}29'00''$ West and long chord bears North $84^{\circ}18'42''$ East 110.47 feet) along said South line of Gentile Street to the West line of Adamswood Road; thence South $46^{\circ}02'00''$ East 401.97 feet along said West line of Adamswood Road; thence South $55^{\circ}03'00''$ East 67.77 feet along said West line of Adamswood Road; thence South $6^{\circ}51'00''$ East 240.64 feet; thence South $68^{\circ}17'04''$ West 513.40 feet to the East line of Fairfield Road; thence North $21^{\circ}47'40''$ West 752.85 feet along said East line of Fairfield Road to the point of BEGINNING.

LESS AND EXCEPTING that portion deeded to Layton City in that certain Quit-Claim Deed recorded March 17, 1988 as Entry No. 818966 in Book 1223 at Page 903 described as follows:

A part of the Southwest Quarter of Section 22, Township 4 North, Range 1 West, Salt Lake Base and Meridian, U.S. Survey:

BEGINNING at the intersection of the South line of Gentile Street and the East line of Fairfield Road; running thence Northeasterly 20.00 feet along the arc of a 922.37 foot radius curve to the right along said South line of Gentile Street; thence South $17^{\circ}55'50''$ West 29.52 feet to a point 1 foot perpendicularly distant East of the East line of said Fairfield Road; thence South $21^{\circ}47'40''$ East 215.00 feet parallel to the East line of Fairfield Road; thence South $68^{\circ}21'20''$ West 1.00 feet to the East line of Fairfield Road; thence North $21^{\circ}47'40''$ West 240.00 feet along said East line of the point of BEGINNING.

Store No. 149

Location of Property: 1170 East Gentile
Layton, Utah 84770