

SECURED PROMISSORY NOTE
No. 043007-7005

\$4,020,000.00

Minneapolis, Minnesota
April 30, 2007

FOR VALUE RECEIVED, the undersigned, MGC FINANCE INC., a Minnesota corporation (the "Company") promises to pay to the order of ARROWHEAD CAPITAL FINANCE LTD or its assigns (the "Holder"), at the place designated at any time by the holder hereof, in lawful money of the United States of America and in immediately available funds, the principal amount of Four Million Twenty Thousand and No Cents United States Dollars (\$4,020,000.00) (the "Principal Amount") on the earlier of (i) the July 29, 2007 day, but in no event later than the 182nd day, after the date hereof, or (ii) the business day after the date upon which Company receives available funds from payment from the buyer on the inventory sale financed by the proceeds of this Note (such date, the "Maturity Date"), together with interest on the unpaid principal balance hereof from the date hereof until this Note is fully paid, at an annual rate of interest, calculated on the basis of actual number of days elapsed in a 360 day year, that shall be equal to Thirteen percent (13%). The proceeds of this Note will be used to purchase inventory pursuant to the purchase order attached hereto. This Note is secured pursuant to a Security Agreement dated as of April 20, 2007 made by the Company in favor of the Holder (as such agreement may be amended, restated, modified or replaced from time to time, the "Security Agreement").

1. **Prepayment.** This Note may be prepaid in whole or in part at any time or from time to time, without penalty or premium. Payments hereunder shall be applied first to the payment of accrued interest and then to reduction of principal.

2. **Events of Default.** The occurrence of any one or more of the following events shall constitute an "Event of Default." The Company shall (a) fail to make when due, whether by acceleration or otherwise, any payment of principal of, or interest on, this Note; (b) fail to observe any covenant contained herein or in any related transaction document or fail to preserve, or contest the validity of, the security interest created in favor hereof by the Security Agreement or otherwise, or (c)(i) be or become insolvent, (ii) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the Company or of all or a substantial part of the Company's property, (iii) commence a voluntary case under any federal or state bankruptcy, insolvency, or similar law, (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or (v) admit in writing its inability to pay its debts as they come due (vi) make an assignment for the benefit of its creditors; or (vii) become an involuntary party to (or be made the subject of) any bankruptcy proceeding or any other insolvency, readjustment of debt, marshalling of assets and liabilities, or similar procedures of or relating to the Company or relating to all or a significant portion of its properties, which proceeding is not dismissed within 60 days after the commencement thereof.

3. **Remedies.** If any Event of Default shall occur and be continuing, the outstanding unpaid principal balance of this Note and the accrued interest thereon shall automatically become immediately due and payable. In addition, upon any Event of Default, the Holder may exercise all rights and remedies under the Security Agreement and any other instrument, document or agreement in favor of the Holder, and enforce all rights and remedies under any applicable law. No delay or failure on the part of the Holder in exercising any right or remedy hereunder, or at



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law or at equity, shall operate as a waiver of or preclude the exercise of any such right or remedy, and no single or partial exercise by the Holder of any such right or remedy shall preclude or estop another or further exercise thereof or exercise of any other right or remedy. No waiver by the Holder hereof shall be effective unless in writing signed by the Holder. A waiver on any one occasion shall not be construed as a waiver of any such right or remedy on any prior or subsequent occasion.

4. Intention of Parties. If this Note is assigned or transferred to a note holder that is not a "United States person," within the meaning of Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "Code"), then it is the intention of the Company and such note holder that (x) all interest accrued and paid on this Note will qualify for exemption from United States withholding tax as "portfolio interest," because this Note will be an obligation which is in "registered form" within the meaning of Sections 871(h)(2)(B) and 881(c)(2)(B) of the Code and the applicable Treasury Regulations promulgated thereunder, and (v) as such, all interest accrued and paid on this Note will be exempt from United States information reporting under Sections 6041 and 6049 of the Code and United States backup withholding under Sections 3406 of the Code. The parties agree to cooperate with one another, and to execute and file such forms or other documents, or to do or refrain from doing such other acts, as may be required, to secure such exemptions from United States withholding tax, information reporting, and backup withholding. In furtherance of the foregoing, such note holder hereby represents, warrants and covenants to the Company that (i) such note holder is not, and will not be as long as any amounts due under this Note are outstanding, a "United States person," within the meaning of Section 7701(a)(30) of the Code; (ii) such note holder is not, and will not be as long as any amounts due under this Note have not been paid in full, a person described in Section 881(c)(3) of the Code; and (iii) such note holder shall have submitted an IRS Form W-8BEN (or successor form) as required by Paragraph 5 of this Note.

5. Assignment. This Note may be assigned to any person or entity provided that the Company is given thirty business days prior written notice by the Holder. The terms and conditions of this Note shall be binding upon and inure to the benefit of the Company and the Holder and its permitted assigns; provided, however, that if such assignment is to any note holder that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code, then such note holder shall submit to the Company on or before the date of such assignment if such consent is otherwise obtained and such assignment is to any note holder that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code, then such note holder shall submit to the Company on or before the date of such assignment a properly executed U.S. Internal Revenue Service ("IRS") Form W-8BEN, W-8ECI, or W-8IMY, as applicable (or any successor form prescribed by the IRS), certifying as to such note holder's complete exemption from United States withholding tax, information reporting and backup withholding with respect to all payments to be made to such note holder hereunder, and if an event occurs that would require a change in the exempt status of such note holder or any of the other information provided on the most recent IRS Form W-8BEN, W-8ECI, or W-8IMY (or successor form) previously submitted by such note holder to the Company hereunder, such note holder will so inform the Company in writing (or by submitting to the Company a new IRS Form W-8BEN, W-8ECI, or W-8IMY (or successor form) within 30 days after the occurrence of such event. Any attempted assignment in violation of this Section 5 shall be void and of no force and effect. Until there has been a valid assignment of this Note and of all of the rights hereunder by the Holder in accordance with this Section 5, the Company shall deem and treat the Holder as the absolute beneficial owner and holder of this Note and of all of the rights hereunder for all purposes (including, without limitation, for the purpose of receiving all payments to be made under this Note). Notwithstanding any other provision in this Note to the

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payments to be made under this Note). Notwithstanding any other provision in this Note to the contrary, the Company shall be entitled, to the extent it is required to do so by law, to deduct or withhold taxes imposed by the United States (or any political subdivision or taxing authority thereof or therein) from interest, fees, or other amounts payable under this Note for the account of the Holder or any subsequent note holder which is not a United States person (as that term is defined in Section 7701(a)(30) of the Code) to the extent that such Holder or subsequent note holder has not provided to the Company IRS forms that establish a complete exemption from such deduction or withholding and the Company shall not be obligated to make any additional payments to the Holder or note holder in respect of taxes so withheld or deducted or imposed by the United States if such Holder or note holder has not provided to the Company the IRS forms required to be provided to the Company pursuant to this Note.

6. Waiver. The Company waives diligence, demand, presentment, notice of nonpayment, protest, and notice of protest all in the sole discretion of the Holder and without notice and without affecting in any manner the liability of the Company.

7. No Oral Modification. This Note may not be changed, modified or terminated orally.

8. Governing Law. This Note is being delivered in, and shall be governed by the laws of, the State of Minnesota.

MGC FINANCE, INC.

By:  _____

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FORM OF DISBURSEMENT INSTRUCTIONS

Account # [REDACTED] and # [REDACTED]

Amanda@wells
FAXED
 4/30/2007
 11:53AM SAK

To: Wells Fargo Bank National Association
 [REDACTED] Attention: Asset-Backed Securities

We refer to that certain Amended and Restated Custodial Agreement by and among ArrowHead Capital Finance Ltd., Blue Point Management Ltd. and Wells Fargo Bank National Association dated as of March 27, 2003 (as amended or modified to date, the "Agreement"). Capitalized terms used herein but not otherwise defined shall have the same meanings assigned to them in the Agreement.

A. Pursuant to Section 2.7(c) of the Agreement, please withdraw the following amounts from the Class A-1 Cash Account [REDACTED] and deliver them as follows:

1. (\$ _____) Dollars to the Custodian.
2. (\$ 4,020,000.00) Dollars to the Collateral Account 10939913.
3. (\$ _____) Dollars by wire transfer to:

Party: _____
 Bank Name: _____
 ABA/SWIFT # _____
 Account # _____
 Ref: _____

Note # [REDACTED]

B. Pursuant to Section 4 of the Collateral Agreement, please withdraw the following amounts from the Collateral Account [REDACTED] and deliver them as follows:

1. (\$ 4,020,000.00) Dollars by wire transfer to:

Party: Nationwide International Resources, Inc.
 Bank Name: First Regional Bank
 ABA/SWIFT # [REDACTED]
 Account # [REDACTED]
 Ref: PO. 46378

Ref. Ref: # [REDACTED]

By: <u>[Signature]</u>	One person from each list is required to authorize this transaction	By: <u>[Signature]</u>
Date: <u>4/30/07</u>		Date: <u>4/30/2007</u>
<input type="checkbox"/> Alan Farrell		<input type="checkbox"/> Lynette Schultz
<input type="checkbox"/> Brian Francoeur		<input type="checkbox"/> Sarah Brass
<input type="checkbox"/> Paul Kelly		<input checked="" type="checkbox"/> Terra Hunter
<input type="checkbox"/> Ian Pilgrim		<input type="checkbox"/> Martin Zolnai
<input checked="" type="checkbox"/> Martijn van der Molen		
Authorized Signatory 1		Authorized Signatory 2

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EXHIBIT A

Date: 04/27/07

Time: 10:00 AM

In lieu of actual purchase order for inventory associated with referenced loan, this document is provided by Petters Company, Inc. to Arrowhead Capital Finance LTD.

Note: Arrowhead Capital Finance LTD # [REDACTED]

Note date: April 30, 2007

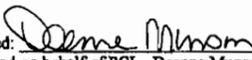
Note amount: \$4,020,000.00

Purchase order
number: BJ'S Wholesale Club

Purchase order
amount: Approx. \$4,422,580.00

Purchase order
originator: BJ'S Wholesale Club

The original purchase order described above will be delivered to Arrowhead Capital Finance LTD as soon as practicable after receipt by Petters Company, Inc.

Signed:  Date: 04/27/07
For and on behalf of PCI - Deanna Munson/Bob White/Tom Hay

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Stephanie A. Keim

From: Martin Zoinal [mzoinal@bluepointltd.com]
Sent: Monday, April 30, 2007 6:32 AM
To: Stephanie A. Keim
Cc: Lynette S. Schultz
Subject: FW: notes

Hi Stephanie

Forgot to cc you. Sorry.

Martin

-----Original Message-----

From: Martin Zoinal [mailto:mzoinal@bluepointltd.com]
Sent: Friday, April 27, 2007 4:33 PM
To: 'Brian'
Cc: 'Lschultz (lschultz@arrowheadusa.com)'; 'Tarra Hunter'; 'pvanrensborg@bluepointltd.com'
Subject: RE: notes

Brain

We confirm our agreement to purchase the proposed notes.

Kind regards
Martin Zoinal
Director
Blue Point Management, Ltd.
mzoinal@bluepointltd.com

This electronic message transmission from Blue Point Management, Ltd. may contain information which is privileged and confidential. If you are not the addressee, please note that any disclosure, copying, distribution, or other use of the information is prohibited. If you have received this message in error, please destroy it and notify us immediately. The contact information above is only for the purpose of contacting the sender and does not constitute the signature of the sender nor does it indicate the acceptance or agreement of the sender to the contents hereof.

-----Original Message-----

From: brian@capitolneglobal.com [mailto:brian@capitolneglobal.com]
Sent: Friday, April 27, 2007 5:16 PM
To: mzoinal@bluepointltd.com
Subject: RE: notes

We are pleased to offer the following notes for purchase.

Note1 \$4,536,000 note2 \$4,020,000
Term 90 days
Rate 13.00
Obligor: bj wholesale
Collateral: consumer electronics

→ Note # [REDACTED]

Please acknowledge as soon as possible your agreement to purchase for 4-30 settlement.

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.Sent from my p990 Brian A. Gilmore
Capitol Global Finance
2901 W.Coast Hwy.
Newport Beach CA. 92863
representatives of and securities offered through equinoxsecurities member
sipc,nasd,msrb 4050 phelan rd. Suite 9 Phelan CA. 92371 760 868-6868

Reply Header
Subject: RE: notes
Author: "Martin Zoinal" <mzoinal@bluepointtd.com>
Date: 24th April 2007 8:32 pm

ok

-----Original Message-----
From: Lynette S. Schultz [mailto:L.Schultz@ArrowHeadusa.com]
Sent: Tuesday, April 24, 2007 4:58 PM
To: Martin Zoinal; Brian
Cc: Terra L. Hunter; pvanrensburg@bluepointtd.com; Stephanie A. Keim
Subject: RE: notes

Thanks Martin!

Going forward, please copy Stephanie Keim on these emails as well.

Warm regards,

Lynette Schultz
Chief Financial Officer
ArrowHead Capital Management LLC
952 224 5200 Tel
952 224 5296 Fax

This electronic message transmission from ArrowHead Capital Management LLC may contain information which is privileged and confidential. If you are not the addressee, please note that any disclosure, copying, distribution, or other use of the information is prohibited. If you have received this message in error, please destroy it and notify us at 952 224 5200 immediately. The contact information above is only for the purpose of contacting the sender and does not constitute the signature of the sender nor does it indicate the acceptance or agreement of the sender to the contents hereof.

-----Original Message-----
From: Martin Zoinal [mailto:mzoinal@bluepointtd.com]
Sent: Tuesday, April 24, 2007 2:50 PM
To: 'Brian'
Cc: Lynette S. Schultz; Terra L. Hunter; pvanrensburg@bluepointtd.com
Subject: RE: notes

Brian

We confirm our agreement to accept the offer.

2

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Kind regards
Martin Zolnai
Director
Blue Point Management, Ltd.
4 Burnaby Street
Hamilton, HM 12 Bermuda
Tel: 441-295-7001 Fax: 441-292-5962

This electronic message and any attachments from Blue Point Management, Ltd. may contain information which is privileged and confidential. If you are not the addressee, please note that any disclosure, copying, distribution, or other use of the information is prohibited. If you have received this message in error, please destroy it and notify us immediately at mzolnai@bluepointltd.com. The contact information above is only for the purpose of contacting the sender and does not constitute the signature of the sender nor does it indicate the acceptance or agreement of the sender to the contents hereof.

—Original Message—
From: brian@capitolineglobal.com
[mailto:brian@capitolineglobal.com]
Sent: Tuesday, April 24, 2007 5:37 PM
To: mzolnai@bluepointltd.com
Subject: notes

Martin
We are pleased to offer you the following notes for purchase for april 25 settlement.

Amount: 2,548,000
Rate: 13.00
Term: 90 days
Obligor: sams club
Collateral: consumer electronics

Please respond to this correspondence as soon as possible.

Regards

Sent from my p890 Brian A. Gilmore
Capitoline Global Finance
2901 W. Coast Hwy.
Newport Beach CA. 92863
representatives of and securities offered through
equinoxsecurities
member
sipc,nasd,msrb 4050 phelan rd. Suite 9 Phelan CA. 92371 760 868-5859

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April 30, 2007

Mr. Martin Zolnai
BluePoint Management, Ltd.
4 Burnaby Street
Hamilton, HM 12 Bermuda

Dear Mr. Zolnai:

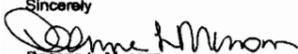
Please wire \$4,020,000.00 for Purchase Order 46378 to Nationwide Int'l Resources.

First Regional Bank
1801 Century Park East
Los Angeles, CA 90061
ABA # [REDACTED]

Nationwide International Resources, Inc.
ACCT. [REDACTED]

If you have any questions, please contact our service agent.

Sincerely


Deanna L. Munson
Vice President, Operations

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PETTERS COMPANY, INC.

4400 BAKER ROAD, SUITE 200, MINNETONKA, MN 55343
 PHONE 952-934-9918 FAX 952-975-2295

PURCHASE ORDER

Selling to BJ's

TO: NATIONWIDE INTL. RESOURCES
 2348 WESTWOOD BLVD.
 LOS ANGELES, CA 90064

SHIP TO: WILL ADVISE

ORDERED BY:	TOM PETTERS	PURCHASE ORDER NUMBER:	46378
DATE:	4-18-07	SHIP VIA:	BEST WAY
PAYMENT TERMS:	WIRE	F.O.B. POINT	CA

ITEM NO.	DESCRIPTION	UNIT	QTY.	UNIT COST	TOTAL AMOUNT
KDF55E2000	SONY 55" GRAND WEGA LCD HDTV		3,710	\$1,083.70	\$4,020,527.00
SUBTOTAL					\$4,020,527.00
Shipping charges					
Handling charges					
Insurance					
Tax rate <input type="text"/> % Tax					\$0.00
TOTAL AMOUNT					\$4,020,527.00

Your receipt and acceptance of this purchase price for the inventory which is the subject of this purchase order shall be deemed acknowledgment of the following: (i) all such inventory is being held by you solely for our account and subject to our instructions, with due care; (ii) you have no further rights in such inventory and will defend title to such inventory on our behalf as well as our successors and assigns; and (iii) all such inventory shall be specifically excluded from any and all liens and security interest in favor of your creditors.

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UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (Read and Re-read) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (Required)

Dallas Minnesota 952-974-8299

B. SEND TO: (Name and Address)

METRO GEN, INC.
PO BOX 97
EXCELSIOR, MN 55331

7005

Filing NO: 200716668607

Filing Date: 2007/05/07

Filing Time: 10:35 AM

State of Minnesota

Processing Office: Secretary of State

Filed by: boos001

THE ABOVE SPACE IS FOR FILER OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - based only on public records (do not use "d/b/a" or "doing business as" name)

ORGANIZATION NAME
MCC FINANCE, INC.

INDIVIDUAL LAST NAME FIRST NAME MIDDLE NAME SUFFIX

MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

4409 BAKER ROAD MINNETONKA MN 55343 USA

TYPE OF ORGANIZATION TYPE OF ORGANIZATION TYPE OF ORGANIZATION TYPE OF ORGANIZATION

COOPERATION MEN

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - based only on public records (do not use "d/b/a" or "doing business as" name)

ORGANIZATION NAME

INDIVIDUAL LAST NAME FIRST NAME MIDDLE NAME SUFFIX

MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

TYPE OF ORGANIZATION TYPE OF ORGANIZATION TYPE OF ORGANIZATION TYPE OF ORGANIZATION

3. SECURED PARTY'S NAME (NAME OF TOTAL ASSIGNOR OF ASSIGNMENT ONLY) - based only on public records (do not use "d/b/a" or "doing business as" name)

ORGANIZATION NAME

ARROWHEAD CAPITAL FINANCE LTD.

INDIVIDUAL LAST NAME FIRST NAME MIDDLE NAME SUFFIX

MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

WASHINGTON MALL, WEST 7 REID STREET HAMILTON BM111 BERMUDA

4. THE FINANCING STATEMENT covers the following collateral:

AS ON ATTACHED EXHIBIT A

5. ALTERNATIVE ORIGINATOR (if applicable) 6. SPECIAL COLLATERAL 7. COLLATERAL 8. COLLATERAL 9. COLLATERAL 10. COLLATERAL 11. COLLATERAL 12. COLLATERAL 13. COLLATERAL 14. COLLATERAL 15. COLLATERAL 16. COLLATERAL 17. COLLATERAL 18. COLLATERAL 19. COLLATERAL 20. COLLATERAL 21. COLLATERAL 22. COLLATERAL 23. COLLATERAL 24. COLLATERAL 25. COLLATERAL 26. COLLATERAL 27. COLLATERAL 28. COLLATERAL 29. COLLATERAL 30. COLLATERAL 31. COLLATERAL 32. COLLATERAL 33. COLLATERAL 34. COLLATERAL 35. COLLATERAL 36. COLLATERAL 37. COLLATERAL 38. COLLATERAL 39. COLLATERAL 40. COLLATERAL 41. COLLATERAL 42. COLLATERAL 43. COLLATERAL 44. COLLATERAL 45. COLLATERAL 46. COLLATERAL 47. COLLATERAL 48. COLLATERAL 49. COLLATERAL 50. COLLATERAL 51. COLLATERAL 52. COLLATERAL 53. COLLATERAL 54. COLLATERAL 55. COLLATERAL 56. COLLATERAL 57. COLLATERAL 58. COLLATERAL 59. COLLATERAL 60. COLLATERAL 61. COLLATERAL 62. COLLATERAL 63. COLLATERAL 64. COLLATERAL 65. COLLATERAL 66. COLLATERAL 67. COLLATERAL 68. COLLATERAL 69. COLLATERAL 70. COLLATERAL 71. COLLATERAL 72. COLLATERAL 73. COLLATERAL 74. COLLATERAL 75. COLLATERAL 76. COLLATERAL 77. COLLATERAL 78. COLLATERAL 79. COLLATERAL 80. COLLATERAL 81. COLLATERAL 82. COLLATERAL 83. COLLATERAL 84. COLLATERAL 85. COLLATERAL 86. COLLATERAL 87. COLLATERAL 88. COLLATERAL 89. COLLATERAL 90. COLLATERAL 91. COLLATERAL 92. COLLATERAL 93. COLLATERAL 94. COLLATERAL 95. COLLATERAL 96. COLLATERAL 97. COLLATERAL 98. COLLATERAL 99. COLLATERAL 100. COLLATERAL

FILING OFFICE COPY -- UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/2003)

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Sales Confirmation

This Sales Confirmation is made by PETERS COMPANY, INC. (the "Seller") and MGC FINANCE, INC. (the "Buyer") pursuant to the Sales and Servicing Agreement between them dated as of July 18, 2001, as amended. This Sales Confirmation is in addition to, and is not in substitution for, all previous Sales Confirmations given under the Sales and Servicing Agreement.

The following inventory sale is sold by the Seller to the Buyer and constitutes Purchase and Sale Rights under the Sales and Servicing Agreement.

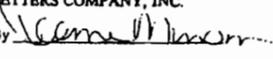
Inventory Seller Name: Nationwide Int'l Resources Seller Purchase Order No: 46378

Obligor Name: BJ'S Obligor Purchase Order No: SUM159785XX

Purchase Price: \$4,020,527.00

By signing below, Seller represents and warrants that all Conveyed Property, as such term is defined in the Sales and Servicing Agreement, with respect to the Purchase and Sale Rights listed above, is being sold, assigned, transferred and conveyed to Buyer free and clear of all liens, pledges, encumbrances, security interests, charges or other interests created by Seller. Seller has not sold, assigned or otherwise transferred any right or interest in or to the Conveyed Property for any loan or obligation of Seller or for any other purpose.

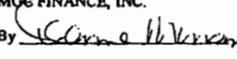
PETERS COMPANY, INC.

By 

Its VP Operations

Dated: 5/01/07

MGC FINANCE, INC.

By 

Its VP Operations

Dated: 05/01/07

ARWLT000814

0228.0013



Minnesota Central Filing System

UCC Filing Acknowledgement

May 7, 2007
Page 1 of 1

METRO GEM INC
P O BOX 97
EXCELSIOR MN 55331

The Minnesota Central Filing System has received and filed your document. The information below reflects the data that was indexed in our system. Please review the information for accuracy. If you find a potential error, please notify the appropriate filing office.

Client Account Number: [REDACTED] Batch Number: 2345264
Filing Type: UCC Financing Stmt Original Filing Number: 200716668607
Filed Date: 05/07/2007 Filed Time: 10:35 a.m. Lapse Date: 5/7/2012

<u>Party Type</u>	<u>Party Name and Address</u>
Debtor	MGC FINANCE INC MINNETONKA MN
Secured Party	ARROWHEAD CAPITAL FINANCE LTD HAMILTON XX

Filing by the Minnesota Central Filing System is not conclusive proof that all conditions for securing priority have been met. Ensuring that accurate information is on the document to be filed is the responsibility of the filing party. If the filing is challenged, the filing office does not guarantee that the filing is legally sufficient to secure priority under UCC Article 9 and expressly disclaims any liability for failure of the filing party to secure priority resulting from the information contained in the filed document, or the lack of information on the filed document.

User ID: boon01

County ID: 88

 Online Services now available! You can now file your UCC documents online. Visit our website!
(651) 296-2803 www.online.sos.state.mn.us TTY (800) 627-3529

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Sales Confirmation

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Obligor Name: BJ'S Obligor Purchase Order No: SUM159785XX

Purchase Price: \$4,020,527.00

By signing below, Seller represents and warrants that all Conveyed Property, as such term is defined in the Sales and Servicing Agreement, with respect to the Purchase and Sale Rights listed above, is being sold, assigned, transferred and conveyed to Buyer free and clear of all liens, pledges, encumbrances, security interests, charges or other interests created by Seller. Seller has not sold, assigned or otherwise transferred any right or interest in or to the Conveyed Property for any loan or obligation of Seller or for any other purpose.

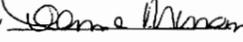
PETERS COMPANY, INC.

By 

Its VP Operations

Dated: 5/01/07

MGC FINANCE, INC.

By 

Its VP Operations

Dated: 05/01/07



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BJ'S WHOLESALE CLUB

PO # SUM160785XX
ORDER DATE : 05/01/07
REQUIRED DELIVERY: 06/15/07

PURCHASE ORDER
P.O. PAGE 1 OF 1

TO: PETERS COMPANY, INC
4400 BAKER ROAD, SUITE 200
MINNETONKA, MN 55343
TEL 952-932-3200

SHIP TO: BJ'S #820 BRISTOL DISTRB CEN1
42 RUNWAY RD 215-547-6900
LEWISTOWN, PA. 19057-0000

FAX REP#

FRIGHT TERMS COLLECT PURCHASER PAYS FOB: ORIGIN
LOS ANGELES, CA FREIGHT CLASS #5.0
ROUTING INSTRUCTIONS A TO Z TRANSPORTATION

AP # 0875796453 PAYMENT TERMS
CD PCT CUTOFF DISC NET
2 .0 0 0 00

TRANSMITTED: FAX

LINE NO.	BJ'S SKU	DESCRIPTION	MFG STYLE NO.	UPC	UNITS ORDERED	CASES ORDERED	CASES PALLET ORDERED	PATTERN	QTY PER	EXTENDED PRICE
1		SONY 55" GRAND WEGA LCD HDTV		KDF55E2000	3710				EA	\$4,462,759.00

CONTACT BUYING OFFICE IMMEDIATELY IF THERE ARE ANY DISCREPANCIES ON THIS PURCHASE ORDER.

RECEIVED
MAY 03 2007
BY: *[Signature]*

ARWLT000817

0228.0016

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (Read and heed) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
 Deanna Messer 952-974-8209

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

METRO GEM, INC.
 PO BOX 97
 EXCELSIOR, MN 55331

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only legal debtor name (See 11) - do not abbreviate or use initials - correct

1a. ORGANIZATION'S NAME
 MGC FINANCE, INC.

OR
 1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
 4800 BAKER ROAD MINNETONKA MN 55343 USA

1d. JURISDICTION OF ORGANIZATION 1e. JURISDICTION OF ORGANIZATION 1f. ORGANIZATIONAL ID #, if any
 CORPORATION MN HOME

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only legal debtor name (See 11) - do not abbreviate or use initials - correct

2a. ORGANIZATION'S NAME

OR
 2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. JURISDICTION OF ORGANIZATION 2e. JURISDICTION OF ORGANIZATION 2f. ORGANIZATIONAL ID #, if any
 HOME

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNOR of ASSIGNOR(S)) - insert only government party name (See 11)

3a. ORGANIZATION'S NAME
 ARROWHEAD CAPITAL FINANCE LTD.

OR
 3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
 WASHINGTON MALL WEST, 7 REID STREET HAMILTON HM11 BERMU

4. This FINANCING STATEMENT covers the following collateral:
AS ON ATTACHED EXHIBIT A

RECEIVED
MAY 02 2007
BY: [Signature]

6. ALTERNATIVE DESIGNATION (if applicable) 7. LEASE/LESSOR 8. COMMODITY/COMMODOR 9. BULK/SELLER 10. BULK/BUYER 11. AD. LSH 12. NON-UCC FILING
 13. THIS FINANCING STATEMENT IS TO BE FILED FOR RECORD OR OTHERWISE IN THE PUBLIC RECORDS OF THE STATE OF MINNESOTA 14. CHECK TO REQUEST SEARCH REPORT FOR OR DISCLOSE INFORMATION 15. All Debtors 16. Chapter 1 17. Chapter 3
 18. OPTIONAL FILER RESPONSE DATA

FILING OFFICE COPY - UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

ARWLT0000818

0228.0017

**Transaction Finance
Note Redemption Notice**

Given Calculation

Fund Name:	<u>ACF</u>		
Share Class:	<u></u>		
Note Number:	<u>7005</u>		
Origination Date:	<u>4/30/2007</u>		
Due Date:	<u>7/29/2007</u>		
Matured Date:	<u>7/30/2007</u>		
Number of Days:	<u>91</u>		
Annual Interest Rate:	<u>13%</u>		

Obligor & Purchase Amount:	<u>BJ's</u>	<u>\$4,462,759.00</u>	
Principal Amount of Note:		<u>\$4,020,000.00</u>	
Interest Due:		<u>\$132,101.67</u>	<u>\$132,101.67</u>
Wire to Broker:		<u>\$310,657.33</u>	<u>\$310,657.33</u>
Broker Purchase Price for Goods		<u>\$4,020,527.00</u>	
Amount Broker Funded for Goods		<u>\$527.00</u>	
Broker Profit on Transaction		<u>\$310,130.33</u>	

Calculations for fund

Annual Interest Rate on Metro II Note:	<u>13.00%</u>		
Interest Due to Fund for Metro II Note:		<u>\$132,101.67</u>	<u>\$132,101.67</u>
Metro II Fee:		<u>\$0.00</u>	<u>\$0.00</u>
Rollover Amount to Fund Cash Account		<u>\$4,152,101.67</u>	<u>\$4,152,101.67</u>
			<u>\$0.00</u>

Rollover Transaction Data

Completed Date:	<u>7/31/2007</u>
New Note Number:	<u>7033</u>
New Note Amount:	<u>\$4,118,000.00</u>
New Interest Rate:	<u>13%</u>
New Obligor:	<u>Sam's</u>

FORM OF REQUEST FOR RELEASE OF NOTES

ACF
 Account # [REDACTED]
 Request for Release of Security

To: Wells Fargo Bank, National Association
 MAC N9311-161, Sixth Street and Marquette Avenue
 Minneapolis, Minnesota 55479-0067
 Attention: Asset-Backed Securities

Re: Custodial Agreement by and among ArrowHead Capital Finance Ltd., Blue Point Management Ltd. and Wells Fargo Bank, National Association dated as of March 27, 2003 (as amended or modified to date, the "Agreement").

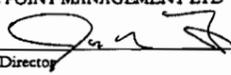
Ladies and Gentlemen:

In connection with the administration of the Security specified below and held by you as the Custodian for ACF, we certify that such Security has been finally paid and settled. Upon your confirmation of receipt of the required payment amount set forth below, we request the release of such Security and direct the Custodian to forward such Security by courier or overnight delivery at ACF's expense to: Blue Point Management Ltd., Thistle House, 4 Burnaby Street, Hamilton, HM 11, Bermuda.

Security No.	Orig. Date	Principal Amount	Due Date	Interest Due
[REDACTED] MGC Finance	4/30/07	\$4,020,000.00	7/29/07	13%

Capitalized terms used herein but not otherwise defined shall have the same meanings assigned to them in the Agreement.

BLUE POINT MANAGEMENT LTD

By:  RCH
 Its: Director

Date: 7/30/2007

ARWLTD000820

0228.0019

FORM OF DISBURSEMENT INSTRUCTIONS

Account # [redacted] and [redacted]

Ammanda@wells
FAXED
7/30/2007
3:10pm
BPK

To: Wells Fargo Bank National Association
MAC N9311-161, Attention: Asset-Backed Securities

We refer to that certain Amended and Restated Custodial Agreement by and among ArrowHead Capital Finance Ltd., Blue Point Management Ltd. and Wells Fargo Bank National Association dated as of March 27, 2003 (as amended or modified to date, the "Agreement"). Capitalized terms used herein but not otherwise defined shall have the same meanings assigned to them in the Agreement.

A. Pursuant to Section 2.7(c) of the Agreement, please withdraw the following amounts from the MGC Finance ACF Collateral Account [redacted] and deliver them as follows:

- 1. (\$ _____) Dollars to the Custodian.
- 2. (\$ 4,52,101.07) Dollars to the Class A-1 Cash Account [redacted]
- 3. (\$ _____) Dollars by wire transfer to:

Party: _____
 Bank Name: _____
 ABA/SWIFT #: _____
 Account #: _____
 Ref: _____

B. Pursuant to Section 4 of the Collateral Agreement, please withdraw the following amounts from the MGC Finance ACF Collateral Account [redacted] and deliver them as follows:

- 1. (\$ 310,167.33) Dollars by wire transfer to:

Party: Peters Company Inc.
 Bank Name: M&I Bank
 ABA/SWIFT #: [redacted]
 Account #: [redacted]
 Ref: Note # 7005

Fed Ref: # 2903

By: <u>[Signature]</u>	One person from each list is required to authorize this transaction	By: <u>[Signature]</u>
Date: <u>7/30/07</u>		Date: <u>7/30/2007</u>
<input type="checkbox"/> Alan Farrell		<input type="checkbox"/> Lynette Schultz
<input type="checkbox"/> Brian Francoeur		<input type="checkbox"/> Sarah Bress
<input type="checkbox"/> Paul Kelly		<input checked="" type="checkbox"/> Terra Hunter
<input type="checkbox"/> Ian Pilgrim		<input type="checkbox"/> Martin Zolnai
<input checked="" type="checkbox"/> Martijn van der Molen		
Authorized Signatory 1		Authorized Signatory 2

ARWLTD000821

0228.0020

SECURED PROMISSORY NOTE
No. [REDACTED]

ORIGINAL

\$4,020,000.00

Minneapolis, Minnesota
April 30, 2007

FOR VALUE RECEIVED, the undersigned, MGC FINANCE INC., a Minnesota corporation (the "Company") promises to pay to the order of ARROWHEAD CAPITAL FINANCE LTD or its assigns (the "Holder"), at the place designated at any time by the holder hereof, in lawful money of the United States of America and in immediately available funds, the principal amount of Four Million Twenty Thousand and No Cents United States Dollars (\$4,020,000.00) (the "Principal Amount") on the earlier of (i) the July 29, 2007 day, but in no event later than the 182nd day, after the date hereof, or (ii) the business day after the date upon which Company receives available funds from payment from the buyer on the inventory sale financed by the proceeds of this Note (such date, the "Maturity Date"), together with interest on the unpaid principal balance hereof from the date hereof until this Note is fully paid, at an annual rate of interest, calculated on the basis of actual number of days elapsed in a 360 day year, that shall be equal to Thirteen percent (13%). The proceeds of this Note will be used to purchase inventory pursuant to the purchase order attached hereto. This Note is secured pursuant to a Security Agreement dated as of April 20, 2007 made by the Company in favor of the Holder (as such agreement may be amended, restated, modified or replaced from time to time, the "Security Agreement").

1. **Prepayment.** This Note may be prepaid in whole or in part at any time or from time to time, without penalty or premium. Payments hereunder shall be applied first to the payment of accrued interest and then to reduction of principal.

2. **Events of Default.** The occurrence of any one or more of the following events shall constitute an "Event of Default." The Company shall (a) fail to make when due, whether by acceleration or otherwise, any payment of principal of, or interest on, this Note; (b) fail to observe any covenant contained herein or in any related transaction document or fail to preserve, or contest the validity of, the security interest created in favor hereof by the Security Agreement or otherwise, or (c)(i) be or become insolvent, (ii) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the Company or of all or a substantial part of the Company's property, (iii) commence a voluntary case under any federal or state bankruptcy, insolvency, or similar law, (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or (v) admit in writing its inability to pay its debts as they come due (vi) make an assignment for the benefit of its creditors; or (vii) become an involuntary party to (or be made the subject of) any bankruptcy proceeding or any other insolvency, readjustment of debt, marshaling of assets and liabilities, or similar procedures of or relating to the Company or relating to all or a significant portion of its properties, which proceeding is not dismissed within 60 days after the commencement thereof.

3. **Remedies.** If any Event of Default shall occur and be continuing, the outstanding unpaid principal balance of this Note and the accrued interest thereon shall automatically become immediately due and payable. In addition, upon any Event of Default, the Holder may exercise all rights and remedies under the Security Agreement and any other instrument, document or agreement in favor of the Holder, and enforce all rights and remedies under any applicable law. No delay or failure on the part of the Holder in exercising any right or remedy hereunder, or at

 PAID
ell

ARWLT000822

0228.0021

NAK # 7005

<input type="checkbox"/> BUY <input checked="" type="checkbox"/> SELL	Quantity 4,020,000 Symbol	Balance Description BJS	Reported Coupon Rate 1.3% Maturity 7/29/67	Limit Price ITD	Order Date 4/27/67 DTCD DMT TTD
Account Number [Redacted]	Order Number [Redacted]	Customer Arrowhead Capital Finance	Commission \$ 2,512.30	Discretion Level <input type="checkbox"/> Cash <input type="checkbox"/> Long <input type="checkbox"/> Short <input type="checkbox"/> Margin <input type="checkbox"/> Authority	Reported Price 100.00
Order Acct Number [Redacted]	Order Type OY <input type="checkbox"/> N <input type="checkbox"/> LAL	Trade Date 4/27/67	Approval <input type="checkbox"/> Unrestricted <input checked="" type="checkbox"/> Restricted	SEC Designation <input type="checkbox"/> Mkt <input type="checkbox"/> Mkt	Additional Special Instructions [Blank]
Inventory Account Buy/Sell [Redacted]	Trade Date 4/27/67	Settlement Date 4/29/67	Order Type <input type="checkbox"/> Open Order <input type="checkbox"/> Close Order	Custom Note [Blank]	Resulting Fee [Blank]

LEGENT CLEARING FILE COPY

USDA SIZE

UCC FINANCING STATEMENT AMENDMENT 7005

Filing NO: 20071786202
 Filing Date: 2007/08/14
 Filing Time: 8:45 AM
 State of Minnesota
 Processing Office: Secretary of State
 Filed by: boono01

FOLLOW INSTRUCTIONS (Read and Re-read CAREFULLY)
A. NAME & PHONE OF CONTACT AT FILER (optional)
 Denley Varnes 952.475.6681
B. RECIPIENT ACKNOWLEDGMENT TO: (Name and Address)
 METRO GEM, INC.
 PO BOX 97
 EXCELSTOR, MN 55331

RECEIVED
 AUG 30 2007
 BY: *[Signature]*

1. INITIAL FINANCING STATEMENT FILE # 2007 1666 8607

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interests of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interests of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT: All or part of the rights of the Secured Party in the collateral are assigned to the Assignee. Check only one of these two boxes.
 Also check one of the following three boxes and provide appropriate information in items 6 and 7.
 Assignee is a corporation, partnership, or other entity.
 Assignee is an individual.
 Assignee is a trust or other fiduciary.

5. AMENDMENT PARTY INFORMATION: This Amendment affects Debtor as Secured Party of record. Check only one of these two boxes.

6. CURRENT RECORD INFORMATION:
 (a) ORGANIZATION'S NAME
 OR (b) INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX
 (c) ADDRESS (Street, P.O. Box, or other address) CITY STATE POSTAL CODE COUNTRY
 (d) TELEPHONE NUMBER (Area code and number) FAX NUMBER (Area code and number) E-MAIL ADDRESS

7. CHANGED DEBTS OR ACCRUE INFORMATION:
 (a) ORGANIZATION'S NAME
 OR (b) INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX
 (c) ADDRESS (Street, P.O. Box, or other address) CITY STATE POSTAL CODE COUNTRY
 (d) TELEPHONE NUMBER (Area code and number) FAX NUMBER (Area code and number) E-MAIL ADDRESS

8. AMENDMENT (COLLATERAL CHANGE): Check only one box.
 Completely satisfied Deleted or added, or give within attached collateral description, or describe collateral equipment.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT: Name of assignor. If this is an Assignment, it may be an Assignment authorized by a Debtor which was authorized or ratified by the authorizing Debtor, or if this is a Termination authorized by a Debtor, check box and enter name of CREDITOR authorizing this Amendment.
 (a) ORGANIZATION'S NAME
 OR (b) INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX
 ARROWHEAD CAPITAL FINANCE, LTD WASHINGTON MALL W, 7 REID ST. HAMILTON HM11 BERMUDA

ARWLTD000824

0228.0023

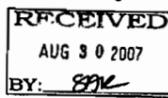


Minnesota Central Filing System

UCC Amendment Acknowledgement

August 14, 2007
Page 1 of 1

METRO GEM INC
P O BOX 97
EXCELSIOR MN 55331



The Minnesota Central Filing System has received and filed your document. The information below reflects the data that was indexed in our system. Please review the information for accuracy. If you find a potential error, please notify the appropriate filing office.

Client Account Number: [Redacted] Document Number: 24686800018
Amendment Type: Termination Amendment Number: 20071786202
Filing Type: UCC Financing Stmt Original Filing Number: 200716668607
File Date: 08/14/2007 File Time: 8:45 a.m. Lapse Date: 05/07/2012

Party Type	Party Name and Address
Debtor	MGC FINANCE INC MINNETONKA MN
Secured Party	ARROWHEAD CAPITAL FINANCE LTD HAMILTON XX

Filing by the Minnesota Central Filing System is not conclusive proof that all conditions for securing priority have been met. Ensuring that accurate information is on the document to be filed is the responsibility of the filing party. If the filing is challenged, the filing office does not guarantee that the filing is legally sufficient to secure priority under UCC Article 9 and expressly disclaims any liability for failure of the filing party to secure priority resulting from the information contained in the filed document, or the lack of information on the filed document.

User ID: boone01 County ID: 88

Online Services now available! You can now file your UCC documents online. Visit our website!
www.online.sos.state.mn.us
(651) 296-2803 TTY (800) 627-3529

ARWLTD000825

0228.0024

April 30, 2007

Mr. Martin Zolnai
BluePoint Management, Ltd.
4 Burnaby Street
Hamilton, HM 12 Bermuda

Dear Mr. Zolnai:

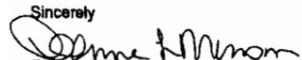
Please wire \$4,020,000.00 for Purchase Order 46378 to Nationwide Int'l Resources.

First Regional Bank
1801 Century Park East
Los Angeles, CA 90061
ABA [REDACTED]

Nationwide International Resources, Inc.
ACCT. [REDACTED]

If you have any questions, please contact our service agent.

Sincerely


Deanna L. Munson
Vice President, Operations

ARWLT000826

0228.0025

SECURED PROMISSORY NOTE
No. [REDACTED]

\$4,020,000.00

Minneapolis, Minnesota
April 30, 2007

FOR VALUE RECEIVED, the undersigned, MGC FINANCE INC., a Minnesota corporation (the "Company") promises to pay to the order of ARROWHEAD CAPITAL FINANCE LTD or its assigns (the "Holder"), at the place designated at any time by the holder hereof, in lawful money of the United States of America and in immediately available funds, the principal amount of Four Million Twenty Thousand and No Cents United States Dollars (\$4,020,000.00) (the "Principal Amount") on the earlier of (i) the July 29, 2007 day, but in no event later than the 182nd day, after the date hereof, or (ii) the business day after the date upon which Company receives available funds from payment from the buyer on the inventory sale financed by the proceeds of this Note (such date, the "Maturity Date"), together with interest on the unpaid principal balance hereof from the date hereof until this Note is fully paid, at an annual rate of interest, calculated on the basis of actual number of days elapsed in a 360 day year, that shall be equal to Thirteen percent (13%). The proceeds of this Note will be used to purchase inventory pursuant to the purchase order attached hereto. This Note is secured pursuant to a Security Agreement dated as of April 20, 2007 made by the Company in favor of the Holder (as such agreement may be amended, restated, modified or replaced from time to time, the "Security Agreement").

1. Prepayment. This Note may be prepaid in whole or in part at any time or from time to time, without penalty or premium. Payments hereunder shall be applied first to the payment of accrued interest and then to reduction of principal.

2. Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default." The Company shall (a) fail to make when due, whether by acceleration or otherwise, any payment of principal of, or interest on, this Note; (b) fail to observe any covenant contained herein or in any related transaction document or fail to preserve, or contest the validity of, the security interest created in favor hereof by the Security Agreement or otherwise, or (c)(i) be or become insolvent, (ii) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the Company or of all or a substantial part of the Company's property, (iii) commence a voluntary case under any federal or state bankruptcy, insolvency, or similar law, (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or (v) admit in writing its inability to pay its debts as they come due (vi) make an assignment for the benefit of its creditors; or (vii) become an involuntary party to (or be made the subject of) any bankruptcy proceeding or any other insolvency, readjustment of debt, marshalling of assets and liabilities, or similar procedures of or relating to the Company or relating to all or a significant portion of its properties, which proceeding is not dismissed within 60 days after the commencement thereof.

3. Remedies. If any Event of Default shall occur and be continuing, the outstanding unpaid principal balance of this Note and the accrued interest thereon shall automatically become immediately due and payable. In addition, upon any Event of Default, the Holder may exercise all rights and remedies under the Security Agreement and any other instrument, document or agreement in favor of the Holder, and enforce all rights and remedies under any applicable law. No delay or failure on the part of the Holder in exercising any right or remedy hereunder, or at

ARWLTD000827

0228.0026

law or at equity, shall operate as a waiver of or preclude the exercise of any such right or remedy, and no single or partial exercise by the Holder of any such right or remedy shall preclude or estop another or further exercise thereof or exercise of any other right or remedy. No waiver by the Holder hereof shall be effective unless in writing signed by the Holder. A waiver on any one occasion shall not be construed as a waiver of any such right or remedy on any prior or subsequent occasion.

4. Intention of Parties. If this Note is assigned or transferred to a note holder that is not a "United States person," within the meaning of Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "Code"), then it is the intention of the Company and such note holder that (x) all interest accrued and paid on this Note will qualify for exemption from United States withholding tax as "portfolio interest," because this Note will be an obligation which is in "registered form" within the meaning of Sections 871(f)(2)(B) and 881(c)(2)(B) of the Code and the applicable Treasury Regulations promulgated thereunder, and (y) as such, all interest accrued and paid on this Note will be exempt from United States information reporting under Sections 6041 and 6049 of the Code and United States backup withholding under Sections 3406 of the Code. The parties agree to cooperate with one another, and to execute and file such forms or other documents, or to do or refrain from doing such other acts, as may be required, to secure such exemptions from United States withholding tax, information reporting, and backup withholding. In furtherance of the foregoing, such note holder hereby represents, warrants and covenants to the Company that (i) such note holder is not, and will not be as long as any amounts due under this Note are outstanding, a "United States person," within the meaning of Section 7701(a)(30) of the Code; (ii) such note holder is not, and will not be as long as any amounts due under this Note have not been paid in full, a person described in Section 881(c)(3) of the Code; and (iii) such note holder shall have submitted an IRS Form W-8BEN (or successor form) as required by Paragraph 5 of this Note.

5. Assignment. This Note may be assigned to any person or entity provided that the Company is given thirty business days prior written notice by the Holder. The terms and conditions of this Note shall be binding upon and inure to the benefit of the Company and the Holder and its permitted assigns; provided, however, that if such assignment is to any note holder that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code, then such note holder shall submit to the Company on or before the date of such assignment if such consent is otherwise obtained and such assignment is to any note holder that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code, then such note holder shall submit to the Company on or before the date of such assignment a properly executed U.S. Internal Revenue Services ("IRS") Form W-8BEN, W-8ECI, or W-8IMY, as applicable (or any successor form prescribed by the IRS), certifying as to such note holder's complete exemption from United States withholding tax, information reporting and backup withholding with respect to all payments to be made to such note holder hereunder, and if an event occurs that would require a change in the exempt status of such note holder or any of the other information provided on the most recent IRS Form W-8BEN, W-8ECI, or W-8IMY (or successor form) previously submitted by such note holder to the Company hereunder, such note holder will so inform the Company in writing (or by submitting to the Company a new IRS Form W-8BEN, W-8ECI, or W-8IMY (or successor form) within 30 days after the occurrence of such event. Any attempted assignment in violation of this Section 5 shall be void and of no force and effect. Until there has been a valid assignment of this Note and of all of the rights hereunder by the Holder in accordance with this Section 5, the Company shall deem and treat the Holder as the absolute beneficial owner and holder of this Note and of all of the rights hereunder for all purposes (including, without limitation, for the purpose of receiving all payments to be made under this Note). Notwithstanding any other provision in this Note to the

ARWLT000828

0228.0027

payments to be made under this Note). Notwithstanding any other provision in this Note to the contrary, the Company shall be entitled, to the extent it is required to do so by law, to deduct or withhold taxes imposed by the United States (or any political subdivision or taxing authority thereof or therein) from interest, fees, or other amounts payable under this Note for the account of the Holder or any subsequent note holder which is not a United States person (as that term is defined in Section 7701(a)(30) of the Code) to the extent that such Holder or subsequent note holder has not provided to the Company IRS forms that establish a complete exemption from such deduction or withholding and the Company shall not be obligated to make any additional payments to the Holder or note holder in respect of taxes so withheld or deducted or imposed by the United States if such Holder or note holder has not provided to the Company the IRS forms required to be provided to the Company pursuant to this Note.

6. Waiver. The Company waives diligence, demand, presentment, notice of nonpayment, protest, and notice of protest all in the sole discretion of the Holder and without notice and without affecting in any manner the liability of the Company.

7. No Oral Modification. This Note may not be changed, modified or terminated orally.

8. Governing Law. This Note is being delivered in, and shall be governed by the laws of, the State of Minnesota.

MGC FINANCE, INC.

By: _____
RS

ARWLTD000829

0228.0028

EXHIBIT A

Date: 04/27/07

Time: 10:00 AM

In lieu of actual purchase order for inventory associated with referenced loan, this document is provided by Petters Company, Inc. to Arrowhead Capital Finance LTD.

Note: Arrowhead Capital Finance LTD # [REDACTED]

Note date: April 30, 2007

Note amount: \$4,020,000.00

Purchase order
number: BJ'S Wholesale Club

Purchase order
amount: Approx. \$4,422,580.00

Purchase order
originator: BJ'S Wholesale Club

The original purchase order described above will be delivered to Arrowhead Capital Finance LTD as soon as practicable after receipt by Petters Company, Inc.

Signed:  Date: 04/27/07
For and on behalf of PCI - Deanna Munson/Bob White/Tom Hay

ARWLTD000830

0228.0029

PETERS COMPANY, INC.

4400 BAKER ROAD, SUITE 200, MINNETONKA, MN 55343
PHONE 952-934-9918 FAX 952-975-2295

PURCHASE ORDER

Selling to BJ's

TO: NATIONWIDE INTL RESOURCES
2348 WESTWOOD BLVD.
LOS ANGELES, CA 90084

SHIP TO: WILL ADVISE

ORDERED BY:	TOM PETERS	PURCHASE ORDER NUMBER:	46378
DATE:	4-18-07	SHIP VIA:	BEST WAY
PAYMENT TERMS:	WIRE	F.O.B. POINT:	CA

ITEM NO.	DESCRIPTION	UNIT	QTY.	UNIT COST	TOTAL AMOUNT
KDF55E2000	SONY 55" GRAND WEGA LCD HDTV		3,710	\$1,083.70	\$4,020,527.00

SUBTOTAL	\$4,020,527.00
Shipping charges	
Handling charges	
Insurance	
Tax rate <input type="text"/> %	Tax \$0.00
TOTAL DUE	\$4,020,527.00

Your receipt and acceptance of this purchase price for the inventory which is the subject of this purchase order shall be deemed acknowledgment of the following: (i) all such inventory is being held by you solely for our account and subject to our instructions, with due care; (ii) you have no further rights in such inventory and will defend title to such inventory on our behalf as well as our successors and assigns; and (iii) all such inventory shall be specifically excluded from any and all liens and security interest in favor of your creditors.

ARWLT000831

0228.0030