

<b>UNITED STATES BANKRUPTCY COURT</b> <b>SOUTHERN DISTRICT OF NEW YORK (MANHATTAN)</b>		<b>PROOF OF CLAIM</b>	
In re: <i>Jennifer Convertibles, Inc</i>		Case Number: <i>10-13779 (ALG)</i>	
NOTE: See Reverse for List of Debtors/Case Numbers/ important details. This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.			
<b>Name of Creditor and Address:</b> the person or other entity to whom the debtor owes money or property <div style="border: 1px solid black; padding: 5px;">  25239791002076            MAIN STREET AT EXTON LP            KANDRIA JAMES REAL ESTE PARALEGAL LEASE            ADMIN            WOLFSON VERRICCHIA GRP INC            120 W GERMANTOWN PIKE SE 120            PLYMOUTH MEETING, PA 19462         </div>		<input type="checkbox"/> Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.  <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
Creditor Telephone Number ( ) _____		If you have already filed a proof of claim with the Bankruptcy Court or BMC, you do not need to file again. <b>THIS SPACE IS FOR COURT USE ONLY</b>	
Name and address where payment should be sent (if different from above): _____		<div style="text-align: center;"> <b>RECEIVED</b>  <b>OCT 05 2010</b>  <b>BMC GROUP</b> </div>	
Payment Telephone Number <i>610 277-7899</i>		<input checked="" type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Claim Number (if known): <i>00005</i> Filed on: <i>Aug 19, 2010</i>	
<b>1. AMOUNT OF CLAIM AS OF DATE CASE FILED</b> \$ <i>47,110.66</i> <small>If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.          If all or part of your claim is entitled to priority, complete item 5.          If all or part of your claim qualifies as an administrative expense under 11 U.S.C. § 503(b)(9), complete item 6.</small> <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.			
<b>2. BASIS FOR CLAIM:</b> <i>Real Estate Lease</i>		<b>3. LAST FOUR DIGITS OF ANY NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR:</b> 3a. Debtor may have scheduled account as: _____	
<b>4. SECURED CLAIM</b> (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of set off and provide the requested information <b>Nature of property or right of setoff:</b> Describe: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other _____ Value of Property: \$ _____ Annual Interest Rate: _____ % if any: \$ _____ Basis for Perfection: _____ Secured Claim Amount: \$ _____ Unsecured Claim Amount: \$ _____ Amount of arrearage and other charges <u>as of time case filed</u> included in secured claim, <b>DO NOT</b> include the priority portion of your claim here.			
<b>5. PRIORITY CLAIM</b> <input type="checkbox"/> Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. <b>You MUST specify the priority of the claim:</b> <input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*), earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5). <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a) ( _____ ). <small>* Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</small> Include <b>ONLY</b> the priority portion of your unsecured claim here. Unsecured Priority Claim Amount: \$ _____			
<b>6. AMOUNT OF CLAIM THAT QUALIFIES AS AN ADMINISTRATIVE EXPENSE UNDER 11 U.S.C. § 503(b)(9):</b> \$ <i>7020.74</i> <small>See instruction #6 on reverse side</small>			
<b>7. CREDITS:</b> The amount of all payments on this claim has been credited for the purpose of making this proof of claim.			
<b>8. SUPPORTING DOCUMENTS:</b> <u>Attach redacted copies of supporting documents</u> , such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of evidence of perfection of a security interest. (See instruction 8 and definition of "redacted" on reverse side.) If the documents are not available, please explain. <b>DATE-STAMPED COPY:</b> To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim. <b>DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.</b>			
The original of this completed proof of claim form must be sent by mail or hand delivered (FAXES NOT ACCEPTED) so that it is actually received on or before 5:00 pm, prevailing Eastern Time on October 25, 2010 for Non-Governmental Claimants OR on or before 5:00 pm, prevailing Eastern Time on January 18, 2011 for Governmental Units. BY MAIL TO: BMC Group, Inc Attn: Jennifer Convertibles Claims Processing PO Box 3020 Chanhassen, MN 55317-3020		BY HAND OR OVERNIGHT DELIVERY TO: BMC Group, Inc Attn: Jennifer Convertibles Claims Processing 18750 Lake Drive East Chanhassen, MN 55317	
<b>DATE</b> <i>10/1/10</i>		<b>SIGNATURE:</b> The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. <i>Jennifer Convertibles</i>	

## INSTRUCTIONS FOR PROOF OF CLAIM FORM

*The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.*

### ITEMS TO BE COMPLETED IN PROOF OF CLAIM FORM (IF NOT ALREADY PROPERLY FILLED IN)

<p><b>Court, Name of Debtor, and Case Number:</b> Fill in the name of the federal judicial district where the bankruptcy case was filed (for example Central District of California), the name of the debtor in the bankruptcy case, and the bankruptcy case number. If you received a notice of the case from the Claims Agent, BMC Group, some or all of this information may have been already completed.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"><b>Debtor Name</b></td> <td style="width: 50%;"><b>Case No</b></td> </tr> <tr> <td colspan="2">See attached sheet</td> </tr> </table> <p><b>Creditor's Name and Address:</b> Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).</p> <p><b>1. Amount of Claim as of Date Case Filed:</b> State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete item, 4, 5 and 6. Check the box if interest or other charges are included in the claim.</p> <p><b>2. Basis for Claim:</b> State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card.</p> <p><b>3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:</b> State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.</p> <p><b>3a. Debtor May Have Scheduled Account As:</b> Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.</p> <p><b>4. Secured Claim:</b> Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.</p>	<b>Debtor Name</b>	<b>Case No</b>	See attached sheet		<p><b>5. Amount of Claim Entitled to Priority Under 11 U.S.C. §507(a).</b> If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.</p> <p><b>6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. §503(b)(9):</b> State the value of any goods received by the debtor within 20 days before the date of commencement for which the goods have been sold to the debtor in the ordinary course of the debtor's business.</p> <p><b>7. Credits:</b> 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.</p> <p><b>8. Supporting Documents:</b> Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). Do not send original documents, as attachments may be destroyed after scanning.</p> <p><b>Date and Signature:</b> The person filing this proof of claim <u>must</u> sign and date it. FRBP 9011: If the claim is filed electronically, FRBP 5005(a)(2), authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.</p> <p><b>Date-Stamped Copy</b> Return claim form and attachments, if any. If you wish to receive an acknowledgement of your claim, please enclose a self-addressed stamped envelope and a second copy of the proof of claim form with any attachments to the Claims Agent, BMC Group, at the address on the front of this form.</p> <p><i>Please read – important information: upon completion of this claim form, you are certifying that the statements herein are true.</i></p> <p>Be sure all items are answered on the claim form. If not applicable, insert "Not Applicable."</p>
<b>Debtor Name</b>	<b>Case No</b>				
See attached sheet					

### DEFINITIONS

<p><b>DEBTOR</b> A debtor is the person, corporation, or other entity that has filed a bankruptcy case.</p> <p><b>CREDITOR</b> A creditor is any person, corporation, or other entity to whom the debtor owed a debt on the date that the bankruptcy case was filed.</p> <p><b>CLAIM</b> A claim is the creditor's right to receive payment on a debt that was owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. §101 (5). A claim may be secured or unsecured.</p> <p><b>PROOF OF CLAIM</b> A form telling the bankruptcy court how much the debtor owed a creditor at the time the bankruptcy case was filed (the amount of the creditor's claim). This form must be filed with the court-appointed Claims Agent, BMC Group, at the address listed on the reverse side of this page.</p> <p><b>SECURED CLAIM Under 11 U.S.C. §506(a)</b> A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors.</p>	<p>The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).</p> <p><b>UNSECURED NONPRIORITY CLAIM</b> If a claim is not a secured claim it is an unsecured claim. A claim may be partly secured and partly unsecured if the property on which a creditor has a lien is not worth enough to pay the creditor in full.</p> <p><b>UNSECURED PRIORITY CLAIM Under 11 U.S.C. §507(a)</b> Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.</p> <p><b>Evidence of Perfection</b> Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other</p>	<p>document showing that the lien has been filed or recorded.</p> <p><b>Redacted</b> A document has been redacted when the person filing it has masked, edited out, or otherwise deleted certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.</p> <p><b>Offers to Purchase a Claim</b> Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.), and any applicable orders of the bankruptcy court.</p>
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### INFORMATION

ONCE YOUR CLAIM IS FILED YOU CAN OBTAIN OR VERIFY YOUR CLAIM NUMBER BY VISITING [www.bmcgroup.com](http://www.bmcgroup.com)

Main Street at Exton, LP  
Jennifer Convertibles  
Pre-Petition Claim through 7/18/10

4/13/2010 Late Charge - April Rent	\$	398.40	
5/1/2010 CAM	\$	375.00	
5/1/2010 MKA	\$	18.00	
5/1/2010 Tax	\$	375.00	
5/1/2010 Rent	\$	7,200.00	
5/12/2010 Late Charge - May Rent	\$	398.40	
6/1/2010 2009 Annuals-CAM	\$	6,657.23	
6/1/2010 2009 Annuals-Insurance	\$	1,516.29	
6/1/2010 2009 Annuals-Tax	\$	4,201.98	
6/1/2010 CAM	\$	375.00	
6/1/2010 MKA	\$	18.00	
6/1/2010 Tax	\$	375.00	
6/1/2010 Rent	\$	7,200.00	
6/10/2010 Late Charge - June Rent	\$	398.40	
6/16/2010 DBB - Legal Fees	\$	768.47	Legal Fees Incurred for non-payment of Rent
7/1/10-7/17/10 CAM	\$	209.59	
7/1/10-7/17/10 MKA	\$	10.06	
7/1/10-7/17/10 Tax	\$	209.59	
7/1/10-7/17/10 Rent	\$	4,024.11	
7/1/10-7/17/10 Late Charge - July Rent	\$	222.67	
7/14/2010 DBB - Legal Fees	\$	82.39	Legal Fees Incurred for non-payment of Rent
7/1/10-8/31/10 2010 Annual Reconciliation	\$	5,056.34	
Total Pre Petition	\$	40,089.92	

Main Street at Exton, LP  
Jennifer Convertibles  
Admin Claim 7/18/10-8/31/10

7/18/10-7/31/10	CAM	\$	172.60	
7/18/10-7/31/10	MKA	\$	8.28	
7/18/10-7/31/10	Tax	\$	172.60	
7/18/10-7/31/10	Rent	\$	3,313.97	
7/18/10-7/31/10	Late Charge - July Rent	\$	183.37	
8/9/2010	Late Charge - Aug Rent	\$	398.40	
8/9/2010	Legal Fees	\$	768.47	
8/9/2010	Late Charge-Annuals	\$	618.78	
8/12/2010	DBB-Legal Fees	\$	1,357.76	Legal Fees incurred for non-payment of Rent
8/12/2010	DBB-Legal Fees	\$	26.50	Legal Fees incurred for non-payment of Rent
	Total Post Petition	\$	7,020.74	

*Law Offices of*  
**WINCIG & WINCIG**

BERNARD WINCIG

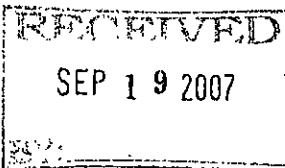
OWEN WINCIG

UMAR A. SHRIKH\*

ANDREW KLINE

WASHINGTON D.C. COUNSEL  
ADMITTED ONLY IN D.C. & MD.

\*ALSO ADMITTED IN NEW JERSEY



*574 Fifth Avenue, New York, N.Y. 10036*

TELEPHONE: 212-575-8333

FACSIMILE: 212-575-8525

September 17, 2007

BY FAX 610-277-8880  
AND BY REGULAR MAIL

Ms. Kathy Hawley  
Wolfson Verrichia Group, Inc.  
120 W. Germantown Pike - Suite 120  
Plymouth Meeting, PA 19462

Re: Jennifer Convertibles, Inc.  
Located at Main Street at Exton, PA  
Our File No.: 6207

Dear Kathy:

This follows our telephone conversation wherein we have confirmed that tenant has exercised its option for the five (5) year period commencing April 1, 2008 and terminating March 31, 2013, pursuant to Provision B of the Lease Agreement.

Kindly confirm this understanding by signing a duplicate copy of this letter and return to my direct attention.

Thank you for all courtesies afforded.

Very truly yours,

OWEN WINCIG

CONFIRMED:

KATHY HAWLEY

OW/lc

cc: Edward B. Seidner

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WOLFSON VERRICHIA GROUP, INC.

MEETINGHOUSE BUSINESS CENTER  
120 W. GERMANTOWN PIKE • SUITE 120  
PLYMOUTH MEETING, PA 19462  
610.277.8899 • Fax 610.277.8880

October 12, 2007

Mr. Owen Wincig  
Wincig & Wincig  
574 Fifth Avenue  
New York, NY 10036

Re: Jennifer Convertibles, Inc.  
Located at Main Street at Exton, PA

Dear Mr. Wincig:

I am writing to advise you that we are in receipt of your letter dated September 17, 2007, wherein you have exercised the option for Jennifer Convertibles, Inc. for their location at Main Street at Exton. The new Term shall commence on April 1, 2008 and terminate on March 31, 2013.

Sincerely,

Kathy Hawley  
Senior Leasing Representative  
Wolfson-Verrichia Group, Inc.

ORIGINAL  
Number 2 of  
4 executed  
counterparts.

MAIN STREET AT EXTON

WOLFSON VERRICCHIA REAL ESTATE INVESTMENTS INC.

LANDLORD

AND

JENNIFER CONVERTIBLES, INC.

TENANT

LOCATION

Route 100 & Route 30 Bypass  
West Whiteland Township  
Chester County, Pennsylvania

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**MAIN STREET AT EXTON**


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**LEASE**


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**SHOPPING CENTER LEASE**

**MAIN STREET AT EXTON**

THIS SHOPPING CENTER LEASE (the "Lease") is executed and made as of August 9, 2001, by and between WOLFSON VERRICHIA REAL ESTATE INVESTMENTS INC. (herein called "Landlord"), a Pennsylvania limited liability company, and JENNIFER CONVERTIBLES, INC., a \_\_\_\_\_ corporation (herein called "Tenant"), Landlord and Tenant having the following notice addresses on the date of this Lease (See Sec. 23.03):

**Landlord:** Wolfson Verrichia Real Estate Investments Inc.  
1250 Germantown Pike, Suite 305  
Plymouth Meeting, PA 19462  
Attn: Thomas F. Verrichia or Steven B. Wolfson

Telephone No. (610) 277-8899 Fax No. (610) 277-8880

**Tenant:** Jennifer Convertibles, Inc.  
419 Crossways Park Drive  
Woodbury, New York 11797

Telephone No. (516) 496-1900 Fax No. (516) 496-0008

Tax I.D. No./Social Security No.

Copies of Notices to Tenant shall also be delivered to:

Law Offices of Wincig & Wincig  
Attn: Bernard Wincig, Esquire  
574 Fifth Avenue  
New York, New York 10036

**FUNDAMENTAL LEASE PROVISIONS**

Certain Fundamental Lease Provisions are presented in this Section and represent the agreement of the parties hereto, subject to further definition and elaboration in the respective referenced Sections and elsewhere in this Lease:

(a) **Tenant's Trade Name:** Jennifer Convertibles (See Sec. 7.01)

(b) **Term:** (See Sec. 3.01)

Five (5) years beginning on the Rent Commencement Date and ending on the last day of the month in which the fifth (5th) anniversary of the Rent Commencement Date occurs (the "Expiration Date").

Provided that there exists no monetary Event of Default or material non-monetary Event of Default, that exists beyond any applicable cure period, on the part of Tenant under the Lease at the time of the exercise of the Option to Extend, or at the commencement of the Extension Period, and provided that Jennifer Convertibles, Inc. ("Original Tenant") is the "Tenant" hereunder and this Lease has not been assigned and no portion of the Premises has been sublet, Tenant shall have the option to extend (sometimes the "Option to Extend") the Term for two extension periods of five (5) years each (each extension period is hereinafter referred to as an "Extension Period") on the same terms and conditions as specified in the Lease, except that the Minimum Rent during the Extension Period shall be as specified in Section 4.03 hereof. If Tenant fails to give Landlord written notice of Tenant's election to exercise each Option to Extend at least three hundred (300) days prior to the expiration of the Term (but no sooner than eighteen (18) months prior to the expiration of the preceding Term), the Option to Extend shall

automatically terminate and be of no further force or effect, it being understood that time is of the essence with respect to the exercise of the Option to Extend. In the event of a valid exercise of the Option to Extend, the "Expiration Date" shall likewise be extended to be the last day of the Extension Period if validly exercised pursuant to the Option to Extend.

(c) **Tenant Store Number:** M-4

(d) **GLA of Premises:** (See Sec. 1.04)

Approximately 3,600 leasable square feet

(e) **Plan Approval and Permit Process:** (See Secs. 2.03 and 2.04)

**Plans Submission Date:** thirty (30) days after Landlord delivers "block-out" drawings to Tenant

(f) **Construction Process:** (See Article 2)

**Outside Delivery Date:** March 1, 2003

**Construction Commencement Date:** (See Sec. 2.05)

Ten (10) days' after the date (the "Delivery Date") on which (i) Landlord substantially completes Landlord's Work (see Section 2.02), excepting punchlist items and any work intended to be performed by Landlord after delivery of the Premises to Tenant for the commencement of Tenant's Work, and (ii) Landlord delivers the Premises to Tenant. If the Delivery Date occurs between November 1, 2002 and January 31, 2003 (the "Slack Period"), Tenant shall have the right to accept delivery of the Premises on such date, in which case the Delivery Date shall be the actual date of delivery, or Tenant may delay the Delivery Date February 1, 2003, which election shall be made by written notice to Landlord after Landlord notifies Landlord of the Delivery Date.

The Delivery Date shall in no event be deemed to have occurred until actual and exclusive physical possession of the Premises shall have been delivered to Tenant in a broom-clean condition, free and clear of all violations, prior leases, tenants and/or occupants and free and clear of all fixtures and other property of all prior tenants and/or occupants, and with any warranties and representations contained in this Lease being true and fulfilled as of such date, and with the construction and condition of the Premises being in accordance with Exhibit "C".

**Tenant's Construction Period:** ninety (90) days (See Sec. 2.05)

(g) **Minimum Rent:** (See Sec. 4.03)

<u>Rent Year(s)</u>	<u>Minimum Rent Amount (Annual)</u>	<u>Square Foot of GLA</u>
1 through 5	\$86,400.00	\$24.00
6 through 10 (Extension Period)	\$86,400.00	\$24.00
11 through 15 (Extension Period)	\$95,040.00	\$26.40

(h) **Percentage Rent:** None (See Sec. 4.04)

**Percentage:** N/A

**Gross Sales Break Point:** N/A

- (i) **Required Opening Date:** (See Secs. 2.06 and 4.02)

ninety (90) days after the Delivery Date

- (j) **Security Deposit:** None. (See Sec. 16.04)

- (k) **Certain Other Charges Payable by Tenant:**

**Pro Rata Tax Charge:** (See Sec. 5.01)

Estimated as to the first Lease Year to be \$1.25 per square foot

**Pro Rata CAM Charge:** (See Sec. 8.03)

Estimated as to the first Lease Year to be \$1.25 per square foot (including insurance)

**Promotional Assessment:** (See Sec. 5.04)

Initial promotional charge of \$2,500.00, plus annual fee calculated at \$.06 leasable square foot, with annual percentage increases equal to the annual percentage increase in Minimum Rent.

- (l) **To Whom Rent Payable:** Wolfson Verrichia Group, Inc.  
1250 Commons  
1250 Germantown Pike, Suite 305  
Plymouth Meeting, PA 19462

- (m) **Use:** Retail sale and rental of sofas, furniture, mattresses, home furnishings and related and ancillary items, and for no other use. Tenant acknowledges receipt of the exclusive covenants granted to the tenants listed on Exhibit "I" attached hereto, "Title Exceptions and Exclusives", and agrees not to use the Premises in any manner in violation of any such exclusive covenants; and this Lease is made under and subject to such exclusive covenants and the other matters set forth on such Exhibit.

- (n) **Agent Name:** None

**Party Responsible  
for Agent's Commissions:** Not Applicable

- (o) **Exclusive:** For so long as (i) this Lease shall remain in full force and effect, (ii) there shall not exist any uncured Event of Default on the part of Tenant hereunder that exists beyond any applicable cure period, (iii) Tenant shall have opened and shall be continuing to operate the Premises in accordance with subparagraph (m) above (entitled "Use") (or, if such operations shall not be continuing then such operations shall have ceased by reason of a casualty or other event not within the reasonable control of Tenant and Tenant shall be acting diligently to restore operations, but in no event longer than nine (9) months from the date of cessation of operations), then Landlord shall not lease or permit the occupancy of any part of the Shopping Center (except as set forth below) to be occupied for the primary purpose of operating a store that sells or displays convertible sofas (the "Restriction"). For purposes thereof, the space (including expansions) leased or to be leased or expected to be leased to the following retail spaces designated on Exhibit B (regardless of the actual tenants or occupants of such space) shall be excluded from the foregoing Restriction: Retail B and Retail C. In addition to and not in limitation of the foregoing exclusions, each tenant who has executed a lease for any portion of the Shopping Center as of the date hereof, and their respective successors, assigns and sublessees, shall be exempt from the foregoing Restriction, and no part of the space leased under such existing leases shall be subject to such Restriction, if such tenant is permitted under its lease to sell goods of the type described in the Permitted Use. In addition, the foregoing Restriction shall not prevent Landlord from leasing space to

Storehouse Furniture so long as such tenant does not change its use to a store whose primary use and product line is the sale of convertible sofas.

- (p) **Tenant Allowance:** Provided (i) Tenant shall have completed construction of Tenant's Work, (ii) Tenant shall have opened for business to the public for the use permitted under Paragraph (m) in the Fundamental Lease Provisions above, (iii) the Rent Commencement Date shall have occurred and Tenant shall have paid to Landlord the initial installment of Minimum Rent payable hereunder, (iv) the Tenant shall have signed and delivered to Landlord an estoppel certificate in the form and manner contemplated in Article 19 hereof, and (v) Tenant is not in default of any of Tenant's obligations under this Lease, and no event shall have occurred which, with the giving of notice and/or the passage of time will become a default hereunder if uncured by Tenant, then within thirty (30) business days after the satisfaction of each of the foregoing conditions, Landlord shall pay to Tenant an amount equal to \$36,000.00 in the form of a check as Landlord's contribution to the cost of Tenant's Work.

## ARTICLE 1: INTRODUCTORY PROVISIONS

### Section 1.01: REFERENCES AND CONFLICTS.

Section references appearing in the Fundamental Lease Provisions designate some of the other places in this Lease where additional provisions applicable to the particular Fundamental Lease Provisions appear. Each reference in this Lease to any of the Fundamental Lease Provisions shall be construed to incorporate all of the terms provided for under such provisions, and such provisions shall be read in conjunction with all other provisions of this Lease applicable thereto. If there is any conflict between any of the Fundamental Lease Provisions and any other provisions of this Lease, the former shall control. The listing within the Fundamental Lease Provisions of monetary charges payable by Tenant shall not be construed to be an exhaustive list of all charges or the amount thereof payable by Tenant under this Lease.

### Section 1.02: GENERAL DEFINITIONS.

(a) The term "Shopping Center" means: (i) the "Land" (hereinafter defined); and (ii) the "Buildings" (hereinafter defined); (iii) the "Common Areas" (hereinafter defined); and (iv) all other land, buildings, structures and other improvements in, over, on or under the Land whether now or hereafter existing, and the term "Shopping Center" includes the same as reduced, expanded or otherwise altered from time to time. The Shopping Center is currently known by the name set forth in the Fundamental Lease Provisions or such other name as Landlord may hereafter decide from time to time.

(b) The term "Land" means the land described in or shown on Exhibit "A" annexed hereto and by this reference incorporated herein, and the term "Land" includes the same as reduced, expanded or otherwise altered from time to time.

(c) The term "Buildings" means the buildings, structures and other improvements shown in general on Exhibit "B". The term "Buildings" includes the same as reduced, expanded or otherwise altered from time to time.

(d) The term "Common Areas" means all areas, facilities and improvements operated or provided at or in connection with the Shopping Center from time to time for the non-exclusive common use of Landlord and the tenants and other occupants of the Shopping Center and others with the right to use the same, and shall include but not be limited to the parking areas, roadways, ramps, traffic controls, truckways, loading and unloading docks and delivery areas not reserved exclusively for the use of particular tenants, sidewalks, canopies, pylon, monument and directional signage, service corridors not reserved exclusively for the use of particular tenants, exits, corridors, seating areas, buffer areas, screening facilities, merchandise pickup stations not reserved exclusively for the use of particular tenants, public restrooms and comfort stations, retaining walls, landscaped areas, open space areas, common utility systems, common sanitary and other waste handling systems, holding tanks, force mains, fire detection and/or suppression systems, life safety systems, security systems, gutters, down spouts drainage systems, lighting

(excluding any tenant-specific lighting), pylon signage (excluding individual tenant sign faces), traffic signals and traffic control devices. The term "Common Areas" includes the same as reduced, expanded or otherwise altered from time to time. If the Premises are located in a building containing more than one tenant, "Common Areas" shall also include the roofs, structural elements, foundations, walls, chases, conduits and other common-use elements of such building.

(e) The term "Majors' Premises" (or "Major's Premises") means the premises shown on Exhibit "B" by such term, or by the word "Major" or by the words "Free Standing Building" or name of the prospective or actual principal occupant thereof (the "Majors" or a "Major"), and the term "Majors' Premises" (or "Major's Premises") includes the same as reduced, expanded or otherwise altered from time to time. Without limiting the foregoing, "Majors" shall include Wal-mart Stores, Inc., Sam's Club, Barnes & Noble, Babies-R-Us, Bed, Bath & Beyond, and Old Navy; provided that no representation or covenant is made by Landlord concerning the actual tenancy or occupancy or business operations of either such named party. The term "Major" (or "Majors") includes any replacement for or other substitute for the primary occupant of a Major's Premises as well as, in the case of an expansion or addition on, of or to the Shopping Center, the primary occupant of (i) any premises equal or exceeding, in the GLA, the GLA of any one (1) of the Majors' Premises shown on Exhibit "B" but not marked "Free Standing Building" thereon and (ii) any additional free standing buildings constructed for use by a single user (and its subtenants and licenses, if any), whether or not such premises or building is shown on Exhibit "B". References in this Lease to a Major or Majors shall include any such replacement, substitute or additional Major and its building(s) is included within the terms "Major's Premises" and "Majors' Premises".

(f) The term "Premises" means the space situated in Buildings in the approximate location marked on Exhibit "B" (annexed hereto and by this reference incorporated herein) to the ceiling heights above the structural floor specified in the Exhibits hereto or, if not so specified, then as designated by Landlord. The Premises shall be subject to, and Landlord reserves to the use of Landlord and all affected tenants and occupants of the Shopping Center, and to all utility suppliers, a right of way and easement through and within all exterior walls, party walls, ceilings (above the level of the lower face of the finished drop-ceiling), and other areas outside of the area of space enclosed by the interior surfaces of the walls, ceiling and floor slab enclosing the Premises (but also including interior columns, pipes, chases, conduits), for the installation, operation, use, maintenance, repair and replacement of ducts, pipes, conduits, wires and other facilities, devices and equipment providing utility services to, and for the structural support of, other portions of the Shopping Center.

(g) The term "GLA" means, with respect to the Premises and all other leasable areas, Landlord's best good-faith estimate of the number of square feet of area on all floors of the Buildings in the Shopping Center for the exclusive use by the tenants or other occupants thereof and their customers, clients or other invites including, without limitation, mezzanines and balconies if used for the sale of goods and/or rendition of services (but excluding all other areas and space defined herein as part of Common Areas). GLA shall be measured from the exterior face of exterior walls and the center line of any wall shared in common with other tenants or occupants. No deduction from GLA shall be made for columns, stairs, elevators, or any interior construction or equipment. From time to time during the Term, Landlord may give Tenant notice of the GLA of the Buildings, at a given time or for a given period of time, as such GLA may be revised because of reductions, expansions or other alterations of the Buildings or as such GLA may be adjusted pursuant to provisions in the leases of other tenants or occupants similar to those set forth in Section 1.04. The GLA of the Premises and of the Buildings shall be utilized to calculate the GLA Fraction [defined in Section 1.02(h)] and, except as set forth in Article 4 hereof, to make any other calculations required to determine certain charges to Tenant, some of which are set forth in the Fundamental Lease Provisions.

(h) The term "GLA Fraction" means a fraction, the numerator of which shall be the GLA of the Premises and the denominator of which shall be the GLA of the Buildings.

### Section 1.03: EXHIBITS.

The following plans and special provisions are attached hereto as Exhibits and hereby made a part of this Lease:

- EXHIBIT A - Legal description of the Shopping Center as presently constituted;
- EXHIBIT B - Plan of the Shopping Center as presently constituted;
- EXHIBIT C - Description of "Tenant's Work";
- EXHIBIT D - Rules and Regulations;
- EXHIBIT E - Completion Certificate;
- EXHIBIT F - Contractor's Waiver of Liens (See Section 2.08);
- EXHIBIT G - Intentionally Omitted
- EXHIBIT H - Intentionally Omitted
- EXHIBIT I - Title Exceptions and Exclusives
- Schedule 7.03 - Prohibited Uses

#### Section 1.04: GLA OF PREMISES.

The estimated GLA of the Premises is set forth in Paragraph (d) of the Fundamental Lease Provisions. Promptly following the Delivery Date, Landlord shall have the right to cause the Premises to be measured by Landlord's contractor or architect, who shall certify the actual GLA of the Premises to Landlord and Tenant, and which measurement shall, absent manifest error, be final. If, but only if, the actual GLA of the Premises shall be at variance with that set forth in the Fundamental Lease Provisions by more than two percent (2%), the Minimum Rent shall be adjusted proportionately. If Percentage Rent is payable under this Lease, and if Percentage Rent is payable under this Lease, and if the Gross Sales Break Point is expressed as a specific dollar amount, the Gross Sales Break Point and the Partial Year Break Point (collectively, the "Break Points", all as defined in Article 4) shall likewise be adjusted by multiplying the Minimum Rent and the Break Points by a fraction, the numerator of which shall be the actual GLA of the Premises and the denominator of which shall be the GLA of the Buildings.

#### Section 1.05: CHANGES TO SHOPPING CENTER.

As between Landlord and Tenant, Landlord may at any time and from time to time eliminate Land from, or add to or substitute for Land of, the Shopping Center or any part thereof, or eliminate, add or substitute any improvements, or change or consent to a change in the shape, size, location, number, height, or extent of the improvements to the Shopping Center or any part thereof. Unless required by applicable law, and except for the buildings and improvements as shown on Exhibit B and replacements thereof, Landlord shall not construct any buildings or improvements immediately adjacent to the Premises if the same will materially and adversely affect visibility of or access to the Premises, nor shall Landlord reduce the size or dimensions of the Premises.

### **ARTICLE 2: PREMISES; CONDITION OF DELIVERY AND TENANT'S WORK**

#### Section 2.01: LEASE OF PREMISES.

Landlord, in consideration of the "Rent" (defined in Section 4.01) to be paid and the covenants to be performed by Tenant, does hereby demise and lease unto Tenant, and Tenant hereby leases and takes from Landlord, for the Term, at the rentals, and upon the covenants, conditions and other terms herein set forth, the interior commercial space referred to herein as the Premises, together with the right to the joint and non-exclusive use of the Common Areas, in common with Landlord and all other parties with a possessory or leasehold interest in the Shopping Center (and to the extent therein granted, parties having rights therein granted pursuant to any reciprocal rights under any easement agreements affecting the Shopping Center), together with their customers, invitees, employees and contractors, for the purposes for which such Common Areas are intended.

**Section 2.02: LANDLORD'S WORK.**

(a) Landlord shall perform all of the work required to be performed by Landlord for and in the Premises pursuant to the terms and conditions of Exhibit "C", Section A (herein called "Landlord's Work").

b) With respect to the Landlord's Work, Landlord warrants and covenants that it will repair, replace or otherwise remedy any defects in the Landlord's Work of which written notice is given by Tenant to Landlord within one (1) year following the substantial completion thereof. At or prior to the expiration of such warranty period, Landlord shall assign to Tenant, without recourse and in common with Landlord's continuing rights thereunder, the rights, warranties and causes of action of Landlord, if any, under Landlord's construction contracts entered into for the construction of Landlord's Work, insofar as the same relate to Landlord's Work. With the exception only of the Landlord's Work and the foregoing warranty, Landlord shall have no obligation to construct any buildings, improvements or alterations, or to extend or provide any services (including without limitation utility services) on or to the Premises or to or for the benefit of Tenant, or to make any repairs or replacements to the Premises; and Landlord makes no other warranty concerning the Premises or the Landlord's Work, including without limitation any warranties of merchantability, habitability, fitness or any other condition thereof for any particular purpose.

(c) Notwithstanding anything to the contrary contained in this Lease, Landlord shall not be liable in any manner to Tenant for damages or any other claim resulting from failure to deliver the Premises or for any delay in commencing or completing the Landlord's Work or any other work Landlord is to perform or is authorized by Tenant to perform under this Lease with respect to the Premises or any other part of the Shopping Center, and Tenant hereby waives all such liability. In the event Landlord does not complete the Landlord's Work and deliver possession of the Premises to Tenant on or before the Outside Delivery Date set forth in the Fundamental Lease Provisions, then either Landlord or Tenant may terminate this Lease (and in the case of Tenant, such right of termination shall be Tenant's sole and exclusive remedy and such right may be exercised by Tenant only by written notice to Landlord received not later than thirty (30) days prior to substantial completion of Landlord's Work), and in the event of such termination this Lease shall automatically become null, void and of no force or effect and both parties hereto shall be relieved of all obligations hereunder, in which event each party will, at the other's request, execute an instrument in recordable form containing a release and surrender of all right, title and interest in this Lease and to the Premises.

**Section 2.03: PREPARATION AND APPROVAL OF PLANS.**

Not later than the Plans Submission Date, Tenant shall, at Tenant's sole cost and expense, submit to Landlord for Landlord's written approval (which shall be granted or withheld with no additional fees or charges by Landlord), which shall not be unreasonably withheld or delayed, conceptual drawings and elevations (if exterior work is included) depicting Tenant's Work (as defined below) and related improvements to be constructed by Tenant on the Premises pursuant to Exhibit "C", Section B. Within ten (10) business days after the submission thereof, Landlord shall notify Tenant of Landlord's approval or disapproval thereof, as the case may be, and the reasons why, if any, that such drawings and specifications are not approved. In the event Landlord shall have failed to notify Tenant of Landlord's approval or disapproval within the foregoing ten (10) business day period, then Tenant's plans as so submitted shall be deemed to have been approved. The drawings and specifications finally approved by Landlord are herein collectively called the "Approved Conceptual Plans". Within twenty (20) business days after Landlord and Tenant approve the Approved Conceptual Plans, Tenant shall, at Tenant's sole cost and expense, cause detailed construction and working drawings of the work included in Tenant's Work to be prepared by a licensed architect reasonably satisfactory to Landlord, and shall submit such drawings and related specifications to Landlord, for Landlord's written approval, which shall not be unreasonably withheld or delayed. Within ten (10) business days after the submission thereof, Landlord shall notify Tenant of Landlord's approval or disapproval thereof, as the case may be, and the reasons why, if any, that such drawings and specifications are not approved. In the event Landlord shall have failed to notify Tenant of Landlord's approval or disapproval within the foregoing ten (10) business day period, then Tenant's plans as so

submitted shall be deemed to have been approved. The drawings and specifications finally approved or deemed approved by Landlord and Tenant are herein collectively called the "Approved Final Plans". Thereafter, no material change shall be made to the Approved Final Plans or in the construction derived therefrom without first obtaining written approval of Tenant and Landlord, which approval shall not be unreasonably withheld or delayed. If either Landlord or Tenant disapproves the plans submitted by the other party pursuant to the foregoing procedure, the submitting party shall submit, for approval, such further plans and elevations (if applicable) containing the revisions reasonably required to obtain approval for plans constituting the Approved Final Plans. Each party covenants to act diligently and in good faith in connection with the preparation and approval of all plans and specifications contemplated herein, and each party shall provide the other with such reasonable information and documentation as may be reasonably required in connection with the preparation and review of such plans and specifications.

#### Section 2.04: PERMITS AND APPROVALS.

(a) Promptly following the approval of the Approved Final Plans by both parties, Tenant shall commence submissions to authorities having jurisdiction to obtain all requisite applications and all other applications and drawings required to obtain all building, plumbing, electrical and other permits and approvals required by governmental authorities having jurisdiction for the construction of Tenant's Work depicted on the Approved Final Plans (collectively, the "Permits"), at Tenant's cost and expense; and Tenant shall thereafter diligently prosecute such applications to conclusion. Landlord agrees to join in the aforesaid applications whenever such joinder shall be reasonably necessary and to cooperate with Tenant in the processing of the aforesaid applications for approvals. Without limiting Tenant's obligations for the payment of the costs of obtaining necessary governmental approvals for the construction of the Tenant's Work and other improvements depicted on the Approved Final Plans, Tenant shall be solely responsible for, and agrees to indemnify and hold Landlord harmless from, any and all application fees, contributions and other charges imposed in connection with the issuance of building, plumbing, electrical and other permits and approvals required to enable Tenant to construct Tenant's Work and all of its proposed improvements, or in connection with the provision of utility services thereto; provided that Landlord shall be solely responsible for all application fees, contributions and other charges imposed in connection with the issuance to Landlord of all approvals and permits for operation of the Shopping Center generally.

(b) INTENTIONALLY OMITTED.

#### Section 2.05: TENANT'S WORK.

(a) Tenant shall perform all of the work required to be performed by Tenant pursuant to the terms and conditions of Exhibit "C", Section B, all of such work being collectively herein called "Tenant's Work" in a good and workmanlike manner, employing materials of good quality, and substantially in compliance with the approved Approved Final Plans therefor and in compliance with all applicable permits and authorizations and building and zoning laws and with all other applicable laws, ordinances, orders, rules, regulations and requirements of all federal, state, county and municipal governments, departments, commissions, boards and offices, and in compliance with the terms and conditions of this Lease.

(b) Not less than ten (10) days prior to commencing construction of Tenant's Work, Tenant shall notify the Landlord of the date on which Tenant's contractor intends to commence work and the date on which Tenant's building permit was or is expected to be issued. Subject to unavoidable delay (pursuant to Section 23.06) Tenant shall commence construction of Tenant's Work not later than the Construction Commencement Date set forth in the Fundamental Lease Provisions. On or before the Construction Commencement Date, Tenant shall deposit with Landlord certificates of insurance as required in Article 11 and a true copy of Tenant's building permit and filed Contractor's Waiver of Liens as required under Section 2.07. Tenant shall endeavor diligently to substantially complete construction of Tenant's Work (including installation of Tenant's trade fixtures, equipment and furnishings) on or before the expiration of Tenant's Construction Period, subject to Section 23.06 hereof; provided that failure of Tenant to complete such construction or other work by Tenant for any reason or the application of any of



the events set forth in Section 23.06 hereof shall not delay or abate the occurrence of the Rent Commencement Date. Promptly upon the completion of such construction, Tenant shall deliver to Landlord a reasonably complete set of the "as built" drawings thereof. "Completion", with reference to Tenant's Work, shall include the issuance a certificate of occupancy or other comparable approval (final if available or temporary if final is not available pending the completion of work by Tenant or other persons) by the applicable governmental authority(ies) if the same is required to be issued for occupancy. Tenant shall be solely responsible to obtain and to pay for all permits and approvals relating in any way to the Tenant's Work.

(c) Title to all leased improvements constructed by Tenant, when made, erected, constructed, installed or placed upon the Premises (with the exception of Tenant's trade fixtures, equipment and personal property as specified in Section 14.01) shall be and remain in Landlord, subject to the leasehold estate and interest created in Tenant hereunder until the expiration or sooner termination of this Lease, and upon such expiration or sooner termination, title to the Leased Improvements, in the condition in which Tenant has agreed to maintain them pursuant to the provisions of this Lease, shall automatically pass to, vest in and belong exclusively to Landlord without any interest on the part of Tenant and without further action on the part of either party and without cost or charge to Landlord.

#### Section 2.06: OPENING OF PREMISES.

Subject only to the application of any of the events set forth in Section 23.06 hereof, Tenant agrees to open its business to the public in the Premises no later than the "Required Opening Date" [specified in Section (i) of the "Fundamental Lease Provisions"]. If Tenant fails to open its business to the public in the Premises on or before the Required Opening Date (as it may be extended by reason of the application of any of the events set forth in Section 23.06 hereof), and in addition to Landlord's other rights and remedies under this Lease, Tenant shall pay to Landlord, in addition to Minimum Rent and Additional Rent, an amount equal to one half of one percent (½%) of the annual Minimum Rent for each day Tenant's business remains not open in the Premises from and after the Required Opening Date (counting the said Required Opening Date as the first such day). Any and all sums and other charges payable by Tenant to Landlord pursuant to the immediately preceding sentence shall be paid on demand to offset administrative costs and expenses incurred by Landlord as a result of Tenant's late opening and shall in no way abrogate, or relieve Tenant from any of, Tenant's obligations under this Lease, including without limitation the obligation to open its business in the Premises. By opening for business, and except for (i) any unperformed punch-list items previously accepted by the Landlord in writing, (ii) such other deficiencies as Tenant may otherwise specify in writing to Landlord prior to Tenant's opening for business (iii) Landlord's express warranty obligations under Section 2.02 (b), above, and (iv) Landlord's other express obligations under this Lease, Tenant shall be deemed to have acknowledged that all work required to be performed in connection with the Premises and any and all obligations to be performed by Landlord on or before, or as conditions to, the opening of the Premises have been fully performed. Within thirty (30) days after Tenant's opening of the Premises to the public for business, Tenant shall deliver to Landlord a certificate hereinafter referred to as the "Completion Certificate" and in the form attached hereto as Exhibit "E".

#### Section 2.07: MECHANIC'S LIENS.

Tenant will not permit to be created or to remain undischarged any lien, encumbrance or other charge (arising out of any work done or materials or supplies furnished by any contractor, subcontractor, mechanic, laborer or materialman or any mortgage, conditional sale, security agreement or chattel mortgage, or otherwise by or for Tenant) which might be or become a lien or encumbrance or other charge (collectively a "Charge") against or upon the Premises, the Shopping Center or any part thereof. Tenant will not suffer any other matter or thing whereby the estate, rights, title and interests of Landlord in the Premises, the Shopping Center or any part thereof might be impaired. If any claim or lien or notice of claim or lien on account of an alleged debt of Tenant or any notice of contract or Charge by a person engaged by Tenant or Tenant's contractor to work on the Premises shall be filed against or upon the Premises, the Shopping Center or any part thereof, Tenant shall within ten (10) days after demand from Landlord cause the same to be discharged of record by payment, deposit, bond, order of a court of competent

jurisdiction or otherwise. If Tenant shall fail to cause such claim or lien or notice of claim or lien or other Charge to be discharged within the period aforesaid, then, in addition to any other right or remedy it may have, Landlord may, but shall not be obligated to, discharge the same by payment, deposit or by bonding proceedings, and in any such event Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of the same by the claimant and to pay the amount of any judgment in favor of the claimant with interest, costs and allowances. Any amount so paid by Landlord and all interest, costs and expenses, including reasonable attorneys' fees, incurred by Landlord in connection therewith shall constitute Additional Rent payable by Tenant under this Lease and shall be paid by Tenant to Landlord on demand. Nothing herein contained shall obligate Tenant to pay or discharge any charge created by Landlord. Tenant shall pay promptly all persons furnishing labor or materials with respect to any work by Tenant or Tenant's contractor in or about the Premises. No work which Landlord permits Tenant to do shall be deemed to be for the immediate use and benefit of Landlord and no mechanics' or other claim, lien or other Charge shall be allowed against the estate, rights, title or interests of Landlord by reason of any consent given by Landlord to Tenant to do work in or about the Premises or provide materials therefor. Prior to commencement of any work or the delivery of any material to the Premises by any contractor, subcontractor or materialman (herein collectively called "Contractor"), Tenant shall deliver to the Landlord a signed, acknowledged and sealed waiver of liens (herein called "Contractor's Waiver of Liens") from each such Contractor in the form attached hereto as Exhibit "F", and Tenant shall at Tenant's expense cause a duly executed and notarized counterpart thereof to be filed with the Prothonotary of the county in which the Shopping Center is located. Contractor's Waiver of Liens provides, among other things, that the Contractor waives any and all lien rights that it may have against Landlord's estate, rights, title and interests in the Shopping Center and any part thereof including without limitation the Buildings. Landlord shall have the right to post and keep posted in the Premises notices of non-responsibility, or such other notices as Landlord may deem to be proper for the protection of Landlord or Landlord's estate, right, title and interests in the Shopping Center and any part thereof.

#### Section 2.08: INSPECTION.

Landlord and its architects and engineers shall have the right from time to time during the course of construction of Tenant's Work, and any subsequent alterations or improvements, to inspect the work being done to ensure that the same is being constructed in accordance with the approved plans therefor and in compliance with the requirements of this Lease.

### ARTICLE 3: TERM

#### Section 3.01: TERM OF THIS LEASE.

The term of this Lease (sometimes herein called the "Term") means the period of the "Interim Term" (hereafter defined) followed immediately by the period of the "Rent Term" (hereafter defined). The "Interim Term" means the period commencing on the date of this Lease and ending on the date of immediately preceding the Rent Commencement Date. The "Rent Term" means the period commencing on the Rent Commencement Date and ending on the Expiration Date (as it may be extended by the valid exercise of any Option to Extend expressly granted hereunder) and shall include each Extension Period (if any are expressly granted herein but not otherwise) actually and validly exercise, unless sooner terminated as provided herein. So long as Tenant is not in default beyond any applicable cure period of any of its obligations under the Lease and Original Tenant is the Tenant hereunder and this Lease has not been assigned and Original Tenant is in actual possession of the Premises, if Tenant extends the term of this Lease for either Extension Period, Tenant shall have the right to cause Landlord to release Tenant from all liability hereunder upon written notice to Landlord at any time during such Extension Period, which release of liability shall be effective thirty (30) days after the date of such notice to Landlord, provided that such release of liability shall not be effective unless and until (i) Tenant pays to Landlord a release fee in an amount equal to one (1) year of Rent at the rate payable at the time of such notice to Tenant, (ii) Tenant vacates and surrenders the Premises to Landlord in the condition required in this Lease as required on the last day of the Term, (iii) Tenant agrees in writing to release Landlord from all of its liabilities and obligations hereunder, and (iv) Tenant has paid and performed all of its obligations hereunder that accrued prior to the effective date of

such release. The foregoing right is personal to Original Tenant and may not be exercised by any assignee or sublessee of Original Tenant.

**Section 3.02: YEARS.**

The term "Year" means each successive twelve (12) month period from January 1 through December 31 occurring during the Term. "Partial Year" means the period between and including the Rent Commencement Date, if that date is not January 1, and the next succeeding December 31. If the Term ends on other than a December 31, the term "Partial Year" includes the period beginning on the last January 1 of the Term and ending on the last day of the Term. The term "Rent Year" means the period beginning with and including the Rent Commencement Date and ending on the last day of the month in which the first anniversary of the Rent Commencement Date occurs and each twelve (12) month period thereafter during the Term (as it may be extended), together with any period less than twelve (12) months comprising the period between the last full twelve-month period and the Expiration Date (as it may be extended).

**ARTICLE 4: RENT**

**Section 4.01: TENANT'S AGREEMENT TO PAY RENT.**

Tenant hereby agrees to pay, at the times and in the manner herein provided, the Minimum Rent, Percentage Rent (if any is specified in the Fundamental Lease Provisions but not otherwise) and Additional Rent. As used in this Lease, the term "Rent" means, collectively, the Minimum Rent, Percentage Rent (if any is specified in the Fundamental Lease Provisions but not otherwise) and Additional Rent.

**Section 4.02: RENT COMMENCEMENT DATE.**

As used in this Lease, the term "Rent Commencement Date" shall mean the earlier of: (i) the date on which Tenant initially opens its business to the public in the Premises; or (ii) the calendar date or other specific time set forth as the Required Opening Date in Section (i) of the Fundamental Lease Provisions without regard to any extension thereof by reason of any of the events specified in Section 23.06 hereof.

**Section 4.03: MINIMUM RENT.**

(a) Commencing on the Rent Commencement Date, Tenant shall pay Landlord, as the minimum base rent for each Rent Year, the amounts set forth in Section (g) of the Fundamental Lease Provisions, which applicable amount shall be payable in twelve (12) equal monthly installments, in advance, on the first day of each calendar month.

(b) The base rent Tenant shall pay Landlord for any Partial Year shall be the applicable annual amount set forth herein times the Partial Year Fraction. As used in this Lease, "Partial Year Fraction" means a fraction, the numerator of which is the number of days in the applicable Partial Year, and the denominator of which is three hundred sixty-five (365). The base rent payable for a Partial Year shall be paid in equal monthly installments, in advance, on the first day of each calendar month, except that if the Rent Commencement Date is not the first day of a calendar month, then that portion of such base rent which is attributable to the days in that first partial calendar month shall be paid, in advance, on the Rent Commencement Date.

(c) The base rent payable by Tenant for a given Year pursuant to Section 4.03(a) or (b), whichever is applicable, is sometimes called the "Minimum Rent" in this Lease.

**Section 4.04: Intentionally Omitted.**

**Section 4.05: Intentionally Omitted.**

**Section 4.06: SALES TAX REPORTS.**

Tenant shall provide to Landlord copies of the annual sales tax return that Tenant files

with the Pennsylvania Department of Revenue within thirty (30) days after filing.

Section 4.07: Intentionally Omitted.

Section 4.08: ADDITIONAL RENT.

In addition to Minimum Rent and Percentage Rent, Tenant shall pay, as additional rent (herein sometimes collectively called "Additional Rent"); all other amounts, sums of money or charges of whatsoever nature required to be paid by Tenant to Landlord pursuant to this Lease, whether or not the same is designated as "Additional Rent". The terms "Taxes", "Tax Charge", "CAM Sum" and "CAM Charge" are defined in Articles 5 and 8, respectively. In computing the Tax Charge, the CAM Charge and any other charge to Tenant computed on the same or substantially similar basis as the Tax Charge or the CAM Charge (collectively "Other Like Charges"), the net payments by Majors to Landlord toward the Taxes, the CAM Sum or the sums on which Other Like Charges are based (collectively the "OLC Sums") shall be applied respectively to reduce the Taxes, the CAM Sum and the particular OLC Sum before apportionment and determination of the Tax Charge, CAM Charge or Other Like Charge to be paid by Tenant and for the purposes of computing the Tax Charge, the CAM Charge and such Other Like Charge, the denominator shall not include the GLA of the Majors' Premises.

Section 4.09: WHERE RENT PAYABLE AND TO WHOM: NO DEDUCTIONS.

Rent payable by Tenant under this Lease (whether Minimum Rent, Percentage Rent, or Additional Rent) shall be paid when due without prior demand therefor, shall be payable without any deductions or setoffs or counterclaims whatsoever (except for offsets or credits expressly permitted by this Lease), and shall be paid by Tenant to Landlord at the address of Landlord set forth in Section (1) in the Fundamental Lease Provisions, or to such payee and/or at such other place as may be designated from time to time by notice to Tenant. At the end of the Term, provided there exists no uncured Event of Default on the part of Tenant and no event which, with the giving of notice and/or the expiration of time will become and Event of Default hereunder if not cured, Landlord shall refund to Tenant any amount of excess Rent paid to Landlord and any other amounts due from Landlord to Tenant. In the event any installment of Minimum Rent, Percentage Rent, Additional Rent or other sum under this Lease shall not be paid within five (5) days following written notice thereof to Tenant, a "Late Charge" of five (5) cents per each dollar so overdue shall be paid by Tenant to Landlord upon demand, as Additional Rent, for the purpose of defraying Landlord's administrative expenses incident to the handling of such overdue payments; provided that Landlord shall not be obligated to give such written notice more than two (2) times in any year, and on the third such failure to timely pay Rent, the Late Fee will be charged without written notice of non-payment to Tenant. In addition, any installment of Minimum Rent, Percentage Rent, Additional Rent or other sum under this Lease, which is not paid by Tenant to Landlord within thirty (30) calendar days after it is due shall bear interest at the Default Rate (as defined below).

**ARTICLE 5: TAXES AND ASSESSMENTS**

Section 5.01: TENANT'S TAX CHARGE.

Landlord covenants and agrees that it shall timely and fully pay the real estate taxes and assessments levied against the Shopping Center, including the Premises and all improvements therein. Tenant shall pay to Landlord in each Year and any Partial Year, as Additional Rent, Tenant's share of all real estate and other ad valorem taxes and other assessments, impositions, excises and other governmental or quasi-governmental charges of every kind and nature (including, but not limited to, general and special assessments, sewer and fire district assessments, foreseen as well as unforeseen) with respect to the Shopping Center or any part thereof. Such taxes and assessments are collectively called the "Taxes" in this Lease. Tenant's share of the Taxes shall be an amount equal to the product obtained by multiplying the Taxes, and Landlord's costs and expenses (including statutory interest, if any) in obtaining or attempting to obtain any refund, reduction or deferral thereof, by the GLA Fraction thereof (with daily proration for any Partial Year) shall be included within the computation of the annual Taxes for the Year in question (the "Tax Charge"). If any tenant of any part of the Shopping Center obtains

the right to have its premises separately administered for the collection of real estate taxes and makes payments on account of such real estate taxes directly to the taxing authority, the GLA of such tenant's leased premises shall not be included in the denominator of the GLA Fraction for the applicable purposes of this Section. Provided that Tenant makes timely payment of the Tax Charge, Landlord shall timely and fully pay real estate taxes and assessments against the Shopping Center, subject to Landlord's right to not pay taxes during any contest or other dispute of taxes or assessments. If Landlord receives any refund or rebate of taxes actually paid by Landlord, for which Tenant has made payments to Landlord, Landlord shall, after deducting its costs and expenses in obtaining such refund or rebate, credit Tenant's next payments for the Tax Charge for the amount of such remaining refund or rebate, multiplied by the GLA Fraction or Partial GLA Fraction, as applicable.

#### Section 5.02: PAYMENT BY TENANT.

The Tax Charge required under this Article 5 shall be paid by Tenant in equal monthly installments in advance in such amounts as are reasonably estimated and billed by Landlord based upon the total Taxes due for the fiscal year of the applicable taxing authority. Landlord may revise its estimate and may adjust such monthly payment at the end of any calendar month. The first such installment shall be due and payable by Tenant on the Rent Commencement Date (prorated for the remaining number of days in the calendar year) and subsequent installments shall thereafter be due and payable at the beginning of each ensuing calendar month during the Term. In addition to the payments provided for in the immediately preceding sentence, if, prior to the Rent Commencement Date, Landlord shall have prepaid all or a portion of the Taxes apportionable to the Term, the Tax Charge shall include and Tenant shall reimburse to Landlord the Tenant's share of such Taxes (calculated in accordance with the provisions of Section 5.01) on or before the Rent Commencement Date. Prior to the Rent Commencement Date, Landlord shall send to Tenant an invoice setting forth Tenant's share of such Taxes, together with copies of receipted bills evidencing Landlord's payment of the Taxes. After Landlord has received the Tax bills for each Year, Landlord will notify Tenant of (i) the amount of Taxes on which the Tax Charge is based, (ii) the amount of any refund, reduction or deferral expenses, (iii) the total GLA of the Premises and the Buildings on which the Tax Charge is based and (iv) the amount of the Tax Charge. If the aforesaid monthly payments on account of the Tax Charge for a given Year or Partial Year are greater than Tenant's share of the Taxes payable for a given Year or Partial Year, Tenant shall receive a credit from Landlord for the excess against installments of the Tax Charge next becoming due to Landlord, and if said payments are less than Tenant's share, Tenant shall forthwith pay Landlord the difference.

#### Section 5.03: TENANT'S BUSINESS TAXES.

Tenant shall pay before delinquency any and all taxes, assessments, impositions, excises, fees and other charges levied, assessed or imposed by governmental or quasi-governmental authority upon Tenant or its business operation, or based upon the use or occupancy of the Premises, or upon Tenant's leasehold interest, trade fixtures, furnishings, equipment, leasehold improvements (including, but not limited to, those required to be made pursuant to Tenant's Work) alterations, changes and additions made by Tenant, merchandise and personal property of any kind owned, installed or used by Tenant in, from or upon the Premises, together with all taxes assessed upon Tenant's use and occupancy of the Premises. If the Property of Landlord is included in any of the foregoing items, the aforesaid taxes, assessments, impositions, excises, fees and other charges shall nonetheless be paid by Tenant as herein provided. Tenant shall pay, when due and payable, any sales tax, or other tax, assessment, imposition, excise or other charge now or hereafter levied, assessed or imposed upon or against this Lease or any Rent or other sums paid or to be paid; or Tenant's, Landlord's interest in this Lease, any Rent or other sum paid or to be paid hereunder. Should the appropriate taxing authority require that any tax, assessment, imposition, excise or other charge referred to in this Section 5.03 be collected by Landlord for or on behalf of such taxing authority, then such tax, assessment, imposition, excise or other charge shall be paid by Tenant to Landlord monthly as Additional Rent in accordance with the terms of any notice from Landlord or Agent to Tenant to such effect. If any gross receipts tax shall be payable by Landlord, Tenant shall pay the portion thereof attributable to Landlord's receipts from this Lease. The taxes, assessments, impositions, excises, fees and other charges described in this Section 5.03 shall be the obligation of Tenant and not Landlord. If any

tax, assessment, imposition, excise, fee or other charge covered by this Section 5.03 is imposed on Landlord, Tenant shall pay the same to Landlord within thirty (30) days after receipt of each bill therefor.

**Section 5.04: PROMOTIONAL ASSESSMENT.**

(a) Tenant shall pay to Landlord a one-time initial promotional assessment in the amount of Two Thousand Five Hundred Dollars (\$2,500.00) (the "Initial Promotional Assessment") on the Delivery Date. From the Delivery Date until Tenant first opens for business with the public, Tenant shall be entitled to receive a credit against the Initial Promotional Assessment for costs actually and properly incurred by Tenant to advertise and promote its operation at the Premises in the local media upon submission to Landlord of receipted invoices and other evidence reasonably satisfactory to Landlord documenting the costs for such local advertising and promotion. Such receipted invoices and other evidence shall be submitted to Landlord in a single, not a piecemeal, submission within ten (10) days following the date Tenant first opens for business with the public, and Landlord shall reimburse to Tenant the amount of all approved invoices which shall in no event exceed the amount of the Initial Promotional Assessment.

(b) From and after the Rent Commencement Date and throughout the Term, Tenant shall pay to Landlord as Additional Rent a promotional charge (the "Promotional Charge") in the amount of \$.06 per square foot of the Premises for the first year of the Term, which amount shall increase annually by a percentage equal to the annual percentage increase in Minimum Rent.

**ARTICLE 6: SERVICES**

**Section 6.01: SERVICES.**

Landlord shall designate the utility companies, municipalities and other governmental bodies or authorities (sometimes collectively referred to as the "Service Providers") serving the Premises, and Tenant shall arrange directly with each applicable Service Provider supplying the required utility service (collectively the "Utility") for such utilities, facilities and/or services (including electricity, steam, storm, sanitary, water, gas, telephone and any other utility facility and/or service) as Tenant may require, subject to and in accordance with the rules and regulations of the Service Provider (collectively the "Utility"). Landlord shall at all times have the right to select the Service Providers for the Premises and the Shopping Center, and the Landlord shall have the right at any time and from time to time to change, add or terminate Service Providers for all or any portion of any utility service or for all or any portion of the Premises or Shopping Center, in Landlord's sole discretion. Landlord has no obligation to supply any such services to Tenant or to install any lines, pipes, conduits or other utility facilities except as may expressly be included in Landlord's Work. Excepting only Landlord's Work, all plumbing, electrical and other utility facilities and systems shall be provided to and installed for or within the Premises by Tenant at Tenant's sole cost and expense. During the Term, Tenant shall have the right to tap into and to use such common utility facilities as may be located in the Common Areas and which are suitable for use by Tenant in common with others entitled to the use thereof, provided that Tenant shall not interfere with or impair the use thereof by Landlord or any other present or future tenants, Tenant shall promptly restore all damage caused to the Common Areas by Tenant's work, Tenant shall be solely responsible for the maintenance, repair and replacement of all such connections and for all utility service facilities exclusively serving the Premises, and Tenant shall comply with Landlord's reasonable rules and regulations concerning connection to and use of such common utility facilities. Landlord shall have the right, without any liability to Tenant and without being in default of any covenant or condition of this Lease, to interrupt or suspend utility service by reason of accidents, emergencies or the making of repairs or changes which the Landlord is either required to make or which Landlord deems advisable to make. Landlord shall not be liable to Tenant nor shall this Lease or Tenant's obligations hereunder be affected in the event that any utility, facility and/or service is interrupted, changed or becomes unavailable from any source of supply or for any reason, or if the quantity or character of the service provided by any Service Provider is no longer available or suitable for Tenant's use, unless the foregoing is caused solely by the gross negligence or willful misconduct of Landlord, its employees acting in the scope of their employment and its contractors acting within the scope

of their respective contracts.

**Section 6.02: SERVICES CHARGES.**

(a) Tenant shall be responsible for and agrees to pay all rates, rents and other charges (including without limitation reservation fees, connection and tap-in fees, "EDU" fees; minimum rents and usage fees) (herein collectively called the "Services Charges") imposed by each Utility for water, energy, gas, telephone, and sanitary sewer and other utility services as are provided for use at the Premises, as Additional Rent, in advance, on the first day of each month during the Term (pro-rata for any fractional month), the charges of Landlord therefor. Tenant shall operate the Premises in such manner as shall not waste energy or water or burden or harm sanitary service. Tenant shall install or cause a third party to install separate meters at the Premises for the measurement of such utility services. All charges for such service (including the installation thereof and meters therefor) shall be billed directly to Tenant by the Service Provider and shall be paid by Tenant to the appropriate Service Provider as and when they become due and payable.

(b) Tenant shall be solely responsible for trash and garbage removal from the Premises including the placing of all trash and garbage in containers for such purpose as required by Landlord. In the event Landlord elects to furnish such service to the tenants of the Buildings, Tenant agrees to use only the service provided by Landlord and to pay for such service (including, without limitation, both the cost of leasing containers and the cost of removal) monthly, as Additional Rent, in accordance with a schedule of charges to be established by Landlord (the "Refuse Handling Charge") which Landlord may include among the Services Charges. In no event shall Tenant be obligated to pay Landlord more for such trash and garbage removal service than the prevailing competitive rates of independent trash removal contractors for service similar to that provided by Landlord. Tenant also shall be solely responsible for, and shall reimburse to Landlord, all costs arising from the clearing of drains and sewer lines servicing the Premises necessitated by the disposal of grease or waste by Tenant. If Tenant's use of the Premises involves the preparation, sale or service of food and/or beverage products, Tenant shall install and maintain suitable grease traps for the protection of such sewer lines.

**ARTICLE 7: USE OF PREMISES**

**Section 7.01: SOLE USE AND TRADE NAME.**

Tenant throughout the Term shall use the Premises solely for the use set forth in the Fundamental Lease Provisions and shall use the Premises solely under the trade name set forth in the Fundamental Lease Provisions. Tenant shall not use or permit the Premises to be used for any other use or uses or under any other trade name without the prior written consent of Landlord, which shall not be unreasonably withheld as to the use of a recognized, bona fide trade name used at multiple locations by Tenant or any franchisee, assignee or sublessee permitted to occupy the Premises under the express terms of this Lease. Tenant agrees that if Tenant or anyone else claiming through or under Tenant uses the Premises for a use or trade name not set forth in the Fundamental Lease Provisions without Landlord's prior written consent, such conduct shall constitute an immediate Event of Default. Tenant shall, at its expense, procure any and all governmental licenses and permits including, without limitation, sign permits, required for the conduct of business in or from the Premises and shall, at all times, comply with the requirements of each such license and permit. Landlord does not represent or warrant that it will obtain for Tenant (or that Tenant will be able to obtain) any license or permit. To Landlord's actual knowledge, there are no covenants, restrictions or other matters of record that would prohibit Tenant from using the Premises for the use set forth in the Fundamental Lease Provisions.

**Section 7.02: HOURS.**

Tenant covenants and agrees that throughout the Term from and after the date when Tenant opens the Premises for business to the public, Tenant shall continuously operate, conduct its business within and otherwise use the Premises in accordance with the terms and conditions of this Lease, including, without limitation, the provisions of Section 7.01 hereof and all of the other provisions of this Article 7 (unless the Premises are rendered unfit for occupancy by reason

of fire or other casualty, in which event Article 12 shall control). Tenant will keep the Premises open for business to the public at least: (a) every Monday through Saturday from 11:00 a.m. until 9:30 p.m.; and (b) also on Sunday from 12:00 p.m. until 6:00 p.m. (unless prohibited by jurisdictional authorities) as required by Landlord. In addition to any other right or remedy, if Percentage Rent is payable by Tenant hereunder, the Gross Sales Break Point (and the Partial Year Break Point in a Partial Year) shall be reduced, at Landlord's option, on a per diem basis for each violation of the foregoing and Tenant shall pay to Landlord the Percentage Rent so computed by Landlord. The per diem reduction shall be the amount of the applicable Break Point divided by 360 for each violation. Tenant agrees that Landlord may change the foregoing business hours from time to time to reflect local custom or seasonal shopping patterns provided that such changes are uniformly applied to the majority of retail tenants of the Buildings. The requirements of this Section 7.02 are subject, with respect to any business controlled by governmental regulations in its hours of operation, to the hours of operation so prescribed by such governmental regulations and are further subject to applicable federal, state and local environmental and other laws, rules, regulations, guidelines, judgments or orders (collectively the "governmental requirements").

Section 7.03: OPERATIONAL REQUIREMENTS.

Tenant agrees that it: (a) will not in connection with the Premises conduct or permit to be conducted any auction, fire, bankruptcy or going out of business sales or similar type sale, or utilize any unethical method of business; provided, however, that this provision shall not restrict the absolute freedom (as between Landlord and Tenant) of Tenant to determine its own selling prices nor shall it preclude the conduct of periodic or seasonal promotional sales; (b) will not use or permit the use of any apparatus for sound and/or light reproduction or transmission including loudspeakers, phonographs, radios or televisions, or of any musical instrument in such manner that the sounds so reproduced, transmitted or produced shall be audible beyond the interior of the Premises; will not distribute, or cause to be distributed, at the Shopping Center or in any part thereof any handbills or other advertising notices; and will not conduct or permit any activities that might constitute a nuisance, or which are prurient or otherwise not generally considered appropriate in accordance with standards of operation for the Shopping Center established by Landlord, including without limitation the standards set forth on Schedule 7.03 attached hereto; (c) will keep all mechanical apparatus free of vibration and noise which may be transmitted beyond the confines of the Premises; will not cause or permit strong, unusual, offensive or objectionable sound, sights, odors, fumes, dust or vapors to emanate or be dispelled from the Premises; (d) will not load or permit the loading or unloading of merchandise, supplies or other property, nor ship, nor receive, outside the area and entrance designated therefor by Landlord from time to time; will not permit the parking or standing outside of said area of trucks, trailers, or other vehicles or equipment engaged in such loading or unloading in a manner which may interfere with the use of any Common Areas or any pedestrian or vehicular use; will use its best efforts to complete or cause to be completed all deliveries, loading, unloading and services to the Premises prior to 4:00 p.m. each day; (e) will not paint or decorate any part of the exterior or interior of the Premises, or change the architectural treatment, fixturing, decor or other appearance of the interior or exterior of the Premises, without first obtaining Landlord's written approval of such paint, decoration or change which has been applied to or installed upon the exterior or interior of the Premises without Landlord's prior written approval; (f) will keep the inside and outside of all glass in the doors and windows of the Premises clean and will replace any cracked or broken glass with glass of the same kind, size and quality; will maintain the Premises at its own expense in a clean, orderly and sanitary condition and free of insects, rodents, vermin, and other pests; will not burn, or permit undue accumulation of, garbage, trash, rubbish and other refuse; will [subject to Section 6.02(b)] remove the same from the Premises to compactors or other receptacles designated by Landlord, and will keep such refuse in proper containers in the interior of the Premises until so removed from the Premises; (g) will comply with all applicable federal, state and local environmental and other governmental requirements and all recommendations of any public or private agency having authority over insurance rates with respect to the use or occupancy of the Premises by Tenant (unless the same require structural repairs not made necessary by Tenant's particular use of the Premises, which shall be Landlord's responsibility); will not use or permit the use of any portion of the Premises for any unlawful purpose; and will conduct its business in the Premises in all respects in a dignified manner and in accordance with high standards of store operation; (h) will not within three (3)



feet of any entrance or exit or of any window of the Premises, or upon glass panes and supports of the show windows, or upon doors and exterior walls of the Premises, affix, place, suspend, or maintain any signs, advertising placards, names, banners, display fixtures, insignia, trademark, descriptive materials, merchandise or any such other item or like items, except as approved by Landlord, provided that Tenant shall, subject to Tenant's compliance with all applicable laws, be entitled to place, maintain, and Landlord shall allow to be permitted, placed and maintained appropriate dignified displays of customary type for its display windows on the interior of the window area, or elsewhere on the interior of the premises so as to be visible to the public as may be allowed by law; (i) will keep the storefront sign and display windows in the Premises lighted from dusk until at least midnight, each day, and for such other periods as may be reasonably required by rules and regulations established in accordance with Section 7.03(k) below; (j) will provide, or cause to be provided all security within its Premises as it deems appropriate; (k) will also comply with and observe all reasonable rules and regulations established by Landlord from time to time, so long as the same are reasonable and uniformly applied; (l) will not permit the use of any portion of the Premises for solicitations, demonstrations or itinerant vending, or any activities inconsistent with the standards or operation for the Shopping Center reasonably established by Landlord; (m) will not use, or permit to be used, the Common Areas, sidewalks adjacent to the Premises, or any other space outside of the Premises for the display or sale or offering for sale of any merchandise or for any other business, occupation or undertaking; (n) will provide or cause to be provided within the Premises, without cost or expense to Landlord, adequate lighting and security for its licensees, invites and employees during such periods as the Premises are open for business; (o) will maintain at all times a full staff of employees and a complete stock of merchandise and other goods consistent with the use of the Premises; (p) will conduct its business to maximize Gross Sales; (q) will conduct its labor relations and its relations with employees in such a manner as to avoid all strikes, picketing, boycotts or handbilling at, or about the Premises and the Shopping Center. Tenant further agrees that if, during the period of any work by or for Tenant in or about the Premises if in connection with such work there is a strike, picketing, boycotting, handbilling or other activity objectionable to Landlord, Tenant shall take prompt legal action to cause the removal from the Premises and the Shopping Center all persons picketing, boycotting or handbilling, to the extent Tenant may cause such removal under applicable laws, or to control and limit (to the extent permitted by law) such activities if Tenant is unable, under applicable laws, to cause the removal of such persons. Notwithstanding the foregoing, and subject to applicable laws, Tenant shall have the right to install professionally-made window signs on the interior side of the store-front windows of the Premises. Tenant further acknowledges that the Premises shall have two (2) principal entrances, one at the "front" of the Premises and one at the "rear" of the Premises. Tenant hereby covenants and agrees to maintain both entrances as principal entrances to the Premises, and to keep both entrances open to the public during all regular business hours.

#### Section 7.04: TENANT'S USE OF ROOF, EXTERIOR WALLS, ETC.

Tenant shall not without having obtained the prior written consent of the Landlord, perform any work of any nature whatsoever to the roof, exterior walls or to any of the structural portions of the Buildings or the Premises, in the Common Area, or in any other areas reserved to Landlord or excluded from Tenant. Any damage to the Premises or any person or property occurring as a result of a breach of this provision shall be the sole responsibility, cost and expense of the Tenant. Notwithstanding Tenant's rights set forth elsewhere in this Lease, Landlord may erect additional stories or other structures over all or any part of the Buildings and any other part of the Shopping Center; provided the same shall not materially and adversely affect the parking areas adjoining Tenant's Premises, access to the Premises, or the physical integrity of the portions of the Premises operated by Tenant for business to the public, and Landlord shall plan and coordinate all of the same so as to minimize any adverse impact on Tenant's use of and the business operated within the Premises. In connection with such erection, or otherwise, Landlord may relocate Tenant's equipment and may erect temporary scaffolds and other aids to such construction at Landlord's sole cost and expense.

#### Section 7.05: OPERATION OF HVAC SYSTEM.

Tenant agrees, during the hours the Premises is open for business, to control and operate the HVAC system serving the Premises regardless of whether such equipment was installed by

Landlord or Tenant so that conditions inside the Premises are maintained within a range as may be prescribed by applicable governmental requirements.

**Section 7.06: EMPLOYEE PARKING AREAS.**

Landlord may, from time to time, designate that particular portions of the Shopping Center parking areas (the "Employee Parking Areas") are to be used by Tenant and its employees, or other individuals working at or from the Premises (collectively "Employees"). If Landlord does so, Tenant and the Employees shall park their vehicles only in the Employee Parking Areas. Tenant shall furnish Landlord with a list of Tenant's and Employees' vehicle license numbers within ten (10) days after Landlord makes written request therefor. Tenant shall enforce the covenants of this Section among its Employees. If Tenant or any of its employees do not park their vehicles in the Employee Parking Areas, Landlord may give Tenant notice of such violation. If Tenant does not cease such violation, or cause such violation by the Employee to cease, as the case may be, within two (2) days after Landlord's notice of violation is given, Tenant shall pay to Landlord, as Additional Rent, an amount equal to Twenty-Five Dollars (\$25.00) per day per violating vehicles. For any subsequent violations, said Twenty-Five Dollars (\$25.00) per day per violating vehicle charge shall commence without the necessity of further notice, and Landlord shall, in addition, have the right to have the violating vehicles towed at Tenant's expense.

**Section 7.07: NON-COMPETITION COVENANT.**

Tenant covenants and agrees with Landlord that throughout the Term and any extension or renewal thereof, neither Tenant nor any "Affiliate" of Tenant (as such quoted word is hereinafter defined) shall directly or indirectly own, operate or manage or have a financial interest in any business which is similar to that of Tenant or which sells or displays, directly or indirectly, merchandise or other goods, or services, similar to those sold or offered or displayed by Tenant at or from the Premises (the "Competing Store") within two (2) miles from that property line of the Shopping Center nearest to the Competing Store (the foregoing covenant being hereinafter called "Tenant's Non-Competition Covenant"). "Affiliate" means a proprietorship, corporation, partnership, unincorporated association or other person or entity "controlling", "controlled" by or under common "control" with Tenant. The words "controlling", "controlled" and "control" shall have the meanings given them under the Securities Exchange Act of 1934, as amended. If the Tenant's Non-Competition Covenant is violated, then, in addition to all other rights and remedies, Landlord shall have the right to add the "gross receipts of the Competing Store" (hereinafter defined) to the Gross Sales made by Tenant hereunder for the purpose of computing Percentage Rent. The phrase "gross receipts of the Competing Store" shall be determined by applying the definition of Gross Sales at Section 4.05 to transactions of the Competing Store. Tenant shall include the address and identity of its business at the Premises in all advertisements made by Tenant in which the address and identity of any similar local business of Tenant is mentioned and shall not divert from the Premises any transactions or other business which would occur at or from the Premises.

**ARTICLE 8: COMMON AREAS**

**Section 8.01: USE OF COMMON AREAS.**

Subject to the Landlord's right under Section 1.02(d), above, Tenant and its employees and invitees are, except as otherwise specifically provided in this Lease, authorized, empowered and privileged during the Term to use the Common Areas for their respective intended purposes in common with other persons. Landlord shall at all times have the right to utilize the Common Areas for promotions, exhibits, or events, the leasing of kiosks and food facilities, landscaping, decorative items, and any other use which, in Landlord's reasonable judgment, tends to attract customers to, or benefit the customers of the Shopping Center, provided that such uses shall not materially diminish the parking spaces, in the proximity of the Premises, available for use by Tenant's patrons or unreasonably impair access to the Premises.

**Section 8.02: COMMON AREA MAINTENANCE SUM.**

(a) The term "Common Area Maintenance Sum" (or the "CAM Sum") shall be charged and prorated in the manner hereinafter set forth and shall mean all sums incurred by Landlord reasonably and appropriately and for the best interests of the Shopping Center in connection with the operation and maintenance of the Common Areas (or any additions thereto), including, without limitation, the costs and expenses of: (i) operation, maintenance, repair and replacement of the storm and sanitary sewer, water, electrical, gas, steam, telephone, lighting (including, poles, bulbs, and fixtures), other utility systems and facilities and services supplied for use within or in connection with the Common Areas (but not for use by individual tenants unless supplied to Tenant in common with other tenants), together with usage, reservation, connection and other fees, rents and charges therefor, including transition fees or other fees paid in connection with the termination, addition or change of Service Providers by Landlord; operation, maintenance, repair and replacement of pylon, monument, directional signs and other traffic signals, markers, controls, signs (including all identification signs) both on and off site (excluding individual tenant sign faces and any other sign fixtures or components maintained by individual Tenants); ducts, conduits and similar items; (ii) snow, ice, trash, and garbage removal (excluding trash and garbage removal for individual tenants unless Landlord supplies such services to Tenant in common with other tenants), pest control, and cleaning, painting, sweeping, striping and repaving all parking surfaces, services areas and other portions of the Common Areas; (iii) operation, maintenance, repair and replacement of heating, ventilating and air cooling, sprinkler, security, emergency, life safety systems, and any other items, facilities, equipment and systems furnished by Landlord as part of the Common Areas; (iv) premiums and other charges for insurance to the extent provided by Landlord, including without limitation liability insurance for personal and bodily injury, death and property damage; insurance covering the Buildings and the Common Areas against fire and extended coverage perils; theft or casualties; workers' compensation; plate glass insurance for glass exclusively serving the Common Areas; boiler insurance (if carried); and rent insurance provided by Landlord pursuant to Section 11.02(a)(iii); (v) operation, maintenance, repair and replacement of open space areas, wetlands areas, fencing and similar items located within the Common Areas and interior and exterior planting, replanting and replacing of all flowers, shrubbery, plants, trees and other landscaping within the Common Areas; (vi) operation, maintenance, repair and replacement of canopies and of structures forming part of the Common Areas; (vii) maintenance, repair, replacement and depreciation of all machinery and equipment used in the tenancy and depreciation of all machinery and equipment used in the operation or maintenance of the Common Areas (including but not limited to all escalators, elevators and other vertical transportation (if any)), security vehicles and equipment, and all personal property taxes and other charges incurred in connection with such machinery and equipment; (viii) all license and permit fees, and any and all parking surcharges that may result from any environmental or other laws, rules, regulations, guidelines or orders; (ix) the cost of installation and operation of loudspeaker systems, music program services, cable television systems, or similar audio or video transmission systems; (x) personnel, including without limitation, cleaning and maintenance people together with the uniforms, payroll, payroll taxes and employee benefits of all such personnel; (xi) the cost of security personnel and equipment, including, without limitation, uniforms as well as transportation and surveillance equipment; (xii) reasonable reserves for replacement of fixtures and improvements in and equipment servicing the Common Areas, and (xiii) Landlord's supervisory charge in an amount equal to fifteen percent (15%) of the total aggregate cost of operating and maintaining the Common Areas, including but not limited to those things listed in Section 8.02(a). Landlord's fifteen percent (15%) supervisory charge shall not include Real Estate Taxes.

(b) Notwithstanding the foregoing, the CAM Sum shall not include: (i) the cost of any repair or replacement required of Landlord pursuant to the reconstruction obligations of Landlord under any tenant leases on account of uninsured casualty damage; (ii) depreciation (other than depreciation as above specified); (iii) any utilities which are directly metered or submetered to tenants of the Shopping Center; (iv) the costs of tenant improvements, lease negotiations, brokerage fees or commissions or other costs attributable to the leasing of any part of the Shopping Center to specific tenants; (v) mortgage interest or amortization payments or similar financing costs of Landlord; (vi) Landlord's income taxes, gross profits, franchise, personal property or similar taxes or charges upon the profits, assets, franchise, employees or income of Landlord (except that Tenant shall pay any tax imposed directly upon the rentals payable by Tenant hereunder); (vi) the removal or clean-up of asbestos or any other hazardous material from

the Shopping Center (but may include routine periodic inspections therefor); (vii) any cost associated with the initial construction of the buildings and capital improvements constituting the Shopping Center or as initial improvements on additional lands subsequently added thereto, or subsequent capital expenditures for the remodeling of the Shopping Center in the nature of aesthetic beautification or modernization (as distinguished in each case from replacements for preservation or maintenance, which are includable in the CAM Sum); (viii) costs of correcting manifest defects in the initial design or construction of the Shopping Center within one year after substantial completion thereof, (ix) expenses for repairs made necessary by fire or other casualty, to the extent that the Landlord receives insurance proceeds therefor, (x) legal expenses incurred in preparing or enforcing any other lease or procuring other tenants, or (xi) direct settlement payments by Landlord in connection with personal injury claims. Capital costs included in the CAM Sum shall be amortized over the reasonable useful life of the applicable equipment, fixture or improvement, and only the amount of such amortization allocable to the applicable billing period shall be included in any payment period.

(c) Notwithstanding anything contained in this Lease to the contrary, in calculating the "CAM Charge" (defined in Section 8.03), the CAM Charge may be based upon Landlord's estimates, which estimates and payments thereon shall be subject to adjustments in future billings to Tenant based on Landlord's actual cost. Landlord may cause any or all maintenance services for the Common Areas to be provided by an independent contractor or contractors or others.

(d) If Landlord from time to time acquires, or makes available, additional land or improvements for parking or other Common Area purposes, the CAM Sum shall also include all costs and expenses incurred by Landlord in connection with the operation or maintenance of said additional land and improvements. The words "maintenance", "maintain" or "maintaining" as used in this Article 8 includes without limitation, all repairs, replacements and other work and service of any type whatsoever, whether capital or non-capital in nature. All common area costs shall be based upon competitive charges for similar services and/or materials that are available in the general vicinity of the shopping center. However, in no event will Landlord be entitled to collect in excess of 100% of the total expense from all the tenants in the center.

#### Section 8.03: CAM CHARGE.

Tenant shall pay to Landlord, as Additional Rent, Tenant's share of the CAM Sum in the manner hereinbelow set forth. Tenant's share of the CAM Sum for any Partial Year and for each Year through the end of each December 31 shall be an amount equal to the CAM Sum for the period multiplied by the GLA Fraction therefor (the "CAM Charge"). For any Partial Year, the CAM Sum will be multiplied by the Partial Year Fraction with the result multiplied by the GLA Fraction therefor. Tenant shall pay Landlord on the Rent Commencement Date and on the first day of each calendar month in the Term thereafter amounts estimated by Landlord to be Tenant's monthly share of the CAM Sum. Landlord may adjust said amount at the end of any calendar month on the basis of Landlord's experience and reasonably anticipated costs. Within one hundred and twenty (120) days following the end of each December 31, Landlord shall furnish Tenant a statement covering the Year just expired, certified as correct by an independent public accountant or an authorized representative of Landlord, showing the CAM Sum and the amount of the CAM Charge and the payments, made by Tenant with respect thereto as set forth hereinabove. If Tenant's aggregate monthly payments on account of the CAM Charge are greater than Tenant's share of the CAM Sum, Tenant shall receive a credit for the excess against monthly installments on account of the CAM Charge next becoming due to Landlord; if said payments are less than said share, Tenant shall pay to Landlord the difference forthwith. Any statement rendered by Landlord to Tenant for Tenant's share of the CAM Sum shall be deemed accepted by Tenant unless, within two (2) years after the receipt of such statement, Tenant shall notify Landlord in writing of the items it disputes ("Notice of Dispute"). Pending the determination of such dispute, Tenant shall pay all amounts due as indicated on the statement and such payments shall be without prejudice to Tenant. In connection with determining and resolving such dispute, Tenant may upon reasonable prior written notice and at Landlord's home office, inspect and review the books of Landlord kept in connection with the CAM Sum. If the dispute is not amicably settled between Landlord and Tenant within sixty (60) days after completion of Tenant's audit or review, either party may refer the disputed items to a reputable firm of independent certified public accountants, selected by Landlord and approved by Tenant,

for a decision, and the decision of such firm shall be conclusive and binding upon Landlord and Tenant. The expenses involved in such determination shall be borne by the party against whom a decision is rendered by such accountants, provided that if more than one (1) item is disputed and the decision shall be against both parties, then the expenses shall be apportioned according to the monetary value of the items decided against each party; provided that Landlord shall bear no expenses in connection with such proceeding if it is determined that the overcharge to Tenant is seven percent (7%) or less than the actual amount due. If the dispute on any item shall be determined in Tenant's favor, the amount of Tenant's overpayment shall be refunded to Tenant within thirty (30) days of such accounting firm's notice of its decision. Notwithstanding the foregoing, if a Major shall have conducted an audit of comparable items for a comparable period, Landlord may provide a copy of such audit to Tenant as final evidence of the cost of items shown therein, and Tenant shall not have the audit right provided herein as to such items and period. If any tenant of any part of the Shopping Center, in lieu of paying a share of the CAM Sum, shall undertake to maintain any designated part of the Common Areas of the Shopping Center, the GLA of such tenant's leased premises shall not be included in the denominator of the GLA Fraction for the applicable purposes of this Section.

#### Section 8.04: CHANGES BY LANDLORD.

As between Landlord and Tenant, Landlord shall at all times have the right and privilege of determining the nature and extent of the Common Areas, and of making such changes, rearrangements, additions or reductions therein and thereto from time to time which in its opinion are deemed to be desirable and for the best interests of a significant number of the persons using the Common Areas or which are made as a result of any federal, state or local environmental or other governmental requirements, including but not limited to, the location, relocation, enlargement, reduction or addition of driveways, entrances, exits, automobile parking spaces, employee and customer parking areas (if any), the direction and flow of traffic, installation of prohibited areas, landscaped areas, and any and all other facilities of the Common Areas. Landlord (or others entitled to) may from time to time make alterations, reductions, or additions anywhere to the Buildings, the Common Areas or other part of the Shopping Center or any lands or improvements added thereto, construct additional buildings or improvements on the Common Areas or elsewhere and make alterations thereto, build additional stories on any buildings, construct additional parking facilities, and construct roof, walls, and any other improvements over, or in connection with any part of, or all of, the Common Areas or enclose same. Landlord shall not, however, after approval by Landlord of the Plans make any material change in the dimensions of the Premises or change the location of the Premises without Tenant's consent unless required to make any such change(s) by reason of any federal, state or local environmental law, rule, regulation, guideline, judgment, order or other governmental requirements.

#### Section 8.05: LANDLORD'S MAINTENANCE AND CONTROL.

Landlord agrees to maintain and operate, or cause to be maintained and operated, the Common Areas in good and reasonable condition and manner. Landlord shall, as between Landlord and Tenant, at all times during the Term have the sole and exclusive control, management and direction of the Common Areas. The rights of Tenant in and to the Common Areas shall at all times be subject to the rights of others to use the same in common with Tenant, and it shall be the duty of Tenant to keep all of the Common Areas free and clear of any obstructions or interferences created or permitted by Tenant or resulting from Tenant's operation. Landlord may at any time and from time to time close all or any portion of the Common Areas to make repairs or changes, or to such extent as may, in the opinion of Landlord, be necessary to prevent a dedication thereof or the accrual of any rights to any person or to the public therein, to close temporarily any or all portions of the Common Areas and to do and perform such other acts in and to Common Areas as, in the exercise of a good business judgment, Landlord shall determine to be advisable with regard to use thereof by occupants and tenants, their employees and invites.

### **ARTICLE 9: RULES AND REGULATIONS**

Tenant agrees that Landlord may establish and from time to time change, alter and amend, and enforce against Tenant, such reasonable rules and regulations as Landlord may deem

necessary or advisable for the proper and efficient use, operation and maintenance of the Common Areas, provided that all such rules and regulations affecting Tenant and its invites and employees shall apply equally and without discrimination to substantially all of the retail tenants in the Buildings and shall be consistent with the express terms of this Lease. The rules and regulations herein provided for may include, but shall not be limited to, the hours during which the Common Areas shall be open for use.

#### ARTICLE 10: CONSTRUCTION WORK

Tenant shall not perform any construction or make any alterations, additions or changes in or to the Premises at any time during the Term (herein sometimes collectively called "Construction Work") without Landlord's prior written consent; provided that Tenant shall have the right to make interior, non-structural alterations and improvements that do not penetrate the roof, without Landlord's consent if the cost of the same is less than \$10,000. In no event shall Tenant make or cause to be made any penetration through any roof, floor or exterior or shared wall without the prior written consent of Landlord. Tenant shall be directly responsible for any and all damages, including, without limitation, damages to the Buildings, the Premises and the premises of other tenants in the Buildings resulting from any of Tenant's Construction Work, whether or not Landlord's consent therefor was obtained. Any and all Construction Work which is consented to by Landlord shall be performed in accordance with (a) drawings and specifications prepared by a licensed architect, or engineer and approved in writing by the Landlord before the commencement of the Construction Work, (b) all necessary governmental approvals and permits, which approvals and permits Tenant shall obtain at its sole cost and expense, and (c) all applicable laws, rules, regulations, building codes and other governmental requirements relating thereto. All Construction Work shall conform the terms of any approval or consent given by Landlord and shall be performed in a good and workmanlike manner and diligently prosecuted to completion to the end that the Premises shall at all times be a complete unit except during the period of the Construction Work. Any Construction Work performed by Tenant without Landlord's consent shall be returned to its original condition at Tenant's sole cost and expense upon request by Landlord. Tenant shall perform any Construction Work in such a manner as not to obstruct the access to the premises of any other occupant of the Buildings nor obstruct Common Areas. In the event Tenant shall perform any permitted or required Construction Work, none of the Construction Work need be insured by Landlord under such insurance as Landlord may carry upon the Buildings nor shall Landlord be required under any provisions of this Lease relating to reconstruction of the Premises to reconstruct or reinstall any such Construction Work. If necessary in connection with any Construction Work by Tenant, Landlord and Tenant shall cooperate in designating suitable portions of the Shopping Center lands to serve as a staging area for the storage of Tenant's construction materials, trailers and other equipment, and Tenant shall maintain such areas in a safe and orderly condition. Landlord and Tenant also shall agree upon a suitable access to the Shopping Center for use by all of Tenant's and its contractors' and suppliers' vehicles (and areas for the parking and storage of such vehicles), and Tenant shall cause all of its employees, contractors and suppliers to use only such entrances and no other entrances to the Shopping Center.

#### ARTICLE 11: INDEMNITY AND INSURANCE

##### Section 11.01: TENANT'S INSURANCE.

(a) Tenant further covenants and agrees that from and after the date of delivery of the Premises from Landlord to Tenant, Tenant will carry and maintain, at its sole cost and expense, the following types of insurance, in the amounts specified and in the form hereinafter provided for:

(i) Public Liability and Property Damage. General Public Liability Insurance covering the Premises and Tenant's use thereof against claims for personal and bodily injury or death, property damage and product liability occurring upon, in or about the Premises, such insurance to afford protection to the limit of not less than \$3,000,000 in respect of bodily injury or death to any number of persons arising out of any one occurrence and such insurance against property damage to afford protection to the limit of not less than \$1,000,000 in respect of any instance of property damage. The insurance coverage required under this Section 11.01(a)(i) shall, in addition, extend to any liability of Tenant arising out of the indemnities provided for in

Section 11.03. The general aggregate limits under the General Public Liability Insurance policy or policies must apply separately to the Premises and to Tenant's use thereof. Accordingly, if Tenant obtains the General Public Liability Insurance herein required under the Commercial General Liability form of policies, or their equivalent, Tenant shall also obtain Insurance Services Office ("ISO") Endorsement CG-25-04-11-85 Amendment-Aggregate Limits of Insurance (Per Location) or its equivalent as determined by Landlord (the "Endorsement"). The certificate of insurance evidencing the Commercial General Liability form of policies and the Endorsement shall specify on the face thereof that the limits of such policies apply separately to the Premises. Tenant may self-insure coverage of its plate-glass.

(ii) Boilers. Boiler and machinery insurance in adequate amounts on all fired objects and other fired pressure vessels and systems serving the Premises (if any); and if the said objects and the damage that may be caused by them or result from them are not covered by Tenant's extended coverage insurance, then such insurance shall be in an amount not less than \$250,000 and be issued on a replacement cost basis.

(iii) Tenant Leasehold Improvements and Property. Insurance covering all of the items included in Tenant's leasehold improvements, if any, all heating, ventilating and air conditioning equipment serving the Premises, together with Tenant's trade fixtures, merchandise and personal property from time to time in, on or upon the Premises, and alterations, additions or changes made by Tenant pursuant to Article 10, in an amount not less than one hundred percent (100%) of their full replacement cost from time to time during the Term, providing "all-risk" protection against perils, without limitation, included within the standard state form of fire and broad form extended coverage insurance policy, together with insurance against sprinkler damage, vandalism and malicious mischief. Any policy proceeds from such insurance shall be held in trust by Tenant's insurance company for the repair, reconstruction and restoration or replacement of the property damaged or destroyed unless this Lease shall cease and terminate under the provisions of Article 12.

(iv) Workers' Compensation And Employer's Liability. Workers' Compensation and Employer's Liability insurance affording statutory coverage and containing statutory limits with the Employer's Liability portion.

(b) All policies of insurance provided for in Section 11.01(a) shall be issued in form acceptable to Landlord by insurance companies with a financial size of not less than A+ as rated in the most current available "Best's Insurance Reports", and qualified to do business in the state in which the Buildings are located. Each and every such policy: (i) shall be issued in the name of Tenant and shall name as an additional insured each of Landlord and any other parties in interest from time to time designated in writing by notice from Landlord to Tenant; (ii) shall be for the mutual and joint benefit and protection of Landlord and Tenant and any such other parties in interest; (iii) shall (or a certificate thereof shall) be delivered to each of Landlord and any such other parties in interest within ten (10) days after delivery of possession of the Premises to Tenant and thereafter within thirty (30) days prior to the expiration of each such policy, and, as often as any such policy shall expire or terminate; renewal or additional policies shall be procured and maintained by Tenant in like manner and to like extent; (iv) shall contain a provision that the insurer will give to Landlord and such other parties in interest at least thirty (30) days notice in writing in advance of any material change, cancellation, termination or lapse, or the effective date of any reduction in the amounts of insurance; (v) shall be written as a primary policy which does not contribute to and is not in excess of coverage which Landlord may carry; and (vi) shall contain a provision that Landlord and any such other parties in interest, although named as an insured, shall nevertheless be entitled to recover under said policies for any loss occasioned to it, its servants, agents and employees by reason of the negligence of Tenant. Any insurance provided for in Section 11.01(a) may be maintained by means of a policy or policies of blanket insurance, covering additional items or locations or insureds, provided, however, that: (i) Landlord and any other parties in interest from time to time designated by Landlord to Tenant shall be named as an additional insured thereunder as its interest may appear; (ii) the coverage afforded Landlord and any such other parties in interest will not be reduced or diminished by reason of the use of such blanket policy of insurance; (iii) any such policy or policies [except any covering the risks referred to in Section 11.01(a)(i)] shall specify therein (or Tenant shall furnish Landlord with a written statement from the insurers under such policy

specifying) the amount of the total insurance allocated to the Tenant's improvements and property more specifically detailed in Section 11.01(a)(iii); and (iv) the requirements set forth in this Article 11 are otherwise satisfied.

#### Section 11.02: LANDLORD'S INSURANCE.

(a) Landlord shall at all times during the Term carry and maintain the following types of insurance in the amounts specified and in the form hereinafter provided for:

(i) Public Liability and Property Damage. General Public Liability Insurance against claims for bodily injury or death and property damage occurring upon, in or about the Common Areas, such insurance to afford protection to the limit of not less than \$5,000,000 in respect to injury or death to any number of persons arising out of any one occurrence and such insurance against property damage to afford protection to the limit of not less than \$1,000,000 in respect of any instance of property damage.

(ii) Landlord's Real and Personal Property. Insurance covering the Buildings [excluding Tenant's improvements and property required to be insured by Tenant pursuant to Section 11.01(a)(iii)] in an amount not less than one hundred percent (100%) of full replacement cost (exclusive of the cost of excavations, foundations and footings), from time to time during the Term, providing protection against perils included within the standard state form of fire and extended coverage insurance policy, together with insurance against sprinkler damage, vandalism and malicious mischief, and such other risks as Landlord may from time to time determine and with any such, deductibles as Landlord may from time to time determine, provided any such deductibles shall not be more than Fifty Thousand Dollars (\$50,000) per claim.

(iii) Rent Insurance. Rent insurance with respect to the premises of the tenants in the Shopping Center if available at a cost which Landlord in its sole judgment deems reasonable, against loss of rents for reasons set forth in Section 12.04 in an aggregate amount equal to not more than twenty-four (24) times the sum of (i) the monthly requirement of Minimum Rent of such tenants, plus (ii) the average monthly amount estimated from time to time by Landlord to be payable by such tenants as Percentage Rent and as Additional Rent pursuant to their leases.

(b) Any insurance provided for in Section 11.02(a) may be maintained by means of a policy or policies of blanket insurance, covering additional items or locations or insureds, provided that the requirements of Section 11.02(a) are otherwise satisfied. Tenant shall have no rights in any policy or policies maintained by Landlord and shall not be entitled to be named an insured thereunder, by reason of payment, as part of the CAM Sum, of its share of Landlord's premiums for the insurance provided for in this Section 11.02 or otherwise.

#### Section 11.03: INDEMNIFICATION.

Tenant agrees that Landlord shall not be liable for any damage or liability of any kind or for any injury to or death of persons or damage to property of Tenant or any other person during the Term from any cause whatsoever (excepting only Landlord's gross negligence or willful misconduct), including without limitation bursting pipes and smoke, the construction, use, occupancy or enjoyment of the Premises by Tenant or any person therein or holding under Tenant, or the happening upon or about the Premises of any event; and Tenant for the purposes of this Section 11.03 shall be deemed to be in exclusive control of the Premises during the Term. Tenant does hereby agree to and shall defend, indemnify and save harmless Landlord and Agent (if any) from all claims, actions, demands, costs and expenses and liability whatsoever, including reasonable attorney's fees, on account of any such real or claimed event, damage or liability and from all liens, claims and demands arising from any occurrence or occurring in, or at the Premises, or arising out of the construction, use, occupancy or enjoyment of the Premises, or at any other location in the Shopping Center and occasioned in whole or in part by any act or omission of Tenant, its agents, contractors, servants, employees or invites. Tenant shall not, however, be liable for, and the foregoing indemnification shall not extend to, any damage or injury occasioned by the gross negligence or willful misconduct of the Landlord unless Tenant is required by this Lease to insure against damage or injury.



Landlord shall indemnify, defend and hold the Tenant harmless from all claims, actions, demands, costs and expenses (including reasonable attorney's fees) arising out of or relating to any act or occurrence in the Common Areas, unless the same is caused by the negligence or willful misconduct of Tenant.

Section 11.04: MUTUAL WAIVERS.

Landlord and Tenant hereby waive any rights each may have against the other on account of any loss or damage occasioned to Landlord or Tenant, as the case may be, their respective property, the Premises, its contents or to the other portions of the Buildings, arising from any risk covered by fire and extended coverage insurance, and to the extent of recovery under valid and collectible policies of such insurance, provided that such waiver does not invalidate such policies or prohibit recovery thereunder. The parties hereto each, on behalf of their respective insurance companies insuring the property of either Landlord or Tenant against any such loss, waive any right of subrogation that such insurers may have against Landlord or Tenant, as the case may be.

Section 11.05: COMPLIANCE WITH INSURANCE AND GOVERNMENTAL REQUIREMENTS.

Subject to Landlord's obligations express obligations under Section 13.01, Tenant agrees at its own expense to comply with (and to make all alterations, improvements and changes required, with respect to the Premises, by) all governmental requirements (including without limitation the Americans with Disabilities Act and comparable legal requirements), as well as the recommendations and requirements, with respect to the Premises, or its use or occupancy, of the insurance underwriters or insurance rating bureau or any similar public or private body and any governmental authority having jurisdiction with respect to the use or occupancy of the Buildings, including, but not limited to, installation of fire extinguisher's or automatic detection and/or suppression systems, any changes, modifications or alterations in the detection and/or suppression systems or additional detectors and/or sprinkler heads or the location of partitions, trade fixtures, or other contents of the Premises.

Section 11.06: EFFECT ON LANDLORD'S INSURANCE.

Tenant shall not do or suffer to be done, or keep or suffer to be kept, anything in, upon or about the Premises which will contravene Landlord's policies insuring against loss or damage by fire or other hazards, or which will prevent Landlord from procuring such policies in companies acceptable to Landlord at regular rates or which will in any way cause an increase in the insurance rates for any portion of Landlord's property. If Tenant violates any prohibition provided for in the first sentence of this Section 11.06, Landlord may, without notice to Tenant, correct the same at Tenant's expense. Tenant shall pay to Landlord as Additional Rent forthwith upon demand the amount of any increase in the premiums for insurance resulting from any violation of the first sentence in this Section 11.06, even if Landlord shall have consented to the doing of or the keeping of anything on the Premises which constituted such a violation (but payment of such Additional Rent shall not entitle Tenant to violate the provisions of the first sentence of this Section 11.06).

Section 11.07: LIMIT OF LANDLORD'S RESPONSIBILITY.

Landlord shall not be responsible or liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying space adjoining the Premises or any other part of the Shopping Center or the Buildings, or for any loss or damage resulting to the Tenant or its property from bursting, stoppage or leaking of water, gas, sewer or steam pipes or other utility lines or for any damage or loss of property within the Premises from any cause whatsoever. Such limitation of responsibility and liability shall not, however, apply to Landlord's gross negligence or willful misconduct, except to the extent such gross negligence or willful misconduct is to be insured against by Tenant pursuant to this Lease.

## ARTICLE 12: DAMAGE OR DESTRUCTION

### Section 12.01: LANDLORD'S DUTY TO RECONSTRUCT

In the event the Buildings are damaged or destroyed by any of the risks referred to in Section 11.02(a)(ii) against which Landlord is obligated to procure insurance, Landlord shall (subject to being able to obtain all necessary permits and approvals therefor, including without limitation permits and approvals required from any agency or body administering environmental law, rules or regulations), within one hundred twenty (120) days after such damage or destruction (unless this Lease is terminated pursuant to Section 12.03), commence to: (a) repair or reconstruct the Buildings, and (b) repair or reconstruct the Premises to substantially the same condition as the Premises were originally delivered to Tenant. Landlord shall prosecute all such work diligently to completion. In no event shall Landlord be liable for interruption to Tenant's business or for damage to or repair or reconstruction of any of those things which Tenant is required to insure pursuant to Section 11.01 (a)(iii); nor shall Landlord be required to expend more for any repair or reconstruction pursuant to this Section than the net amount of insurance proceeds received by Landlord in connection therewith plus the deductible amount under Landlord's policy.

### Section 12.02: TENANT'S DUTY TO RECONSTRUCT

If any item which Tenant is required to insure pursuant to Section 11.01(a) (iii) is damaged or destroyed by fire or any of the other risks referred to therein, Tenant shall (subject to being able to obtain all necessary permits and approvals therefor, including without limitation permits and approvals required from any agency or body administering environmental laws, rules and regulations), within fifteen (15) days after Landlord has substantially repaired or reconstructed the Buildings and the portion of the Premises Landlord is obligated to repair or reconstruct pursuant to Section 12.01 (unless this Lease is terminated pursuant to Section 12.03) commence to repair or reconstruct such damaged or destroyed items to at least substantially the same condition in which they were prior to such damage or destruction and prosecute the same diligently to completion, and promptly thereafter Tenant shall reopen the Premises for business to the public. In all events, Tenant and not Landlord shall be solely responsible for the reconstruction and rehabilitation and repair of Tenant's leasehold improvements and trade fixtures, furnishings, equipment and property.

### Section 12.03: RIGHT TO TERMINATE.

(a) Landlord shall have the option to terminate this Lease upon giving written notice to Tenant of the exercise thereof within one hundred twenty (120) days after the Landlord's Building is damaged or destroyed if: (i) the Premises are rendered wholly unfit for carrying on the Tenant's business after damage to or destruction thereof from any cause; or (ii) the Buildings are damaged or destroyed as a result of any flood, earthquake, act of war, nuclear reaction, nuclear radiation or radioactive contamination, or from any other risk not covered by insurance which Landlord is obligated to procure pursuant to Section 11.02(a)(ii); or (iii) any damage to or destruction of the Buildings occurs within the last three (3) Years of the Term or in any Partial Year at the end of the Term; or (iv) fifty percent (50%) or more of the GLA in the Buildings immediately prior to the damage or destruction is rendered unfit for carrying on business therein; or (v) the lease entered into between Landlord and any Major shall be terminated as a result of such casualty, or (vi) the holder of any mortgage on the Landlord's Building shall not release to Landlord adequate proceeds of insurance for the payment of the costs of such restoration.

(b) If the Premises are rendered wholly unfit for carrying on the Tenant's business after damage to or destruction thereof from any cause within the last Rent Year of the Term, Tenant shall have the option to terminate this Lease upon giving written notice to Landlord of the exercise thereof within thirty (30) days after the Premises are damaged or destroyed. Unless so terminated, this Lease shall continue in full force and effect, and Landlord and Tenant shall perform their respective obligations under Sections 12.01 and 12.02. Upon any termination of this Lease under any of the provisions of this Section 12.03, the Rent shall be adjusted as of the date of such termination and the parties shall be released thereby without further obligation to the other party coincident with the surrender of possession of the Premises to the Landlord, except

for items which have been theretofore accrued and are then unpaid.

#### Section 12.04: ABATEMENT OF RENT.

If this Lease is not terminated pursuant to Section 12.03 after damage or destruction of the Buildings, and if the Premises are rendered wholly or partially unfit for carrying on Tenant's business by such damage or destruction, then the Minimum Rent and the Additional Rent payable by Tenant under this Lease during the periods as the Premises are so rendered unfit shall be abated, and (if Percentage Rent is payable hereunder) the Gross Sales Break Point and Partial Year Break Point shall be reduced in direct proportion to the percentage of the GLA in the Premises which is rendered unfit for that period. In no event shall such abatement or reduction continue later than sixty (60) days following the date on which the earlier of the following occurs: (i) Landlord has substantially repaired or reconstructed the Buildings and the portion of the Premises Landlord is obligated to repair or reconstruct pursuant to Section 12.01, and Landlord has redelivered the Premises to Tenant, or (ii) Tenant opens the Premises for business to the public with a selling area, available for Tenant's use, of not less than 80% of the Selling area available to Tenant prior to the occurrence of such damage or destruction.

#### Section 12.05: DEMOLITION OF THE BUILDINGS.

For the purposes of this Article 12, if the Buildings (or any part thereof) are so substantially damaged that it is reasonably necessary, in Landlord's judgment, to demolish the same for the purpose of reconstruction, Landlord may demolish the same, in which event Landlord may treat such demolition as if it had been caused by the same cause as caused the damage to the Buildings.

### **ARTICLE 13: MAINTENANCE OF PREMISES**

#### Section 13.01: LANDLORD'S DUTY TO MAINTAIN STRUCTURE.

Landlord will keep the roof, the exterior face of structural walls, foundation, load bearing beams, columns and structural floor or floors which enclose the Premises (excluding floor coverings, such as carpeting, terrazzo and other special flooring, walls installed at the request of Tenant, doors, windows and glass and window frames) in good repair and in compliance with all laws, including the Americans with Disabilities Act of 1990, subject to the provisions of Article 8. Landlord shall use reasonable efforts to not interfere with Tenant's business when making such repairs. Notwithstanding the foregoing provisions of this Section 13.01, Landlord shall not in any way be liable to Tenant unless Tenant shall have given Landlord written notice of the necessity for such repairs, and provided that any damage necessitating such repairs shall not have been caused by the omission, negligence or willful act of Tenant, its concessionaires, officers, employees, licensees or contractors or by the failure of Tenant to perform any of its obligations under this Lease (in either of which events Tenant shall be responsible therefor) or have been caused to any of the items Tenant is required to insure pursuant to Article 11. Landlord shall be under no liability for repair, maintenance, alteration, improvement, reconstruction, renewal or any other action with respect to the Premises or any part thereof, or any plumbing, electrical, heating, ventilating, air conditioning, or other mechanical installation therein, except as may be expressly set forth in this Lease. Landlord's obligations under this Lease shall not include: (i) any repair, maintenance or replacement of any defective workmanship or material performed or installed as a part of Tenant's Work, or subsequently performed by anyone other than Landlord, its employees, agents or contractors; (ii) any repair, maintenance or replacement required as a result of the negligence, misconduct or abuse of Tenant or any assignee, subtenant or other occupant of the Premises by, through or under Tenant, or their respective employees, agents or contractors; (iii) the maintenance, repair or replacement of windows, doors and glass or related frames or moldings, non-structural walls, the HVAC and electrical, plumbing, communications and other utility systems, equipment and fixtures or any components thereof, or of any other components of the Premises not specifically enumerated in this Section; (iv) patching and other maintenance of the roof(s) of the Buildings enclosing the Premises to the extent necessitated by the placement of any of Tenant's equipment or fixtures or by any other acts of Tenant; (v) any improvements, upgrades or modifications required to be made to any foundations, exterior and interior load-bearing walls, roofs and/or structural members of the building constructed on the

Premises required or desirable in connection with any improvements or betterments which Tenant constructs or intends to construct on or to the Premises; or (vi) any work, maintenance, improvements or replacements otherwise expressly allocated to Tenant under any other provisions of this Lease. Whenever Landlord shall enter, or perform any work in or about the Premises, such entry shall be made, and such work shall be performed, to the extent practicable, without interfering with the conduct of Tenant's business.

#### Section 13.02: TENANT'S DUTY TO MAINTAIN PREMISES.

Tenant will at all times, from and after delivery of possession of the Premises to Tenant, at its own cost and expense, maintain and make all needed repairs and replacements, and do all other work at, to or for the Premises and every part thereof to render and maintain the same at all times in good and tenantable condition. Tenant's obligation under this Section 13.02 shall include, but not limited to, repairing, replacing and otherwise maintaining items as required by any governmental agency having jurisdiction thereof, ceilings, utility meters, pipes and conduits outside the Premises which are installed by Tenant or which exclusively serve the Premises, all fixtures, heating, ventilating and air conditioning equipment (whether such heating, ventilating and air conditioning equipment is located inside the Premises or on the roof of the Buildings), sprinkler equipment and other equipment within the Premises, the store front or store fronts, all of Tenant's signs, security grilles or similar enclosures, locks and closing devices, and all window sash, casement or frames, doors and door frames; provided that Tenant shall make no adjustment, alteration or repair of any part of any sprinkler, life safety or other detection or suppression system in or serving the Premises without Landlord's prior approval. Tenant shall permit no waste, damage or injury to the Premises and Tenant shall initiate and carry out a program of regular repair and other maintenance of the Premises, including the painting or refinishing of all areas of the interior and the storefront as approved by Landlord, so as to impede, to the extent possible, deterioration by ordinary wear and tear and to keep the same in attractive condition. Tenant will not overload the electrical wiring or other systems serving the Premises or within the Premises, and will install at its expense, but only after obtaining Landlord's written approval, any additional electrical wiring or other items which may be required in connection with Tenant's apparatus. Tenant shall not install any exterior gates, barriers or other comparable exterior security device without Landlord's prior approval. Tenant agrees to maintain, with a reputable contractor, a regular service and maintenance contract on the HVAC equipment and systems servicing the buildings and improvements on the Premises, with routine inspections and servicing as recommended by the HVAC manufacturer. Landlord shall assign to Tenant any warranties applicable to the HVAC system, and Tenant shall make all required repairs and replacements thereto.

#### Section 13.03: RIGHT OF ACCESS TO THE PREMISES

Landlord and its authorized representative may enter the Premises at any and all times during usual business hours for the purpose of inspecting the same (and at all other times in the case of an emergency), and to perform such work therein (including work relating to the Common Areas and to facilities within easement areas accessible through the Premises), as may reasonably be required from time to time. Tenant further agrees that Landlord may from time to time go upon the Premises and make any additions, alterations or repairs and do other work to the Premises or to any utilities, systems or equipment located in, above or under the Premises which Landlord may deem necessary or desirable to comply with all governmental requirements and/or recommendations of an insurance rating bureau or of any similar public or private body or that Landlord may deem necessary or desirable to prevent waste or deterioration in connection with the Premises if the Tenant does not make or cause such additions, alterations, repairs or other work to be made or performed promptly after receipt of written demand from Landlord. In exercising the foregoing rights, Landlord shall plan and coordinate all of the same with Tenant's management at the Premises so as to minimize any adverse impact on Tenant's use of and the business operated within the Premises, and so as to give due consideration to the protection and preservation of Tenant's trade secrets and proprietary information. Nothing herein contained shall imply any duty on the part of Landlord to do any such work which under any provision of this Lease that Tenant may be required to do, nor shall it constitute a waiver of Tenant's default in failing to do the same. In the event Landlord performs or causes any such work to be performed, Tenant shall pay the cost thereof to Landlord forthwith as Additional Rent upon

receipt of a bill therefor. Landlord may install any and all materials, tools and equipment, and pipes, ducts, conduits, wires and other mechanical equipment serving other portions, tenants and occupants of the Buildings in, through, under or above the Premises that Landlord deems desirable therefor, without the same constituting an actual or constructive eviction of Tenant. Landlord may also enter the Premises at all times during usual business hours for the purpose of showing the Premises to prospective purchasers, mortgagees and tenants. No exercise by Landlord of any rights provided in Section 13.01 or 13.03 shall entitle Tenant to any damage for any inconvenience, disturbance, loss of business or other damage to Tenant occasioned thereby nor to any abatement of Rent.

#### Section 13.04: CONFLICTS.

To the extent, if any, that there may be any conflict between this Article 13 and Article 12, or between this Article 13 and Article 22, Article 12, if applicable, or Article 22, if applicable, shall prevail.

### **ARTICLE 14: FIXTURES AND PERSONAL PROPERTY**

#### Section 14.01: TENANT'S PROPERTY: REMOVAL.

Any trade fixtures, signs, counters, shelving, inventory, showcases, mirrors, and other personal property of Tenant not permanently affixed to the Premises shall remain the property of Tenant. Tenant shall have the right, at any time and from time to time during the Term, to alter or remove such trade fixtures and personal property from the Premises, provided that Tenant shall at all times Tenant maintain at the Premises adequate trade fixtures and equipment customary for the conduct of the retail use specified in the Fundamental Lease Provisions. Tenant at its expense shall immediately repair and otherwise make good any damage occasioned to the Premises by reason of installation or removal of any such personal property unless such damage is caused by Landlord, and if Tenant fails to remove such items from the Premises prior to such expiration or termination, or if this Lease is terminated and Tenant fails to remove such items from the Premises prior to the effective date of such termination, then in any such event all such personal property shall, at Landlord's option, thereupon become the property of Landlord, without further act by either party hereto, unless Landlord elects to require their removal, in which case Tenant shall promptly remove same and restore the Premises to its prior condition at Tenant's expense. Provided there exists no uncured Event of Default on the part of Tenant hereunder, and upon reasonable advance written request, Landlord agrees to execute such reasonable waivers of Landlord's liens or rights in Tenant's property, arising out of this Lease or the lease relationship between Landlord and Tenant, in favor of institutional lenders, equipment lessors or other institutional lenders, excepting only any interest which may hereafter be obtained pursuant to any valid and final judgment and attachment thereunder (which shall, however, be subject and subordinate to Lender's interest under any perfected security interest in the Collateral), and agrees not to distraint or levy upon any of the Collateral or to assert any claim against the Collateral for any reason excepting pursuant to such final judgment, if any is hereafter taken (subject and subordinate, as aforesaid). Such form of waiver shall provide that the beneficiary thereof shall not enter upon the Premises without first notifying Landlord (which notice may, after Lender's initial entry, be actual telephonic notice communicated in person to a representative of Landlord after Lender shall first have notified Landlord in writing prior to its initial entry), and that such beneficiary shall promptly repair, at its expense, any physical damage to the Premises actually caused by said removal by such beneficiary or its agents.

#### Section 14.02 IMPROVEMENTS TO PREMISES.

All improvements to the Premises by Tenant, including, but not limited to, the items furnished pursuant to Tenant's Work, alterations, changes and additions by Tenant, light fixtures, floor coverings and partitions, but excluding trade fixtures and signs and other personal property specified in Section 14.01, shall become the property of Landlord upon expiration or earlier termination of this Lease; provided, however, that Landlord may designate by written notice to Tenant those alterations, changes, and additions made in the Premises after the Rent Commencement Date which shall be removed by Tenant at the expiration or termination of this Lease, in which event Tenant shall at Tenant's sole cost and expense promptly remove the same

and repair and otherwise make good the damage to the Premises caused by such removal or by the installation of such alterations, changes or additions.

## ARTICLE 15: ASSIGNMENT AND SUBLETTING

### Section 15.01: RESTRICTIONS UPON TRANSFERS AND REQUIREMENTS.

(a) Except as expressly permitted hereunder, Tenant shall not permit anyone other than Tenant to occupy the Premises or any part thereof and shall not transfer, assign, sublet, enter into license or concession or other occupancy or use agreements or mortgage or hypothecate this Lease or the Tenant's interest in and to the Lease or the Premises or any part thereof (herein collectively referred to as "Transfer") without first obtaining in each and every instance the prior written consent of Landlord which Landlord may withhold in its sole discretion and the ensuing provisions of this Article 15 are subject hereto. Any attempted Transfer without such prior written consent shall be an Event of Default, shall not be binding upon Landlord, shall confer no rights upon any third person and shall not relieve Tenant of its obligations under this Lease. Any Transfer by merger, consolidation, liquidation or otherwise by operation of law, including, but not limited to, an assignment for the benefit of creditors, shall be included in the term "Transfer" for the purposes of this Lease and shall be a violation of this Section 15.01 and an Event of Default, except as otherwise specifically set forth in this Article 15. Consent by Landlord to any Transfer shall not constitute a waiver of the necessity for such consent to any subsequent Transfer. If there is a Transfer after having obtained Landlord's prior written consent thereto, Tenant agrees nevertheless to and shall remain fully liable for the full performance of each and every obligation under this Lease to be performed by Tenant.

(b) If Tenant desires to make a Transfer not expressly permitted hereunder, Tenant shall deliver to Landlord written notice (the "Request Notice") requesting Landlord's consent to the such Transfer at least thirty (30) days prior to the date on which, with Landlord's prior written consent, the Transfer would be effective. The Request Notice shall contain, without limitation, at least: (i) the full identification of the prospective transferee; (ii) the most recent financial statements and other evidence of its financial responsibility and business performance; (iii) its proposed specific use and business proposed to be conducted at the Premises (which shall not be other than the use expressly permitted hereunder unless Landlord otherwise approves); (iv) the scope of any proposed alterations to the storefront or within the Premises; and (v) the monetary and non-monetary terms and conditions of the prospective Transfer.

(c) As to any proposed Transfer not expressly permitted hereunder, and in lieu of approving or disapproving such Transfer, Landlord shall have the right and option (the "Take-back Option"), exercisable by Landlord giving Tenant written notice within thirty (30) days after Landlord's receipt of the Request Notice, of terminating this Lease with respect to the Premises. Such election by Landlord to exercise its Take-back Option shall be effective unless, within ten (10) days following Landlord's written notice to Tenant exercising such Take-back Option Tenant notifies Landlord in writing of Tenant's election to withdraw Tenant's Request Notice. If Landlord elects to exercise such Take-back Option, this Lease shall terminate effective on the sixtieth (60th) day after the date of Landlord's written notice of Landlord's exercise thereof, whereupon the Rent shall be adjusted as of the date of such termination and the parties shall be released thereby without further obligation to the other party coincident with the surrender of possession of the Premises to the Landlord, except for items which have been theretofore accrued and are then unpaid. The Take-back Option shall not be exhausted any one exercise thereof by Landlord but shall be exercisable from time to time and as often as there is such Transfer. The Take-back Option may be exercised by any assignee of Landlord's right, title and interest in this Lease or any other person which at the time of the Request Notice is Landlord under this Lease. If after receipt of the Request Notice Landlord requests additional or further information which Landlord reasonably requires to consider a Transfer, Tenant shall deliver such information to Landlord upon Landlord's request therefor and the period for Landlord to exercise the Take-back Option shall be extended by the number of days between Landlord's request for Landlord's receipt of such additional or further information.

(d) If Landlord does not elect to exercise the Take-back Option and elects to give Landlord's written consent to such Transfer, Tenant shall pay to Landlord, as Additional Rent,

the sum equal to (i) all sums and other economic consideration received by Tenant at any time whatsoever as a result of the Transfer whether denominated rentals or otherwise which exceed, in the aggregate, the total sums which Tenant is obligated to pay and does pay Landlord under this Lease (prorated to reflect obligations allocable to that portion of the Premises which is the subject of the Transfer) without affecting or reducing any other obligation of Tenant hereunder, over (ii) sums actually paid by Tenant to Landlord on account of Tenant's obligations under this Lease, all reasonable and actual third-party expenses incurred by Tenant in connection with such Transfer which are not otherwise reimbursed to Tenant (including brokerage commissions, leasehold improvement costs expended solely in connection with and at the time of such Transfer pursuant to a bona fide obligation undertaken with such transferee, reasonable attorney's fees and accounting expenses), the fair and reasonable market value of all leasehold improvements constructed by Tenant at the Premises and conveyed to the Transferee, and the fair and reasonable value of all inventory, trade fixtures and personal property conveyed to such transferee, together with an amount equal to ten (10%) of the foregoing sums on account of Tenant's business goodwill. If such transfer is made in connection with a transfer by Tenant (directly or indirectly) of Tenant's business(es) at multiple locations, the consideration received by Tenant shall be equitably apportioned among such locations. If the transferor is a corporation whose outstanding voting stock is listed on any national securities exchange (as defined in the Securities Act of 1934, as amended), or if the transferor is a business entity having a tangible net worth in excess of \$20,000,000, the provisions of this subsection shall not be applicable to (i) a transfer of or offer to transfer of any security in Tenant at any public exchange, or (ii) a Transfer which is an integral part of the sale of all or substantially all of the assets of such entity, or a sale of assets constituting a material part of the business operations in the market region in which the Premises are located (provided such sale shall include at least five (5) business locations), or (iii) a merger in which Tenant, its corporate successors or assigns, is merged or consolidated, in accordance with applicable statutory provisions for merger or consolidation, so long as the liabilities of the parties participating in such merger or consolidation are assumed by the party surviving such merger or created by such consolidation.

(e) If Landlord gives Landlord's written consent to the delivery of possession by Tenant to and occupancy by the prospective transferee approved by Landlord), and such Transfer is not consummated by the parties thereto within ninety (90) days after the date Landlord gives its written consent to such Transfer (as evidenced by written notice to Landlord within such time confirming the occurrence of such Transfer), then Landlord's written consent and the Transfer shall be automatically null, void and of no force or effect whatsoever.

(f) In the event of any Transfer (whether or not otherwise expressly permitted hereunder) of this Lease by Tenant, or by any assignee or successor to Tenant, and as a condition to the effectiveness of such assignment, the Transferee shall execute and deliver to Landlord an assumption of all of Tenant's obligations under the Lease thereafter accruing.

(g) Payment of rentals due hereunder by any party other than the Tenant named herein, and Landlord's acceptance of such payment, shall not be deemed to act as a consent to the assignment of this Lease or to the subletting of the whole or any part of the Premises to such party, to the extent such consent may be required hereunder; nor shall such payment or acceptance relieve Tenant of its obligation to pay the rentals provided herein for the full term of this Lease.

(h) Any transfer of this Lease from Tenant by merger, consolidation, liquidation or otherwise by operation of law, including, but not limited to, an assignment for the benefit of creditors, shall be included in the term "Transfer" for the purposes of this Lease, and shall be a violation of this Section unless the Tenant or other transferee shall comply with all applicable terms and conditions of this Article, if any. Consent by Landlord to any assignment, sublease or other transfer shall not constitute a waiver of the necessity for such consent to any subsequent assignment, sublease or other Transfer, to the extent such consent is required hereunder. Except as may otherwise be authorized under the express terms hereof, the following transactions shall also constitute a "assignment" for purposes of this Article:

- (i) an assignment by operation of law;

(ii) the imposition (whether or not consensual) of a lien, mortgage or encumbrance upon Tenant's interest in this Lease, except as may be specifically authorized under this Lease; provided that the foregoing shall not prevent Tenant from granting security interests in its personal property and trade fixtures;

(iii) an arrangement (including, without limitation, management agreements, concessions, and licenses) which allows the use and occupancy of all or any material part of the Premises by any one other than Tenant (excepting bona fide agreements for the maintenance, upkeep, repair and replacement of the Premises or parts thereof, or other contracts with other parties acting solely as bona fide agents of Tenant);

(iv) a transfer of more than fifty (50%) of the outstanding shares of stock in Tenant or any successor or assignee (if a corporation), excluding transfers at a public exchange or by reason of the death of the holder(s) thereof; and

(v) a transfer of more than fifty (50%) of the interest in the capital of Tenant or any successor or assignee (if a partnership or other non-incorporated entity), excluding transfers at a public exchange or by reason of the death of the holder(s) thereof.

(i) Any attempted assignment or sublease or other Transfer shall not be binding upon Landlord and shall confer no rights upon any third person, unless consented to as aforesaid. Consent by Landlord to any Transfer shall not constitute a waiver of the necessity for such consent to any subsequent Transfer.

(j) In each instance of any Transfer, regardless whether Landlord's consent is required or such Transfer otherwise is permitted hereunder, Tenant shall furnish to Landlord, at least thirty (30) days prior to such Transfer, the following: (i) the name and address of the proposed assignee or subtenant or other Transferee; (ii) a copy of the proposed assignment or sublease or other Transfer document; (iii) reasonably complete information about the nature, business and business history of the proposed assignee or subtenant or other Transferee, and its proposed use of the Premises; and (iv) if requested by Landlord, banking, financial, or other credit information, and references about the proposed assignee or subtenant or other Transferee reasonably sufficient to inform Landlord of the financial responsibility and character of the proposed assignee or subtenant, (v) its proposed specific use and business proposed to be conducted at the Premises (which shall not be other than the use expressly permitted hereunder unless Landlord otherwise approves); (vi) the scope of any proposed alterations to the storefront of within the Premises; and (vii) the monetary and nonmonetary terms and conditions of the prospective Transfer. Tenant shall pay to Landlord (at least 5 days before the effectiveness of such Transfer, and regardless whether such Transfer is approved by Landlord or otherwise becomes effective, the sum of \$500.00, to cover Landlord's costs of review and other administrative expenses incurred by Landlord in connection with such Transfer.

(k) Notwithstanding any assignment or subletting or re-assignment or re-subletting or other Transfer pursuant to this Article or otherwise, whether or not expressly permitted under this Lease or otherwise approved by Landlord, Tenant shall remain fully and primarily liable for the payment and performance of all the terms, conditions and obligations to be performed by Tenant under this Lease, including, but not limited to, the payment to Landlord of all payments due or to become due to Landlord under this Lease. Landlord may exercise all rights and remedies solely against the Tenant, or against Tenant and any one or more assignees or sublessees, as Landlord may determine in its sole discretion; and Tenant shall have no right to join any assignee or subtenant or other third party in any suit brought by Landlord against Tenant hereunder; provided that Tenant shall have the right to maintain such separate actions against any such assignee or sublessee as Tenant may desire, but Tenant shall not seek to consolidate the same with Landlord's action against Tenant. Notwithstanding any provision in any such assignment to the contrary, and notwithstanding any consent by Landlord to any Transfer (unless Landlord shall specifically consent to Tenant's right to resume or recover possession), thereafter, Landlord may exercise against any assignee or subtenant or other Transferee all the rights and remedies herein provided upon an Event of Default on the part of Tenant hereunder, without notice of any kind to Tenant except as may otherwise be required by any law or applicable rule of procedure, but Tenant shall remain liable, jointly and severally, with any assignee or subtenant or other



Transferee for the performance of all of the covenants, conditions and agreements of this Lease, including, but not being limited to, the payment to Landlord of all payments due or to become due to Landlord under this Lease.

**Section 15.02: MERGER: CHANGE OF OWNERSHIP.**

If Tenant is a corporation, Tenant may assign Tenant's interest in this Lease to a parent corporation owning one hundred percent (100%) of the stock of Tenant or to a subsidiary corporation one hundred percent (100%) of the stock of which is owned by Tenant or to a corporation into which Tenant is merged or consolidated or to a corporation acquiring all or substantially all of the assets of Tenant, provided that: (i) the net worth and net operating income of the assignee for at least the three (3) years preceding the assignment shall consistently not be less than the greater of Tenant's (and Tenant's Guarantor's, if any) net worth and net operating income when it executed this Lease or Tenant's (and Tenant's Guarantor's) net worth and net operating income on the date of the assignment; (ii) such assignee shall assume in writing all of Tenant's obligations hereunder and shall agree in writing to operate the business conducted in the Premises under the same trade name, for the same permitted use and in the same manner as Tenant; (iii) Tenant and Tenant's Guarantor, if any, shall continue to remain fully liable for the performance of all of the terms, conditions and obligations to be performed by Tenant under this Lease; (iv) Tenant shall have given Landlord fifteen (15) days prior written notice of such assignment, which notice contains all information and documentation Landlord reasonably requires to satisfy itself as to the above three (3) conditions; and (v) such assignment be at no cost or expense to Landlord or require a modification of this Lease. If Tenant is a corporation, an unincorporated association or partnership, it shall be an Event of Default if Tenant if Tenant shall transfer, assign or hypothecate (or permit the transfer, assignment or hypothecation of) any stock or interest in such corporation, association or partnership so as to result in a change in the control thereof. This Section 15.02 shall not be applicable to Tenant if: (i) it is a corporation whose outstanding voting stock is listed on any national securities exchange (as defined in the Securities Act of 1934, as amended), or (ii) such transaction is an assignment expressly permitted under the terms and conditions of Section 15.03.

**Section 15.03: PERMITTED TRANSFERS.**

Notwithstanding anything to the contrary contained herein, without requiring Landlord's consent but subject to the Qualifications (defined below), Tenant may undertake the following (each a "Permitted Transfer"): (i) a transfer of or offer to transfer any security in Tenant at any public exchange and (ii) an assignment of all or part of this Lease, or a sublease of all or a part of the Premises, to any of the following (each, a "Tenant Affiliate"):

- (1) any corporation or other person or entity ("Party") which has the power to direct Tenant's management and operation (a "Parent"), or any Party whose management and operation is controlled by Tenant; or
- (2) any Party a majority of whose voting stock or other voting interest is owned or controlled by a Parent;
- (3) any Party a majority of whose voting stock or other voting interest is owned or controlled by Tenant; or
- (4) any Party in which or with which Tenant, its corporate successors or assigns, is merged or consolidated, in accordance with applicable statutory provisions for merger or consolidation, so long as the liabilities of the Parties participating in such merger or consolidation are assumed by the Party surviving such merger or created by such consolidation. For purposes hereof, "merger" shall include a sale or transfer of all or substantially all of the locations operated by (or the franchisor's interest in locations franchised by) Tenant, together with all or substantially all of the other assets of Tenant; or
- (5) if Tenant is actively engaged in the business of franchising its proprietary marks and products and has registered for the offering of franchise licenses under the laws of any one or more states of the United States, then Tenant may sublease the Premises to a

bona fide franchisee using Tenant's tradename(s) and duly-licensed pursuant to a written form of franchisee or license agreement substantially comparable to the agreement customarily used by Tenant.

In construing the foregoing clauses, "Tenant" shall mean the Tenant originally named in the caption of this Lease, or its successors pursuant to any transfer(s) otherwise permitted under this Lease.

The "Qualifications" means: (i) the net worth and net operating income of the assignee or transferee for at least the three (3) years preceding the assignment shall consistently not be less than the greater of Tenant's net worth and net operating income when it executed this Lease or Tenant's net worth and net operating income on the date of the assignment; (ii) such assignee or transferee shall possess, in the reasonable determination of Landlord, adequate business experience for a sufficient period of time (in no event less than five (5) years) for the operation of a business enterprise of the nature intended to be operated at the Premises, (iii) such assignee or transferee (or its principals) or its parent corporation shall not have filed or have had filed against it a petition under the United States Bankruptcy Code within five (5) years prior to the effective date of such Transfer, and (iv) such assignee or transferee shall have a bona fide intent, and the financial ability, to fully stock and operate the Premises for the retail use permitted hereunder for the remaining Term of this Lease.

#### ARTICLE 16: DEFAULTS BY TENANT

##### Section 16.01: EVENTS OF DEFAULT.

This Lease is made upon the condition that Tenant shall punctually and faithfully perform and fulfill all of the covenants, conditions and agreements to be performed by it as set forth in this Lease. In addition to events elsewhere stated in this Lease as Events of Default, each of the following shall constitute an "Event of Default": (a) the failure by the Tenant to pay Rent or any installment or year-end adjustment thereof, if such failure continues for ten (10) days after written notice thereof by Landlord to Tenant; or (b) the willful failure of Tenant (subject to the application of Section 23.06 hereof) to submit its Plans on or before the Plans Submission Date in accordance with Section 2.03 or to commence Tenant's Work on or before the Construction Commencement Date in accordance with the terms and conditions of Section 2.05; or (c) the willful failure of Tenant (subject to the application of Section 23.06 hereof) to open its business to the public in the Premises on or prior to twenty (20) days after the date on which Tenant is required to open its business to the public pursuant to the terms and conditions of Section 2.05, or the willful failure of Tenant (subject to the application of Section 23.06 hereof) to keep the Premises open on the days and hours and in the manner required by this Lease, or if Tenant vacates or abandons the Premises with the purpose of ceasing Tenant's business operations at the Premises other than by reason of any casualty, condemnation or taking (each in accordance with all other applicable terms of this Lease) or by reason of the application of Section 23.06 hereof; or (d) the failure of Tenant to observe or perform any of the restrictions, covenants, terms or conditions set forth in Article 15 (relating to assignment and subletting); or (e) the failure of Tenant to observe or perform any of the other covenants, terms or conditions set forth in this Lease where said failure continues for a period of twenty (20) days after written notice thereof from Landlord to Tenant (unless such failure cannot reasonably be cured within twenty (20) days and Tenant shall have commenced to cure said failure within twenty (20) days and continues diligently to pursue the curing of the same until completed); or (f) the commencement of levy, execution, or attachment proceedings against Tenant or a substantial portion of Tenant's assets; the commencement of levy, execution, attachment or other process of law upon, on or against the estate created in Tenant hereby; the application for or the appointment of a liquidator, receiver, custodian, sequester, conservator, trustee, or other similar judicial officer (and such appointment continues for a period of thirty (30) days); the insolvency of Tenant in the bankruptcy or equity sense; any assignment by Tenant for the benefit of creditors; or (g) the commencement of a case by or against Tenant or any guarantor, under any insolvency, bankruptcy, creditor adjustment or debtor rehabilitation laws, state or federal (the determination by the Tenant to request relief under any insolvency proceeding, including any insolvency, bankruptcy, creditor adjustment or debtor rehabilitation laws, state or federal, terminating, at Landlord's option, the estate created in Tenant hereby and neither the Premises nor Tenant's interest in this Lease shall become an asset in any

such proceedings), and in the case of any involuntary proceeding such event shall constitute a default only if such proceeding continues for in excess of sixty (60) days following the filing thereof; or (h) repetition or continuation of any failure to timely pay any Rent or other sums reserved hereunder or to timely report Gross Sales as provided in Section 4.06 hereof where such failure shall continue or be repeated for two (2) consecutive months, or for a total of four (4) months in any period of twelve consecutive months; or (i) repetition of any failure to observe or perform any of the other covenants, terms or conditions hereof more than six (6) times, in the aggregate, in any period of twelve (12) consecutive months; or (j) the failure of Tenant to pay when due all taxes, assessments, impositions, excises, fees and other governmental charges imposed upon it or which it is required to withhold or pay.

#### Section 16.02: LANDLORD'S REMEDIES.

(a) Landlord may treat any Event of Default as a material breach of this Lease. Landlord's failure to insist upon strict performance of any covenant, term or condition of this Lease or to exercise any right or remedy it has herein shall not be deemed a waiver or relinquishment for the future of such performance, right or remedy. Each remedy expressly set forth herein shall be concurrent and not exclusive, and shall be in addition to all other remedies which Landlord may have at law or in equity.

(b) Upon or after the occurrence of any Event of Default, if the Rent Term shall not have commenced, Landlord may immediately cancel this Lease by written notice, or if the Rent Term shall have commenced, Landlord may serve upon Tenant a written notice that this Lease and the Term hereof will terminate on a date to be specified therein, which shall not be less than ten (10) days after the date of such notice and in either event, Tenant shall have no right to avoid cancellation or termination by payment of any sum due or by other performance of any condition, term or covenant broken. Upon the date specified in the aforesaid notice of termination, this Lease and the Term hereof shall terminate and come to an end as fully and completely as if such date were the day herein definitely fixed for the end and expiration of this Lease and such Term, and Tenant shall then quit and surrender the Premises to Landlord, but notwithstanding any statute, rule of law, or decision of any court to the contrary, Tenant shall remain liable as set forth hereinafter.

(c) Upon or after any Event of Default which remains uncured; or if this Lease shall be terminated; or if the Premises became vacant or abandoned; then, in all or any of such events, in addition to, and not in lieu of, all other remedies of Landlord, Landlord may without notice terminate all services and/or re-enter the Premises, by summary proceeding or otherwise, and dispossess Tenant and the legal representative of Tenant and all other occupants of the Premises, and remove their effects and repossess and enjoy the Premises, together with all alteration, additions and improvements, all without being liable to prosecution or damages therefor.

(d) In the event of any uncured Event of Default, re-entry, termination and/or dispossession by summary proceedings or otherwise, in addition to, and not in lieu of, all other remedies which Landlord has under this Lease, at law or in equity:

(1) the Minimum Rent shall become due thereupon and be paid up to the time of such re-entry, dispossession and/or expiration; and

(2) Landlord may relet the Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term which may at Landlord's option be less than or exceed the period which would otherwise have constituted the balance of the term of this Lease, and may grant commercially reasonable concessions; and

(3) Tenant or the legal representative of Tenant shall also pay Landlord at Landlord's option and whether or not Landlord has terminated or canceled this Lease, for each month of the period which would otherwise have constituted the balance of the term, the excess, if any, of (i) the monthly installment of Minimum Rent, the monthly payment of Tenant's Tax Charge and CAM Charge that would have been payable for the period in question but for such

re-entry or termination, over (ii) the net amount, if any, of the rents actually collected on account of the lease or leases of the Premises for such month.

The reasonable refusal or failure of Landlord to rent the Premises or any part or parts thereof shall not release or affect Tenant's liability for damages. In computing such damages, there shall be added to the said deficiency such expenses as Landlord may incur in connection with reletting, such as court costs, attorney's fees and disbursements, brokerage, and management fees and commissions, cost of refurbishing and maintaining the Premises in good order and costs of preparing the Premises for reletting as hereinafter provided. Any such damages shall be paid in monthly installments by Tenant on the day specified in this Lease for the payment of Minimum Rent and any action brought to collect the amount of deficiency for any month shall not prejudice in any way either the rights of Landlord to collect the deficiency for any subsequent month by a similar proceeding. In addition to the damages provided in this Section, Landlord shall also be entitled to recover as damages from Tenant all non-recurring sums and charges remaining unpaid and which are due or becoming due from Tenant pursuant to this Lease including, but not limited to, late fees and interest, as provided elsewhere herein. Landlord, at Landlord's option, may make such alterations, repairs, replacements and/or decorations in the Premises as Landlord, in Landlord's sole judgement, considers advisable and necessary for the purpose of reletting the Premises; and the making of such alterations and/or decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. Landlord shall, in no event, be liable in any way whatsoever for failure to relet the Premises, or in the event that the Premises are relet, for failure to collect the rent thereof under such reletting.

(e) If this Lease is terminated pursuant to the provisions of this Article, and at Landlord's sole option and as an alternative to other damages on account of unrecovered rents owed by Tenant as a result of such termination, Landlord will be entitled to recover from Tenant (i) the worth at the time of award of the unpaid Rent earned at the time of termination; (ii) the worth at the time of award of the unpaid Rent which would have been earned (but for such termination) after termination until the time of award to the extent the same exceeds the amount of such rent loss that Tenant proves could reasonably have been avoided; (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term of this Lease after the time of award exceeds the amount of such rent loss that Tenant proves could reasonably be avoided; and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result from such failure. The "worth at the time of award" of the amount referred to in clauses (i) and (ii) is computed by allowing interest at the Default Rate (but in no event more than the highest rate permitted by law if any restriction upon the rate collectable by Landlord hereunder is applicable). The worth at the time of award of the amount referred to in clause (iii) is computed by discounting such amount at the discount rate of the Federal Reserve Bank of Philadelphia, PA at the time of award. The "Default Rate" means that rate of interest which is five percent (5%) over the announced prime rate of Mellon Bank, N.A., Philadelphia, Pennsylvania or any successor thereto or other bank selected by Landlord. If Percentage Rent is payable hereunder, then for purposes of clause (iii) of this paragraph "Rent" for each Rent Year shall mean a sum equal to 125% of the Minimum Rent for each applicable period.

(f) In the event of a breach or threatened breach by Tenant of any of the covenants or provisions hereof, Landlord shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this Lease of any particular remedy shall not preclude Landlord from any other remedies under this Lease, now or hereafter existing at law or in equity or by statute.

(g) The words "re-enter" and "re-entry" as used in this Lease are not restricted to their technical legal meaning.

(h) Landlord shall have no responsibility to mitigate damages under this Lease.

(i) Tenant expressly waives: (i) all rights under the Landlord and Tenant Act of 1951, and all supplements and amendments thereto; and (ii) the right to three (3) months' or fifteen (15)

or thirty (30) days' notice required under certain circumstances by the Landlord and Tenant Act of 1951, Tenant hereby agreeing that the respective notice periods provided for in this Lease shall be sufficient in either or any such case.

(j) Landlord's failure to insist upon a strict performance of any covenants of this Lease or to exercise any option or right herein contained shall not be a waiver or relinquishment for the future of such covenant, right or option, but the same shall remain in full force and effect and Landlord shall not be required to give prior notice of its requirement of strict performance of the terms hereof.

(k) INTENTIONALLY OMITTED.

(l) WHEN THIS LEASE AND THE TERM OR ANY EXTENSION OR RENEWAL THEREOF SHALL HAVE EXPIRED, OR TERMINATED ON ACCOUNT OF ANY UNCURED EVENT OF DEFAULT ON THE PART OF TENANT HEREUNDER BY TENANT HEREUNDER, OR UPON AN EVENT OF DEFAULT, IT SHALL BE LAWFUL FOR ANY ATTORNEY OF ANY COURT OF RECORD TO APPEAR AS ATTORNEY FOR TENANT AS WELL AS FOR ALL PERSONS CLAIMING BY, THROUGH OR UNDER TENANT (AND TENANT HEREBY APPOINTS LANDLORD AS THE ATTORNEY-IN-FACT OF TENANT, COUPLED WITH AN INTEREST IN TENANT'S NAME, PLACE AND STEAD AS IF SIGNED AND DELIVERED BY TENANT), AND IN ANY ACTION OR PROCEEDING IN ANY COURT OF COMPETENT JURISDICTION TO CONFESS JUDGMENT IN EJECTMENT (AND OTHERWISE ENTER JUDGMENT FOR POSSESSION OF THE PREMISES) AGAINST TENANT AND AGAINST ALL PERSONS CLAIMING BY, THROUGH OR UNDER TENANT, FOR THE RECOVERY BY LANDLORD OF POSSESSION OF THE PREMISES, FOR WHICH THIS LEASE AND THE APPOINTMENTS HEREIN SHALL BE SUFFICIENT WARRANT; THEREUPON, IF LANDLORD SO DESIRES, AN APPROPRIATE WRIT OF POSSESSION MAY ISSUE FORTHWITH, WITHOUT ANY PRIOR WRIT OR PROCEEDING WHATSOEVER, AND PROVIDED THAT IF FOR ANY REASON AFTER SUCH ACTION SHALL HAVE BEEN COMMENCED IT SHALL BE DETERMINED THAT POSSESSION OF THE PREMISES SHOULD REMAIN IN OR BE RESTORED TO TENANT, LANDLORD SHALL HAVE THE RIGHT FOR THE SAME DEFAULT AND UPON ANY SUBSEQUENT DEFAULT OR DEFAULTS, OR UPON THE TERMINATION OF THIS LEASE OR OF TENANT'S RIGHT OF POSSESSION AS HEREINBEFORE SET FORTH, TO BRING ONE OR MORE FURTHER ACTION OR ACTIONS AS HEREINBEFORE SET FORTH TO RECOVER POSSESSION OF THE PREMISES AND TO CONFESS JUDGMENT (AND OTHERWISE AGREE ON BEHALF OF TENANT TO THE ENTRY OF JUDGMENT) FOR THE RECOVERY OF POSSESSION OF THE PREMISES BY LANDLORD AS HEREINBEFORE PROVIDED. THE FOREGOING WARRANT SHALL NOT BE EXHAUSTED ANY ONE EXERCISE THEREOF BUT SHALL BE EXERCISABLE FROM TIME TO TIME AND AS OFTEN AS THERE IS ANY ONE OR MORE EVENTS OF DEFAULT OR WHENEVER THIS LEASE AND THE TERM OR ANY EXTENSION OR RENEWAL THEREOF SHALL HAVE EXPIRED, OR TERMINATED ON ACCOUNT OF ANY UNCURED EVENT OF DEFAULT BY TENANT HEREUNDER.

(m) IN ANY ACTION, A TRUE COPY OF THIS LEASE (AND OF THE TRUTH OF THE COPY SUCH AFFIDAVIT OR VERIFIED COMPLAINT SHALL BE SUFFICIENT EVIDENCE) SHALL BE SUFFICIENT WARRANT, AND IT SHALL NOT BE NECESSARY TO FILE THE ORIGINAL AS A WARRANT OF ATTORNEY, ANY RULE OF COURT, CUSTOM OR PRACTICE TO THE CONTRARY NOTWITHSTANDING.

TENANT ACKNOWLEDGES AND AGREES THAT THIS LEASE CONTAINS PROVISIONS UNDER WHICH LANDLORD MAY ENTER JUDGMENT BY CONFESSION AGAINST TENANT. BEING FULLY AWARE OF TENANT'S RIGHTS TO PRIOR NOTICE AND A HEARING ON THE VALIDITY OF ANY JUDGMENT OR OTHER CLAIMS THAT MAY BE ASSERTED AGAINST HIM/HER BY LANDLORD

HEREUNDER BEFORE JUDGMENT IS ENTERED, TENANT HEREBY FREELY, KNOWINGLY AND INTELLIGENTLY WAIVES THESE RIGHTS AND EXPRESSLY AGREES AND CONSENTS TO LANDLORD'S ENTERING JUDGMENT AGAINST TENANT BY CONFESSION PURSUANT TO THE TERMS OF THIS LEASE.

TENANT ALSO ACKNOWLEDGES AND AGREES THAT THIS LEASE CONTAINS PROVISION UNDER WHICH LANDLORD MAY, AFTER ENTRY OF JUDGMENT AND WITHOUT EITHER NOTICE OR A HEARING, FORECLOSE UPON, ATTACH, LEVY OR OTHERWISE SEIZE PROPERTY (REAL OR PERSONAL) OF THE UNDERSIGNED IN FULL OR PARTIAL PAYMENT OR OTHER SATISFACTION OF THE JUDGMENT. BEING FULLY AWARE OF TENANT'S RIGHTS AFTER JUDGMENT IS ENTERED (INCLUDING THE RIGHT TO MOVE OR PETITION TO OPEN OR STRIKE THE JUDGMENT), THE UNDERSIGNED HEREBY FREELY, KNOWINGLY AND INTELLIGENTLY WAIVES THESE RIGHTS AND EXPRESSLY AGREE AND CONSENTS TO LANDLORD'S TAKING SUCH ACTIONS AS MAY BE PERMITTED UNDER APPLICABLE STATE AND FEDERAL LAW WITHOUT PRIOR NOTICE TO TENANT. WITHOUT LIMITING THE FOREGOING, TENANT SPECIFICALLY WAIVES THE NOTICES AND NOTICE REQUIREMENTS OF RULES 2956.1, 2958.1, 2958.2, 2958.3, 2973.1, 2973.2, AND 2973.3.

TENANT'S INITIALS:

Section 16.03: LANDLORD'S OPTION TO PERFORM UNPERFORMED TENANT OBLIGATIONS.

In addition to Landlord's rights and remedies elsewhere in this Lease, if Tenant at any time fails to perform any of its obligations under this Lease in a manner reasonably satisfactory to Landlord, Landlord shall have the right, but not the obligation, upon giving Tenant at least ten (10) days prior written notice of its election to do so (in the event of any emergency no prior notice shall be required) to perform such obligations on behalf of and for the account of Tenant and to take all such action to perform such obligations. In such event, Landlord's reasonable costs and expenses incurred therein shall be paid for by Tenant as Additional Rent, upon demand therefor, with interest thereon from the date Landlord performs such work at the Default Rate. The performance by Landlord of any such obligation shall not constitute a release or waiver of Tenant therefrom.

Section 16.04: SECURITY DEPOSIT.

The sum set forth in Section (j) of the Fundamental Lease Provisions is herein called the "Security Deposit". The Security Deposit will be held by Landlord, without interest accruing in favor of Tenant, as security for Tenant's faithful performance of all of the terms and conditions of this Lease for and during the Term. Provided Tenant has not committed an Event of Default under this Lease, Landlord shall return the Security Deposit to Tenant at the expiration of the Term. In no instance shall the amount of the Security Deposit be considered a measure of liquidated or other damages. All or any part of the Security Deposit may be applied by Landlord in total or partial cure by Landlord of any breach or other Event of Default of Tenant. The application of all or any part of the Security Deposit to any obligation or Event of Default on the part of Tenant under this Lease shall not deprive Landlord of any other rights or remedies Landlord may have nor shall such application by Landlord constitute a waiver or assumption by Landlord. If all or any part of the Security Deposit is applied by Landlord to an obligation or Event of Default on the part of Tenant hereunder, Landlord shall have the right to call upon Tenant to restore the Security Deposit to its original amount by giving notice to Tenant and Tenant shall immediately restore the Security Deposit to its original amount by payment thereof to Landlord. Tenant shall not have the right to call upon Landlord to apply all or any part of the Security Deposit to cure any breach or other Event of Default or to fulfill any obligation of Tenant but such use shall be solely in the discretion of Landlord. It is distinctly understood and agreed that should Landlord transfer its interest in this Lease, the Security Deposit may be turned

over by Landlord to Landlord's grantee or other transferee, and upon any such turnover of the Security Deposit, Tenant hereby releases Landlord herein named of any and all liability or other obligation with respect to the Security Deposit, its application and return, and Tenant agrees to look solely to such grantee or other transferee. It is further understood and agreed that these provisions shall also apply to subsequent grantees and other transferee. The Security Deposit shall be deemed the sole property of Landlord.

## ARTICLE 17: LIABILITY OF LANDLORD

### Section 17.01: LANDLORD'S DEFAULT.

Except as otherwise provided in this Lease, Landlord shall not be in default under this Lease unless Landlord fails to perform any of its obligations hereunder and said failure continues for a period of thirty (30) days after written notice thereof from Tenant to Landlord (unless such failure cannot reasonably be cured within thirty (30) days and Landlord shall have commenced to cure said failure within said thirty (30) days and continues diligently to pursue the curing of the same). If Landlord shall be in default under this Lease and, if, as a consequence of such default, Tenant's right of enforcement and recovery on account of any money judgment shall be limited to and shall constitute a lien and charge only upon the right, title and interest of Landlord in the Shopping Center as the same may then be encumbered, and neither Landlord nor any partner, shareholder, officer, employee or agent of Landlord shall be liable for any deficiency or shall otherwise have any personal liability hereunder. In no event shall Tenant have the right to levy execution against any property of Landlord other than Landlord's right, title and interest in the Shopping Center as hereinbefore expressly provided, and the judgment index shall be so noted. No default by Landlord under this Lease shall give Tenant the right to terminate this Lease unless a court of competent jurisdiction shall have first determined, by final judgment, that such default shall so substantially impede the ability of Tenant to occupy the Premises for the conduct of the retail uses permitted under this Lease as to constitute the wrongful constructive eviction of Tenant in breach of Landlord's covenants contained in Article 20 hereof (including any judgment which may be entered for the enforcement of a determination resulting from arbitration pursuant to Section 17.03 hereof). All rights and remedies of Tenant hereunder or available at law or in equity (as limited herein) shall be cumulative and shall not be deemed inconsistent with one another, and any two or more of all such rights and remedies may be exercised at the same time insofar as permitted by law.

### Section 17.02: TRANSFER OF LANDLORD'S INTEREST.

In the event of the sale or other transfer of Landlord's estate, right, title and interest in the Premises or the Shopping Center (except in the case of a sale-leaseback financing transaction in which Landlord is the lessee), Landlord shall transfer and assign to such purchaser or transferee any Security Deposit which may then be held by Landlord pursuant to this Lease, and Landlord thereupon and without further act by either party hereto shall be released from all liability and obligations hereunder derived from this Lease arising out of any act, occurrence or omission relating to the Premises or this Lease occurring after the consummation of such sale or transfer.

### Section 17.03: EXERCISE OF REMEDIES.

Notwithstanding anything to the contrary contained herein, or in any applicable law or rule of procedure, Tenant shall not terminate or attempt to terminate this Lease or abate or reduce (by off-set or otherwise) any payment of Rent or any other sum payable by Tenant under this Lease in the event of any alleged violation of the covenants of Landlord contained in this Lease (including without limitation any alleged violation of any exclusive rights or restrictive covenants contained herein, or for any alleged failure of Landlord to perform any repair or maintenance which Landlord may be obligated to perform if and as expressly provided in this Lease) and if Landlord disputes the occurrence of such failure or the right of Tenant to abate or reduce (by off-set or otherwise) any payment of rent, additional rent or other sum payable by Tenant under this Lease or the amount thereof, unless and until such alleged violation or violations of this Lease shall have been submitted to mandatory, binding arbitration by the parties as follows:

- (i) Not later than ten (10) business days (being defined as days on which Mellon

Bank, N.A., Philadelphia, Pennsylvania (or its successor) is open for business to the public but not including Saturdays or Sundays) after written notice from Tenant to Landlord alleging a default on the part of Landlord or any alleged violation by Landlord of any exclusive rights or restrictive covenants contained herein, Landlord or Tenant shall file formal demand for arbitration with the office of the American Arbitration Association ("AAA") in either Philadelphia County or the county in which the Shopping Center is located. Each party shall thereafter conform with the schedule for the selection of arbitrators (who shall be three in number unless the parties otherwise agree) imposed by AAA; and thereafter the parties shall conform with such schedule and rules of procedure as shall be determined by AAA or such selected arbitrators, including without limitation such schedule as may be determined for any and all discovery, and for the presentation of the case by each. The scope of permitted discovery, and the rules of discovery and procedure to be followed by the parties, shall be determined exclusively by the arbitrators, after consultation with the parties; and the judgment of such arbitrators concerning such rules and scope shall be final. Such arbitrators shall render their determination whether and to the extent this Lease has been violated by the Landlord, and the appropriate remedy for any violation found to have occurred (which may include any remedy otherwise available to Tenant at law or in equity which could be awarded to Tenant against Landlord by a court of competent jurisdiction), and all related issues, promptly following the close of the presentation of the parties' cases. Such determination shall be final, absolute and unappealable, and may be enforced with the force of a judgment rendered by a final court of competent jurisdiction, without further appeal. For that purpose, the parties shall have the right to have such determination enforced by a court of competent jurisdiction in the county in which the Shopping Center is located, or by the United States District Court for the Eastern District of Pennsylvania. In the event such determination by the arbitrators awards to Tenant any financial compensation, such compensation may be recovered by Tenant (in addition to Tenant's other remedies) by set-off against Minimum Rents (but not other sums) accruing thereafter under this Lease; provided, however, that such set-off shall not exceed for any month twenty-five percent (25%) of the monthly installment of Minimum Rent payable under this Lease.

(iii) The party not substantially prevailing at such arbitration (as determined by the arbitrators) shall bear the costs, fees and expenses of AAA and the arbitrators. If the arbitrators determine that neither party shall have substantially prevailed, each party shall bear one-half of the costs, fees and expenses of AAA and the arbitrators. All other costs of arbitration, including expert witness fees and discovery costs shall be paid by the parties in such manner as shall be determined by the arbitrator, in their sole discretion. In the event any party prevailing in such arbitration shall resort to judicial proceedings after such determination is finally made by the arbitrator, and for the enforcement thereof, the non-prevailing party shall pay to the prevailing party all reasonable attorneys fees, court costs and other reasonable expenses incurred in connection with such enforcement proceedings.

#### ARTICLE 18: SUBORDINATION AND ATTORNMEN

(a) Tenant agrees that, except as hereinafter provided, this Lease is, and shall be, subject and subordinate to any lease wherein Landlord is the lessee and to the lien of any or all mortgages or deeds of trust, regardless of whether such lease, mortgages or deeds of trust now exist or may hereafter be created with regard to all or any part of the Shopping Center, and to any and all advances to be made thereunder, and to the interest thereon, and all modifications, consolidations, renewals, replacements and extensions thereof. Such subordination shall be effective without the execution of any further instrument. Tenant also agrees that any lessor, mortgagee or trustee may elect to have this Lease prior to any lease or lien of its mortgage or deed of trust, and in the event of such election and upon notification by such lessor, mortgagee or trustee to Tenant to that effect, this Lease shall be deemed prior in lien to the said lease, mortgage or deed of trust, whether this Lease is dated prior to or subsequent to the date of said lease, mortgage or deed of trust. Tenant shall, in the event of the sale or assignment of Landlord's interest in the Premises (except in a sale-leaseback financing transaction), or in the event of any proceedings brought for the foreclosure of, or in the event of the exercise of the power of sale under any mortgage or deed of trust covering the Premises, or in the event of the termination of any lease in a sale-leaseback transaction wherein Landlord is the lessee, attorn to and recognize such purchaser or assignee or mortgagee as Landlord under this Lease. Tenant agrees that, upon the request of Landlord, or any such lessor, mortgagee or trustee, Tenant shall execute and



deliver whatever instruments may be required for such purposes and to carry out the intent of this Article 18, and in the event Tenant fails to do so within twenty (20) days after demand in writing, Tenant does hereby make, constitute and irrevocably appoint Landlord as its attorney-in-fact, coupled with an interest, in its name, place and stead to sign and deliver such instructions as if the same had been signed and delivered by Tenant. Provided that Tenant is a Credit Tenant, as hereinafter defined, the foregoing covenant of subordination shall be conditioned upon delivery to Tenant of a writing confirming that such mortgagee or other party relying upon the covenants of Tenant under this Section agrees not to terminate or disturb Tenant's interest under this Lease unless and until there shall have occurred any Event of Default hereunder which remains uncured after the expiration of any applicable period of grace. A "Credit Tenant" means a business entity either (i) is a corporation or other business entity whose outstanding voting stock is listed on any national securities exchange (as defined in the Securities Act of 1934, as amended), or (ii) is a corporation or other business entity having a net worth in excess of \$20,000,000.

(b) If any institutional lender with which Landlord has negotiated or may negotiate interim or long term financing shall require change(s) in this Lease as a condition or one of the conditions of its approval of this Lease for such financing; and if within twenty (20) days after notice from Landlord if Tenant fails or refuses to execute with Landlord the amendment or amendments to this Lease accomplishing the change(s) which are stated by Landlord to be needed in connection with approval of this Lease for purposes of such financing; Landlord shall have the right to cancel this Lease at any time prior to the delivery of the Premises to Tenant.

#### ARTICLE 19: ESTOPPEL CERTIFICATES

From time to time within fifteen (15) days after request in writing therefor from either party to the other, the other party agrees to execute and deliver to the requesting party, or to such other addressee or addressees as the requesting party may reasonably designate (and the requesting party and any such addressee may rely thereon), a statement in writing in customary commercial form and substance (herein called an "Estoppel Certificate"), certifying as to such matters as may be reasonably requested by the requesting party. Tenant expressly agrees that Landlord may request the issuance by Tenant of an Estoppel Certificate to Landlord's lender(s) at any time, who may act in material reliance thereon.

#### ARTICLE 20: QUIET ENJOYMENT

Upon payment by the Tenant of the Rent herein provided for, and upon the observance and performance of all of the agreements, covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peaceably and quietly hold and enjoy the Premises for the Term without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under Landlord, subject, nevertheless, to the terms and conditions of this Lease, and mortgages, leases and other matters to which this Lease is subject or subordinate.

#### ARTICLE 21: SURRENDER AND HOLDING OVER

##### Section 21.01: DELIVERY AFTER TERM.

Tenant shall deliver up and surrender to Landlord possession of the Premises upon the expiration or earlier termination of the Term, broom clean, free of debris, in good order, condition and state of repair (excepting as may be Landlord's obligation under this Lease and ordinary wear and tear and damage by fire or other casualty), and shall deliver the keys to Landlord or to such other place as may be designated from time to time by notice from Landlord to Tenant. If not sooner terminated as herein provided, this Lease shall terminate at the end of the Term as provided for in Article 3 without the necessity of notice from either Landlord or Tenant to terminate the same.

##### Section 21.02: EFFECT OF HOLDING OVER; RENT.

If Tenant or any party claiming under Tenant remains in possession of the Premises or any part thereof after any termination of this Lease, no tenancy or interest in the Premises shall

result therefrom but such holding over shall be an unlawful detainer and all such parties shall be subject to immediate ouster and removal, and Tenant shall pay upon demand to Landlord during any period which Tenant shall hold the Premises after the Term has expired, as liquidated damages, a sum equal to all Percentage Rent and Additional Rent provided for in this Lease plus an amount computed at the rate of double the Minimum Rent for such period.

## ARTICLE 22: CONDEMNATION

### Section 22.01: ALL OF PREMISES TAKEN

If less than all but more than twenty-five (25%) of the GLA in the Premises is taken by condemnation or right of eminent domain, or if (regardless of the percentage of the GLA in the Premises which is taken) the remainder of the Premises cannot be used for the carrying on of Tenant's business, then in either event Landlord or Tenant shall each have the right to terminate this Lease upon notice in writing to the other party within ninety (90) days after possession is taken by such Condemnation. If this Lease is so terminated, it shall terminate as of the day possession shall be taken by such authority, and Tenant shall pay Rent and perform all of its obligations under this Lease up to that date with a proportionate refund by Landlord of any Rent as may have been paid in advance for a period subsequent to the date of the taking of possession. If this Lease is not so terminated, it shall terminate only with respect to the parts of the Premises so taken as of the day of possession shall be taken by such authority, and Tenant shall pay Rent up to that day with a proportionate refund by Landlord of any Rent as may have been paid for a period subsequent to the date of such taking and, thereafter, the Rent and the Gross Sales Break Point shall be reduced in direct proportion to the amount of GLA of the Premises taken and Landlord agrees, at Landlord's cost and expense, as soon as reasonably possible to restore the Premises on the land remaining to a complete unit of similar quality and character as existed prior to such appropriation or taking (to the extent feasible); provided that Landlord shall not be required to expend more on such restoration than an amount equal to the condemnation award received by Landlord (less all expenses, costs, legal fees and court costs incurred by Landlord in connection with such award) multiplied by the GLA Fraction as of immediately prior to the taking.

### Section 22.02: SHOPPING CENTER TAKEN

If any part of the Shopping Center is taken by Condemnation so as to render, in Landlord's judgment, the remainder unsuitable for use as a shopping center, Landlord shall have the right to terminate this Lease upon notice in writing to Tenant within one hundred twenty (120) days after possession is taken by such Condemnation. If Landlord so terminates this Lease, it shall terminate not later than the day possession is taken by the condemning authority, and Tenant shall pay Rent and perform all of its other obligations under this Lease up to the termination date with a proportionate refund by Landlord of any Rent as may have been paid in advance for a period subsequent thereto.

### Section 22.03: OWNERSHIP OF AWARD

As between Landlord and Tenant, all damages for any Condemnation of all or any part of Shopping Center, including, without limitation, all damages as compensation for diminution in value of the leasehold, reversion and fee, and Tenant's leasehold improvements, shall belong to the Landlord without any deduction therefrom for any present or future estate of Tenant, and Tenant hereby assigns to Landlord all its right, title and interest to any such award. Although all damages in the event of any Condemnation are to belong to the Landlord, whether such damages are awarded as compensation for diminution in value of the leasehold, reversion or fee of the Premises, or Tenant's leasehold improvements, Tenant shall have the right separately to claim and recover from the condemning authority, but not from Landlord (and not in reduction of Landlord's award), such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right for or on account of any cost or expense which Tenant might incur in removing Tenant's merchandise, furniture and fixtures and for the relocation of Tenant's business, and for Tenant's losses from business interruption.

**ARTICLE 23: MISCELLANEOUS****Section 23.01: INTERPRETATION.**

The captions, table of contents and index of defined terms appearing in this Lease are inserted only as a matter of convenience and in no way amplify, define, limit, construe, or describe the scope or intent of such Sections of this Lease nor in any way affect this Lease. Except where otherwise expressly provided, each reference in this Lease to a Section or Article shall mean the referenced Section or Article in this Lease. If more than one person or corporation is named as Landlord or Tenant in this Lease and executes the same as such, or becomes Landlord or Tenant, then and in such event, the words "Landlord" or "Tenant" wherever used in this Lease are intended to refer to all such persons or corporations, and the liability of such persons or corporations for compliance with and performance of all the terms, covenants and other provisions of this Lease shall be joint and several. The neuter, feminine or masculine pronoun when used herein shall each include each of the other genders and the use of the singular shall include the plural. The parties hereto agree that all the provisions of this Lease are to be construed as covenants and agreements as though the words importing such covenants and agreements were used in each separate provision hereof. Although the printed provisions of this Lease were drawn by Landlord, this Lease shall not be construed for or against Landlord or Tenant, but this Lease shall be interpreted in accordance with the general tenor of the language in an effort to reach the intended result.

**Section 23.02: RELATIONSHIP OF PARTIES.**

Nothing herein contained shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of Percentage Rent, nor any other provision contained herein, nor any actions of the parties herein, shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant nor cause Landlord to be responsible in any way for the acts, debts or obligations of Tenant.

**Section 23.03: NOTICES.**

Any notice, demand, request, approval, consent or other instrument which may be or is required to be given under this Lease shall be in writing and, shall be deemed to have been given (i) when mailed by United States registered or certified mail, return receipt requested, postage prepaid, or (ii) when sent by courier guarantying overnight delivery addressed to Landlord or Tenant at the respective addresses set forth in the Fundamental Lease Provisions and/or such other address or addresses as either party may designate by notice to the other in accordance with this Section.

**Section 23.04: SUCCESSORS.**

This Lease and the covenants and conditions herein contained shall inure to the benefit of and be binding upon (subject to Article 17) Landlord, its successors and assigns, and shall be binding upon Tenant, its heirs, successors and assigns and shall inure to the benefit of Tenant and only such assigns of Tenant to whom the assignment by Tenant has been consented to by Landlord (unless such assignment is expressly permitted pursuant to Section 15.02). Nothing in this Section 23.04 shall be deemed to require Landlord to give any such consent.

**Section 23.05: BROKER'S COMMISSION.**

Each party warrants to the other that, other than Agent (if any is identified in the Fundamental Lease Provisions), it has dealt with no other broker, agent or other intermediary in connection with this Lease, and agrees to and shall defend, indemnify and save the other party harmless from all claims, actions, damages, costs and expenses and liability whatsoever, including reasonable attorneys' fees, that may arise from any claim by or through the indemnifying party for a commission, finder's or like fee in connection with this Lease. The fees and commissions of Agent (if any is identified) shall be paid by the party identified as the

responsible party in the Fundamental Lease Provisions.

**Section 23.06: UNAVOIDABLE DELAYS.**

In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, inability to procure labor or materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, fire or other casualty or other reason of a similar or dissimilar nature beyond the reasonable control of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. During Tenant's Construction Period the provisions of this Section 23.06 shall not operate to excuse Tenant from completing construction of the Premises within Tenant's Construction period unless Tenant gives written notice of the delaying event to Landlord within ten (10) days of the occurrence of such delaying event. Such written notice shall specify the nature of the delaying event and the number of days of delay claimed to be resulting therefrom. Tenant's Construction Period shall be extended for a period equivalent to the period of actual delay. After the Rent Commencement Date the provisions of this Section 23.06 shall not operate to excuse Tenant from prompt payment of Rent or any other sums required by the terms of this Lease and shall not extend the Term. Delays or failures to perform resulting from lack of funds or the unavailability of a particular contractor or personnel shall not be deemed delays beyond the reasonable control of a party.

**Section 23.07: SEVERABILITY.**

It is the intention of the parties hereto that if any provision of this Lease is capable of two constructions, one of which would render the provision invalid and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid. If any term or provision, or any portion thereof, of this Lease, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to the persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

**Section 23.08: TIME OF ESSENCE.**

Time, whenever mentioned in this Lease, is of the essence with respect to the performance of the respective obligations of Landlord and Tenant set forth in this Lease.

**Section 23.09: OTHER TENANTS.**

Landlord reserves the absolute right to effect such other tenancies in the Shopping Center as Landlord shall determine in the exercise of its sole business judgment. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant, or occupant or number of tenants, shall during the Term occupy or conduct business at any space in any part of the Shopping Center. Notwithstanding the foregoing, except with respect to the spaces occupied by any Major, including, without limitation, the space occupied by Wal-Mart Stores, Inc., Sam's Club, Old Navy, Barnes & Noble, Babies-R-U's and Bed, Bath & Beyond, no part of the Shopping Center shall be used for the primary purpose as an auditorium, meeting hall, gymnasium, dance hall, billiard or pool hall, massage parlor, video game arcade, bowling alley, skating rink, or adult book or video tape store (provided that chain-type video stores, such as Blockbuster and Hollywood Video, shall not be prohibited). The foregoing restriction shall not apply to any current tenants of the Shopping Center to the extent their leases do not prohibit any of the foregoing uses.

**Section 23.10: APPLICABLE LAW.**

The laws of the state in which the Buildings are located shall govern the validity, performance and enforcement of this Lease. If either party institutes legal suit or action for

enforcement of any obligation contained herein, it is agreed that venue for such suit or action shall be in the state in which the Premises are located.

Section 23.11: WAIVER.

The waiver by a party of any term, covenant, agreement or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, agreement or condition herein contained. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, agreement or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No covenant, term, agreement or condition of this Lease shall be deemed to have been waived by a party, unless such waiver be in writing by such party. No waiver of any covenant, term, agreement or condition of this Lease or legal right or remedy shall be implied by the failure of a party to declare a forfeiture, or for any other reason. No waiver by Landlord in respect to one or more tenants or occupants of the Buildings or any other part of the Shopping Center shall constitute a waiver in favor of any other tenant. Landlord's consent to, or approval of, any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent similar act by Tenant.

Section 23.12: ACCORD AND SATISFACTION.

No payment by Tenant or receipt by Landlord of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Rent nor shall any endorsement or statement, any check or any letter accompanying any such check or payment as Rent or the like be deemed in accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's rights and remedies to recover the balance of such Rent or pursue any other right and remedy provided for in this Lease or available at law or in equity.

Section 23.13: CORPORATE TENANTS.

In the event the Tenant hereunder is a corporation, the persons executing this Lease on behalf of the Tenant hereby covenant and warrant that: the Tenant is a duly constituted corporation qualified to do business in the state in which the Buildings are located, all Tenant's franchise, corporate and other lienable taxes have been paid to date; all future forms, reports, fees and other documents necessary for Tenant to comply with applicable laws will be filed by Tenant when due; and such persons are duly authorized by the governing body of such corporation to execute and deliver this Lease (including the warrant and/or power of attorney provision contained in Articles 16 and 19) on behalf of the corporation.

Section 23.14: LIQUIDATED DAMAGES; ATTORNEY'S FEES.

When liquidated damages are specified anywhere in this Lease, it is understood and agreed that said sum is to be paid to Landlord because Landlord's actual damages will be difficult or impossible to ascertain with accuracy. The obligation of Tenant set forth herein to pay Landlord's attorneys' fees in connection with Tenant's default shall include the obligation of Tenant to pay all reasonable attorneys' fees incurred by Landlord before, during and after trial and on appeal. In the event that Landlord or Tenant brings any legal action to enforce any of its rights or remedies hereunder, the party prevailing in such action shall be paid its reasonable attorney's fees and court costs in connection with such action by the non-prevailing party. It shall not be necessary for a judgment or verdict to be rendered in order to qualify a party as the prevailing party, but the party substantially obtaining the relief or outcome sought in such action shall be the "prevailing party."

Section 23.15: RECORDING.

This Lease shall not be recorded; however Landlord shall have the right to record a short form or memorandum thereof, at Landlord's expense, at any time during the term hereof; provided that any memorandum shall not disclose the monetary business terms contained herein.

**Section 23.16: AGENT OF LANDLORD.**

If an "Agent" is identified herein, the Agent has acted as an agent of Landlord in connection with the execution of this Lease and shall not in any event be held liable to the Landlord or to Tenant for the fulfillment or non-fulfillment of any of the terms or conditions of this Lease or for any action or proceeding that may be taken by Landlord against Tenant, or by Tenant against Landlord. Any waiver of Landlord's liability hereunder, including any waiver of subrogation rights, shall apply with equal force and effect to and as a waiver of any liability of Agent.

**Section 23.17: HAZARDOUS MATERIAL.**

(a) As used herein the term "hazardous material" means any hazardous or toxic substance, material or waste (including, without limitation, petroleum and asbestos and derivatives therefrom) which has been or in the future is determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property and/or the use, storage and or disposal of which is regulated by any governmental authority. If the Premises or any other part of the Shopping Center, or any equipment, trade fixtures or other mechanical apparatus therein contains or is contaminated by any hazardous material as the result of any act or omission of Tenant, its assignee(s) or sublessee(s), or their respective employees, agents, contractors or invites ("Tenant Parties"), Landlord, at its election, shall have the right to (i) cause Tenant to remove and properly dispose of same, all at Tenant's sole cost and expense and in compliance with the provision hereof, or (ii) perform the removal and disposal thereof itself, in which event Tenant shall reimburse Landlord, on demand, for the cost incurred by Landlord in doing so and securing the certifications referred to below. Tenant shall not direct, suffer or permit any of its agents, contractors, employees, licensees or invites to at any time handle, use, manufacture, release, store or dispose of in or about the Premises or the Shopping Center any hazardous materials, or to keep, use, release or dispose of hazardous materials, in violation of any laws, statutes or ordinances presently in effect or hereafter adopted, all amendments to any of them, and all rules and regulations issued pursuant to any of such laws, statutes or ordinances or any judicial or administrative rulings or orders construing the same (collectively, "Environmental Laws"), nor shall Tenant suffer or permit any hazardous materials to be used by Tenant, its agents, contractors, employees or invites in any manner not fully in compliance with all Environmental Laws, in the Premises or the Shopping Center and appurtenant land. Notwithstanding the foregoing, Tenant may handle, store, use or dispose of products containing small quantities of hazardous materials (such as aerosol cans containing insecticides, toner for copiers, paints, paint remover and the like) to the extent customary and necessary for Tenant's use or for retail sale in the ordinary course of Tenant's business provided such business shall not include as a principal part thereof the sale of such hazardous materials (e.g. the sale of gasoline); provided that Tenant shall always handle, store, use, and dispose of any such hazardous materials in a safe and lawful manner and never allow such hazardous materials to contaminate the Premises, Shopping Center and appurtenant land or the environment. Tenant shall not install any storage tanks on any part of the Premises without first obtaining Landlord's written consent. Tenant shall protect, defend, indemnify and hold Landlord harmless from and against any and all loss, claims, liability or costs (including court costs and attorney's fees) incurred by reason of Tenant's failure to fully comply with all applicable Environmental Laws, or the presence, handling, use or disposition in or from the Premises of any hazardous materials (even though permissible under all applicable Environmental Laws or the provisions of this Lease), or by reason of Tenant's failure to keep, observe, or perform any provision of this Section.

(b) If Landlord requires Tenant to remove the hazardous material, Tenant shall retain the services of an environmental engineer and a contractor, both of whom must be previously approved in writing by Landlord. Tenant shall submit to Landlord for approval the insurance certificates of Tenant's environmental engineer and contractor, a written removal plan and detailed plans and specifications which shall disclose, without limitation, the dates on which such work is to be performed and the steps to be taken to protect the public, all public areas in the Shopping Center, and the HVAC, water, sanitary and storm systems from contamination during the removal and disposal process. No work disclosed in the removal plan shall be commenced until Landlord has approved all aspects of such removal and disposal process and Tenant shall only perform such work in strict accordance with the process as approved by Landlord. Tenant, if required by Landlord, shall close for business while such work is being performed. Landlord reserves the right to monitor the performance of such work from time to time and, if Landlord believes that such work is being done in a manner which permits hazardous material to escape from the Premises or otherwise constitutes an unsafe condition, at Landlord's direction Tenant shall immediately cease such work until such

problem has been corrected to Landlord's satisfaction. Tenant shall replace any contaminated equipment or materials removed from the Premises with new equipment or material performing the same function. If asbestos is removed from the Premises, prior to replacing the asbestos with an approved fire retardant material, Tenant shall cause its consulting engineer to perform an air quality test in the Premises and to certify the results thereof in a letter directed from such engineer to Landlord and Agent. Tenant shall not install such fire retardant or reopen for business until the results of such air quality tests are accepted by Landlord. Tenant shall perform such further acts as may be required to make such results acceptable to Landlord. Upon Landlord's acceptance of the air quality test, Tenant shall install the fire retardant material and promptly reopen for business.

(c) If Landlord elects to perform the removal of the hazardous material from the Premises, Landlord shall so notify Tenant of Landlord's anticipated commencement date of such work and Tenant, if required by Tenant, shall close for business not later than such date and remain closed until notified by Landlord to reopen whereupon Tenant shall promptly reopen for business. If Landlord performs such work it shall do so in compliance with all governmental requirements. If directed to do so by Landlord, Tenant shall remove such of its merchandise, personal property and trade fixtures as shall be required by Landlord for the completion of such work or Landlord, its contractors and subcontractors, may relocate the same within the Premises or elsewhere in the Shopping Center during the performance of such work; neither Landlord, Agent, nor their contractors or subcontractors shall be liable to Tenant in any regard for any damage to or loss of such items or for any other acts occurring in the Premises during the performance of such work.

(d) Tenant shall be responsible for, and shall indemnify, defend and save harmless Landlord, its mortgagees, and their respective partners, employees and agents, from all fines, suits, judgments, procedures, claims, actions, damages and liabilities of any kind (including without limitation clean-up costs, reasonable attorneys' fees, court costs, expert and consultant fees and expenses) arising out of or in any way connected with the generation, use, storage or handling of hazardous materials by the Tenant or any of its assignees or sublessees, or their respective officers, employees, agents, contractors or invites, or any spills, releases or discharges of hazardous materials by any of the Tenant Parties at the Premises or any other part of the Shopping Center. Tenant shall reasonably cooperate, in good faith, in connection with any litigation or administrative proceedings with any third parties arising out of any environmental condition of the Premises. Tenant's obligations and liabilities under this Section shall be in addition to and not in limitation of those contained elsewhere in this Lease, shall survive the expiration or termination of this Lease, and shall continue so long as the Landlord or its successors may remain responsible for any releases, spills or discharges of hazardous materials at or from the Premises which occur by reason of any action or omission by any of the Tenant Parties.

(e) If the Term expires or terminates before Tenant and each other Tenant Party has fully performed its remediation obligations (if any) under this Section and such unperformed obligations or the subsequent performance thereof requires occupancy of all or any part of the Premises or otherwise impairs the use and occupancy of the Premises or access thereto for customary retail purposes, then, at the Landlord's sole option, Tenant shall remain liable to Landlord for an amount, as damages for the diminished use and leasability of the Premises, equal to the greater of (i) the then-fair market rental value of the Premises (without deduction for any impairment resulting from contamination by Hazardous Materials for which any of the Tenant's Parties are responsible hereunder), or (ii) the Minimum Rent and all other payment obligations of Tenant under this Lease in effect as of the date of the expiration or termination of the Term, but in each case less any rentals actually received by Landlord acting in good faith in an effort to reasonably mitigate its damages, from the date of the termination or expiration of the Term and until such time as the Tenant has fully performed all of its obligations under this Section.

(f) Landlord hereby releases, indemnifies, holds harmless and agrees to defend Tenant, its affiliates, and their respective directors, officers, shareholders, employees, representatives and agents, from and against any and all claims, suits and actions, together with all fines, liens and penalties, arising on account of or in connection with: (i) the violation of any Environmental Laws by Landlord, its agents, employees or contractors; or (ii) the presence, use, generation, storage, or release of hazardous materials in, on, under, or above the Shopping Center if and to the extent caused by Landlord, its agents, employees or contractors (which shall not include any tenants or occupants of the Shopping Center or their employees, agents or contractors), unless the hazardous materials are released as a result of the acts or omissions of any of the Tenant Parties.

(g) Notwithstanding anything herein to the contrary, Tenant's obligations under this Section 23.17 shall not be applicable to any Hazardous Substances and/or toxic substances in the Leased Premises or Shopping Center prior to Tenant taking occupancy thereof or introduced or caused to be introduced into the Leased Premises or Shopping Center by the Landlord or any of its employees, agents or contractors. In the event of a release of hazardous materials in, on, under, or above the Premises which (i) is caused by the acts of Landlord or its agents, contractors or employees, (ii) is caused by the acts of Landlord's other tenants or occupants of the Shopping Center other than the Leased Premises, and has not been caused by any of the Tenant Parties, (iii) originates from adjacent property, or (iv) pre-exists the Delivery Date, Landlord shall take any action required by applicable law for containment of the release, and in the event that either (X) the release poses a threat to the health or safety of any persons coming on to the Leased Premises or (Y) any governmental entity having jurisdiction over the Leased Premises requires remediation, clean-up or any other action with respect to such release, Landlord shall, in the event of clause (i), prepare and implement a plan for the clean-up of the release or shall take such other action as is required by any such governmental entity, or in any other event endeavor diligently to cause the person(s) responsible for such condition to prepare and implement such a plan.

#### Section 23.18: ENTIRE AGREEMENT.

There are no oral agreements between the parties hereto affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, letters of intent, lease proposals, brochures, agreements, representations, promises, warranties and understandings between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. This Lease, including the Exhibits hereto and any Addenda hereto, sets forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the Premises, the Buildings and the Shopping Center. No alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing, signed by them and mutually delivered between them.

#### Section 23.19: TENANT'S LIABILITY

(a) Landlord acknowledges being informed of the following facts: (i) Tenant has been organized for the purpose of negotiating and signing the within Lease; (ii) Tenant is a thinly capitalized corporation with no assets other than the within Lease; and (iii) that the sole and exclusive person or entity against which Landlord may seek damages or any remedies under this or any other document in which Landlord and Tenant are parties, whether for unpaid rent and associated damages, claims of unjust enrichment, claims of unfair trade practices, or any other theory of recovery of any kind or nature, is Tenant (and any permitted assignees or sublessees of Tenant) and Guarantor.

(b) Landlord agrees that the liability of Tenant hereunder shall be limited to Tenant's assets, if any, and Tenant's stockholders (including, but not limited to its successors and assigns) shall not be liable directly or indirectly for any obligation of Tenant, and Landlord agrees not to commence any legal proceedings against Tenant's stockholders (other than stockholders who have expressly agreed to be bound to Landlord).

#### Section 23.20: IMPUTATION

For purposes of this Lease, the negligence, affirmative act or violation of the provisions of this Lease by an employee or agent of Landlord or Tenant, or by a contractor, employed by Landlord or Tenant, shall be the negligence, affirmative act or violation of the provisions of this Lease of Landlord or Tenant, as the case may be.

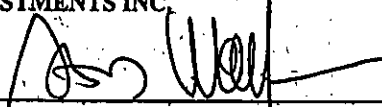
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IN WITNESS WHEREOF, the Landlord and Tenant have executed this Lease as of the date first hereinabove written.

**LANDLORD:**

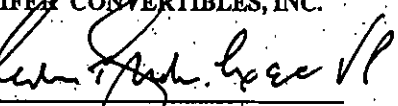
**WOLFSON VERRICCHIA REAL ESTATE  
INVESTMENTS INC.**

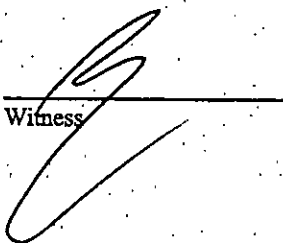
By:   
Steven B. Wolfson, COB

Attest:   
Thomas F. Verrichia, President

**TENANT:**

**JENNIFER CONVERTIBLES, INC.**

By:   
Edward Seidner  
Executive Vice President of Real Estate

Witness 

9

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND

METES AND BOUNDS DESCRIPTION:

MAIN STREET AT EXTON

FEE PARCEL (EXCLUDING LOT 2)

PENNSYLVANIA STATE HIGHWAY ROUTE 100 AT ROUTE 30 BYPASS

WEST WHITELAND TOWNSHIP

CHESTER COUNTY, COMMONWEALTH OF PENNSYLVANIA

BEGINNING AT A POINT ON THE WESTERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY ROUTE 100 (A.K.A. SR 0100, A.K.A. LR 147, A.K.A. POTTSTOWN PIKE, VARIABLE WIDTH RIGHT-OF-WAY) SAID POINT BEING THE NORTHEASTERLY CORNER OF THE HEREIN DESCRIBED PREMISES, AND FROM SAID POINT OF BEGINNING RUNNING, THENCE;

THE FOLLOWING COURSES AND DISTANCES ALONG THE WESTERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY ROUTE 100:

SOUTH 15 DEGREES 18 MINUTES 23 SECONDS WEST, A DISTANCE OF 121.62 FEET TO A POINT, THENCE;

NORTH 76 DEGREES 06 MINUTES 57 SECONDS EAST, A DISTANCE OF 11.51 FEET TO A POINT, THENCE;

SOUTH 14 DEGREES 49 MINUTES 55 SECONDS EAST, A DISTANCE OF 438.88 FEET TO A POINT, THENCE;

SOUTH 15 DEGREES 39 MINUTES 11 SECONDS EAST, A DISTANCE OF 129.46 FEET TO A POINT, THENCE;

SOUTH 14 DEGREES 01 MINUTES 14 SECONDS EAST, A DISTANCE OF 50.35 FEET TO A POINT, THENCE;

SOUTH 76 DEGREES 03 MINUTES 53 SECONDS WEST, A DISTANCE OF 20.00 FEET TO A POINT, THENCE;

SOUTH 14 DEGREES 01 MINUTES 14 SECONDS EAST, A DISTANCE OF 30.00 FEET TO A POINT, THENCE;

NORTH 76 DEGREES 03 MINUTES 53 SECONDS EAST, A DISTANCE OF 20.00 FEET TO A POINT, THENCE;

SOUTH 14 DEGREES 01 MINUTES 14 SECONDS EAST, A DISTANCE OF 523.09 FEET TO A POINT, THENCE;

SOUTH 09 DEGREES 02 MINUTES 29 SECONDS EAST, A DISTANCE OF 149.78 FEET TO A POINT, THENCE;

SOUTH 14 DEGREES 01 MINUTES 14 SECONDS EAST, A DISTANCE OF 509.93 FEET TO A POINT ON THE NORTHERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30 BYPASS (A.K.A. SR 6030, VARIABLE WIDTH LIMITED ACCESS RIGHT-OF-WAY), THENCE;

RUNNING THE FOLLOWING COURSES AND DISTANCES ALONG PENNSYLVANIA STATE HIGHWAY US ROUTE 30 BYPASS:

SOUTH 01 DEGREES 43 MINUTES 59 SECONDS EAST, A DISTANCE OF 89.68 FEET TO A POINT, THENCE;

SOUTH 70 DEGREES 49 MINUTES 25 SECONDS WEST, A DISTANCE OF 120.26 FEET TO A POINT, THENCE;

ALONG THE DIVIDING LINE BETWEEN LOT 1 & LOT 2, SOUTH 72 DEGREES 00 MINUTES 33 SECONDS WEST, A DISTANCE OF 29.02 FEET TO A POINT, THENCE;

CONTINUING ALONG THE DIVIDING LINE BETWEEN LOT 1 & LOT 2, NORTH 13 DEGREES 57 MINUTES 22 SECONDS WEST, A DISTANCE OF 282.24 FEET TO A POINT, THENCE;

THE FOLLOWING THREE (3) COURSES AND DISTANCES ALONG THE NORTHERN MOST PORTION OF LOT 2:

SOUTH 76 DEGREES 02 MINUTES 38 SECONDS WEST, A DISTANCE OF 146.79 FEET TO A POINT, THENCE;

NORTH 13 DEGREES 57 MINUTES 22 SECONDS WEST, A DISTANCE OF 12.00 FEET TO A POINT, THENCE;

SOUTH 76 DEGREES 02 MINUTES 38 SECONDS WEST, A DISTANCE OF 400.99 FEET TO A POINT, THENCE;

ALONG THE DIVIDING LINE BETWEEN LOT 2 & LOT 3, SOUTH 13 DEGREES 57 MINUTES 22 SECONDS EAST, A DISTANCE OF 233.50 FEET TO A POINT, THENCE;

ALONG THE DIVIDING LINE BETWEEN LOT 2 & LOT 3, NORTH 76 DEGREES 02 MINUTES 38 SECONDS EAST, A DISTANCE OF 36.00 FEET TO A POINT, THENCE;

ALONG THE COMMON DIVIDING LINE BETWEEN LOT 2, LOT 3 & OPEN SPACE, SOUTH 13 DEGREES 57 MINUTES 22 SECONDS EAST, A DISTANCE OF 359.77 FEET TO A POINT ON THE NORTHERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY US ROUTE 30 BYPASS, THENCE;

RUNNING THE FOLLOWING COURSES AND DISTANCES ALONG PENNSYLVANIA  
STATE HIGHWAY US ROUTE 30 BYPASS:

SOUTH 64 DEGREES 25 MINUTES 47 SECONDS WEST, A DISTANCE OF 428.53 FEET  
TO A POINT, THENCE;

SOUTH 72 DEGREES 02 MINUTES 27 SECONDS WEST, A DISTANCE OF 114.97 FEET  
TO A POINT, THENCE;

SOUTH 72 DEGREES 33 MINUTES 10 SECONDS WEST, A DISTANCE OF 435.93 FEET  
TO A POINT, THENCE;

SOUTH 75 DEGREES 08 MINUTES 49 SECONDS WEST, A DISTANCE OF 171.14 FEET  
TO A POINT, THENCE;

NORTH 27 DEGREES 26 MINUTES 28 SECONDS WEST, A DISTANCE OF 84.34 FEET  
TO A POINT, THENCE;

SOUTH 70 DEGREES 50 MINUTES 08 SECONDS WEST, A DISTANCE OF 212.52 FEET  
TO A POINT, THENCE;

LEAVING THE NORTHERLY LEGAL RIGHT-OF-WAY LINE OF PENNSYLVANIA  
STATE HIGHWAY US ROUTE 30 BYPASS AND RUNNING THE FOLLOWING  
COURSES AND DISTANCES ALONG LANDS DEDICATED TO THE PENNSYLVANIA  
DEPARTMENT OF TRANSPORTATION AS WETLANDS MITIGATION AREA:

NORTH 19 DEGREES 37 MINUTES 51 SECONDS WEST, A DISTANCE OF 689.81 FEET  
TO A POINT, THENCE;

NORTH 54 DEGREES 52 MINUTES 37 SECONDS WEST, A DISTANCE OF 337.17 FEET  
TO A POINT, THENCE;

NORTH 17 DEGREES 24 MINUTES 56 SECONDS WEST, A DISTANCE OF 380.67 FEET  
TO A POINT, THENCE;

NORTH 55 DEGREES 54 MINUTES 40 SECONDS WEST, A DISTANCE OF 414.79 FEET  
TO A POINT, THENCE;

SOUTH 72 DEGREES 31 MINUTES 16 SECONDS WEST, A DISTANCE OF 252.08 FEET  
TO A POINT, THENCE;

SOUTH 17 DEGREES 27 MINUTES 24 SECONDS EAST, A DISTANCE OF 737.51 FEET  
TO A POINT, THENCE;

SOUTH 71 DEGREES 25 MINUTES 16 SECONDS EAST, A DISTANCE OF 336.18 FEET  
TO A POINT, THENCE;

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SOUTH 34 DEGREES 13 MINUTES 18 SECONDS WEST, A DISTANCE OF 429.21 FEET TO A POINT, THENCE;

SOUTH 81 DEGREES 23 MINUTES 56 SECONDS WEST, A DISTANCE OF 56.05 FEET TO A POINT IN THE EASTERLY SIDELINE OF LOT 126.3, LANDS NOW OR FORMERLY SOUTH WHITFORD/ASSOCIATES, INC., THENCE;

ALONG THE WESTERLY LINE OF LANDS NOW OR FORMERLY SOUTH WHITFORD/ASSOCIATES, INC., NORTH 21 DEGREES 01 MINUTES 44 SECONDS WEST, A DISTANCE OF 567.06 FEET TO A POINT, THENCE;

CONTINUING ALONG LANDS OF SOUTH WHITFORD/ASSOCIATES, INC., SOUTH 78 DEGREES 51 MINUTES 16 SECONDS WEST, A DISTANCE OF 321.59 FEET TO A POINT, THENCE;

ALONG THE EASTERLY LINE OF LOT 126, LANDS NOW OR FORMERLY ROBERT K. AND BARBARA H. SMITH, NORTH 15 DEGREES 48 MINUTES 44 SECONDS WEST, A DISTANCE OF 579.10 FEET TO A POINT, THENCE;

CONTINUING ALONG LANDS OF ROBERT K. AND BARBARA H. SMITH, NORTH 28 DEGREES 06 MINUTES 16 SECONDS EAST, A DISTANCE OF 142.10 FEET TO A POINT, THENCE;

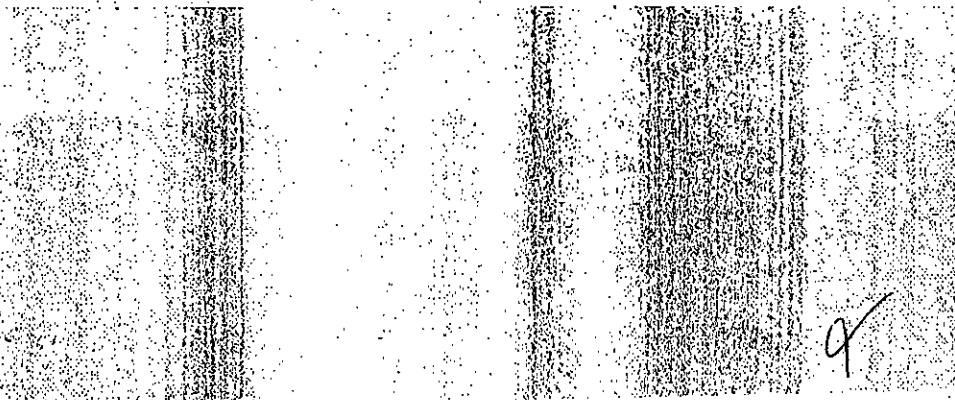
ALONG THE SOUTHERLY SIDELINE OF LOT 129.1K, LANDS NOW OR FORMERLY VINCENT AND DOLORES DELRASO AND LOTS 129.1J & 129.1H, LANDS NOW OR FORMERLY CHESTER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, NORTH 72 DEGREES 31 MINUTES 16 SECONDS EAST, A DISTANCE OF 818.92 FEET TO A POINT, THENCE;

ALONG THE EASTERLY LINE OF SAID CHESTER COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, NORTH 33 DEGREES 38 MINUTES 34 SECONDS WEST, A DISTANCE OF 347.75 FEET TO A POINT ON THE RIGHT-OF-WAY LINE OF A CUL DE SAC OF THE EASTERLY TERMINUS OF COMMERCE DRIVE, THENCE;

ALONG SAID COMMERCE DRIVE, ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 50.00 FEET, TURNING A CENTRAL ANGLE OF 12 DEGREES 49 MINUTES 00 SECONDS, AN ARC LENGTH OF 11.18 FEET, A CHORD BEARING SOUTH 78 DEGREES 12 MINUTES 44 SECONDS EAST AND A CHORD DISTANCE OF 11.16 FEET TO A POINT OF REVERSE CURVATURE, THENCE;

CONTINUING ALONG COMMERCE DRIVE, ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 52.00 FEET, TURNING A CENTRAL ANGLE OF 128 DEGREES 17 MINUTES 50 SECONDS, AN ARC LENGTH OF 116.44 FEET, A CHORD BEARING NORTH 44 DEGREES 02 MINUTES 51 SECONDS EAST AND A CHORD DISTANCE OF 93.59 FEET TO A POINT, THENCE;

LEAVING COMMERCE DRIVE AND RUNNING ALONG THE SOUTHERLY LINE OF LOT 129.1F, LANDS NOW OR FORMERLY RENTAL PARSONS ONE, NORTH 69



DEGREES 53 MINUTES 44 SECONDS EAST, A DISTANCE OF 204.77 FEET TO A POINT, THENCE;

CONTINUING ALONG SAID RENTAL PARSONS ONE, NORTH 19 DEGREES 30 MINUTES 54 SECONDS WEST, A DISTANCE OF 28.21 FEET TO A POINT, THENCE;

ALONG THE SOUTHERLY LINE OF LOT 133, LANDS NOW OR FORMERLY JOHN GILBERT HAGEE, NORTH 72 DEGREES 27 MINUTES 30 SECONDS EAST, A DISTANCE OF 878.30 FEET TO A POINT, THENCE;

CONTINUING ALONG SAID HAGEE, NORTH 17 DEGREES 32 MINUTES 30 SECONDS WEST, A DISTANCE OF 112.00 FEET TO A POINT, THENCE;

ALONG THE SOUTHERLY LINE OF LOT 134, LANDS NOW OR FORMERLY FRANK'S NURSERY AND CRAFTS, INC., NORTH 72 DEGREES 27 MINUTES 30 SECONDS EAST, A DISTANCE OF 679.92 FEET TO A POINT, THENCE;

CONTINUING ALONG SAID FRANK'S NURSERY AND CRAFTS, INC., NORTH 23 DEGREES 55 MINUTES 00 SECONDS WEST, A DISTANCE OF 136.65 FEET TO A POINT, THENCE;

ALONG THE SOUTHERLY LINE OF LOT 136.1, LANDS NOW OR FORMERLY VALLEY STREAM ASSOCIATES, NORTH 82 DEGREES 28 MINUTES 50 SECONDS EAST, A DISTANCE OF 730.43 FEET TO THE POINT AND PLACE OF BEGINNING.

THIS DESCRIPTION IS WRITTEN WITH REFERENCE TO A MAP ENTITLED "FINAL LAND DEVELOPMENT PLANS, SUBDIVISION PLANS, WOLFSON-VERRICCHIA GROUP, INC., MAIN STREET AT EXTON, ROUTE 100 & ROUTE 30 BYPASS, WEST WHITELAND TOWNSHIP, CHESTER CO., PA", PREPARED BY BOHLER ENGINEERING, INC., SHEET 3 OF 122, CAD ID NO. P6124SA7, LAST REVISION NO. 7, DATED 7/19/00.



METES AND BOUNDS DESCRIPTION  
LOT 2  
PART OF PARCEL 41-5-125.1 & PARCEL 41-5-138  
WEST WHITELAND TOWNSHIP  
CHESTER COUNTY, COMMONWEALTH OF PENNSYLVANIA

BEGINNING AT A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY ROUTE 100 (VARIABLE WIDTH RIGHT-OF-WAY), SAID POINT BEING THE DIVIDING LINE BETWEEN PARCEL 41-5-138, LANDS NOW OR FORMERLY WAL-MART STORES, INC. AND PARCEL 41-5-125.1, LANDS NOW OR FORMERLY BROYLES, AND FROM SAID POINT OF BEGINNING RUNNING, THENCE;

ALONG THE WESTERLY RIGHT-OF-WAY LINE OF PENNSYLVANIA STATE HIGHWAY ROUTE 100, SOUTH 14 DEGREES 40 MINUTES 34 SECONDS EAST, A DISTANCE OF 268.04 FEET TO A POINT BEING ON THE NORTHERLY RIGHT-OF-WAY LINE OF US ROUTE 30 BYPASS (A.K.A. SR 6030, VARIABLE WIDTH RIGHT-OF-WAY), THENCE;

ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF ROUTE 30 BYPASS, SOUTH 72 DEGREES 50 MINUTES 55 SECONDS WEST, A DISTANCE OF 523.03 FEET TO A POINT, THENCE;

CONTINUING ALONG THE SAME, SOUTH 64 DEGREES 25 MINUTES 47 SECONDS WEST, A DISTANCE OF 22.34 FEET TO A POINT, THENCE;

NORTH 13 DEGREES 57 MINUTES 22 SECONDS WEST, A DISTANCE OF 359.77 FEET TO A POINT, THENCE;

SOUTH 76 DEGREES 02 MINUTES 38 SECONDS WEST, A DISTANCE OF 36.00 FEET TO A POINT, THENCE;

NORTH 13 DEGREES 57 MINUTES 22 SECONDS WEST, A DISTANCE OF 233.50 FEET TO A POINT, THENCE;

NORTH 76 DEGREES 02 MINUTES 38 SECONDS EAST, A DISTANCE OF 400.99 FEET TO A POINT, THENCE;

SOUTH 13 DEGREES 57 MINUTES 22 SECONDS EAST, A DISTANCE OF 12.00 FEET TO A POINT, THENCE;

NORTH 76 DEGREES 02 MINUTES 38 SECONDS EAST, A DISTANCE OF 146.79 FEET TO A POINT, THENCE;

SOUTH 13 DEGREES 57 MINUTES 22 SECONDS EAST, A DISTANCE OF 281.64 FEET TO A POINT, THENCE;

NORTH 72 DEGREES 00 MINUTES 33 SECONDS EAST, A DISTANCE OF 29.02 FEET TO THE POINT AND PLACE OF BEGINNING.

THIS DESCRIPTION WAS WRITTEN BASED UPON A MAP ENTITLED "WOLFSON-  
VERRICHA GROUP, INC., MAIN STREET AT EXTON, ROUTE 100 & ROUTE 30  
BYPASS, WEST WHITELAND TOWNSHIP, CHESTER COUNTY, PA", PREPARED BY  
BOHLER ENGINEERING, INC., DATED 3/1/99, LAST REVISION NO. 7, DATED  
7/19/00, SHEET 3 OF 122.

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Main Street at Exton

**EXHIBIT C**



Jennifer Convertibles, Inc., 417 Crossways Park Drive, Woodbury, NY 11797 516/496-1900

February 9, 2001

### **LANDLORD'S WORK LETTER**

#### **JENNIFER CONVERTIBLES/JENNIFER LEATHER - SUPER STORE**

Landlord shall provide a standard store consisting of the following:

1. **Concrete Floor** - Concrete floor slab smooth and acceptable for tenant floor finish. If demolition is required, store floor slab shall be patched and ground smooth and level.
2. **Demising Partitions** - Studs and gypsum board taped and sanded ready for paint finish. ( The interior back wall must be finished.)
3. **Interior Partitions** - Studs and gypsum board taped and sanded ready for paint finish. Interior partition shall be installed for stock room (when applicable) and toilet per tenants plans. To be painted using Benjamin Moore # 155 Semi Gloss. Shelving: two 5 tier plastic snap together shelving units from Home Depot . Color Beige. Each shelf is 18" deep.
4. **Ceiling** - Suspended 2' x4' acoustical T-Bar ceiling. Ceiling height to be 10' 0". Jennifer Convertibles ceiling to be sprayed using Benjamin Moore - Color # 155 (flat finish). Ceiling Grid to be painted using Ralph Lauren: Dutchess Satin: Aberdeen.

Jennifer Leather ceiling to be glazed. New tiles to be installed and sprayed. Base color - Benjamin Moore Color # 212 - Semi-gloss (yellow). Second application - Glazing - purchase glazing liquid. (Benjamin Moore or Home Depot - Behrs). Mix 4 ozs. Colorant Raw Seina with each gallon of Glazing Liquid. Mix 2 gallons at a time. Should be enough to complete the entire job.

\*Note: This is a sponging application. Use a grout sponge in order to obtain a streaky appearance. Tiles cannot be stacked on top of each other, otherwise they will stick together. Lean tiles on wall in piles of 20. For best results, spray tiles one day and glaze the next day. Tiles will dry very quickly. Ceiling grid to be goldleafed painted in Ralph Lauren Dutchess Satin - color - Aberdeen.

Placement of a 2 1/4" colonial casing molding along the ceiling. Molding to be painted using Ralph Lauren Dutchess Satin - Aberdeen.

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Ex. "C"

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5. **Walls** - All doors and trim to be painted.

**Jennifer Convertibles** - All walls must be primed. The first coat will be Benjamin Moore #155 Semi Gloss. Sponging/Ragging effect applying Benjamin Moore #1096 Semi Gloss. (Evenly sponging on Benjamin Moore #1096 then texture it using a rag rolling roller).

**Jennifer Leather** - Walls to be primed with R35 for wallpaper. 4' x 10' panels to be installed (panels supplied by tenant). All door and trim on the leather side to be painted using Ralph Lauren: Dutchess Satin - Color: Aberdeen.

**Bathroom** - To be painted using Benjamin Moore #155 Semi Gloss.

**Storage room** - To be painted using Benjamin Moore #155 Semi Gloss.

6. **Flooring** - Entire showroom to have carpet. (Aladdin - 26oz. Steel Gate III #166 Harvest Wheat). Fortress area, backroom and the bathroom floor to have tile - V.C.T. Tile Armstrong #51830. Natural cocoa matt to be placed at entrance.

7. **Floor Base** - 3 1/4" clam shell casing, base molding finger jointed around the entire perimeter of store, stockroom and desk area. To be painted using Ralph Lauren: Dutchess Satin - Color: Aberdeen.

8. **Lighting** - Track lighting per Jennifer plans.

**Track** - Single circuit - black for Leather side - white for Convertible side.

**Fixture** - Halo L 5130 - 70E = 70W electronic ballast  
Lamp 70 W Par 30 metal halids.

Lighting to be set up on a contactor. (One switch to be placed in front of showroom with locking cover).

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9. **Electrical** – Electrical outlets placed per local building code. Proper AMP/Voltage panel

Distribution. Dedicated lines with circuit breaker locks as follows:

- a. Exterior sign circuits on a 2 pole-single throw time clock.
- b. Window track lighting on a 2 pole-single throw time clock.
- c. Designated alarm system circuit located in closet.
- d. Four quad outlets in desk (fortress) area on separate circuit – centered on each inside wall of the fortress.
- e. Duplex outlets every fifteen feet on perimeter walls.
- f. Outlet and tenant supplied door announcer to be installed.
- g. Cable runs for phone service-two jacks in desk area for voice. One Jack bridged for fax, credit card and modem. One jack in sales area for wall mount. Dual ports to be used.

10. **HVAC** – System and distribution to adequately heat and cool a store which has track lighting generating excessive heat. Must meet all building codes. New system to be installed, guaranteed ~~and maintained by landlord~~. A Lightstat/Thermostat to be added for each unit.

11. **Roof** – Structure to be guaranteed.

12. **Fire Sprinklers and Extinguishers** – Systems and distribution to meet all local building and fire codes.

13. **Toilet** – One handicapped toilet complete with lavatory, toilet, mirror, light, toilet paper dispenser, soap dispenser, paper towel dispenser and all handicapped grab bars in accordance with all local building codes. Wall mounted medicine cabinet (36" x 48") in matching color.

14. **Plumbing** – Sewer service and hot and cold running water. Must meet all local building and health codes.

15. **Store Front** – Glass storefront in an anodized color aluminum frame with double front entry doors complete with hardware per local building codes. All existing signs to be removed (excluding sign box).

16. **Rear Service or Exit Door** – 3' x 7' x 1 1/4" Fire rated (if required) hollow metal door and frame, complete with lockset and all hardware per all local building codes.

17. **Interior Column** – Finish all exposed columns visible in tenant's sales area.

18. **Illuminated Exit Signs** – Provide all illuminated exit signs and lighting as required by local building codes. Exit signs to have LED bulbs.

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**19. Half Wall Specs (Fortress)**

Area to be 10' x 10'

Wall to be framed out with 2' x 4' lumber or metal.

Wall height to be 42".

Sheetrocked both sides with 5/8" sheetrock.

4 1/2" pine to be placed on the top of half wall.

2 1/4" finger joint clam shell molding to be placed on both sides of half wall to finish off 1/2" pine edge.

Exterior to be wainscoted and painted using Ralph Lauren: Dutchess Satin - Color: Aberdeen.

(Use unfinished Birch Paneling - Grooved 1/8" to give wainscoting appearance).

**20. Platforms** - Platforms are to be built in window areas where applicable, even with sill height of bulkhead. These are to have steps for easy access (plans to be approved). All to be carpeted surfaces. Railings, if necessary, as provided by code.

**21.** All architectural fees, permits and licenses necessary for completion of project and final C of O. All existing building violations removed prior to construction. All handicap requirements satisfied.

**22. Jennifer Leather Hide Racks**: Minimum 3 1" x 4" by 4' long, clear pine with 3 # 10 cut

nails. Hide Racks to be Gold Leafed. Ralph Lauren - Dutchess Satin - color - Aberdeen.

**24.** Install Jennifer supplied stereo speakers. Wire to be run to designated area. Jennifer to supply speakers and wall mounts. Number of speakers to vary depending on the size of the showroom (4-5).

**25. Poster Boxes** - (48.5" x 48.5" or 48.5" x 72.5") depending on ceiling height). Framed out using 2 x 4 lumber. Frame to measure 3.5" deep. Top and bottom on inside to have a metal sheetrock 90 bracket in order to be wall mounted. 7/8" latice molding to be used to finish off all edges on the poster boxes. Boxes to be painted using Ralph Lauren: Dutchess Satin - Color - Aberdeen.

**26.** Two interior signs to be framed using 2 1/2" fluted molding with corner blocks. Finish to be Ralph Lauren: Dutchess Satin - Color - Aberdeen.

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**EXHIBIT D**  
**RULES AND REGULATIONS**

Tenant agrees as follows:

- (1) All loading and unloading of goods shall be done only at such times, in the areas, and through the entrances, designated for such purposes by Landlord.
- (2) The delivery or shipping of merchandise, supplies and fixtures to and from the Premises shall be subject to such rules and regulations as in the judgement of Landlord are necessary for the proper operation of the leased premises or Shopping Center.
- (3) All garbage and refuse shall be kept in an enclosed container specified by Landlord, and shall be placed outside of the leased premises prepared for collection in the manner and at the times and places specified by Landlord. If Landlord shall provide or designate a service for picking up refuse and garbage, Tenant shall use same at Tenant's cost. Tenant shall pay the cost of removal of any of Tenant's refuse or rubbish.
- (4) No radio or television or other similar devise shall be installed without first obtaining in each instance Landlord's consent in writing. No antenna shall be erected on the roof or exterior walls of the leased premises, or on the grounds, without in each instance the written consent of Landlord. Any antenna so installed without such written consent shall be subject to removal without notice at any time.
- (5) No loud speakers, televisions, phonographs, radios or other devises shall be used in a manner so as to be heard or seen outside of the leased premises without the prior written consent of Landlord.
- (6) The leased premises shall not be heated with any other equipment (i.e. propane, kerosene, electric portable units) other than that provided to the facilities.
- (7) The outside areas immediately adjoining the leases premises shall be kept clean and free of rubbish by Tenant to the satisfaction of Landlord, and Tenant shall not place or permit any obstructions or merchandise in such areas.
- (8) The plumbing facilities shall not be used for any other purpose other than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by Tenant, who shall, or whose employees, agents or invites shall have caused it.
- (9) Tenant shall use at Tenant's cost such pest extermination contractor as Landlord may direct and at such intervals as Landlord may require.
- (10) Tenant shall not burn any trash or garbage of any kind in or about the leased premises, the Shopping Center.

Exhibit D to Lease  
Main Street at Exton  
Page 1 of 1

**EXHIBIT E****COMPLETION CERTIFICATE**

The undersigned, as Tenant under that certain Shopping Center Lease (hereinafter called the "Lease") dated as of \_\_\_\_\_, 200\_\_, made and entered into between \_\_\_\_\_, as Landlord, and the undersigned, as Tenant, hereby ratifies the Lease and certifies that:

1. the undersigned has accepted possession of and entered into occupancy of the Premises;
2. the GLA in the Premises is \_\_\_\_\_ square feet;
3. the Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way, subsequent to the lease execution date above, except \_\_\_\_\_;
4. the Lease represents the entire agreement between the parties as to such leasing;
5. the Rent Commencement Date of the Lease is \_\_\_\_\_;
6. the Tenant opened its business in the Premises to the public on \_\_\_\_\_;
7. the date of the expiration of the Rent Term pursuant to Article 3 of the Lease is \_\_\_\_\_;
8. all conditions of the Lease to be performed by Landlord and necessary to the enforceability of the Lease have been satisfied except \_\_\_\_\_;
9. there are no defaults by either Landlord or Tenant under the Lease;
10. no rents have been, nor will be, paid or prepaid, other than as provided in the Lease;
11. on this date there are no existing defenses or offsets which the undersigned has against the enforcement of the Lease by Landlord; and
12. the Lease is subordinate to any mortgage on the Premises which Landlord has given or hereafter gives.

In addition to the above certifications, Tenant has forwarded to Landlord all of the following documents relating to work that has been performed by Tenant or Tenant's Contractor in the Premises:

1. An affidavit from Tenant's general contractor that all work in the Premises has been fully completed in accordance with the Plans as approved by Landlord and that all subcontractors, laborers and materialmen engaged in supplying materials for the work have been paid in full.

Exhibit E to Lease  
Main Street at Exton  
Page 1 of 2



**EXHIBIT E**

**COMPLETION CERTIFICATE**

2. Properly executed and acknowledged Releases of Mechanic's Liens (satisfactory to Landlord as to form and substance) with respect to the Premises executed by Tenant's general contractor and by every subcontractor and supplier of labor and materials engaged in the work.
3. A set of approved "as-built" drawings and specifications for the work done by Tenant, prepared and sealed by Tenant's architect, together with a complete set of Tenant's "as built" sprinkler plans.
4. A copy of the Statement of Occupancy from the Township of Hilltown and County of Bucks, Pennsylvania.

All terms used herein are defined in the Lease and shall have the same meaning when used herein.

TENANT:

By: \_\_\_\_\_

Title: \_\_\_\_\_

(CORPORATE SEAL)

Attest: \_\_\_\_\_

Title: \_\_\_\_\_

Exhibit E to Lease  
Main Street at Exton  
Page 2 of 2

**EXHIBIT F**

**CONTRACTOR'S WAIVER OF LIENS**

IN THE COURT OF COMMON PLEAS OF \_\_\_\_\_ COUNTY

[Contractor's Name and Address],

CONTRACTOR

vs.

[Landlord's Name and Address],

OWNER

\* \* \* \*

[Landlord's Name and Address],

OWNER

vs.

[Contractor's Name and Address],

CONTRACTOR

**Contractor's Waiver of Liens**

1. Affiant holds the position of \_\_\_\_\_ of \_\_\_\_\_, a contractor, subcontractor or materialman (herein called "Contractor" for purposes of convenience) and is authorized to give this Waiver of Liens on behalf of said entity.
2. This Waiver of Liens is given to \_\_\_\_\_ and the partners therein and their agents (individually and collectively herein the "Owner"), for the benefit of Owner and Owner's lenders and their respective title companies (herein sometimes called "Beneficiaries"), with the understanding that they rely on this Waiver of Liens.
3. Contractor has contracted with \_\_\_\_\_ ("Company") for certain services, materials, supplies, machinery and/or fixtures and/or for the alteration and improvement of a portion of certain real property (the "Premises") located in the Shopping Center (the "Shopping Center") which is more fully described in Exhibit "A" annexed hereto and incorporated herein by reference.

Exhibit F to Lease  
Main Street at Exton  
Page 1 of 4

4. Contractor has not entered into any other contract, written or oral, with Owner or any agent or contractor of Owner other than the Company for the improvement of the Premises. Contractor agrees that neither it nor any subcontractor or materialmen or any other person acting directly or indirectly through or under the Contractor shall file any lien or assert any right against the Owner, the Shopping Center and/or the Premises or any portion thereof including Owner's interest therein, and further Contractor for itself and each of them hereby waives any liens or assertion of any lien right which it has or may have against Owner, the Shopping Center and/or the Premises under the Mechanic's Lien Law of the Commonwealth of Pennsylvania, or at common law which may arise or which could be perfected or created by reason of any and services, materials, supplies, machinery and/or fixtures furnished by the Contractor in connection with work in or for the Premises. This Waiver shall be an independent covenant and shall also operate and be effective with respect to work done and materials furnished under any supplemental contract or arrangement for extra work in the erection, construction and completion of any building, buildings or improvements on the Premises or any portion thereof.

5. Prior to permitting any subcontractor to perform services or furnish material, Contractor will obtain and deliver to Owner an executed Waiver of Liens in this form from each subcontractor of Contractor and shall stipulate in each purchase order or like document that there shall be no lien by materialman.

6. Contractor agrees to defend, indemnify and hold harmless Owner, its lenders and their respective title companies from any and all claims, actions, demands, costs and expenses whatsoever including premiums on bond and reasonable attorney's fees at trial and on appeal arising out of or relating to any breach of this Waiver of Liens.

7. This Waiver of Liens shall be binding upon Contractor, its heirs, successors and assigns and shall inure to the benefit of Owner, each of the other Beneficiaries and their respective successors, heirs, assigns and grantees.

8. For the purpose of effecting the Waiver of Liens contained herein, such Waiver of Liens shall be deemed a part of the Contractor's contract as described in Paragraph 3 hereof but it is understood and agreed that Owner shall have no liability or other obligation to the undersigned with respect to said contract.

9. In the event of any mechanic's lien or claim is filed by Contractor, notwithstanding this Waiver of Liens, Contractor hereby irrevocably waives any right to a jury trial in any action to strike or discharge the lien.

10. If Contractor files a mechanic's lien, notwithstanding this Waiver of Liens, any one of the Beneficiaries or the representatives of any one of the Beneficiaries shall have the right to discharge the lien by appropriate legal proceedings and the right to be completely reimbursed and indemnified by Contractor against expenses and losses resulting from such lien. Such expenses and losses shall include any attorney's fees, surety bond, premiums and other costs incurred in attempting to discharge or remove such lien, and any damages or other losses resulting from such lien, all of which Contractor agrees to pay.

11. Contractor hereby warrants and represents that at the time of execution hereof no work of any kind have been done and no materials or supplies of any kind have been furnished in connection with work for, in and/or on the Premises on Contractor's part.

Exhibit F to Lease  
Main Street at Exton  
Page 2 of 4

12. This Waiver of Liens is made and intended to be filed with the Prothonotary of the County in which the Premises are located in accordance with the requirements of Section 402 of the Mechanic's Lien Law of 1963 of the Commonwealth of Pennsylvania (49 P.S. Section 1402) as amended.

IN WITNESS WHEREOF, the undersigned hereunto set its hand and seal as of \_\_\_\_\_, 200\_\_.

CONTRACTOR:

If Contractor is a corporation:

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Attest: \_\_\_\_\_  
Title: \_\_\_\_\_

If Contractor is an individual or partnership:

By: \_\_\_\_\_

Signed, Sealed & Delivered in the Presence of:

My Commission Expires: \_\_\_\_\_

Exhibit F to Lease  
Main Street at Exton  
Page 3 of 4

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On the \_\_\_\_ day of \_\_\_\_\_, 200\_, before me, a Notary Public in and for the Commonwealth and County aforesaid, the undersigned officer, personally appeared \_\_\_\_\_, who acknowledged himself to be the \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, and that (s)he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by him/herself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

(NOTARIAL SEAL)

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

\*\*\*\*\*

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

ON THIS, the \_\_\_\_ day of \_\_\_\_\_, 200\_, before me, a Notary Public in and for the Commonwealth and County aforesaid, the undersigned officer, personally appeared \_\_\_\_\_, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that (s)he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

(NOTARIAL SEAL)

\_\_\_\_\_  
Notary Public

Exhibit F to Lease  
Main Street at Exton  
Page 4 of 4

EXHIBIT G

INTENTIONALLY OMITTED

Main Street at Exton

**EXHIBIT H**

**INTENTIONALLY OMITTED**

## EXHIBIT "P"

## TITLE EXCEPTIONS AND EXCLUSIVES

Tenant shall not use the Premises in violation of any of the following restrictions or covenants:

1. The sale of children's oriented games and toys, children's computer software, educational items for use by children, children's audio and video tapes, plush toys, children's books, and/or children's arts and crafts supplies, or any technological evolution of any of the foregoing.
2. The sale, rental or distribution, either singly or in any combination, of items contained in any of the following respective categories of merchandise: (a) linens and domestics; (b) bathroom items (excluding commodes, shower stalls, tubs, sinks and similar large bathroom fixtures); (c) housewares; (d) frames and wall art; (e) window treatments; and/or (f) closet, shelving and storage items. Notwithstanding the foregoing, any tenant or subtenant in the Shopping Center or the Related Land shall have the right to utilize its respective premises for the sale, rental and/or distribution of Exclusive Items within an aggregate area (which shall include an allocable portion of the aisle space adjacent to such sales, rental and/or distribution area) not to exceed the lesser of (x) five percent (5%) of the Floor Area of such tenant's or subtenant's premises, or (y) two thousand (2,000) square feet of Floor Area within such tenant's or subtenant's premises. [For example only, a tenant occupying premises containing a total of five thousand (5,000) square feet of Floor Area could sell Exclusive Items (either singly or in any combination) so long as the aggregate area within its entire demised premises in which any and all Exclusive Items are sold shall not exceed two hundred fifty (250) square feet.]
3. The sale or displaying for sale or rental of (i) books, magazines, periodicals and newspapers in print, (ii) books, magazines, periodicals and newspapers on tape, disk, CD-ROM and/or any other media, computer software and computer games (except for the operation of a "Gateway Country" store), as well as any items which are technological evolution of any of the foregoing items, together with various media and merchandise incidental thereto, and/or (iii) audio compact discs and other forms of recorded music. Incidental Sales of the foregoing are not deemed a violation of the aforesaid restriction. "Incidental Sale" means less than 750 square feet in the aggregate of such operator's or tenant's display area (inclusive of allocable aisle space) is devoted to the sale and/or rental of the foregoing items.
4. The operation of a Coffee Shop (except in the spaces designated as "R" or "F" on the Site Plan). "Coffee Shop" means a coffee or espresso bar or coffee shop or similar operation which provides its customers with coffee, tea and other beverages, pastries, sandwiches, snacks and other pre-prepared or packaged food or beverage items, as well as related merchandise, either for sale or complimentary and for either on-site or take-out consumption. The incidental sale of coffee, tea or other beverages by a non-Coffee Shop restaurant operator or tenant as part of its general restaurant operation shall not be deemed a violation of this restriction.
5. The sale, rental or distribution of items, goods, merchandise or services individually or in the aggregate, customarily carried by a modern toy store and/or a modern pre-natals, newborns, infants or children's specialty store, including, without limiting the generality of the foregoing: toys; layettes; pre-natal or newborn items or equipment; newborn's or infant's clothing; and/or newborn's, infant's, juvenile's or children's furnishings, furniture, car seats, booster seats, cribs or cradles. Notwithstanding the foregoing provisions, the aforesaid restrictions shall not apply to a store which is used or occupied for the sale, rental or distribution of any of said items, goods, merchandise or services if such sale, rental or distribution is "incidental" to the business conducted thereat. For purposes hereof, "incidental" shall mean a use for the sale, rental or distribution of such items, goods, merchandise or services, individually or



in the aggregate, in an area of not greater than 2,000 square feet of sales and/or display area or ten percent (10%) of the sales and/or display area of any such store (whichever is less).

6. A restaurant which consists of the offering of Italian cuisine, including a restaurant that primarily serves pasta or a restaurant that has more than four pasta items on such restaurant's menu.

7. (a) the sale, rental, leasing and financing of personal computer and internet products and services, including, but not limited to, personal computer hardware and software, internet hardware and software, internet access services, printers, computer related video display systems, computer related audio sound systems and computer related communication telephony devices, as well as related and complementary products and services, and any substitutes for, and items that are a technological evolution of, any of the foregoing products and services is also permitted; provided, however, that an occupant of the Shopping Center (or other property which is bound by Tenant's Exclusive Right) which is not operating a business the primary purpose of which is the sale and/or rental of personal computer hardware and/or software may, as a part of its primary business operations, sell or rent, computer software (provided, in no event shall such occupant utilize more than: (A) if the gross leasable floor area of such tenant's premises is less than 10,000 square feet, the lesser of 15% of the gross leasable floor area of such tenant's premises or 500 square feet; or (B) if the gross leasable floor area of such tenant's premises is greater than 10,000 square feet, 750 square feet for the sale, rental and/or display of such computer software), pocket calculators, directional finders, radios, audio equipment, video equipment and television sets (so long as such television sets are not primarily intended as a peripheral element of a personal computer system), beepers, telephones (so long as such telephones are not primarily intended to be a peripheral element of a personal computer system) or thermostats but in no event shall such occupant be permitted to sell or rent custom built or built to order computers or computer systems, (b) the delivery of computer software training programs, (c) the service and repair of such type of product that is permitted to be sold and rented as outlined in (a), and (d) the fee-based provision of facilities for access to such on-line services as the Internet.

8. The retail sale of wireless and wireline communication devices, items and equipment and related accessories and services (the "Permitted Use"). This paragraph shall not apply to any tenant whose display area for the display and sale of the Permitted Use items in such tenant's premises does not exceed, in the aggregate, the lesser of (i) 5% of the Gross Leasable Area of such premises, or (ii) 250 square feet of the premises.

9. Any full-service, casual dining restaurant similar in concept to LongHorn Steakhouse as it is presently being operated, such as by way of example, "Outback," "LoneStar," "Logan's," "Roadhouse Grill," "Texas Roadhouse," and "Tumbleweed." The Incidental Sale of prepared beefsteak by a restaurant operator or tenant (excluding any restaurant of the type described in the immediately preceding sentence) as part of its general operation shall not be deemed a violation of this paragraph. As used herein, "Incidental Sale" shall mean sales comprising less than twenty-five percent (25%) of entree items on such restaurant's menu.

10. A Family Shoe Store. "Family Shoe Store" includes, but is not limited to, the following stores and stores similar thereto: DSW Shoe Warehouse, Shoe Carnival, Shoe Show, The Shoe Dept., Just For Feet, Burlington Shoes, Off Broadway Shoe Warehouse, Athletic Warehouse, Shoe Station, Shoe Pavilion, Famous Brand Shoes, South East Designer Shoe Warehouse, Parade of Shoes, Famous Footwear and Payless ShoeSource. For purposes of only this Section [5.04], ...Family Shoe Store shall not include (i) stores selling only product that is produced under labels that are wholly owned by such store, such as Kenneth Cole, 9 West, Cole Haan, Red Wing, Florsheim, Naturalizer, Johnston & Murphy, and Mephisto, so long as such store shall not exceed 3,000 square feet of gross leasable floor area; or (ii) a store operating under the trade name "Athlete's Foot" or similar athletic apparel and footwear store, so long as such store shall not exceed 4,000 square feet of gross leasable floor area.

11. A restaurant which specializes as a Southwest/Mexican style restaurant featuring a tortilla based menu (the "Protected Item"). This restriction shall not apply to any current or future tenant at the Shopping Center that would not ordinarily be considered a Southwest/Mexican style restaurant, or that prepares and serves the Protected Item as part of a varied menu that is not primarily tortilla based, or a Southwest/Mexican style restaurant with dining on the premises and waiter/waitress service.
12. A walk-in limited service hair cutting salon (the "Protected Use"). This restriction shall not apply to a full service hair and/or nail salon or professional day spa.
13. Use: (i) primarily for the sale of Pizza; (ii) as a "Mrs. Fields Cookies" (or industry equivalent tenant); or (iii) as a "Baskin Robbins Ice Cream Parlor" (or industry equivalent tenant).
14. The sale of men's suits, formal businessware and tailored clothing (the "Protected Merchandise"). This restriction shall not apply to the incidental sale of the Protected Merchandise. For purposes of this Section, incidental sale shall mean the sale of the Protected Merchandise on the greater of 15% of the GLA of the premises in question, or 750 sq. ft.
15. Any modification or revision to the foregoing, or any future exclusive granted to any tenant at the Shopping Center.

### SCHEDULE 7.03

#### PROHIBITED USES

- (1) Any pornographic uses, including, without limitation, a bookstore or video store or other establishment principally engaged in the business of selling or delivering pornographic or obscene materials or a movie theater showing x-rated pornographic movies;
- (2) A so called "Head Shop";
- (3) A video arcade or gameroom, excluding upscale entertainment facilities such as "Dave and Busters" or "Jillians" and a movie theater complex or the hotel may contain an ancillary video arcade or gameroom available only to ticketholders or guests, respectively;
- (4) Bingo hall, Off-track betting parlor or other gambling establishment;
- (5) Business selling so called "second hand goods," or "surplus" store;
- (6) Junkyard;
- (7) Flea market;
- (8) Recycling facility or stockyard;
- (9) Motor (or other) vehicle or boat dealership, sales office or showroom, vehicle repair shop, body and fender shop, carwash facility, motor vehicle or storage facility, quick lube oil change service, tire center (except as part of any operations of Walmart or Sam's Club or their respective successors and assigns);
- (10) Auditorium, auction or meeting hall, discotheque, dance hall or night club;
- (11) Bowling alley;
- (12) Skating rink or billiard parlor or pool hall;
- (13) Industrial or manufacturing uses;
- (14) Restaurant having a drive-through window (unless prior consent is obtained from the Township);
- (15) Place of religious worship;
- (16) Pawn shop;
- (17) Daycare center;
- (18) Veterinary Office (except as may be incidental to a full-line pet and pet supply store operating in at least 5,000 leasable square feet);
- (19) Living quarters, lodging rooms, hotel/motel (excluding the hotel to be constructed at the Shopping Center);
- (20) So-called "Head" shop;

- (21) Carnival, amusement park or circus, which shall not include the merry-go-round to be installed by Landlord in an open space area at the Shopping Center;
- (22) Video/pinball arcade or gameroom;
- (23) Beauty parlor or nail salon in the portion of the Shopping Center south of Road C and as specifically identified on the Site Plan for the Shopping Center attached to this Lease.
- (24) Massage parlor;
- (25) Health spa (in the portion of the Shopping Center south of Road C), exercise facility or gym;
- (26) Sporting event;
- (27) Karate center;
- (26) Catering or banquet hall (except as part of the hotel operation);
- (27) Funeral parlor;
- (28) Establishment serving alcoholic beverages for on or off premises consumption, except as incidental to the hotel or a restaurant;
- (29) Restaurant in the "No Restaurant Area";
- (30) Supermarket (except for the supermarket to be operated on Lot 4 of the Shopping Center);
- (31) Movie theater or other theater (except for the movie theater to be constructed by Landlord at the Shopping Center);
- (32) Gasoline or service station or facility;
- (33) Laundry or dry cleaners except as identified on the Site Plan attached to this Lease and in all cases, no dry cleaners with on-site processing plants;
- (34) Children's entertainment or activity facility (excluding the merry-go-round to be constructed by Landlord in an open space area, a Zany Brainy or Disney Concept Store, or any limited activity facility operated by Walmart or Sam's Club or their assignees at their respective premises or operated by the hotel for its guests);
- (35) Video rental or viewing operation;
- (36) Warehouse (except as part of the operations of Walmart, Sam's Club or their respective successors and assigns);
- (37) Office use (excluding the office building and office space used in connection with and ancillary to a permitted retail use);
- (38) Entertainment or educational uses (except to the extent located in the office building at the Shopping Center); or
- (39) Medical clinics or offices (except as contained within the office building as designated on the Site Plan).



## WOLFSON VERRICHIA GROUP, INC.

• Meetinghouse Business Center •

120 W. Germantown Pike • Suite 120 • Plymouth Meeting, PA 19462

Phone (610) 277-8899; Fax (610) 277-8880

**VIA UPS SECOND DAY**

October 4, 2010

BMC Group, Inc.

Attn: Jennifer Convertibles Claims Processing

18750 Lake Drive East

Chanhassen, MN 55317

**Re: Proof of Claim Form  
Jennifer Convertibles, Inc. – Case 10-13779**

To Whom it May Concern:

Enclosed is an original and copy of the Proof of Claim Forms with supporting documentation; one is an amended Claim Form and the other is the Post-Petition Claim Form. Please record the original and return the copy showing that it has been received in the postage paid envelope provided. If you have any questions, please contact me.

Best regards,

Wolfson Verrichia Group, Inc.  
Agent for Main Street at Exton, LP

By:

  
Kandria James

Real Estate Paralegal and Lease Administrator

Encl.

cc (via email. w/Proof of Claim.):

Ed Moyer

Dan Utain, Esquire