

ShopKo Stores Operating Company, LLC
Buying Agency Agreement

- I. THIS AGREEMENT, made and entered into the ___th OF _____ 20____by and between ShopKo Stores Operating Company, LLC, located at 700 Pilgrim Way, P. O. Box 19060, Green Bay, Wisconsin 54307-9060 (hereinafter referred to as "PRINCIPAL"), and having its principal office at _____ (hereinafter referred to as "AGENT").

- II. IT IS MUTUALLY AGREED by and between the parties hereto that the PRINCIPAL hereby appoints the AGENT to be a nonexclusive buying agent for PRINCIPAL in _____ for the period commencing on the date of this Agreement and continuing until terminated by either party on thirty (30) days prior written notice to the other party. In no event shall termination relieve AGENT from any unfulfilled obligation pursuant to the terms of any order or the terms of this agreement. Notwithstanding any such termination, this agreement shall continue in effect as to any open or incomplete orders or those on which there is a pending claim.

- III. AGENT shall visit foreign manufacturers of the merchandise from time to time and shall collect samples and submit same to PRINCIPAL. AGENT shall also report regularly to PRINCIPAL as to the market situation and the availability of merchandise. Further, AGENT shall obtain price quotes for PRINCIPAL relative to various items of merchandise which it handles for PRINCIPAL or for other items of merchandise which PRINCIPAL specifies.

- IV. AGENT shall use its best efforts to advise PRINCIPAL relative to current styles, trends, prices, duty rates, availability and quality with respect to the merchandise. AGENT shall place orders for merchandise for PRINCIPAL only upon written instructions from PRINCIPAL, and only upon such terms and conditions as PRINCIPAL designates in writing. Such orders may only be placed with the particular manufacturer which the PRINCIPAL has approved for that particular purchase.

- V. Whenever PRINCIPAL places orders for merchandise through AGENT, AGENT shall maintain contact with the manufacturers, verify in accordance with trade usage that the quantity, quality and condition of the merchandise corresponds to the order specifications. Further, AGENT shall inspect the merchandise, and take whatever action is reasonably

- necessary to insure that merchandise is produced and shipped in accordance with the order and on schedule. AGENT shall provide as is reasonably possible notification to the PRINCIPAL of all possible or actual delivery delays and other changes in the original order. AGENT will cause to be prepared inspection certificates with respect to the merchandise and shall forward same to PRINCIPAL or PRINCIPAL's designee.
- VI. AGENT shall be responsible for all expenses incurred in connection with the performance of its services hereunder, including by way of example and not by way of limitation, salaries, travel, promotional and operational expenses.
- VII. In consideration of the satisfactory performance of AGENT as Buying Agent, PRINCIPAL agrees to pay AGENT a commission equal to _percent of the F.O.B. price of the merchandise shipped to PRINCIPAL by the aforesaid specified manufacturers where AGENT has performed the above services. This commission shall be separately invoiced by AGENT.
- VIII. The AGENT, in executing this Agreement, certifies that it does not have and will not have, directly or indirectly, any financial interest in or any control of any organization engaged in the production, sale or distribution of merchandise purchased with the assistance of the AGENT, and that AGENT does not on its own account, sell or benefit from the sale of raw materials for the production of such merchandise. The AGENT further certifies that it will not accept, directly or indirectly, any remuneration or benefits from any person or organization connected with the production, distribution, or transportation of the merchandise ordered other than the commissions paid hereunder by the PRINCIPAL; and that AGENT will not, directly or indirectly, give, make, or permit others to give or make payments or benefits to any employee of PRINCIPAL or to any person or organization to whom such gift or payment would constitute a violation of the United States of America "Foreign Corrupt Practices Act of 1977", or any other applicable laws. AGENT will report promptly to PRINCIPAL any violation or attempted violation of this paragraph or the law by anyone connected with any purchases made pursuant to this Agreement.
- IX. Both parties acknowledge that as required the PRINCIPAL may disclose the terms of this agreement and the payment of commissions thereunder to the appropriate United States Customs authorities.

- X. The conditions of PRINCIPAL's purchase order and letter of credit shall be applicable to all purchases. Compliance and enforcement of compliance with the conditions are part of AGENT's duties hereunder. AGENT agrees that it is familiar with the general provisions of PRINCIPAL's Purchase Order and letter of credit. AGENT agrees that all matters relating to any transaction are confidential and proprietary and shall not be disclosed by AGENT or its employees to others except as may be necessary to fulfill AGENT's obligations hereunder or to assist Vendor in fulfilling such Purchase Order.

- XI. All documents, including Commercial and Customs Invoices must be an exact reflection of the purchase. The name of the manufacturer must be shown for each item purchased.

- XII. PRINCIPAL will provide letters of credit or other financial arrangements as required to cover merchandise on order.

- XIII. AGENT agrees to exercise their best effort to assure all merchandise and documentation conforms in all respects with laws and regulations or instruments having the force of law which may be in force from time to time in any part of the Destination or place of ultimate use governing health and safety standards, product liability, consumer protection, and any other applicable laws.

- XIV. Limits of Authority. Except for the authority hereinafter granted, it is agreed and understood that AGENT shall have no authority whatsoever to make any agreements, representations or warranties, or conduct business in the name or for the account of PRINCIPAL. No authority is hereby conferred on the AGENT to make any financial transaction for or on behalf of the PRINCIPAL except to the extent that specific authority to do so may hereafter be conferred on the AGENT in writing from an authorized officer of the PRINCIPAL. This Agreement may not be assigned by AGENT, without the prior written consent of PRINCIPAL.

- XV. AGENT shall indemnify and hold harmless PRINCIPAL as to all costs, fees, expenses, judgments, fines, penalties, or the like, including reasonably attorney's fees and associated costs, arising out of, or in connection with, any failure by AGENT to perform this Agreement or to comply with laws and regulations relative thereto.

XVI. This Agreement is intended to be the full and complete understanding of the rights and obligations of the parties relating to the subject matter hereof and supersedes all previous agreements. No provision of this Agreement shall be deemed waived, amended or modified by either party unless such waiver, amendment or modification shall be in writing and signed by the party against whom it is sought to be enforced.

XVII. This agreement is in effect as of the date first written and may be cancelled on 30 days written notice by either party. If no transactions are recorded between PRINCIPAL and AGENT for a period of two years, this agreement is deemed to be null and void.

XVIII. IN WITNESS WHEREOF, the parties hereto, by their respective duly authorized officers have executed this Agreement as of the day and year first above written.

PRINCIPAL: SHOPKO STORES
OPERATING COMPANY, LLC
By: _____
(Authorized Signature)

(Title)

(Date)

BUYING AGENT
AGENT: _____
By: _____
(Authorized Signature)

(Title)

(Date)

(if AGENT is a corporation,
show name of corporation
and the title of the
corporate officer signing
the Agreement.)

