

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 Utah, City of Orem, 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]

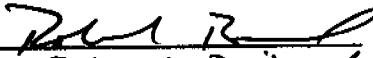
NCS-262137a


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: Robert Bricker
Title: VP
Date:

By: 
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:

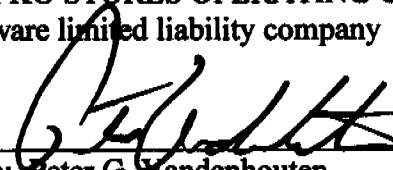
SOVEREIGN SK LLC, a
Delaware limited liability company

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

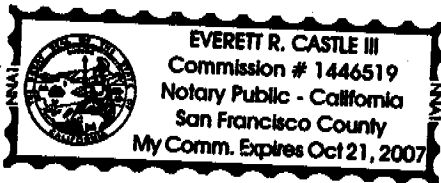
By: 
Name: Peter G. Vandenhouten
Title: Secretary
Date:

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 20th day of January 2007.

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



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

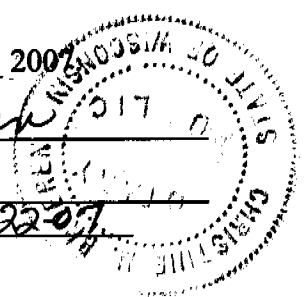


EXHIBIT A

Legal Description

PARCEL NO. 1:

LOT 1, PLAT 'D', BOYER RETAIL SUBDIVISION, ACCORDING TO THE OFFICIAL PLAT THEREOF RECORDED OCTOBER 17, 2002 AS ENTRY NO. 122669:2002 UNDER MAP NO. 9755 OF OFFICIAL RECORDS.

PARCEL NO. 2:

THOSE RIGHTS APPURTENANT TO PARCEL 1, AS SET FORTH IN THAT CERTAIN DECLARATION OF RESTRICTION EXECUTED BY FAMILY FIRST FEDERAL CREDIT UNION, F.K.A. OREM GENEVA FEDERAL CREDIT UNION, DATED AUGUST 29, 1989 AND RECORDED SEPTEMBER 08, 1989 AS ENTRY NO. 26561 IN BOOK 2626 AT PAGE 66 OF OFFICIAL RECORDS AND THAT CERTAIN CORRECTED DECLARATION OF RESTRICTION RECORDED FEBRUARY 28, 1990 AS ENTRY NO. 6182 IN BOOK 2669 AT PAGE 113 AND RE-RECORDED MARCH 06, 1990 AS ENTRY NO. 6818 IN BOOK 2670 AT PAGE 555 OF OFFICIAL RECORDS.

PARCEL NO. 3:

THOSE RIGHTS APPURTENANT TO PARCEL 1, AS SET FORTH IN THAT CERTAIN GRANT OF EASEMENT RECORDED SEPTEMBER 08, 1989 AS ENTRY NO. 26564 IN BOOK 2626 AT PAGE 74 AND RE-RECORDED SEPTEMBER 11, 1989 AS ENTRY NO. 26675 IN BOOK 2626 AT PAGE 385 AND RE-RECORDED FEBRUARY 15, 1990 AS ENTRY NO. 4759 IN BOOK 2665 AT PAGE 860 OF OFFICIAL RECORDS AND ALSO IN THAT CERTAIN AMENDED AND RESTATED GRANT OF EASEMENTS RECORDED APRIL 30, 2001 AS ENTRY NO. 41575:2001 OF OFFICIAL RECORDS.

PARCEL NO. 4:

THOSE RIGHTS APPURTENANT TO PARCEL 1, AS SET FORTH IN THAT CERTAIN CROSS-EASEMENT AGREEMENT DATED AUGUST 31, 1989, BY AND BETWEEN SHOPKO STORES, INC., D/B/A UVALKO SHOPKO STORES, INC., A MINNESOTA CORPORATION, SMITH'S FOOD KING PROPERTIES, INC., A UTAH CORPORATION, AND BOYER OREM ASSOCIATES, A UTAH LIMITED PARTNERSHIP, RECORDED SEPTEMBER 08, 1989 AS ENTRY NO. 26572 IN BOOK 2626 AT PAGE 123, RE-RECORDED FEBRUARY 15, 1990 AS ENTRY NO. 4760 IN BOOK 2665 AT PAGE 869, UTAH COUNTY RECORDER'S OFFICE, FIRST AMENDMENT RECORDED FEBRUARY 14, 1991 AS ENTRY NO. 6165 IN BOOK 2764 AT PAGE 50, SECOND AMENDMENT TO CROSS-EASEMENT AGREEMENT RECORDED OCTOBER 12, 1995 AS ENTRY NO. 69315 IN BOOK 3790 AT PAGE 187, THIRD AMENDMENT TO CROSS-EASEMENT AGREEMENT RECORDED APRIL 11, 2001 AS ENTRY NO. 33819:2001 AND FOURTH AMENDMENT TO CROSS-EASEMENT AGREEMENT RECORDED JUNE 01, 2005 AS ENTRY NO. 58459:2005 OF OFFICIAL RECORDS.

TAX I.D. 35-413-0001