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Gary W. Ott
Recorder, Salt Lake County, UT
FIRST AMERICAN TITLE UT CO
BY: eCASH, DEPUTY - EF 8 P.

Prepared By:

Klehr, Harrison, Harvey, Branzburg & Ellers LLP
260 South Broad Street - 4th Floor
Philadelphia, PA 19102
Attention: Matthew H. Werthman, Esq.

Upon Recordation Return to:

First American Title Insurance Company
National Commercial Services
Two Penn Center Plaza, Suite 1910
Philadelphia, Pennsylvania 19102
Attn: Adam B. Cutler, Esq.

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("**Memorandum**") made as of the 29th day of January 2007, by and between SHOPKO STORES OPERATING CO., LLC, a Delaware limited liability company ("**Tenant**"), and SOVEREIGN SK LLC, a Delaware limited liability company ("**Landlord**").

WITNESSETH:

1. **Premises.** Landlord and Tenant have entered into a lease ("**Lease**") dated January 29, 2007, for that certain real property lying, being and situate in the County of Salt Lake, City of Sandy City, State of Utah, more particularly described on EXHIBIT A attached hereto and made a part hereof, together with the buildings and improvements located thereon (the "**Premises**").
2. **Term and Renewal Options.** The Lease has an initial term of twenty (20) years, subject to extension (at Tenant's option) as provided therein for four (4) successive additional periods of five (5) years each.
3. **Incorporation of Lease.** This Memorandum is for informational purposes only and nothing contained herein shall be deemed to in any way modify or otherwise affect any of the terms and conditions of the Lease, the terms of which are incorporated herein by reference. This instrument is merely a memorandum of the Lease and is subject to all of the terms, provisions and conditions of the Lease. In the event of any inconsistency between the terms of the Lease and this instrument, the terms of the Lease shall prevail.
4. **Binding Effect.** The rights and obligations set forth herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.

[Signatures follow on next page]

NCS-262136A

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease as of the day and year first above written.

LANDLORD:

SOVEREIGN SK LLC, a
Delaware limited liability company

By: Sovereign Investment Company, a
California corporation, its sole
member and manager

By: Robert Bickel
Name: Robert Bickel
Title: VP
Date:

By: Daniel Williams
Name: Daniel Williams
Title: Asst. Secretary
Date:

TENANT:

SHOPKO STORES OPERATING CO., LLC, a
Delaware limited liability company

By: _____
Name: Peter G. Vandenhouten
Title: Secretary
Date:

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease as of the day and year first above written.

LANDLORD:

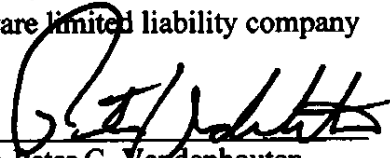
**SOVEREIGN SK LLC, a
Delaware limited liability company**

**By: Sovereign Investment Company, a
California corporation, its sole
member and manager**

**By: _____
Name:
Title:
Date:**

TENANT:

**SHOPKO STORES OPERATING CO., LLC, a
Delaware limited liability company**

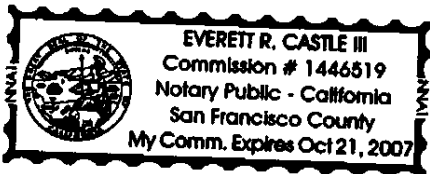
**By: 
Name: Peter G. Vandenhouten
Title: Secretary
Date:**

STATE OF California)
COUNTY OF San Francisco) SS:

I HEREBY CERTIFY that on this day before me, an officer duly authorized in the state and county named above to take acknowledgments, personally appeared Robert Bickel as Vice President of Sovereign Investment Company, a California corporation, and the sole member and manager of SOVEREIGN SK LLC, a Delaware limited liability company, to me known to be the person who signed the foregoing instrument as such officer and he/she acknowledged that the execution thereof was his/her free act and deed as such officer for the use and purposes therein expressed and that the instrument is the act and deed of said corporation on behalf of the company.

Given under my hand and official seal this 26th day of January 2007.

Everett R. Castle III
Notary Public
State of California
My Commission expires: Oct 21, 2007



STATE OF)
) SS:
COUNTY OF)

I HEREBY CERTIFY that on this day before me, an officer duly authorized in the state and county named above to take acknowledgments, personally appeared Peter G. Vandenhouten as Secretary of SHOPKO STORES OPERATING CO., LLC, a Delaware limited liability company, to me known to be the person who signed the foregoing instrument as such officer and he/she acknowledged that the execution thereof was his/her free act and deed as such officer for the use and purposes therein expressed and that the instrument is the act and deed of said company.

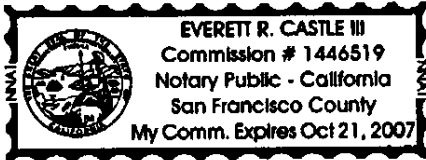
Given under my hand and official seal this ___ day of _____ 2007.

Notary Public
State of _____
My Commission expires: _____

STATE OF California)
COUNTY OF San Francisco) SS:

I HEREBY CERTIFY that on this day before me, an officer duly authorized in the state and county named above to take acknowledgments, personally appeared Daniel Williams as Assistant Secretary of Sovereign Investment Company, a California corporation, and the sole member and manager of SOVEREIGN SK LLC, a Delaware limited liability company, to me known to be the person who signed the foregoing instrument as such officer and he/she acknowledged that the execution thereof was his/her free act and deed as such officer for the use and purposes therein expressed and that the instrument is the act and deed of said corporation on behalf of the company.

Given under my hand and official seal this 26th day of January 2007.



Everett R. Castle III
Notary Public
State of California
My Commission expires: 10/21/07

STATE OF)
COUNTY OF) SS:

I HEREBY CERTIFY that on this day before me, an officer duly authorized in the state and county named above to take acknowledgments, personally appeared Peter G. Vandenhouten as Secretary of SHOPKO STORES OPERATING CO., LLC, a Delaware limited liability company, to me known to be the person who signed the foregoing instrument as such officer and he/she acknowledged that the execution thereof was his/her free act and deed as such officer for the use and purposes therein expressed and that the instrument is the act and deed of said company.

Given under my hand and official seal this ___ day of _____ 2007.

Notary Public
State of _____
My Commission expires: _____

STATE OF)
) SS:
COUNTY OF)

I HEREBY CERTIFY that on this day before me, an officer duly authorized in the state and county named above to take acknowledgments, personally appeared _____ as _____ of Sovereign Investment Company, a California corporation, and the sole member and manager of SOVEREIGN SK LLC, a Delaware limited liability company, to me known to be the person who signed the foregoing instrument as such officer and he/she acknowledged that the execution thereof was his/her free act and deed as such officer for the use and purposes therein expressed and that the instrument is the act and deed of said corporation on behalf of the company.

Given under my hand and official seal this ___ day of _____ 2007.

Notary Public
State of _____
My Commission expires: _____

STATE OF *WISCONSIN*)
) SS:
COUNTY OF *BROWN*)

I HEREBY CERTIFY that on this day before me, an officer duly authorized in the state and county named above to take acknowledgments, personally appeared Peter G. Vandenhouten as Secretary of SHOPKO STORES OPERATING CO., LLC, a Delaware limited liability company, to me known to be the person who signed the foregoing instrument as such officer and he/she acknowledged that the execution thereof was his/her free act and deed as such officer for the use and purposes therein expressed and that the instrument is the act and deed of said company.

Given under my hand and official seal this *25th* day of *January* 2007.

Christine M. Broer

Notary Public
State of *WISCONSIN*
My Commission expires: *7-22-07*

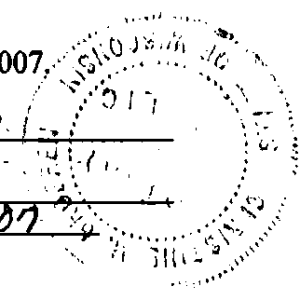


EXHIBIT A

Legal Description

PARCEL 1:

A PART OF THE SOUTHWEST QUARTER OF SECTION 3, TOWNSHIP 3 SOUTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN, U.S. SURVEY:

BEGINNING AT A POINT 920.40 FEET NORTH 89°56' EAST ALONG THE SECTION LINE, AND 53.00 FEET NORTH 00°04' WEST FROM THE SOUTHWEST CORNER OF SAID SECTION 3; RUNNING THENCE NORTH 0°04' WEST 664.24 FEET; THENCE NORTH 89°56' EAST 682.85 FEET, MORE OR LESS, TO THE WEST LINE OF SAGE CREST SUBDIVISION NO. 1 AND NO. 2; THENCE SOUTH 0°21'28" WEST 534.27 FEET ALONG THE WEST LINE OF SAGE CREST SUBDIVISION NO. 1 AND NO. 2; THENCE SOUTH 89°56' WEST 150.00 FEET; THENCE SOUTH 0°21'28" WEST 130.00 FEET, MORE OR LESS, TO THE NORTH LINE OF SAID 9400 SOUTH STREET; THENCE SOUTH 89°56' WEST 527.93 FEET, MORE OR LESS, ALONG SAID NORTH LINE TO THE POINT OF BEGINNING.

LESS AND EXCEPTING THEREFROM THE FOLLOWING TWO (2) TRACTS:

TRACT 1:

A PART OF THE SOUTHWEST QUARTER OF SECTION 3, TOWNSHIP 3 SOUTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN, U.S. SURVEY:

BEGINNING AT A POINT 920.40 FEET NORTH 89°56' EAST ALONG THE SECTION LINE AND 445.00 FEET NORTH 0°04' WEST FROM THE SOUTHWEST CORNER OF SECTION 3, TOWNSHIP 3 SOUTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN; RUNNING THENCE NORTH 0°04' WEST 138.00 FEET; THENCE NORTH 89°56' EAST 73.03 FEET; THENCE SOUTH 0°04' EAST 37.00 FEET; THENCE NORTH 89°56' EAST 72.00 FEET; THENCE SOUTH 0°04' EAST 23.00 FEET; THENCE NORTH 89°56' EAST 43.90 FEET TO THE WEST EDGE OF THE WEST WALL OF THE EXISTING SHOPKO STORE; THENCE SOUTH 0°06'38" EAST 128.00 FEET ALONG SAID WEST WALL; THENCE SOUTH 89°56' WEST 92.00 FEET; THENCE NORTH 0°04' WEST 28.00 FEET; THENCE SOUTH 89°56' WEST 62.00 FEET; THENCE NORTH 0°04' WEST 22.00 FEET; THENCE SOUTH 89°56' WEST 35.03 FEET TO THE POINT OF BEGINNING.

TRACT 2:

A PARCEL CONVEYED TO SANDY CITY BY THAT CERTAIN QUIT CLAIM DEED RECORDED NOVEMBER 23, 1987 AS ENTRY NO. 4543732 IN BOOK 5982 AT PAGE 764 OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

A PART OF THE SOUTHWEST QUARTER OF SECTION 3, TOWNSHIP 3 SOUTH,
RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN, U.S. SURVEY:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 3; THENCE NORTH
89°56' EAST 1448.33 FEET ALONG THE SOUTH LINE AT SAID SECTION 3; THENCE
NORTH 0°04' WEST 53.00 FEET TO THE NORTH RIGHT OF WAY LINE OF 9400 SOUTH
STREET; THENCE NORTH 0°21'28" EAST 130.00 FEET TO THE POINT OF BEGINNING;
THENCE CONTINUING NORTH 0°21'28" EAST 40.00 FEET; THENCE NORTH 89°56'
EAST 150.00 FEET TO THE WEST LINE OF SAGE CREST SUBDIVISION NO. 1; THENCE
SOUTH 0°21'28" WEST 40.00 FEET ALONG THE WEST
LINE OF SAGE CREST SUBDIVISION NO. 1; THENCE SOUTH 89°56' WEST 150.00 FEET
TO THE POINT OF BEGINNING.

PARCEL 2:

TOGETHER WITH THE APPURTENANT RIGHTS AS CREATED BY AMENDED GRANT
OF EASEMENTS AND COVENANTS AND RESTRICTIONS RECORDED AUGUST 27,
1987 AS ENTRY NO. 4514192 IN BOOK 5955 AT PAGE 2890 AND ITS AMENDMENT
RECORDED JANUARY 27, 1989 AS ENTRY NO. 4729982 IN BOOK 6100 AT PAGE 292
OF OFFICIAL RECORDS.

PARCEL 3:

TOGETHER WITH THE APPURTENANT RIGHTS AS CREATED BY CROSS-EASEMENT
AGREEMENT RECORDED SEPTEMBER 09, 1987 AS ENTRY NO. 4519990 IN BOOK
5959 AT PAGE 2093 OF OFFICIAL RECORDS.

TAX I.D.: 28-03-351-031-0000

[END]