
SMITH'S FOOD KING PROPERTIES, INC.

SW 22 } 47-1W
NW 27 }
11-003-0002
0102
Landlord

SMITH'S MANAGEMENT CORP.

Tenant

AND

AMERICAN GENERAL LIFE AND ACCIDENT INSURANCE COMPANY

Assignee

ASSIGNMENT OF LEASE

Dated as of October 1, 1988

Retail Grocery and Drug Store
(Layton, Utah)

This instrument prepared by:

Robert C. Nash
Chapman and Cutler
111 West Monroe Street
Chicago, Illinois 60603

MT14173

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ATTACHMENT TO ASSIGNMENT OF LEASE:

Schedule A - Description of Real Property

ASSIGNMENT OF LEASE dated as of October 1, 1988 (herein, as the same may be amended or supplemented from time to time, called the "Assignment Agreement"), among SMITH'S FOOD KING PROPERTIES, INC., a Utah corporation (the "Landlord"), whose post office address is 1544 South Redwood Road, Salt Lake City, Utah 84104, SMITH'S MANAGEMENT CORP., a Utah corporation (the "Tenant") whose post office address is 1544 South Redwood Road, Salt Lake City, Utah 84104 and AMERICAN GENERAL LIFE AND ACCIDENT INSURANCE COMPANY, a Tennessee corporation, whose post office address is c/o American General Corporation, 2929 Allen Parkway, Houston, Texas 77019, Attention: Private Placements, A37-01 (the "Assignee").

PRELIMINARY STATEMENT

The Property hereinafter referred to has been leased by the Landlord to the Tenant pursuant to a Lease Agreement dated as of October 1, 1988 (herein, as the same may be amended or supplemented from time to time as permitted thereby, called the "Lease Agreement" or the "Lease"). The "Property" consists of one or more parcels of land described in Schedule A hereto, together with all improvements at any time existing thereon, all fixtures at any time affixed thereto and all easements, rights and appurtenances at any time relating thereto.

The Landlord and the Assignee have executed and delivered a Note Purchase Agreement dated as of October 1, 1988 (the "Note Agreement") providing for the commitment of the Assignee to purchase the 10.00% Secured Notes, Series W, due November 1, 2003 (together with any other notes issued by the Landlord in substitution or exchange therefor, hereinafter called the "Notes") of the Landlord in an aggregate principal amount not to exceed the lesser of \$12,100,000 or the Aggregate Total Cost of Properties (as such terms are defined in the Note Agreement), to be dated the date of issue, expressed to bear interest from the date of issue until maturity at the rate of 10.00% per annum and expressed to mature as follows:

- (a) an installment of interest only payable on November 1, 1988;
- (b) One hundred seventy-nine (179) equal installments, including both principal and interest, each in an amount equal to 1.074606% of the original principal amount of the Notes, payable monthly on December 1, 1988 and on the first day of each calendar month thereafter to and including October 1, 2003; and
- (c) A final installment on November 1, 2003 in an amount equal to the entire principal and interest remaining unpaid as of said date.

The Notes are being issued by the Landlord in part to finance a portion of the acquisition cost of the Property. The Notes are secured by the Deed of Trust dated as of October 1, 1988 (the "Deed of Trust") from the Landlord to Merrill Title Company, a Utah corporation, as trustee, for the benefit of the holders of the Notes, creating a first mortgage lien on the Property, and by separate deeds of trust and assignment agreements with respect to other properties in respect of which the Landlord and Tenant have executed leases similar to the Lease (together with the Deed of Trust, this Assignment and the Lease, the "Deeds of Trust", the "Assignments" and the "Leases").

The Landlord and the Tenant are entering into this Assignment Agreement in order to induce the Assignee to purchase the Notes from the Landlord. This Assignment

Agreement shall equally and ratably secure the Notes without preference, priority or distinction.

NOW, THEREFORE, the Landlord and the Tenant hereby agree with the Assignee as follows:

1. ASSIGNMENT OF LEASE.

The Landlord, in consideration of the premises and for other good and valuable consideration, the receipt whereof is hereby acknowledged, and as security for the payment of the principal of (and premium, if any) and all interest and all other sums payable on the Notes and all other sums payable under the Note Agreement and the Deed of Trust and the performance and observance of the provisions of each thereof, whether contained therein or incorporated therein by reference, has assigned, transferred, conveyed and set over, and by these presents does assign, transfer, convey and set over, to the Assignee for the equal and ratable benefit and security of all of the holders of the Notes from time to time outstanding, the Lease and all of the Landlord's estate, right, title, interest, claim and demand as the Landlord thereunder, including all extensions and renewals of the term of the Lease, and all existing or future amendments, supplements or modifications of the Lease (and to any short memorandum form of the Lease executed for recording purposes), together with all rights, powers, privileges, options and other benefits of the Landlord under the Lease, including, without limitation, (a) the immediate and continuing right (whether or not an Event of Default on the Notes or under the Note Agreement or the Deed of Trust shall have occurred and be continuing) to receive and collect all rents (whether as Basic Rent (as defined in the Lease) or otherwise), income, revenues, issues, profits, insurance proceeds, condemnation awards, liquidated damages, purchase price proceeds and other payments, tenders and security payable to or receivable by the Landlord under the Lease; (b) the right to require the Tenant to purchase Landlord's Estate, as defined in and pursuant to the provisions of the Lease, and to accept or reject any offer of the Tenant to purchase the Property or any portion thereof; (c) if the Tenant exercises any right, or shall be required, to purchase the Property or the Landlord's interest therein, or any portion thereof, the right and power (such power and right being coupled with an interest) to execute and deliver as agent and attorney-in-fact of the Landlord under the Lease, an appropriate deed or other instruments of transfer necessary or appropriate for the conveyance and transfer to the purchaser of the Property or the portion thereof being so purchased, and all interest of the Landlord therein and to perform in the name and for and on behalf of the Landlord, as such agent and attorney-in-fact, any and all other necessary or appropriate acts with respect to any such purchase, conveyance and transfer; (d) the right to make all waivers, consents and agreements; (e) the right to give and receive copies of all notices and other instruments or communications; (f) the right to take such action upon the occurrence of an Event of Default under the Lease, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Lease or by law; and (g) the right to do any and all other things whatsoever which the Landlord or any lessor under the Lease is or may be entitled to do thereunder.

2. ASSIGNMENT AS COLLATERAL SECURITY.

The assignment made hereby is executed as collateral security, and the execution and delivery hereof shall not in any way impair or diminish any obligations of

the Landlord as lessor under the Lease nor impair, affect or modify any of the terms and conditions of the Notes, the Note Agreement or the Deed of Trust, nor shall any of such obligations be imposed upon the Assignee or any of the holders of the Notes, including but not limited to collecting rentals or enforcing performance by the Tenant. Without limiting the generality of the foregoing, the Assignee shall not be obligated to perform or discharge, nor does the Assignee hereby undertake to perform or discharge, any obligation, duty or liability under the Lease, or under or by reason of this Assignment Agreement and the Tenant shall, and does hereby agree, to indemnify the Assignee and the holders of the Notes for, and to hold the Assignee and such holders harmless from, any and all liability, loss or damage which may or might be asserted against the Assignee or any of the holders of the Notes by reason of any alleged obligations or undertakings on its or their part to perform or discharge any of the terms, covenants or agreements contained in the Lease; and it is further understood and agreed that this Assignment Agreement shall not operate to place responsibility for the control, care, management or repair of the Property upon the Assignee or any of the holders of the Notes, nor for the carrying out of any of the terms and conditions of the Lease, nor shall it operate to make the Assignee or any of the holders of the Notes responsible or liable for any waste committed on the Property by the Tenant or any other parties, or for any dangerous or defective condition of the Property, or for any negligence of the management, upkeep, or repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger. The Assignee may, at its option, although it shall not be obligated so to do, after giving written notice to the Tenant, perform any Lease covenant for and on behalf of the Landlord and may recover any money advanced, for any such purpose from the Landlord on demand, with interest at the rate of 11.00% (or at the maximum rate permitted by applicable law, whichever is less) from date of advancement. Upon the payment of the principal of (and premium, if any) and all interest on the Notes and of all other sums payable on the Notes or under the Note Agreement or the Deed of Trust and the performance and observance of the provisions thereof, this Assignment Agreement shall cease and terminate and all the estate, right, title, interest, claim and demand of the Landlord under the Lease in and to the above-described assigned property shall revert to the Landlord under the Lease, and the Assignee shall at the request of the Landlord under the Lease deliver to the Landlord an instrument cancelling this Assignment Agreement and reassigning the above-described assigned property to the Landlord under the Lease.

3. POWER OF ATTORNEY IN RESPECT OF THE LEASE.

The Landlord does hereby irrevocably constitute and appoint the Assignee, its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acceptance for any and all rents, income and other sums which are assigned under the Granting Clauses of the Deed of Trust and under and pursuant to this Assignment Agreement with full power to settle, adjust or compromise any claim thereunder as surely as the Landlord could itself do and to endorse the name of the Landlord on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings either in its own name or in the name of the Landlord or otherwise, which the Assignee may deem necessary or appropriate to protect and preserve the right, title and interest of the Assignee in and to such rents and other sums and the security intended to be afforded hereby and by the Deed of Trust.

4. ACTIONS WITH RESPECT TO THE LEASE.

The Landlord will not, without the prior written consent of the Assignee:

(a) declare a default or exercise the remedies of the Landlord under, or terminate, modify or accept a surrender of, or offer or permit any termination, modification or surrender of the Lease or create or consent to the creation or existence of any mortgage or other lien to secure the payment of indebtedness upon the Landlord's interest under the Lease or the leasehold estate created thereby or any part thereof; or

(b) assign, transfer or hypothecate any rental or other payment due or to become due under the Lease or anticipate any rental or other payment thereunder; or

(c) declare a default or exercise the rights or remedies of the Landlord under, or terminate, modify or accept a surrender of, the Lease.

5. ASSIGNEE DESIGNATED RECIPIENT; NOTICES BY LANDLORD.

The Landlord hereby designates the Assignee as recipient of, and hereby directs the Tenant to deliver or remit directly, as follows:

All Notices with Respect to Payments:

American General/NLA
P. O. Box 17416
Newark, New Jersey 07164

with a copy to:

American General Life and Accident
Insurance Company
c/o American General Corporation
2929 Allen Parkway
Houston, Texas 77019
Attention: Private Placements, A37-01

All Payments:

By bank wire transfer of Federal or other immediately available funds (identifying each payment as to issuer, security, interest rate, maturity date, interest amount and principal amount to:

State Street Bank and Trust Company
Boston, Massachusetts
BOS/SPEC/0110-0002-8
Mutual Fund - Rick Maidrand
Re: American General/NLA PA 10

or to such other address as the Assignee may from time to time designate, all rents, income, revenues, issues, profits, insurance proceeds, condemnation awards, liquidated damages, purchase price proceeds and other payments, tenders and security now or hereafter due and payable to or receivable by the Landlord under the Lease. The Landlord hereby agrees to send to the Assignee, by prepaid United States certified mail, return receipt requested, copies of all notices and other instruments or communications required or permitted to be given by the Landlord under the Lease pursuant thereto.

6. REPRESENTATIONS AND WARRANTIES.

The Landlord and the Tenant represent and warrant that the Lease is in full force and effect according to its terms and is not in default, and the Landlord further represents and warrants that it has not executed any assignment of, or in any way affecting, the subject matter of the assignment made hereby to the Assignee. The Landlord holds no deposit or other security for performance by the Tenant, and the Tenant represents that no rent has been paid in advance.

7. IRREVOCABILITY; SUPPLEMENTAL INSTRUMENTS.

The Landlord agrees that the assignment made hereby and the designation and direction to the Tenant hereinabove set forth are irrevocable, and that the Landlord will not, while said assignment is in effect or thereafter until the Tenant has received from the Assignee notice of the termination of said assignment, take any action as the Landlord under the Lease or otherwise which is inconsistent with said assignment, or make any other assignment, designation or direction inconsistent therewith, and that any assignment, designation or direction inconsistent therewith shall be void. The Landlord will from time to time, upon request of the Assignee, execute all instruments of further assurance and all such supplemental instruments as the Assignee may specify.

8. AMENDMENT OR TERMINATION OF THE LEASE AND ASSIGNMENT AGREEMENT.

The Landlord and the Tenant each agrees that it will not enter into any agreement subordinating, amending, supplementing, hypothecating, waiving, discharging or terminating the Lease or this Assignment Agreement without the Assignee's prior written consent thereto, and that any attempted subordination, amendment, supplement, hypothecation, waiver, discharge or termination without such consent shall be void. The Landlord will not terminate the Lease or take possession of the Property in the event of default without the express prior written consent of the Assignee. In the event that the Lease shall be amended or supplemented as herein permitted, the Lease as so amended or supplemented shall continue to be subject to the provisions of this Assignment Agreement without the necessity of any further act by any of the parties hereto. The Tenant agrees that it will remain obligated under the Lease in accordance with its terms and that it will not take any action to terminate, rescind or avoid the Lease, notwithstanding the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding up or other proceeding affecting the Landlord or any other landlord under the Lease, and notwithstanding any action with respect to the Lease which may be taken by any trustee or receiver or the Landlord or of any such other landlord by any court in such proceeding.

9. TENANT'S CONSENT AND AGREEMENT.

The Tenant consents to the provisions of this Assignment Agreement, and agrees that it will deliver or remit directly to the Assignee, at the address provided for in paragraph 5, (a) copies of all notices and other instruments, reports, financial statements or communications required or permitted to be given or made by the Tenant pursuant to the Lease or this Assignment Agreement, and (b) all rents, income, revenues, issues, profits, insurance proceeds, condemnation awards, liquidated damages, purchase price proceeds and other payments, tenders and security now or hereafter due and payable to or receivable by the Landlord under the Lease, without notice or demand, and without any offset, deduction, defense, abatement, suspension, deferment, diminution or reduction for any reason so that said funds shall at all times be available for payment of interest and principal due on the Notes. The Tenant will make such payments by wire transfer to the Assignee of Federal or other immediately available funds on the respective due dates of such rents or other payments. If the Tenant shall make any delivery or remittance inconsistent with this paragraph 9, such delivery or remittance shall be neither valid nor effective as a delivery or remittance for purposes of the Lease, this Assignment Agreement, the Note Agreement or the Deed of Trust. Actual receipt by the Assignor of the rents and other moneys required to be paid by the Tenant under the Lease shall alone constitute payment and delivery thereof. The Tenant further agrees (y) that it will not assert any offset, counterclaim, deduction or defense in any proceeding brought under this Assignment Agreement or otherwise, nor for any reason seek to recover from the Assignee any monies paid to the Assignee by virtue of this Assignment Agreement and (z) that any acceptance or rejection of any offer by the Tenant to purchase the Landlord's Estate (as defined in the Lease) or the Property, or any portion thereof, shall not be valid unless joined in by the Assignee. The Tenant further agrees that it will maintain a consolidated tangible net worth (shareholders equity less intangibles), as determined in accordance with generally accepted accounting principles, of at least \$90,000,000 at all times while the Notes are outstanding.

10. REPORTS AND RIGHTS OF INSPECTION — TENANT.

The Tenant will keep, and will cause each subsidiary to keep, proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the Tenant or such subsidiary, in accordance with generally accepted principles of accounting consistently maintained (except for changes disclosed in the financial statements furnished to each holder of outstanding Notes pursuant to this paragraph 10), and concurred in by the independent accountant referred to in subparagraph (b) hereof) and will furnish to the Assignee and to each other holder of 10% or more of outstanding Notes, in duplicate:

(a) As soon as available and in any event within 45 days after the end of each quarterly fiscal period (except the last) of each fiscal year, copies of:

(i) a consolidated balance sheet of the Tenant and its subsidiaries as of the close of such period; and

(ii) consolidated statements of earnings and changes in financial position of the Tenant and its subsidiaries for the portion of the fiscal year ending with such period;

in each case setting forth in comparative form the figures for the corresponding period of the preceding fiscal year, all in reasonable detail and certified as complete and correct, subject to changes resulting from year-end audit and adjustments, by the chief financial officer of the Tenant;

(b) As soon as available and in any event within 90 days after the close of each fiscal year of the Tenant, copies of:

(i) a consolidated balance sheet of the Tenant and its subsidiaries as of the close of such fiscal year, and

(ii) consolidated statements of earnings and changes in financial position of the Tenant and its subsidiaries for such fiscal year,

in each case setting forth in comparative form the figures for the preceding fiscal year, all in reasonable detail and accompanied by an opinion thereon of Ernst & Whinney or of other independent public accountants of recognized national standing selected by the Tenant to the effect that such financial statements present fairly the financial position of the Tenant and its subsidiaries and have been prepared in accordance with generally accepted accounting principles consistently maintained (except for changes in which such accountants concur) and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards and accordingly, included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances;

(c) Promptly upon their becoming available, one copy of each financial statement, report, notice or proxy statement sent by the Tenant to stockholders generally and of each regular or periodic report, registration statement or prospectus filed by the Tenant or any subsidiary with any securities exchange or the Securities and Exchange Commission or any successor agency, and copies of any orders in any proceedings to which the Tenant or any of its subsidiaries is a party, issued by any governmental agency, Federal or state, having jurisdiction over the Tenant or any of its subsidiaries, which materially and adversely affect the Tenant and its subsidiaries (considered as a whole);

(d) Promptly upon their becoming available one copy of each certificate of the independent public accountants referred to in subparagraph (b) of this paragraph 10 delivered pursuant to Section 6.B(3) of that certain Loan Agreement dated as of February 16, 1979 between the Tenant and The Equitable Life Assurance Society of the United States and Equitable Variable Life Insurance Company, respectively; and

(e) Such additional information as the Assignee or such holder may reasonably request concerning the Tenant.

Each set of financial statements delivered by the Tenant pursuant to this paragraph 10 will be accompanied by a certificate of the principal financial officer of the Tenant stating that such officer has reviewed the relevant terms of each of the Deeds of Trust, the Leases and the Assignments and has obtained no knowledge of any default or Event of Default (as defined in the Lease) under any thereof or, if such officer has obtained knowledge of any such default or Event of Default, he shall disclose the nature and period of existence thereof and the action the Tenant has taken or proposes to take with respect thereto and, in addition, that the Tenant is maintaining a consolidated tangible net worth of at least \$90,000,000.

The Tenant will permit the Assignee or any holder of 10% or more of the Notes (or such persons as the Assignee or any such holder may designate) to visit and inspect, at its expense, under the Tenant's guidance, any of the properties of the Tenant, examine its books of account and discuss the affairs, finances and accounts of the Tenant with its officers and independent accountants, all at such reasonable times and as often as the Assignee or any such holder may reasonably desire. Any information obtained by the Assignee and any holder of any of the Notes from such examination or discussion will be treated as confidential unless and until such information has been publicly disclosed by the Tenant; provided, however, that nothing herein contained shall limit or impair the right or obligation of the Assignee or any such holder to disclose such information when required by law or to appropriate regulatory authorities having jurisdiction over its affairs or to use the same in connection with the enforcement of the terms and conditions of the Note Agreement or any of the Deeds of Trust, the Leases or the Assignments.

11. SUBORDINATION OF TENANT'S CLAIMS.

To the extent that the Tenant may acquire any indebtedness of the Landlord, or any claim against the Landlord, by way of subrogation or otherwise, all such indebtedness and claims are hereby subordinated and made fully subject in right of payment thereof to the prior payment in full of the Notes.

12. INTERFERENCE WITH AND DELAYS IN PAYMENT OR APPLICATION OF BASIC RENT.

In any of the following events, to wit:

(a) any rents (whether as Basic Rent or otherwise), income, revenues, issues, profits, condemnation awards, liquidated damages, purchase price proceeds or other sums payable under the Lease (collectively, the "rentals") during the term thereof shall be diminished or be subject to diminution through attachment, claim, charge, lien, levy, process, encumbrance or for other reason, whether similar or dissimilar to the foregoing, or shall be subject to withholding or diminution at the source, by reason of any taxes, assessments, expenses, indebtedness, obligations or liabilities of any character, whether or not valid, incurred by or against any person or by reason of any claim, charges or liens of any nature incurred by any person or against

the rentals, so that the rentals would be rendered inadequate or would be unavailable to make payments of interest and principal on the Notes when due, or

(b) the payment in full of the rentals, when due and payable under the Lease shall be delayed or prevented, or otherwise adversely affected, or

(c) the use or application of the rentals by the Assignee or the holders of the Notes shall be delayed or prevented, or the right of the Assignee or the holders of the Notes so to use or apply the same shall be otherwise adversely affected, or

(d) the holders of the Notes shall be subject to any liability or obligation to refund or pay over sums paid to them by the Landlord;

then and in any such event, the Tenant from time to time will promptly take such action (including the payment of money to the holders of the Notes) to the extent necessary

(i) to pay fully and discharge such taxes, assessments, expenses, indebtedness, obligations and liabilities and to eliminate or nullify the cause of such attachment, claim, charge, lien, levy, process, encumbrance, withholding or diminution;

(ii) to eliminate any delay or prevention in the payment in full of the rentals when due and payable under the Lease and in the use or application thereof by the holders of the Notes pursuant to the Note Agreement and the Deed of Trust; and

(iii) to indemnify the Assignee and the holders of the Notes against any liability or obligation to repay, or any loss in repaying, any sums received from the Landlord.

It is the intention of the Tenant that the rentals payable under the Lease shall be available to the holders of the Notes as a net sum, and that the Tenant shall pay all charges which diminish such sum or render the same inadequate as aforesaid, so that said rentals shall be received by the holders of the Notes and shall be available for the payment of principal, premium, if any, and interest on the Notes, when due, without diminution and without delay, all without regard to whether or not the assignment by the Landlord of the Lease to the Assignee or its nominee shall have been perfected against all other persons, and notwithstanding the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding-up or other proceeding affecting the Landlord or any assignee of the Landlord or any action with respect to the Lease which may be taken by any trustee or receiver of the Landlord or such assignee or by a court in any such proceeding; provided that the Tenant shall not be required to pay and discharge any tax, assessment, expense, indebtedness, obligation or liability referred to in (i) above, if and so long as (x) it shall contest, in good faith and at its cost and expense, the amount or validity thereof in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection or other realization of such tax, assessment, expense, indebtedness, obligation or liability so contested, and the sale, forfeiture or loss of the Property or any part thereof to satisfy the same, and (y) it shall make all other payments provided for above which may be necessary in order to pay principal, premium, if any, and interest on the Notes, when due, as provided above.

13. OBLIGATIONS OF TENANT ABSOLUTE, ETC.

The Tenant agrees that the obligations of the Tenant hereunder shall be absolute and unconditional, shall not be subject to any counterclaim, setoff, recoupment, deduction or defense based upon any claim the Tenant may have against the Landlord or any holder of the Notes, and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by any circumstance or condition (whether or not the Tenant shall have any knowledge or notice thereof), including, without limitation: (a) any amendment or modification of or supplement to the Notes, the Lease, the Deed of Trust, this instrument or any other instrument or any assignment or transfer of any thereof, or any furnishing or acceptance of additional security, or any release of any security, for the Notes; (b) any waiver, consent, extension, indulgence or other action or inaction under or in respect of any such instrument, or any exercise or non-exercise of any right, remedy, power or privilege under or in respect of any such instrument; (c) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding with respect to the Landlord or its properties or creditors; (d) any invalidity or unenforceability, in whole or in part, of the Lease or any term hereof; (e) any failure on the part of the Landlord for any reason to perform or comply with any term of the Notes, the Lease, the Deed of Trust or this instrument or any other agreement with the Tenant; or (f) any other occurrence whatsoever. The Tenant is consenting to the assignment and entering into this instrument and undertaking to perform all of its obligations herein contained in order to induce the Landlord to acquire the premises and to enter into the Lease, to induce the Assignee to purchase the Notes pursuant to the Note Agreement, and in consideration of the Landlord's entering into the Lease and the Assignee's purchasing the Notes and in consideration of the sum of One Dollar (\$1) and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged.

14. RECORDATION.

The Landlord, at its expense, and the Tenant, at its expense, will at all times cause the Lease and this Assignment Agreement, or instruments with respect thereto, and appropriate financing statements and continuation statements with respect thereto, to be recorded and filed and to be kept recorded and filed in such manner and in such places, and will pay all such recordation, filing or other taxes, fees and other charges, and will comply with all such statutes and regulations, as may be required by law in order to establish, preserve and protect the respective interests and rights of the parties to the Lease and their respective successors and assigns and the Assignee's interests and rights hereunder (including without limitation, any interests or rights under any supplement or amendment to the Lease or otherwise, acquired after the date hereof) and to establish, preserve and protect the lien created hereby and by the Deed of Trust as a valid present assignment of the Landlord's right, title and interest in, to and under the Lease. The Landlord, at its expense, and the Tenant, at its expense, will also at all times cause the Deed of Trust, and appropriate financing statements and continuation statements with respect thereto, to be recorded and filed and to be kept recorded and filed in such manner and in such places, and will pay all such recordation, filing or other taxes, fees and other charges, and will comply with all such statutes and regulations, as may be required by law in order to establish, preserve and protect the lien of the Deed of Trust as valid direct first lien of record or perfected security interest on the Property.

15. REMEDIES CUMULATIVE, ETC.

Each right, power and remedy of the Assignee provided for in this instrument or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Assignment Agreement or now or hereafter existing at law or in equity or by statute or otherwise and the exercise or beginning of the exercise by the Assignee of any one or more of such rights, powers or remedies shall not preclude the further exercise thereof or the simultaneous or later exercise by the Assignee of any or all such other rights, powers or remedies. No failure or delay on the part of the Assignee to exercise any such right, power or remedy shall operate as a waiver thereof. The Tenant and the Landlord stipulate that the remedies at law in respect of any default or threatened default by the Tenant or the Landlord in the performance of or compliance with any of the terms of this instrument are not and will not be adequate, and that any of such terms may be specifically enforced by a decree for specific performance or by an injunction against the violation of any terms or otherwise.

16. AGREEMENT REGARDING SUBSIDIARIES.

The Tenant will at all times own and control all of the issued and outstanding shares of capital stock of the Landlord and said shares of capital stock so owned and controlled by the Tenant shall at all times and in all events have the power to elect all of the members of the board of directors of the Landlord.

17. MISCELLANEOUS.

(a) All notices, requests, offers, consents and other instruments given pursuant to this Assignment Agreement shall be in writing and shall be validly given when mailed by prepaid registered or certified mail (i) if to Landlord, addressed to the Landlord, at its address set forth above Attention: Robert Bolinder, Vice President and Chief Financial Officer, with a copy to Thomas Welch, Vice President and General Counsel (ii) if to the Tenant, addressed to the Tenant at its address set forth above Attention: Robert Bolinder, Vice President and Chief Financial Officer, with a copy to Thomas Welch, Vice President and General Counsel, and (iii) if to the Assignee, addressed to the Assignee at its address set forth above. The Landlord, the Tenant and the Assignee each may from time to time specify, by giving 15 days' notice to the other parties, (1) any other address in the United States as its address for purposes of this Assignment Agreement and the Lease and (2) any other person or entity that is to receive copies of notices, offers, consents and other investments hereunder.

(b) This Assignment Agreement shall be binding upon, inure to the benefit of and be enforceable by, the respective successors and assigns of the parties hereto. The headings to the various paragraphs of this Assignment Agreement have been inserted for convenient reference only and shall not modify, define, limit or expand the express provisions of this Assignment Agreement. Neither this Assignment Agreement nor any provision hereof may be amended, modified, waived, discharged or terminated orally, but only by an instrument signed by the parties hereto. If any provision of this Assignment Agreement or any application thereof shall be invalid or unenforceable, the remainder of

this Assignment Agreement and any other application of such provision shall not be affected thereby.

(c) This Assignment Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and such counterparts shall together constitute but one and the same Assignment Agreement. It shall not be necessary in making proof of this Assignment Agreement to produce or account for more than one such counterpart signed by the party against which enforcement of this Assignment Agreement is sought. This Assignment Agreement shall be governed by and construed and enforced in accordance with the laws of the State in which this property is located.

IN WITNESS WHEREOF, the Landlord, the Tenant and the Assignee have each caused this Assignment Agreement to be duly executed and delivered, in their respective names and behalf and under their respective seals all as of the date and year first above written.

SMITH'S FOOD KING PROPERTIES, INC.

[CORPORATE SEAL AFFIXED]

By Mark X
Printed Name: Matt Lezak
Its VLU President
Landlord

ATTEST:

[Signature]
Printed Name: [Signature]
Its asst Secretary

SMITH'S MANAGEMENT CORP.

[CORPORATE SEAL AFFIXED]

By Mark X
Printed Name: Matt Lezak
Its VLU President
Tenant

ATTEST:

[Signature]
Printed Name: [Signature]
Its asst Secretary

AMERICAN GENERAL LIFE AND ACCIDENT INSURANCE COMPANY

[CORPORATE SEAL AFFIXED]

By Julia S. Tucker
Printed Name: Julia S. Tucker
Its Vice President
Assignee

ATTEST:

[Signature]
Printed Name: Otto B Gerlach III
Its Assistant Secretary

STATE OF UTAH)
) SS
COUNTY OF SALT LAKE)

I, Corina Williams, a Notary Public in and for the County and State aforesaid, do hereby certify that ADD LEGAL and Director of Finance, personally known to me to be the same persons whose names are respectively, as Vice President and Asst 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.

Given under my hand and notarial seal this 20th day of October, 1988.

Corina Williams
Notary Public
Printed Name: Corina Williams

(SEAL)

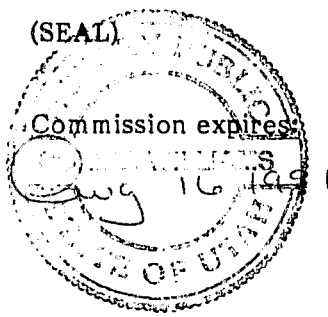


STATE OF UTAH)
) SS
COUNTY OF SALT LAKE)

I, Carina Williams, a Notary Public in and for the County and State aforesaid, do hereby certify that Matt Tezak and Peter H. Knuth, personally known to me to be the same persons whose names are respectively, as Vice President and Asst 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 25th day of October, 1988.

[Signature]
Notary Public
Printed Name: Carina Williams




STATE OF TEXAS)
) SS
COUNTY OF HARRIS)

I, Silvana Briones, a Notary Public in and for the County and State aforesaid, do hereby certify that Julius S. Tucker and OTTO E Gerlach III, personally known to me to be the same persons whose names are respectively, as Vice President and Assistant Secretary of **AMERICAN GENERAL LIFE AND ACCIDENT INSURANCE COMPANY**, a ~~Texas~~ 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.

Tennessee

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

Silvana Briones
Notary Public
Printed Name: Silvana Briones

(SEAL)  Silvana Briones
Notary Public, State of Texas

Commission expires: May 27, 1990

DESCRIPTION OF REAL PROPERTY

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 214.83 feet along the arc of a 522.37 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 51.39 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.

Address of Real Property:

1170 East Gentile
Layton, Utah 84040

SCHEDULE A
(to Assignment of Lease)