This Master Lease Agreement is entered into as of the date set forth below by and between BALBOA CAPITAL CORPORATION ("Lessor") and
SHOPOK STORES OPERATING CO., LLC ("Lessee") with reference to the following facts:

A. From time to time Lessor desires to lease various items of personal property from Lessor; and
B. Lessee and I desire to lease the terms and conditions under which such Leases(s) shall be governed
C. "Master Lease" shall mean this agreement; "I" shall mean each Schedule entered into between Lessor and Lessee pursuant to this Master Lease

NOW THEREFORE, Lessor and Lessee agree as follows:

TERMS AND CONDITIONS OF LEASE

1. LEASE. Lessor shall lease to Lessee and Lessee shall lease from Lessor the items of equipment and other personal property (hereinafter, together with all replacements, repairs, substitutions, additions, accessories and accessories thereto and/or therewith, collectively called the "Equipment") described in the Schedule(s) (hereinafter individually called a "Schedule" and collectively called "Schedules") now or hereafter from time to time executed by Lessor and made a part hereof; all upon the terms and conditions hereinafter set forth as supplemented with respect to each item of Equipment by the terms and conditions set forth in each Schedule.

2. TERM. Each Schedule shall become effective upon acceptance by Lessor of the Leasing and delivering each Schedule and the term for any Schedule(s) shall commence on the date that the leased property has been delivered to Lessee, and shall continue for the term specified in each Schedule, unless terminated by Lessor by giving notice to the Lessee in accordance with the provisions of Subsection 2.6 below. Lessee shall pay all rentals, payments and charges due and payable during any period of time in which the Equipment is in the possession of Lessee or the possession of any person for whom Lessee is responsible, and shall pay for all services used or consumed by Lessee during any period in which the Equipment is in the possession of Lessee or the possession of any person for whom Lessee is responsible. Lessee shall be responsible for any and all taxes, license fees or charges imposed by any governmental authority in connection with the possession or use of the Equipment by Lessee.

3. RENT. The rent payable with respect to any Schedule(s) shall be the amount shown on each Schedule(s). Lessee shall pay to Lessor the rent for each Schedule, in advance for each period or any part thereof that each Lease is in effect as delineated in each Schedule. Each periodic payment shall be subject to a late charge of two percent (2%) of each such delayed payment. The late charge set forth in this contract shall apply only when permitted by law and, if permitted by law, the late charge shall be calculated as the maximum rate permissible by law. In the event that a check or other instrument tendered for payment is dishonored, Lessee shall be liable to Lessor for a fee of twenty dollars ($20.00) per check or dishonor.

4. FINANCE LEASE. Each Schedule may be terminated by Lessor or Lessee in accordance with the provisions of Subsection 2.6 below. Each Schedule may be renewed at the end of the base term if at least ten (10) days prior to the termination of the base term, written notice of such termination is delivered by Lessor via certified mail or overnight courier to each Lessee. Each Schedule may be terminated by Lessor at the end of the base term if at least sixty (60) days prior to the base term, written notice of such termination is delivered by Lessor via certified mail or overnight courier. Otherwise, the term of each Lease shall automatically extend for six (6) months following the termination thereof. As long as each Lease continues in effect, Lessee shall pay the rent accruing thereunder in accordance with the provisions of this Master Lease Agreement. On the expiration of the initial extension period, Lessee, at its sole option, may terminate the Lease upon ninety (90) days prior written notice to Lessor via certified mail or overnight courier. After the initial extension period, each Lease may be terminated by either Lessor or Lessee at any time thereafter upon ninety (90) days prior written notice of such termination is delivered to the other party via certified mail or overnight courier.

5. DISCLAIMER OF LESSOR WARRANTIES. LESSEE ACKNOWLEDGES THAT THE EQUIPMENT TO BE LEASED HEREUNDER WILL BE OF A TYPE, DESIGN, SIZE, CAPACITY AND MANUFACTURER SELECTED BY LESSEE, THAT Lessor IS NOT A MANUFACTURER OF, OR DEALER IN, THE EQUIPMENT; THAT NEITHER THE VENDOR, THE MANUFACTURER NOR ANY AGENT THEREOF IS AN AGENT OF LESSOR; THAT LESSOR HAS NOT, WILL NOT, AND HAS NO OBLIGATION TO, INSPECT THE EQUIPMENT PRIOR TO DELIVERY TO LESSEE; THAT LESSOR IS NOT RESPONSIBLE FOR REPAIRS, SERVICE OR DEFECTS IN THE EQUIPMENT OR OPERATION THEREOF; AND THAT LESSOR HAS NO REPRESENTATION, WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, OF ANY KIND OR AS TO ANY MATTER WHATSOEVER ON WHICH LESSOR MAY RELY, INCLUDING, BUT NOT LIMITED TO, THE MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, COMPLIANCE WITH LAWS, GOVERNMENTAL REGULATIONS OR RULES, ORDERS, SPECIFICATIONS OR CONTRACT, CONDITION, TITLE, QUALITY, DURABILITY, OR SUITABILITY FOR LESSEE'S PURPOSE OF THE EQUIPMENT IN ANY RESPECT, OR ANY PATENT INFRINGEMENT, OR LATENT OR PATENT DEFECTS.

6. LEASE, NO OFFSET. THIS IS A LEASE, AND ALL RENT AND ALL OTHER SUMS PAYABLE BY LESSEE HEREUNDER SHALL BE PAID UNCONDITIONALLY WHEN DUE WITHOUT ABATEMENT, DEDUCTION, COUNTERCLAIM OR SETOFF OF ANY NATURE INCLUDING WITHOUT LIMITATION ANY COUNTERCLAIM OR SETOFF ARISING OUT OF ANY PRESENT OR FUTURE CLAIM LESSEE MAY HAVE AGAINST LESSOR, OR ANY Assignee or Assign of LESSOR OR THE MANUFACTURER OR SUPPLIER OF THE EQUIPMENT, OR ANY OTHER PARTY. In no event, except as otherwise expressly provided herein, shall the Lessee terminate or vacate any of the Lessee's obligations be affected by reason of any defect in or damage to or loss or destruction of all or any part of the Equipment from any cause whatsoever, or any interference with Lessor's use of the Equipment by any person or for any other cause whatsoever.
7. COMMERCIAL RISK. Lessor bears all risk that the Equipment may become unusable for any reason, including without limitation loss, theft, damage, destruction, or defect. Governmental regulation, prohibition, impracticability of use, obsolescence, or commercial imprudence. No liability to use the Equipment shall result in the termination of any Lease or relieve Lessor from any of its obligations under any Lease.

8. USE AND LOCATION. Lessor shall use the Equipment in a careful and proper manner and in compliance with all laws, ordinances, regulations and insurance policy conditions in any way relating to the possession, use or maintenance of the Equipment. Unless the Equipment is of a type normally used at more than one location (such as vehicular equipment, construction machinery or the like), Lessor shall not remove the Equipment from the location designated in the applicable Schedule(s) without the prior written consent of Lessor. If an item of Equipment is of a type normally used at more than one location, Lessor shall not use the Equipment at any location designated in the applicable Schedule(s) without prior written approval of Lessor. Lessor shall comply with any and all applicable environmental laws and will not use any hazardous substances with the Equipment. Lessor represents and warrants to Lessor that the Equipment is being leased and will be used solely for commercial or business purposes and will not be used for personal, family or household purposes.

9. OWNERSHIP. The Equipment, or the equipment, or the software, or the rights to the assignment of the Equipment and/or its license(s) is, and shall at all times be and remain the sole and exclusive property of Lessor and Lessor shall have no right, title or interest therein or thereto except as expressly set forth in this Lease. Plates, labels or other markings stating that the Equipment is owned by Lessor shall be affixed to or placed on the Equipment by Lessor or, at Lessor's request or if required by law by Lessor at Lessor's expense and Lessor shall keep the same in a prominent position thereon.

10. PERSONAL PROPERTY. The Equipment is, and shall at all times be and remain, personal property notwithstanding that it or any part thereof may now be or hereafter become, in any manner affixed or attached to, or or, real property or any building whereon. Lessor agrees that it will furnish and record, at its own expense, such owner's, mortgagees' landforms, or other agreements, waivers or consent as may be necessary or reasonably requested by Lessor in order to give full effect to the intent and provisions of the preceding sentence.

11. MAINTENANCE AND REPAIRS. Lessor, at its own cost and expense, shall keep the Equipment in good repair, condition and working order and shall furnish any and all parts and mechanisms and devices required for such purpose. All such parts, mechanisms, and devices are to be furnished at the expense of Lessor and at Lessor's sole risk. In the case of damage or destruction of the Equipment, the Equipment shall thereafter become the property of Lessor and subject to the terms and conditions of this Lease. Lessor shall modify the Equipment if required by any governmental authority or law and will make such modifications known to Lessor by written notice to be delivered by certified mail.

12. ALTERNATIONS. Without the prior written consent of Lessor, Lessor shall not make any alterations, additions or improvements to the Equipment. All additions and improvements of whatsoever kind or nature made to the Equipment shall be at Lessor's sole cost and expense and when made become the property of Lessor and subject to the terms and conditions of this Lease.

13. LESSOR'S INSPECTION. Lessor after giving reasonable notice to Lessor shall during normal business hours have the right to enter into and upon any premises where any Equipment may be located for the purpose of inspecting such Equipment or observing its use. Lessor shall, whenever requested by Lessor, advise Lessor of the exact location of any and all items of Equipment.

14. LOSS, THEFT AND DAMAGE. Lessor shall at all times after signing this Lease, the entire risk of loss, theft, damage or destruction of the Equipment from any cause whatsoever, and no loss, theft, damage or destruction of the Equipment shall relieve Lessor of the obligation to pay rent or to comply with any other obligation under this Lease. In the event of damage to any part of the Equipment, Lessor shall place same in good repair at Lessor's expense. If Lessor determines that any part of Equipment is lost, stolen, destroyed or damaged beyond repair, Lessor shall, at Lessor's option do one of the following: (a) place such Equipment in good repair, condition and working order, acceptable to Lessor, or (b) replace such Equipment with like Equipment in good repair, condition and working order, acceptable to Lessor. In all events, the replacement cost of the lost, stolen, destroyed or damaged Equipment shall thereafter become the property of Lessor and subject to the terms and conditions of this Lease: or (c) pay Lessor therefor in cash the "Stipulated Loss Value" of such Equipment, defined as all cost and other amounts due and to become due under the Lease with respect to such Equipment plus twenty percent (20%) of the actual cost of said item of Equipment or plus the value equal to any purchase options, specified in the lease applicable therein, representing Lessor's maximum residual value in the Equipment at the end of the Lease term. Upon Lessor's receipt of payment as set forth above, Lessor shall be entitled to title in the Equipment AS IS AND WHEREAS and without warranty express or implied.

15. INSURANCE. Lessor agrees to maintain, at Lessor's expense Special Form property insurance protecting the Equipment for its full replacement value, naming Lessor as a loss payable on a "Lessor's Loss Payable" endorsement; and public liability insurance, in amounts acceptable to Lessor, naming Lessor as an additional insured (including "Required Insurances"). Lessor must provide Lessor satisfactory written evidence of Required Insurance within thirty (30) days of the commencement date of this Lease or of any subsequent written request. Each Policy shall expressly provide that said insurance as to Lessor and assigns shall not be invalidated by any act, omission, or neglect of Lessor and cannot be cancelled without thirty (30) days prior notice to Lessor. If Lessor does not do so, Lessor may obtain insurance from an insurance of Lessor's choosing in such forms and amounts as Lessor selects ("Lessor's Insurance"). Lessor's Insurance covers the Equipment and Lessor only and not Lessor. Lessor shall pay Lessor periodic charges for Lessor Insurance ("Insurance Charges") that include: a premium that may be higher than if Lessor maintained Required Insurance separately, a finance charge of up to the implicit rate of interest on any premium advances made by Lessor to Lessor's agents, and billing and processing fees; each of which may generate a profit to Lessor and Lessor's agents. If Lessor fails to pay billed Insurance Charges within thirty (30) days of due date, Lessor may pay them by applying funds paid under the Lease or by debiting Lessor's account under any previously authorized or authorized accounts. Lessor agrees to arbitrate any dispute with Lessor or Lessor's agents regarding Lessor Insurance or Insurance Charges under the rules of the American Arbitration Association in Los Angeles, California, provided, however, such agreement does not authorize class action arbitration. Lessor hereby appoints Lessor or its agents or assigns its true and lawful attorney-in-fact to make claims for, receive payments for, and execute and endorse all documents, checks or drafts for loss, theft, or damage or destruction of the Equipment under any property insurance. At Lessor's election in lieu of obtaining or continuing Lessor Insurance, Lessor may require Lessor to pay a monthly additional fee up to 2% of the 2% of the equipment cost.

16. ENCUMBRANCES AND TAXES. Lessor shall keep the Equipment free and clear of all liens, taxes, encumbrances, and covenants, and shall pay promptly when due, and shall indemnify and hold harmless from all licensing, registration fees and other import duties, assessments, charges and taxes (municipal, state, federal or otherwise) which may now or hereafter be imposed on the ownership, leasing, selling, resale, possession or use of the Equipment (whether the same be assessed to Lessor or Lessor), together with any penalties or interest in connection therewith, excluding, however, all taxes on or measured by Lessor's net income. If any such fee, assessment, duty, charges or tax, or is to be, assessed or billed to Lessor, Lessor shall promptly notify Lessor of the amount thereof, and at the expense of Lessor shall do all and all things required to be done by Lessor in connection with the levy, assessment, billing and payment thereof. Upon Lessor's request, Lessor shall, on any property tax returns required to be filed with respect to the Equipment, including the property covered by the Lease and any improvements or additions thereto requested by Lessor for purposes of taxation, shall cause all bills of sale, assignments, leases, charges or taxes to be addressed to Lessor in care of Lessor, and shall inform to Lessor written evidence of payment of the same. Alternatively, Lessor shall at the request of Lessor forthwith pay Lessor the amount (estimated otherwise) of any such fees, assessments, duties, charges and taxes, and Lessor shall apply the same to the payment thereof. Lessor shall also pay all taxes arising out of Lessor's exercise of any purchase option relating to any Lease (including sales tax).

17. LESSOR'S PAYMENT. In case of failure of Lessor to procure or maintain proper insurance or to pay such fees, assessments, duties, charges and taxes or to keep any item of Equipment free and clear of all liens, taxes and encumbrances, and to pay promptly when due, and shall indemnify and hold harmless from all licensing, registration fees and other import duties, assessments, charges and taxes or to keep such Equipment in good repair, condition and working order, as the case may be, to pay, purchase, consent or compromise any encumbrance or charge or lien which is the sole judgment of Lessor appears to affect such Equipment, and in exercising any such right, to incur whatever liability and expend whatever amounts in its absolute discretion it may deem necessary therefore. All sums so incurred shall immediately become due and payable by Lessor upon payment by Lessor and shall thereafter bear interest at the rate of 15% per annum but not greater than the highest rate permitted by any applicable usury law.

18. RETURN OF EQUIPMENT. Upon expiration of the term of any Lease, unless Lessor shall have duly exercised any purchase option with respect to such Lease, or after default, on demand by Lessor, Lessor shall at its sole cost and expense deliver the Equipment (in the same condition as when delivered to Lessor, reasonable wear and tear resulting from authorized use thereof alone) to Lessor's premises set forth above or such place leases as Lessor may, in Lessor's sole judgment. No return such shipment constitute termination of this Lease unless Lessor shall agree so in writing.
19. COMMITMENT FEES. Unless otherwise delineated on the respective Schedule(s), the amount, if any, which Lessee has deposited with Lessee as set forth in any Schedule shall constitute partial security for Lessee's obligations under this Lease. No commitment fee shall be required of Lessee. The Lessee's option to be applied at any time in partial satisfaction of any obligation of Lessee which may be in default, even though the making of such deposit shall not excuse Lessee from such other obligation and such application of the amount shall only release Lessee from the obligation pro rata. Lessee acknowledges that Lessee shall deposit this commitment fee and that the deposit of this commitment fee shall not be construed as an approved and/or acceptance by Lessee and shall not become binding upon Lessee until approved and accepted by Bevis Capital Corporation's Lessor Committee.

20. ASSIGNMENT BY LESSOR. Lessee may, at any time, with or without notice to Lessee, mortgage, grant a security interest in, or otherwise transfer sell or assign this Lease or any equipment or any rentals or other amounts due or to become due hereunder. Lessee agrees with Lessee and any such assignee (including but not limited to, any such assignee that has acquired any such interest by assignment or gift) that upon receipt by Lessee of such assignor of notice of such assignment, Lessee will make all further payments due or to become due hereunder to such assignee at the address specified in such notice of assignment and will recognize such assignee as the person entitled to exercise all other rights of Lessee hereunder. Lessee acknowledges that any assignment or transfer of this Lease or any part thereof (a) will not affect the validity of any lien or the equipment from any premises where there may be any other lien; (b) will not affect the rights of Lessor to repossess and remove the Equipment from any premises where there may be any such lien; and (c) will not affect the right of Lessor or assignee to exercise any other remedy under this Lease, and (d) will not discharge Lessor from any other obligation hereunder except as stated or certified, or by any other order or judgment of a court of competent jurisdiction.

21. DEFAULT. Any of the following events or conditions shall constitute a default hereunder: (a) any notice of any default or any other event or condition required to be performed by Lessee under any agreement or instrument, which default has not been waived; (b) the issuance of any writ or order of attachment or execution or other legal process against any Equipment which is not discharged or satisfied within ten (10) days; (c) cash or judicial declaration of incompetency of Lessee, if an individual; (d) the commencement of any bankruptcy, insolvency, arrangement, reorganization, receivership, liquidation or other similar proceedings by or against Lessee which is not discharged within sixty (60) days; (e) the mailing by Lessee of a general assignment or deed of trust for the benefit of creditors; (f) the occurrence of any event or condition described in clause (a), (c), (d) or (f) of Paragraph 21 with respect to any guarantor or any other party liable for payment or performance of each Lease; (g) any certificate, statement, representation, warranty or affidavit hereunder furnished by or on behalf of Lessee or any guarantor or other party liable for payment or performance of this Lease, pursuant to or in connection with this Lease, proves to have been false in any material respect at the time of the binding thereof to Lessee hereunto stated or certified, or to have included any actual or potential contingent or unliquidated liability or claim against Lessee or any such guarantor or other party; (h) if the condition of Lessee's affairs shall change so as to be in the reasonable opinion of Lessor to impair Lessee's title or full performance of its covenants under this Lease; (i) exercise of any of the remedies of Lessee hereunder (including re-repossession); (j) exercise of any remedies by Lessee hereunder, whether or not such assignee agrees against Lessee; (k) execution or any change in the ownership, control, or other legal status of Lessee or any other individual or entity having an interest in or control of Lessee; (l) change in any of the liabilities of Lessee or any guarantor or other party liable for payment or performance of each Lease; (m) exercise of any remedies hereunder, which exercise may be by Lessor or its assigns by agreement with any assignee or by Lessor or its assigns without notice or consent of or to Lessee or any guarantor or other party liable for payment or performance of this Lease.

22. REMEDIES OF LESSOR. Upon the occurrence of any Event of Default and at any time thereafter, Lessee may, without demand or notice to Lessee and without terminating or otherwise affecting Lessee's obligations hereunder exercise one or more of the following remedies as Lessee in its sole discretion shall elect: (a) Lessee may use for and recover from Lessee the sum of all unpaid rentals and other sums due under each Lease, discounted to their present value at a discount rate of four percent (4%) as of the date of default, the net proceeds of disposition, if any, of the Equipment; (b) require Lessee to assemble the Equipment and make it available to Lessee at a place designated by Lessee as provided in Paragraph 18 above; (c) sell and hold possession of the Equipment and render the Equipment unavailable, and for this purpose enter and remove the Equipment from any premises where the same may be located and to dispose of the Equipment in any manner and for any purpose, including, but not limited to, advertising or selling, or soliciting purchasers of, any item of the Equipment, products, or services; (d) sell or lease the Equipment in any place or manner and to any person, firm, corporation or body politic and corporate without notice of any of Lessee's rights or interests in and to the Equipment, to the extent necessary to carry out the remedies prescribed in Paragraphs (c) and (f) hereof; (e) exercise any and all rights accruing to a lessor under any applicable law upon a default by Lessee; (f) proceed by appropriate action either at law or in equity to enforce any of the covenants of this Lease or to recover damages for the breach of such covenants; or; (g) exercise all and any rights accruing to a lessor under any applicable law upon a default by Lessee. Lessee's signature, photograph, likeness, in any manner and for any purpose, including, but not limited to, advertising or selling, or soliciting purchasers of, any item of the Equipment, products, or services; (d) sell or lease the Equipment in any place or manner and to any person, firm, corporation or body politic and corporate without notice of any of Lessee's rights or interests in and to the Equipment, to the extent necessary to carry out the remedies prescribed in Paragraphs (c) and (f) hereof; (e) exercise any and all rights accruing to a lessor under any applicable law upon a default by Lessee; (f) proceed by appropriate action either at law or in equity to enforce any of the covenants of this Lease or to recover damages for the breach of such covenants; or; (g) exercise all and any rights accruing to a lessor under any applicable law upon a default by Lessee.
25. ASSIGNMENT BY LESSEE. WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR, LESSEE SHALL NOT VOLUNTARILY OR INVOLUNTARILY (A) SELL, ASSIGN, TRANSFER, PLEDGE, GRANT A SECURITY INTEREST IN, HYPOTECATE OR OTHERWISE DISPOSE OF ANY LEASE, THE EQUIPMENT, OR ANY INTEREST IN EACH LEASE OR THE EQUIPMENT; (B) SUBLET OR LEND ANY ITEM OF EQUIPMENT OR ANY PART THEREOF; OR (C) PERMIT ANY ITEM OF EQUIPMENT OR ANY PART THEREOF TO BE USED BY ANYONE OTHER THAN LESSEE'S EMPLOYEES.

26. FURTHER ASSURANCE: Lessee hereby agrees and does hereby appoint Lessee or its agents or assigns its true and lawful attorney-in-fact to prepare, execute and sign any instrument or financing statement necessary to protect Lessee's rights, title and interest in the Equipment subject hereto, and to sign the name of the Lessee with the same force and effect as if signed by Lessee and to file same at the proper location or locations, and further agrees that Lessee may file financing statements in its name or in the name of any agent designated by Lessee in a separate agreement entered into by us without the consent of or notice to Lessee. Lessee hereby authorizes Lessee or its agents, to file a financing statement without Lessee's signature, in form and content and for purposes sufficient to perfect a security interest in the Equipment. Lessee agrees to furnish financial statements, including a balance sheet and income statement for Lessee a two most current fiscal years and for each subsequent fiscal year that this Lease is in effect and its most recently prepared financial statement.

27. ATTORNEY FEES. In the event of any legal action with respect to this Lease, the prevailing party in any such action shall be entitled to reasonable attorney fees, including attorney fees incurred at the trial level including action in any bankruptcy court, on appeal or review or incurred without action, suit or proceedings together with all costs and expenses incurred in pursuit thereof.

28. NO AGENCY. LESSEE ACKNOWLEDGES THAT NEITHER THE SUPPLIER NOR ANY SALESMAN, EMPLOYEE, REPRESENTATIVE OR AGENT OF THE SUPPLIER OR ANY FINDER, BROKER, OR EMPLOYEE OR AGENT OF ANY FINDER OR BROKER OR IS AN AGENT OR REPRESENTATIVE OF LESSOR, AND THAT NONE OF THE ABOVE IS AUTHORIZED TO WAIVE, ALTER OR ADD TO ANY TERM, PROVISION OR CONDITION OF THIS MASTER LEASE OR ANY SCHEDULE HEREETO, OR MAKE ANY REPRESENTATION WITH RESPECT TO THIS MASTER LEASE OR ANY SCHEDULE HERETO. Lessee further acknowledges that Lessee, in executing this Lease, has relied solely upon the terms, provisions and conditions contained herein, and if any other statements, warranties or representations, if any, by the supplier, or any salesman, employee, representative or agent of the supplier or any finder, broker, or employee or agent of any finder or broker have not been relied upon by Lessee and shall not in any way affect Lessee's obligation to pay rent and otherwise perform as set forth in this Master Lease.

29. LESSEE'S WARRANTIES: Lessee represents and warrants to Lessee that (a) Lessee is duly organized, validly existing, and in good standing under applicable state law; (b) Lessee will authorize the signing, delivery and performance of each Lease before signing it; (c) when fifty signed and delivered each Lease will be a legal, valid and binding agreement of Lessee, enforceable against Lessee in accordance with its terms and conditions, and will not violate or cause a default under any law, rule, regulation, judgment, order, instrument, agreement or charter document governing Lessee or its property; (d) no action with any government authority is required for Lessee to enter into this Lease; (e) there are no pending or threatened actions or proceedings before any court or administrative agency that could have a material adverse effect on Lessee's ability to pay Lessee, nor is Lessee in default under any lease, loan or purchase agreement; (f) each Lease will be effective against all creditors of Lessee under applicable law, including fraudulent conveyance and bulk transfer laws; (g) the financial statements and other information furnished to Lessee are and shall be true and correct in all material respects and Lessee will be relying on the information contained therein; and (h) that Lessee has a valid, legal, and binding agreement for the purchase and delivery of the Equipment and that the purchase and delivery of the Equipment is not conditioned on the approval of any third party.

30. MISCELLANEOUS: Time is of the essence of each Lease and of each and all of its provisions. Lessee and Lessee agree that any amount which Lessee may recover from Lessee under subparagraph 14 (c) or Paragraph 22 of this Lease represents liquidated damages for the loss of Lessee's bargain and not a penalty. If there is more than one Lease to this Master Lease, the liability of each shall be joint and several and any release or forgiveness with respect to one Lease shall not release any other Leases. Lessee shall be entitled to specific performance of any and all of the terms of the Lease whether or not Lessee has made a deposit or paid any sum related to or acting out of this Master Lease. Lessee and any guarantors or subscribers to this Lease are hereby made express and actual principals of each and all of the terms, provisions and conditions of this Lease and the agreement, and are jointly and severally liable therefor. Lessee and any guarantors or subscribers to this Lease are hereby made express and actual principals of each and all of the terms, provisions and conditions of this Lease and the agreement, and are jointly and severally liable therefor.

31. COUNTERPART: If this document was sent electronically, you hereby warrant that this document has not been altered in any way. Any alteration or revision to any part of this or any attached documents will make all such alterations or revisions non-binding and void. Only one counterpart of the Lease and of each Schedule or Addenda shall bear our ink signed signature and shall be marked "Original." To the extent that any Lease, Schedule or Addenda constitute a chattel paper (as that term is defined by the Uniform Commercial Code), a security interest may only be created in the Lease, Schedule or Addenda that bears our ink signed signature and is marked "Original."

31. NO ALTERATIONS: Lessee hereby warrants that this document has not been altered in any way. Any alteration or revision to any part of this or any attached documents will make all such alterations or revisions non-binding and void.

IN WITNESS WHEREOF the parties have caused this Lease to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

ACCEPTED BY:

LESSEE:
ShopKo Stores Operating Co., LLC
700 Pilgrim Way
Green Bay, WI 54304

By:
Gary Gibson – Vice President and Treasurer

DATE: June 11, 2012
June 26, 2012

Shopko Stores Operating Co., LLC
700 Pilgrim Way
Green Bay, WI 54304

Re: Schedule No. 171984-000 dated June 25, 2012 (the “Schedule”) between BALBOA CAPITAL CORPORATION (the “Lessor”) and Shopko Stores Operating Co., LLC (the “Lessee”), which incorporates by reference the terms and conditions of Master Lease Agreement No dated June 11, 2012 (the “Master Lease”). The Schedule and Master Lease are referenced herein collectively as the “Lease”

Term: 12 Quarters (12) Quaters remaining
Quarterly Rental: $129,565 78

To Whom It May Concern:

Notice is hereby given that the Lessor has made an assignment of the Lease and granted a security interest in the underlying property (the “Equipment”) to Pacific Western Equipment Finance, a division of Pacific Western Bank (the “Secured Party”).

Lessee is hereby directed, and by signature below agrees, to pay directly to Secured Party at the address set forth below, all rental payments, casualty payments, loss or termination payments, accelerated payments upon default, attorney’s fees and expenses of collection and enforcement of the Lease, all hereinafter referred to as “Payments”.

The following payments due to Lessor under the Lease shall be paid to the Secured Party at 6975 Union Park Center, Suite 200, Cottonwood Heights, UT 84047 as follows: Eleven (11) consecutive quarterly payments of $129,565 78 and 1 final quarterly payment of $86,377 19 commencing on September 29, 2012 through and including the payment due on June 29, 2015.

Lessee, by signature below, acknowledges and agrees that: Lessee’s obligations to make Payments under the Lease and the rights of Secured Party in and to such amounts, shall be absolute and unconditional and shall not be subject to any abatement, reduction, setoff, defense, counterclaim or recoupment whatsoever; Lessee will not modify or consent to any modification of the terms of the Lease or any related documents or enter into any sublease of the Equipment without the prior written consent of Secured Party; the Lease represents the sole agreement between Lessor and Lessee respecting the lease, Equipment, the rentals, and all other payments due under the Lease; the Secured Party shall not have any affirmative obligation under the Lease; and, that there are no liens or judgments, suits or proceedings, pending or threatened against Lessee which would adversely affect Lessee’s ability to make Payments under the Lease.

Very truly yours,

BALBOA CAPITAL CORPORATION

BY: [Signature]

TITLE: [Title]

Acknowledged by:

LESSEE:
SHOPKO STORES OPERATING CO., LLC

BY: [Signature]

TITLE: [Title]

DATE: 6-25-12
**Lease Schedule No. 171984-000**

This Schedule is made as of the Acceptance Date set forth below and is made pursuant to and incorporates by reference each and every term of that certain Master Lease Agreement dated __________ as through fully set forth herein.

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<th>Lessee</th>
<th>Location of Leased Property</th>
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<tbody>
<tr>
<td>Shopko Stores Operating Co., LLC</td>
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<th>Street</th>
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<tr>
<td>700 PILGRIM WAY</td>
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<th>City, State, Zip Code</th>
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<td>Green Bay, WI 54304</td>
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<td>Gary Gibson</td>
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</table>

<table>
<thead>
<tr>
<th>Title</th>
<th>Phone No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vice President, Treasurer</td>
<td>920-496-7200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ITEM</th>
<th>QUANTITY</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>See Exhibit ‘A’, attached hereto and made a part hereof.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BASE TERM</th>
<th>DEPOSIT</th>
<th>Deposit to be applied to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>$43,188.59</td>
<td>Last Quarterly Rental</td>
</tr>
</tbody>
</table>

| QUARTERLY PAYMENT | 129565.78 |
|                   | +Plus Sales/Use tax if applicable |

**LENDER:**
Balboa Capital Corporation

**By:** [Signature]
Vice President

**Date:** 2/10/12

**LESSEE:**
Shopko Stores Operating Co., LLC

**By:** [Signature]
Gary Gibson, Vice President Treasurer

**Date:** 06/25/12
Remittance Section

<table>
<thead>
<tr>
<th>Customer Number:</th>
<th>98311</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Number:</td>
<td>171984-000</td>
</tr>
<tr>
<td>Invoice Number:</td>
<td>1620200</td>
</tr>
<tr>
<td>Invoice Due Date:</td>
<td>8/20/12</td>
</tr>
<tr>
<td>Total Due:</td>
<td>$148,285.30</td>
</tr>
<tr>
<td>Amount Remitted:</td>
<td>$148,285.30</td>
</tr>
</tbody>
</table>

*DO NOT PAY FROM THIS INVOICE*
ACH INVOICE
WE WILL AUTOMATICALLY DEBIT YOUR BANK ACCT FOR THE CHARGES SHOWN ON/AFTER DUE DATE,

Keep lower portion for your records – Please return upper portion with your payment

Customer Name: SHOPKO STORES OPERATING CO., L.
Customer Number: 98311
Invoice Date: 7/30/12
Invoice Due Date: 8/20/12
Previous Amount Due: $87,125.35

Important Messages

Important Note: Manage your account online - access your future invoices and get detailed account information by registering at www.Balboacapital.com/customercenter

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount Due</th>
<th>Payment</th>
<th>Balance Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous Amount Due/Payment</td>
<td>$87,125.35</td>
<td>(87,125.35)</td>
<td>$0.00</td>
</tr>
<tr>
<td>Documentation</td>
<td>$13,976.41</td>
<td>$0.00</td>
<td>$13,976.41</td>
</tr>
<tr>
<td>UCC</td>
<td>$79.00</td>
<td>$0.00</td>
<td>$79.00</td>
</tr>
<tr>
<td>Wire Fee</td>
<td>$120.00</td>
<td>$0.00</td>
<td>$120.00</td>
</tr>
<tr>
<td>Prorated Rnt:07/02/12-09/28/12</td>
<td>$66,428.62</td>
<td>$0.00</td>
<td>$66,428.62</td>
</tr>
<tr>
<td>Prorated Rnt:07/02/12-09/29/12</td>
<td>$61,697.53</td>
<td>$0.00</td>
<td>$61,697.53</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>$5,983.74</td>
<td>$0.00</td>
<td>$5,983.74</td>
</tr>
</tbody>
</table>

PLEASE PAY THIS AMOUNT $148,285.30

If you have questions regarding your invoice, please register and log onto www.balboacapital.com or give us a call at (888) 272-1800.
LEASE NUMBER: 171984-000

LESSOR: BALBOA CAPITAL CORPORATION

VEHICLE ADDENDUM

ADDENDUM TO LEASE OF EQUIPMENT DATED 6/25/12

THE TERM "VEHICLE" AS USED HEREIN SHALL BE DEEMED TO REFER TO AN ITEM OF EQUIPMENT AS DEFINED IN THE LEASE

RETURN OF VEHICLES: Upon termination of this lease by expiration of the term thereof or in the event of Lessor's default as hereinafter defined, Lessee will at its own cost and expense, promptly return each Vehicle to Lessor at an address specified by Lessor in the same condition as received as hereinafter defined and normal depreciation alone excepted ("Average Saleable Condition"). Lessee will pay for any repairs required to place each Vehicle in Average Saleable Condition, including parts and labor. Lessee shall, without delay, cause each Vehicle to be insured and delivered to Lessor to such location as Lessor shall direct.

The term "Average Saleable Condition" shall apply to any Vehicle returned to Lessor, with the following conditions required to be fulfilled:

Tires: On each Vehicle which is a power unit, all tires will have a minimum of 50% remaining tread. On each Vehicle which is a trailer or van, all tires shall have a minimum of 35% remaining tread.

Engine: The engine for each Vehicle which is a power unit must have been maintained in accordance with manufacturer's recommendations, including overhauling as required. At the time of return, the engine must be capable of meeting manufacturer's minimum operational specifications while under full load.

Transmission and Rear Axle: The transmission and rear axle for each Vehicle must also meet manufacturer's minimum operating specifications under full load.

Brakes: Brake lining for each Vehicle on all wheels will have a remaining life of 50%.

General Condition: Damage to exterior or interior materials may not exceed $500 cost of repairs for each Vehicle. All operating components of each Vehicle must meet applicable vehicle inspection standards and be able to perform their function as originally intended. All mechanical and electrical equipment, including radios, heaters, air conditioner refrigeration units, etc., must be in proper operating condition.

Mileage: Odometer reading as of date of lease: ___________ miles

Mileage charge shall be 5 cents per mile in excess of the following allowable yearly totals:

1. Light duty (1-1/2 tons & less) (i.e. pickups, vans, ambulances, limousines, automobiles, light utility): 25,000 miles per year
2. Class 5, 6 (medium/heavy duty gas engine) (i.e. rental trucks, small delivery): 24,000 miles per year
3. Class 7 (medium duty diesel trucks) (i.e., heavy duty GVW with small diesel engines): 50,000 miles per year
4. Class 8 heavy duty diesel tractor units (over road/long haul units): 100,000 miles per year

MAINTENANCE AND REPAIRS: All service, materials and repairs in connection with the use and operation of each Vehicle during the lease term, including but not limited to gasoline, oil, batteries, repairs, maintenance, tires, tubes, and towing necessary for proper use and operation, are at Lessor's sole expense. Lessee agrees that the oil in the crankcase shall at all times be kept at proper level and shall be kept up to Lessor's specifications, as provided in the manual provided by the manufacturer of the Vehicle. Lessor shall not be liable for repairs not performed by Lessor. Repair of the Vehicle shall be in accordance with the manufacturer's specifications.
OBLIGATION TO PAY MISCELLANEOUS CHARGES: Lessee agrees to pay all storage charges, parking charges and fines. Lessee will pay any fees (including Vehicle registration and inspection fees) or taxes which may be imposed with respect to each Vehicle by any governmental authority. In the event of default any expenses incurred will be included as lease damages and due from the Lessee.

TILLING AND REGISTRATION: We are the owner of the Equipment and you guarantee that physical tilling of the Equipment will be accomplished in a timely manner. Each Vehicle subject to this Lease shall bear license plates and the title thereto shall be registered in the name of Lessor. Annual registration and license fees shall be paid by Lessee. You agree to provide to us the original title documentation or DMV receipt. This will be provided within 30 days of when you receive it from the titling authority. If you fail to do so, you will be in default of this Agreement. You further agree to pay a month to month unobtained tilling fee if we have not received the correct transferred title in our office and agree to indemnify us from any damage or loss we incur from your failure.

INITIAL: You, at your sole cost, will obtain and maintain all registrations, tilling, plates, permits and licenses necessary for the use of the Equipment in your business, and in conformance with the laws of the state within the principal place of business of the Lessee is located or in the principal place where the Vehicle is garaged. You further grant us limited power of attorney to sign off on any title documentation in case of any repossession or termination. You also grant us security interest in the equipment if this agreement is deemed a secured transaction and you authorize us to record a UCC-1.

INSURANCE: Lessee shall procure and maintain in full force and effect at all times, at Lessee’s expense, with a responsible insurance company acceptable to Lessor, insurance coverage for the maximum insurable value of the equipment insuring Lessee and Lessor, as their interests may appear, against liability for death, bodily injury and property damage resulting from ownership, maintenance, use or operation of the equipment, with minimum coverage per occurrence as follows:

Minimum limits for each vehicle to be maintained by Lessee:

Bodily injury liability per individual: $1,000,000
Bodily injury liability per accident: $1,000,000
Property damage liability: $500,000
Fire, theft and Comprehensive: Full Value
Collision Value Deductible (deductible part to be paid by Lessee)

OR Combined Single Limits: $1,000,000

Comprehensive and Collision – Valued at ACV with Maximum deductible of $2,500

Such continuous insurance coverage shall be provided for the period from delivery of the first item of equipment to Lessee to the date of termination of this Lease. Lessee shall provide Lessor copies of the insurance policies or other evidence of the maintenance of such insurance. Lessor must be named on the policy as "additional insured" and "loss payee".

The following shall constitute an additional Event of Default under the Lease: "expiration or cancellation of any policy of insurance agreed to be paid for by Lessee, or the cessation in force according to its original terms of any such insurance, or of any extension or renewal thereof, during the entire term of this Lease".

EXCEPT IN THE EVENT OF DIRECT CONFLICT BETWEEN THIS ADDENDUM AND THE ABOVE REFERENCED LEASE, THE PROVISIONS OF THIS ADDENDUM SUPPLEMENT SAID LEASE AND SHALL NOT BE DEEMED TO MODIFY, REPLACE, OR CANCEL ANY PROVISION OF SAID LEASE, IN THE EVENT OF CONFLICT BETWEEN THIS ADDENDUM AND SAID LEASE, THE PROVISIONS OF THIS ADDENDUM SHALL CONTROL.

"Delivery of this document bearing a facsimile signature or signatures shall have the same force and effect as if the document bore an original signature."

LEASOR:
BALBOA CAPITAL CORPORATION

By: [Signature]
Title: Vice President
Date: 7/10/12

LESSEE:
Shonko Stores Operating Co., LLC

By: [Signature]
Name: Gary Gibson
Title: Vice President and Treasurer
Date: 06/25/12
Addendum to
Master Lease Agreement # 171984-000

Reference is made to the above-referenced Lease Agreement and Lease Schedule ("Lease") dated by and between Shopko Stores Operating Co., LLC as Lessee, and BALBOA CAPITAL CORPORATION as Lessor.

Notwithstanding the terms and conditions contained in the Lease and to the limited extent hereof, the parties hereto agree as follows:

"AFTER THE FINAL BASE LEASE PAYMENT HAS BEEN MADE, PLUS ALL ACCRUED BUT UNPAID LATE CHARGES, INTEREST, TAXES, PENALTIES AND/OR ANY OTHER SUMS DUE AND OWING UNDER THE LEASE AGREEMENT, AND NO EVENT OF DEFAULT, AS THE SAME IS MORE FULLY DESCRIBED IN SAID LEASE, HAS OCCURRED OR IS CONTINUING, (AS TO LEASE SCHEDULE 000 TO SAID LEASE), THE LESSEE SHALL PURCHASE SAID EQUIPMENT FROM LESSOR FOR ONE DOLLAR ($1.00) PLUS APPLICABLE SALES TAX, AT WHICH TIME TITLE SHALL TRANSFER FROM LESSOR TO LESSEE 'AS-IS, WHERE-IS', WITHOUT ANY WARRANTIES, EXPRESS OR IMPLIED."

In all other respects, the terms and conditions of the Lease, as originally set forth, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, by their authorized signatories, have executed this Addendum "A" at the date set forth below their respective signatures.

LESSOR:
Balboa Capital Corporation

By: __________________________
Vice President

Date: _________________________

LESSEE:
Shopko Stores Operating Co., LLC

By: __________________________
Gary Gibson, Vice President

Date: 06/25/12

Exhibit A, Page 34