

RONALD SPRATLING
P.O. Box 17403
SALT LAKE UTAH 84117

1390 West 9000 South
West Jordan, Utah

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7366122

Memorandum of Lease

THIS MEMORANDUM OF LEASE made as of NOV. 10, 1998 by and between **SPRATLING INVESTMENT CORP.**, a Utah corporation with an address at c/o Shelly S. Stobart, President, P.O. Box 742, Midway, Utah 84049, and **RONALD N. SPRATLING, JR., AS TRUSTEE OF THE RONALD N. SPRATLING, JR. TRUST DATED JULY 6, 1990**, with offices at 2020 East 4800 South, P. O. Box 17403, Salt Lake City, Utah 84117, tenants in common, ("Landlord" or "Lessor"); and **THRIFTY PAYLESS, INC.**, a California corporation with an address at Post Office Box 3165, Harrisburg, Pennsylvania 17105 ("Tenant" or "Lessee").

WITNESSETH:

WHEREAS, Tenant and Landlord have entered into a lease dated as of September 30, 1998 covering premises located at 1390 West 9000 South, near the northwest corner of the intersection of 9000 South and 1300 West, West Jordan, Utah (the "Lease"); and

WHEREAS, it is the desire of the parties hereto to enter into a Memorandum of Lease for recording in order to give notice of the existence of the Lease.

NOW, THEREFORE, in consideration of the rents received and covenants and conditions more particularly set forth in the Lease, Landlord and Tenant do hereby covenant, promise and agree as follows:

1. Landlord, in consideration of the rent to be paid and the covenants to be performed by Tenant, does hereby demise and lease unto Tenant and Tenant hereby rents from Landlord, the Premises, which Premises are shown in said Lease and are legally described on Exhibit "A" attached hereto and made a part hereof.

2. The Lease term commenced on the date of the Lease, and will terminate on the twenty-first (21st) anniversary of the Rent Commencement Date (as that term is defined in the Lease), unless Tenant exercises its right to renew this Lease.

3. Tenant has six (6) consecutive five (5) year options to renew said Lease.

4. The provisions of Exhibit "B" attached hereto are specifically made a part of this Instrument.

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RSY 9.30.98

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05/26/99 4:35 PM 30.00
NANCY WORKMAN
RECORDER, SALT LAKE COUNTY, UTAH
MERIDIAN TITLE
REC BY:R JORDAN ,DEPUTY - WI

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5. This Instrument is executed for the purpose of giving public record notice of the fact of execution of the above described Lease and all of the terms and conditions of said Lease are incorporated herein by reference.


6. This Agreement shall extend to and be binding upon the parties hereto and their legal representatives, heirs, successors and assigns. This Agreement may be executed in counterparts with the same effect as if the signatures of all parties were set forth on a single instrument.

IN WITNESS WHEREOF the parties hereto have executed these presents and set their hands and seals the day and year first above written.

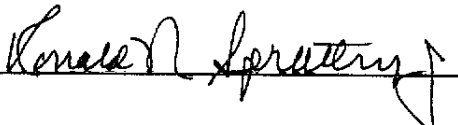
WITNESS:

LANDLORD:

SPRATLING INVESTMENT CORP.

By:  (SEAL)
Shelly S. Stobart
President

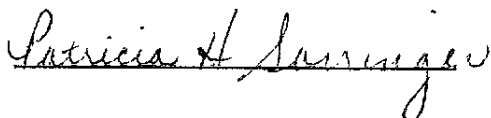
RONALD N. SPRATLING, JR., TRUSTEE
OF THE RONALD N. SPRATLING, JR.
TRUST DATED JULY 6, 1990

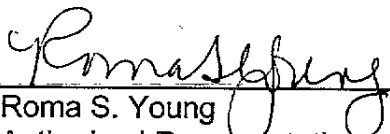
 (SEAL)

WITNESS:

TENANT:

THRIFTY PAYLESS, INC.



By:  (SEAL)
Roma S. Young
Authorized Representative

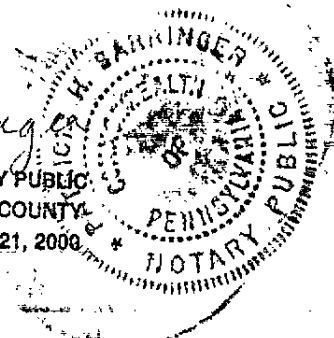
COMMONWEALTH OF PENNSYLVANIA

COUNTY OF BUCKS

On the 25th day of November A.D. 1998, before me, the undersigned officer, personally appeared **Roma S. Young**, who acknowledged herself to be the Authorized Representative of **THRIFTY PAYLESS, INC.**, a corporation, and that she, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by herself as Authorized Representative.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal.

Patricia H. Sarringer
My Commission Expires: _____
NOTARIAL SEAL
PATRICIA H. SARRINGER, NOTARY PUBLIC
LOWER SOUTHAMPTON, BUCKS COUNTY
MY COMMISSION EXPIRES JULY 21, 2000

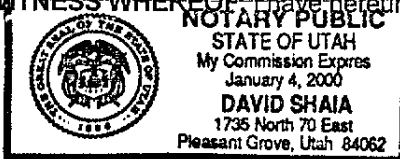


STATE OF UTAH

COUNTY OF S.L.

On the 9th day of NOV A.D. 1998, before me, the undersigned officer, personally appeared **Shelly S. Stobart**, who acknowledged herself to be the President of **SPRATLING INVESTMENT CORPORATION**, a Utah corporation, and that she, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by herself as President.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal.



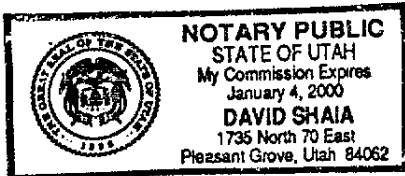
David Shaia
My Commission Expires: _____

STATE OF UT

CITY OF S.L.

On the 9th day of NOV A.D. 1998, before me, the undersigned officer, personally appeared **Ronald N. Spratling, Jr.**, who acknowledged himself to be a Trustee of the **Ronald N. Spratling, Jr. Trust dated July 6, 1990**, and that he as such Trustee, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Trust by himself as Trustee.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal.



David Shaia
My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTION OF LEASED PARCEL

MTC File No. 57854a-AB
LEGAL DESCRIPTION

Parcel 1:

Beginning at a point 318.00 feet South 89 degrees 53'45" West and 73.00 feet North 00 degrees 02'16" West from the East 1/4 corner of Section 3, Township 3 South, Range 1 West, Salt Lake Base and Meridian; and running thence South 89 degrees 53'45" West 336.27 feet; thence North 00 degrees 02'16" West 260.00 feet; thence North 89 degrees 53'45" East 336.27 feet; thence South 00 degrees 02'16" East 260.00 feet to the point of beginning.

Parcel 1A:

Together with a permanent non-exclusive easement for ingress, egress and access over and across the following described property:

Beginning at a point on the North line of 9000 South Street which point is North 89 degrees 50'20" West along the quarter section line 684.27 feet and North 0 degrees 13'39" East 73.00 feet from the East 1/4 corner of Section 3, Township 3 South, Range 1 West, Salt Lake Base and Meridian; thence North 0 degrees 13'39" East 330.00 feet; thence South 89 degrees 50'20" East 30 feet; thence South 0 degrees 13'39" West 330.00 feet; thence North 89 degrees 50'20" West 30.00 feet to the point of beginning.

As created by that certain Easement Agreement recorded August 3, 1992 as Entry No. 5304459 of Official Records.

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EXHIBIT "B"
SPECIAL PROVISIONS

Among other provisions, the Lease contains the following notable provisions:

Article 19, Section 19.2.5:

Exclusivity. Landlord and its affiliates have not previously and during the term of this Lease Landlord and its affiliates shall not lease any premises in which any of them has an interest within a radius of two (2) miles of the Premises (the "Restricted Area") for the use of, or allow any of the premises located therein, to be used for a drug store and/or health and beauty aid store and/or a vitamin or dietary supplement store, or authorize or permit the sale of health and/or beauty aids, prescription drugs and other pharmacy items, except for incidental sales of health and beauty aids by future tenants which do not exceed five percent (5%) of the gross floor area of such tenant if such tenant's premises is 50,000 square feet or more, or ten percent (10%) of the gross floor area of such tenant if such tenant's premises is less than 50,000 square feet.

Article 33:

Right of First Offer: Tenant shall have the right of first offer to purchase the Premises (including without limitation any tenancy in common therein) as set forth in Article 33 of the Lease.

Article 35:

Easement for Access Road to 1300 West: An easement agreement in the form attached to the Lease as Exhibit "E-1" has been executed and shall be recorded in the Official Records of Salt Lake County, Utah, to provide for the two-way access road from the K-Mart Driveway along the north side of the Premises to 1300 West. The Declaration provides for certain maintenance obligations to be performed by Tenant. The legal description of the easement area is attached to this Memorandum of Lease as Exhibit "C".

Article 36:

Easement for Common Entrance on 9000 South: A Cross Easement Agreement in the form attached to the Lease as Exhibit "E-2" has been executed and shall be recorded in the Official Records of Salt Lake County, Utah, providing for a shared entrance from 9000 South in common with the parcel adjacent to the Premises on the east. The legal description of the easement area is attached to this Memorandum of Lease as Exhibit "D".

Article 37:

Agreement Regarding K-Mart Driveway: An agreement in the form attached as Exhibit E-3 to the lease with respect to the widening of the K-Mart Driveway which adjoins the Premises to the west, Tenant's access to the K-Mart Driveway and certain related matters has been executed and shall be recorded in the Official Records of Salt Lake County Utah. That Agreement provides, among other things, an access easement benefiting the premises over the easement area described in Exhibit "E" to this Memorandum of Lease.

Exhibit "C"

Together with a permanent non-exclusive easement, to be created of record, for ingress, egress and access over and across the following described property:

Beginning at a point on the West right of way line of 1300 West Street 333.00 feet North 0 degrees 02'16" West and 40.00 feet South 89 degrees 53'45" West from the East 1/4 Corner of Section 3, Township 3 South, Range 1 West, Salt Lake Base and Meridian and running thence South 89 degrees 53'45" West 615.15 feet; thence North 00 degrees 07'24" East 69.92 feet; thence North 89 degrees 53'45" East 12.47 feet; thence South 00 degrees 07'24" West 13.79 feet to a point of tangency with the arc of an 8.00-foot radius curve to the left; thence Southeasterly 10.55 feet along the arc of said curve (Note: Chord for said curve bears South 37 degrees 38'59" East for a distance of 9.80 feet); thence South 75 degrees 25'23" East 57.98 feet; thence North 89 degrees 53'45" East 252.02 feet; thence South 87 degrees 04'47" East 60.08 feet; thence North 89 degrees 53'45" East 228.42 feet to said right of way line; thence South 00 degrees 02'16" East 30.49 feet along said right of way line to the point of beginning.

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Exhibit "D"

Together with a permanent non-exclusive easement, to be created of record, for ingress, egress and access over and across the following described property:

Beginning at a point 298.00 feet South 89 degrees 53'45" West and 73.00 feet North 00 degrees 16'15" West from the East 1/4 corner of Section 3, Township 3 South, Range 1 West, Salt Lake Base and Meridian; and running thence South 89 degrees 53'45" West 40.00 feet; thence North 00 degrees 06'15" West 70.00 feet; thence North 89 degrees 53'45" East 40.00 feet; thence South 00 degrees 06'15" West 70.00 feet to the point of beginning.

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Exhibit "E"

A permanent non-exclusive easement for ingress, egress and access over and across the following described property:

Beginning at a point 642.20 feet South 89 degrees 53'45" West and 73.00 feet North 00 degrees 06'15" West from the East 1/4 corner of Section 3, Township 3 South, Range 1 West, Salt Lake Base and Meridian; and running thence South 89 degrees 53'45" West 12.00 feet; thence North 00 degrees 07'24" East 329.92 feet; thence North 89 degrees 53'35" East 12.00 feet; thence South 00 degrees 07'24" West 329.85 feet to the point of beginning.

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