

Fill in this information to identify the case:

Debtor 1 Gold's Gym International, Inc.

Debtor 2 _____
(Spouse, if filing)

United States Bankruptcy Court for the: Northern District of Texas, Dallas Division

Case number 20-31319-hdh11

E-Filed on 09/04/2020
Claim # 291

Official Form 410

Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?		<u>GRI Gateway Overlook, LLC</u> Name of the current creditor (the person or entity to be paid for this claim)	
		Other names the creditor used with the debtor _____	
2. Has this claim been acquired from someone else?		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent?		Where should payments to the creditor be sent? (if different)
	<u>J. Ellsworth Summers, Jr.</u> Name <u>50 North Laura Street, Ste. 3000</u> Number Street <u>Jacksonville</u> <u>FL</u> <u>32202</u> City State ZIP Code Contact phone <u>(904) 232-7203</u> Contact email <u>esummers@burr.com</u> Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____		<u>Robin Gonzales</u> Name <u>7200 Wisconsin Avenue, Suite 600</u> Number Street <u>Bethesda</u> <u>FL</u> <u>2014</u> City State ZIP Code Contact phone <u>(301) 961-3225</u> Contact email <u>rgonzales@firstwash.com</u>
4. Does this claim amend one already filed?		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?		<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? ☒ No
☐ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. How much is the claim? \$ 2,069,414.47. Does this amount include interest or other charges?
☒ No
☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
Limit disclosing information that is entitled to privacy, such as health care information.

Guaranty of Lease

9. Is all or part of the claim secured? ☒ No
☐ Yes. The claim is secured by a lien on property.
- Nature of property:**
☐ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
☐ Motor vehicle
☐ Other. Describe: _____
- Basis for perfection:** _____
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
- Value of property:** \$ _____
Amount of the claim that is secured: \$ _____
Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.)
- Amount necessary to cure any default as of the date of the petition:** \$ _____
- Annual Interest Rate** (when case was filed) _____ %
☐ Fixed
☐ Variable

10. Is this claim based on a lease? ☐ No
☒ Yes. Amount necessary to cure any default as of the date of the petition. \$ 0.00

11. Is this claim subject to a right of setoff? ☒ No
☐ Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☒ No

☐ Yes. Check one:

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).

Amount entitled to priority

\$ 0.00

☐ Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).

\$ 0.00

☐ Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).

\$ 0.00

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).

\$ 0.00

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).

\$ 0.00

☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies.

\$ 0.00

* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

☐ I am the creditor.

☒ I am the creditor's attorney or authorized agent.

☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 09/04/2020
MM / DD / YYYY

/s J. Ellsworth Summers, Jr.

Signature

Print the name of the person who is completing and signing this claim:

Name J. Ellsworth Summers, Jr., Esquire
First name Middle name Last name

Title Attorney for GRI Gateway Overlook, LLC

Company Burr & Forman
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address
Number Street

City State ZIP Code

Contact phone Email

Attachment 1 - Segment 001 of POC GRI Gateway Overlook, LLC.pdf

Description -

**ADDENDUM TO GRI GATEWAY OVERLOOK, LLC'S PROOF OF CLAIM FOR
GOLD'S GYM INTERNATIONAL, INC. CASE NO. 20-31319-11**

As it relates to Gold's Gym International, Inc. ("Debtor" or "Guarantor") the total indebtedness to GRI Gateway Overlook, LLC ("GRI"), is \$2,069,414.47 as of the Petition Date, May 4, 2020, and is calculated as shown in the attached **Exhibit A**.

Debt and Ancillary Documents:

As they relate to Guarantor, GRI's documents and ancillary documents include, but are not limited to, the following:

1. On or about May 17, 2012, Fitness First at Gateway Columbia, LLC ("Original Tenant") executed and delivered to Writ Gateway Overlook, LLC ("Original Landlord") that certain Gateway Overlook Lease (the "Lease") to lease certain commercial real property located at 8271 Gateway Overlook Drive, Columbia, Maryland, 21075 (the "Leased Premises"). A true and correct copy of the Lease is attached hereto as **Exhibit B**.

2. On or about June 26, 2013, Original Tenant, as assignor, and GBG Inc., a Virginia Corporation ("Tenant"), as assignee, executed and delivered that certain Assignment and Assumption of Lease ("Assignment"), assigning all of Original Tenant's right, title, and interest in and to the Lease to the Tenant. A true and correct copy of the Assignment is attached as **Exhibit C**.

3. In connection with the Assignment, Debtor, Gold's Gym International, Inc., executed a Guaranty promising to perform and pay all obligations of Tenant under the Lease, as assigned (the "Guaranty"). A copy of the Guaranty is included with the Assignment as Exhibit C.

4. On or about February 27, 2020, Landlord, GRI Gateway Overlook, LLC ("GRI"), as successor-in-interest to Original Landlord, and Tenant, GBC, LLC (formerly known as GBC, Inc.) and Debtor, Gold's Gym International, Inc., entered into that certain Lease Modification

Agreement. A true and correct copy of the Lease Modification Agreement is attached as **Exhibit D**.

5. Guarantor is liable under the Guaranty for damages equal to the unpaid rent through the end of the Lease term February 28, 2023.

Pursuant to 11 U.S.C. § 502, this claim is deemed allowed and pursuant to Fed. R. Bankr. P. 3001(f) this claim constitutes *prima facie* evidence of GRI's claim. Filing of this Proof of Claim is not and should not be construed to be: (a) a waiver or release of GRI's rights against any other entity or person liable for all or part of any claim described herein; (b) consent by GRI to the jurisdiction of this Court with respect to any proceedings commenced in this case against or otherwise involving GRI; (c) consent by GRI to the treatment of any non-core claim against it as a core claim; (d) a waiver of the right to withdraw the reference with respect to the subject matter of this claim, any objection or other proceedings commenced with respect thereto, or any other proceedings commenced in this case against or otherwise involving GRI; or (e) an election of remedy which waives or otherwise affects any other remedy of GRI.

GRI also expressly reserves its right to a jury trial with regard to all matters arising under the Bankruptcy Code or arising in or related to this case or any successor case. GRI files this Proof of Claim in full reservation of, and without prejudice to, any of its rights. GRI expressly reserves the right to amend or supplement this Proof of Claim in any respect, including without limitation, with respect to the filing of an amended claim for a deficiency, the purpose of fixing and liquidating any contingent or unliquidated claim set forth herein, filing additional proofs of claim for additional claims, adding additional amounts due to attorneys' fees and expenses and/or any other interest, costs and expenses to the extent permitted by applicable law. GRI expressly reserves its rights against any and all third parties and/or guarantors with respect to the obligations set forth in

this Proof of Claim. GRI further asserts its right to assert any other claims arising post-petition against the Guarantor.

Exhibit A

Gold's Gym International, Inc
Case No. 20-31318
Creditor – GRI Gateway Overlook, LLC
Gateway Overlook, 8271 Gateway Overlook Drive, Columbia, MD 21075

I Pre-petition A/R (A/R Through 5/4/2020)

a.	Base Rent	\$	-
b.	Operating Expense	\$	-

Subtotal \$ -

II Post- Rejection (05/04/2020 - 02/28/2023)

a.	Base Rent	\$	1,479,554.08
b.	Operating Expense	\$	589,860.39

Subtotal \$ 2,069,414.47

TOTAL CLAIM **\$ 2,069,414.47**

Exhibit B

GATEWAY OVERLOOK

THIS LEASE is between WRIT GATEWAY OVERLOOK, LLC, a Delaware limited liability company ("Landlord"), and FITNESS FIRST AT GATEWAY COLUMBIA, LLC, a Maryland limited liability company ("Tenant"). The date of this Lease is May 17, 2012 ("Commencement Date"). The Leased Premises are located in the GATEWAY OVERLOOK ("Shopping Center") in the City of Columbia, County of Howard, and State of Maryland.

REFERENCE PROVISIONS

The following references define terms used in the specified Articles and elsewhere in this Lease and shall be construed in accordance with the provisions and conditions in this Lease:

1.01 Leased Premises: 8271 GATEWAY OVERLOOK, containing approximately 22,292 square feet of floor area and approximately 218' of frontage.

[ARTICLE 1(a)]

1.02 Expiration Date: The last day of the month that is ten (10) calendar years from the Rental Commencement Date.

Renewal Options: Provided Tenant (i) is not in default beyond any applicable notice and cure period under the terms and conditions of this Lease; (ii) is open and operating its business in the Leased Premises in accordance with the terms of this Lease, and (iii) provides written notice to Landlord of its intent to renew the Lease no later than nine (9) full calendar months prior to the expiration date of the initial Lease Term or the first Renewal Option Period, as defined below, as the case may be, then, Tenant shall have a right and option to extend the Lease Term for two additional (5)-year periods (the "Renewal Option Period") on the same terms, provisions and conditions as contained in this Lease, except as to the Minimum Annual Rental, the initial construction obligations of each of the respective parties and (after the first Renewal Option Period) only one (1) Renewal Option Period shall remain. If (a) Tenant fails to furnish such notice of its intent to extend the Lease Term in the manner and within the time period set forth in this Reference Provision, or (b) the conditions precedent to the exercise of such right and options as set forth in this Reference Provision are not complied with, then Tenant's option shall be void and of no force and effect, and Tenant shall surrender the Leased Premises on the Expiration Date (or on the last day of the first Renewal Option Period, if the option therefor was duly exercised), in accordance with ARTICLE 24.

[ARTICLE 1(b)]

1.03 Permitted Use: Only for the operation of a health club and all related and ancillary fitness and health related activities which may include, without limitation, sports and orthopedic physical therapy, chiropractic therapy, therapeutic sports massage, dance, martial arts, spinning, pilates, kick-boxing and other health, wellness and exercise related programs offered by health and fitness clubs, the sale of related merchandise and nutritional products and for no other use or purpose whatsoever.

[ARTICLE 1(c)]

1.04 Anticipated Submittal Date for Tenant's plans and specifications: September 1, 2012
Anticipated Date for Landlord Delivery of Leased Premises: October 1, 2012

[ARTICLE 2(d)]

1.05 Anticipated Beginning Work Date: October 1, 2012, but in any event no later than 10 days after the date of Landlord's delivery of the Leased Premises to Tenant.

[ARTICLE 2(e)]

1.06 Anticipated Opening Date: January 30, 2013, but in any event not later than 10 days after the date on which Tenant receives its Certificate of Occupancy for the conduct of its normal and customary business operations in the Leased Premises.

[ARTICLE 3]

1.07 Minimum Annual Rental:

Rental Commencement Date through the last day of the sixtieth (60 th) full calendar month after the Rental Commencement Date:	(\$476,602.96 per year)	(\$39,716.91 per month)	(\$21.38 psf)
First day of the sixty-first (61 st) full calendar month after the Rental Commencement Date through the Expiration Date:	(\$524,307.84 per year)	(\$43,692.32 per month)	(\$23.52 psf)

Renewal Option Period 1:	(\$576,694.04 per year)	(\$48,057.84 per month)	(\$25.87 psf)
Renewal Option Period 2:	(\$634,430.32 per year)	(\$52,869.19 per month)	(\$28.46 psf)

[ARTICLE 4(a)]

1.08 Percentage Rate: Intentionally omitted.

[ARTICLE 4(b)]

1.09 Annual Sales Base and Monthly Sales Base: Intentionally omitted.

[ARTICLE 4(b)]

1.10 Landlord's Notice and Payment Address:

[ARTICLES 4 and 30]

Landlord's Notice Address

Landlord's Payment Address:

WRIT GATEWAY OVERLOOK, LLC
c/o Washington Real Estate Investment Trust
6110 Executive Boulevard, Suite 800
Rockville, Maryland 20852
Attn: Asset Manager

Washington Real Estate Investment Trust
P.O. Box 79555
Baltimore, Maryland 21279-0555

Phone: (301) 984-9400
Email: SKRUPINSKI@writ.com

1.11 Tenant's Notice and Billing Address:

[ARTICLE 30]

FITNESS FIRST AT GATEWAY COLUMBIA, LLC
Attn: Amy DiPasquale
7430 New Technology Way, Suite B
Frederick, Maryland 21703
amy@fitnessfirstclubs.com

With a copy to:

Andrew C. DiPasquale, Esquire
Law Office of Andrew C. DiPasquale, LLC
1 West Church Street
Frederick, MD 21701
andrew@mdlandlaw.com

1.12 Additional Gross Leasable Area Annual Rental Increase: Intentionally omitted.

[ARTICLE 4(c)]

1.13 Anchor Minimum Annual Rental Increase: Intentionally omitted.

[ARTICLE 4(d)]

1.14 Trade Name: "Fitness First"

[ARTICLE 25]

1.15 Intentionally omitted.

[ARTICLE 37]

1.16 Initial Assessment: Intentionally omitted.

[ARTICLE 37]

1.17 Key Money: Intentionally omitted.

1.18 Construction Allowance: Landlord agrees to pay to Tenant within 30 days of receipt of a request for payment, if Tenant is not then in Default beyond any notice and any applicable cure period, the cost of Tenant's Work up to the aggregate sum of \$891,680.00 [\$40.00 psf] but not more than that amount, subsequent to the fulfillment of all of the following requirements:

1. Not to exceed \$297,226.66 upon receiving delivery of certification in writing by Tenant that construction of 1/3 of Tenant's Work has been completed, lien free and in a manner required under this Lease, and upon presentation to Landlord, in form and detail reasonably satisfactory to Landlord, of:
 - a. Contractor's Sworn Statement showing that the amount requested by Tenant has been spent by Tenant on the Leased Premises and listing all subcontractors, sub-subcontractors and material suppliers and amounts which they were to be paid and were paid for work performed for or on the Leased Premises or for materials supplied for Tenant's Work;
 - b. Contractor's Original and Notarized Partial Waiver of Lien for at least \$297,226.66 of work; and
 - c. Notarized Partial Waivers of Lien from all architects, subcontractors, sub-subcontractors and material suppliers for a total of \$297,226.66;

2. Not to exceed \$297,226.66 upon receiving delivery of certification in writing by Tenant that construction of 2/3 of Tenant's Work has been completed, lien free and in a manner required under this Lease, and upon presentation to Landlord, in form and detail reasonably satisfactory to Landlord, of:

- a. Contractor's Sworn Statement showing that the amount requested by Tenant has been spent by Tenant on the Leased Premises and listing all subcontractors, sub-subcontractors and material suppliers and amounts which they were to be paid and were paid for work performed for or on the Leased Premises or for materials supplied for Tenant's Work;
 - b. Contractor's Original and Notarized Partial Waiver of Lien for at least \$297,226.66 of work;
 - c. Notarized Partial Waivers of Lien from all architects, subcontractors, sub-subcontractors and material suppliers for a total of \$297,226.66.
3. Not to exceed the balance of the total Construction Allowance due Tenant, subsequent to fulfillment of the following requirements:
- a. Completion of Tenant's Work [in accordance with the Exhibits], lien free and in a manner satisfactory to Landlord and Landlord's Architect;
 - b. Presentation to Landlord, in form and detail satisfactory to Landlord, of:
 - i. Contractor's Sworn Statement showing that the amount requested by Tenant has been spent by Tenant on the Leased Premises and listing all subcontractors, sub-subcontractors and material suppliers and amounts which they were to be paid and were paid for work performed for or on the Leased Premises or for materials supplied for Tenant's Work;
 - ii. Tenant's Architect shall provide an Original, Unconditional and Notarized Affidavit or Final Waiver of Lien indicating that the Architect has been paid in full;
 - iii. Contractor's Original and Notarized Final Waiver of Lien; and
 - iv. Notarized, Unconditional Final Waivers of Lien from all architects, subcontractors, sub-subcontractors and material suppliers.
 - c. Presentation to Landlord of unconditional Certificates of Occupancy from all applicable governmental authorities.

Landlord shall be entitled to any unpaid portion of the amount in the event of an uncured event of Default, bankruptcy or insolvency by Tenant, beyond applicable notice and cure periods. If and to the extent Tenant emerges from bankruptcy or ceases to be insolvent, Landlord shall be obligated to pay the cost of Tenant's Work that was previously withheld.

Tenant's request for payment should be sent to Landlord at the Address shown in Reference Provision 1.10 and directed to Attn: Tenant Allowance Administration. The Construction Allowance monies will be paid to Tenant only for Tenant's payment for construction work performed in the Leased Premises, including the cost of raw materials, labor, architects fees, permits, and related costs of construction. Construction work does not include inventory, supplies, Tenant's moveable property or the cost of training Tenant's employees. Notwithstanding any of the foregoing to the contrary, Tenant shall have the right to apply up to 15% of the Construction Allowance toward the purchase of Tenant's exercise equipment for the Leased Premises.

The terms of this Reference Provision shall be a condition precedent to Tenant's right to receive its Construction Allowance, and no portion of said sum shall vest in Tenant, nor shall Tenant sell, assign, encumber or create a security interest in such allowance prior to full compliance with the terms of this Reference Provision.

[ARTICLE 2]

1.19 Intentionally omitted.

[ARTICLE 46]

1.20 Radius: 3 miles

[ARTICLE 58]

1.21 Intentionally omitted.

[ARTICLE 16]

1.22 Estimated Initial Operating Expenses Payment: \$5,907.38 (\$3.18 per square foot) per year commencing on the Rental Commencement Date, payable in equal monthly installments, subject to the adjustment as provided in the Lease.

1.23 Intentionally omitted.

1.24 Intentionally omitted.

1.25 Intentionally omitted.

1.26 Intentionally omitted.

1.27 Intentionally omitted.

1.28 **Exclusive Use:** So long as Tenant is operating at the Leased Premises for the Permitted Use and is not in Default hereunder beyond applicable notice and cure periods, no entity whose primary business is physical fitness or a health club shall be located within the Shopping Center, provided this exclusive shall not apply to tenant or assignees of tenants under leases existing as of the date hereof, nor any parcels within the Shopping Center owned by unrelated third parties. If this provision is violated after notice from Tenant to Landlord, Tenant shall have the right as its sole and exclusive remedy hereunder to pay 1/2 of Minimum Annual Rental otherwise required to be paid hereunder ("Substitute Rent"). Tenant shall give Landlord 30 days' notice of its exercise to pay Substitute Rent. If the violation persists and Tenant has paid Substitute Rent for 12 consecutive months, Tenant shall have the right upon 30 days' notice to terminate this Lease. If Tenant does not so terminate this Lease after paying Substitute Rent for twelve (12) consecutive months, then the Minimum Annual Rental shall be restored to one hundred percent (100%) of the Minimum Annual Rental stated herein.

1.29 Intentionally omitted.

1.30 Intentionally omitted.

1.31 Intentionally omitted.

1.32 **Brokerage Fees:** Each party to this Lease warrants that other than Chris Coccaro of Broad Street Realty, LLC ("Tenant's Broker"), it has not had dealings with any broker or agent in connection with the negotiation or execution of this Lease, and each party agrees to indemnify and hold harmless the other from and against any and all cost, expense or liability for commissions or other compensation and charges claimed by any other broker or agent through Landlord or Tenant with respect to this Lease. Landlord agrees to pay Tenant's Broker under separate agreement.

1.33 Intentionally omitted.

1.34 **Miscellaneous:** References to articles are for convenience and designate some of the other provisions where references to the particular Reference Provisions appear. If there is a conflict between a Reference Provision and the other provisions of this Lease, the former shall control.

ARTICLE 1 - Leased Premises, Term and Use

(a) Landlord leases to Tenant and Tenant takes from Landlord in consideration of the covenants and agreements in this Lease, the premises ("Leased Premises") being that portion of the building measured to the center of common walls and the outside faces of exterior walls, on the drawings attached to this Lease and made a part of this Lease as "Exhibit A". The Leased Premises shall include corridors and passageways for the exclusive use of the Leased Premises. The Shopping Center includes all buildings, land, improvements, additions, extensions and deletions which may be made from time to time in accordance with the terms and conditions of this Lease, as shown on "Exhibit B". The Leased Premises are described further in the Reference Provisions. Tenant may elect, within sixty (60) days of the execution of this Lease, to have the Leased Premises remeasured. If the square footage of the Leased Premises is more or less than the amount set forth in Reference Provision 1.01, all rental and additional rental and amounts based upon the square footage of the Leased Premises shall be adjusted accordingly, and the parties shall execute an amendment to this Lease memorializing the adjustments.

"Exhibit B" attached hereto is for informational purposes only, and are not a warranty, representation or agreement that the Leased Premises, Shopping Center or other areas will be as shown on the Exhibits, or that other occupants if shown on the Exhibits will be in the Shopping Center. Tenant's rights are limited to the use and occupancy of the Leased Premises and the license to use the Joint Use Areas as they may exist from time to time, all subject to the terms, covenants, conditions and provisions of this Lease. Notwithstanding anything to the contrary set forth elsewhere in this Lease, Landlord acknowledges that Tenant has entered into this Lease in reliance of the material fact that Tenant's proposed use as a health and fitness center is permitted by applicable laws, including, in particular, local zoning laws and regulation, and that the amount of parking available at the Shopping Center and allocated to Tenant meets all applicable parking codes and regulations. In the event Tenant's Permitted Use is ever deemed impermissible by any authority or agency having appropriate jurisdiction over the Shopping Center, Tenant shall have the right following thirty (30) days written notice to Landlord to cancel and terminate this Lease.

(b) The term of this Lease ("Term") shall begin on the Commencement Date and end on the Expiration Date in the Reference Provisions, subject to extension or earlier termination as set forth elsewhere herein.

(c) The Leased Premises shall be used and occupied only for the Permitted Use in the Reference Provisions, and for no other use or purpose whatsoever. Unless specifically noted in the Reference Provisions, Tenant does not have exclusive rights to sell any particular merchandise or provide any particular services in the Shopping Center. Landlord hereby acknowledges and agrees that, because of the nature of the Permitted Use, it is anticipated that noise may from time to time be generated. Tenant will take operate its business so as not to unnecessarily or unreasonably create a nuisance or disturbance at the Shopping Center. Subject to applicable laws, in no event shall Tenant be unreasonably restrained from engaging in the normal conduct of its Permitted Use as a health and fitness center, nor shall Tenant be required to engage in noise mitigation except for reasonable and customary noise mitigation by Tenant in connection with future alterations or additions to the Leased Premises, and then, only to an extent which would not unreasonably restrict the layout of Tenant's exercise equipment or Tenant's ability to operate its business in the normal course.

ARTICLE 2 - Original Construction

(a) Landlord may make changes, reductions and additions without restriction in other areas of the Shopping Center (including all Joint Use Areas and all buildings and other improvements), whether the changes are requested by other tenants or deemed desirable by Landlord. Notwithstanding the foregoing provisions or similar provisions set forth elsewhere in this Lease to the contrary, in no event shall any use change, modification or alteration to the Shopping Center, the Joint Use Areas or the Leased Premises (i) permanently change the location, size or configuration of the Leased Premises, (ii) materially and adversely affect the visibility, ingress or egress to the Leased Premises, (iii) reduce the parking areas to less than that required by any applicable regulations for Tenant's Permitted Use, (iv) materially and adversely affect the visibility of Tenant's building signage, or (v) materially and adversely interfere with the operation of Tenant's business operations in the Leased Premises.

(b) Intentionally omitted.

(c) Except as otherwise expressly provided elsewhere in this Lease, Tenant acknowledges that there is no Landlord's Work, and Tenant has inspected the Leased Premises and will accept it in "as-is" condition. All other work in the Leased Premises necessary for the introduction of Tenant's Permitted Use shall be done by Tenant, at Tenant's expense ("Tenant's Work"), but subject to Landlord's provision of the Construction Allowance. Tenant's Work shall consist of a full build-out of Tenant's prototypical health club facility in accordance with a mutually agreed upon plan. Tenant's Work shall include, but not be limited to, the installation of storefronts and storefront signs, customer entrance doors, floor covering, plastering, interior decorating, wall and ceiling treatment, completion of the air conditioning system and fire sprinkler system, extension of electrical service to the Leased Premises, connection of plumbing lines to Landlord's system, the installation of electric lights and fixtures and all other electrical work, as may be necessary. The design and installation of mechanical and electrical systems shall comply with any requirements attached and made a part of this Lease as the Exhibits. All signs and electrical work for the signs shall be installed by Tenant at Tenant's expense. They shall be of such character, design, size and at such locations as Landlord may reasonably approve, acknowledging for all purposes that signage is anticipated to be substantially similar to Fitness First's prototypical facility signage existing at comparable facilities. Tenant agrees not to install any signs until they have been approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed.

(d) Approval of the plans and specifications by Landlord shall not create any responsibility by Landlord for their accuracy, sufficiency or compliance with laws or rules and regulations. Tenant shall be solely responsible for the plans and specifications. When Landlord has approved Tenant's plans and specifications, Landlord shall return one set of approved plans to Tenant within five days of receipt from Tenant. Such approved plans shall show the date of Landlord's approval and shall be made a part of this Lease as "Exhibit __", whether or not physically attached hereto. Tenant agrees not to begin Tenant's Work until Landlord has approved the plans and specifications.

(e) Tenant shall begin Tenant's Work within ten (10) days of receiving applicable building permit(s) and shall thereafter diligently proceed and complete Tenant's Work in strict accordance with the approved plans and specifications. Upon completion of Tenant's Work, Tenant shall provide a certificate furnished by or otherwise reasonably satisfactory to Landlord from Tenant's contractor stating that no asbestos-containing materials or other Hazardous Materials as defined in ARTICLE 15 were used in the construction of the Leased Premises. Tenant shall complete the installation of fixtures, trade fixtures, improvements, equipment, stock and inventory prior to the Opening Date.

NOTWITHSTANDING ANYTHING CONTAINED IN THIS LEASE TO THE CONTRARY, TENANT SHALL EXERCISE GOOD FAITH EFFORTS TO OPEN FOR BUSINESS TO THE PUBLIC IN THE LEASED PREMISES ON OR BEFORE THE ANTICIPATED OPENING DATE SPECIFIED IN THE REFERENCE PROVISIONS.

ARTICLE 3 - Rental Commencement Date

Notwithstanding anything to the contrary contained elsewhere in this Lease, the rental payments shall be deferred and shall begin to accrue only upon the later to occur of the following ("Rental Commencement Date"): (i) February 1, 2013 and (ii) 120 days following Landlord's delivery of the Leased Premises to Tenant, which Landlord and Tenant have mutually agreed is anticipated to occur on or about October 1, 2012, but in no event shall Landlord's delivery of the Leased Premises occur prior to October 1, 2012.

ARTICLE 4 - Rental

Tenant shall pay Landlord as rental for the use and occupancy of the Leased Premises, at the times and in the manner provided, the following sums of money per annum without deduction or set-off and without prior demand, except as may be otherwise expressly provided for herein:

(a) **MINIMUM ANNUAL RENTAL:** The Minimum Annual Rental shall be payable in 12 equal monthly installments in advance, upon the 1st day of each and every month during the periods of time specified in the Reference Provisions.

If under ARTICLE 3 rental begins on a day other than the 1st day of a month, the monthly installment of Minimum Annual Rental for the period from the beginning date until the 1st day of the month next following shall be prorated accordingly. All past due rental, additional rental, and other sums due Landlord under this Lease shall bear interest from the due date until paid by Tenant, at the rate of 2% above the Prime Rate (as defined below), not to exceed the maximum rate of interest allowed by law in the state where the Shopping Center is located (the "Interest Rate"). The interest shall be deemed to be additional rental. All rental provided for in this Lease shall be paid to Landlord at the address in the Reference Provisions or to another payee or address that Landlord designates in writing to Tenant.

"Prime Rate" wherever it appears in the Lease means the prime rate (or base rate) reported in the Money Rates column or section of The Wall Street Journal as being the base rate on corporate loans at large U.S. money center commercial banks (whether or not that rate has been charged by any bank). If The Wall Street Journal ceases publication of the prime rate, Prime Rate shall mean the highest rate charged by Bank One (or its successor) on short term unsecured loans to its most creditworthy large corporate borrowers. If The Wall Street Journal (i) publishes more than one prime rate or base rate, the higher or highest of the rates shall apply, or (ii) publishes a retraction or correction of that rate, the rate reported in that retraction or correction shall apply.

(b) **PERCENTAGE RENTAL:** Intentionally omitted.

(c) **ADDITIONAL GROSS LEASABLE AREA MINIMUM ANNUAL RENTAL INCREASE:** Intentionally omitted.

(d) **ANCHOR MINIMUM ANNUAL RENTAL INCREASE:** Intentionally omitted.

(e) If Minimum Annual Rental or additional rental is not paid within five (5) days following receipt of written notice from Landlord that any such amounts are due and delinquent, Tenant shall also pay Landlord, as liquidated damages, a late payment fee equal to the greater of \$100.00 or 5% of the delinquent rental; provided, however, if Landlord sends 2 or more such notices to Tenant within any 12 month period, Landlord shall thereafter have no further obligation to provide written notice to Tenant prior to the assessment of the liquidated damages charge. Any bank service charges resulting from bad checks shall be borne by Tenant.

(f) In addition to Minimum Annual Rental, Tenant shall pay, as additional rental, all sums of money required to be paid pursuant to ARTICLES 7 (Taxes) and 17 (Joint Use Areas and Operating Expenses, together with all other sums of money or charges required to be paid by Tenant under this Lease (collectively referred to in this Lease as "additional rental"). All amounts shall be paid to Landlord's Payment Address as shown in Reference Provision 1.10. If the amounts or charges are not paid at the time provided in this Lease, they shall nevertheless be collectible as additional rental with the next installment of Minimum Annual Rental falling due, but nothing in this Lease shall be deemed to suspend or delay the payment of any amount of money or charge at the time it becomes due and payable or to limit any other remedy of Landlord. All amounts of Minimum Annual Rental and additional rental payable in a given month (also collectively referred to in this Lease as "rent" or "rental") shall be deemed to be a single rental obligation, and shall survive the expiration of the Term or the earlier termination of this Lease. Any payment by Tenant or acceptance by Landlord of a lesser amount than shall be due from Tenant to Landlord at the time of such payment shall be treated as a payment on account. The acceptance by Landlord of a check for a lesser amount with an endorsement or statement thereon, or any letter accompanying such check stating that such lesser amount is payment in full shall be given no effect, and Landlord may accept such check on account without prejudice to any other rights or remedies which Landlord may have against Tenant.

ARTICLE 5 - Definition of Net Sales

Intentionally omitted.

ARTICLE 6 - Records and Audits

Intentionally omitted.

ARTICLE 7 - Taxes

(a) (i) Effective upon the Rental Commencement Date, Tenant shall pay, without deduction or set-off of any kind, its proportionate share of all real property taxes and assessments which may be levied or assessed against the Shopping Center during the Term by any lawful authority for each calendar year including, without limitation, all Impositions as defined below in this subpart (a)(i) and the cost of any contest, review or negotiation of an assessment by Landlord, as described in (c) below (collectively "Property Taxes"). Property Taxes shall exclude taxes and assessments actually paid by anchors or outparcel occupants for land and buildings owned or leased by anchors and outparcels whether the anchors and outparcels are occupied or vacant and whether or not the real

property taxes thereon are separately billed or assessed. Notwithstanding anything to the contrary contained in this Lease, Property Taxes shall include any form of tax or assessment, license fee, license tax, tax or excise on rent, or any other levy, charge, or similar imposition, plus any Columbia Parks & Recreation Tax ("Impositions") imposed by any governmental authority or political subdivision having jurisdiction, or any school, agricultural, lighting, drainage, management, roadway, water, levee, utility or other improvement or special assessment district, on any interest of Landlord or Tenant in the Leased Premises, the Shopping Center or the underlying realty. The Impositions shall include but not be limited to: (aa) any partial or total substitute impositions for real property taxes; (bb) any impositions imposed upon owners of real estate (including any water and sewer tax assessment) rather than upon persons generally, as well as any tax which may become a lien on the land, buildings or other improvements in the Shopping Center, or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Leased Premises; (cc) any Impositions upon this Lease or any document to which Tenant is a party creating or transferring an interest or an estate in the Leased Premises, and (dd) any impositions for offsite property or facilities that provide an easement required to be maintained for the benefit of or that serves the Shopping Center. Property Taxes and Impositions shall not include vault space taxes, federal or state income taxes levied or assessed on Landlord, any inheritance, estate, gift, franchise, corporation, income, excise, capital stock, succession, transfer, recordation, or net or excess profits tax which may be assessed against Landlord or the Shopping Center or any fines or penalties incurred as a result of the late payment of Real Estate Taxes.

(ii) Tenant's proportionate share shall be the product which results by multiplying the Property Taxes (less any payment actually made by variety and specialty stores, and by anchors and outparcels as excluded in subpart (a)(i) above) by a fraction, the numerator of which shall be the number of square feet of floor area in the Leased Premises and the denominator of which shall be the total number of square feet of gross leasable floor area in the Shopping Center minus the gross leasable floor area of the variety stores, specialty stores, anchors and outparcels for which any payment of real property taxes has been excluded from the definition of Property Taxes under this subparagraph (a)(ii).

(iii) An "anchor" is any operation, land, building, store or business whether occupied or vacant, and whether owned or leased, which leases or occupies 30,000 square feet or more of space in the Shopping Center. A "variety or specialty store" is (aa) an occupant which leases or occupies between 10,000 and 29,999 square feet of space in the Shopping Center, or (bb) a restaurant occupant having an exterior entrance. An "outparcel" is any operation, land, building, store or business whether occupied or vacant and whether owned or leased, that is not an anchor or variety or specialty store and is separated by vehicular access or parking area from the other buildings of the Shopping Center. Notwithstanding anything to the contrary contained in the Lease, an outparcel may at Landlord's sole discretion be considered part of the Shopping Center for purposes of the definition of Property Taxes and the calculation of Tenant's share of Property Taxes under ARTICLE 7, provided that if the Landlord considers an outparcel to be part of the Shopping Center for such purposes Landlord shall include any payments toward Property Taxes actually made by the outparcel occupant before the calculation of Tenant's share of Property Taxes.

(b) From time to time, Landlord shall notify Tenant in writing of Landlord's estimate of Tenant's monthly installments due with respect to Property Taxes. Such monthly installments shall be paid on or before the 1st day of each calendar month, in advance. If Landlord is required however under a mortgage to escrow Property Taxes, Landlord may, but shall not be obligated to, use the amount required to be escrowed as a basis for the estimate of the monthly installments. Upon confirmation of all Property Tax bills attributed to any calendar year during the Term, Landlord shall furnish Tenant with a written statement of the actual amount of Tenant's proportionate share of the Property Taxes for that year. If the total amount paid by Tenant for any calendar year during the Term is less than the actual amount due from Tenant for that year, as shown on the statement, Tenant shall pay Landlord the deficiency within 30 days after Tenant's receipt of written notice from Landlord. If the total amount paid by Tenant for any calendar year exceeds the amount due from Tenant for that calendar year, Landlord shall credit the excess against Tenant's next rental payments due or refund the same to Tenant if the Term has otherwise expired. Tenant's liability for its proportionate share of Property Taxes for the calendar years in which this Lease begins and ends shall be subject to a prorate adjustment based on the number of days in those years. Landlord's and Tenant's obligations under this ARTICLE 7 shall survive the expiration or earlier termination of the Term. An official tax bill (or copy) shall accompany Landlord's delivery of the statement of actual amount to Tenant, and shall be conclusive evidence of the amount of the tax assessed or levied, the items taxed and the installments.

(c) If Landlord contests, reviews or negotiates any tax or assessment upon the Shopping Center, Tenant agrees to pay its proportionate share of Landlord's expenses, whether third party or internal, including but not limited to legal, tax consultant and appraisal fees. Tenant's proportionate share of such expenses shall be calculated and paid in the manner set forth in ARTICLE 7(a). Tenant shall not have the right to withhold any payments to Landlord notwithstanding anything to the contrary contained in this Lease, nor shall Landlord be obligated to withhold the payment of Property Taxes levied or assessed against the Shopping Center. If Tenant pays an amount in excess of its proportionate share of Property Taxes for any year as the result of a subsequent reduction in total Property Taxes for that year, the excess shall be refunded to Tenant (the "Net Refund") when all refunds to which Landlord is entitled from the taxing authority for that year are received by Landlord. The term "Net Refund" means the refund plus interest, if any thereon less any actual appraisal, engineering, expert testimony, attorneys', printing and filing fees and all other costs and expenses of the contest, review or negotiation to the extent that such fees, costs and expenses have not been previously included in taxes under this ARTICLE 7.

(d) Notwithstanding anything to the contrary in this ARTICLE 7 or elsewhere in this Lease, any excise, transaction, sales or privilege tax (except income, transfer, estate or inheritance tax) imposed on account of, attributed to, or measured by rental or other charges payable by Tenant shall not be considered Property Taxes and shall be separately paid by Tenant to Landlord.

ARTICLE 8 - Subordination and Attornment

(a) Provided that Landlord obtains for the benefit of Tenant, from each present and future mortgagee of the Shopping Center, a non-disturbance agreement on such mortgagee's standard form (provided the same shall not alter any economic term of this Lease and further shall not curtail and material non-economic rights of Tenant hereunder) Tenant's rights shall be subordinate to the interest of any ground lessor and to the lien of any mortgage or deed of trust in force or later placed against the Shopping Center, upon any building placed later upon the Shopping Center and to all advances made upon the security thereof. No ground lessor nor the mortgagee or beneficiary named in the mortgage or trust deed shall disturb Tenant's peaceable possession of the Leased Premises if Tenant is not in default under this Lease beyond applicable notice and cure periods. Any mortgagee or beneficiary of Landlord may, at its option, subordinate its mortgage or trust deed to this Lease. Tenant shall execute any subordination agreement requested by Landlord, any mortgagor or beneficiary of Landlord within 10 business days following Tenant's receipt of written request. Tenant shall accept performance of any of Landlord's obligations hereunder by any mortgagee or beneficiary of Landlord.

(b) If any proceedings are brought for foreclosure, or if the power of sale under any mortgage, deed of trust or deed to secure debt made by Landlord covering the Leased Premises is exercised, Tenant shall attorn to the purchaser upon the foreclosure or sale and recognize the purchaser as the Landlord under this Lease provided that any such successor to Landlord agrees to recognize Tenant's tenancy hereunder and assumes prospectively all of the obligations of the landlord hereunder.

(c) Landlord covenants that it is or will be a party to a certain agreement or agreements with the anchors in the Shopping Center (the "Agreement"), which may be amended from time to time. The Agreement shall not prevent Tenant from using the Leased Premises for the purpose set forth in Reference Provision 1.03. This Lease is subject and subordinate to the Agreement and any amendments to or modifications of the Agreement.

(d) Tenant agrees to make such reasonable, non-material modifications to this Lease as may be reasonably required in connection with the obtaining of financing or refinancing of the Shopping Center or any portion thereof or interest therein, so long as such modifications do not change the economic terms hereof or materially affect Tenant's rights, increase Tenant's obligations, or reduce Landlord's obligations hereunder.

The Lease shall be conditioned upon Tenant's receipt of such non-disturbance agreement(s) reasonably acceptable to Tenant in form and substance.

ARTICLE 9 - Additional Construction

Landlord reserves the right at any time to make alterations or additions to, subdivide, change the building dimensions and storefront lines, build additional stories on the building in which the Leased Premises are contained or on any other building or buildings in the Shopping Center, and to build adjoining the Shopping Center. Landlord also reserves the right at any time to construct other buildings, structures or improvements including, but not limited to, surface, elevated or double-deck parking facilities and to erect temporary scaffolds and other aids to construction. Notwithstanding the foregoing provisions of this ARTICLE 9 or similar provisions set forth elsewhere in this Lease to the contrary, in no event shall any such alterations, additions and the like to the buildings in the Shopping Center, the Joint Use Areas or the Leased Premises (i) permanently change the location, size or configuration of the Leased Premises, (ii) materially and adversely affect the visibility, ingress or egress to the Leased Premises, (iii) reduce the parking areas to less than that required by any applicable regulations for Tenant's Permitted Use, (iv) materially and adversely affect the visibility of Tenant's building signage, or (v) materially and adversely interfere with the operation of Tenant's business operations in the Leased Premises.

ARTICLE 10 - Condition of Leased Premises

Tenant's taking possession of the Leased Premises shall be conclusive evidence of Tenant's acceptance of the Leased Premises in good order and broom clean satisfactory condition and "as-is", excluding latent defects. Tenant agrees that, except as otherwise expressly provided elsewhere in this Lease, no representations about the condition of the Leased Premises, nor promises to decorate, alter, repair or improve the Leased Premises have been made by Landlord or its agents to Tenant. Tenant also agrees that no representations have been made to Tenant that any other tenants will lease space in the Shopping Center nor have any promises been made that Tenant has the exclusive right to sell any merchandise, goods or services.

ARTICLE 11 - Repairs and Maintenance

Landlord shall be responsible for all structural repairs to the Leased Premises and the Shopping Center. Landlord shall not be responsible for damage or personal injury caused by any defects or other conditions, or the consequences thereof, except in the case of Landlord's negligence and/or willful misconduct. Landlord shall not be liable to Tenant for any damage to merchandise, trade fixtures or personal property of Tenant in the Leased Premises, including without limitation damage by water leakage, seepage, water discharge from a sprinkler system or water damage caused by leakage from other occupants. Beginning on the date on which Landlord delivers actual physical possession of the Leased premises to Tenant, Tenant shall be liable for all repairs and maintenance of the Leased Premises, except those for which Landlord is responsible under this ARTICLE 11. Tenant shall keep the

Leased Premises in good order and repair, clean, sanitary and safe. Tenant's repairs, replacements and maintenance obligations shall include, but not be limited to, its heating and cooling equipment; other equipment; fixtures; improvements; floor covering; the exterior and interior portions of all doors, door locks, security gates, and windows; plumbing and sewage facilities which are not Landlord's obligation; walls; ceilings; and plate glass. Tenant shall be solely responsible for maintenance and repair costs related to the Leased Premises. If Tenant refuses or neglects to make repairs or maintain the Leased Premises, in a commercially reasonable manner, Landlord shall have the right, upon giving Tenant reasonable written notice and opportunity to cure, to make the repairs or perform the maintenance on behalf of Tenant. Tenant shall reimburse Landlord after Tenant receives a statement of such repair expenditures together with evidence (e.g., invoices) supporting such expenditures. Landlord has no obligation to do work which Landlord is not expressly required to perform under this Lease or which, under this Lease, Tenant is required to perform. The performance of that work by Landlord shall not constitute a waiver of Tenant's default.

Notwithstanding anything to the contrary contained in this Lease, if Landlord fails to commence the making of such repairs or the performance of such maintenance as it is obligated to do under this ARTICLE 11, within thirty (30) days after notice from Tenant (except if an emergency situation exists and the immediate curing of such breach or failure is necessary to protect the Leased Premises, property located therein, or persons from imminent injury or damage, the thirty (30) days grace period shall be reduced to twenty-four (24) hours) Tenant's may, but shall not be obligated to, cause such repairs to be made or maintenance to be performed and to make a claim against Landlord for the reasonable costs thereof. Landlord shall reimburse Tenant within thirty (30) days after receipt from Tenant of a statement of such repair expenditures together with evidence (e.g., invoices) supporting such expenditures.

ARTICLE 12 - Alterations

Tenant shall not make any structural, electrical, storefront, exterior, major interior or mechanical alterations to the Leased Premises without obtaining the written consent of Landlord which consent shall not be unreasonably withheld conditioned or delayed. Tenant shall not interfere with any work in the Shopping Center, and shall not cause the closing, interruption or impairment of Tenant's normal conduct of business. All alterations, additions, improvements and Tenant's Work shall become, upon expiration of the Term, or the earlier termination of this Lease, the property of Landlord without any payment by Landlord. All such work by Tenant shall be made under the supervision of a competent architect or competent licensed structural engineer and shall be in accordance with plans and specifications approved in writing by Landlord before the start of the work. Landlord's approval of Tenant's plans and specifications shall not create a responsibility or liability of Landlord for their accuracy, sufficiency or compliance with laws or rules and regulations. The work shall be in accordance with necessary governmental approvals and permits. Tenant shall obtain approvals and permits at its sole expense. The work shall be done in a good and workmanlike manner and diligently prosecuted to completion. The Leased Premises shall at all times be a complete unit except during the performance of work. Work done by Tenant without Landlord's consent shall be returned to its original condition, at Tenant's expense, upon request by Landlord. Landlord's approval shall not be required for alterations that are (i) cosmetic in nature, including but not limited to painting or carpeting the Premises, or (ii) Alterations which cost less than Seventy Five Thousand Dollars (\$75,000) which do not affect the structure of the Building or Building systems; provided however, that, in connection with all such Alterations, Tenant shall give Landlord at least ten (10) days prior written notice thereof and Tenant shall observe all reasonable rules and regulations as required by Landlord.

Subject to compliance with applicable legal requirements, Tenant shall have the rent free right throughout the lease term and any extensions thereof, at its expense, to install a satellite communications and receiving dish and related sled, and any other related materials, equipment or components thereof, including, but not limited to, any cabling or wiring (collectively, the "Satellite Equipment") through the Leased Premises, or on the roof of the Leased Premises. Tenant shall use Landlord's roofing contractor or such other Landlord-approved contractor and shall not void any roof warranty in connection with the installation of Satellite Equipment. Tenant shall operate such Satellite Equipment in a manner that does not interfere with the operation of similar systems of other tenants and occupants of the Shopping Center. Tenant shall be entitled to continuing access to perform any installation, maintenance, repairs and replacements of the Satellite Equipment that Tenant deems necessary at Tenant's sole cost, risk and expense. Upon the expiration or earlier termination of the Term of this Lease, Tenant shall remove such Satellite Equipment and shall be responsible for the repair of any damage caused by such removal.

Subject to Tenant's receipt of approval from applicable governmental authorities, Tenant may install, maintain, and operate an antenna or a mast mounted satellite dish antenna (the "Dish") and related equipment, including cables from the exterior of the Leased Premises to equipment inside the Leased Premises at such location or locations as are approved by Landlord. Tenant may locate the Dish or relocate the Dish to obtain adequate reception, subject to applicable laws, codes, regulations and Landlord's prior approval, which shall not be unreasonably withheld or delayed. Tenant will install the Dish and related equipment in accordance with the applicable laws, codes and regulations and will be liable for repairs for any damage to the Leased Premises, the roof, the exterior, or building structure caused as a result of Tenant's installation, maintenance, or operation of the Dish. The Dish will be the personal property of Tenant, and installation of the Dish shall not cause the Dish to become a fixture pursuant to the Lease or by operation of law. Tenant will be responsible for the maintenance of the Dish during the Term, and will remove the Dish and related equipment upon termination of the Lease and will repair any damage to the roof, exterior, or building structure caused by such removal. Any roof penetrations will be performed by Landlord's contractor at Tenant's expense if required in order to preserve roof warranties.

ARTICLE 13 - Fixtures and Personal Property

Trade fixtures, signs and other personal property of Tenant not permanently affixed to the Leased Premises shall remain the property of Tenant. Tenant shall have the right, provided Tenant is not in Default, to remove its trade fixtures, signs and other personal property. Tenant shall not however, during the Term, render the Leased Premises unsuitable for conducting the type of business specified in Reference Provision 1.03 by removing personal property unless Tenant immediately replaces it with personal property of comparable or better quality. Tenant, at its expense, shall immediately repair damage to the Leased Premises caused by the removal of such trade fixtures, signs and other personal property. Upon the expiration or earlier termination of this Lease, Tenant shall leave the Leased Premises in a neat and clean condition, free of debris. All trade fixtures, signs, and other personal property installed in or to the Leased Premises by Tenant must be new or like new when installed or attached. Tenant shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operation in the Leased Premises as well as upon its trade fixtures, leasehold improvements (including but not limited to merchandise and other personal property in, on or upon the Leased Premises). If Tenant's property is assessed with Landlord's property, the assessment shall be equitably divided between Landlord and Tenant. Landlord shall determine the basis of prorating the assessments and that determination shall be binding. No taxes, assessments, fees or charges referred to in this ARTICLE 13 shall be considered Property Taxes under ARTICLE 7. Tenant's obligation to perform the provisions of this ARTICLE 13 shall survive the Expiration Date or the earlier termination of this Lease. Landlord agrees, if Tenant requests and without cost or expense to Tenant, to execute a subordination agreement between Tenant and any bona fide arm's length lender of Tenant, under which Landlord will agree to subordinate its Landlord's lien to the rights of the lender created by Tenant's security agreement with such lender. Tenant agrees that the security interest to which Landlord must subordinate will cover only those moveable trade fixtures consisting of, by way of example, moveable fixtures, furnishings, furniture, equipment, machinery, signs, inventory and other personal property.

ARTICLE 14 - Liens

Tenant shall not permit a lien or claim to attach to the Leased Premises and shall promptly cause the lien or claim to be released or bonded off within 30 days. If Tenant shall fail to cause a lien to be discharged or bonded, within 30 business days after being notified of the filing of the lien, in addition to any other right or remedy, Landlord may discharge the lien by paying the amount claimed to be due. The amount paid by Landlord, together with interest at the Interest Rate and all costs and expenses, including reasonable attorneys' fees incurred by Landlord, shall be due and payable by Tenant to Landlord as additional rental on the 1st day of the next following month. Tenant shall immediately give Landlord written notice of the recording of a lien against the Leased Premises or the Shopping Center arising out of work done by or at the direction of Tenant.

ARTICLE 15 - Laws and Ordinances

(a) Tenant shall comply with all laws, ordinances, codes, orders and regulations affecting the construction, use, occupancy, alteration, cleanliness, safety and operation of the Leased Premises, which are in force now or later. Tenant shall comply with the regulations, requirements and recommendations of any insurance underwriter, inspection bureau or similar agency. Tenant shall notify Landlord if Tenant has received notice of, or has actual knowledge of any condition or occurrence that might result in liability to Landlord. Tenant shall give Landlord, upon Landlord's request, information regarding the environmental condition of the Leased Premises so Landlord can determine if Landlord must comply with any rule, regulation, order, act, law or statute pertaining to the environmental condition of the Leased Premises or the Shopping Center, and for Landlord to accurately complete a form or otherwise provide information required under any rule, regulation, order, act, law or statute. Tenant shall permit Landlord to comply with those recommendations and requirements. In addition, Tenant agrees to comply, to the extent that the same may be applicable to the Leased Premises and as same may be amended from time to time, with the standards and requirements of the Williams-Steiger Act (PL91-596), known as the "Occupational Safety and Health Act of 1970," notwithstanding the fact that Tenant may otherwise be exempted from the provisions of said Act, and the Americans with Disabilities Act of 1990.

(b) Tenant shall not: (i) permit an immoral practice in the Leased Premises; (ii) use or allow the Leased Premises to be used or occupied in a manner that might invalidate or increase the rate of or make inoperative an insurance policy carried on the Leased Premises or on property, buildings or improvements in the Shopping Center; (iii) keep, use or permit in the Leased Premises inflammable fluids or explosives without the prior written permission of Landlord, or engage in hazardous activities; (iv) use the Leased Premises for a purpose which might create a nuisance or injure the reputation of the Leased Premises or the Shopping Center; (v) deface or injure the Leased Premises or any portion of the Shopping Center; (vi) overload the floors; (vii) commit or suffer waste; (viii) install electrical equipment that overloads lines; or (ix) conduct any sampling, testing, or drilling to locate any Hazardous Material without Landlord's prior written approval. Tenant shall, upon demand, reimburse Landlord for extra premiums caused solely by reason of Tenant's use or occupancy of the Leased Premises, whether or not Landlord has consented to the use and occupancy. A schedule issued by the organization making the insurance rates on the Leased Premises, showing the components of the rates, shall be conclusive evidence of the items and charges which make up the hazard and other insurance rates on the Leased Premises. Tenant shall, at Tenant's expense, make from time to time whatever changes are necessary to comply with the requirements of the insurance inspectors, underwriters and governmental authorities in connection with electrical and fire prevention systems and equipment.

(c) Except as may be otherwise expressly provided elsewhere in this Lease to the contrary, Tenant shall not have a claim against Landlord, and Landlord shall not be liable for damages, demands, expenses, fees, fines,

penalties, suits, proceedings, claims, actions and causes of action arising out of or in any way connected with Tenant's use or occupancy of the Leased Premises, if the use or occupancy is prohibited or substantially impaired by any law, ordinance, regulation or by legal, governmental or other public authority.

(d) Tenant shall not cause or permit any Hazardous Material (defined below) to be brought upon, transported through, stored, kept, used, discharged or disposed in or about the Leased Premises or the Shopping Center (collectively "Property") by Tenant, its agents, employees or contractors. Tenant shall notify Landlord immediately of the presence of or disposal of Hazardous Material on or near the Leased Premises, and of any notice by a party alleging the presence of Hazardous Material on or near the Leased Premises. However, Hazardous Materials brought upon, transported, used, kept or stored in or about the Property which is necessary for Tenant to operate its business for the use permitted under Reference Provision 1.03 of this Lease shall be brought upon, transported, used, kept and stored only in the quantities necessary for the usual and customary operation of Tenant's business and in a manner that complies with: (i) all laws, rules, regulations, ordinances, codes or any other governmental restriction or requirement of all federal, state and local governmental authorities having jurisdiction and regulating the Hazardous Material; (ii) permits (which Tenant shall obtain prior to bringing the Hazardous Material in, on or about the Property) issued for the Hazardous Material; and (iii) all producers' and manufacturers' instructions and recommendations, to the extent they are stricter than laws, rules, regulations, ordinances, codes or permits. If Tenant, its agents, employees or contractors, in any way breaches the obligations in the preceding sentence; or if the presence of Hazardous Material on the Property caused or permitted by Tenant results in the release or threatened release of Hazardous Material on, from or under the Property; or if the presence on, from or under the Property of Hazardous Material otherwise arises out of the operation of Tenant's business then, without limitation of any other rights or remedies available to Landlord under this Lease or at law or in equity, Tenant shall indemnify, defend, protect and hold harmless Landlord (and Landlord's parents, subsidiaries, affiliates, employees, partners, agents, mortgagees or successors to Landlord's interest in the Leased Premises) (collectively "Indemnity") from any and all claims, sums paid in settlement of claims, judgments, damages, clean-up costs, penalties, fines, costs, liabilities, losses or expenses (including, without limitation, attorneys', consultants' and experts' fees and any fees by Landlord to enforce the Indemnity) which arise during or after the Term as a result of Tenant's breach of the obligations or the release or contamination of the Property, including, without limitation: diminution in value of the Property; damages for the loss of, or the restriction on the use of, rentable or usable space or any amenity of the Property; damages arising from any adverse impact on the sale or lease of the Property; and damage and diminution in value to the Property or other properties, whether owned by Landlord or by 3rd parties. This Indemnity includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or groundwater on, under or originating from the Property. Without limiting the foregoing, if the presence of Hazardous Material on the Property caused or permitted by Tenant results in the contamination, release or threatened release of Hazardous Material on, from or under the Property or other properties, Tenant shall promptly take all actions at its sole cost and expense which are necessary to return the Property and other properties to the condition existing prior to the introduction of the Hazardous Material; provided that Landlord's written approval of the actions shall be obtained first (which approval shall not be unreasonably withheld) and so long as such actions do not have or would not potentially have any material, adverse long-term or short-term effect on Landlord or on the Property or other properties. This Indemnity shall survive the Expiration Date or earlier termination of this Lease and shall survive any transfer of Landlord's interest in the Property. "Hazardous Material" means any hazardous, radioactive or toxic substance, material or waste, including, but not limited to, those substances, materials and wastes (whether or not mixed, commingled or otherwise combined with other substances, materials or wastes) listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto, or substances, materials and wastes which are or become regulated under any applicable local, state or federal law including, without limitation, any material, waste or substance which is (i) a petroleum product, crude oil or any fraction thereof, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Section 1251, et seq. (33 U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. Section 1317), (v) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq. (42 U.S.C. Section 6903) or (vi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601, et seq. (42 U.S.C. Section 9601), as all of the foregoing may be amended from time to time.

Landlord warrants that the Leased Premises and the Shopping Center are free from all Hazardous materials. In the event that Landlord obtains actual knowledge of the presence of asbestos or Hazardous Materials in the Leased Premises or in any of the Joint Areas of the Shopping Center which are utilized by Tenant in a quantity and of a nature that violates any applicable governmental laws or regulations and that were not introduced to the Shopping Center by or on behalf of the Tenant, Landlord shall take such action, as may be required to comply with such governmental laws or regulations at no expense to Tenant.

ARTICLE 16 - Environmental Services

(a) Tenant shall pay for all utilities used in the Leased Premises during the Term.

(b) Intentionally Omitted.

(c) Tenant shall be responsible for completing the installation of the heating, ventilation and air conditioning system for the Leased Premises, as provided for in the Exhibits hereto. Tenant, at Tenant's expense, shall maintain the heating, ventilation and air conditioning equipment. Tenant shall upon reasonable request by Landlord supply Landlord with evidence reasonably satisfactory to Landlord that Tenant is fulfilling Tenant's obligations under

ARTICLE 16 of the Lease to maintain the heating, ventilation and air conditioning equipment within the Leased Premises.

(d) Landlord has, at its cost and expense, preinstalled a potable water distribution system and a sewer system which will provide water and sewer service to the Leased Premises in accordance with the Exhibits. Tenant, at Tenant's expense, shall be responsible for completing the installation of the water and sewer systems within the Leased Premises in accordance with the Exhibits.

(e) If Tenant shall require natural gas for the normal operation of Tenant's business, such utility service shall be available in accordance with the Exhibits. All natural gas service shall be arranged by the Tenant and all such work shall be done in accordance with the Exhibits.

(f) In addition to the Minimum Annual Rental, Tenant shall pay, as additional rental, in advance on the first day of the month during the Term (prorated for any fractional month), without deduction set-off of any kind, a environmental charge to Landlord for services furnished by Landlord to the Leased Premises under this ARTICLE 16, if any (the "Environmental Charge"). In the event of any dispute, Tenant shall pay the bill for any such utility furnished to the Leased Premises by Landlord in accordance with Landlord's billing, and such payment shall not prejudice Tenant's position. Any such Environmental Charge may be adjusted from time to time by Landlord's engineer, shall be initially based on a typical store layout that is comparable to Tenant's utility usage and shall be subject to adjustment by Landlord from time to time.

(g) If Landlord or Landlord's third party designee is furnishing utilities to Tenant during the Term, Landlord or such designee may cease furnishing any of such utilities without responsibility to Tenant except to connect or cause to be connected to the service facilities another available source of supply in the manner required to maintain uninterrupted service. Notwithstanding anything contained in this Lease to the contrary, Landlord or such designee shall not be responsible or liable for damages or injuries sustained by Tenant or those claiming by, through or under Tenant, because of the interruption, discontinuance, quality or quantity of any utility used in or for the Leased Premises, (whether or not supplied by Landlord or such designee, and regardless of the reason or cause of the interruption or discontinuance). Tenant shall not be relieved from the performance of its obligations if an interruption or discontinuance occurs.

(h) Intentionally omitted.

(i) Tenant agrees that garbage and refuse shall be kept in an adequate container at a place designated by Landlord behind the Leased Premises so as not to be visible to the public for collection at reasonable times arranged by Tenant and at Tenant's cost.

(j) During the Term, Landlord shall, at Landlord's expense (subject to partial reimbursement as an Operating Expense), keep in good order and repair and shall maintain the sprinkler system in the Leased Premises, including checking, testing and servicing thereof, and shall make any necessary repairs to or replacements of such sprinkler system.

ARTICLE 17 - Joint Use Areas

(a) The "Joint Use Areas" shall consist of all parking areas, parking facilities, approaches, streets, sidewalks, malls, driveways, loading platforms, canopies, elevators, escalators, ramps, storm drainage facilities, exits, entrances, sprinkler mains, landscaped areas, comfort stations, light facilities, computer facilities, cable facilities, telecommunications facilities, washrooms, lounges and shelters, utility lines, roofs, roadways and other facilities available for joint use or benefit designated by Landlord, as they may from time to time exist and be available to the tenants in the Shopping Center, their employees, officers, agents, customers, licensees and invitees.

(b) Landlord shall maintain or cause to be maintained the Joint Use Areas in good order and repair. The Joint Use Areas and other facilities in and about the Shopping Center shall at all times be subject to the control and management of Landlord and other parties that Landlord may reasonably designate. Landlord shall have the right at any time to re-designate, modify, alter, close, restrict, expand, reduce and change the Joint Use Areas. Landlord shall also have the right to permit entertainment events, the placement of kiosks, carts, advertising and other displays in the Joint Use Areas, and to convert the Joint Use Areas into retail areas. The activities and uses may be temporary or permanent. In no instance shall the exercise of Landlord's rights hereunder (i) materially and adversely affect the visibility, ingress or egress to the Leased Premises, (ii) reduce the parking areas to less than that required by any applicable regulations for Tenant's Permitted Use, (iii) materially and adversely affect the visibility of Tenant's building signage, or (iv) materially and adversely interfere with the operation of Tenant's business operations in the Leased Premises.

(c) In addition to the Minimum Annual Rental hereinabove provided and as Additional Rental, Tenant agrees to pay to Landlord Tenant's Pro Rata Share of the Operating Expenses for the operation and maintenance of the Joint Use Areas of the Shopping Center. Tenant's Pro Rata Share shall be as set forth in the Reference Provisions above. Landlord shall annually notify Tenant in writing of Landlord's estimate of Tenant's Pro Rata Share of Operating Expenses for each calendar year, and Tenant shall pay such amount in equal monthly installments in advance on the first day of each month after the date of such notice; it being agreed that Tenant shall also, within thirty (30) days of receipt of such notice, make payment of all such monthly installments due for the time period from the commencement of such calendar year to the date of such notice. Each such monthly installment shall accompany Tenant's monthly installment of Minimum Annual Rental (except for the lump sum payment of installments accruing prior to the date of such notice, as provided above). Landlord's estimate is set forth in the Reference Provisions above which amount shall be payable by Tenant in equal monthly installments on or before the

first day of each month during the first calendar year of the Lease. Within 90 days after the end of each calendar year, Landlord shall annually submit to Tenant a statement (the "Annual Statement") showing the actual amount of Tenant's Pro Rata Share of Operating Expenses for the prior calendar year, the amount paid by Tenant, and the balance due or overpayment. The balance due shall be paid by Tenant to Landlord, or the overpayment shall be credited by Landlord to Tenant, without interest, to the next installment of Minimum Rent payable after the date of the statement or refunded to Tenant in the event the Lease has expired or been earlier terminated, which obligation of the Landlord shall be deemed to survive the expiration or earlier termination of this Lease. The Annual Statement shall set forth the Operating Expenses in reasonable detail (e.g., showing each category of costs on a line item basis) for the most recent calendar year for which Landlord has prepared such statement. Notwithstanding any other provision of this Lease to the contrary, beginning on the first (1st) day of the second (2nd) calendar year during the Term, and ending on the last day of the Term, for the purpose of calculating Tenant's Pro Rata Share of Operating Expenses, Landlord's Controllable Operating Expenses (as defined below) shall be limited to the Controllable Operating Expense Cap (as hereinafter defined). The Controllable Operating Expense Cap for each calendar year of the Term, beginning on the second (2nd) calendar year, shall be an amount equal to the Landlord's actual Controllable Operating Expenses for the prior calendar year of the Term increased by five percent (5%). [By way of illustration only, if the actual per square foot Controllable Operating Expenses are \$2.00 during the first (1st) calendar year, the Controllable Operating Expense Cap for the second (2nd) calendar year will be \$2.10 (\$2.00 x 1.05), and the Controllable Operating Expense Cap for the third (3rd) calendar year will be the Landlord's actual Controllable Operating Expenses for the second (2nd) calendar year increased by five percent (5%). For the purposes hereof the term "Controllable Operating Expenses" shall mean all Operating Expenses except: sales, use and any other taxes, cost of insurance, costs of procuring and providing utility services, snow removal costs, and costs of complying with all governmental laws and regulations.

Operating Expenses shall consist of all expenditures relating to operating, managing, equipping, policing, protecting, lighting, repairing, cleaning, replacing and maintaining the Joint Use Areas in the same or improved condition as when originally installed, including any rental and lease payments paid for machinery and equipment used in the maintenance of the Joint Use Areas and the personnel costs to implement those services, compliance with statutes, laws, codes, rules and regulations, even if applicable after the Commencement Date; maintaining parking spaces for employees, customers and other parties; music; removal of snow, ice, rubbish, dirt and debris; garbage collection service; planting, replanting and replacing flowers and landscaping; costs and expenses of utilities including, but not limited to, maintaining lighting facilities and storm drainage and detention systems (whether on or off the Shopping Center); sewage treatment plant; domestic water wells, pumps, and similar facilities and equipment; pest extermination; the alarm service charge if a supervised fire sprinkler alarm system is installed; premiums for liability, property, damage, fire and rental interruption insurance (if carried by Landlord); the cost of the personnel reasonably required to implement all of the foregoing, including the policing of the Joint Use Areas and the directing of traffic and parking of automobiles on the parking area; insurance aggregate allocations and losses borne by Landlord as a result of deductibles or self-insured retention limits carried by Landlord under an insurance policy or self insurance by Landlord; costs of adjusting an insured casualty; wages; unemployment, social security and personal property taxes; all other expenditures made for the use or benefit of the Joint Use Areas.

Notwithstanding anything to the contrary contained elsewhere in this Lease, Operating Expenses shall not include: (i) costs relating to another tenant's or occupant's space which (A) were incurred in rendering any service or benefit to such tenant that Landlord was not required to provide, or (B) were otherwise in excess of the standard type of services then being provided by Landlord to all tenants or other occupants in the Shopping Center; (ii) costs incurred in connection with the sale, financing, refinancing, mortgaging, selling or change of ownership of the buildings or Shopping Center areas, including, but not limited to, attorneys' fees, title insurance premiums, and transfer and recording costs; but the foregoing exclusion does not apply to any increased real estate taxes resulting therefrom; (iii) costs, fines, interest, penalties, legal fees or costs of litigation incurred due to the late payments of loan payments, taxes and utility bills and other costs incurred by Landlord's failure to make such payments when due, unless the same results from Tenant's failure to pay hereunder Tenant's Pro Rata Share of Operating Expenses; (iv) fees for general overhead and general administrative expenses, property management expenses (including third-party management fees), and accounting, record-keeping and clerical support of Landlord, which, as to the aggregate of all of the foregoing, exceed 5% of the gross annual rents charged by Landlord for tenants in the Shopping Center; (v) interest on capital invested, bad debt losses, rent losses and reserves for such losses; (vi) services provided and costs incurred in connection with the operation of retail or other ancillary operations owned, operated or subsidized by Landlord to the extent the cost of such services exceed the market rate for similar services; (vii) costs incurred by Landlord which are associated with the operation of the business of the legal entity which constitutes Landlord as the same is separate and apart from the costs of the operation of the Shopping Center and buildings, including legal entity formation and maintenance charges, legal entity accounting (excluding the incremental accounting fees relating to the operation of the buildings and Shopping Center) and legal fees (other than with respect to operations); (viii) all amounts which would otherwise be included in Operating Expenses which are paid to any affiliate or subsidiary of Landlord to the extent the cost of such services exceeds the market rate for similar services; (ix) costs and expenses incurred in connection with any bankruptcy proceedings of Landlord; (x) depreciation, except for depreciation of expenditures made in lieu of repairs; (xi) ground rent or other rental payments made under any ground lease or underlying lease or loan payments made on account of any loan; (xii) capital costs of adding additional square footage to the buildings or any other portion of the Shopping Center; (xiii) costs of leasing commissions, legal space planning, construction and other expenses incurred in procuring or retaining other tenants for the buildings or solely with respect to individual tenants or occupants of the Shopping Center; (xiv) costs of painting, redecorating or other services or work performed solely for the benefit of another tenant, prospective tenant or occupant (other than for the common areas) which are not to be supplied to Tenant under the terms hereof; (xv) salaries, wages, or other compensation paid to officers or executives of Landlord above the level of asset manager; (xvi) costs of advertising and public relations and promotional costs associated with the leasing of the premises in the Shopping Center; (xvii) any costs, fines or penalties incurred by Landlord due to the violation of any governmental rule or authority; (xviii) any expenses for which Landlord actually receives reimbursement from insurance, other tenants or any other source (but only to the extent of such reimbursement); (xix) costs incurred in connection with disputes with other tenants,

other occupants or prospective tenants, or costs and expenses incurred in connection with negotiations or disputes with management agents, leasing agents, purchasers or mortgagees; (xx) costs incurred in connection with the original construction of the Shopping Center; (xxi) capital costs of repairing, replacing or otherwise correcting defects (including latent defects) in or inadequacies of (but not the costs of ordinary and customary repair for normal wear and tear) the initial design or construction of the buildings within the Shopping Center; (xxii) any charges that Tenant pays for elsewhere in this Lease to the extent it would cause a duplication of charges and (xxiii) the cost of remedying any Hazardous Materials that has contaminated any ground water or soil.

Provided that Tenant is not in Default after applicable notice and cure periods, Tenant shall have the right ("Audit Right") once every year during the Term to audit Landlord's records and books used by Landlord in determining the amount of Operating Expenses Tenant is obligated to pay to Landlord, for the sole purpose of verifying the accuracy of same (the "Audit"). Any Audit shall cover only one (1) calendar year during the Term of the Lease. No such audit may be conducted on a contingency basis (and therefore no portion of the fee or other compensation payable to anyone conducting the audit may in any way be tied to the results of such audit), and any such audit conducted on such basis shall be deemed void for the purposes hereof. Tenant shall provide Landlord at least thirty (30) days prior written notice requesting the Audit, provided, however, that Tenant's right, if any, to exercise its Audit Right for any subject year shall expire ninety (90) days after the delivery to Tenant of the expense statement for the calendar year which Tenant desires to audit and, unless such right is exercised prior to such time, Tenant shall have waived its right to request such an Audit. Landlord shall make said books and records relevant to such Audit available to Tenant during Landlord's customary business hours at the office of the property manager or at such other location designated by Landlord in writing. In the event that the amount of Operating Expenses paid by Tenant to Landlord exceed the actual amount of Operating Expenses owed by Tenant to Landlord as disclosed by the Audit, such difference shall be applied to the next succeeding payment of Operating Expenses due by Tenant to Landlord.

ARTICLE 18 - Damage to Leased Premises

If the Leased Premises and any necessary Joint Use Areas ancillary or adjacent thereto shall be damaged by fire, the elements, unavoidable accident or other casualty, but are not thereby rendered inaccessible or untenantable in whole or in part, Landlord shall at its own expense and with all due diligence and speed cause such damage to be repaired, and the Minimum Annual Rental and additional rent shall not be abated. If by reason of such occurrence, the Leased Premises shall be rendered inaccessible or untenantable only in part, Landlord shall at its own expense and with all due diligence and speed cause the damage to be repaired, and the Minimum Annual Rental and additional rent meanwhile shall be abated proportionately as to the portion of the Leased Premises rendered inaccessible or untenantable provided that the same can be accomplished within one hundred eighty (180) days of the date of any such destruction, failing which Tenant may, at its election, terminate this Lease and the tenancy hereby created by giving to the Landlord within the thirty (30) days following the date of said occurrence, written notice of its election to do so, and in event of such termination, Minimum Annual Rental and additional rent shall be adjusted as of such date. If the Leased Premises shall be rendered wholly inaccessible or untenantable by reason of such occurrence, and Landlord reasonably determines that it will take more than one hundred eighty (180) days to restore the Leased Premises, then Landlord may, at its own cost and expense, cause such damage to be repaired, and all Minimum Annual Rental and additional rent meanwhile shall abate until the Leased Premises have been restored and rendered accessible or tenantable, or, in the alternative, Landlord or Tenant may, at its election, terminate this Lease and the tenancy hereby created by giving to the other within the next sixty (60) days following the date of said occurrence, written notice of its election to do so, and in event of such termination, all Minimum Annual Rental and additional rent shall be adjusted as of such date.

In the event that during the last three (3) years of the Term, fifty percent (50%) or more of the rentable area of the Shopping Center shall be damaged or destroyed by fire or other cause, notwithstanding that the Leased Premises may be unaffected by such fire or other cause, Landlord or Tenant may terminate this Lease and the tenancy hereby created by giving to the other thirty (30) days prior written notice of its election to do so; which notice shall be given, if at all, within thirty (30) days following the date of said occurrence. Minimum Annual Rental and additional rent shall be adjusted as of the date of such termination.

ARTICLE 19 - Insurance

- (a) Landlord agrees to carry, or cause to be carried, the following insurance coverages and types:
 - (i) Workers' Compensation Insurance in statutory amounts;
 - (ii) Employer's Liability Insurance in the amount of \$1,000,000 per person for each accident, or disease;
 - (iii) Commercial General Liability Insurance on the Joint Use Areas providing coverage of not less than \$1,000,000 per occurrence, with a \$2,000,000 aggregate.
 - (iv) Commercial Property Insurance including special form perils endorsement insuring Landlord's property in the Shopping Center for the full replacement value. This insurance will exclude Tenant's Work and Tenant's merchandise, signs, goods, trade fixtures, furnishings, equipment, furniture and other personal property).
 - (v) Landlord will have the right to carry or cause to be carried additional types of insurance in

whatever limits Landlord chooses, including coverage under blanket insurance policies which may be allocated by Landlord among the properties owned or managed by Landlord which in Landlord's opinion Landlord deems appropriate.

(b) Tenant agrees to carry the following insurance coverages and types:

- (i) a policy of Commercial General Liability Insurance with respect to the Leased Premises and its appurtenances, insuring against liability for bodily injury, death and property damage occurring in or about the Leased Premises, with a minimum combined single limit of not less than \$1,000,000.00 per occurrence and a general aggregate limit of \$2,000,000.00, and Tenant shall also maintain an umbrella policy of not less than \$5,000,000.00, and
- (ii) Special Form (All Risks) insurance written at replacement cost value covering all of Tenant's property in the Leased Premises and all of Tenant's leasehold improvements installed therein by Tenant. The insurance shall be written by an insurance company reasonably approved by Landlord, and a copy of the policy or a certificate of insurance shall be delivered to Landlord within thirty (30) days of the Commencement Date of this Lease.
- (iii) Loss of Business Income Insurance. The insurance limits for this insurance shall be based upon a minimum of 12 months business income with a 60-day extended period of indemnity endorsement.
- (iv) Worker's compensation insurance in statutorily required amounts.

(d) Tenant shall provide a Certificate of Insurance to Landlord evidencing all of the required coverages and endorsements prior to taking possession of the Leased Premises. The Certificate of Insurance must remain current (or be replaced with a current Certificate) at all times during the period of Tenant's tenancy. All policies of insurance must be written by insurance carriers licensed to do business in the state in which the Shopping Center is located and have an A.M. Best's rating of not less than A:VII. All Tenant's liability policies shall be endorsed to be primary and non-contributory to policies of the Landlord and the Additional Insureds, and shall contain either a cross-liability endorsement or separation of insureds provision which permits the limits of liability under Tenant's policies to apply separately to each Additional Insured. Each policy shall contain a provision that the insurance company shall give all Additional Insureds 30 days written notice in advance of any cancellation, lapse, reduction in amount of coverage or any other adverse change to the policy or insurer.

(e) The Additional Insureds who shall be named on Tenant's policies shall include the Landlord, and if Landlord elects, its parent, subsidiaries, and affiliates or partner of Landlord, and any mortgagee or beneficiary of any part of the Shopping Center.

(f) Notwithstanding anything set forth in this Lease to the contrary, Landlord and Tenant do hereby waive any and all right of recovery, claim, action or cause of action against the other, their respective principals, beneficiaries, partners, officers, directors, agents, and employees, and, with respect to Landlord, its mortgagee(s), for any loss or damage that may occur to Landlord or Tenant or any party claiming by, through or under Landlord or Tenant, as the case may be, with respect to their respective property, the building, Shopping Center, or the Leased Premises or any addition or improvements thereto, or any contents therein, by reason of fire, the elements or any other cause, regardless of cause or origin, including the negligence of Landlord or Tenant, or their respective principals, beneficiaries, partners, officers, directors, agents and employees and, with respect to Landlord, its mortgagee(s), which loss or damage is (or would have been, had the insurance required by this Lease been carried) covered by insurance. Since this mutual waiver will preclude the assignment of any such claim by subrogation (or otherwise) to an insurance company (or any other person), Landlord and Tenant each agree to give each insurance company which has issued, or in the future may issue, policies of insurance, with respect to the items covered by this waiver, written notice of the terms of this mutual waiver, and to have such insurance policies properly endorsed, if necessary, to prevent the invalidation of any of the coverage provided by such insurance policies by reason of such mutual waiver. For the purpose of the foregoing waiver, the amount of any deductible applicable to any loss or damage shall be deemed covered by, and recoverable by the insured under the insurance policy to which such deductible relates.

ARTICLE 20 - Indemnification

Tenant shall indemnify, defend and save harmless Landlord, its parents, partners, subsidiaries, affiliates, their agents, officers and employees from and against liability, claims, demands, expenses, fees, fines, penalties, suits, proceedings, actions, and causes of action arising out of or connected with Tenant's use, occupancy, management or control of the Leased Premises or Tenant's operations or activities in the Shopping Center. Tenant's indemnity shall not cover consequential damages, punitive damages or any damages other than actual, direct and compensatory damages, nor shall Tenant be obligated to indemnify Landlord and its agents against loss, liability, damage, cost or expense out of a claim for which Tenant is released from liability pursuant to ARTICLE 19, or a claim arising out of the gross negligence or willful misconduct of Landlord or its agents. Tenant's obligation shall become effective beginning on the date Tenant is delivered the Leased Premises. Tenant's indemnification obligation shall survive the expiration of the Term or the earlier termination of this Lease.

Landlord shall indemnify Tenant against liabilities, claims, demands, expenses, fees, fines, penalties, suits, proceedings, actions, and causes of action arising out of or connected with a breach of this Lease by Landlord or Landlord's management or control of, or Landlord's operation and activities within the Shopping Center, including

Joint Use Areas, except any matter arising out of or in connection with ARTICLE 15(d). Landlord's indemnity shall not cover consequential damages, punitive damages or any damages other than actual, direct and compensatory damages, nor shall Landlord be obligated to indemnify Tenant and its agents against loss, liability, damage, cost or expense out of a claim for which Landlord is released from liability pursuant to ARTICLE 19, or a claim arising out of the gross negligence or willful misconduct of Tenant. Landlord's indemnification obligation shall survive the expiration of the Term or the earlier termination of this Lease.

ARTICLE 21 - Assignment, Subletting and Ownership

(a) Except as otherwise expressly provided herein, Tenant shall not transfer, assign, sublet, enter into license or concession agreements, change ownership or hypothecate this Lease or Tenant's interest in and to the Leased Premises in whole or in part, or otherwise permit occupancy of all or any part of the Leased Premises by anyone with through or under it without landlord's consent, not to be unreasonably withheld, conditioned or delayed. Tenant shall submit any request for consent to a transfer, in writing, with sufficient time and information for Landlord to make an informed decision regarding the qualifications of the proposed transferee. In any event, Landlord may upon receipt of a request to transfer, instead of consenting to or denying the proposed transfer, terminate Tenant's obligations under the Lease and regain possession of the Leased Premises. Tenant may, within 15 days of receipt of the notice of termination, withdraw its request for the transfer by written notice to Landlord, and continue in possession under the terms of the Lease. Landlord's right to terminate the Lease because of that request shall in that event be inoperable. If Landlord exercises its termination right, Tenant shall surrender possession of the Leased Premises on the termination date specified in Landlord's notice, which shall not be less than 30 nor more than 60 days of receipt of the notice of termination in accordance with the provisions of this Lease.

(b) Landlord's consent to a transfer shall not constitute a waiver of Landlord's right not to consent to a subsequent transfer. Landlord's consent shall not be unreasonably withheld conditioned or delayed. The receipt of rental or additional rental from any party other than Tenant shall not be deemed a Landlord consent to a transfer, nor shall that receipt relieve Tenant of its obligation to pay rental or additional rental for the Term. Tenant shall not have a claim and waives the right to any claim against Landlord for damages because of the reasonable refusal, withholding or delaying by Landlord of consent. Tenant's remedies in such event shall include an action for specific performance or an injunction to enforce a consent requirement.

(c) Each transfer to which Landlord has consented shall be in writing, in a form satisfactory to Landlord and executed by the transferor and transferee. The transferee shall agree, in writing, to assume, be bound by and perform the covenants and conditions of this Lease. Tenant shall not be released from liability or relieved of its obligations, unless Landlord expressly agrees otherwise in writing. If the Minimum Annual Rental, Percentage Rental, additional rental or other payment to be paid to Tenant from a transfer exceeds the rental and additional net rental Tenant is required to pay Landlord under this Lease, then Tenant shall pay an amount equal to 50% of net excess rent after deducting an amount equal to the marketing fees, commission, any improvements constructed and financial inducements incurred by Tenant in connection with the assignment or sublease.

(d) Intentionally omitted.

(e) Tenant agrees to pay Landlord \$500.00 to reimburse Landlord for attorneys' fees and administrative expense for the review, processing or preparation of any document in connection with a transfer, whether or not Landlord's consent to the transfer is obtained.

(f) If Landlord is not permitted to terminate this Lease because of the provisions of Title 11 of the United States Code relating to Bankruptcy, as amended ("Bankruptcy Code"), Tenant agrees, as a debtor in possession or any trustee for Tenant, within 15 days after Landlord's request to the Bankruptcy Court, to assume or reject this Lease. Tenant, on behalf of itself and any trustee, agrees not to seek or request an extension or adjournment of the application to assume or reject this Lease. In no event after the assumption of this Lease shall an existing default remain uncured for a period more than the earlier of 10 days or the time period specified in this Lease. If a filing of a petition under the Bankruptcy Code occurs, Landlord shall not have an obligation to provide Tenant with services or utilities unless Tenant has paid and is current in all payments of rental and additional rental.

(g) Notwithstanding anything to the contrary contained in this Lease, Tenant may (a) assign its entire interest under this Lease or sublet the entire Leased Premises to a wholly owned corporation or controlled subsidiary or parent of the Tenant or to any successor to Tenant by purchase, merger, consolidation or reorganization, (b) raise capital for expansion of its business by transferring or issuing stock or an equity interest in no fewer than three (3) stores in the State of Maryland operating under Tenant's trade name, or (c) transfer stock in Tenant to any person who is an immediate family member (i.e. spouse, parent, child or sibling) of Peter B. Harvey and who acquires an equity interest in the entities owning no less than three (3) separate fitness facility stores in the State of Maryland operating under Tenant's trade name (hereinafter collectively referred to as "Permitted Transfers") without the consent of Landlord, provided (i) Tenant is not in default under this Lease; (ii) if such proposed transferee is a successor to Tenant by purchase, said proposed transferee shall acquire all or substantially all of the stock/interests or assets of Tenant's business or, if such proposed transferee is a successor to Tenant by merger, consolidation or reorganization, the continuing or surviving entity shall own all or substantially all of the assets of Tenant; (iii) such proposed transferee (or its guarantor) shall have the greater of (a) a net worth (excluding good will) which is equal to or greater than the net worth of Tenant, or (b) a net worth (excluding good will) which is equal to or greater than Three Million and 00/100 (\$3,000,000.00) Dollars; (iv) such proposed transferee has at least two (2) years of experience operating a health and fitness club and operates the business in the Leased Premises for the use permitted hereunder and no other purpose; and (v) the transferee shall assume, in writing, all of Tenant's obligations under this Lease. Tenant shall give Landlord written notice at least thirty (30) days prior to the effective date of such Permitted

Attachment 2 - Segment 002 of POC GRI Gateway Overlook, LLC.pdf

Description -

Transfer.

(h) Notwithstanding anything to the contrary herein, Landlord shall not unreasonably withhold Landlord's consent to any request by Tenant to grant concessions for the operation of one or more departments of Tenant's business in the Leased Premises, provided, however, that (i) each such concession shall be subject to all of the terms and provisions of this Lease and each such concessionaire shall execute such agreements as Landlord shall reasonably require to confirm each such concessionaire's agreement to observe and comply with applicable terms and conditions of this Lease; (ii) all such concessions shall not exceed, in the aggregate, twenty-five percent (25%) of the floor space of the Leased Premises; and (iii) all such concessions shall be operated in order that such department appears as though it is part of Tenant's operation of the use permitted hereunder.

All of the other obligations, covenants and conditions shall remain unamended.

ARTICLE 22 - Access to Leased Premises

Tenant agrees that Landlord, its agents, employees, servants or any person authorized by Landlord, may enter the Leased Premises at reasonable times upon 24 hours prior notice to Tenant (except in the case of emergencies) to: (a) inspect its condition; (b) make repairs, additions or improvements to any part of the Shopping Center, including the Leased Premises; (c) exhibit the Leased Premises to prospective purchasers of the Shopping Center; (d) place notices during the last 60 days of the Term in the Leased Premises at such places as may be determined by Landlord; (e) perform construction on or near the Leased Premises; and (f) post notices of non-responsibility.

ARTICLE 23 - Default by Tenant

(a) The following shall be a default by Tenant:

(i) The failure to pay when due an installment of rental, or any other payment required to be made in whole or in part, if the failure shall continue for more than 10 days after Tenant's receipt of written notice that same is past due, provided that any such notice given by Landlord shall be in lieu of, and not in addition to, any notice required by state law; and/or

(ii) The abandonment or vacation of the Leased Premises; and/or

(iii) The failure to observe or perform any other provision of this Lease, if the failure continues for 30 days after receipt of written notice to Tenant; if the default cannot reasonably be cured within 30 days, Tenant shall not be in default if Tenant begins to cure the default within 30 days and diligently pursues a cure to the default; and/or

(iv) The making by Tenant of a general assignment for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless a petition filed against Tenant is dismissed within 60 days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Leased Premises or of Tenant's interest in this Lease if possession is not restored to Tenant within 30 days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Leased Premises, or of Tenant's interest in this Lease, if the seizure is not discharged within 30 days; and/or

(v) The failure more than twice within a 12 month period to make any payment of rental, provided Landlord has given Tenant the required written notices in each case. The 3rd failure shall be a non-curable default.

(b) In addition to any other remedies available to Landlord at law or in equity for default, Landlord shall have the immediate option to terminate this Lease and the rights of Tenant by written notice to Tenant. If Landlord elects to terminate, Landlord shall have the right to recover from Tenant as damages:

(i) The worth at the time of the award of any unpaid rental which has been earned at the time of termination; and

(ii) The worth at the time of the award of the amount by which the unpaid rental which would have been earned after termination until the time of award exceeds the amount of rental loss Tenant proves could have been reasonably avoided; and

(iii) The worth at the time of award of the amount by which the unpaid rental for the balance of the Term after the time of award exceeds the amount of rental loss Tenant proves could be reasonably avoided; and

(iv) Any other amount reasonably necessary to compensate Landlord for the detriment proximately caused by Tenant's failure to perform its obligations (including the costs and expenses of recovering the Leased Premises and reasonable attorneys' fees) or which would be likely to result from Tenant's failure; and

(c) The word "rental" shall mean the Minimum Annual Rental and all other sums required to be paid by Tenant under this Lease. The word "award" means a judgment issued or rendered in favor of Landlord in a proceeding or action to recover damages from Tenant. The phrase "at the time of the award" means the date of entry of such a judgment. All sums, other than Minimum Annual Rental, shall be computed based on the average monthly amount accruing during the 24 month period preceding the default. However, if it becomes necessary to compute the rental before the 24 month period has occurred, the rental shall be computed on the basis of the average monthly amount accruing during that shorter period. As used in paragraphs (i) and (ii) above, the "worth at the time of the award" is computed by allowing interest at the Interest Rate. As used in paragraph (iii) above, the "worth at the time of the award" is computed by discounting that amount at the discount rate of the Federal Reserve Bank of Chicago, at the time of award, plus 1%.

(d) Landlord shall also have the right if Tenant defaults under this Lease to terminate Tenant's right to possession of the Leased Premises (without terminating this Lease) and reenter the Leased Premises and remove all persons and property from the Leased Premises. The property may be stored at Tenant's cost. Landlord shall not be liable to Tenant for loss or damage resulting from an entry by Landlord. Tenant shall pay as additional rental, upon demand, expenses incurred or paid by Landlord because of Landlord's entry. If 2 or more or any combination of individuals, corporations, partnerships or other business associations ("Individuals") sign this Lease as Tenant or guarantee this Lease as Guarantors, the liability of each individual group to pay rental and perform the obligations under this Lease shall be joint and several. The failure or refusal by Landlord to proceed against all the (or any combination of the) Individuals comprising Tenant or against Tenant or against 1 or more of the Guarantors shall not be a release or waiver of rights which Landlord may possess against the others, nor shall the granting by Landlord of a release or execution of a covenant not to sue any 1 or more of the (or any combination of the) Individuals comprising the Tenant or the Guarantors be a release or waiver in whole or in part of rights which Landlord may possess against the others. If either party institutes legal suit or action for enforcement of an obligation, Landlord may determine the venue. Landlord shall not be in default unless and until Landlord shall have failed to perform its obligations under this Lease for 30 days (or within such additional time as is reasonably required) after written notice to Landlord properly specifying Landlord's failure to perform the obligations. Landlord shall not be in default until and unless a court of competent jurisdiction has determined that Landlord is in default. To the extent permitted by applicable law, Tenant waives notice of reentry (or institution of legal proceedings), including the right to receive notice pursuant to any statute or judicial decision of law. Notwithstanding anything to the contrary contained in ARTICLE 23, any written notice, other than as specifically set forth in this ARTICLE 23, required by a statute or law enacted now or later is waived by Tenant, to the extent permitted under that statute or law.

Landlord shall use reasonable commercial efforts to mitigate its damages in the event of a default by Tenant; however, Landlord shall not be obligated to lease the Leased Premises in preference to other available space at the Shopping Center, nor to accept economic terms or a use which is not favorable to Landlord or the Shopping Center in Landlord's sole but reasonable judgment.

(e) If all or any part of the Leased Premises are vacated or abandoned by Tenant, or if Landlord elects to reenter or take possession of the Leased Premises pursuant to legal proceedings or notice, and if Landlord does not elect to terminate this Lease, then Landlord may from time to time, without terminating this Lease, either recover rental as it becomes due or relet the Leased Premises or any part of it for any length of time, rental and conditions that Landlord in its sole discretion deems advisable. Landlord shall have the right to make alterations and repairs to the Leased Premises. If Tenant has left all or any of its trade fixtures, furniture, furnishings, signs, stock or other personal property in the Leased Premises, that shall not preclude a determination that a vacation or abandonment has occurred.

(f) If Landlord elects to relet, rental received by Landlord from reletting shall be applied: 1st, to the payment of indebtedness other than rental due Landlord from Tenant; 2nd, to the payment of the cost of reletting; 3rd, to the payment of the cost of alterations and repairs to the Leased Premises; 4th, to the payment of rental due and unpaid; and the remainder, if any, shall be applied to the payment of future rental that may become due. If the rental received from reletting during any month which is applied to the payment of rental is less than the rental payment during that month by Tenant, Tenant shall pay the deficiency to Landlord. The deficiency shall be calculated and paid monthly. Tenant shall also pay Landlord, as soon as ascertained, the costs and expenses incurred by Landlord to relet or make alterations and repairs not covered by the rental received from the reletting of the Leased Premises.

(g) A reentry or taking possession of the Leased Premises by Landlord shall not be construed to be an election to terminate this Lease, nor shall it cause a forfeiture of rental remaining to be paid during the balance of the Term, unless a written notice of that intention is given to Tenant or the termination is decreed by a court of competent jurisdiction. Notwithstanding a reletting without termination by Landlord because of default by Tenant, Landlord may at any time after reletting elect to terminate this Lease for any default.

(h) Tenant expressly waives any right or defense it may have to claim a merger, and neither the commencement of an action or proceeding nor the settlement of, or entering of judgment for any action or proceeding shall bar Landlord from bringing subsequent actions or proceedings, based upon other or subsequently accruing claims, or based upon claims or events which have previously accrued and not been resolved in any prior action, proceeding or settlement. The parties waive trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other, regardless of whether such action, proceeding or counterclaim is related to a default under this Lease.

(i) Notwithstanding anything to the contrary contained in this Article 23, and without in any way obviating or limiting any indemnification obligation of Tenant as may be set forth elsewhere in this Lease, Tenant's monetary obligation under this Article 23 subsequent to a Default shall specifically be limited to an amount equal to the sum of (i) the amount of all rent then due as of the time of default, plus (ii) the then net present value (discounted at the rate of 8%) of all Minimum Annual Rental and additional rent (calculated based on the amount of additional rent

due for the calendar year in which such default occurs) for the remainder of the Term of this Lease, plus (iii) Landlord's costs, including attorneys' fees and court costs, incurred in the collection of the foregoing.

ARTICLE 24 - Surrender of Leased Premises

Tenant shall, upon expiration of the Term, or the earlier termination of this Lease, surrender to Landlord the Leased Premises, as then-improved, including, without limitation, all alterations and additions by either party to, in, upon or about the Leased Premises, reasonable wear and tear, damage by casualty, condemnation and damage subject to the provisions of ARTICLE 19 hereof excepted. If Tenant shall be in default, Tenant shall not have the right to remove trade fixtures, signs and other personal property. They shall remain or become, as the case may be, the property of Landlord. Tenant, at its sole expense, shall immediately repair damage to the Leased Premises caused by Tenant vacating the Leased Premises or by Tenant's removal of trade fixtures, signs and other personal property. In no event, however, shall Tenant be required to restore normal and customary damage to the Leased Premises such as drywall repairs resulting from the removal of its fixtures and equipment. Tenant shall comply with all laws and governmental regulations applicable to the removal and repair of the property. Tenant shall not create a disturbance or health problem for customers, agents, invitees or other parties in the Shopping Center as result of the removal or repair. Any property not removed may be deemed by Landlord to be abandoned by Tenant and may be retained by Landlord or may be removed and stored for Tenant, at Tenant's sole cost. Tenant shall surrender the Leased Premises to Landlord free of Hazardous Material and free of any violation of any environmental rule or regulation. Tenant's obligation to observe and perform the provisions of this ARTICLE 24 shall survive the expiration of the Term or earlier termination of this Lease.

ARTICLE 25 - Tenant's Conduct of Business

(a) Tenant covenants to continuously and uninterruptedly operate within the entire Leased Premises the business it is permitted to operate under Reference Provision 1.03, except any portion of the Leased Premises while that portion is untenable because of fire or other casualty. Tenant agrees to conduct its business at all times in a first-class manner consistent with reputable business standards and practices not less than during the hours of 8:00a.m. to 6:00p.m. Monday through Friday and Saturdays from 9:00a.m. to 1:00p.m. A vacation or abandonment of other premises by any other tenant, occupant or anchor in the Shopping Center shall not release Tenant from its obligations under this Lease, notwithstanding anything to the contrary contained in this Lease. The foregoing shall be subject to temporary closures of the Leased Premises on an incidental and infrequent basis for such reasons as are set forth elsewhere in this Lease and any reasonably necessary temporary periods for Tenant repairs and/or renovations.

(b) Intentionally omitted.

ARTICLE 26 - Rules and Regulations

Tenant shall require its employees, agents and contractors to comply with the rules and regulations made by Landlord from time to time regarding the operation of the Shopping Center or the Leased Premises including, but not limited to, the following:

(a) Tenant shall not put on the glass and supports of the windows (nor within 24 inches of any window), doors or exterior walls of the Leased Premises any signs, advertising placards, names, insignias, trademarks or descriptive material, without Landlord's prior consent, not to be unreasonably withheld, conditioned or delayed. No signs or other items shall be placed within the Leased Premises if they materially obstruct a view of the Leased Premises. Tenant shall not place vents, structures, improvements or obstructions on the exterior of the Leased Premises without Landlord's written consent. Tenant shall not place a sign on the roof of the Leased Premises notwithstanding anything in this Lease to the contrary.

(b) No awning or other projections shall be attached to the outside walls of the Leased Premises or the Shopping Center without the written consent of Landlord.

(c) Loading and unloading of goods shall be done only at the times, in the areas and through the entrances reasonably designated by Landlord.

(d) Garbage shall be kept in the kind of container approved by Landlord's fire and casualty consultants and shall be removed and deposited daily in dumpsters in the manner prescribed from time to time by Landlord. Landlord may provide or designate a service for collection of garbage from designated mass disposal containers.

(e) Intentionally omitted.

(f) No loudspeakers, televisions, phonographs, radios, flashing lights, machinery or other devices shall be heard or seen outside of the Leased Premises without the prior written consent of Landlord.

(g) No auction, fire, bankruptcy or selling-out sales shall be conducted without the written consent of Landlord.

- (h) Tenant shall keep its display windows and signs illuminated every day of the Term during the Tenant's business hours designated.
- (i) Tenant shall not place or permit obstructions, garbage, refuse, improvements, merchandise or displays in the areas immediately adjoining the Leased Premises.
- (j) Intentionally omitted.
- (k) Tenant shall use the pest extermination contractor that Landlord may choose, and when Landlord reasonably requires Tenant to do so, provided that such service is provided at competitive rates. Tenant shall not keep or permit any animals in the Leased Premises, unless expressly allowed by in this Lease, or unless used by disabled persons.
- (l) Tenant shall not carry on any trade or occupation or operate any instrument, apparatus or equipment which emits an odor or causes a noise outside the Leased Premises or which is offensive.
- (m) Intentionally omitted.
- (o) Tenant shall store and stock in the Leased Premises only goods, wares, merchandise and other property necessary for the conduct of Tenant's business.
- (p) Tenant shall not use or permit the Leased Premises to be used for living, sleeping, residential or lodging purposes.
- (q) Tenant shall not use the plumbing for a purpose other than that for which it is constructed. No grease or foreign substance shall be put in the plumbing, and the expense of any resulting breakage, stoppage or damage (whether on or off the Leased Premises) shall be borne by Tenant.
- (r) Tenant shall not in the Joint Use Areas:
- (i) vend, peddle or solicit orders for sale or distribution of any merchandise, device, service, periodical, book, pamphlet or other matter;
 - (ii) exhibit any sign, placard, banner, notice or other written material;
 - (iii) distribute any circular, booklet, handbill, placard or other material;
 - (iv) solicit membership in any organization, group or association or contribution;
 - (v) parade, patrol, picket, demonstrate or engage in conduct that might interfere with or impede the use of the Joint Use Areas by any customer, invitee or employee, create a disturbance, attract attention or harass, annoy, disparage or be detrimental to the interest of any of the other tenants;
 - (vi) use the Joint Use Areas for any purpose when none of the retail establishments within the Shopping Center are open for business;
 - (vii) panhandle, beg or solicit funds; nor
 - (viii) solicit business.
- (s) Tenant shall have the responsibility for protecting the Leased Premises from theft, robbery and pilferage, and shall keep non-customer doors locked.
- (t) No symbol, design, name, mark or insignia adopted for or used by Landlord in the Shopping Center shall be used by Tenant without the prior written consent of Landlord.
- (u) Landlord shall have all remedies provided in this Lease for the breach of any of the provisions of ARTICLE 26.

ARTICLE 27 - Eminent Domain

- (a) If the entire Leased Premises is appropriated or taken under eminent domain by any public or quasi-public authority, this Lease shall terminate on the date of the taking. Landlord and Tenant shall be released from liability accruing after that date. If more than 25% of the square footage of floor area (including a mezzanine, if any) of the Leased Premises is taken under eminent domain by any public or quasi-public authority, or if because of the appropriation or taking, regardless of the amount taken, the remainder of the Leased Premises is determined by Tenant to be not usable for the purposes specified in Reference Provision 1.03, Tenant shall have the right to terminate this Lease as of the date Tenant is required to vacate a portion of the Leased Premises which has been taken, by giving notice to the other in writing within 60 days after the date of the taking. Landlord and Tenant shall be released from liability accruing after that date.
- (b) Whether or not this Lease is terminated, Landlord shall be entitled to the entire award or compensation and any portion of any compensation awarded for the diminution in value of the leasehold interest or fee of the Leased Premises, but Tenant's right to receive compensation or damages for Tenant's fixtures and tangible personal property

shall not be affected. If this Lease is terminated, rental, additional rental and other charges for the last month of Tenant's occupancy shall be prorated, and Landlord shall promptly refund to Tenant rental, additional rental or other charges paid in advance.

(c) If Landlord and Tenant elect not to terminate this Lease, Tenant shall remain in the portion of the Leased Premises which has not been appropriated or taken. Landlord agrees, at Landlord's cost and expense, to restore the remaining portion of the Leased Premises to the quality and character that existed prior to the appropriation or taking as soon as reasonably possible. The Minimum Annual Rental and any additional rent payable and calculated based upon the square footage of the Leased Premises shall be adjusted, on an equitable basis, taking into account the relative value of the portion taken compared to the portion remaining. A voluntary sale or conveyance in lieu of condemnation, but under threat of condemnation, shall be an appropriation or taking under eminent domain. Tenant shall not have a claim against Landlord because of a taking.

ARTICLE 28 - Attorneys' Fees

If either Landlord or Tenant shall bring any action or legal proceeding for an alleged breach of any provision of this Lease, to recover Rent, to terminate this Lease or otherwise to enforce, protect or establish any term or covenant of this Lease, the prevailing party shall be entitled to recover as a part of such action or proceeding, or in a separate action brought for that purpose, reasonable attorneys' fees, court costs, and expert fees as may be fixed by the court.

ARTICLE 29 - Sale of Leased Premises by Landlord

In the event of the sale or exchange of the Leased Premises or the Shopping Center and the assignment of this Lease, Landlord shall be relieved of all liability for the covenants and obligations in or derived from this Lease accruing from and after the date of such sale or exchange.

ARTICLE 30 - Notices

Notices and demands shall be given in writing sent by certified mail or by nationally recognized overnight courier service, addressed to Landlord and to Tenant at the addresses specified in the Reference Provisions or at the addresses which were last specified by notice by Landlord or Tenant. Notices or demands shall be deemed to have been given, made or communicated upon receipt or refusal if deposited in the United States mail as certified mail, with postage fully prepaid, or the day after being sent by nationally recognized overnight courier service.

ARTICLE 31 - Remedies

All rights and remedies of Landlord and Tenant under this Lease or at law are cumulative, and the exercise of one or more rights or remedies shall not exclude or waive the right to the exercise of any others. All rights and remedies may be exercised and enforced concurrently, whenever and as often as desirable.

ARTICLE 32 - Successors and Assigns

All covenants, promises, conditions, representations and agreements shall be binding upon, apply and inure to Landlord and Tenant and their heirs, executors, administrators, successors and assigns. The provisions of ARTICLE 21 hereof shall not be affected by this ARTICLE 32.

ARTICLE 33 - Representations

Tenant agrees that Landlord, its employees and agents have made no representations, inducements or promises about the Leased Premises, the Shopping Center or this Lease, or about the characteristics or conditions regarding or pertaining to the Leased Premises or the Shopping Center, unless the representations, inducements and promises are in this Lease. Tenant has independently investigated the potential for the success of its operations in the Shopping Center. Therefore, no claim or liability, or cause for termination, shall be asserted by Tenant against Landlord, its employees and agents, for, and they shall not be liable because of, the breach of any representations, inducements or promises not expressly in this Lease.

Any claim, demand, right or defense by Tenant which is based upon or arises in connection with this Lease or the negotiation of this Lease prior to its execution shall be barred unless Tenant commences an action or interposes a legal proceeding or defense within 1 year after the date of the inaction, omission or occurrence of the event, or the action to which the claim, demand, right or defense relates.

ARTICLE 34 - Waiver

The failure by Landlord or Tenant to insist upon strict performance by the other of any of the covenants, conditions, provisions, rules and regulations and agreements in this Lease, or to exercise a right, shall not be a waiver of any rights or remedies and shall not be a waiver of a subsequent breach or default. A surrender of the Leased Premises shall not occur by Landlord's acceptance of rental or by other means unless Landlord accepts the surrender in writing. A payment by Tenant or receipt by Landlord of an amount less than the monthly rental shall not, nor shall the endorsement, statement, check, letter accompanying a check or payment of rental, be an accord and satisfaction. Landlord may accept a check or payment without prejudice to its right to recover the balance of rental due and pursue any other remedy.

ARTICLE 35 - Holding Over

If Tenant remains in possession of the Leased Premises after the expiration of the Term without a new lease (even if Tenant has paid and Landlord has accepted rental), Tenant shall be deemed to be occupying the Leased Premises as a tenant from month to month, subject to the covenants, conditions and agreements of this Lease. The monthly rental shall be computed based on 125% of the rental payable to Landlord during the last 12 month period of the Term. If Tenant fails to surrender the Leased Premises on the termination of this Lease, Tenant shall, in addition to other liabilities to Landlord, indemnify, defend and hold Landlord harmless from loss and liability resulting from that failure including, but not limited to, claims made by a succeeding tenant. The exercise of Landlord's rights shall not be interpreted to allow Tenant to continue in possession, nor shall it be deemed an election to extend the Term beyond a month-to-month basis. If Landlord, in its sole discretion, determines to permit Tenant to remain in the Leased Premises on a month-to-month basis, the month-to-month tenancy shall be terminable on 30 days prior written notice given by either party to the other party.

ARTICLE 36 - Interpretation

Only the relationship of Landlord and Tenant is created by this Lease. No provision of this Lease or act of either party shall be construed to create the relationship of principal and agent, partnership, or joint venture or enterprise.

ARTICLE 37 - Advertising and Promotional Service

As part of Operating Expenses, Landlord may furnish and maintain professional advertising, marketing and sales promotions which are intended to promote the Shopping Center and/or benefit sales therein. Such advertising and promotion services may be provided in whole or in part by a 3rd party provider or by Landlord or by an affiliate, subsidiary or other related company of Landlord. The nature and extent of such advertising and sales promotion services shall be within Landlord's sole and absolute discretion, and the portion of Minimum Annual Rental and/or Operating Expenses Payment used by Landlord for such advertising and sales promotion services as set forth in ARTICLE 7 shall constitute the entire obligation of Tenant to contribute to the cost of such services.

ARTICLE 38 - Quiet Enjoyment

Landlord has the right, power and authority to enter into this Lease. Tenant, or any permitted assignee or sublessee of Tenant, upon the payment of the rental and performance of Tenant's other covenants, shall and may peaceably and quietly have, hold and enjoy the Leased Premises during the Term. This covenant shall be construed as a covenant running with the land. It shall not be construed as a personal covenant of Landlord.

ARTICLE 39 - Waiver of Redemption

Tenant waives any right of redemption if Tenant is evicted or dispossessed for any cause, or if Landlord obtains possession of the Leased Premises because of the default of Tenant or otherwise. The rights given to Landlord are in addition to rights that may be given to Landlord by statute or otherwise.

ARTICLE 40 – Intentionally Omitted.

ARTICLE 41 - Tenant's Property

Except for the willful misconduct of Landlord, its agents or employees, Landlord, its agents and employees shall not be liable, and Tenant waives all claims, for damage to persons, property and Tenant's business sustained by Tenant (or anyone claiming through Tenant) located on the Leased Premises. Property kept or stored on the Leased

Premises shall be kept or stored at the sole risk of Tenant, and Tenant shall indemnify, defend and hold Landlord harmless from any claims arising out of damage to the same or damage to Tenant's business, including subrogation claims by Tenant's insurance carrier.

ARTICLE 42 - Lease Status

Within 10 business days of Tenant's receipt of Landlord's written request, Tenant shall without charge execute, acknowledge and deliver to Landlord an instrument required under this Lease or an instrument prepared by Landlord containing the commencement and termination dates of this Lease, the Rental Commencement Date, and if true, that (a) this Lease is a true copy of the Lease between the parties, (b) there are no amendments (or stating the amendments), (c) the Lease is in full force and effect and that, to the best of Tenant's knowledge, there are no offsets, defenses or counterclaims of rental or in the performance of the other covenants and conditions to be performed by Tenant, (d) no default has been declared by either party and that Tenant has no knowledge of any facts or circumstances which it believes would constitute a default by either party and (e) any other matters reasonably requested by Landlord.

ARTICLE 43 - Recording

Tenant shall not record this Lease, a memorandum, "short form" or other reference to this Lease, without the written consent of Landlord.

ARTICLE 44 - Force Majeure

If either party is delayed, hindered or prevented from the performance of an obligation because of strikes, lockouts, labor troubles, the inability to procure materials, power failure, restrictive governmental laws or regulations, riots, insurrection, war or another reason not the fault of the party delayed, but not including financial inability, the performance shall be excused for the period of delay. The period for the performance shall also be extended for a period equal to the period of delay. Tenant shall not be excused from the prompt payment of rental, additional rental or other payments.

ARTICLE 45 - Construction of Lease

Tenant has read and understands this Lease. The rule of construction that a document should be construed most strictly against the party which prepared the document shall not be applied, because both parties have participated in the preparation of this Lease.

ARTICLE 46 - Intentionally Omitted

ARTICLE 47 - Captions

Captions are for convenience and reference only. The words contained in the captions shall not be deemed to explain, modify, amplify or aid in the interpretation, construction or meaning of this Lease. The use of masculine or neuter genders shall include the masculine, feminine and neuter genders. The singular form shall include the plural if the context requires. "Landlord" and "Tenant" means "Landlord" and "Tenant" and "their agents and employees", unless the context requires otherwise.

ARTICLE 48 - Severability

If any provision of this Lease or any paragraph, sentence, clause, phrase or word is judicially or administratively held invalid or unenforceable, that shall not affect, modify or impair any other paragraph, sentence, clause, phrase or word. The parties acknowledge that certain charges, fees and other payments are deemed "additional rental" in order to enforce Landlord's remedies, and shall not be construed to be "rent" if rent controls are imposed.

ARTICLE 49 - Intentionally Omitted.

ARTICLE 50 - Liability of Landlord

Landlord's liability under this Lease or arising out of the relationship of the parties shall be limited to Landlord's interest in the Shopping Center. Judgments rendered against Landlord shall be satisfied solely out of the proceeds of the sale of Landlord's interest in the Shopping Center which have been received by Landlord. No personal judgment shall apply against Landlord upon extinguishment of its rights in the Shopping Center. A personal judgment shall not create a right of execution or levy against Landlord's assets. The provisions of this ARTICLE 50 shall inure to Landlord's successors and assigns. These provisions are not designed to relieve Landlord from the performance of its obligations under this Lease, but to limit the personal liability of Landlord in case of a judgment against Landlord. Tenant's right to obtain injunctive relief or specific performance or to have any other right or remedy which may be awarded Tenant by law or under this Lease shall not be limited however. No personal liability is assumed by nor shall at any time be enforceable against Landlord.

ARTICLE 51 - No Option

The submission of this Lease is not a reservation of or option for the Leased Premises or any other space in the Shopping Center, and vests no right in Tenant. This Lease shall become effective only upon proper execution and delivery by the parties.

ARTICLE 52 - Intentionally omitted.

ARTICLE 53 - Corporate Tenant

If Tenant is or will be a corporation or partnership or limited liability company of any kind, the persons executing this Lease on behalf of Tenant covenant and represent that Tenant is a duly incorporated or duly qualified (if foreign) corporation or partnership, as the case may be (including without limitation a limited liability corporation and a limited liability partnership) and is authorized to do business in the State where the Shopping Center is located (evidence shall be supplied Landlord upon request). Tenant also covenants and represents that the person or persons, partner or member executing this Lease on behalf of Tenant is (if a corporation) an officer of Tenant, and is (if a corporation or partnership of any kind) authorized to sign and execute this Lease.

ARTICLE 54 - Printed Provisions

The printed provisions of this Lease and written or typed additions shall be given equal weight for the interpretation of this Lease. The deletion of any portion of this Lease shall not create an implication regarding the intent of the parties, and this Lease shall be read and interpreted as if the deleted portion had never been in this Lease.

ARTICLE 55 - Entire Agreement

This Lease is the only agreement between the parties for the Leased Premises. An amendment, modification or supplement to this Lease shall not be effective unless it is in writing and executed by the parties.

ARTICLE 56 - No Third-Party Rights

This Lease shall not confer rights or benefits, including third-party beneficiary rights or benefits to anyone that is not a named party to this Lease, including any individual, corporation, partnership, trust, unincorporated organization, governmental organization or agency or political subdivision.

ARTICLE 57 - Financial Statements

(a) Tenant acknowledges that it has provided Landlord with its financial statement or annual report ("Statement") and represents that the Statement is a primary inducement to Landlord's agreement to lease the Leased Premises to Tenant. Landlord has relied on the accuracy of the Statement in order to enter into this Lease. Tenant represents that the information contained in the Statement is true, complete and correct in all material aspects. This representation is a precondition to the Lease.

(b) At the reasonable request of Landlord and no more than once per lease year, unless Tenant is a publicly traded company, Tenant shall, not later than 30 days following such request, furnish to Landlord its most recent balance sheet for at least the most recent fiscal year, a statement of income and expense for that year and an opinion of an independent certified public accountant satisfactory to Landlord (or a certificate of the chief financial officer, owner or partner of Tenant) indicating the financial statement has been prepared in conformity with generally accepted accounting principles consistently applied and fairly present the financial condition and results of the operations of Tenant for that year.

ARTICLE 58 - Other Locations

If during the Term: (a) Tenant, its parent, subsidiary, franchisor, or franchisee, the Guarantor of this Lease; (b) any person, firm, corporation or other entity having an interest in any of the above parties; or (c) any other person, firm or corporation controlling or controlled by Tenant or any of the above parties, shall directly or indirectly, either individually or as a partner, shareholder, agent, employee or otherwise, own, operate, maintain or have an affiliation, investment or interest in business similar to or in competition with the one operated at the Leased Premises within the radius specified in Reference Provision 1.20 as measured from the perimeter of the Shopping Center (except those carried on as of the Commencement Date) then that shall constitute a default.

ARTICLE 59 - Tenant's Failure

This Lease shall be governed by the laws of the State in which the Shopping Center is located and shall be deemed made and entered into in the county in which the Shopping Center is located. If Tenant fails to comply with and perform any of its covenants, conditions or agreements, Landlord shall have the right, but not be obligated, to perform the covenants, conditions or agreements following the expiration of any and all applicable notice and cure periods. Tenant shall pay to Landlord on demand as additional rental, a sum equal to the amount spent by Landlord for the performance, plus 15% of such amount to defray supervision and overhead. If Landlord performs any covenants, conditions or agreements, Landlord, its agents or employees may enter the Leased Premises. That entry and performance shall not constitute an eviction of Tenant in whole or in part, nor relieve Tenant from the performance of the covenants, conditions and agreements. Landlord, its agents and employees shall not be liable for claims for loss or damage to Tenant or anyone claiming through or under Tenant.

ARTICLE 60 - Ownership

(a) If the ownership of the Shopping Center is in a Real Estate Investment Trust, then Landlord and Tenant agree that Minimum Annual Rental, Percentage Rental and all additional rental paid to Landlord under this Lease (collectively referred to in this Section as "Rent") shall qualify as "rents from real property" within the meaning of Section 856(d) of the Internal Revenue Code of 1986, as amended (the "Code") and the U.S. Department of Treasury Regulations (the "Regulations"). Should the Code or the Regulations, or interpretations of them by the Internal Revenue Service contained in Revenue Rulings, be changed so that any Rent no longer qualifies as "rent from real property" for the purposes of Section 856(d) of the Code and the Regulations, other than by reason of the application of Section 856(d)(2)(B) or 856(d)(5) of the Code or the Regulations, then Rent shall be adjusted so that it will qualify (provided however that any adjustments required pursuant to this Section shall be made so as to produce the equivalent (in economic terms) Rent as payable prior to the adjustment).

(b) Any services which Landlord is required to furnish pursuant to the provisions of this Lease may, at Landlord's option, be furnished from time to time, in whole or in part, by employees of Landlord or Landlord's affiliates or by one or more third parties hired by Landlord or Landlord's affiliates. Tenant agrees that upon Landlord's written request it will enter into direct agreements with the parties designated by Landlord to provide such services, provided that no such contract shall result in Tenant having to pay, in the aggregate, more money for the occupancy of the Leased Premises under the terms of this Lease, or Tenant's receiving fewer services or services of a lesser quality than it is otherwise entitled to receive under the Lease.

ARTICLE 61 - Pre-Opening

(a) Pre and Grand Opening Banners. During the period commencing on the date on which Landlord delivers the Leased Premises to Tenant and ending on the date on which Tenant opens for the operation of its normal business from the Leased Premises, Tenant shall have the right to install and maintain, at Tenant's sole cost and expense, professionally manufactured temporary "Coming Soon" and/or "Grand Opening" banner(s) on the exterior of the Leased Premises which banners shall include Tenant's Trade Name and shall advertise the forthcoming arrival of Tenant's business, subject only to compliance with all applicable laws, and subject to Landlord's approval of the size, color, location, and other characteristics of such banners (which approval shall not be unreasonably withheld, conditioned or delayed). During the forty-five (45) day period commencing on the date Tenant opens for business, Tenant shall have the right to install and maintain, at Tenant's sole cost and expense, professionally manufactured temporary banners on the exterior of the Leased Premises, which banners shall include Tenant's Trade Name and shall advertise the "Grand Opening" of Tenant's business, subject only to compliance with all applicable laws, and subject to Landlord's approval of the size, color, location, and other characteristics of such banners (which approval shall not be unreasonably withheld, conditioned or delayed).

(b) Presale from the Leased Premises. So long as Tenant is not in default hereunder (subject to applicable notice and cure periods), from and after the date on which Landlord delivers the Leased Premises, subject only to Tenant's compliance with all applicable laws, Tenant shall have the right, from time to time, during normal business hours, to use portions of the Leased Premises for purposes of conducting membership sales.


The exhibits are incorporated by reference into this Lease.

If Tenant is a CORPORATION, the authorized signators shall sign on behalf of the corporation and indicate the capacity in which they are signing. The Lease must be executed by the president or vice president and attested by the secretary or assistant secretary, unless the bylaws or a resolution of the board of directors provides otherwise. In that case, the bylaws or a certified copy of the resolution shall be attached to this Lease. The appropriate corporate seal must be affixed to the Lease.

TENANT:

FITNESS FIRST AT GATEWAY COLUMBIA, LLC,
a Maryland limited liability company

By: P.H. FITNESS, INC.,
a Maryland corporation

By: 
Authorized Signatory

LANDLORD:

WRIT GATEWAY OVERLOOK, LLC,
a Delaware limited liability company

By: 
Authorized Officer

George F. McKenzie
President and CEO

EXHIBIT A
LEASED PREMISSES

EXHIBIT B

SITE PLAN

EXHIBIT C-L

DESCRIPTION OF LANDLORD/ TENANT WORK TENANTS

GATEWAY OVERLOOK COLUMBIA, MD

Tenant accepts the Leased Premises in its "as-is" condition, subject, however, to Landlord's obligation to deliver the Leased Premises in a broom swept condition, free of debris and remnants from the preceding tenancy. Tenant, at Tenant's expense, shall complete any improvements that may be required for Tenant's use of the Leased Premises. If Tenant's design is not feasible with the existing utility locations, such as mechanical, electrical, plumbing or fire protection, any alterations to the existing utility locations shall be completed by Tenant at Tenant's expense subject to Landlord's prior approval. All such work shall be in accordance with this EXHIBIT C-L, EXHIBIT I-W, the Tenant Criteria Manual and other information contained within the Tenant Package referenced below. All work to be performed by Landlord in delivering the Leased Premises to Tenant shall be limited to those items expressly set forth in EXHIBIT C-L and ARTICLE 2 of the Lease. Landlord on behalf of, and for Tenant may perform some work as is more fully described in EXHIBIT L-W.

A. TENANT PACKAGE

Tenant Package: Landlord shall provide to Tenant a Tenant Package to better identify the Leased Premises and provide details in describing conditions of the shell structure. This package may contain such items as:

- a. Lease exhibit drawing indicating approximate Leased Premises.
- b. Base building construction documents as prepared by a registered architect and licensed engineer of the state in which the Shopping Center is located of the Leased Premises including architectural, structural, mechanical, electrical and plumbing details of Landlord's construction. Dimensional floor plan drawings, if available. Tenant acknowledges it shall not rely upon such drawings and must field verify physical dimensions and conditions in the Leased Premises prior to submittal of and during Tenant's final plans work (defined in ARTICLE 2 of the Lease.)
- c. Criteria Manual containing Tenant-required drawing submission information, sign criteria, architectural, electrical and mechanical information necessary for the preparation of Tenant's plans, typical detail sheets, and other information.
- d. By the execution of Tenant's Lease, Tenant acknowledges receipt of the Tenant Package and by this reference, it is incorporated into the Lease.

B. TENANT PLAN SUBMITTAL REQUIREMENTS

1. Tenant Preliminary Concept Drawings

Tenant shall provide preliminary concept drawings indicating the proposed tenant improvements for the Leased Premises. These drawings are required for confirmation and coordination with Landlord's scope of work for base building construction. The Tenant's preliminary concept drawings shall consist of, but not be limited to, schematic architectural floor plan, fixture plan, storefront elevation and section, color and material samples and color rendering.

2. Tenant Working Drawings

Tenant shall provide working drawings consisting of architectural, mechanical, electrical, plumbing, structural, life safety, specifications and supporting calculation data, prepared by a registered architect and licensed engineer of the state in which the Shopping Center is located as deemed necessary by Landlord. Refer to Tenant Package for details.

3. Tenant Plan Submittal & Additional Requirements

- a. By the submittal date for the Tenant preliminary plans and specifications specified in the Provisions, Tenant agrees to notify Landlord of the identity and mailing address of the licensed architect engaged by Tenant for the preparation of plans for Tenant's Work. At the same time Tenant, at Tenant's expense, shall cause Tenant's architect to prepare and deliver to Landlord for Landlord's approval one (1) preliminary drawing submittal for Tenant's Work, adhering to the requirements as described in the Tenant Package.
- b. If Tenant does not furnish Landlord with the identity of Tenant's architect or furnish Landlord with drawings and specifications architect or furnish Landlord with drawings and specifications by the required date, Landlord shall have the right, in addition to any other right or remedy it may have at law or in equity, to cancel and terminate this Lease by written notice to Tenant. Landlord shall in addition to all other remedies, be entitled to retain and have recourse to any bond, deposit or advance rental previously deposited by Tenant under this Lease as liquidated damages.

- c. By the submittal date for final plans and specifications specified in the Reference Provisions, Tenant, at Tenant's expense, shall cause Tenant's architect to prepare and deliver to Landlord for Landlord's approval three (3) sets of final working drawings and specifications for Tenant's Work, adhering to the requirements as described in the Tenant Package.
- d. Landlord shall review Tenant's drawings and specifications and notify Tenant within 15 days of their receipt if they do not meet with Landlord's approval. Tenant shall, within 10 days of the receipt of notification, revise and resubmit the drawings and specifications. When Landlord has approved Tenant's drawings and specifications, Landlord shall initial and return one (1) set of approved drawings to Tenant. That set shall show the date of Landlord's approval, and shall be made a part of this Lease as "EXHIBIT P."
- e. If any changes and/or revisions are made in Tenant's working drawings and specifications after Landlord's initial approval, Tenant shall deliver to Landlord one set of revised working drawings and specifications for additional approval.
- f. No approval by Landlord shall be valid unless signed in writing by Landlord or Landlord's representative.
- g. Tenant shall prepare its plans and perform Tenant's Work in compliance with Landlord's requirements, governing statutes, ordinances, regulations, codes and insurance rating boards. Tenant shall reimburse Landlord up to the amount of \$1,000.00 for review of final plans. Landlord's approval does not relieve Tenant of its obligation to complete Tenant's Work in accordance with the terms of the Lease, nor of the necessity of Tenant's compliance with the laws, rules, regulations and ordinances of local governing authorities.
- h. Any approval by Landlord or Landlord's architect shall neither obligate Landlord in any manner whatsoever with respect to the finished product, design and/or construction by Tenant nor be deemed to be a modification or amendment to the provisions of the Lease. Any deficiency in design or construction, with or without prior approval of Landlord, shall be solely the responsibility of Tenant. Tenant shall be solely responsible for corrections in Tenant's Work and its working drawings and specifications required by governmental authority.
- i. Notwithstanding anything to the contrary contained in this Lease, Tenant shall comply with the Americans with Disabilities Act of 1990 ("ADA"), and any amendment to the ADA, as well as applicable state, local laws, regulations, ordinances and independent inspections. Compliance will include, but not be limited to, the design, construction, and alteration of the Leased Premises as well as access to, employment of and service to individuals covered by the ADA. Upon completion of work, Tenant's or Tenant's architect must supply to Landlord a letter, satisfactory to Landlord, stating that the Leased Premises have been designed and constructed in accordance with and are in compliance with the ADA.
- j. Within 10 days after opening for business in the Leased Premises, Tenant shall provide Landlord with one set of "as-built" drawings and specifications indicating the changes from EXHIBIT P made during the performance of Tenant's Work. As-built drawings shall accurately locate all underground utilities and equipment installed. As-built drawings shall be delivered to Landlord prior to final inspection of the Leased Premises.

C. STRUCTURE

1. Building Shell

- a. Landlord shall provide a concrete floor slab within the interior of the Leased Premises as defined in EXHIBIT L-W. Such concrete slab shall be installed in accordance with the requirements as described in the Tenant Criteria Manual. Any tenant whose requirements exceed the designed live load shall furnish Landlord with load information prepared by a licensed structural engineer. At Landlord's option, Landlord may, at Tenant's expense, submit structural information to its engineer for verification.
- b. Tenant is responsible for maintaining the integrity of the concrete slab. Any alteration to Landlord's slab or new slab construction shall be executed in accordance with the requirements described in the Tenant Criteria Manual.
- c. Suspended slab floor penetrations shall be core-drilled; no saw cutting or trenching is permitted. All floor penetrations shall be sleeved and sealed as required in the Tenant Criteria Manual.
- d. Structural modifications and/or additions by Tenant to Landlord's structure are subject to Landlord's prior approval. Tenant shall submit structural calculations, which have been prepared by a licensed structural engineer, to Landlord for review by Landlord's engineer, at Tenant's expense.

2. Roof Penetrations

Roof penetrations by Tenant shall be held to a minimum. Penetrations, flashing and patching of the roofing system shall be made by Landlord's roofing contractor, subject to Landlord's prior approval, at Tenant's expense. Any structural framing or structural calculations required by Landlord as a result of Tenant's roof penetrations shall be performed at Landlord's option by Landlord's contractor, at Tenant's expense. Any associated curbs, rails, skids, etc. which can impact the roof system shall be designed in accordance with the manufacturer's recommendations and installed by Landlord's approved roofing contractor, at Tenant's expense.

3. Waterproof Membrane

All food tenants, high water use tenants such as beauty salons, pet stores, etc. whose design includes water being present, such as in kitchens or restrooms, shall install and maintain a waterproof membrane approved by Landlord throughout the Leased Premises. A water test may be required to be performed by Tenant. Tenant is responsible for maintaining liquid-tight capacities of the floor and other boundaries of the Leased Premises.

4. Fireproofing

Landlord shall provide fire retardant material, if required, per code, on its structure within the Leased Premises as defined in EXHIBIT L-W. Tenant shall be required to protect fireproofing and damage to fireproofing shall be repaired by Tenant as necessary to meet the requirements and recommendations of applicable code and local inspectors, at Tenant's expense.

D. EXTERIOR STOREFRONTS AND FACADES

Storefront Façade Requirements

a. Landlord has established design criteria regulating materials and construction of the storefronts and signage so they contribute to the overall design concept of the Shopping Center. In order to contribute to this theme, the overall storefront design must conform to the design criteria contained in the Tenant Criteria Manual. Landlord has installed an exterior façade as defined in EXHIBIT L-W. Landlord has the right to reject storefronts which do not meet the design criteria, and to accept and approve unusual designs that deviate from the required criteria, all at Landlord's sole discretion.

b. Tenant is responsible for constructing any modifications to the existing exterior storefronts, including any framing, glazing, doors, insulation, finishes, parapets/cornices and awnings. All exterior storefronts shall be composed of weather-tight components including any necessary flashing, sealing and other waterproofing measures. Tenant's storefront(s) shall extend to the full height as specified in the Tenant Criteria Manual and as approved by Landlord. Tenant shall design, engineer and properly connect its construction to Landlord's construction as required for Tenant's scope of work. Refer to the Tenant Criteria Manual for additional information and details. Tenant shall be solely responsible for the repair of damage it causes to Landlord's finish material or adjacent tenant storefronts.

c. Tenant's storefronts modifications shall be structurally engineered and be self-supporting. Limited lateral bracing is permitted from Landlord's structure. The storefront or any part of Tenant's construction cannot be suspended from Landlord's bulkhead, framing or structure.

E. DEMISING WALLS AND EXITS

1. Demising Walls

a. Landlord shall provide demising walls as defined in EXHIBIT L-W.

b. Tenant is responsible for furnishing gypboard on all demising partitions and surfaces in accordance with code and as described in the Tenant Criteria Manual. Tenants whose traditional use and operations generate moderate or high sound levels shall insulate their demising walls and ceiling against sound transmission as described in the Tenant Criteria Manual.

c. Tenants are prohibited from allowing music or other sounds to emanate from their space into an adjacent tenant space or into the mall common area. Tenants who generate sound levels greater than 40 decibels, or as otherwise deemed necessary by Landlord, shall insulate their space against sound transmission. Methods to prevent sound transmission must be thoroughly detailed on Tenant's plans and is subject to Landlord's approval, as described in the Tenant Criteria Manual.

d. Tenant is responsible for providing Landlord with anticipated load and weight calculations for any wall hung fixtures. If Landlord deems necessary, Tenant shall provide backing and bracing support to demising walls to compensate for loading imposed by Tenant's wall-hung fixtures at Tenant's expense.

e. Tenant is responsible for the construction of any wall in which an expansion joint occurs. The construction of such wall shall be in accordance with acceptable construction design practices and applicable codes.

2. Service Doors

Tenant is responsible for furnishing and installing a service door connecting to service corridors or mall exterior service areas unless noted otherwise in EXHIBIT L-W. The door shall comply with applicable code requirements and Landlord requirements as described in the Tenant Criteria Manual.

3. Exit Requirements

Tenant is responsible for providing all exit requirements and exit identifications within the Leased Premises in accordance with requirements of applicable codes and subject to approval by the local building authority.

F. INTERIOR FINISHES, FURNISHINGS AND EQUIPMENT

1. Floor Finish

Tenant is responsible for all floor finish covering materials for the Leased Premises and shall make a smooth level transition with Landlord's paving material at the lease/closure line. Tenant shall protect and repair any damage to Landlord's floor finish material, at Tenant's expense. Tenant is solely responsible for waterproofing its exterior slab and façade construction against water infiltration.

2. Walls Finish

Tenant is responsible for the installation of finished walls on the demising partitions, including any necessary additional supports, wall blocking, fire tapping and wall finishes, at Tenant's expense.

3. Ceilings

Ceiling height limitations are created by existing conditions and floor-to-deck heights vary throughout the Shopping Center. Where building conditions permit, higher ceilings may be allowed with the written approval of Landlord. Any relocation of or modification to existing piping, conduit and/or ductwork necessitated by Tenant's installation of a ceiling shall be at Tenant's expense.

4. Access Panels

Tenant is responsible for providing access panels throughout the Leased Premises. Tenant shall at minimum provide 24" x 24" flush mount access panels in the ceiling within the Leased Premises at dampers, valves, cleanouts, HVAC equipment and elsewhere as required by Landlord or as required by code in order to provide access to the equipment.

5. Furnishings and Equipment

Tenant is responsible for furnishing and installing all fixtures, furnishings, equipment, shelving, trade fixtures, leasehold improvements, interior decorations, graphics, signs, mirrors, coves and decorative light fixtures and other special effects, as first approved and permitted by Landlord and in accordance with all applicable federal, state, local laws, regulations and ordinances.

G. SIGNAGE AND AWNINGS

1. Tenant Signage and Awning Submittal

a. Tenant shall submit signage and, if applicable, awning manufacturer's shop drawings to Landlord depicting signage, lettering dimensions, overall dimensions, color, materials, mounting details, quantities and location(s) of the signage and/or awning in relation to each elevation, as described in the Tenant Criteria Manual. Tenant is responsible for the proper structural design and support for all such elements. Signs, permits and related or resulting construction shall be Tenant's responsibility. All signs and awnings shall be installed under the supervision of Landlord's on-site representative. Tenant's contractor(s) shall repair any damage caused by their work.

b. Landlord's final written approval is required prior to sign and awning fabrication. Tenant shall not be permitted to open for business in the Leased Premises without a sign that has been approved in writing by Landlord and which conforms to applicable building and electrical codes.

2. Signage Requirements

a. No signage shall be applied to Tenant's storefront or hung within 4'-0" from the lease line without Landlord's written approval. Refer to Tenant Criteria Manual for additional information.

b. No signs shall be allowed beyond the lease line without Landlord's written approval.

c. No flashing, action, moving or audible signs are permitted.

d. No television or projection screens are permitted within 15 feet of the lease line without Landlord's written approval.

c. Signs may be vertical, horizontal, and be illuminated. Multiple signing may be permitted on multi-directional storefronts with Landlord's prior written approval.

f. The Maximum letter height shall be 18", subject to the review and approval of a comprehensive tenant signage system by landlord.

g. All signage must be properly located on the storefront/façade, as described in the Tenant Criteria Manual. Landlord reserves the right to regulate signage location(s) throughout the mall and near anchor stores.

h. Wording is limited to the trade name of the store. Landlord shall review logos on a case-by-case basis.

i. Sign shall be on a timer set to illuminate during mall hours or as otherwise designated by Landlord.

j. No sign manufacturer's identification, decals or registered trademark shall be permitted.

k. Exterior signage, including all components and attachment devices, must be constructed of galvanized or rust proof materials.

l. Tenant shall keep the sign in good repair at all times. All signage shall be kept clean and free of visible dirt, rust and corrosion.

m. Exterior signage is subject to anchor store and local jurisdiction review and approval and must comply with all applicable codes.

H. HEATING, VENTILATION, AIR-CONDITIONING

1. Tenant provided Roof Top Unit. "RTU System"

a. Tenant is required to design and install the RTU System to the Leased Premises as more fully described in EXHIBIT L-W, the Tenant Criteria Manual and as approved by Landlord.

b. Tenant shall locate the RTU System and provide structural modifications in order to comply with the Shopping Center's structural load limits. Tenant shall submit structural calculations, which have been prepared by a licensed structural engineer, to Landlord for review by Landlord's engineer, at Tenant's expense. Landlord may require modifications to Tenant's design and construction.

c. Tenant shall not install or operate the RTU System without the prior written approval of Landlord. Tenant shall not enter the roof without prior permission from a representative of Landlord.

d. Tenant shall supply Landlord with maintenance agreements, plans and specifications for the installation and operation of the RTU System.

e. Notwithstanding anything to the contrary contained in the Lease, Tenant shall have no right to an abatement, deduction or set-off in rental if Tenant's RTU System is or becomes inoperable.

2. Additional Tenant Requirements

a. Tenant is responsible for providing the mechanical system within the Leased Premises, including but not limited to maintenance, supply metal ductwork, grilles, registers, electrical wiring, controls, heating, heat detection and circuitry necessary for the satisfactory operation of an air conditioning system. Refer to Tenant Criteria Manual for details.

b. Tenant is responsible for the design of all ductwork and accessories for air distribution in accordance with the procedures described in the American Society of Heating, Refrigerating, and Air Conditioning Engineering Guide ("ASHRAE"), and in accordance with the latest methods recommended in the Sheet Metal and Air Conditioning Contractors National Association ("SMACNA") low velocity duct manual, and as otherwise set forth by code.

c. Tenant is responsible for providing the Leased Premises with its own thermostat(s) in accordance with the requirements of the Tenant Criteria Manual.

d. Tenant shall provide plans, specifications and calculations required in connection with the installation and operation of Tenant's HVAC System.

e. Tenant is required to route HVAC condensation lines as directed by code and the mall on-site representative.

f. Tenant is responsible for providing Landlord copies of air test and balance reports upon completion of work.

g. Tenants HVAC System and related rooftop equipment must be compatible with Landlord's safety/smoke exhaust system. Alterations to and interface with Landlord's life safety/smoke exhaust system shall be by Landlord's contractor at Tenant's sole expense.

h. Tenant may be required to provide and install, at Tenant's expense, heat or smoke detectors within the Leased Premises to shut down the heating, air conditioning and ventilation whenever an abnormal condition is detected if required by local code authorities as part of the fire prevention smoke removal system.

i. Landlord shall have the right to require Tenant to cease operation of the Tenant's HVAC System, if it is causing damage to any of the structural or mechanical elements of the Shopping Center, interfering with or diminishing any service provided by Landlord or others, or interfering with any other tenant's business.

I. TOILET EXHAUST SYSTEM

Toilet Exhaust Systems

Tenant is required to design and install the exhaust system for the Leased Premises, per code and as defined in EXHIBIT L-W and the Tenant Criteria Manual.

J. SPECIAL EXHAUST AND MAKE-UP AIR SYSTEMS

1. Special Exhaust Systems

Odors produced by tenants such as food service, beauty salons, pet shops, etc. must be exhausted to the atmosphere through a tenant-furnished exhaust system. Tenant shall design and install an engineered exhaust and make-up air system to maintain a negative pressure in the Leased Premises to keep odors from disturbing Landlord, customers and other tenants. The location and minimum distance of exhaust fans from any air intakes shall be directed by Landlord and in accordance with applicable code. Refer to Tenant Criteria Manual for details.

2. Make-up Air Systems

Make-up air systems as referenced in 1 above shall be furnished and installed by Tenant, upon Landlord's approval.

3. Exhaust Discharge

a. Tenant is responsible for providing mushroom-type exhaust discharge outlets. All roof-mounted equipment shall be approved by Landlord and installed on curbs per the specifications in the Tenant Criteria Manual. All roof flashing shall be performed by Landlord's roofing contractor at Tenant's expense. Projections above 3'-0" will require approval by Landlord and may require additional screening by Tenant.

b. Tenant shall provide a residue trough grease containment system, approved by Landlord, on all roof-mounted grease exhaust discharge equipment. The containment system shall be cleaned and replaced on a regular basis.

4. Damper Control and Interlock

Tenant shall provide damper controls with automatic fan shutdown and interlock to maintain the original design air balance approved by Landlord and in accordance with applicable code. The control system must be able to shut down its fans in case of fire.

K. UTILITIES

1. Electric Service

a. Landlord shall provide the main electric distribution system as more fully described in EXHIBIT L-W and the Tenant Criteria Manual.

b. Landlord may provide, at its option, an empty electrical conduit to the Leased Premises and associated electrical equipment serving the Leased Premises as more fully described in EXHIBIT L-W.

c. Landlord has sized the transformers and electrical system using a combined design load of 20 watts per square foot for normal retail tenants and 40 watts per square foot for restaurant tenants. If Tenant requires a connected load in excess of 15 volt-amperes per square foot, then same may be installed at Tenant's expense, upon Landlord's approval.

2. Tenant Electrical Requirements

a. Tenant is responsible for providing a complete electrical system from Landlord's distribution point within the Leased Premises. This shall include but not be limited to all necessary labor, branch and main circuit breakers, panels, transformers, connection to HVAC power supply, temperature controls, and connection to Landlord's smoke detector or smoke evacuation system, if required.

b. Tenant shall pull copper conductors in conduit and make final connections at Landlord's electrical distribution panel. Landlord may require, at its option, Tenants to contract directly with Landlord's electrical

contractor to make final connections to Landlord's electrical equipment. Conductors shall be continuous with no splices between the switchgear in the distribution room and panels within the Leased Premises.

c. Tenant's electrical engineer shall include an electrical riser line diagram and a complete electrical panel schedule (quantities and sizes of lamps, appliances, signs, water heaters, etc.), indicating individual and total demand of all electrical loads.

d. Electrical materials and equipment shall be new and installed per code and shall bear the Underwriters Laboratories label. All wire must be copper.

e. Lighting fixtures shall be furnished and installed by Tenant, and shall be of a type approved by applicable codes. Recessed fixtures in furred spaces shall be connected by a flexible conduit and "AF" wire and run to a branch circuit outlet box which is independent of the fixture. Fluorescent ballast shall have individual non-resetting overload protection.

f. Panel board, furnished and installed by Tenant, for lighting and power within the Leased Premises shall be equal to type NLAB class panels, and shall meet the requirements of applicable code.

g. A floor-mounted transformer shall be furnished and installed by Tenant, as required.

3. Water Service

Landlord may provide, at its option, a cold water supply stub at or near the boundary of the Leased Premises as defined in EXHIBIT L-W. The water service will terminate with a valve connection.

4. Sanitary Service

Landlord may provide, at its option, a sanitary sewer stub at or near the boundary of the Leased Premises defined in EXHIBIT L-W.

5. Vent Stub

Tenant shall furnish and install, at Tenant's cost and expense, all plumbing vent stacks within the Leased Premises.

6. Tenant Plumbing Requirements

a. Tenant is responsible for providing a complete plumbing system from Landlord's point of service within the Leased Premises. This shall include but not be limited to, all necessary labor, connections to supply stubs, piping, vents, clean-outs, fixtures, etc. necessary for the satisfactory operation of a plumbing system.

b. Tenant is responsible for connecting to Landlord's sewer stubs where provided. All floor penetrations shall be sleeved and sealed as required in the Tenant Criteria Manual to prevent the penetration of odors or liquids to any space below the Leased Premises. Floor penetrations shall be core-drilled; no saw cutting is permitted.

c. Tenant is responsible for providing cleanouts in accordance with applicable codes.

d. If Tenant's design is not feasible with the existing utility locations, any alterations to the existing utility locations shall be completed by Tenant at Tenant's expense in accordance with the Tenant Criteria Manual and subject to Landlord's prior approval.

e. Where more than one tenant is required to attach to a single sanitary and or vent stub, the first installing tenant shall install a plugged "Y" branch fitting for future connections, at such tenant's expense. Tenant shall run piping to the nearest stack and connect to the opening provided by Landlord.

7. Water Meter

Tenant is responsible for connecting at the point of service and installing an accessible water meter or accessible remote readout and extending service according to Tenant's requirements and in accordance with all applicable codes, utility company requirements and the Tenant Criteria Manual.

8. Water Heaters

Tenant is responsible for providing electric water-heaters for domestic water usage in the Leased Premises. Electric water-heaters shall be automatic and shall be limited to 12-gallon capacity or as per code. Water heaters must have a pressure relief valve discharge piped to the nearest drain in the Leased Premises.

9. Toilet Facilities

Tenant is responsible for providing toilet facilities in compliance with ADA and all applicable local building codes within the Leased Premises, and shall provide and maintain a Landlord approved waterproof membrane, at Tenant's expense. A minimum of one water closet, one lavatory and one cleanout, in accordance with code, is required in the Leased Premises.

10. Natural Gas Service

Natural gas service is available from the local utility company and Landlord shall arrange for the installation of the meter banks and mains at the designated locations throughout the Shopping Center. All piping, associated work and meter for extension of services to the Leased Premises shall be provided by Tenant, at Tenant's expense, in accordance with applicable code, and subject to Landlord's approval.

11. Telephone

Landlord shall arrange with the telephone company to install telephone service to the main telephone terminal. Landlord may provide, at its option, an empty conduit with pull string or a raceway from the main telephone terminal to the Leased Premises as defined in EXHIBIT L-W. All telephone work for extension of services to the Leased Premises shall be provided by Tenant, at Tenant's expense, in accordance with applicable code, and subject to Landlord's approval.

L. SPECIAL FOOD TENANT REQUIREMENTS

1. Food Preparation Extinguishing Systems

a. Tenant shall design and install automatic extinguishing equipment in accordance with the National Fire Protection Association Standard latest edition. The extinguishing system shall be a Underwriters Laboratories approved pre-engineered system with the following features:

- (i) Protection of the hood and duct;
- (ii) Surface protection for deep fat fryer, griddle, broiler and range;
- (iii) Automatic devices for shutting down fuel or power supply to the appliances. (These devices must be of the manual reset type.)
- (iv) Provided with a simple means to manually activate the fire extinguishing equipment within a path of ingress or egress. The means of manual activation shall be mechanical (not electrical) and must be clearly identified.

b. Tenant shall ensure that extinguishing system is inspected in accordance with code. Tenant shall enter into an inspection agreement with a firm qualified by the system manufacturer to perform such inspections. The systems vendor shall submit plans and other pertinent information on the proposed system to Landlord for prior review and approval.

2. Grease Removal and Cleaning

a. Tenant shall remove grease from all exposed surfaces of the Leased Premises daily. Additionally, Tenant agrees to retain a dependable bonded degreasing service for the Leased Premises on a minimum monthly basis throughout the Term of this Lease to clean and degrease the entire kitchen area, ranges, cooking equipment, broilers, stoves, hoods, vents, exhaust and blower systems, filters and all associated ductwork to prevent grease accumulation. If Tenant fails to do so, Landlord may maintain the system and charge Tenant at three times Landlord's cost.

b. Copies of maintenance and cleaning reports shall be submitted to Landlord's on-site representative.

c. Underwriters Laboratories approved grease-extracting hoods with water wash down cycle or conventional range hood with washable grease filters in accordance with applicable code are acceptable and subject to Landlord's fire protection engineer's approval.

3. Grease Interceptor

a. Tenant shall install, (in accordance with applicable code and subject to Landlord's approval), a dedicated grease trap system and indicate the location of the dedicated grease trap system on its plumbing plans.

b. All food-related tenants shall connect all sinks and floor drains within the Leased Premises (except toilet facility fixtures and drains) to the grease line in accordance with applicable code, and subject to Landlord's approval.

4. Grease Trap Service and Removal

a. Tenant is responsible for properly maintaining its grease trap system. If Tenant fails to do so, Landlord may maintain the system and charge Tenant at three times Landlord's cost. Tenant shall not place any grease into trash compactor, normal garbage containers, floor & sink drains or toilets. Landlord may provide, at its option, grease containers in a designated area for grease removal. In the event Landlord does not provide grease containers, Tenant is responsible to provide the grease container in a designated area as defined by Landlord. Tenant may be required to use Landlord's pre-approved removal service at Tenant's sole expense.

b. Copies of maintenance and cleaning reports shall be submitted to Landlord's on-site representative.

M. FIRE PROTECTION SYSTEM

1. Tenant Sprinkler System

a. Landlord shall provide a complete wet sprinkler fire protection grid system in the Leased Premises to meet code requirements for a raw shell space as defined in EXHIBIT L-W. Tenant shall pay Landlord \$3.00 per square foot for the sprinkler fire protection grid system.

b. Tenant shall design and install all modifications to the existing engineered wet sprinkler fire protection system within the Leased Premises. In the event Landlord provides a pre-approved sprinkler contractor Tenant will be required to use Landlord's contractor for such work at Tenant's expense.

c. Tenant's fire protection system shall comply with the requirements of the applicable building codes, fire marshal and be approved by Landlord's insurance carrier. Any modifications or addition to the sprinkler system, main relocation, or installation of any necessary sprinkler heads shall be engineered, fabricated and installed by Tenant at Tenant's expense. Refer to Tenant Criteria Manual for details.

d. Tenant's sprinkler drawings and hydraulic calculations shall be prepared by a licensed engineer of the state in which the Shopping Center is located. Drawings are subject to Landlord's approval.

e. Tenant shall pay Landlord \$375.00 per shutdown for Tenant's sprinkler system tie-in to Landlord's sprinkler system.

2. Tenant Fire Alarm System

a. Landlord may provide, at its option, a connection for a fire alarm system within or adjacent to the Leased Premises as defined in EXHIBIT L-W. Tenant shall pay Landlord a charge of \$1,500.00 for the fire alarm point of connection. In the event Landlord completes final fire alarm system hookup, it shall be at Tenant's expense.

b. Tenant may be required to design and install an engineered fire alarm system within the Leased Premises. Tenant's fire alarm system shall be compatible with Landlord's system and comply with the requirements of the applicable building codes, fire marshal and be approved by Landlord's insurance carrier.

c. Tenant's fire alarm drawings shall be prepared by a licensed engineer of the state in which the Shopping Center is located. Drawings are subject to Landlord's approval.

3. Tenant Fire Extinguishers

Tenant shall provide and install fire extinguishers in the Leased Premises. The number of extinguishers provided by Tenant shall be as required by applicable building codes, fire marshal and be approved by Landlord's insurance carrier.

N. CONSTRUCTION REQUIREMENTS

Construction Deposit

Tenant shall cause its general contractor to deposit with Landlord, without liability for interest, the sum of \$5,000.00 prior to construction start. This sum shall be applied toward any costs incurred by Landlord or Landlord's contractor to repair any damage to Landlord's property and any part of Tenant's Work which Tenant or Tenant's contractor fails to complete within the time period required by ARTICLE 2 of the Lease. This remedy shall be in addition to and not in lieu of any other rights and remedies of Landlord. The balance of the deposit shall be returned to Tenant's general contractor after Tenant's Work has been reviewed and accepted by Landlord.

2. Construction Barricade

Landlord may require Tenant to erect a barricade that complies with center standards at the start of Tenant's Work, at Tenant's expense. Tenant's barricade may not be dismantled without Landlord's prior approval.

3. Construction Trash Removal

Tenant is responsible for trash removal during construction, fixturing and stocking at Tenant's expense. Tenant shall break its boxes down and place its trash daily in the containers provided. Trash accumulation shall not be permitted overnight in the Leased Premises, Joint Use Areas or service corridors. Compliance with Landlord's recycling program is mandatory.

4. Contractor Requirements

a. Tenant and or Tenant's contractor shall not commence any work without checking in with Landlord's on-site representative and supplying all required pre-construction documents. Documents shall include but not be limited to a copy of building permit, Certificate of Insurance and contractor's license.

b. Tenant shall ensure that all Tenant contractors licensed in the state where the Shopping Center is located. Landlord shall have the right to approve Tenant's contractors and subcontractors; however, approval shall not constitute the assumption of any responsibility or liability by Landlord for the actions of Tenant's contractors or subcontractors or the quality or sufficiency of Tenant's Work.

c. Tenant's contractor or subcontractor shall not post signs in any part of the Shopping Center, on construction barricades or in the Leased Premises without approval from Landlord.

d. All supplies necessary for construction, fixturing or merchandising the store must be delivered through designated truck docks and down the service corridors.

e. The contractor may perform "noisy" construction, such as jack hammering, saw cutting, core drilling, etc., only during hours reasonably approved by the Landlord. The Landlord may terminate any construction activity that they deem excessively noisy or dusty or which is materially disruptive to the normal operations of the adjacent tenants and/or the mall.

f. Tenant's contractor shall obtain Landlord's approval regarding all drilling, welding or other attachment to Landlord's structural system. Approval by Landlord shall be in writing before the start of Tenant's Work, and must be clearly identified on Tenant's drawings. Landlord approval of the drawings does not relieve Tenant's contractor of the responsibility to make a request in writing prior to starting Tenant's Work.

g. Tenant's contractor shall supply fire extinguishers during construction, in accordance with code.

5. Tenant's Work

a. Tenant shall conform to and comply with all federal, state, county and local laws, ordinances, permits, rules and regulations in the performance of Tenant's Work or in the performance of any alterations, additions or modifications.

b. Intentionally omitted.

c. Intentionally omitted.

d. Work performed by Tenant or Tenant's contractor shall be performed so as to avoid a labor dispute. If there is a labor dispute, Tenant shall immediately undertake whatever action may be necessary to eliminate the dispute including, but not limited to, (i) removing all disputants from the job site until the labor dispute is over, (ii) seeking an injunction in the event of a breach of contract action between Tenant and Tenant's contractor and (iii) filing appropriate unfair labor practice charges in the event of a union jurisdictional dispute. If, during the period of initial construction of the Leased Premises, any of Tenant's employees, agents or contractors strike, or if picket lines or boycotts or other visible activities objectionable to Landlord are conducted or carried out against Tenant or its employees, agents or contractors, Tenant shall immediately close the Leased Premises and remove all employees until the dispute giving rise to the strike, picket line, boycott or objectionable activity has been settled to Landlord's satisfaction.

e. Tenant agrees that it will not, at any time prior to or during this Lease, including the period of the performance of Tenant's Work, either directly or indirectly employ or permit the employment of any contractor, or use any materials in the Leased Premises, if the use of the contractor or the materials would, in Landlord's sole opinion, create a difficulty, strike or jurisdictional dispute with other contractors engaged by Tenant or Landlord or others, or would in any way disturb the construction, maintenance or operation of the Shopping Center. If any interference or conflict occurs, Tenant, upon demand by Landlord, shall cause all contractors or all materials causing the interference, difficulty or conflict, to leave or be removed from the Shopping Center immediately.

f. Tenant's Work shall be subject to inspection by Landlord during the course of construction for the purpose of determining the quality of the workmanship and adherence to Landlord requirements. Tenant shall require its contractor to cooperate with Landlord and correct any deficiencies noted by Landlord. All work performed by Tenant during the Term of the Lease shall be performed in accordance with this Lease Agreement, all exhibits thereto.

g. All work by Tenant, including repair work, shall be performed in a first-class workmanlike manner and shall be in a good and usable condition at completion. Tenant shall require any person performing work to guarantee that the work is free from any and all defects in workmanship and materials for one (1) year from the date of completion. Tenant shall also require any such person to be responsible for the replacement or repair, without additional charge, of work done or furnished by or through such person which shall become defective within one (1) year after substantial completion of the work. The correction of work shall include, without additional charge, all expenses and damages in connection with the removal, replacement or repair of any part of work which may be damaged or disturbed. All warranties or guarantees for materials or workmanship on or regarding Tenant's Work shall be contained in the contract or subcontract. The contract shall be written so that all warranties and guarantees shall inure to the benefit of both Landlord and Tenant, as their respective interests appear, and so that either party can directly enforce the contract.

h. In the event Tenant or Tenant's contractor fails to commence and thereafter diligently perform Tenant's Work, or any part of Tenant's Work, in a manner satisfactory to Landlord within 10 days after receipt of Landlord's punch list, Landlord shall have the right, in addition to and not in lieu of Landlord's other rights and remedies, to perform the work and Tenant shall pay Landlord for costs incurred by Landlord in such performance.

O. INSURANCE REQUIREMENTS

Tenant's contractor must fulfill the following insurance requirements, and shall maintain at no expense to Landlord:

Attachment 3 - Segment 003 of POC GRI Gateway Overlook, LLC.pdf

Description -

Workers' Compensation Insurance within statutory limits and Employer's Liability Insurance with limits of not less than \$100,000.00, and General Liability Insurance with limits of not less than \$2,000,000 combined single limit for bodily injury and property damage, including personal injury, Contractual Liability coverage specifically endorsed to cover the indemnity provisions contained herein and Contractor's Protective Liability coverage if contractor uses subcontractors.

Tenant shall cause each of its contractors to agree to name Landlord, the parents, subsidiaries and affiliates of Landlord and if Landlord elects, any owner or other occupant in or adjoining the Shopping Center, as Additional Insureds on contractor's Commercial General Liability Insurance and Motor Vehicle Liability Insurance.

Each of Tenant's contractors shall also, to the fullest extent permitted under the law, protect, defend, save harmless and indemnify Landlord, the parents, subsidiaries and affiliates of Landlord, and if Landlord elects, any owner or other occupant in or adjoining the Shopping Center, and their employees, officers and agents against any and all liability claims, demands or expenses incurred on account of any injury or damage, alleged or real, arising out of or in any way connected with any act or omission to act on the part of the indemnitor.

Certificate evidence of the required insurance shall be furnished to Landlord before the start of Tenant's Work. Insurance carriers shall have an AM Best's rating of A-VII or better, and shall be registered or authorized to do business in the state in which the Shopping Center is located.

P. GENERAL

1. Landlord's Accessibility. Landlord, Tenant or any local utility company shall have the right, subject to Landlord's approval, to run utility lines, pipes, ducts, etc. above the Leased Premises. It shall be Tenant's responsibility to provide flush-mounted access panels in its finished work where required by Landlord.

2. Additional Landlord's Work. Landlord shall have the right to charge Tenant for certain improvements and other work performed by Landlord in the event of Tenant Default or caused to be performed by Landlord at Tenant's request within the Leased Premises although they may not be itemized in the Lease. This work shall be paid for by Tenant as additional rental upon notice by Landlord. Landlord has no duty however to do any work which Landlord is not specifically and expressly required to perform under this Lease or which, under any provisions of this Lease, Tenant may be required to perform. The performance of work by Landlord shall not constitute a waiver of Tenant's default in failing to perform the work.

3. Hazardous Materials. Tenant shall comply with any existing or future city, state, county or federal regulations or legislation regarding the control of pollution. Tenant shall not use or install, nor shall permit its contractors to use or install, any building materials containing asbestos or other Hazardous Material.

4. Tenant's Refuse. Tenant is responsible for keeping the Leased Premises broom clean and free of trash. If Landlord removes Tenant's or Tenant's contractor's trash, Tenant will be charged Landlord's cost. Any material, whether trash or otherwise, placed outside of the Leased Premises for more than 24 hours shall be subject to removal and disposal without notice.

5. Certificate of Occupancy. Tenant is responsible for obtaining a Certificate of Occupancy promptly following completion of Tenant's Work, and shall promptly forward a copy of it to Landlord prior to Tenant opening for business in the Leased Premises. Tenant shall not be permitted to open for business without a Certificate of Occupancy. Upon completion of Tenant's Work or any alterations under ARTICLE 12, Tenant shall submit an original contractor's notarized affidavit, all subcontractors' original notarized affidavits and original notarized final waivers of lien, as well as any original notarized lien waivers that Landlord may require from contractors, subcontractors, laborers, and material suppliers. The documents must be in a form and detail satisfactory to Landlord.

6. Lien Prevention

a. Neither Landlord nor any mortgage lender of Landlord shall be liable for any labor or materials furnished to Tenant upon credit, and no mechanics or other lien for labor or materials shall attach to or affect any interest of Landlord or the mortgage lender in the Leased Premises or the Shopping Center. Nothing in this Lease shall be deemed or construed to constitute Tenant as Landlord's agent or contractor for the performance of Tenant's Work. Tenant acknowledges that Tenant's Work is to be performed solely for the benefit of Tenant. Nothing in this Lease shall be construed as constituting the consent or request of Landlord to any contractor for the performance of labor or the furnishing of any materials for Tenant, nor as giving Tenant authority to contract as the agent of or for the benefit of Landlord.

b. If Landlord's insurance premium or real estate tax assessment increases as a result of Tenant's improvements to the Leased Premises, Tenant shall pay the increase as additional rental upon notice from Landlord.

7. Square Footage Calculations.

The calculations of the dimensions and square footage of the Leased Premises are from the centerline of interior partitions, from the outside face for exterior walls, and from the full thickness of corridor and shaft walls. No deductions are allowed for the space occupied by columns, interior partitions, or other interior construction or equipment installed or placed in the Leased Premises. The Leased Premises shall not include any space above the bottom of the structural framework supporting the upper level or roof of the Shopping Center, as the case may be, or below the floor level of the Leased Premises.

EXHIBIT F-L

TENANT SUPPLIED HVAC AND MAINTENANCE. TENANTS OPERATING CHARGE FOR ELECTRIC, WATER, SEWER AND GAS

GATEWAY OVERLOOK COLUMBIA, MD

This EXHIBIT F-L provides information and sets forth requirements for Tenant-Supplied HVAC ("HVAC System"), maintenance for Tenant HVAC System and the operating charge for electric, water, sewer, and gas.

As part of Tenant's plans, Tenant shall provide to Landlord a complete description of all mechanical, electrical, plumbing and gas consuming devices, showing the quantities and capacities of the equipment.

HVAC SYSTEM

Tenant-Supplied HVAC System

Tenant, at Tenant's sole expense, shall provide an HVAC System pre-approved by Landlord, which shall provide heating, cooling, and ventilation to the Leased Premises.

Tenant is responsible for the design, installation, distribution and the maintenance of the HVAC System, including but not limited to, the installation of controls, ducts, electrical wiring, temperature controls, heating and heat detection, at Tenant's sole expense.

The HVAC System and related rooftop equipment must be compatible with Landlord's life safety system. Interface with Landlord's life safety system shall be by Landlord's contractor at Tenant's sole expense, unless otherwise stated in this lease.

Roof penetrations: All required penetrations of the roof shall be performed by Landlord's roofing contractor at Tenant's sole expense, unless otherwise stated in this lease, after written notification to Landlord and after Landlord's prior written approval. Any structural framing required by Landlord or Landlord's engineer or as a result of Tenant's roof penetrations or placement of the roof top air conditioning unit shall be performed by Landlord's contractor at Tenant's sole expense, unless otherwise noted in this lease. Tenant's HVAC System curb shall be compatible with Landlord's roof as deemed by Landlord in Landlord's sole opinion.

Maintenance of Tenant-Supplied HVAC

If Tenant is required to maintain the HVAC System, maintenance shall be by Tenant at Tenant's sole expense. Tenant shall provide Landlord with evidence of a maintenance contract or evidence that the HVAC System is otherwise regularly maintained by a licensed HVAC technician.

THE OPERATING CHARGE FOR, ELECTRICAL, WATER, SEWER AND GAS

Operating Charge for Electric

Tenant shall furnish and install, at Tenant's expense, an electrical meter to determine charges for electricity and shall be billed directly by local utility company.

Operating Charge for Water and Sewer

Tenant shall provide and install at Tenant's expense, a water meter to determine Tenant's charges for water consumption.

The Tenant's water and sewer operating charge shall include but not be limited to taxes, assessments, charges, fees and surcharges.

Operating Charge for Gas

Tenant shall provide and install, at Tenant's expense, unless otherwise stated in this lease, a gas meter to determine charges for gas consumption and shall be billed directly by local utility company.

Exhibit C

ASSIGNMENT AND ASSUMPTION OF LEASE

ASSIGNMENT AND ASSUMPTION OF LEASE (the “**Assignment**”), dated as of June 16, 2013, by and among Fitness First at Gateway Columbia, LLC, a Maryland limited liability company (“**Assignor**”), and GBG Inc., a Virginia corporation (“**Assignee**”). Any capitalized term not otherwise defined herein shall have the meaning ascribed thereto in the Lease (as hereinafter defined).

W I T N E S S E T H:

WHEREAS, Assignor and WRIT Gateway Overlook, LLC (“**Landlord**”) are parties to that certain Lease, dated May 17, 2012 (as amended, the “**Lease**”), pursuant to which Landlord did lease to Assignor, and Assignor did lease from Landlord, the Premises (as defined in the Lease), which Premises are located in Columbia, Maryland; and

WHEREAS, Assignor and Assignee are parties to that certain Asset Purchase Agreement, dated June 19, 2013 (the “**Purchase Agreement**”), pursuant to which Assignor has agreed to sell, assign and transfer certain personal property and contracts to Assignee, including the Lease; and

WHEREAS, as an inducement to Assignor to assign the Lease to Assignee, Gold’s Gym International, Inc. has agreed to guaranty all of Assignee’s obligations under the Lease from and after the date hereof pursuant to, and on the terms contained in, a Guaranty in the form of Exhibit “A” attached hereto in favor of Landlord dated as of the date hereof.

NOW, THEREFORE, in consideration of the Purchase Price and other good and valuable consideration paid by Assignee to Assignor, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally and equitably bound, do hereby agree as follows:

1. Assignment and Assumption of Lease.

(a) Assignor hereby assigns, transfers and conveys to Assignee, free and clear of all liens, security interests, prior assignments and other encumbrances (other than any applicable landlord's lien), all of Assignor’s right, title and interest, as the tenant in and to the Lease, to have and to hold the same unto Assignee, its successors and assigns, forever, after the date hereof, subject to the terms, covenants, conditions and provisions of the Lease.

(b) Assignee hereby accepts the foregoing assignment and assumes

and agrees to pay, perform and discharge, as and when due, all of the obligations of Assignor under the Lease, accruing on or after the date hereof.

(c) Assignee agrees to be bound by and subject to all of the terms, covenants and conditions of the Lease as now in effect or hereafter amended by the mutual agreement of Assignee and Landlord including, without limitation, the obligation to pay the rent and other amounts provided for under the Lease, the covenant to use the Premises for only the purposes specifically permitted under the Lease, unless otherwise approved by Landlord, and the covenant against further assignment.

2. Miscellaneous.

(a) This Assignment and Assumption of Lease may be executed in one or more counterparts, each of which shall constitute a part of the same instrument.

(b) This Assignment and Assumption of Lease is made without any covenant, warranty or representation by Assignor except as otherwise provided in the Purchase Agreement and in this Assignment.

(c) This Assignment shall be governed by and construed in accordance with the laws of the state in which the Premises is located, without giving effect to the conflicts of law or choice of law provisions thereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Assignment and Assumption of Lease has been executed on the date and year first above written.

ASSIGNOR:

Fitness First at Gateway Columbia, LLC,
a Maryland limited liability company

By: _____

Name: _____

Title: _____

ASSIGNEE:

GBG Inc., a Virginia corporation

By:  _____

Name: B. Brandon Bean

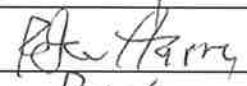
Title: Chairman

IN WITNESS WHEREOF, this Assignment and Assumption of Lease has been executed on the date and year first above written.

ASSIGNOR:

Fitness First at Gateway Columbia, LLC,
a Maryland limited liability company

By:  _____

Name:  _____

Title:  _____

ASSIGNEE:

GBG Inc., a Virginia corporation

By: _____

Name: _____

Title: _____

EXHIBIT "A"

FORM OF GUARANTY

GUARANTY

This Guaranty (the "Guaranty"), executed by Gold's Gym International, Inc. (the "Guarantor") in favor of WRIT Gateway Overlook, LLC, a Delaware limited liability company with an address of c/o Washington Real Estate Investment Trust, 6110 Executive Boulevard, Suite 800, Rockville, Maryland 20852, Attn: Asset Manager (the "Landlord").

RECITALS

WHEREAS, Landlord has leased to GBG Inc., a Virginia corporation (the "Tenant"), and Tenant has leased from Landlord, certain premises within that certain Gateway Overlook Shopping Center located at 8271 Gateway Overlook Drive, Elkridge, Maryland 21075, which premises (the "Premises") is more particularly described in that certain Lease assigned to and assumed by Tenant pursuant to an Assignment and Assumption Agreement dated June 16, 2013 (the "Lease");

WHEREAS, "Obligations" shall mean all obligations, liabilities, and indebtedness of Tenant to Landlord, now or hereafter existing under the Lease from and after the date hereof or with respect to the Premises (including, without limitation all Rent payable by Tenant to Landlord), together with all: (a) interest accruing thereon; and (b) costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Landlord in the enforcement or collection thereof; and

WHEREAS, Landlord, as a condition to entering into the Lease, has required that Guarantor enter into this Guaranty;

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged hereby, Guarantor covenants and agrees as follows:

1. Guaranty. Guarantor absolutely and unconditionally guarantees the full and prompt payment and performance when due of the Obligations. This Guaranty shall continue, in full force and effect throughout the Term and thereafter, until all of the Obligations are paid and performed in full.
2. Representations. Guarantor hereby represents and warrants to Landlord that: (a) this Guaranty is the legal, valid, and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms and conditions; (b) there is no

action or proceeding at law or in equity, or by or before any court or governmental instrumentality or agency, now pending against or, to the knowledge of Guarantor, threatened against, Guarantor that may materially and adversely affect the financial condition of Guarantor; (c) all balance sheets, earnings statements, and other financial data that have been or hereafter may be furnished to Landlord in connection with this Guaranty do and shall represent fairly the financial condition of Guarantor as of the dates on which, and for the periods for which, such balance sheets, earning statements, and other data are furnished; (d) all other information, reports, and other papers and data furnished to Landlord shall be accurate and correct in all material respects at the time given; and (e) Guarantor is solvent.

3. Sublease or Assignment of Lease. In the event the Tenant's interest in the Lease is sublet or assigned, unless Guarantor is expressly released by Landlord under the terms of the Lease or otherwise, Guarantor's obligations under this Guaranty shall continue and the term "Tenant" shall be deemed to include any assignee(s) of Tenant's interest through the full Term of the Lease.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the 16th day of June, 2013.

"GUARANTOR"

Gold's Gym International, Inc.


By: 
Name: R. Brandon Bean
Title: Chairman

Exhibit D

LEASE MODIFICATION AGREEMENT

THIS LEASE MODIFICATION AGREEMENT ("Agreement"), made this 27th day of February, 2020 (the "Effective Date") is by and among GRI GATEWAY OVERLOOK, LLC, a Delaware limited liability company, successor-in-interest to WRIT Gateway Overlook, LLC, as landlord ("Landlord"); GBG, LLC, a Virginia limited liability company (formerly known as GBG, Inc.), successor-in-interest to Fitness First at Gateway Columbia, LLC, t/a Gold's Gym, as tenant ("Tenant"); Gold's Gym International, Inc. ("Guarantor").

WITNESSETH:

WHEREAS, Landlord and Tenant are parties to that certain Lease dated May 17, 2012 (the "Original Lease", which, together with all subsequent amendments and modifications thereto, including, without limitation, this Agreement, is hereinafter collectively referred to as the "Lease"), pursuant to which Tenant leases from Landlord approximately 22,292 leasable square feet ("Premises") in a shopping development known as Gateway Overlook ("Shopping Center"). As aforesaid and as used in this Agreement, the term "Lease" shall mean the Lease, as amended, unless its context expressly requires it to mean the Original Lease;

WHEREAS, Guarantor guaranteed the obligations of Tenant under the Lease pursuant to that certain Guaranty Agreement dated June 26, 2013 ("Guaranty");

WHEREAS, the current term of the Lease ("Lease Term") expires on February 28, 2023;

WHEREAS, GOLD'S HOLDING CORP., a subsidiary of Guarantor ("Seller"), and CFJ HOLDINGS, LLC, a Delaware limited liability company ("CFJ"), are intending to enter into a Membership Interest Purchase Agreement ("Purchase Agreement"), pursuant to which Seller shall agree to sell, assign and transfer to CFJ all of the issued and outstanding equity of the Company and CFJ shall purchase all membership interests of the Company ("Transaction");

WHEREAS, pursuant to the terms of the Lease, the Transaction may constitute a constructive transfer to which the Landlord has consent rights;

WHEREAS, Landlord agrees to consent to the Transaction between Seller and CFJ; and

WHEREAS, the parties hereto desire to provide Landlord with the right to terminate the Lease Term prior to February 23, 2023 and to amend the Lease, all as hereinafter provided.

NOW, THEREFORE, in consideration of the foregoing and the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the mutual promises contained herein, the parties hereto, intending to be legally bound, agree as follows:

1. Recitals. Each of the foregoing recitals and representations forms a material part of this Agreement and is incorporated herein by this reference.

2. Consent. Landlord hereby consents to the Transaction. Landlord's consent to the Transaction is not an approval of any subsequent assignment of the Lease, subletting of the Premises, or other transfer of the Tenant's interest in the Lease by Company or otherwise.

3. Termination.

(a) Notwithstanding anything to the contrary set forth in the Lease, Landlord shall have the right at any time commencing on the Effective Date and through and until May 31, 2020 to terminate the Lease upon no less than forty-five (45) days' prior written notice (the "Termination Notice") to Tenant ("Termination Option"), it being understood and agreed that the Termination Notice may be delivered to Tenant up to and including May 31, 2020. Upon Landlord's exercise of the Termination Option, the Lease shall terminate effective as of 11:59 p.m. on the later of (i) the date which is forty-five (45) days after the Termination Notice is received by Tenant, and (ii) the date set forth in the Termination Notice (such later date, the "Early Termination Date"), with the same force and effect as if said Early Termination Date were the date set forth in the Lease for the expiration of the Lease Term (i.e., the Expiration Date), subject, however, to the provisions of this Agreement. The Early Termination Date may be any day during a month and any rule of law which would require the Early Termination Date to be the final day of any month is hereby specifically waived. Notwithstanding anything to the contrary contained in the Lease, if Tenant fails to vacate the Premises on the Early Termination Date (which failure to vacate shall include a failure to surrender the Premises to Landlord with all Conditions (hereinafter defined) satisfied), Landlord shall be entitled to re-enter the Premises without process and without notice (any notice to quit or of re-entry being hereby expressly waived by Tenant), and Tenant shall be subject to immediate eviction. In addition to, and not in limitation of, the foregoing, if Tenant holds over after the Early Termination Date without the prior express written consent of Landlord ("Holdover Occupancy"), then notwithstanding anything to the contrary set forth in the Lease, such Holdover Occupancy shall be a tenancy at sufferance and shall not constitute a renewal thereof or an extension for any further term under the Lease, and in such case all the terms and conditions set forth in the Lease shall apply except that Tenant shall pay to Landlord a use and occupancy fee equal to two hundred percent (200%) of the Minimum Annual Rental applicable during the last rental period of the Lease Term (calculated on a per diem basis through the date that possession of the Premises is restored to Landlord), plus all other additional rental and other charges under the Lease ("Holdover Payment"). Nothing contained in this subsection (a) shall be construed as a consent by Landlord to any holding over by Tenant and the provisions of this subsection (a) shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein, in the Lease or at law or in equity. Further, if Tenant fails to surrender the Premises upon the Early Termination Date, in addition to its liability for the Holdover Payment, Tenant shall protect, defend, indemnify and hold Landlord harmless from and against all damages and claims resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender, and any losses suffered by Landlord, including lost profits, resulting from such failure to surrender.

(b) In consideration for, and as a condition precedent to, Landlord's agreement herein to accept the surrender of the Premises and to terminate the Lease as provided above prior to the Expiration Date, Tenant shall satisfy all of the following requirements (collectively, the "Conditions"): (i) Tenant shall vacate and surrender the Premises to Landlord in accordance with the terms and conditions of the Lease on or before the Early Termination Date including, without limitation, removing any and all of Tenant's inventory, materials, furnishings, moveable personal property, fixtures, trade fixtures and equipment, including Tenant's storefront signage and any pylon sign (collectively, "Tenant's Property") from the Premises, and all trash and debris and leaving the Premises broom clean with both the exterior and interior of the Premises in good condition and repair, ordinary wear and tear excepted, (ii) Tenant shall deliver to Landlord, or as directed by Landlord, all of the keys to all entrances, suites, storage, and other locked units which are part of the Premises; (iii) Tenant shall deliver to Landlord possession of the Premises free of all occupants, of all rights of any other party, as tenant, subtenant or otherwise, and of all encumbrances (collectively, "Occupancies"); and (iv) Tenant shall have paid all rent and other charges as and when due under the Lease through the Vacation Date (as hereinafter defined). The date that is the later to occur of (a) the date that all of the Conditions are satisfied, and (b) the Early Termination Date shall be referred to as the "Vacation Date". Unless otherwise directed by Landlord, Tenant, at its sole expense, shall repair damage to Premises caused by Tenant vacating the Premises or by Tenant's removal of Tenant's Property. In no event, however, shall Tenant be required to restore normal and customary damage to the Premises such as drywall repairs resulting from the removal of Tenant's Property. Notwithstanding anything to the

contrary contained herein, no permanently attached fixtures or portions of the Premises, including, without limitation, the walls, HVAC system, electrical and plumbing systems, or storefront (other than Tenant's exterior signage), shall be removed by Tenant under any circumstances.

(c) In consideration of, and as a material inducement for, Landlord's execution of this Agreement, Tenant shall pay to Landlord a termination fee in an amount of Three Hundred Sixty Thousand and 00/100 Dollars (\$360,000.00) ("Termination Fee"). The Termination Fee shall be paid by Tenant to Landlord in eighteen (18) equal monthly installments with the first installment being due on the Early Termination Date and each installment thereafter being due on each monthly anniversary of the Early Termination Date until paid in full. Any installments of the Termination Fee which are not paid timely shall accrue interest at the rate of eighteen percent (18%) per annum until paid. Tenant's obligation to pay the Termination Fee shall survive the termination of the Lease. Tenant acknowledges and agrees that no consideration has been paid or is payable by Landlord in connection with the transaction which is the subject of this Agreement. The parties agree that the Termination Fee is intended by the parties to be: (a) a contemporaneous exchange for new value given to Tenant and Guarantor (i.e. settlement of a Lease dispute and a release of debt due and owing under the Lease) and is in fact a substantially contemporaneous exchange, and (b) payment of a debt incurred by Tenant and Guarantor in the ordinary course of the business or financial affairs of Tenant and/or payment made according to ordinary business terms.

(d) Notwithstanding the termination of the Lease and Tenant's surrender of possession of the Premises to Landlord in accordance with this Agreement, Tenant shall remain liable for the performance of all of Tenant's obligations under the Lease arising prior to the Vacation Date or which otherwise specifically survive the expiration or earlier termination of the Lease, including all indemnity obligations thereunder. Further, in consideration of and as a material inducement for Landlord to enter into this Agreement, Tenant shall continue to remain liable to Landlord after the Early Termination Date for all payments, charges and other obligations due under this Agreement, including without limitation the Holdover Payment and any other charges due and payable during any Holdover Occupancy.

4. Renewal Options. Notwithstanding anything to the contrary contained in the Lease, any unexercised Renewal Option or right to extend the Lease Term, including, without limitation, those described in Section 1.02 of the original Lease, is hereby deleted in its entirety and shall hereafter have no further force or effect.

5. Notice Address. Effective as of the Effective Date (or such earlier date as may have been established by legal notice), all notices and correspondence (except for Rent payments) under the Lease addressed to Landlord shall be sent to Landlord at the following Address for Notices to Landlord:

Until July 1, 2020:

GRI Gateway Overlook, LLC
c/o First Washington Realty, Inc.
4350 East-West Highway, Suite 400
Bethesda, Maryland 20814
Attn: General Counsel

From and after July 1, 2020:

GRI Gateway Overlook, LLC
c/o First Washington Realty, Inc.
7200 Wisconsin Avenue, Suite 600
Bethesda, Maryland 20814

Effective as of the Effective Date (or such earlier date as may have been established by legal notice), all notices and correspondence under the Lease addressed to Tenant shall be sent to Tenant at the following Address for Notices to Tenant:

GBG, LLC
c/o Gold's Gym International, Inc.
4001 Maple Avenue, Suite 200
Dallas, Texas 75219
Attn: Adam Zeitsiff and Paul A. Jorge

With a copy to Tenant at:

Gold's Gym
c/o GBG, LLC
13621 Lee Jackson Memorial Hwy
Chantilly, VA 20151
Attn: Matt Clifford

6. Guarantor. Guarantor hereby expressly agrees that it shall continue to be liable for the performance of all of Tenant's respective obligations under the Lease pursuant to the terms of the Guaranty, except that if Landlord exercises the Termination Option, then upon the later of: (i) the Early Termination Date; and (ii) the Vacation Date (such later date, the "Guaranty Expiration Date"), Guarantor shall be released from liability accruing from and after the Guaranty Expiration Date, it being understood and agreed that Guarantor will continue to remain liable for those obligations which otherwise survive the expiration or termination of the Lease, including, without limitation, for the performance of Tenant's obligation to pay the Termination Fee, Rent and all other charges and payments required to be made by Tenant under the Lease, or which accrue, in each case, prior to the Guaranty Expiration Date. Notwithstanding the foregoing, Landlord agrees to notify Guarantor of any claims with respect to any obligations of Guarantor under the Guaranty of which Landlord has actual notice on or before the Guaranty Expiration Date or the natural expiration of the Lease Term, whichever is applicable, except that the foregoing notice shall not apply with respect to Tenant's obligation to pay the Termination Fee, Rent and all other charges and payments required to be made by Tenant under the Lease or any claims accruing on or prior to the Guaranty Expiration Date or the natural expiration of the Lease Term, whichever is applicable, but which arise after either such date. Guarantor joins in the execution hereof to evidence its consent hereto and its continuing obligations with regard to the Lease.

7. Anti-Terrorism. Each of Tenant and Guarantor certifies that: (i) neither it nor its officers, directors or controlling owners is acting, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order, the United States Department of Justice, or the United States Treasury Department as a terrorist, "Specially Designated National or Blocked Person," or other banned or blocked person, entity, nation, or transaction pursuant to any law, order rule or regulation that is enforced or administered by the Office of Foreign Assets Control ("SDN"); (ii) neither it nor its officers, directors or controlling owners is engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation; and (iii) neither it nor its officers, directors or controlling owners is in violation of Presidential Executive Order 13224, the USA Patriot Act, the Bank Secrecy Act, the Money Laundering Control Act or any regulations promulgated pursuant thereto. Tenant hereby agrees to defend, indemnify, and hold harmless Landlord and its officers, directors, agents, employees, partners, members, successors and assigns from and against any and all claims, damages, losses, risks, liabilities and expenses (including reasonable counsel fees and costs) arising from or related to any breach of the foregoing certification. Should Tenant or Guarantor, during the term of the Lease, be designated an SDN, Landlord may, at its sole option, terminate the Lease.

8. Brokers. Each of the parties hereto represents and warrants that there are no brokerage commissions or finder's fees of any kind due to anyone in connection with the execution of this Agreement, and each party hereto agrees to indemnify the other party against, and hold them harmless from, all liabilities arising from any and all claims of any persons or entities for any brokerage commissions or finder's fees of any kind arising out of this Agreement (including any reasonable counsel fees incurred in connection therewith) by virtue of having dealt with the indemnifying party with regard to this Agreement

9. Authority. Tenant represents that it is the sole Tenant of record under the Lease and no person or entity other than Tenant has or shall have any tenancy rights, title or interest in or to the Premises, and Tenant shall indemnify, defend and hold harmless Landlord from any claims or damages (including reasonable attorneys' fees) arising from a breach of such representation. Each party hereto represents and warrants to the other that it has full power and authority to enter into and perform its obligations under this Agreement and that the person executing this Agreement on behalf of such party is fully empowered and authorized to do so.

10. Defined Terms. Except as otherwise defined herein, terms that are defined in the Lease shall have the same meanings when such terms are used in this Agreement.

11. Time is of the Essence. TIME IS OF THE ESSENCE WITH RESPECT TO EACH AND EVERY OBLIGATION ARISING UNDER THIS AGREEMENT AND THE LEASE.

12. Binding Effect. All of the covenants and agreements herein contained shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns. The submission of an unsigned copy of this Agreement to Tenant shall not constitute an offer or option to amend the Lease in accordance with the terms and conditions set forth above. This Agreement shall become effective and binding only upon execution hereof by Landlord, Tenant, and Guarantor.

13. Confirmation of Terms; Conflict. All of the terms, covenants, and conditions of the Lease, and the Guaranty, except as are herein specifically modified and amended, shall remain in full force and effect, and are hereby adopted and reaffirmed by the parties hereto. In the event of any conflict between the provisions of this Agreement and the Lease, the provisions of this Agreement shall control.

14. Merger. The Lease, as modified by this Agreement, represents the entire understanding between Landlord and Tenant with regard to the matters addressed herein and may only be modified by written agreement executed by Landlord and Tenant. Any prior understandings or representations between the parties hereto, oral or written, with regard to the matters addressed herein, other than the Lease, are hereby merged herein. Tenant acknowledges that neither Landlord nor any representative or agent of Landlord has made any representation or warranty, express or implied, as to the physical condition, state of repair, layout, footage or use of the Premises or any matter or thing affecting or relating to the Premises except as specifically set forth in this Agreement.

15. Counterparts; Electronic Signatures. This Agreement may be executed in one or more counterparts, which when taken together shall constitute a single instrument and one original of this Agreement. Signatures of the parties transmitted by electronic mail PDF format shall be deemed to constitute originals and may be relied upon, for all purposes, as binding the transmitting party hereto. The parties intend to be bound by any signatures transmitted by electronic mail PDF format, are aware that the other party will rely on such signature, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the form of signature.

16. Confidentiality. Landlord and Tenant and Guarantor, for themselves and their respective successors, spouses, heirs, executors, administrators, representatives, insurers, agents and assigns,

agree that the terms and conditions of this Agreement are strictly confidential and neither party shall disclose such confidential information to any person or entity other than to such party's financial and legal advisors, or as may be necessary to enforce the terms of this Agreement. When releasing any confidential information under this section, the parties shall advise the person receiving the information of its confidential nature.

17. Further Assurances. Tenant and Guarantor agree that they shall execute any and all documents, and to take any other action, that may be necessary or appropriate to carry out the express terms and intent of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under their respective seals as of the date set forth above.


WITNESS:


LANDLORD:

GRI GATEWAY OVERLOOK, LLC,
a Delaware limited liability company


By: Global Retail Investors, LLC,
a Delaware limited liability company,
its Sole Member

By: First Washington Realty, Inc.,
a Maryland corporation,
its Manager


Name: Candace L. Gantt

By:  [SEAL]
Robin F. Gonzales
Senior Vice President

WITNESS:


Name: Paula A. Jurge

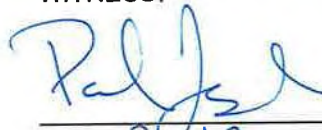
TENANT:

GBG, LLC, a Virginia limited liability company

By:  [SEAL]
Name: Adam Zeitsiff
Title: Chief Executive Officer & President

Approved
as to Form


WITNESS:


Name: Paula A. Jurge

GUARANTOR:

GOLD'S GYM INTERNATIONAL, INC.

By:  [SEAL]
Name: Adam Zeitsiff
Title: Chief Executive Officer & President

Approved
as to Form
