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UNITED STATES	BANKRUPTCY COURT OF DELAWARE	PROOF OF CLAIM	
In re (Name of Debtor)	· · · · · · · · · · · · · · · · · · ·	Case Number:	
URBAN BRANDS, INC.		Case No. 10-13005 (KJC) Chapter 11	
	ke a claim for an administrative expense arising a	fter the commencement of the case. A "request" for	
Name of Creditor		☐ Check box if you are aware that anyone else	
(The person or other entity to whom the CHERRY HILL CENTER,	· · · · · · · · · · · · · · · · · · ·	has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	
Name and Address Where Notices Shot c/o Jeffrey Kurtzman, Esquire KLEHR HARRISON HARVE	the state of the s	Check box if you have never received any notices from the bankruptcy court in this case.	
1835 Market Street, Suite 1400 Philadelphia, PA 19103	T BRANZBORG EBI	Check box if the address differs from the address on the envelope sent to you by the court.	THIS SPACE IS FOR COURT USE ONLY
ACCOUNT OR OTHER NUMBER BY W	VHICH CREDITOR IDENTIFIES DEBTOR:	Check here if this claim replaces a previously amends	filed claim, dated:
I. BASIS FOR CLAIM	RECEIVED _	1 . D. ()	
☐ Goods sold ☐ Services performed ☐ Money loaned	OCT 0 1 2010		
Personal injury/wrongful deat	th OCI OI 2010	Unpaid compensation for services performed	
Taxes Other (Describe briefly) Leas	se obligations BMC GROUP	fromto	<u></u>
2. DATE DEBT WAS INCURRED:	5 DIVIC OROOT	3. IF COURT JUDGMENT, DATE OBTAINED:	
Secured. It is possible for part of a	claim to be in one category and part in another.	as one or more of the following: (1) Unsecured nonprATE THE AMOUNT OF THE CLAIM AT TIME CASE F	
Attached evidence of perfection of Brief Description of Collateral Real Estate Motor Amount of arrearage and other charges above, if any \$	·	Wages, salaries, or commissions (up to \$4000 90 days before filing of the bankruptcy petitio debtor's business, whichever is earlier 11 U Contributions to an employee benefit plan 1 Up to \$1,800* of deposits toward purchase, le for services for personal, family, or household 507(a)(6)	n or cessation of the S.C. § 507(a)(3). 1 U.S.C. § 507(a)(4) ase, or rental of property use 11 U.S.C.
UNSECURED NONPRIORITY CL. A claim is unsecured if there is no securing the claim or to the extent amount of the claim.	AIM \$ 63,601.96 collateral or lien on property of the debtor that the value of such property is less than the	Alimony, maintenance, or support owed to a schild 11 U.S.C. § 507(a)(7) Taxes or penalties of governmental units 11 Other Specify applicable paragraph of 11 U	U.S.C. § 507(a)(8)
UNSECURED PRIORITY CLAIM Specify the priority of the claim.		*Amounts are subject to adjustment on 4/11/98 and cases commenced on or after the date of adjustment	every 3 years thereafter with respect to
5. TOTAL AMOUNT OF			A (0 (01 0)
CLAIM AT THE TIME CASE FILED:	\$ 63,601.96 (Unsecured) \$ (Secured)	(Priority)	\$ 63,601.96 (Total)
		claim. Attach itemized statement of all additional char	
proof of claim. In filing this claim 7. SUPPORTING DOCUMENTS: Att statements of running accounts, co explain. If the documents are voli	ontracts, court judgments, or evidence of security uminous, attach a summary	it owes to debtor. missory notes, purchase orders, invoices, itemized	THIS SPACE IS FOR COURT USE ONLY
copy of this proof of claim.			
Date	Sign and print the name and title, if any, of the (attach copy of power of attorney, if any)	creditor or other person authorized to file this claim	
	PREIT SERVICES, LLC, as ag CHERRY HILL CENTER, LLC		Urban Brands
September <u>27</u> , 2010	January Manager String Day		00006
	By: Christiana U	y in the second of the	
	By: Christiana Uy, Paralegal		
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Sent to Mall:	SEP 27 2000
lease Verified:_	

LEASE AGREEMENT

by and between

CHERRY HILL CENTER, INC.

(Landlord)

and

LARGE APPAREL OF NEW JERSEY, INC.

t/a ASHLEY STEWART WOMAN SIZES 14 - 26

(Tenant)

TABLE OF CONTENTS

	PACE
ARTICLE I DEFINITIONS AND ATTACHMENTS	1
Section 1.1. Certain Defined Terms	. 4
ARTICLEII PREMISES	. 6
Section 2.1. Demise	. 6
ARTICLE III TERM	. 6
Section 3.1. Term Section 3.2. Termination Section 3.3. Holding Over	. 6
ARTICLEIV USE	. 7
Section 4.1. Prompt Occupancy and Use Section 4.2. Storage and Office Areas Section 4.3. Tenant Trade Name Section 4.4. Store Hours	. 7
ARTICLEV RENTAL	. 8
Section 5.1. Rentals Payable Section 5.2. Annual Basic Rental Section 5.3. Annual Percentage Rental Section 5.4. "Rental Year" Defined Section 5.5. "Gross Sales" Defined Section 5.6. Statements of Gross Sales Section 5.7. Tenant's Records Section 5.8. Payment of Rental Section 5.9. Advance Rental Section 5.10. Future Expansion	8 . 8 . 9 . 9 . 10 . 10
ARTICLEVI TAXES	11 11
Section 6.1. Tenant to Pay Proportionate Share of Taxes Section 6.2. Payment of Proportionate Share of Taxes Section 6.3. "Tax Year" Defined Section 6.4. Taxes on Rental	11 11 11 12 12

ARTICLEVII IMPROVEMENTS	. 12
Section 7.1. Tenant's Improvements	12
Section 7.2. Effect of Opening for Business	13
Section 7.3. Mechanic's Liens	13
Section 7.4. Tenant's Leasehold Improvements and Trade Fixtures	. 13
ARTICLE VIII OPERATIONS	4
ARTICLE VIII OPERATIONS	14
Section 8.1. Operations by Tenant	14
Section 8.2. Signs and Advertising	15
Section 8.3. Painting and Displays by Tenant	15
Section 8.4. Trash Removal Service	- 16
Section 8 5. Permitted Use Disclaimer	16
Section 8.6. Hazardous Substances	. 16
ARTICLE IX REPAIRS AND ALTERATIONS	. 17
Section 9.1. Repairs To Be Made By Landlord	17
Section 9.2. Repairs To Be Made By Tenant	17
Section 9.2. Repairs To Be Made By Tenant Section 9.3. Damage to Premises	17
Section 9.4. Alterations by Tenant	18
Section 9.5. Changes and Additions to Shopping Center	18
Section 9.6. Roof and Walls	- 18
	2
ARTICLE X COMMON AREAS	19
Section 10.1. Use of Common Areas	19
Section 10.2. Management and Operation of Common Areas	
Section 10.3. Employee Parking Areas	19
Section 10.4. Tenant to Share Expense of Common Areas	19
Section 10.5. "Landlord's Operating Costs" Defined	20
Section 10.6. Mall Hating, Ventilating and Air-Conditioning Equipment	21
Section 10.7. Renovation or Expansion of Common Areas	21
ARTICLE XI MERCHANTS' ASSOCIATION	21
ARTICLE AT MERCHANTS ASSOCIATION	. 4 !
Section 11.1. Merchants' Association	21
Section 11.2. Tenant's Contribution to Merchants' Association	
Section 11.3. Landlord's Contribution to Marchants' Association	
Section 11.4. "First Association Year" and "Association Year" Defined	
Section 11.5. Advertising	23
Section (i.e. Travolusing	20
ARTICLEXII UTILITIES	23
Section 12.1. Water. Electricity. Telephone and Sanitary Sewer	23
Section 12.2. Heating. Ventilating and Air-conditioning	24
Section 12.3. Fire Protection Sprinkler System	21

Section 12.4. Discontinuances and Interruptions of Utility Services	. 25
ADTICUE VOTE DUDEN NUTEV AND INJOI DANGE	
ARTICLE XIII INDEMNITY AND INSURANCE	25
Section 13.1. Indemnities	. 25
Section 13.2. Landlord Not Responsible for Acts of Others	26
Section 13.3. Tenant's Insurance	
Section 13.4. Tenant's Contractor's Insurance	26
Section 13.5. Policy Requirements	27
Section 13.6. Increase in Insurance Premiums	27
Section 13.7. Waiver of Right of Recovery	
Section 13.8. Tenant to Pay Proportionate Share of Insurance Costs	28
ARTICLE XIV DAMAGE AND DESTRUCTION	28
Section 14.1. Landlord's Obligation to Repair and Reconstruct	. 28
Section 14.2. Landlord's Option to Terminate Lease	29
Section 14.3. Demolition of Landlord's Building	29
Section 14.4. Insurance Proceeds	29
APTICI PARI COMPENSIATION	
ARTICLE XV CONDEMNATION	29
Section 15.1 Effect of Telema	20
Section 15.1. Effect of Taking Section 15.2. Condemnation Awards	29
Section 15.2. Condemnation Awards	30
ARTICLE XVI ASSIGNMENTS AND SUBLETTING	
Section 16.1. Landlord's Consent Required	30
Section 16.2. Transfer of Corporate Shares	32
Section 16.3. Transfer of Partnership Interests	32
Section 16.4. Acceptance of Rent from Transferee	32
Section 16.5. Additional Provisions Respecting Transfers	32
ARTICLE XVII DEFAULT	33
Section 17.1. "Event of Default" Defined	33
Section 17.2. Remedies	. 34
Section 17.3. Damages	35
Section 17.4. Remedies in Event of Bankruptcy or Other Proceeding	36
ADTICLE VICTO CUDODDIA TION AND ATTOON OF THE	
ARTICLE XVIII SUBORDINATION AND ATTORNMENT	39
Section 19.1 Subardination	
Section 18.1. Subordination	39
Section 18.2. Mortgagee's Unilateral Subordination	39 30
SCUIDH 10.3. AUDHHEIL	44

ARTIC	CLE XIX NOTICES	4(
	Section 19.1. Sending of Notices	40
	Section 19.2. Notice to Mortgagees	40
ARTIC	LE XX MISCELLANEOUS	40
	Section 20.1. Radius Restriction	40 41
	Section 20.3. Inspections and Access by Landlord	41
	Section 20.4. 'Memorandum of Lease	41
	Section 20.5. Remedies Cumulative	41
		41 42
		42
	Section 20.9. Joint and Several Liability	42 42
	Section 20.11. No Discrimination	42
		43
		43
		43
	Section 20.16. Third Party Beneficiary	43 43
	Section 20.17. Corporate Tenants	44 44
	The state of the s	44 44
	•	44
	Section 20.21. Limitation on Right of Recovery Against Landlord	44
•	Section 20.22. Survival	45
	Section 20.23. Relocation of Premises	45

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") dated

SEP 26 2000

by and between CHERRY HILL CENTER, INC., a Maryland corporation ("Landlord"), and LARGE APPAREL OF NEW JERSEY, INC., a New Jersey corporation, t/a ASHLEY STEWART WOMAN SIZES 14 - 26, ("Tenant").

WITNESSETH:

THAT FOR AND IN CONSIDERATION of the sum of One Dollar (\$1.00) and the mutual covenants herein contained, the parties hereto do hereby covenant and agree as follows:

ARTICLE I DEFINITIONS AND ATTACHMENTS

Section 1.1, Certain Defined Terms.

As used herein, the term:

- A. "Shopping Center Area" means that certain parcel of land owned, leased or controlled by Landlord situate in the County of Camden, State of New Jersey, as more particularly described in Schedule "A-1", and upon the opening for business with the public, any such property used for expansion or addition.
- B. "Shopping Center" means the Shopping Center Area and the adjacent parcel or parcels of land not owned, leased or controlled by Landlord but which are operated as an integral part of the shopping center known as the Cherry Hill Center; and, upon the opening for business with the public, any such property used for expansion or addition.
- C. "Landlord's Building" means the structure or portions of a structure constructed or to be constructed by Landlord in the Shopping Center Area intended to be leased to retail tenants in the location shown on Schedule "A", as the same may be altered, reduced, expanded or replaced from time to time.
- D. "Premises" means Tenant's portion of Landlord's Building shown on Schedule "A" having the following Area:

Floor Area: 3000 square feet.

E. "Outside Commencement Date" means September 1, 2000.

"Termination Date" means January 31, 2011

- F. "Permitted **Use"** means the sale at retail of women's and junior's branded and private "plus size" or "large *size"* apparel such as dresses, suits, lingerie, casual wear tops and bottoms; and as incidental thereto, in an area not to exceed twenty-five percent (25%)of the sales area of the Premises, slippers, shoes, hosiery, health and beauty items, handbags, scarves, sleepwear, foundations and other accessories in plus sizes.
- G. "Annual Basic Rental" means an amount equal to the product of the following applicable figure multiplied by Tenant's Floor Area (subject to adjustment as provided in Section 5.1.):

Rental Years 1 - 3: \$18.00 Rental Years 4 - 7: \$20.00

Rental Years 8 - Termination Date: \$22.00

H. "Annual Percentage Rental" means a sum equal to six percent (6%) of the amount by which annual Gross Sales exceed the product of the following applicable figure multiplied by Tenant's Floor Area (the "Breakpoint"), subject to adjustment as provided in Section 5.1.; provided, however, that in the event during the first or last Rental Year Tenant is not open for business for twelve (12) full months, the Breakpoint shall be an amount equal to the Breakpoint specified herein multiplied by a fraction, the numerator of which shall be the actual number of complete months during which Tenant was open for business during the Rental Year and the denominator of which shall be twelve (12):

Rental Years 1 - 3: \$300.00 Rental Years 4 - 7: \$333.33

Rental Years 8 - Termination Date:

\$366.67

- I. "Advance Rental" means the sum of \$0.00 See Section 5.9.
- J. "HVAC Equipment Contribution Rate" means the sum of \$1.25. See Schedule F.
- K. **Mall** Heating, Ventilating and Air-Conditioning Equipment Contribution Rate" is included in HVAC Equipment Contribution Rate in Section 1.1.J.
- L. "Merchants' Association Contribution Rate" means the sum of \$1.00. See Article XI.
 "Marketing Fund Contribution Rate" means the sum of \$1.00. See Article XI.
- M. "Sprinkler Contribution Rate" means the sum of \$.15. See Section 12.3.
- N. "Trash Removal Service Charge". See Section 8.4.
- O. "Water and Sewer Charge". See Schedule E.
- P. "Tenant Notice Address" means

Large Apparel of New Jersey, Inc. 100 Metro Way Secaucus, New Jersey 07094

- Q. "Tenant Trade Name" means ASHLEY STEWART WOMAN SIZES 14 26 which Tenant represents it is entitled to use pursuant to all applicable laws.
- R. "Store Hours" means Monday through Saturday 10:00 a.m. to 9:30 p.m. and Sunday . 11:00 a.m. to 6:00 p.m.
- S. "Restriction Area" means three (3) miles.
- T. "Landlord's Floor Area" means the aggregate number of square feet of Landlord's leasable floor area in Landlord's Building (exclusive of Anchor Stores and exclusive of any building not structurally connected to the enclosed mall or not having an opening into the enclosed mall) which, with respect to any such floor area which has been leased to any rent-paying tenant, shall be determined in accordance with the provisions of any lease applicable thereto and which, with respect to any such floor area not so leased, shall consist of all such leasable floor area in Landlord's Building designed for the exclusive use and occupancy of rent-paying tenants, which shall exclude Common Areas, storage areas leased separately from retail areas, mezzanine areas and areas used for Landlord's management and promotion offices.
- U. "Tenant's Floor Area" means the number of square feet contained in that portion of Landlord's Floor Area constituting the Premises which shall be measured (a) with respect to the front and rear width thereof, from the exterior face of the adjacent exterior or corridor wall or, if none, from the center of the demising partition, to the opposite exterior face of the adjacent exterior or corridor wall or, if none, to the center of the opposite demising partition, and (b) with respect to the depth thereof, from the front lease line to the exterior face of the rear exterior wall, or corridor wall, or, if neither, to the center of the rear demising partition; and in no case shall there be any deduction for columns or other structural elements within any tenant's premises.
- V. "Common Areas" means those areas and facilities which may be furnished by Landlord or others in or near the Shopping Center Area for the nonexclusive general common use of tenants, Anchor Stores and other occupants of the Shopping Center, their officers, agents, employees and customers, including (without limitation) parking areas, access areas (other than public streets), employee parking areas, truckways, driveways, loading docks and areas, delivery passageways, package pick-up stations, sidewalks, interior and exterior pedestrian walkways and pedestrian bridges, malls, promenades, mezzanines, roofs, sprinklers, plazas, courts, ramps, common seating areas, landscaped and planted areas, retaining walls, balconies, stairways, escalators, elevators, bus stops, first-aid stations, sewage treatment facilities (if any) lighting facilities, comfort stations or rest rooms, civic center, meeting rooms, and other similar areas, facilities or improvements.
- W. "Default Rate" means an annual rate of interest equal to the lesser of (i) the maximum rate of interest for which Tenant may lawfully contract in the State in which the Shopping Center is located, or (ii) eighteen percent (18%).
- X. "Anchor Store" means any department or specialty store which either (i) occupies a floor area in excess of 50,000 square feet in the Shopping Center, or (ii) is designated an Anchor Store in a notice to that effect given by Landlord to Tenant.
- Y. "Landlord's Leased Floor Area" means the monthly average of the aggregate number of square feet contained in those portions of Landlord's Floor Area leased to tenants

(including the Premises) as of the first day of each calendar month during the billing period in question, but not less than eighty-five percent (85%)of Landlord's Floor Area.

Section 1.2. Additional Defined Terms.

The following additional terms are defined in the places in this Lease noted below:

Term			Section
"Additional Rental"			5.1
"Annual Merchants' Association Contril	bution"		11.2
"Association"			11.1
"Association Year"			11.4
"Casualty"	•		14.1
"Commencement Date"			3.1
"Consumer Price Index"			11.2
"Electricity Component"			Schedule E (if applicable)
"Electricity Factor"			Schedule E (if applicable)
"Event of Default"	•		17.1
"Expansion Opening Contribution"			11.2
"First Association Year"	•		11.4
"Fiscal Year"			Schedule F (if applicable)
"Gross Sales"			5.5
"Hazardous Substance"			8.6
"HVAC Equipment Contribution"		•	Schedule F (if applicable)
"HVAC Factor"	•		Schedule F (if applicable)
"Landlord's Operating Costs"			10.5
"Liquidated Damages"			17.3
"Mortgage"			18.2
"Mortgagee"			18.2
"Release"	· · · · · · · .		8.6 5.1
"Rental"			5.4
"Rental Year"		•	6.1
"Taxes"			6.3
"Tax Year"			Schedule E (if applicable)
"Tenant's Electrical Installation"			Schedule F (if applicable)
"Tenant's HVAC Charge"			Schedule F (if applicable)
"Tenant's V/CW Charge "Term"	:	,	3.1
	•		17.3
"Termination Damages"			Schedule E (if applicable)
"Umpire" "V/CN/ Equipment Contribution"			Schedule F (if applicable)
"V/CW Equipment Contribution" "V/CW Factor"		•	Schedule F (if applicable)
Y/CW Factor			concadic i (ii applicable)

Section 1.3. Attachments.

The following documents are attached hereto, and such documents, as well as all drawings and documents prepared pursuant thereto, shall be deemed to be a part hereof

Schedule "A"	-	Drawing of Shopping Center Area including Landlord's Building and Tenant's Premises
Schedule "A-1"	-	Legal Description of Shopping Center
Schedule "A-2"	. -	Additional Legal Description of Shopping Center (if applicable)
Schedule "B"	٠	None
Schedule "C"	-	None
Schedule "D"		None
Schedule "E"	-	Utility Consumption and Payment Schedule
Schedule "F"	-	Tenant Heating, Ventilating and Air-conditioning Schedule or V/CW Schedule

ARTICLE II PREMISES

Section 2.1. Demise.

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Landlord hereby leases to Tenant, and Tenant hereby rents from Landlord, the Premises having the Floor Area as set forth in clause D of Section 1.1 hereof, which Landlord and Tenant hereby conclusively agree represents Tenant's Floor Area for all purposes of this Lease.

Landlord warrants that it and no other person or corporation has the right to lease the Premises hereby demised, and that so long as Tenant is not in default hereunder, Tenant shall have peaceful and quiet use and possession of the Premises, subject to any Mortgage, and all matters of record or other agreements to which this Lease is or may hereafter be subordinated.

Notwithstanding anything to the contrary contained herein, the Premises have been inspected by Tenant who shall be deemed to have accepted the same as existing as of the date Landlord delivers the Premises to Tenant for completion of all work required of it.

ARTICLE III · TERM

Section 3.1. Term.

The term of this Lease (the "Term") shall commence on that date (the "Commencement Date") which shall be the earlier to occur of (a) the Outside Commencement Date or (b) the opening by Tenant of its business in the Premises, and shall terminate on the Termination Date. Landlord and Tenant agree, upon demand of the other, to execute a declaration setting forth the Commencement Date as soon as the Commencement Date has been determined.

Section 3.2. <u>Termination</u>.

This Lease shall terminate on the Termination Date, without the necessity of any notice from either Landlord or Tenant to terminate the same, and Tenant hereby waives notice to vacate or quit the Premises and agrees that Landlord shall be entitled to the benefit of all provisions of law respecting the summary recovery of possession of the Premises from a tenant holding over to the same extent as if statutory notice had been given. Tenant hereby agrees that if it fails to surrender the Premises at the end of the Term, or any renewal thereof, Tenant will be liable to Landlord for any and all damages which Landlord shall suffer by reason thereof, and Tenant will indemnify Landlord against all claims and demands made by any succeeding tenants against Landlord, founded upon delay by Landlord in delivering possession of the Premises to such succeeding tenant. For the period of three (3) months prior to the expiration of the Term, Landlord shall have the right to display on the exterior of the Premises a "For Rent" sign (not to exceed one foot by one foot in size) and during such period Landlord may show the Premises and all parts thereof to prospective tenants during normal business hours.

Section 3.3. Holding Over.

If Tenant shall be in possession of the Premises after the expiration of the Term, in the absence of any agreement emending the Term, the tenancy under this Lease shall become one from month to month, terminable by either party on thirty (30) days' prior notice, and shall be subject to all of the terms and conditions of this Lease as though the Term had been extended from month to month, except that

(i) the **Annual** Basic **Rental** payable hereunder for each month during said holdover period shall be equal to twice the monthly installment of Annual Basic Rental payable during the last month of the Term, (ii) the installments of **Annual** Percentage Rental payable hereunder for each such month shall be equal to one-twelfth (1112th) of the average Annual Percentage Rental payable hereunder for the last three (3) Rental Years of the Term, or if the **Term** is less than three (3) Rental Years, then such installments shall be equal to one-twelfth (1/12th) of the Annual Percentage Rental payable hereunder for the last complete Rental **Year** preceding expiration of the Term, and (iii) all Additional Rental payable hereunder shall be prorated for each month during such holdover period.

ARTICLE IV

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Section 4.1. Prompt Occupancy and Use.

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Tenant shall occupy the Premises upon commencement of the Term and thereafter will continuously **use** the Premises for the Permitted Use and for no other purpose whatsoever.

Section 4 2. Storage and Office Areas.

Tenant shall use only such minor portions of the Premises for storage and office purposes as are reasonably required therefor.

Section 4.3. Tenant Trade Name

Unless otherwise approved by Landlord, Tenant shall conduct business in the Premises only in the Tenant Trade Name.

Section 4.4. Store Hours.

Tenant shall cause its business to be conducted and operated in good faith and in such manner as shall assure the transaction of a maximum volume of business in and at the Premises. Tenant covenants and agrees that the Premises shall remain open for business at least during the Store Hours or such other hours as shall be seasonally adjusted by Landlord. If Tenant shall fail to cause its business to be operated during the hours required by the preceding sentence, or as otherwise required by Landlord, in addition to any other remedy—available to Landlord under this Lease, Tenant shall pay to Landlord, as liquidated damages for such breach, a sum equal to One Hundred Dollars (\$100.00) for each hour or portion thereof during which Tenant shall fail to so operate.

If Tenant shall request Landlord's approval of the opening of the Premises for business for periods exceeding those designated above and Landlord shall approve such request, Tenant shall pay for any additional costs incurred by Landlord in connection with Tenant's opening the Premises for business during such additional hours, including but not limited to, a proportionate share of any additional amounts of Landlord's Operating Costs, additional costs of heating, ventilating and air-conditioning the Premises, and additional utilities furnished to the Premises by Landlord.

ARTICLE V RENTAL

Section 5.1. Rentals Payable.

Tenant covenants and agrees to pay to Landlord as rental ("Rental") for the Premises. the following:

- (a) the Annual Basic Rental specified in clause G of Section 1.1; plus
- (b) the Annual Percentage Rental specified in clause H of Section 1.1; plus
- all additional sums, charges or amounts of whatever nature to be paid by Tenant to Landlord in accordance with the provisions of this Lease, whether or not such sums, charges or amounts are referred to as additional rental (collectively referred to as "Additional Rental");

provided, however, that the Annual Basic Rental and the minimum amount of Gross Sales utilized in the computation of Annual Percentage Rental shall be adjusted proportionately for any Rental Year of more or less than twelve (12) calendar months.

Section 5.2. Annual Basic Rental.

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Annual Basic Rental shall be payable in *equal* monthly installments in advance on the first day of each full *calendar* month during the Term, the first such payment to include also any prorated Annual Basic Rental for the period from the date of the commencement of the Term to the first day of the first full calendar month in the Term.

Section 5.3. Annual Percentage Rental.

Annual Percentage Rental shall be determined and payable monthly on or before the fifteenth (15th) day following the close of each full calendar month during the Term, based on Gross Sales for the preceding calendar month. Monthly payments of Annual Percentage Rental shall be calculated by (a) dividing the product specified in clause H of Section 1.1. by twelve (12); (b) subtracting the quotient thus obtained from the amount of Gross Sales for the month in question, and (c) multiplying the difference thus obtained (if greater than zero) by the percentage specified in clause H of Section 1.1. The first monthly payment of Annual Percentage-Rental due-hereunder shall include prorated Annual Percentage Rental based on Gross Sales from the Commencement Date through the last day of the month immediately prior to the first full calendar month in the Term. As soon as practicable after the end of each Rental Year, the Annual Percentage Rental paid or payable for such Rental Year shall be adjusted between Landlord and Tenant, and each party hereby agrees to pay to the other, on demand, the amount of any excess or deficiency in Annual Percentage Rental paid by Tenant to Landlord during the preceding Rental Year as may be necessary to effect adjustment to the agreed Annual Percentage Rental.

Section 5.4. "Rental Year" Defined.

The first "Rental Year" shall commence on the first day of the Term and shall end at the close of the twelfth full calendar month following the commencement of the Term; thereafter each Rental Year shall consist of successive periods of twelve calendar months. Any portion of the Term remaining at the end of the last full Rental Year shall constitute the final Rental Year and all Rental shall be apportioned therefor.

Section 5.5. "Gross Sales" Defined.

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"Gross Sales" means the actual sales prices or rentals of all goods, wares and merchandise sold, leased, licensed or delivered and the actual charges for all services performed by Tenant or by any subtenant, licensee or concessionaire in, at, from, or arising out of the use of the Premises, whether for wholesale, retail, cash, credit, trade-in or otherwise, without reserve or deduction for inability or failure to collect. Gross Sales shall include, without limitation, sales and services (a) where the orders therefor originate in, at, from, or ansing out of the use of the Premises, whether delivery or performance is made from the Premises or from some other place, (b) made or performed by mail, telephone, or telegraph orders, (c) made or performed by means of mechanical or other vending devices in the Premises, or (d) which Tenant or any subtenant, licensee, concessionaire or other person in the normal and customary course of its business would credit or attribute to its operations in any part of the Premises. Any deposit not refunded shall be included in Gross Sales. Each installment or credit sale shall be treated as a sale for the full price in the month during which such sale is made, regardless of whether or when Tenant receives payment therefor. No franchise, occupancy or capital stock tax and no income or similar tax based on income or profits shall be deducted from Gross Sales.

The following shall not be included in Gross Sales: (i) any exchange of merchandise between stores of Tenant where such exchange is made solely for the convenient operation of Tenant's business and not for the purpose of consummating a sale made in, at or from the Premises, or for the purpose of depriving Landlord of the benefit of a sale which would otherwise be made in or at the Premises. (ii) returns to shippers or manufacturers, (iii) cash or credit refunds to customers on transactions (not to exceed the actual selling price of the item returned) otherwise included in Gross Sales, (iv) sales of trade fixtures, machinery and equipment after use thereof in the conduct of Tenant's business, (v) amounts collected and paid by Tenant to any government for any sales or excise tax, and (vi) the amount of any discount on sales to employees.

Section 5.6. Statements of Gross Sales.

Tenant shall deliver to Landlord (a) within ten (10) days after the close of each calendar month of the Term, a written report signed by Tenant or by an authorized officer or agent of Tenant, showing the Gross Sales made in the preceding calendar month and (b) within sixty (60) days after the close of each Rental Year, a statement of Gross Sales for the preceding Rental Year which shall conform to and be in accordance with generally accepted accounting principles and Section 5.5. The annual statement shall be accompanied by the signed certificate of an independent Certified-Public Accountant stating specifically that (i) he has examined the report of Gross Sales for the preceding Rental Year, (ii) his examination included such tests of Tenant's books and records as he considered necessary or appropriate under the circumstances, (iii) such report presents fairly the Gross Sales of the preceding Rental Year, and (iv) the said Gross Sales conform with and are computed in compliance with the definition of Gross Sales contained in Section 5.5 hereof. If Tenant shall fail to deliver such annual statement and certificate to Landlord within said sixty (60) day period, Landlord shall have the right thereafter to employ an independent Certified Public Accountant to examine such books and records, including without limitation all records required by Section 5.7, as may be necessary to certify the amount of Tenant's Gross Sales for such Rental Year, and Tenant shall pay to Landlord the cost thereof as Additional Rental.

If such audit shall disclose that Tenant's records, in the opinion of such independent Certified Public Accountant, are inadequate to disclose such Gross Sales, Landlord shall be entitled to collect, as Additional Rental, an equitable sum determined by such independent Certified Public Accountant but not exceeding fifty percent (50%) of the Annual Basic Rental payable by Tenant during the period in question.

Section 5.7. Tenant's Records.

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For the purpose of permitting verification by Landlord of any amounts due as Rental, Tenant will (i) cause the business upon the Premises to be operated so that a duplicate sales slip, invoice or nonresettable cash register receipt, serially numbered, or such other device for recording sales as Landlord approves, shall be issued with each sale or transaction, whether for cash, credit or exchange, and (ii) preserve for at least three (3) years, and during the Term shall keep at the Tenant Notice Address or the Premises, a general ledger, required receipts and disbursement journals and such sales records and other supporting documentation, together with original or duplicate books and records, which shall disclose all information required to determine Tenant's Gross Sales and which shall conform to and be in accordance with generally accepted accounting principles. At any time or from time to time after advance notice to Tenant, Landlord or any Mortgagee, their agents and accountants, shall have the right during business hours to make any examination or audit of such books and records which Laudlord or such Mortgagee may desire. If such audit shall disclose a liability in any Rental Year for Rental in excess of the Rental theretofore paid by Tenant for such period, Tenant shall promptly pay such liability. Should any such Liability for Rental equal or exceed three percent (3%) of Annual Percentage Rental previously paid for such Rental Year, or if such audit shall disclose that Tenant has underreported Gross Sales by five percent (5%) or more during any Rental Year, (a) Tenant shall promptly pay the cost of audit and interest at the Default Rate on all additional Annual Percentage Rental then payable, accounting from the date such additional Annual Percentage Rental was due and payable, and (b) an Event of Default shall be deemed to exist unless, within ten (10) days after Landlord shall have given Tenant notice of such liability, Tenant shall furnish Landlord with evidence satisfactorily demonstrating to Landlord that such liability for additional Annual Percentage Rental was the result of good faith error on Tenant's part. If such audit shall disclose that Tenant's records, in Landlord's opinion, are inadequate to accurately reflect Tenant's Gross Sales, Landlord shall have the right to retain a consultant to prepare and establish a proper recording system for the determination of Tenant's Gross Sales and Tenant agrees that it shall use the system, books and records prescribed by such consultant for such purpose. Tenant shall pay to Landlord. as Additional Rental, the fees and expenses of such consultant.

Section 5.8. Payment of Rental.

Tenant shall pay all Rental when due and payable, without any setoff, deduction or prior demand therefor whatsoever. Except as provided herein, Tenant shall not pay any Rental earlier than one (1) month in advance of the date on which it is due. If Tenant shall fail to pay any Rental within seven (7) days after the same is due, Tenant shall be obligated to pay a late payment charge equal to the greater of One Hundred Dollars (\$100.00) or ten percent (10%) of any Rental payment not paid when due to reimburse Landlord for its additional administrative costs. In addition, any Rental which is not paid within seven (7) days after the same is due shall bear interest at the Default Rate from the first day due until paid. Any Additional Rental which shall become due shall be payable, unless otherwise provided herein, with the next installment of Armual Basic Rental. Rental and statements required of Tenant shall be paid and delivered to Landlord at the management office of Landlord in the Shopping Center Area during normal business hours, or at such other place as Landlord may from time to time designate in a notice to Tenant. Any payment by Tenant or acceptance by Landlord of a lesser amount then shall be due from Tenant to Landlord shall be treated as a payment on account. The acceptance by Landlord of a check for a lesser amount with an endorsement or statement thereon, or upon any letter accompanying such check, that such lesser amount is payment m full, shall be given no effect, and Landlord may accept such check without prejudice to any other rights or remedies which Landlord may have against Tenant.

Section 5.9. Advance Rental.

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Upon execution of **this** Lease by Tenant, Tenant shall pay to Landlord the Advance Rental, the **same** to be held **as** security for the performance by Tenant of all obligations imposed under this Lease which Tenant is required to perform prior to the commencement of the Term. If Tenant shall faithfully perform all such obligations, then the Advance Rental shall **be** applied, pro tanto, by Landlord against the Rental first becoming due hereunder. Otherwise, Landlord **shall** be entitled to apply the Advance Rental, pro *tanto*, against any *damages* which it may **sustain** by reason of Tenant's failure to perform its obligations under this Lease, but such application **shall** not preclude Landlord from recovering greater damages if the same *can* be established.

Section 5.10. Future Expansion.

In the event that during the Term (i) additional Anchor Stores are constructed in the Shopping Center, or (ii) one or more expansions of Landlord's Building, each involving the addition of at least 50,000 square feet of Landlord's Floor Area, are constructed; then, upon the opening for business of each such additional Anchor Store or expansion of Landlord's Building. the Annual Basic Rental shall be increased by ten percent (10%) for each such Anchor Store or expansion opening and the Breakpoint shall be increased by a like percentage.

ARTICLE **VI**TAXES

Section 6.1. Tenant to Pav Proportionate Share of Taxes.

Tenant shall pay in each Tax Year during the Term, as Additional Rental, a proportionate share of all amounts payable by Landlord with respect to real estate taxes, ad valorem taxes and assessments. general and special, taxes on real estate rental receipts, taxes on Landlord's gross receipts, or any other tax imposed upon or levied against real estate, or upon owners of real estate as such rather than persons generally, extraordinary as well as ordinary, foreseeable and unforeseeable, including taxes imposed on leasehold improvements which are assessed against Landlord, payable with respect to or allocable to the Shopping Center Area, including all land, Landlord's Building and all other buildings and improvements situated thereon, together with the reasonable cost (including fees of attorneys, consultants and appraisers) of any negotiation, contest or appeal pursued by Landlord in an effort to reduce any such tax, assessment or charge, and all of Landlord's reasonable administrative costs in relation to the foregoing, all of the above being collectively referred to herein as "Taxes." Tenant's proportionate share of Taxes shall be computed by multiplying the amount of such Taxes (less any contributions by Anchor Stores) by a fraction, the numerator of which shall be Tenant's Floor Area and the denominator of which shall be Landlord's Floor Area. For the Tax Year in which the Term commences or terminates, the provisions of this Section shall apply, but Tenant's liability for its proportionate share of any Taxes for such year shall be subject to a pro rata adjustment based upon the number of days of such Tax Year falling within the Term.

Section 6.2. Payment of Prouortionate Share of Taxes.

Tenant's proportionate share of Taxes shall be paid by Tenant in monthly installments in such amounts as are estimated and billed for each Tax Year during the Term by Landlord, each such installment being due on the first day of each calendar month. At any time during a Tax Year, Landlord may reestimate Tenant's proportionate share of Taxes and thereafter adjust Tenant's monthly installments payable during the Tax Year to reflect more accurately Tenant's proportionate share of Taxes. Within

one hundred twenty (120) days after Landlord's receipt of tax bills for each Tax Year, or such reasonable (in Landlord's determination) time thereafter, Landlord will notify Tenant of the amount of Taxes for the Tax Year in question and the amount of Tenant's proportionate share thereof. Any overpayment or deficiency in Tenant's payment of its proportionate share of Taxes for each Tax Year shall be adjusted between Landlord and Tenant, and Landlord and Tenant hereby agree that Tenant shall pay Landlord or Landlord shall credit to Tenant's account (or, if such adjustment is at the end of the Term, Landlord shall pay Tenant), as the case may be, within fifteen (15) days of the aforesaid notice to Tenant, such amounts as may be necessary to effect such adjustment. Failure of Landlord to provide such notice within the time prescribed shall not relieve Tenant of its obligations hereunder. Notwithstanding the foregoing, if Landlord is required under law to pay Taxes in advance, Tenant agrees to pay Landlord, upon commencement of the Term of this Lease, an amount equal to Tenant's share of Taxes for the entire Tax Year in which the Term of this Lease commences, and in such event, at the termination of this Lease, Tenant shall be entitled to a refund of Taxes paid which are attributable to a period after this Lease expires.

Section 6.3. "Tax Year" Defined.

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The term "Tax Year" means each twelve (12) month period (deemed, for the purpose of this Section, to have 365 days) established as the real estate tax year by the taxing authorities having lawful jurisdiction over the Shopping Center Area.

Section 6.4. Taxes on Rental.

In addition to **Terant's** proportionate **share** of Taxes, Tenant shall pay to the appropriate agency any sales, excise and other taxes (not including, however, Landlord's income taxes) levied, imposed or assessed by the State in which the **Shopping** Center is situate or any political subdivision thereof or other taxing authority upon any Rental payable hereunder. Tenant **shall** also pay, prior to the time the same shall become delinquent or payable with penalty, all taxes imposed on its inventory, furniture, trade fixtures, apparatus, equipment, leasehold improvements installed by Tenant or by Landlord on behalf of Tenant (except to the extent such leasehold improvements **shall** be covered by Taxes referred to in Section **6.1)**, and any other property of Tenant. Landlord may require that Tenant's leasehold improvements be separately assessed by the taxing authority.

ARTICLE VII IMPROVEMENTS

Section 7.1. Tenant's Improvements.

Tenant agrees, at its sole cost and expense, to remodel the interior and exterior of the Premises in accordance with approved plans and specifications, using new and quality materials and equipment. Plans and specifications for all improvements, including the type of materials to be used by Tenant in the Premises, must be set forth in detail and submitted to Landlord for approval immediately upon execution of this Lease. Tenant agrees to commence remodeling of the Premises promptly upon approval by Landlord of such plans and specifications. All such remodeling must be completed prior to commencement of the Term.

For the purpose of performing its obligations hereunder and for the purpose of installing its fixtures and other equipment. Tenant will be permitted to enter the Premises not less than thirty (30) days prior to the commencement of the Term, on condition that (i) Tenant's activities are conducted in such a manner so as not to unreasonably interfere With Landlord's shopping center activities, and (ii) Tenant

shall, at its own expense, remove from the Premises and from the Shopping Center *Area* in its entirety all trash which may accumulate in connection with Tenant's activities. It is understood and agreed that during said thirty (30) day period, Tenant shall perform all duties and obligations imposed by this Lease, saving and excepting only the obligation to pay Rental (other than any Additional Rental due Landlord by reason of Tenant's failure to perform any of its obligations hereunder).

Section 7.2. Effect of Opening for Business

By opening the Premises for business, Tenant shall be deemed to have (a) accepted *the* Premises. (b) acknowledged that the same are in the condition called for hereunder, and (c) agreed that the obligations of Landlord imposed hereunder have been fully performed.

Section 7.3. Mechanic's Liens.

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No work-performed by Tenant pursuant to this Lease; whether in the nature of erection. construction, alteration or repair, shall be deemed to be for the immediate use and benefit of Landlord so that no mechanic's or other lien shall be allowed against the estate of Landlord by reason of any consent given by Landlord to Tenant to improve the Premises. Tenant shall place such contractual provisions as Landlord may request in all contracts and subcontracts for Tenant's improvements assuring Landlord that no mechanic's liens will be asserted against Landlord's interest in the Premises or the property of which the Premises are a part. Said contracts and subcontracts shall provide, among other things, the following: That notwithstanding anything in said contracts or subcontracts to the contrary. Tenant's contractors, subcontractors, suppliers and materialmen (hereinafter collectively referred to as "Contractors") will perform the work and/or furnish the required materials on the sole credit of Tenant: that no lien for labor or materials will be filed or claimed by the Contractors against Landlord's interest in the Premises or the property of which the Premises are a part; that the Contractors will immediately discharge any such lien filed by any of the Contractor's suppliers, laborers, materialmen or subcontractors; and that the Contractors will indemnify and save Landlord harmless from any and all costs and expenses, including reasonable attorneys' fees, suffered or incurred as a result of any such lien against Landlord's interest that may be filed or claimed in connection with or arising out of work undertaken by the Contractors. Tenant shall pay promptly all persons furnishing labor or materials with respect to any work performed by Tenant or its Contractors on or about the Premises. If any mechanic's or other liens shall at any time be tiled against the Premises or the property of which the Premises are a part by reason of work, labor, services or materials performed or furnished, or alleged to have been performed or furnished, to Tenant or to anyone holding the Premises through or under Tenant, and regardless of whether any such lien is asserted against the interest of Landlord or Tenant, Tenant shall forthwith cause the same to be discharged of record or bonded to the satisfaction of Landlord. If Tenant shall fail to cause such lien forthwith to be so discharged or bonded after being notified of the filing thereof, then, in addition to any other right or remedy of Landlord, Landlord may bond or discharge the same by paying the amount claimed to be due, and the amount so paid by Landlord, including reasonable attorneys' fees incurred by Landlord either in defending against such lien or in procuring the bonding or discharge of such lien, together with interest thereon at the Default Rate, shall be due and payable by Tenant to Landlord as Additional Rental.

Section 7.4. Tenant's Leasehold Improvements and Trade Fixtures.

All leasehold improvements (as distinguished from trade fixtures and apparatus) installed in the Premises at any time, whether by or on behalf of Tenant or by or on behalf of Landlord, shall not be removed from the Premises at any time, unless such removal is consented to in advance by Landlord; and at the expiration of this Lease (either on the Termination Date or upon such earlier termination as

provided in this Lease), all such leasehold improvements **shall** be deemed to **be** part of the **Premises**, shall not be removed by Tenant when it vacates the Premises, and title thereto shall vest solely in Landlord without payment of any nature to Tenant.

All trade fixtures and apparatus (as distinguished fixture leasehold improvements) owned by Tenant and installed in the Premises shall remain the property of Tenant and shall be removable at any time, including upon the expiration of the Term; provided Tenant shall not at such time be in default of any terms or covenants of this Lease, and provided further, that Tenant shall repair any damage to the Premises caused by the removal of said trade fixtures and apparatus and shall restore the Premises to substantially the same condition as existed prior to the installation of said trade fixtures and apparatus.

To protect Landlord in the event Tenant defaults hereunder, Tenant hereby grants to Landlord a security interest in all goods, inventory, equipment, trade fixtures, and all personal property belonging to Tenant which are or may be put into the Premises during the Term and all proceeds of the foregoing. Said security interest shall secure all amounts to be paid by Tenant tu Landlord hereunder, including all costs of collection and other costs specified in Sections 17.2 and 17.3 hereof, and any other indebtedness of Tenant to Landlord. Tenant agrees to sign any financing statement or security agreement requested by Landlord in order to perfect such security interest. The lien granted hereunder shall be in addition to any Landlord's lien that may now or at any time hereafter be provided by law.

ARTICLE VIII OPERATIONS

Section 8.1, Operations by Tenant.

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In regard to the use and occupancy of the Premises, Tenant will at its expense: (a) keep the inside and outside of all glass in the doors and windows of the Premises clean; (b) keep all exterior store surfaces of the Premises clean; (c) replace promptly any cracked or broken glass of the Premises with glass of like color, grade and quality; (d) maintain the Premises in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; (e) keep any garbage, trash, rubbish or other refuse in rat-proof containers within the interior of the Premises until removed; (f) deposit such garbage, trash, rubbish and refuse, on a daily basis, in designated receptacles provided by Landlord; (g) keep all mechanical apparatus free of vibration and noise which may be transmitted beyond the Premises; (h) comply with all laws, ordinances, rules and regulations of governmental authorities and all reasonable recommendations of Landlord's casualty insurer(s) and other applicable insurance rating organization now or hereafter in effect; (i) light the show windows of the Premises and exterior signs and turn the same off to the extent required by Landlord; (j) keep in the Premises and maintain in good working order one (1) or more type 2A10BC dry chemical fire extinguisher(s); (k) comply with and observe all rules and regulations established by Landlord from time to time which apply generally to all retail tenants in the Shopping Center Area; (I) maintain sufficient and seasonal inventory and have sufficient number of personnel to maximize sales volume in the Premises; and (m) conduct its business in all respects in a dignified manner in accordance with high standards of store operation consistent with the quality of operation of the Shopping Center Area as determined by Landlord and provide an appropriate mercantile quality comparable with the entire Shopping Center.

In regard to the use and occupancy of the Premises and the Common Areas, Tenant will not: (n) place or maintain any merchandise, signage, trash, refuse or other articles in any vestibule or entry of the Premises, on the footwalks or corridors adjacent thereto or elsewhere on the exterior of the Premises, nor obstruct any driveway, corridor, footwalk, parking area, mall or any other Common Areas; (o) use or permit the use of any objectionable advertising medium such as, without limitation.

loudspeakers, phonographs, public address systems, sound amplifiers, reception of radio or television broadcasts within the Shopping Center, which is in any manner audible or visible outside of the Premises. (p) permit undue accumulations of or bum garbage, trash, rubbish or other refuse within or without the premises; (q) cause or permit objectionable odors (in Landlord's opinion) to emanate or to be dispelled from the Premises; (r) solicit business in any Common Areas; (s) distribute handbills or other advertising matter in any Common Areas (including placing any of the same in or upon any automobiles parked in the parking areas); (t) permit the parking of vehicles so as to interfere with the use of any driveway. corridor, footwalk, parking area, mall or other Common Areas; (u) receive or ship articles of any kind outside the designated loading areas for the Premises; (v) use the mall, corridor or any other Common Areas adjacent to the Premises for the sale or display of any merchandise or for any other business. occupation or undertaking; (w) conduct or permit to be conducted any auction, fictitious tire sale, going out of business sale, bankruptcy sale (unless directed by court order), or other similar type sale in or connected with the Premises (but this provision shall not restrict the absolute freedom of Tenant in determining its own selling prices, nor shall it preclude the conduct of periodic seasonal, promotional or clearance sales]; (x) use or permit the use of any portion of the Premises in a manner which will be in violarion of law, or for any activity of a type which is not generally considered appropriate for regional shopping centers conducted in accordance with good and generally accepted standards of operation; (y) place a load upon any floor which exceeds the floor load which the floor was designed to carry; (z) operate its heating or air-conditioning in such a manner as to drain heat or air-conditioning from the Common Areas or from the premises of any other tenant or other occupant of the Shopping Center; or (aa) use the Premises for any unlawful or illegal business, use or purpose, or for any business, use or purpose which is immoral or disreputable (including without limitation "adult entertainment establishments" and "adult bookstores"), or which is hazardous, or in such manner as to constitute a nuisance of any kind (public or private), or for any purpose or in any way in violation of the certificates of occupancy (or other similar approvals of applicable governmental authorities).

Tenant acknowledges that it is Landlord's intent that the Shopping Center Area be operated in a manner which is consistent with the highest standards of decency and morals prevailing in the community which it serves. Toward that end, Tenant agrees that it will not sell, distribute, display or offer for sale any item which, in Landlord's good faith judgment, is inconsistent with the quality of operation of the Shopping Center Area or may tend to injure or detract from the moral character or image of the Shopping Center Area within such community. Without limiting the generality of the foregoing, Tenant will not sell, distribute, display or offer for sale (i) any roach clip, water pipe, bong, coke spoon, cigarette papers, hypodermic syringe or other paraphernalia commonly used in the use or ingestion of illicit drugs, (ii) any pornographic, lewd, suggestive, or "adult" newspaper, book, magazine, film, picture, recording, representation or merchandise of any kind, or (iii) any handgun.

Section 8.2. Signs and Advertising.

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Terent will not place or suffer to be placed or maintained on the exterior of the Premises, or any part of the interior visible from the exterior thereof, any sign, banner, advertising matter or any other thing of any kind (including, without limitation, any hand-lettered advertising), and will not place or maintain any decoration, letter or advertising matter on the glass of any window or door of the Premises without first obtaining Landlord's approval. Tenant will, at its sole cost and expense, maintain such sign, banner, decoration, lettering, advertising matter or other thing as may be permitted hereunder in good condition and repair at all times.

Section 8.3. Painting and Displays by Tenant.

Tenant will not paint or decorate any part of the exterior of the Premises, or any part of the interior of the Premises visible from the exterior thereof, without first obtaining Landlord's approval.

Tenant will install and maintain at all times, subject to the other provisions of this Section, displays of merchandise in **the** show windows (if any) of the premises. All articles, and the arrangement, style, color and general appearance thereof, in the interior of the Premises including, without limitation, window displays, advertising matter. signs, merchandise and store fixtures, shall be in keeping with the character and standards of the improvements within the Shopping Center, as determined by Landlord. Landlord reserves the right to require Tenant to correct any non-conformity.

Section 8.4. Trash Removal Service.

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At its option, Landlord may furnish (or authorize others to furnish) a service for the removal of trash from receptacles designated by Landlord for the daily deposit by Tenant of its garbage, trash, rubbish or other refuse, and, if it shall do so, then in each Rental Year, at Landlord's election, Tenant shall either (i) reimburse Landlord monthly, as Additional Rental, for all costs incurred by Landlord in furnishing such service, or (ii) pay Landlord the Trash Removal Service Charge, if any, set forth in clause N of Section 1.1. in twelve (12) equal monthly installments, subject to adjustments reflecting any increes in Landlord's cost and expense m furnishing such trash removal service, or (iii) pay directly such person, firm or corporation authorized by Landlord to provide such trash removal service; provided, however, that all amounts which Tenant is obligated to pay to Landlord pursuant to clause (i) or (ii) above shall not exceed the amounts which Tenant would otherwise be obligated to pay directly to the same independent contractor utilized by Landlord for the removal of Tenant's trash, if Tenant were dealing with such contractor at arm's length for trash removal services for the Premises.

Section 8.5. Permitted Use Disclaimer.

Nothing contained in this Lease shall be construed to indicate any intent or attempt on the part of Landlord to restrict the price or prices at which Tenant may sell any goods or services permitted to be sold at or from the Premises pursuant to this Lease.

Section 8.6. Hazardous Substances.

Tenant shall not use or allow the Premises to be used for the Release, storage, use, treatment, disposal or other handling of any Hazardous Substance, without the prior consent of Landlord. The term "Release" shall have the same meaning as is ascribed to it in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., as amended, ("CERCLA"). The term "Hazardous Substance" means (i) any substance defined as a "hazardous substance" under CERCLA, (ii) petroleum, petroleum products, natural gas, natural gas liquids, liquefied natural gas, and synthetic gas, and (iii) any other substance or material deemed to be hazardous, dangerous, toxic, or a pollutant under any federal, state or local law, code, ordinance or regulation.

Tenant shall: (a) give prior notice to Landlord of any activity or operation to be conducted by Tenant at the Premises which involves the Release, use, handling, generation, treatment, storage, or disposal of any Hazardous Substance ("Tenant's Hazardous Substance Activity"), (b) comply with all federal, **state**, and local laws, **codes**, ordinances, regulations, permits and licensing conditions governing the Release, discharge, emission, or disposal of any Hazardous Substance and prescribing methods for or other limitations on storing, handling, or otherwise managing Hazardous Substances, (c) at its **own** expense, promptly contain and remediate any Release of Hazardous Substances arising from or related to Tenant's Hazardous Substance Activity in the Premises, Landlord's Building, the Shopping Center, the Shopping Center Area or the environment and remediate and pay for any resultant damage to property, persons, and/or the environment, (d) give prompt notice to Landlord, and all appropriate regulatory authorities, of *any* Release of any Hazardous Substance in the Premises, Landlord's Building,

the Shopping Center, the Shopping Center Area or the environment arising from or related to Tenant's Hazardous Substance Activity, which Release is not made pursuant to and in conformance with the terms of any permit or license duly issued by appropriate governmental authorities, any such notice to include a description of measures taken or proposed to be taken by Tenant to contain and remediate the Release and any resultant damage to property, persons, or the environment, (e) at Landlord's request, which shall not be more frequent than once per calendar year, retain an independent engineer or other qualified consultant or expert acceptable to Landlord, to conduct, & Tenant's expense, an environmental audit of the Premises and immediate surrounding areas, and the scope of work to be performed by such engineer. consultant, or expert shall be approved in advance by Landlord, and all of the engineer's, consultant's, or expert's work product shall be made available to Landlord, (f) at Landlord's request from time to time, execute affidavits, representations and the like concerning Tenant's best knowledge and belief regarding the presence of Hazardous Substances in the Premises, (g) reimburse to Landlord, upon demand, the reasonable cost of any testing for the purpose of ascertaining if there has been any Release of Hazardous Substances in the Premises, if such testing is required by any governmental agency or Landlord's Mortgagee, (h) upon expiration or termination of this Lease, surrender the Premises to Landlord free from the presence and contamination of any Hazardous Substance.

ARTICLE IX REPAIRS AND ALTERATIONS

Section 9.1. Repairs To Be Made By Landlord.

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Landlord, at its expense, will make, or cause to be made structural repairs to exterior walls, structural columns, roof penetrations and structural floors which collectively enclose the Premises (excluding, however, all doors, door frames, storefronts, windows and glass); provided Tenant shall give Landlord notice of the necessity for such repairs.

Section 9.2. Repairs To Be Made By Tenant.

All repairs to the Premises or any installations, equipment or facilities therein, other than those repairs required to be made by Landlord pursuant to Sections 9.1, 12.3 or Section 14.1, shall be made by Tenant at its expense. Without limiting the generality of the foregoing. Tenant will keep the interior of the Premises, together with all electrical, plumbing and other mechanical installations therein and (if and to the extent provided in Schedule F) the heating, ventilating and air-conditioning system installed by Tenant in the Premises, in good order and repair and will make all replacements from time to time required thereto at its expense. Tenant will surrender the Premises at the expiration of the Term or at such other time as it may vacate the Premises in as good condition as when received, excepting depreciation caused by ordinary wear and tear, damage by Casualty, unavoidable accident or Act of God. Tenant will not overload the electrical wiring serving the Premises or within the Premises, and will install at its expense, subject to the provisions of Section 9.4, any additional electrical wiring which may be required in connection with Tenant's apparatus. Any damage or injury sustained by any person because of mechanical, electrical, plumbing or any other equipment or installations, whose maintenance and repair shall be the responsibility of Tenant, shall be paid for by Tenant, and Tenant hereby agrees to indemnify and hold Landlord harmless from and against all claims, actions, damages and liability in connection therewith, including, but not limited to attorneys' and other professional fees, and any other cost which Landlord might reasonably incur.

Section 9.3. Damage to Premises.

Tenant will repair promptly at its expense any damage to the Premises and, upon demand, shall reimburse Landlord (as Additional Rental) for the cost of the repair of any damage elsewhere in the

Shopping Center, caused by or arising from the installation or removal of property in or from the Premises, regardless of fault or by whom such damage shall be caused (unless caused by Landlord, its agents, employees or contractors). If Tenant shall fail to commence such repairs within five (5) days after notice to do so from Landlord, Landlord may make or cause the same to be made and Tenant agrees to pay to Landlord promptly upon Landlord's demand, as Additional Rental, the cost thereof with interest thereon at the Default Rate until paid.

Section 9.4. Alterations by Tenant.

Tenant will not make any alterations, renovations, improvements or other installations in, on or to any part of the Premises (including, without limitation, any alterations of the storefront, signs, structural alterations, or any cutting or drilling into any part of the Premises or any securing of any fixture, apparatus, or equipment of any kind to any part of the Premises) unless and until Tenant shall have caused plans and specifications therefor to have been prepared, at Tenant's expense, by an architect or other duly qualified person and shall have obtained Landlord's approval thereof. If such approval is granted, Tenant shall cause the work described in such plans and specifications to be performed, at its expense, promptly, efficiently, competently and in a good and workmanlike manner by duly qualified and licensed persons or entities, using first grade materials, without interference with or disruption to the operations of tenants or other occupants of the Shopping Center. All such work shall comply with all applicable codes, rules, regulations and ordinances.

Section 9.5. Changes and Additions to Shopping Center.

Landlord reserves the right at any time and from time to time to (a) make or permit changes or revisions in the plan for the Shopping Center or the Shopping Center Area including additions to, subtractions from, rearrangements of, alterations of, modifications of, or supplements to, the building areas, walkways, driveways, parking areas, or other Common Areas, (b) construct improvements in Landlord's Building and the Shopping Center Area and to make alterations thereof or additions thereto and to build additional stones on or in any such building(s) and build adjoining same, including (without limitation) klosks, pushcarts and other displays in the Common Areas, and (c) make or permit changes or revisions in the Shopping Center or the Shopping Center Area, including additions thereto, and to convey portions of the Shopping Center Area to others for the purpose of constructing thereon other buildings or improvements, including additions thereto and alterations thereof; provided, however, that no such changes, rearrangements or other construction shall reduce the parking areas below the number of parking spaces required by law.

Section 9.6. Roof and Walls.

Landlord shall have the exclusive right to use all or any part of the roof of the Premises for any purpose; to erect additional stones or other structures over all or any part of the Premises; to erect in connection with the construction thereof temporary scaffolds and other aids to construction on the exterior of the Premises, provided that access to the Premises shall not be denied; and to install, maintain, use, repair and replace within the Premises pipes, ducts, conduits, wires and all other mechanical equipment serving other parts of the Shopping Center Area, the same to be in locations within the Premises as will not unreasonably deny Tenant's use thereof. Landlord may make any use it desires of the side or rear walls of the Premises or other structural elements of the Premises (including, without limitation, free standing columns and footings for all columns), provided that such use shall not encroach on the interior of the Premises unless (i) all work carried on by Landlord with respect to such encroachment shall be done during hours when the Premises are not open for business and otherwise shall be carried out in such a manner as not to unreasonably interfere with Tenant's operations in the Premises, (ii) Landlord, at its

expense, shall provide any security services to the Premises required by such work, and (iii) Landlord, at its expense, shall repair all damage to the Premises resulting from such work.

ARTICLE X COMMON AREAS

Section 10.1. Use of Common Areas.

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Landlord grants to Tenant and its agents, employees and customers a non-exclusive license to use the Common Areas in common with others during the Term, subject to the exclusive control and management thereof at all times by Landlord or others and subject, further, to the rights of Landlord set forth in Sections 9.5 and 10.2.

Section 10.2. Management and Operation of Common Areas.

Landlord will operate and maintain, or will cause to be operated and maintained, the Common Areas in a manner deemed by Landlord to be reasonable and appropriate and in the best interests of the Shopping Center. Landlord will have the right (i) to establish, modify and enforce reasonable rules and regulations with respect to the Common Areas; (ii) to enter into, modify and terminate easement and other agreements pertaining to the use and maintenance of the Common Areas; (iii) to enforce parking charges (by operation of meters or otherwise) with appropriate provisions for free parking ticket validation by tenants; (iv) to close all or any portion of the Common Areas 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; (v) to close temporarily any or all portions of the Common Areas; (vi) to discourage non-customer parking; and (vii) to do and perform such other acts in and to said areas and improvements as, in the exercise of good business judgment, Landlord shall determine to be advisable.

Section 10.3. Employee Parking Areas.

Tenant and its employees shall park their cars only in such areas designated for that purpose by Landlord. Upon request by Landlord, Tenant shall furnish Landlord with State automobile license numbers assigned to Tenant's car or cars and cars used by its employees and shall thereafter notify Landlord of any changes in such information within five (5) days after such changes occur. If Tenant or its employees shall fail to park their cars in the designated parking areas, then, without limiting any other remedy which Landlord may pursue in the event of Tenant's default, Landlord, after giving notice to Tenant, shall have the right to charge Tenant, as Additional Rental, the sum of Ten Dollars (\$10.00) per day per car parked in violation of the provisions of this Section. Tenant shall notify its employees in writing of the provisions of this Section.

Section 10.4. Tenant to Share Expense of Common Areas.

Tenant will pay Landlord, as Additional Rental. a proportionate share of Landlord's Operating Costs which shall be computed by multiplying Landlord's Operating Costs (less any contribution to such costs and expenses made by the owner or operator of any Anchor Store in the Shopping Center) by a fraction, the numerator of which is Tenant's Floor Area and the denominator of which is Landlord's Leased Floor Area. Such proportionate share shall be paid by Tenant in monthly installments in such amounts as are estimated and billed by Landlord at the beginning of each twelve (12) month period commencing and ending on dates designated by Landlord, each installment being due on the first day of

each calendar month. At any time during any such twelve (12) month period, Landlord may reestimate Tenant's proportionate share of Landlord's Operating Costs and thereafter adjust Tenant's monthly installments payable during such twelve (12) month period to reflect more accurately Tenant's proportionate share of Landlord's Operating Costs. Within one hundred twenty (120) days (or such additional time thereafter as is reasonable under the circumstances) after the end of each such twelve (12) month period, Landlord shall deliver to Tenant a statement of Landlord's Operating Costs for such twelve (12) month period and the monthly installments paid or payable shall be adjusted between Landlord and Tenant, and Tenant shall pay Landlord or Landlord shall credit Tenant's account (or, if such adjustment is at the end of the Term, Landlord shall pay Tenant), as the case may be, within fifteen (15) days of receipt of such statement, such amounts as may be necessary to effect such adjustment. Upon reasonable notice, W or d shall make available for Tenant's inspection (which inspection shall be at Tenant's sole cost and expense) at Landlord's office, during normal business hours, Landlord's records relating to Landlord's Operating Costs for such preceding twelve (12) month period. Failure of Landlord to provide the statement called for hereunder within the time prescribed shall not relieve Tenant from its obligations hereunder.

Section 10.5. "Landlord's Operating Costs" Defined.

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The term "Landlord's Operating Costs" means all costs and expenses incurred by or on behalf of Landlord in operating, managing, insuring, securing and maintaining the Common Areas pursuant to Section 10.2. "Landlord's Operating Costs" includes, but is not limited to, all costs and expenses of operating, maintaining, repairing, lighting, signing, cleaning, painting, striping, policing and security of the Common Areas (including the cost of uniforms, equipment and employment taxes); alarm and life safety systems; insurance, including, without limitation, liability insurance for personal injury, death and property damage, all-risks casualty insurance (including coverage against fire, flood, theft or other casualties), worker's compensation insurance or similar insurance covering personnel, fidelity bonds for personnel, insurance against liability for assault and battery, defamation and claims of false arrest occurring on and about the Common Areas, plate glass insurance for glass exclusively serving the Common Areas; the costs and expenses of maintenance of all exterior glass; maintenance of sprinkler systems; removal of water, snow, ice, trash and debris; regulation of traffic; surcharges levied upon or assessed against parking spaces or areas by governmental or quasi-governmental authorities, payments toward mass transit or car pooling facilities or otherwise as required by governmental or quasigovernmental authorities; costs and expenses in connection with maintaining federal, state or local governmental ambient air and environmental standards; the cost of all materials, supplies and services purchased or hired therefor; operation of public toilets; installing and renting of signs; fire protection; maintenance, repair and replacement of utility systems serving the Common Areas, including, but not limited to, water, sanitary sewer and storm water lines and other utility lines, pipes and conduits; costs and expenses of maintaining and operating sewage treatment facilities, if any; costs and expenses of inspecting and depreciation of machinery and equipment used in the operation and maintenance of the Common Areas and personal property taxes and other charges (including, but not limited to, financing, leasing or rental costs) incurred in connection with such equipment; costs and expenses of the coordination and use of truck docks and loading facilities; costs and expenses of repair or replacement of awnings, paving, curbs, walkways, landscaping, drainage, pipes, ducts, conduits and similar items, plate glass, lighting facilities, floor coverings, and the roof; costs and expenses of planting, replanting, replacing and displaying flowers, shrubbery and planters; costs and expenses incurred in the purchase or rental of music program services and loudspeaker systems, including furnishing electricity therefor; costs of providing light and power to the Common Areas; costs of providing energy to heat, ventilate and aircondition the Common Areas and the operation, maintenance, and repair of equipment required therefor (including, without limitation, the costs of energy management systems serving the Shopping Center Area); cost of water services, if any, furnished by Landlord for the non-exclusive use of all tenants; parcel pick-up and delivery services; and administrative costs attributable to the Common Areas for onsite personnel and an overhead cost equal to fifteen percent (15%) of the total costs and expenses of operating and maintaining the Common Areas. Landlord may elect to amortize any of the foregoing costs and expenses over a useful life determined in accordance with generally accepted accounting principles.

Section 10.6. Mall Heating, Ventilating and Air-Conditioning Equipment Contribution Rate.

In each Rental Year, Tenant shall pay Landlord annually (in twelve (12) equal monthly installments together with the Annual Basic Rental), as Additional Rental, an amount (the "Mall Heating, Ventilating and Air-Conditioning Equipment Contribution") determined by multiplying the Mall Heating, Ventilating and Air-conditioning Equipment Contribution Rate by Tenant's Floor Area.

Section 10.7. Renovation or Expansion of Common Areas.

If, during-the Term, the Common Areas, or any part thereof, are expanded or renovated to the extent that Landlord's Improvement Costs incurred in c o d o n therewith exceed a sum equal to Twenty Dollars (\$20.00) per square foot of Landlord's Floor Area, the Annual Basic Rental and the dollar amount set forth in clause H of Section 1.1 each shall be increased by ten percent (10%)thereof for each such expansion or renovation effective as of the date on which Landlord delivers to Tenant a notice that Landlord has incurred such costs. The term "Landlord's Improvement Costs" means all direct and indirect costs and expenses incurred by Landlord and properly allocated to the construction and development of capital improvements to the Common Areas, but not including any cost or expense included in Landlord's Operating Costs. Upon reasonable notice, Landlord shall make available for Tenant's inspection (which inspection shall be at Tenant's sole cost and expense) at Landlord's office, during normal business hours, Landlord's records relating to Landlord's Improvement Costs as to which any such notice shall have been delivered.

ARTICLE **XI**<u>MERCHANTS' ASSOCIATION</u>

Section 11.1. Merchants' Association.

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Tenant agrees to maintain a membership in any merchants' association, if and when established by Landlord (the "Association"), and for the purpose of creating and maintaining a fund for the general promotion and welfare of the Shopping Center as a whole, agrees to pay to the Association or its agent the amounts specified in Section-II.2 regardless of whether Tenant shall remain a member of the Association during the Term. Notwithstanding anything to the contrary which may be contained in this Lease, or in any Article of Incorporation, Corporate Charter or By-Laws of the Association, Tenant covenants and agrees that Landlord may in its sole discretion elect to provide the Association with any or all of the following, and Tenant further expressly authorizes the Association to reimburse Landlord for providing: (i) the services of a marketing manager and all staff deemed necessary by Landlord to carry out effectively the promotion and public relations objectives of the Association; (ii) such reasonable space as may be necessary to carry out the functions of the marketing manager and his or her staff and (iii) such office equipment, supplies, telephones and other related costs as may be deemed necessary by Landlord to service fully the marketing manager and his or her staff. The Association may appoint Landlord as its agent for the collection of the Association contributions with the right, joint and several, to collect and enforce on behalf of the Association all debts owing by Tenant to the Association. The Association shall have the benefit of Tenant's obligations under this Article XI and shall be entitled to enforce such obligations directly.

Section 11.2. Tenant's Contribution to Merchants' Association.

Tenant shall make the following contributions to the Association:

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(a) In the First Association Year Tenant shall pay to the Association on the first day of each calendar month an amount determined by (i) multiplying the Merchants' Association Contribution Rate set forth in Section 1.1.L. by Tenant's Floor Area, and (ii) dividing the product thus obtained by twelve (12). In each subsequent Association Year, Tenant shall pay to the Association an amount (the "Annual Merchants' Association Contribution") determined by multiplying the Merchants' Association Contribution Rate, adjusted as provided below, by Tenant's Floor Area. The Annual Merchants' Association Contribution shall be paid by Tenant in twelve (12) equal monthly installments, in advance, on the first day of each calendar month. The Annual Merchants' Association Contribution shall be adjusted annually, as of the first day of each Association Year during the Term, in the same proportion as the Consumer Price Index far All Urban Consumers (U. S. City Average) published by the Bureau of Labor Statistics of the United States Department of Labor (the "Consumer Price Index") most recently reported as of such adjustment date bears to the Consumer Price Index reported for the first full calendar month of the Term, all such adjustments to be apportioned for fractional years.

If during the Term the Consumer Price Index is changed or discontinued, Landlord shall choose a comparable index, formula or other means of measurement of the relative purchasing power of the dollar and such substitute index, formula or other means shall be utilized in place of the Consumer Price Index as if it had been originally designated in this Lease.

In addition to the adjustment for the Consumer Price Index, the Annual Merchants' Association Contribution may be increased at any time during the Term by a vote of tenants (exclusive of Anchor Stores and Landlord) occupying more *than* fifty percent (50%) of Landlord's Floor *Area*.

(b) If the Shopping Center shall be expanded by adding floor area equal to more than ten percent (10%) of Landlord's Floor Area contained in the Shopping Center as of the date of this Lease, Tenant shall pay to said Association a one time charge for each such expansion (the "Expansion Opening Contribution") determined by (i) multiplying Tenant's Floor Area by the average rate per square foot of all contributions which tenants in the expansion area shall become obligated pursuant to their respective leases to make to the Association with respect to promotion and advertising of the opening of such expansion for business, and (ii) dividing the product thus obtained by two (2).

Section 11.3. Landlord's Contribution to Merchants' Association.

Landlord shall contribute to the Association for the First Association Year and for each subsequent Association Year, an amount equal to one-fifth (1/5) of the aggregate contributions made by the other contributors to the Association for each such period.

Section 11.4. "First Association Year" and "Association Year" Defined.

"First Association Year" means the period commencing on the first day of the Term and terminating on the second succeeding December 31. "Association Year" means each successive period of twelve (12) months commencing with January 1.

Section 11.5. Advertising.

During each Rental Year, Tenant shall advertise its business at the Premises either (i) by expending an amount equal to a minimum of three percent (3%) of Tenant's annual Gross Sales for such period in recognized regional print or electronic advertising media, or (ii) by participating in twelve (12) cooperative advertising units per year sponsored by the Association. Each advertisement shall specify Tenant's business located at the Premises. If Tenant elects to advertise pursuant to clause (i) hereof, Tenant shall preserve original or duplicate books and records at Tenant's Notice Address which shall disclose all information required to determine Tenant's advertising expenditures. Upon advance notice, Landlord, its agents and accountants, shall have the right to audit such books and records. If the audit discloses noncompliance by Tenant for any Rental Year in question, Tenant, in addition to the remedies contained in this Lease, shall pay to Landlord a sum equal to Landlord's cost of the audit, which sum shall be deemed to be Additional Rental, plus as liquidated damages, a sum equal to the amount by which Tenant's expenditures for advertising as required by clause (i) above shall be less than three percent (3%) of Tenant's annual Gross Sales.

Tenant shall, within ten (10) days after the beginning of each Rental Year, notify Landlord of its election to advertise its business either under clause (i) or (ii) above. If Tenant elects to advertise under clause (ii), Tenant may not withdraw such election until the following Rental Year; however, if Tenant elects clause (i), Tenant shall have the right at any time during the Rental Year to change such election to clause (ii).

ARTICLE XII UTILITIES

Section 12.1. Water. Electricity, Telephone and Sanitary Sewer.

Landlord will provide, or cause to be provided, at points in or near the Premises the facilities necessary to enable Tenant to obtain for the Premises water, electricity, telephone and sanitary sewer service. Schedule E sets forth those utilities for which service shall be provided to the Premises by Landlord, if any, as well as the manner in which charges for their consumption shall be determined and paid by Tenant. Unless otherwise provided in Schedule E, Landlord shall not be responsible for providing any utility service to the Premises, nor for providing meters or other devices for the measurement of utilities supplied to the Premises, and Tenant shall arrange for the furnishing to the Premises of such utility services as it may require, as well as for the installation of all such meters or other devices. Tenant shall be solely responsible for and shall promptly pay, as and when the same become due and payable, all charges for water, sewer, electricity, gas, telephone and any other utility used or consumed in the Premises and supplied by a public utility or public authority or any other person, firm or corporation, including Landlord, supplying the same.

If Schedule E does not provide that Landlord will supply electricity to the Premises, Landlord shall have the option, exercisable any time and from time to time during the Term, to supply electricity to the Premises. If Landlord shall elect to supply electricity to the Premises, Tenant will purchase its requirements for such service tendered by Landlord, and Tenant will pay Landlord, within ten (10) days after mailing by Landlord to Tenant of statements therefor, at the applicable rates determined by Landlord from time to time which Landlord agrees shall not be in excess of the public utility rates for the same service, if applicable. If Landlord so elects to supply electricity, Tenant shall execute and deliver to Landlord, within ten (10) days after request therefor, any documentation reasonably required by Landlord to effect such change in the method of furnishing of electricity.

Landlord, in its sole discretion, shall have the right, from time to time, to alter the method and source of supply to the Premises of electricity or any other utility, and Tenant agrees to execute and deliver to Landlord such documentation as may be required to effect such alteration, provided, however, that Tenant shall not be required to bear any portion of the cost of such alteration or to incur any additional financial obligation as a result of such alteration, other than as provided in Schedule E.

Tenant shall not at any time overburden or exceed the capacity of the mains, feeders, ducts, conduits, or other facilities by which such utilities are supplied to, distributed in or serve the **Premises**. If Tenant desires to install any equipment which shall require additional utility facilities or utility facilities of a greater capacity than the facilities provided by Landlord, such installation shall be subject to Landlord's prior approval of Tenant's plans and specifications therefor. If such installation is approved by Landlord and if Landlord provides such additional facilities to accommodate Tenant's installation, Tenant agrees to pay Landlord, on demand, the cost for providing such additional utility facilities or utility facilities of greater capacity.

Section 12.2. Heating, Ventilating and Air-conditioning.

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Schedule F entitled "Tenant Heating, Ventilating and Air-Conditioning" specifies the obligations of Landlord and Tenant (other than those obligations set forth in Article X) regarding the heating, ventilating, and air-conditioning equipment and system serving the Premises or the Shopping Center Area and the energy required to operate the heating, ventilating and air-conditioning equipment serving the Premises. Tenant covenants and agrees to pay to Landlord, as Additional Rental and in the same manner as Annual Basic Rental is payable, all charges as the same may be adjusted from time to time, and as more particularly set forth in said Schedule F.

Landlord, in its sole discretion, shall have the right, from time to time, to alter the heating, ventilating and air-conditioning systems and equipment serving the Shopping Center, or any part thereof, and Tenant agrees to execute and deliver to Landlord such documentation as may be required to effect such alteration; provided, however, that Tenant shall not be required to bear any portion of the cost of such alteration or to incur any additional financial obligation as a result of such alteration.

Tenant shall not at any time overburden or exceed the capacity of the heating, ventilating and air-conditioning systems and equipment serving the Premises. If Tenant desires any additional equipment or revision of the design of the existing equipment, or if Landlord deems it necessary, because of internal loading causing the temperature in the Premises to exceed the temperature in the Common Areas, to install any additional equipment or revise the design of the existing equipment, such additional equipment or revised design shall be subject to Landlord's prior approval of Tenant's plans and specifications therefor and shall be at Tenant's sole cost and expense. If such additional equipment or revised design is approved by Landlord and if Landlord provides such additional equipment or revised design. Tenant agrees to pay Landlord, on demand, the cost for providing such additional equipment or revised design.

Section 12.3. Fire Protection Sprinkler System.

Word shall provide, install, repair and maintain, or cause to be provided, installed, repaired and maintained, a fire protection sprinkler system in the Premises, which system shall remain the property of Landlord. Tenant shall pay Landlord, as Additional Rental, for providing such fire protection

sprinkler system, an **annual** amount determined by multiplying the Sprinkler Contribution Rate by Tenant's Floor *Area*, said arrual **sum** to be payable in twelve **(12)** equal monthly installments, in advance on **the** first day of each calendar month. *Any* modifications or additions to the existing sprinkler system, whether required as **a** result of the improvements to be made to the Premises pursuant to Section **7.1** or requested by Tenant after commencement of the Term, **shall** be made by Landlord at Tenant's cost **and** expense (after agreement between Landlord and Tenant on a price for such work) or, at Landlord's election, shall be made by Tenant (at its cost and expense), provided Tenant utilizes a licensed contractor approved by Landlord for such purpose.

Section 12.4. <u>Discontinuances and Interruptions of Utility Services</u>.

Landlord reserves the right to cut off and discontinue, upon notice to Tenant, furnishing any heating, ventilation, air-conditioning or other utility services furnished by Landlord at any time when Tenant has failed to pay when due any amount (whether as Rental or otherwise) due under this Lease. Landlord shall not be liable for any damages resulting from or arising out of any such discontinuance and the same shall not constitute a termination of this Lease or an eviction of Tenant. Landlord shall not be liable to Tenant in damages or otherwise (i) if any utility shall become unavailable from any public utility company, public authority or any other person or entity (including Landlord) supplying or distributing such utility, or (ii) for any interruption in any utility service (including, without limitation, any heating, ventilation, air-conditioning or sprinkler) caused by the making of any necessary repairs or improvements or by any cause beyond Landlord's reasonable control, and the same shall not constitute a termination of this Lease or an eviction of Tenant.

ARTICLE XIII INDEMNITY AND INSURANCE

Section 13.1. <u>Indemnities</u>.

To the extent permitted by law, Tenant shall and does hereby indemnify Landlord and agrees to save it harmless and, at Landlord's option, defend it from and against any and all claims, actions, damages, liabilities and expenses (including attorneys' and other professional fees) judgments, settlement payments, and fire paid, incurred or suffered by Landlord m connection with loss of life, personal injury and/or damage to property or the environment suffered by third parties arising from or out of the occupancy or use by Tenant of the Premises or any part thereof or any other part of the Shopping Center, occasioned wholly or in part by any act or omission of Tenant, its officers, agents, contractors, employees or invitees, or arising, directly or indirectly, wholly or in part, from any conduct, activity, act, omission, or operation involving the use, handling, generation, treatment, storage, disposal, other management or Release of any Hazardous Substance in, from or to the Premises, whether or not Tenant may have acted negligently with respect to such Hazardous Substance. Tenant's obligations pursuant to this Section shall survive any termination of this Lease with respect to any act, omission or occurrence which took place prior to such termination.

To the extent permitted by law, Landlord shall and does hereby indemnify Tenant and agrees to save it harmless from and against any and all claims, actions, damages, liabilities and expenses (including attorneys' and other professional fees) in connection with loss of life, personal injury and/or damage to property suffered by third parties arising from or out of the use of any portion of the Common Areas by Landlord, occasioned wholly or in part by any act or omission of Landlord, its officers, agents, contractors or employees.

Section 13.2. Landlord Not Responsible for Acts of Others.

Landlord shall not be responsible or liable to Tenant, or to those claiming by, through or under Tenant, for any loss or damage which may be occasioned by or through the acts or omissions of persons occupying space adjoining the Premises or any part of the premises adjacent to or connecting with the Premises or any other part of the Shopping Center, or otherwise, or for any loss or damage resulting to Tenant, or those claiming by, through or under Tenant, or its or their property, from the breaking, bursting, stoppage or leaking of electrical cable and wires, or water, gas, sewer or steam pipes. To the maximum extent permitted by law, Tenant agrees to use and occupy the Premises, and to use such other portions of the Shopping Center as Tenant is herein given the right to use, at Tenant's own risk.

Section 13.3. Tenant's Insurance.

At all times on and after delivery of the Premises to Tenant, Tenant will carry and maintain, at its expense, a nondeductible:

- commercial general liability insurance policy, including (but not limited to) insurance against assumed or contractual liability under this **Lease**, with respect to liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto, to afford protection with respect to personal injury, death or property damage of not less than Two Million Dollars (\$2,000,000) per occurrence combined single limit/Pour Million Dollars (\$4,000,000) general aggregate (but not less than \$2,000,000 per location aggregate); and
- all-risks property and casualty insurance policy, including theft coverage, written at replacement cost value and with replacement cost endorsement, covering all of Tenant's personal property in the Premises (including, without limitation, inventory, trade fixtures, floor coverings, furniture and other property removable by Tenant under the provisions of this Lease) and all leasehold improvements installed in the Premises by or on behalf of Tenant; and
- (c) comprehensive boiler and machinery equipment policy, including electrical apparatus, if applicable; and
- if and to the extent required by law, worker's compensation insurance policy, or similar insurance in form and amounts required by law.

Section 13.4. Tenant's Contractor's Insurance.

Tenant shall require any contractor of Tenant performing work on the Premises to carry and maintain, at no expense to Landlord, a non-deductible:

(a) commercial general liability insurance policy, including (but not limited to) contractor's liability coverage, contractual liability coverage, completed operations coverage, broad form property damage endorsement and contractor's protective liability coverage, to afford protection, with respect to **personal** injury,

death or property damage of not less than Three Million Dollars (\$3,000,000) per occurrence combined single limit/Five Million Dollars (\$5,000,000) general aggregate (but not less than \$3,000,000 per location aggregate);

- (b) comprehensive automobile liability insurance policy with limits for each occurrence of not less than One Million Dollars (\$1,000,000) with respect to personal injury or death and Five Hundred Thousand Dollars (\$500,000) with respect to property damage; and
- (c) worker's compensation insurance policy or **similar** insurance in form and amounts required by law.

Section 13.5. Policy Requirements.

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The company or companies writing any insurance which Tenant is required to carry and maintain or cause to be carried or maintained pursuant to Sections 13.3 and 13.4, as well as the form of such insurance, shall at all times be subject to Landlord's approval and any such company or companies shall be licensed to do business in the State in which the Shopping Center is located. Commercial general liability and all-risks property and casualty insurance policies evidencing such insurance shall, with respect to commercial general liability policies, name Landlord and/or its designee(s) as additional insured and, with respect to all-risks property and casualty insurance policies, name Landlord and/or its designee(s) as loss payee, shall be primary and non-contributory, and shall also contain a provision by which the insurer agrees that such policy shall not be cancelled, materially changed or not renewed without at least thirty (30) days' advance notice to Landlord, c/o The Rouse Company, 10275 Little Patuxent Parkway, Columbia, Maryland 21044, Attention: Risk Manager, by certified mail, return receipt requested, or to such other party or address as may be designated by Landlord or its designee. Each such policy, or a certificate thereof, shall be deposited with Landlord by Tenant promptly upon commencement of Tenant's obligation to procure the same. If Tenant shall fail to perform any of its obligations under Sections 13.3, 13.4 or 13.5, Landlord may perform the same and the cost of same shall be deemed Additional Rental and shall be payable upon Landlord's demand.

Section 13.6. Increase in Insurance Premiums.

Tenant will **not** do or suffer to be done, or keep or suffer to be kept. anything in, upon or about the Premises-which-will violate Landlord's policies of hazard or liability insurance or which will prevent Landlord from procuring such policies in companies acceptable to Landlord. If anything done, omitted to be done or suffered by Tenant to be kept in, upon or about the Premises shall cause the rate of fire or other insurance on the **Premises** or on other property of Landlord or of others within **the** Shopping Center to be increased beyond the minimum rate from time to time applicable to the Premises or to any such property for the use or uses made thereof, Tenant will pay, as Additional Rental, the amount of any such increase upon Landlord's demand.

Section 13.7. Waiver of Right of Recovery.

Except as provided in Section 8.6, neither Landlord nor Tenant shall be liable to the other or to any insurance company (by way of subrogation or otherwise) insuring the other party for any loss or damage to any building, structure or other tangible property, or any resulting loss of income, or losses under worker's compensation laws and benefits, even though such loss or damage might have been occasioned by the negligence of such party, its agents or employees. The provisions of this Section 13.7 shall not limit the indemnification for liability to third parties pursuant to Section 13.1.

Section 13.8. Tenant to Pav Proportionate Share of Insurance Costs,

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Tenant will pay Landlord, as Additional Rental, a proportionate share of Landlord's cost of maintaining all insurance with respect to Landlord's Building (other than the Common Areas) including, without limitation, all-risks property and casualty insurance and rent insurance. Such insurance may be carried at the discretion of Landlord in such amounts and companies as Landlord shall determine.

Tenant's proportionate share of such costs shall be computed by multiplying Landlord's insurance costs by a fraction, the numerator of which shall be Tenant's Floor Area and the denominator of which shall be Landlord's Floor Area. Such proportionate share shall be paid by Tenant in monthly installments in such amounts as are estimated and billed by Landlord during each twelve (12) month period commencing and ending on dates designated by Landlord, each installment being due on the first day of each calendar month. At any time during any such twelve (12) month period, Landlord may reestimate Tenant's proportionate share of Landlord's insurance costs and thereafter adjust Tenant's monthly installments payable during such twelve (12) month period to reflect more accurately Tenant's proportionate share of such costs. Within one hundred twenty (120) days (or such additional time thereafter as is reasonable under the circumstances) after the end of each such twelve (12) month period, Landlord shall deliver to Tenant a statement of such insurance costs for such twelve (12) month period and the installments paid or payable shall be adjusted between Landlord and Tenant, and Tenant shall pay Landlord or Landlord shall credit to Tenant's account (or, if such adjustment is at the end of the Term Landlord shall pay Tenant), as the case may be, within fifteen (15) days of receipt of such statement, such amounts as may be necessary to effect such adjustment. Upon reasonable notice. Landlord shall make available for Tenant's inspection at Landlord's office, during normal business hours, Landlord's records relating to such insurance costs for such preceding twelve (12) month period. Failure of Landlord to provide the statement called for hereunder within the time prescribed shall not relieve Tenant of its obligations hereunder.

ARTICLE XIV DAMAGE AND DESTRUCTION

Section 14.1. Landlord's Obligation to Repair and Reconstruct.

If the Premises shall be damaged by fire, the elements, accident or other casualty (any of such causes being referred to herein as a "Casualty"), but the Premises shall not be thereby rendered wholly or partially untenantable, Landlord shall promptly cause such damage to be repaired and there shall be no abatement of Rental. If, as the result of Casualty, the Premises shall be rendered wholly or partially untenantable, then, subject to the provisions of Section 14.2, Landlord shall cause such damage to be repaired and all Rental (other than any Additional Rental due Landlord by reason of Tenant's failure to perform any of its obligations hereunder) shall be abated proportionately as to the portion of the Premises rendered untenantable during the period of such untenantability, and, in addition, during such period of untenantability, the Breakpoint shall also be proportionately reduced by an amount equal to the amount obtained by multiplying the Breakpoint by a fraction, the numerator of which shall be the length of time the Premises are closed and the denominator of which shall be the length of the Rental Year(s) in question. All such repairs shall be made at the expense of Landlord; provided, however, that Landlord shall not be liable for interruption to Tenant's business or for damage to or replacement or repair of Tenant's personal property (including, without limitation, inventory, trade fixtures, floor coverings, furniture and other property removable by Tenant under the provisions of this Lease) or to any leasehold

improvements installed in the Premises by or on behalf of Tenant, all of which damage, replacement or repair shall be undertaken and completed by Tenant promptly.

Section 14.2. Landlord's Option to Terminate Lease.

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If the Premises are (a) rendered wholly untenantable, or (b) damaged as a result of any cause which is not covered by Landlord's insurance or (c) damaged or destroyed in whole or in part during the last three (3) years of the Term, or if Landlord's Building is damaged to the extent of fifty percent (50%) or more of Landlord's Floor *Area*, then, in any of such events, Landlord may elect to terminate this Lease by giving to Tenant notice of such election within ninety (90) days after the occurrence of such event. If such notice is given, the rights and obligations of the parties shall cease as of the date of such notice, and Rental (other than any Additional Rental due Landlord by reason of Tenant's failure to perform any of its obligations hereunder) shall be adjusted as of the date of such termination.

Section 14.3. <u>Demolition of Landlord's Building.</u>

If Landlord's Building shall be so substantially damaged that it is reasonably *necessary*. in Landlord's sole judgment, to demolish same for the purpose of reconstruction, Landlord may demolish the same, in which event the Rental shall be abated to the same extent as if the Premises were rendered untenantable by a Casualty.

Section 14.4. Insurance Proceeds.

If Landlord does not elect to terminate this Lease pursuant to Section 14.2, Landlord shall, subject to the prior rights of any Mortgagee, disburse and apply any insurance proceeds received by W o r d to the restoration and rebuilding of Landlord's Building in accordance with Section 14.1 hereof. All insurance proceeds payable with respect to the Premises (excluding proceeds payable to Tenant pursuant to Section 13.3) shall belong to and shall be payable to Landlord.

ARTICLE XÝ CONDEMNATION

Section 15.1. Effect of Taking.

If the whole or any part of the Premises shall be taken under the power of eminent domain, this Lease shall terminate as to the part so taken on the date Tenant is required to yield possession thereof to the condemning authority. Landlord shall make, or cause to be made, such repairs and alterations as may be necessary in order to restore the part not taken to useful condition and all Rental (other than any Additional Rental due Landlord by reason of Tenant's failure to perform any of its obligations hereunder) shall be reduced in the same proportion as the portion of the floor area of the Premises so taken bears to Tenant's Floor Area. If the aforementioned taking renders the remainder of the Premises unsuitable for the Permitted Use, either party may terminate this Lease as of the date when Tenant is required to yield possession by giving notice to that effect within thirty (30) days after such date. If twenty percent (20%) or more of Landlord's Floor Area is taken as aforesaid, or if parking spaces in the Shopping Center are so taken thereby reducing the number of parking spaces to less than the number required by law and Landlord does not deem it reasonably feasible to replace such parking spaces with other parking spaces on the portion of the Shopping Center not taken, then Landlord may elect to terminate this Lease

as of the date on which possession thereof is required to be yielded to the condemning authority, by giving notice of such election within ninety (Sa) days after such date. If any notice of termination is given pursuant to this Section, this Lease and the rights and obligations of the parties hereunder shall cease as of the date of such notice and Rental (other than any Additional Rental due Landlord by reason of Tenant's failure to perform any of its obligations hereunder) shall be adjusted as of the date of such termination.

Section 15.2. Condemnation Awards.

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All compensation awarded for any taking of the Premises, Landlord's Building, the Shopping Center Area, or any interest in any of the same, shall belong to and be the property of Landlord, Tenant hereby assigning to Landlord all rights with respect thereto; provided, however, nothing contained herein shall prevent Tenant from applying for reimbursement from the condemning authority (if permitted by law) for moving expenses, or the expense-of removal of Tenant's trade fixtures, or loss of Tenant's business good will, but only if such action shall not reduce the amount of the award or other compensation otherwise recoverable from the condemning authority by Landlord or the owner of the fee simple estate in the Shopping Center Area.

ARTICLE XVI ASSIGNMENTS AND SUBLETTING

Section 16.1. Landlord's Consent Required.

- (a) Except as provided in Section 17.4 with respect to assignment of this Lease following Tenant's bankruptcy, Tenant will not assign this Lease, in whole or in part, nor sublet all or any part of the Premises, nor license concessions or lease departments therein, nor pledge or encumber by mortgage or other instruments its interest in this Lease (each individually and collectively referred to in this Section as a 'transfer") without first obtaining the consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion. This prohibition includes, without limitation, any subletting or assignment which would otherwise occur by operation of law, merger, consolidation, reorganization, transfer or other change of Tenant's corporate, partnership or proprietary structure. Any transfer to or by a receiver or trustee in any federal or state bankruptcy, insolvency, or similar proceeding shall be subject to, and in accordance with, the provisions of Section 17.4. Consent by Landlord to any transfer shall not constitute a waiver of the requirement for such consent to any subsequent transfer.
- (b) Subject to the provisions of Section 17.4 respecting assignment of this Lease following Tenant's bankruptcy and assumption of this Lease by Tenant or its trustee, it is expressly understood and agreed that Landlord may, in its sole and absolute discretion, withhold its consent to any transfer of this Lease or of all or any part of the Premises. The parties recognize that this Lease and the Premises are unique, and that this Lease and the Premises derive value from the remainder of Landlord's Building and the Shopping Center Area as a whole, and that the nature and character of the operations within and management of the premises are important to the success of Landlord's Building and the Shopping Center Area. Accordingly, and without limiting the generality of the foregoing, Landlord may condition its consent to any transfer upon satisfaction of all or any of the following conditions:
 - (i) the next assets of the assignee, licensee, sublessee or other transferee or permittee (collectively 'transferee') immediately prior to the transfer shall not be less than

the greater of the net assets of Tenant immediately prior to the transfer or the net assets of Tenant at the time of the signing of this Lease; such transfer shall not adversely affect the quality and type of business operation (ii) which Tenant has conducted theretofore; such transferee shall possess qualifications for the Tenant business substantially (iii) equivalent to those of Tenant and shall have demonstrated recognized experience in successfully operating such a business, including, without limitation, experience in successfully operating a similar quality business in first-class shopping centers; such transferee shall continue to operate the business conducted in the Premises (iv) under the same Tenant Trade Name, in the same manner as Tenant and pursuant to all of the provisions of this Lease; such transferee shall assume in writing, in a form acceptable to Landlord, all of (v) Tenant's obligations hereunder and Tenant shall provide Landlord with a copy of such assumption/transfer document; Tenant shall pay to Landlord a transfer fee of One Thousand Dollars (\$1,000.00) (vi) prior to the effective date of the transfer in order to reimburse Landlord for all of its internal costs and expenses incurred with respect to the transfer, including, without limitation, costs incurred in connection with the review of financial materials, meetings with representatives of transferor and/or transferee and preparation, review, approval and execution of the required transfer documentation, and, in addition, Tenant shall reimburse Landlord for any out-ofpocket costs and expenses incurred with respect to such transfer; as of the effective date of the transfer and continuing throughout the remainder (vii) of the Term, the Annual Basic Rental shall be the greater of (A) the Annual Basic Rental set forth in Section I.I.G. hereof, or (B) the sum of all Annual Basic Rental and all Annual Percentage Rental payable by Tenant during the twelve calendar months preceding the transfer; Tenant to which the Premises were initially leased shall continue to remain liable (viii) under this Lease for the performance of all terms, including, but not limited to, payment of Rental due under this Lease; Tenant's guarantor, if any, shall continue to remain liable under the terms of the (ix) Guaranty of this Lease and, if Landlord deems it necessary, such guarantor shall 2 execute such documents necessary to insure the continuation of its quaranty; Landlord shall receive upon execution of its consent the full unamortized amount (x) of any construction or other allowances given to the original Tenant under this Lease, any due but unpaid Rental, and an amount equal to fifteen percent (15%) of any and all consideration paid or agreed to be paid, directly or indirectly, to Tenant for such transfer or for the sale of Tenant's business in connection with which any such transfer is made; and

Section 16.2. Transfer of Corporate Shares.

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If Tenant is a corporation (other than a corporation the outstanding voting stock of which is listed on a "national securities exchange," as defined in the Securities Exchange Act of 1934) and if at any time after execution of this Lease any part or all of the corporate shares shall be transferred by sale, assignment, bequest, inheritance, operation of law or other disposition (including, but not limited to, such a transfer to or by a receiver or trustee in federal or state bankruptcy, insolvency, or other proceedings) so as to result in a change in the present control of said corporation by the person(s) now owning a majority of said corporate shares, Tenant shall give Landlord notice of such event within fifteen (15) days of the date of such transfer. If any such transfer is made (and regardless of whether Tenant has given notice of same), Landlord may elect to terminate this Lease at any time thereafter by giving Tenant notice of such election, in which event this Lease and the rights and obligations of the parties hereunder shall cease as of a date set forth in such notice which date shall not be less than sixty (60) days after the date of such notice. In the event of any such termination, all Rental (other than my Additional Rental due Landlord by reason of Tenant's failure to perform any of its obligations hereunder) shall be adjusted as of the date of such termination.

Section 16.3. Transfer of Partnership Interests

If Tenant is a general or limited partnership and if at any time after execution of this Lease any part or all of the interests in the capital or profits of such partnership or any voting or other interests therein shall be transferred by sale, assignment, bequest, inheritance, operation of law or other disposition (including, but not limited to, such a transfer to or by a receiver or trustee in federal or state bankruptcy, insolvency or other proceedings, and also including, but not limited to, any adjustment in such partnership interests) so as to result in a change in the present control of said partnership by the person or persons now having control of same, Tenant shall give Landlord notice of such event within fifteen (15) days of the date of such transfer. If any such transfer is made (and regardless of whether Tenant has given notice of same), Landlord may elect to terminate this Lease at any time thereafter by giving Tenant notice of such election, in which event this Lease and the rights and obligations of the parties hereunder shall case as of a date set forth in such notice which date shall be not less than sixty (60) days after the date of such notice. In the event of any such termination, all Rental (other than any Additional Rental due Landlord by reason of Tenant's failure to perform any of its obligations hereunder) shall be adjusted as of the date of such termination.

Section 16.4. Acceptance of Rent from Transferee.

The acceptance by Landlord of the payment of Rental following any assignment or other transfer prohibited by this Article shall not be deemed to be a consent by Landlord to any such assignment or other transfer nor shall the same be deemed to be a waiver of any right or remedy of Landlord hereunder.

Section 16.5. Additional Provisions Respecting Transfers.

Without limiting Landlord's right to withhold its consent to any transfer by Tenant, and regardless of whether Landlord shall have consented to any such transfer, neither Tenant nor any other person

having an interest in the possession, use or occupancy of the Premises or any pan thereof shall enter into any lease, sublease, license, concession, assignment or other transfer or agreement for possession, use or occupancy of all or any portion of the Premises which provides for rental or other payment for such use, occupancy or utilization based, in whole or in part, on the net income or profits derived by any person or entity from the space so leased, used or occupied, and any such purported lease, sublease, license, concession, assignment or other transfer or agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use or occupancy of all or any part of the premises. There shall be no deduction from the rental payable under any sublease or other transfer nor from the amount thereof passed on to any person or entity, for any expenses or costs related in any way to the subleasing or transfer of such space.

If Tenant shall make or suffer any such transfer without first obtaining any consent of Landlord required by Section 16.1, any and all amounts received as a result of such transfer shall be the property of Landlord to the extent the same (determined on a square foot basis) is greater than the Annual Basic Rental (on a square foot basis) payable under this Lease, it being the parties' intent that my profit resulting from such transfer shall belong to Landlord, but the same shall not be deemed to be a consent by Landlord to any such transfer or a waiver of any right or remedy of Landlord hereunder.

ARTICLE XVU DEFAULT

Section 17.1. "Event of Default" Defined.

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Any one or more of the following events shall constitute an "Event of Default":

- The sale of Tenant's interest in the Premises under attachment, execution or similar legal process. or if Tenant is adjudicated as bankrupt or insolvent under any state bankruptcy or insolvency law or an order for relief is entered against Tenant under the Federal Bankruptcy Code and such adjudication or order is not vacated within ten (10) days.
- (b) The commencement of a case under any chapter of the Federal Bankruptcy Code by or against Tenant or any guarantor of Tenant's obligations hereunder, or the sling of a voluntary or involuntary petition proposing the adjudication of Tenant or any such guarantor as bankrupt or insolvent, or the reorganization of Tenant or any such guarantor, or an arrangement by Tenant or any such guarantor with its creditors, unless the petition is filed or case commenced by a party other than Tenant or any such guarantor and is withdrawn or dismissed within thirty (30) days after the date of its filing.
- (c) The admission **m** writing by Tenant or any such guarantor of its inability to pay its debts when due;
- (d) The appointment of a receiver or trustee for the business or property of Tenant or any *such* guarantor, unless such appointment shall be vacated within ten (10) days of its entry.

- (e) The making by Tenant or any such guarantor of an assignment for the benefit of its creditors, or if in any other manner Tenant's interest in this Lease shall pass to another by operation of law.
- (f) The failure of Tenant to pay any Rental or other sum of money within seven (7) days after the same is due hereunder.
- Default by Tenant in the performance or observance of any covenant or agreement of this Lease (other than a default involving the payment of money), which default is not cured within ten (10) days after the giving of notice thereof by Landlord, unless such default is of such nature that it cannot be cured within such ten (10) day period, in which case no Event of Default shall occur so long as Tenant shall commence the curing of the default within such ten (10) day period and shall thereafter diligently prosecute the curing of same; provided, however, if Tenant shall default in the performance of any such covenant or agreement of this Lease two (2) or more times in any twelve (12) month period, then notwithstanding that each of such defaults shall have been cured by Tenant, any further similar default shall be deemed an Event of Default without the ability for cure.
- (h) The vacation or abandonment of the Premises by Tenant at any time following delivery of possession of the **Premises** to Tenant.
- (i) The occurrence of any other event described as constituting an "Event of Default" elsewhere in this Lease.

Section 17.2. Remedies.

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Upon the occurrence of an Event of Default, Landlord, without notice to Tenant in any instance (except where expressly provided for below or by applicable law) may do any one or more of the following:

With or without judicial process, enter the Premises and take possession of any (a) and all goods, inventory, equipment, fixtures and all other personal property of Tenant, which is or may be put into the Premises during the Term, whether exempt or not from sale under execution or attachment (it being agreed that said property shall at all times be bound with a lien in favor of Landlord and shall be chargeable for all Rental and for the fulfillment of the other covenants and agreements herein contained), and Landlord may sell all or any part thereof at public or private sale. Tenant agrees that five (5) days prior notice of any public or private sale shall constitute reasonable notice. The proceeds of any such sale shall be applied, first, to the payment of all costs and expenses of conducting the sale or caring for or storing said property (including reasonable attorneys' fees); second, toward the payment of any indebtedness, including (without limitation) indebtedness for Rental, which may be or may become due from Tenant to Landlord, and third, to pay Tenant, on demand, any surplus remaining after all indebtedness of Tenant to Landlord has been fully paid;

- (b) Perform, on behalf and at the expense of Tenant, any obligation of Tenant under this Lease which Tenant has failed to perform and of which Landlord shall have given Tenant notice, the cost of which performance by Landlord, together with interest thereon at the Default Rate from the date of such expenditure, shall be deemed Additional Rental and shall be payable by Tenant to Landlord upon demand. Notwithstanding the provisions of this clause (b) and regardless of whether an Event of Default shall have occurred, Landlord may exercise the remedy described in this clause (b) without any notice to Tenant if Landlord, in its good faith judgment, believes it would be materially injured by failure to take rapid action or if the unperformed obligation of Tenant constitutes an emergency;
- (c) Elect to terminate this Lease and the tenancy created hereby by giving notice of such election to Tenant, and reenter the Premises, without the necessity of legal proceedings, and remove Tenant and all other persons and property from the Premises, and may store such property in a public warehouse or elsewhere at the cost of and for the account of Tenant without resort to legal process and without Landlord being deemed guilty of trespass or becoming liable for any loss or damage occasioned thereby; or
- (d) Exercise any other legal or equitable right or remedy which it may have.

Any costs and expenses incurred by Landlord (including, without limitation, reasonable attorneys' fees) in enforcing any of its rights or remedies under this Lease shall be deemed to be Additional Rental and shall be repaid to Landlord by Tenant upon demand.

Section 17.3. Damages.

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If this Lease is terminated by Landlord pursuant to Section 17.2., Tenant nevertheless shall remain liable for (a) any Rental and damages which may be due or sustained prior to such termination, all reasonable costs, fees and expenses including, but not limited to, reasonable attorneys' fees, costs and expenses incurred by Landlord in pursuit of its remedies hereunder, or in renting the Premises to others from time to time (all such Rental, damages, costs, fees and expenses being referred to herein as "Termination Damages"), and (b) additional damages (the "Liquidated Damages"), which, at the election of Landlord, shall be either:

(i) an amount **equal** to the Rental which, but for termination of this Lease, would have become due during the remainder of the Term, less the amount of **Rental**, if any, which Landlord shall receive during such period from others to whom the Premises may be rented (other than any Additional Rental received by Landlord as a result of any failure of such other **person** to perform any of its obligations to Landlord), in which case such Liquidated Damages **shall** be computed **and** payable in monthly installments, in advance, on the first day of each calendar month following **termination** of the Lease and continuing until the date on which the Term would have expired but for such termination, and any suit or action brought to collect any such Liquidated Damages for any month shall not in any manner prejudice the right of Landlord to collect any Liquidated Damages for any subsequent **month** by a similar proceeding; or

an amount equal to the present worth (as of the date of such termination) of Rental which, but for termination of this Lease, would have become due during the remainder of the Term, less the fair rental value of the Premises, as determined by an independent real estate appraiser named by Landlord, in which are such Liquidated Damages shall be payable to Landlord in one lump sum on demand and shall bear interest at the Default Rate until paid. For purposes of this clause (ii), "present worth" shall be computed by discounting such amount to present worth at a discount rate equal to one percentage point above the discount rate then in effect at the Federal Reserve Bank nearest to the location of the Shopping Center.

If such termination shall take place after the expiration of two or more Rental Years, then, for purposes of computing the Liquidated Damages, the Annual Percentage Rental payable with respect to each Rental Year following termination (including the Rental Year in which such termination shall take place) shall be conclusively presumed to be equal to the average Annual Percentage Rental payable with respect to each complete Rental Year preceding termination. If such termination shall take place before the expiration of two Rental Years, then, for purposes of computing the Liquidated Damages, the Annual Percentage Rental payable with respect to each Rental Year following termination (including the Rental Year m which such termination shall take place) shall be conclusively presumed to be equal to twelve (12) times the average monthly payment of Annual Percentage Rental due prior to such termination, or if no Annual Percentage Rental shall have been payable during such period, then the Annual Percentage Rental for each year of the unexpired Term shall be conclusively presumed to be a sum equal to twenty-five percent (25%) of the Annual Basic Rental due and payable during such unexpired Term. Termination Damages shall be due and payable immediately upon demand by Landlord following any termination of this Lease pursuant to Section 17.2. Liquidated Damages shall be due and payable at the times set forth herein.

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If this Lease is terminated pursuant to Section 17.2, Landlord may relet the Premises or any part thereof, alone or together with other premises, for such term or terms (which may be greater or less than the period which otherwise would have constituted the balance of the Term) and on such terms and conditions (which may include concessions or free rent and alterations of the Premises) as Landlord, in its sole discretion, may determine, but Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished by reason of, any failure by Landlord to relet the Premises or any failure by Landlord to collect any rent due upon such reletting.

Nothing contained in this Lease shall limit or prejudice the right of Landlord to prove for and obtain, in proceedings for the termination of this Lease by reason of bankruptcy or insolvency, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether or not the amount be greater, equal to, or less than the amount of the loss or damages referred to above. The failure or refusal of Landlord to relet the Premises or any part or parts thereof shall not release or affect Tenant's liability for damages.

Section 17.4. Remedies in Event of Bankruptcy or Other Proceeding.

(a) Anything contained herein to the contrary notwithstanding, if termination of this Lease shall be stayed by order of any court having jurisdiction over any proceeding described in paragraph (b) of Section 17.1., or by federal or state statute, then, following the expiration of any such

stay, or if Tenant or Tenant as debtor-in-possession or the trustee appointed in any such proceeding (being collectively referred to as "Tenant" only for the purposes of this Section 17.4.) shall fail to assume Tenant's obligations under this Lease within the period prescribed therefor by law or within fifteen (15) days after entry of the order for relief or as may be allowed by the court, or if Tenant shall fail to provide adequate protection of Landlord's right, title and interest in and to the Premises or adequate assurance of the complete and continuous future performance of Tenant's obligations under this Lease, Landlord, to the extent permitted by law or by leave of the court having jurisdiction over such proceeding, shall have the right, at its election, to terminate this Lease on fifteen (15) days' notice to Tenant and upon the expiration of said fifteen (15) day period this Lease shall cease and expire as aforesaid and Tenant shall immediately quit and surrender the Premises as aforesaid. Upon the termination of this Lease as provided above, Landlord. without notice, may resenter and repossess the Premises using such force for that purpose as may be necessary without being liable to indictment, prosecution or damages therefor and may dispossess Tenant by summary proceedings or otherwise.

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- (b) For the purposes of the preceding paragraph (a), adequate protection of Landlord's right, title and interest in and to the Premises, and adequate assurance of the complete and continuous future performance of Tenant's obligations under this Lease, shall include, without limitation, the following requirements:
 - (i) that Tenant comply with all of its obligations under this Lease;
 - (ii) that Tenant pay to Landlord, on the first day of each month occurring subsequent to the entry of such order, or the effective date of such stay, a sum equal to the amount by which the Premises diminished in value during the immediately preceding monthly period, but, in no event, an amount which is less than the aggregate Rental payable for such monthly period;
 - (iii) that Tenant continue to use the premises in the manner originally required by this Lease;
 - (iv) that Landlord be permitted to supervise the performance of Tenant's obligations under this Lease;
 - (v) that Tenant pay to Landlord within fifteen (15) days after entry of such order or the effective date of such stay, as partial adequate protection against future diminution in value of the Premises and adequate assurance of the complete and continuous future performance of Tenant's obligations under this Lease, an additional security deposit in an amount acceptable to Landlord;
 - (vi) that Tenant has and will continue to have unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that sufficient funds will be available to fulfill the obligations of Tenant under this Lease;
 - (vii) that if Tenant assumes this Lease and proposes to assign the same (pursuant to Title 11 U.S.C. § 365, or as the same may be amended) to any person who shall have made a bona fide offer to accept an assignment of this Lease on terms

acceptable to such court having competent jurisdiction over Tenant's estate, then notice of such proposed assignment, setting forth (x) the name and address of such person, (y) all of the terms and conditions of such offer, and (z) the adequate assurance to be provided Landlord to assure such person's future performance under this Lease, including, without limitation, the assurances referred to in Title 11 U.S.C. § 365(b)(3), as it may be amended, shall be given to Landlord by Tenant no later than fifteen (15) days after receipt by Tenant of such offer, but in any event no later than thirty (30) days prior to the date that Tenant shall make application to such court for authority and approval to enter into such assignment and assumption, and Landlord shall thereupon have the prior right and option, to be exercised by notice to Tenant given at any time prior to the effective date of such proposed assignment, to accept, or to cause Landlord's designee to accept, an assignment of this Lease upon the same terms and conditions and far the same consideration, if any, as the bona fide offer made by such person less any brokerage commissions which may be payable out of the consideration to be paid by such person for the assignment of this Lease: and

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- (viii) that if Tenant assumes this Lease and proposes to assign the same, and Landlord does not exercise its option pursuant to paragraph (vii) of this Section 17.4, Tenant hereby agrees that:
 - (A) such assignee shall have a net worth not less than the net worth of Tenant as of the Commencement Date, or such Tenant's obligations under this Lease shall be unconditionally guaranteed by a person having a net worth equal to Tenant's net worth as of the Commencement Date;
 - (B) such assignee shall not use the Premises except subject to all the restrictions contained in this Lease;
 - such assignee shall assume in writing all of the terms, covenants and conditions of this Lease including, without limitation, all of such terms, covenants and conditions respecting the Permitted Use and payment of Rental, and such assignee shall provide Landlord with assurances satisfactory to Landlord that it has the experience in operating stores having the same or substantially similar uses as the Permitted Use, in first-class shopping centers, sufficient to enable it so to comply with the terms, covenants and conditions of this Lease and successfully operate the Premises for the Permitted Use;
 - (D) such assignee shall indemnify Landlord against, and pay to Landlord the amount of, any payments which Landlord may be obligated to make to any Mortgagee by virtue of such assignment;
 - (E) such assignee shall pay to Landlord an amount equal to the unamortized portion of any construction allowance made to Tenant; and

if such assignee makes any payment to Tenant, or for Tenant's account, for the right to assume this Lease (including, without limitation, any lump sum payment, installment payment or payment in the nature of rent over and above the Rental payable under this Lease), Tenant shall pay over to Landlord one-half of any such payment, less any amount paid to Landlord pursuant to clause (E) above on account of any construction allowance.

ARTICLE XVIII SUBORDINATION AND ATTORNMENT

Section 18.1. <u>Subordinatioq</u>.

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Unless a Mortgagee (as hereinafter defined) shall otherwise elect as provided in Section 18.2. Tenant's rights under this Lease are and shall remain subject and subordinate to the operation and effect of

- (a) any lease of land only or of land and buildings in a sale-leaseback or *lease* subleaseback transaction involving the Premises or Landlord's interest therein, or
- any mortgage, deed of trust or other security instrument constituting a lien upon the Premises or Landlord's interest therein,

whether the same shall be in existence at the date hereof or created hereafter, any such lease, mortgage, deed of trust or other security instrument being referred to herein as a "Mortgage", and the party or parties having the benefit of the same, whether as lessor, mortgagee, trustee or noteholder, being referred to herein as a "Mortgagee". Tenant's acknowledgment and agreement of subordination provided for in this Section are self-operative and no further instrument of subordination shall be required; however, Tenant shall execute such further assurances thereof as shall be requisite or as may be requested from time to time by Landlord or any Mortgagee.

Section 18.2. Mortgagee's Unilateral Subordinatiog.

If a Mortgagee shall so elect by notice to Tenant or by the recording of a unilateral declaration of subordination, this Lease and Tenant's rights hereunder shall be superior and prior in right to the Mortgage of which such Mortgagee has the benefit, with the same force and effect as if this Lease had been executed, delivered and recorded prior to the execution, delivery and recording of such Mortgage, subject, nevertheless, to such conditions as may be set forth in any such notice or declaration.

Section 18.3. Attornment.

If any person shall succeed to all or part of Landlord's interest in the Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease or otherwise, and if so requested or required by such successor in interest, Tenant shall attorn to such successor in interest and shall execute such agreement in confirmation of such attornment as such successor in interest shall reasonably request.

ARTICLE XIX NOTICES

Section 19.1. Sending of Notices.

Any notice, request, demand, approval or consent given or required to be given under this Lease shall be in writing and shall be deemed to have been given as follows:

- if intended **for** Landlord, on the third day following the day on which the same shall have been mailed by United States registered or certified **mail** or express **mail**, return receipt requested, with all postage charges prepaid, addressed to Landlord, Attention: General Counsel, c/o The Rouse Company Building, Columbia, Maryland 21044, with a copy to Landlord's management office in the Shopping-Center except **that** payment of Rental **and** sales reports shall be delivered to Landlord's management office in the Shopping Center; and
- (ii) if intended for Tenant, upon the earlier to occur of the following:
 - the third day following the day on which the same shall have been mailed by United States registered or certified mail or express mail, return receipt requested, with all postal charges prepaid, addressed to Tenant at the Tenant Notice Address, or
 - (b) actual receipt at the Tenant Notice Address, and in the event more *than* one copy of such notice shall have been sent or delivered to Tenant, the first actually received shall control for the purposes of this clause (b).

Either party may, at any *time*, change its address for the above purposes by sending a notice to the other party stating the change and setting forth the new address.

Section 19.2. Notice to Mortgagees.

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If any Mortgagee shall notify Tenant that it is the holder of a Mortgage affecting the Premises, no notice, request or demand thereafter sent by Tenant to Landlord shall be effective unless and until a copy of the same shall also be sent to such Mortgagee in the manner prescribed in Section 19.1 and to such address as such Mortgagee shall designate.

ARTICLE XX MISCELLANEOUS

Section 20.1. Radius Restriction.

Tenant agrees that Tenant (and if Tenant is a corporation or partnership, its officers, directors, stockholders, any affiliates or partners) shall not, directly or indirectly, operate, manage or have any interest in any other store or business (unless in operation on the date of this Lease) which is similar to or in competition with the Permitted Use on the commencement date of this Lease and for the Term of this Lease within the Restriction Area. Without limiting any of Landlord's remedies under this Lease,

in the event Tenant operates, manages or has any interest in a store or business violating the provisions of this Section, then, at Landlord's option, Landlord may by notice to Tenant require Tenant to include the gross sales of such other store or business in the Gross Sales of the Premises for the purposes of calculating Annual Percentage Rental under this Lease.

Section 20.2. Estoppel Certificates.

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At any time and from time to time, within ten (10) days after Landlord shall request the same, Terant will execute, acknowledge and deliver to Landlord and to such Mortgagee or other party as may be designated by Landlord, a certificate in an acceptable form with respect to the matters required by such party and such other matters relating to this Lease or the status of performance of obligations of the parties hereunder as may be reasonably requested by Landlord. If Tenant fails to provide such certificate within ten (10) days after request by Landlord, Tenant shall be deemed to have approved the contents of any such certificate submitted to Tenant by Landlord and Landlord is hereby authorized to so certify.

Section 20.3. Inspections and Access by Landlord.

Tenant will permit Landlord, its agents, employees and contractors to enter all parts of the Premises during Tenant's business hours to inspect the same and to enforce or carry out any provision of this Lease, including, without limitation, any access necessary for the making of any repairs which are Landlord's obligation hereunder; provided, however, that, in the event of an emergency, Landlord may enter the Premises for such purposes at any time, upon such notice to Tenant, if any, as shall be feasible under the circumstances.

Section 20.4. Memorandum of Lease.

Neither this Lease nor a short form or memorandum thereof shall be recorded in the public records.

Section 20.5. Remedies Cumulative.

No reference to any specific right or remedy shall preclude Landlord from exercising any other right or from having any other remedy or from maintaining any action to which it may otherwise be entitled at law or in equity. No failure by Landlord to insist upon the strict performance of any agreement, term, covenant or condition hereof, or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach, agreement, term, covenant or condition. No waiver by Landlord of any breach by Tenant under this Lease or of any breach by any other tenant under any other lease of any portion of the Shopping Center shall affect or alter this Lease in any way whatsoever.

Section 20.6. Successors and Assigns.

This Lease and the covenants and conditions herein contained shall inure to the benefit of and be binding upon Landlord, its successors and assigns, and shall be binding upon Tenant, its successors and assigns and shall inure to the benefit of Tenant and only such assigns and subtenants of Tenant to whom the assignment of this Lease or the subletting of the Premises by Tenant has been consented to by Landlord as provided in this Lease. Upon any sale or other transfer by Landlord of its interest in the

premises and in this Lease, and the assumption by Landlord's transferee of the obligations of Landlord hereunder, Landlord shall be relieved of any obligations under this Lease accruing thereafter.

Section 20.7. Compliance with Laws and Regulations.

Tenant, at its sole cost and expense, shall comply, and shall cause the Premises to comply with (a) all federal, state, regional, county, municipal and other governmental statutes, laws, rules, orders, regulations and ordinances affecting any part of the Premises, or the use thereof, including, but not limited to, those which require the making of any structural, unforeseen or extraordinary changes, whether or not any such statutes. laws, rules, orders, regulations or ordinances which may be hereafter enacted involve a change of policy on the part of the governmental body enacting the same, and (b) all rules, orders and regulations of the National Fire Protection Association, Landlord's casualty insurer(s) and other applicable insurance rating organizations or other bodies exercising similar functions in connection with the prevention of fire or the correction of hazardous conditions which apply to the Premises.

Section 20.8. Captions and Headings.

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The table of contents and the Article and Section captions and headings are for convenience of reference only and in no way shall be used to construe or modify the provisions set forth in this Lease.

Section 20.9. Joint and Several Liability.

If two or more individuals, corporations, partnerships or other business associations (or any combination of two or more thereof) shall sign this Lease as Tenant, the liability of each such individual, corporation, partnership or other business association to pay rent and perform all other obligations hereunder shall be deemed to be joint and several and all notices, payments and agreements given or made by, with or to any one of such individuals, corporations, partnerships or other business associations shall be deemed to have been given or made by, with or to all of them. In like manner, if Tenant shall be a partnership or other business association, the members of which are, by virtue of statute or federal law, subject to personal liability, the liability of each such member shall be joint and several.

Section 20.10. Broker's Commission.

Each of the parties represents and warrants that there are no claims for brokerage commissions or finders' fees m connection with the execution of this Lease, and agrees to indemnify the other against, and hold it hamless from, all liability arising from any such claim including, without limitation, the cost of counsel fees in connection therewith.

Section 20.11. No Discrimination.

It is Landlord's policy to comply with all applicable state and federal laws prohibiting discrimination in employment based on race, age, color. sex, national origin, disability, religion, or other protected classification. It is further intended that the Shopping Center shall be developed and operated so that all prospective tenants thereof, and all customers, employees, licensees and invitees of all tenants shall have equal opportunity to obtain all the goods, services, accommodations, advantages, facilities and privileges of the Shopping Center without discrimination because of race, age, color, sex, national origin, disability, or religion. To that end, Tenant shall not discriminate in the conduct and operation of its

business in the Premises against any person or group of persons because of the race, age, color, sex, religion, national origin or other protected classification of such person or group of persons.

Section 20.12. No Joint Venture.

Any intention to create a joint venture or partnership relation between the parties hereto is hereby expressly disclaimed. The provisions of this Lease in regard to the payment by Tenant and the acceptance by Landlord of a percentage of Gross Sales of Tenant and others is a reservation for rent for the use of the Premises.

Section 20.13. No Option.

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The submission of this Lease for examination does not constitute a reservation of or option for the Premises, and this Lease shall become effective only upon execution and delivery thereof by both parties. Execution by signature of an authorized officer of Landlord or any corporate entity acting on behalf of Landlord shall be effective only upon attestation thereof and the affixation of the seal of such corporation by a corporate Secretary or Assistant Secretary of Landlord.

Section 20.14. No Modification.

This writing is intended by the parties as a final expression of their agreement and as a complete and exclusive statement of the terms thereof, all negotiations, considerations and representations between the parties having been incorporated herein. No course of prior dealings between the parties or their officers, employees, agents or affiliates shall be relevant or admissible to supplement, explain or vary any of the terms of this Lease. Acceptance of, or acquiescence in, a course of performance rendered under this or any prior agreement between the parties or their affiliates shall not be relevant or admissible to determine the meaning of any of the terms of this Lease. No representations, understandings or agreements have been made or relied upon in the making of this Lease other than those specifically set forth herein. This Lease can be modified only by a writing signed by the party against whom the modification is enforceable.

Section 20.15. Severability.

If any portion of any term or provision 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 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 20.16. Third Party Beneficiary.

Nothing contained m this Lease shall be construed so as to confer upon any other party the rights of a third party beneficiary except rights contained herein for the benefit of a Mortgagee.

Section 20.17. Corporate Tenants.

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If Tenant is a corporation, the persons executing this Lease on behalf of Tenant hereby covenant and warrant that: Tenant is a duly constituted corporation qualified to do business in the State in which the Shopping Center is located; all Tenant's franchises and corporate 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 board of directors of such corporation to execute and deliver this Lease on behalf of the corporation.

Section 20.18. Applicable Law.

This Lease and the rights and obligations of the parties hereunder shall be construed in accordance with the laws of the State in which the Shopping Center is located.

Section 20.19. Performance of Landlord's Obligations by Mortgagee

Tenant shall accept performance of any of Landlord's obligations hereunder by any Mortgagee of Landlord.

Section 20.20. Waiver of Certain Rights.

Landlord arid Tenant hereby mutually waive any and all rights which either may have to request a jury trial in any action, proceeding or counterclaim (except for those involving personal injury or property damage) arising out of this Lease or Tenant's occupancy of or right to occupy the Premises.

Tenant further agrees that in the event Landlord commences any summary proceeding for non-payment of rent or possession of the Premises, Tenant will not interpose and hereby waives all right to interpose any counterclaim of whatever nature in any such proceeding. Tenant further waives any right to remove said summary proceeding to any other court or to consolidate said summary proceeding with any other action, whether brought prior or subsequent to the summary proceeding.

Section 20.21. Limitation on Right of Recovery Against Landlord.

Tenant acknowledges and agrees that the liability of Landlord under this Lease shall be limited to its interest in the Shopping Center Area and any judgments rendered against Landlord shall be satisfied solely out of the proceeds of sale of its interest in the Shopping Center Area. No personal judgment shall lie against Landlord upon extinguishment of its rights in the Shopping Center Area and any judgment so rendered shall not give rise to any right of execution or levy against Landlord's assets. The provisions hereof shall inure to Landlord's successors and assigns including any Mortgagee. The foregoing provisions are not intended to relieve Landlord from the performance of any of Landlord's obligations under this Lease, but only to limit the personal liability of Landlord in case of recovery of a judgment against Landlord; nor shall the foregoing be deemed to limit Tenant's rights to obtain injunctive relief or specific performance or to avail itself of any other right or remedy which may be awarded Tenant by law or under this Lease.

If Tenant claims or asserts that Landlord has violated or failed to perform a covenant of Landlord not to unreasonably withhold or delay Landlord's consent or approval, Tenant's sole remedy shall be an

action for specific performance, declaratory judgment or injunction and in no event shall Tenant be entitled to any money damages for a breach of such covenant and in no event shall Tenant claim or assert any claim for any money damages in any action or by way of set off, defense or counterclaim and Tenant hereby specifically waives the right to any money damages or other remedies.

Section 20.22. Survival

All representations, warranties, covenants, conditions and agreements contained herein which either are expressed as surviving the expiration or termination of this Lease or, by their nature, are to be performed or observed, in whole or in part, after the termination or expiration of this Lease, including (without limitation) the obligations of Tenant pursuant to Sections 8.6 and 13.1, shall survive the termination or expiration of this Lease.

Section 20.23. Relocation of Premises.

In the event of an expansion, renovation or remerchandising of the Shopping Center in the vicinity of the Premises, Landlord may elect, by giving notice of such election to Tenant, to require Tenant to surrender possession of all or such portion of the Premises and for such period of time (including the remainder of the Term) as Landlord, in its sole discretion, shall deem to be required for such purposes. Such election shall be exercised not more than once during the Term, except that if any such notice of election shall be withdrawn by Landlord, the same shall be deemed not to have been given. Landlord's notice of the exercise of such election shall designate (i) the portion of the Premises required for such purposes, (ii) the period of time during which such surrender shall be required, and (iii) the date by which possession of same shall be surrendered by Tenant, which date shall not be earlier than ninety (W) days after the date on which such notice is given.

If Tenant shall be required to surrender possession of all or a portion of the Premises for a period of time which is less than the remainder of the Term, Rental shall abate as to such portion or all of the Premises required to be surrendered, such abatement to be effective beginning as of the date Tenant is required to surrender such possession and continuing until the date on which Landlord redelivers possession to Tenant. For purposes of determining the extent of such abatement of Rental, Tenant's Floor Area hereunder shall be deemed to be reduced during the abatement period by the number of square feet contained in the portion of the Premises of which possession is required to be surrendered.

If Tenant shall be required to surrender possession of a portion of the Premises for the entire remainder of the Tern, this Lease shall terminate as to such portion as of the date on which Tenant is required to surrender possession thereof to Landlord and all Rental shall be proportionately reduced. For purposes of determining the extent of such reduction of Rental, Tenant's Floor Area hereunder shall be deemed to be reduced as of the date of such termination by the number of square feet contained in the portion of the Premises of which possession is required to be surrendered.

If Tenant shall be **required** to surrender possession of a portion of the Premises, Landlord shall (a) provide any permanent or temporary barriers required by the **nature** of Landlord's use of such portion, which barriers shall be constructed in such a manner so as to not materially interfere with Tenant's business operations in the Premises; and (b) make such alterations as may be **necessary** in order to restore the remainder of the Premises to useful condition.

If Tenant shall be required to surrender possession of a portion of the Premises and the remainder of the Premises shall be rendered unsuitable for the Permitted Use, or if Tenant shall be required to surrender possession of the entire Premises, Landlord shall have the further right and option to cause Tenant to relocate its business, within ninety (90) days after notice to do so, to another location within the Shopping Center Area, comparable in size and location to the Premises, mutually agreed upon by W or d and Tenant: Within sixty (60) days after any such notice shall be given, Landlord arid Tenant shall execute and deliver an amendment to this Lease which shall substitute a description of the premises to which Tenant is to be relocated for the description of the Premises contained herein and shall modify Tenant's Floor Area accordingly; otherwise all of the terms and conditions of this Lease shall be applicable to Tenant's occupancy of the new premises.

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If Landlord and Tenant cannot agree on a new location within such sixty (60) days after notice of the exercise by Landlord of its relocation option described in the preceding paragraph, then Landlord may elect to withdraw its notice requiring Tenant to relocate its business, in which event Tenant shall remain in possession of the Premises and this Lease shall remain in full force and effect. If Landlord shall not elect to withdraw its notice requiring Tenant to relocate its business, the Term shall terminate on the ninetieth (90th) day after such notice, in which event Landlord agrees to pay to Tenant, provided Tenant is not in default under this Lease, and, provided Tenant shall have furnished Landlord with the statement referred to in the last sentence of this paragraph, an amount equivalent to the unamortized value of Tenant's leasehold improvements which were installed in the Premises at Tenant's sole cost and expense. Said amortization shall be determined on the straight-line depreciation method allowed by the Internal Revenue Code of 1986 (as amended) assuming a depreciation period commencing with the placement in service of such leasehold improvements and ending on the date of expiration of the Term determined pursuant to Section 3.1. Payment of the amount equivalent to the unamortized value of Tenant's leasehold improvements will be made to Tenant within thirty (30) days after Tenant shall have vacated the Premises in accordance with the terms of this Lease, provided that Landlord shall have the right to deduct therefrom any amounts due Landlord from Tenant pursuant to this Lease. For purposes of this Section, "Tenant's leasehold improvements" shall include partitioning, electrical wiring, plumbing (other than plumbing fixtures), painting, wallpaper, storefront and other permanent improvements installed, affixed or attached in or to the Premises, but shall not include (x) Tenant's inventory or stock in trade, (y) such trade fixtures, electrical fixtures, equipment or apparatus as are removable by Tenant # the expiration of the Term pursuant to Section 7.4, or (z) Landlord's fixtures or other improvements installed by or at the expense of Landlord. In order for Tenant to be entitled to payment of the unamortized value of its leasehold improvement as set forth in this paragraph, Tenant shall, within sixty (60) days after commencement of the Term, furnish to Landlord a statement, signed by an independent certified public accountant, setting out in detail the cost of Tenant's leasehold improvements.

If this Lease shall be terminated as to any portion or all of the Premises pursuant to this Section, the rights and obligations of the parties hereunder shall cease as of the date specified herein and Rental (other than any Additional Rental due Landlord by reason of Tenant's failure to perform any of its obligations hereunder) shall be adjusted as of the date of such termination. No further documentation shall be required to effect the termination of this Lease, but each party agrees that, upon the request of the other party to do so, it shall execute, acknowledge and deliver an appropriate instrument evidencing such termination prepared by or at the expense of the party requesting the same.

(CORPORATE SEAL)

THIS LEASE AGREEMENT CONTAINS IN SECTION 20.20. A MUTUAL WAIVER BY THE PARTIES OF THE RIGHT TO A JURY TRIAL IN CERTAIN ACTIONS BETWEEN THE PARTIES

LANDLORD AND TENANT ACKNOWLEDGE THAT CERTAIN SECTIONS OF THIS LEASE HAVE BEEN MODIFIED AND/OR SUPPLEMENTED BY THE RIDER TO LEASE FOUND IMMEDIATELY FOLLOWING THIS SIGNATURE PAGE. WHEREVER THERE IS ANY CONFLICT BETWEEN THE RIDER AND THE LEASE, THE PROVISIONS OF THE RIDER ARE PARAMOUNT AND THE LEASE SHALL BE CONSTRUED ACCORDINGLY.

IN WITNESS WHEREOF, the parties hereto intending to be legally bound hereby have executed this Lease under their respective hands and seals as of the day and year first above written.

JEFFREY A. KLEIN Secretary	JOSEPH J. SITT, President
	By:(SEAL)
ATTEST	LARGE APPAREL OF NEW JERSEY, INC., Tenant
(CORPORATE SEAL)	
(CORPORATE COSTA	
Assistant Secretary	Vice-President
Modela	By:
ATTEST:	CHERRY HILL CENTER, INC., Landlord

If Tenant is a corporation, the authorized officers must sign on behalf of the corporation, and by doing so such officers make the covenants and warranties contained in Section 20.17 hereof. The Lease must be executed for Tenant, if a corporation, by the president or vice-president and be attested by the secretary or the assistant secretary, unless the by-laws or a resolution of the board of directors shall provide that other officers are authorized to execute the Lease, in which event, a certified copy of the by-laws or resolution, as the case may be, must be furnished. Tenant's corporate seal must be affixed.

RIDER TO LEASE

THIS RIDER is annexed to and forms part of the Lease dated SEP 26 2000, between CHERRY HILL CENTER, INC., a Maryland corporation as Landlord, and LARGE APPAREL OF NEW JERSEY, INC., a New Jersey corporation, t/a ASHLEY STEWART WOMAN SIZES 14 - 26, as Tenant.

The printed part of the Lease is hereby modified and supplemented as follows. Wherever there is any conflict between this Rider and the Lease, the provisions of this Rider are paramount and the Lease shall be construed accordingly.

<u>Section 1.1</u>. (The printed Section deals with Certain Defined Terms):

W. Delete the words and number "eighteen percent (18%)" appearing in the printed Section 1.1.W., and insert in lieu thereof "two (2) percentage points over the Prime Rate, reported as of the beginning of the most recent calendar quarter prior to the date as of which the interest is to accrue. 'Prime Rate' is an annual percentage rate published by The Wall Street Journal in its Money Rates."

Delete the printed Section 1.1.X. in its entirety and restate as follows:

"X. 'Anchor Store' shall mean any department or specialty store which occupies a floor area in excess of 50,000 square feet in the Shopping Center and is designated an Anchor Store in a notice to that effect given by Landlord to Tenant; except that no such notice is required for stores occupying in excess of 100,000 square feet."

Section 2.1. (The printed Section deals with Demise):

At the end of the printed Section 2.1., change the period to a comma and insert the following language: "except, however, that Landlord shall repair (i) any apparent defect in work performed by Landlord, if any, and which is brought to Landlord's attention within thirty (30) days from the date Tenant takes possession of the Premises, and (ii) any latent defect in work performed by Landlord, if any, and which is brought to Landlord's attention within six (6) months from the date Tenant takes possession of the Premises."

Add the following to the end of the printed Section 2.1.:

The parties hereto agree that within sixty (60) days after completion of the work required of Tenant under Section 7.1. hereof, Landlord shall have the right to remeasure the Premises using the formula set forth in Section 1.1.0. hereof, Tenant shall be permitted to have its representative present during such remeasurement. If the total area of the Premises is found to be less than or greater than the area as set forth in the printed Section 1.1.D., then Landlord and Tenant shall execute an amendment to the Lease to correct the discrepancy in the total area of the Premises, for all purposes of this Lease. If Landlord does not request said remeasuring within the aforesaid 60-day period, the Floor Area stated in Section 1.1.D. shall be deemed accepted by the parties hereto for all purposes of this Lease."

Section 3.1. (The printed Section deals with Term):

Add the following to the end of the printed Section 3.1.:

"Notwithstanding anything to the contrary contained in this Section 3.1., if Tenant's alterations and improvements should be delayed by reason of a Force Majeure (as hereinafter defined), then the Outside Commencement Date and the Termination Date shall be extended and amended for the period of such delay, not to exceed one hundred (120) days, provided (i) Tenant provides notice to Landlord of such Force Majeure, (ii) Tenant uses its best efforts to complete said alterations and open for business in a timely manner at the end of such period of delay, and (iii) Tenant has otherwise complied with the Lease, including without limitation, Section 7.1. For the purposes of this Section 3.1., 'Force Majeure' shall be deemed to mean that Tenant is delayed or hindered in or prevented from the performance of any act required under Section 7.1. by reason of failure of power, restrictive governmental law or regulations, riots, insurrection or war, not the fault of Tenant (provided, however, financial inability shall not be construed a Force Majeure hereunder). Tenant agrees to use its best efforts to resume the performance of said alterations and improvements as soon as practicable after the cause of such delay has been removed or canceled."

Add the following at the end of the printed Section 3.1.:

"In no event shall Tenant be required to initially open for business on the Outside Commencement Date nor shall Rental be payable unless tenants occupying at least fifty percent (50%) of Landlord's leasable floor area in Landlord's Building are open for business and at least three (3) Anchor Stores are open for business, provided that. if the aforesaid condition is not fulfilled within three (3) months of the Outside Commencement Date, Landlord and Tenant shall each have the option to cancel this Lease by giving thirty (30) days advance written notice of its intention to cancel to the other party; and the Lease shall be canceled on the expiration of said notice. Landlord's and Tenant's obligations to indemnify and hold harmless the other party as provided in Section 13.1 of this Lease and the obligations under Section 20.22 shall survive 'said cancellation as to any act, omission or occurrence which took place prior to such cancellation. No further documentation shall be required to effect the cancellation of this Lease. Either party, however, shall execute, upon reasonable request by the other, additional documentation for the sole purpose of documenting the cancellation of this Lease. Once Tenant has opened for business, this clause shall have no further force or effect."

Section 3.2. (The printed Section deals with Termination):

Delete the last sentence of the printed Section 3.2. and insert the following in lieu thereof:

"For the period of three (3) months prior to the expiration of the Term, or prior to any renewal or extension thereof, Landlord may show the Premises and all parts thereof to prospective tenants during normal business hours."

Add the following to the end of the printed Section 3.2.:

"Notwithstanding anything contained herein to the contrary, if Tenant's annual Gross Sales for the thirteenth through twenty-fourth full months of the Term (the "Measure Period") do not exceed the following applicable amount based upon certification of Tenant's statement of Gross Sales by an independent Certified Public Accountant for said Measure Period (such certification to be otherwise in conformance with the provisions contained in the printed Section 5.6., notwithstanding anything to the contrary which may be contained in this Rider), Landlord and Tenant shall each have the option to terminate this Lease by giving advance written notice of its intention to terminate to the other party within thirty (30) days after Tenant has submitted its statement of Gross Sales for the Measure Period to Landlord in accordance with the printed Section 5.6. of this Lease ("Measure Period Notice Period"). If within the Measure Period Notice Period, either party fails to notify the other party of its intention to terminate as provided above, this option to terminate shall no longer be applicable.

In order for Landlord to exercise this option to terminate, Tenant's Gross Sales for the Measure Period must be less than Seven Hundred Fifty Thousand Dollars (\$750,000.00). Landlord's notice exercising the aforesaid option shall specify a date not earlier than ninety (90) days as of which date this Lease shall terminate. In no event, will this Lease terminate during the months of November or December of the Rental Year following the end of the Measure Period.

In order for Tenant to exercise this option to terminate, Tenant's Gross Sales for the Measure Period must be less than Nine Hundred Thousand Dollars (\$900,000.00). Tenant's notice exercising the aforesaid option shall specify a date not earlier than one hundred eighty (180) days as of which date this Lease shall terminate.

In the event the Lease is terminated as provided herein, all Rental and other charges set forth in the Lease shall be apportioned as of the date of termination. Landlord's and Tenant's obligations to indemnify and hold harmless the other party as provided in Section 13.1 of this Lease and the obligations under Section 20.22 shall survive said termination as to any act, omission or occurrence which took place prior to such termination. No further documentation shall be required to effect the termination of this Lease. Either party, however, shall execute, upon reasonable request by the other, additional documentation for the sole purpose of documenting the termination of this Lease."

Section 4.3. (The printed Section deals with Tenant Trade Name):

Add the following to the end of the printed Section 4.3.:

"Landlord's consent to a change in Tenant Trade Name shall not be required provided that at the same time, a majority of Tenant's other stores in the Southern New Jersey metropolitan area shall be changing their trade name to the same new trade name as the new trade name being requested for the Premises, and such other trade name will not conflict with, and is not likely to confuse the public regarding, the trade names of other tenants in the Shopping Center. Within thirty (30) days of a permitted change in Tenant Trade Name, Tenant agrees, at its sole cost and expense, to replace its storefront sign to reflect the new Tenant Trade Name. Plans and specifications for such storefront sign must be set forth in detail and submitted to Landlord for approval prior to installation of said sign."

<u>Section 4.4.</u> (The printed Section deals with Store Hours):

Delete the words and number "One Hundred Dollars (\$100.00) in the seventh line of the first paragraph of the printed Section 4.4. and insert the words and number "Fifty Dollars (\$50.00)" in lieu thereof.

Add the following to the end of the printed Section 4.4.:

"With respect to the requirement of a maximum volume of business under the printed Section 4.4., Tenant shall not be required to do anything unreasonable or unprofitable, provided that the foregoing shall not be interpreted to permit Tenant to cease operations in the violation of its obligations hereunder to continuously occupy and do business in the Premises.

"Landlord warrants that at least eighty percent (80%) of the retail tenants (excluding Anchor Stores, food tenants where food is prepared and served on the premises, theaters and service commercial tenants) in the Shopping Center Area with leases executed concurrently herewith and subsequent hereto shall be open or required by their leases to be open for substantially the same Store Hours.

"Notwithstanding anything to the contrary contained in this Section 4.4., Landlord shall give Tenant notice three (3) times in each Rental Year for Tenant's failure to open for business at the Premises at least during the Store Hours on any one (1) day before assessing the liquidated damages for such breach or imposing such other remedies available to Landlord under this Lease for such 'failure. On the fourth and subsequent such failure in any one (1) Rental Year, Landlord shall have recourse to any remedy available to it under this Lease, including, but not limited to, the collection of liquidated damages.

"Tenant shall be permitted to close its business at the Premises a total of four (4) days per Rental Year for the purpose of taking inventory in the Premises. The four (4) days referred to above may be taken at any time during the Rental Year (except the period between Thanksgiving and December 31st) provided, however, that it may be taken only on a Monday, Tuesday or Wednesday. The provisions contained in this Section 4.4. shall not be construed to otherwise waive Tenant's requirement to continuously operate its business in the Premises as required by the provisions of Section 4.1."

 $\underline{\text{Section 5.3.}} \text{ (The printed Section deals with Annual Percentage Rental):}$

Delete the printed Section 5.3. in its entirety and insert in lieu thereof the following:

"Tenant shall be under no obligation to make any payments of Annual Percentage Rental in any Rental Year until Tenant has achieved the Breakpoint set forth in Section I.I.H. of this Lease for that Rental Year. Upon achieving such Breakpoint in any Rental Year, Tenant shall thereupon make monthly payments of Annual Percentage Rental payable on or before the twentieth (20th) day following the close of each full calendar month during the Term, based on Gross Sales for such period. Monthly payments of Annual Percentage Rental shall be calculated by multiplying the amount of Gross Sales for the month in question by the percentage specified in Section 1.1.H., the first such payment to include also any prorated Annual Percentage Rental for the period from the date Tenant's Gross Sales reach the Breakpoint set forth in Section 1.1.H. to the first day of the next full calendar month in the Term. If necessary, as soon as practicable after the end of each Rental Year, the Annual Percentage Rental paid or payable for such Rental Year shall be adjusted between Landlord and Tenant, each party hereby agreeing to make such adjustment and to pay to the other, on demand, such amount as may be necessary to effect adjustment to the agreed Annual Percentage Rental."

 $\underline{\text{Section 5.5}}. \quad \text{(The printed Section deals with "Gross Sales"} \\ \text{Defined)}:$

Add the following to the end of the printed Section 5.5.:

"In addition to the exclusions set forth in the second paragraph of this printed Section 5.5., and notwithstanding anything to the contrary contained in Section 5.5., Gross Sales shall not include (1) sales to employees at discount to the extent that such sales do not exceed two percent (2%) of the Gross Sales during any Rental Year and are at no profit to Tenant; (2) receipts from vending machines or pay telephones located in non-sales areas for the exclusive use of Tenant's employees, so long as such vending machines are operated at no profit to Tenant; (3) insurance proceeds received from the settlement of claims for loss of or damage to merchandise, fixtures and other personal property of Tenant; (4) charges made for delivery at no profit to Tenant which shall be shown as a separate charge; and (5) close-out or bulk sales of merchandise not sold at retail and made at no profit to Tenant."

At the end of the first paragraph of the printed Section 5.5., add the following: "Layaway sales shall be included in Gross Sales to the extent that proceeds are received by Tenant."

<u>Section 5.6</u>. (The printed Section deals with Statements of Gross Sales):

Delete the word and number "ten (10)" in the printed Section 5.6., and insert "twenty (20)" in lieu thereof.

Add the following to the end of the printed Section 5.6 .:

"Notwithstanding anything to the contrary in this Section 5.6., so long as Tenant's records are maintained in accordance with generally accepted accounting principles, reporting of Gross Sales remains accurate, and Tenant is not in default under the provisions of Sections 5.2., 5.3. and 5.7. of this Lease, Tenant's annual Statement of Gross Sales may be signed by Tenant's Chief Financial Officer in lieu of certification by an independent Certified Public Accountant. In the event Landlord's audit of Tenant's Gross Sales reveals a discrepancy in Annual Percentage Rental previously payable in excess of three percent (3%) for any one Rental Year, or Tenant defaults under said Sections 5.2., 5.3. or 5.7., Tenant shall be required to have such statement accompanied by the signed certificate of an independent Certified Public Accountant for each Rental Year during the remainder of the Term, as further provided in the printed Section 5.6."

Section 5.7. [The printed Section deals with Tenant's Records):

Delete the phrase "or the Premises" appearing in the fifth and sixth lines of the printed Section 5.7.

After the words "time to time" in the ninth line of the printed Section 5.7. add the words ", within three (3) years after the close of each Rental Year,".

Insert the words "ten (10) days written" before the word "advance" in the ninth line of the printed Section 5.7.

After the word "hours" in the eleventh line of the printed Section 5.7., add the words ", but not more frequently than once per Rental Year, unless Landlord's audit is necessitated as a result of a discrepancy,".

Delete the language "or if such audit shall disclose that Tenant has underreported Gross Sales by five percent (5%) or more during any Rental Year," appearing in the fifteenth and sixteenth lines of the printed Section 5.7.

After the word "audit" in the sixteenth line of the printed Section 5.7., delete the phrase "and interest at the Default Rate on all such additional Annual Percentage Rental then payable, accounting from the date such additional Annual Percentage Rental was due and payable".

Delete the last two sentences of the printed Section 5.7.

Add the following to the end of the printed Section 5.7:

"For the purpose of this Section 5.7. regarding Tenant's requirement to keep books and records which disclose all information required to determine Gross Sales, it is agreed that Tenant's normal business records will be considered sufficient, so long as such records are kept in accordance with generally accepted accounting principles, and so long as Tenant has established an adequate system of internal control."

Section 5.8. (The printed Section deals with Payment of Rental):

After the word "whatsoever" in the second line of the printed Section 5.8., delete the period, insert a comma and add the following: "except as expressly provided in this Lease."

Add the following at the end of the printed Section 5.8.:

"Any payment by Tenant shall be without prejudice and shall not be deemed a waiver of any rights or remedies which Tenant may have against Landlord."

"Notwithstanding anything to the contrary contained herein, Landlord agrees that it will waive the aforesaid late payment charge one (1) time only in any Rental Year."

<u>Section 5.9</u>. (The printed Section deals with Advance Rental):

Delete the printed Section 5.9. in its entirety.

Section 5.10 (The printed Section deals with Future Expansion):

Delete the printed Section 5.10. in its entirety

<u>Section 6.1</u>. (The printed Section deals with Tenant to Pay Proportionate Share of Taxes):

Add the following to the end of the printed Section 6.1.:

"Within a reasonable time after receipt of Tenant's written request therefor, Landlord shall forward copies of paid real estate tax bills to Tenant indicating that said bills have been paid. Landlord shall also forward all reasonable and non-confidential information required by Tenant to compute its proportionate share of said Taxes.

"To the extent Landlord applies for or obtains a refund of or reduction in real estate tax or other taxes payable with respect to the Shopping Center Area for any Tax Year during the Term hereof, Tenant shall be entitled to participate, net of expenses, in said refund or reduction on a proportionate basis regardless of when any such reduction or refund is obtained. It is understood that this provision shall survive any termination or expiration of this Lease.

"Nothing in this Section 6.1. shall require Tenant to pay any general income, franchise, corporate transfer, estate or gift tax imposed upon Landlord generally rather than as owner and/or lessee of the Shopping Center Area."

"The term 'special assessment' as used in this Section 6.1. shall not include any costs incurred by Landlord which benefit the Shopping Center in connection with any initial capital improvements made to the Shopping Center."

"Landlord warrants that at least eighty percent (80%) of the retail tenants' leases for retail tenants (excluding Anchor Stores) in the Shopping Center Area executed concurrently herewith and subsequent hereto shall contain a requirement that the tenant pay a proportionate share of Taxes."

Section 6.4. (The printed Section deals with Taxes on Rental):

After the word "income" in the second line of the printed Section 6.4., add a comma and the phrase "corporate, franchise, estate or inheritance".

Section 7.1. (The printed Section deals with Tenant's Improvements):

Delete the first paragraph of the printed Section 7.1. in its entirety and insert the following in lieu thereof:

"Tenant agrees, at its sole cost and expense, to remodel the interior and exterior of the Premises in accordance with approved plans and specifications (which review of Tenant's plans shall not be unreasonably delayed by Landlord), using new and quality materials and equipment. Plans and specifications for all improvements, including the type of materials to be utilized by Tenant in the remodeling of the Premises, must be set forth in detail and submitted to Landlord for approval. Tenant agrees to commence and complete remodeling of the Premises prior to September 1, 2000."

Add the following to the end of the first paragraph of the printed Section 7.1.

"As part of the initial improvements at the Premises, Landlord agrees to perform the following work, namely:

- (a) demolition and removal of all unusable leasehold improvements from the Premises; and
- (b) relocation of water, electrical, sewer and toilet tie-ins to a point within or adjacent to the Premises.

"Landlord shall only be responsible for that work which is expressly hereinabove set forth. This provision shall not be construed to otherwise relieve Tenant of the requirement to remodel as set forth in this Section 7.1."

Delete the designation "thirty (30)" wherever it appears in the second paragraph of the printed Section 7.1. and insert in lieu thereof the designation "sixty (60)".

Section 7.3. (The printed Section deals with Mechanic's Liens):

After the word "may" appearing in the twenty-fifth line of the printed Section 7.3., insert: ", after thirty (30) days notice to Tenant,".

Section 7.4. (The printed Section deals with Tenant's Leasehold Improvements and Trade Fixtures):

Add the following at the end of the first paragraph of the printed Section 7.4.:

"Tenant shall be permitted to remove at the expiration of the Term, or the sooner termination thereof, all trade fixtures, lighting, millwork and signage installed by Tenant; provided that Tenant restores any damage to the Premises and the Shopping Center Area caused by such removal and provided further that Tenant is not in default under the Lease."

Delete the third paragraph of the printed Section 7.4.in its entirety.

<u>Section 8.1</u>. (The printed Section deals with Operations by Tenant):

- (h) After the word "effect" in the printed Section 8.1(h), insert "with respect to Tenant's use and occupancy of the Premises;".
- (i) At the end of the printed Section 8.1.(i), add the following:

"Notwithstanding anything to the contrary contained in the printed Section 8.1.(i), Tenant shall only be required to light the show windows of the Premises one (1) hour prior to the opening of Landlord's Building, during the Store Hours set forth in Sections 1.1.R. and 4.4., and one (1) hour after the closing of Landlord's Building."

<u>Section 8.2</u>. (The printed Section deals with Signs and Advertising):

Add the following to the end of the printed Section 8.2.:

"Tenant agrees not to place any free-standing signs or sale tables, nor conduct any demonstrations (either mechanical or otherwise), in the entryway or display windows of the Premises, nor place banner signage of any kind in the Premises."

"Notwithstanding anything to the contrary contained in this Section 8.2., Tenant shall be permitted to put signs on the interior of the Premises which are visible from the exterior thereof, provided such signs are professionally prepared and meet a standard of quality acceptable to the operations at a first-class Shopping Center."

<u>Section 8.4</u>. (The printed Section deals with Trash Removal Service):

Add the following to the end of the printed Section 8.4.:

"If Landlord is providing trash removal service to the Premises, Landlord agrees that any charges imposed by it for such trash removal shall be reasonable for and competitive with the same quality of service rendered by other companies providing trash removal service in the area in which the Shopping Center is located."

Section 8.6. (The printed Section deals with Hazardous Substances):

(c) At the end of the printed Section 8.6.(c), insert the following language:

"provided, however, that Landlord may, at its option, elect to undertake such activity on the part of Tenant, at Tenant's sole cost and expense. Landlord shall, upon request, provide written documentation of all costs and expenses and shall act reasonably with respect to the nature and extent of the activities required."

(e) Add the following to the end of the printed Sections 8.6.(e) and (g):

"Notwithstanding anything contained in Sections 8.6.(e) and (g) to the contrary, any environmental audit required by Landlord which is not required by law, regulations, governmental authority or as a result of Tenant's remodeling or renovation of the Premises shall be at Landlord's expense, unless the audit reveals activity by Tenant which is prohibited by this Section."

(h) At the end of the printed Section 8.6 (h), insert the phrase "caused by the acts or omissions of Tenant, its officers, agents, contractors, employees or invitees".

Add the following to the end of the printed Section 8.6.:

"As of the date of execution of this Lease, to the best of Landlord's knowledge and information, the Common Areas of the Shopping Center are in compliance with all federal, state, local and municipal codes, laws, ordinances and regulations which relate to Hazardous Substances."

"Landlord agrees that it shall not look to Tenant for contribution to the cost of any remedial activity necessitated as a result of a sudden catastrophic spill or discharge involving Hazardous Substances in the Premises, except to the extent (if any) that such existence resulted, directly or indirectly, from the acts or omissions of Tenant, its officers, agents, contractors, employees or invitees.

"Landlord agrees that it will remove, at Landlord's sole cost and expense, any Hazardous Substance (defined as of the Commencement Date) found in the Premises which is required to be removed by laws or regulations in effect as of the Commencement Date or which must be removed in order for Tenant to complete its initial remodeling in accordance with its approved plans and specifications. In the event of any delay in Tenant's construction or remodeling due to removal of any Hazardous Substance, the Commencement Date shall be extended by one (1) day for each day of delay. Notwithstanding the foregoing, Landlord shall not be responsible for the removal of any Hazardous Substance brought on the Premises after the Commencement Date by Tenant, its officers, agents, contractors, employees or invitees."

After the word "columns" appearing in the second line of the printed Section 9.1., add the words ", roof drains, foundations, interior structural walls (subject to the provisions contained in Section 10.4. and Section 10.5.),".

Add the following to the end of the printed Section 9.1.:

"It is understood and agreed that Landlord is obligated to maintain and repair utility lines outside of the Premises which serve the Premises; provided that Landlord's obligation under the foregoing is only to the extent that utility companies providing such services are not so obligated."

"Landlord shall make repairs to plumbing, electrical, or other mechanical installations which pass over and/or beneath the Premises but are not directly servicing the Premises to the extent such repairs are not the obligation of the utility company or other entity or person providing such service (subject to the provisions contained in Section 10.4. and Section 10.5.)."

<u>Section 9.2</u>. (The printed Section deals with Repairs to be Made by Tenant):

Delete the word "unavoidable" in the ninth line of the printed Section 9.2.

After the word "God" in the ninth line of the printed Section 9.2., delete the period and add the following: "or of the elements."

Section 9.3. (The printed Section deals with Damage to Premises):

Delete the word and number "five (5)" appearing in the fifth line of the printed Section 9.3., and insert the word and number "fifteen (15)" in lieu thereof.

After the word "thereof" in the seventh line of the printed Section 9.3., insert a period and delete the remainder of the sentence.

Section 9.4. (The printed Section deals with Alterations by Tenant):

Add the following to the end of the printed Section 9.4.:

"Notwithstanding anything to the contrary contained in this Section 9.4., without first obtaining Landlord's prior written consent or approval, Tenant shall have the right to make interior repairs or replacements in and to the Premises, provided (i) such interior alterations neither require any structural alteration nor impose any greater load on any structural portion of the Premises, (ii) such interior repairs or replacements are in accordance with Tenant's originally approved plans and are in conformance with Landlord's most current Design Criteria, (iii) the cost of such interior repair or replacement shall not exceed Twenty-five Thousand Dollars (\$25,000.00) per Rental Year and (iv) Tenant agrees to indemnify and hold harmless Landlord from and against all claims, actions, liability and damage sustained by Landlord (including, without limitation, as provided in Section 9.2.) as a result of any such work by Tenant, its agent, employees or contractors."

Section 9.5 (The printed Section deals with Changes and Additions to Shopping Center):

Add the following to the end of the printed Section 9.5:

"Any changes or additions by Landlord to the Shopping Center Area shall be performed in such a manner so as not to unreasonably interfere with Tenant's use of the Premises and shall not change in a material, adverse way the access to the Premises from the Common Areas adjacent to the Premises. In no event, however, shall this provision prevent Landlord from installing and maintaining kiosks or pushcarts in the Common Areas, provided, however, Landlord agrees that it will not construct or permit construction of a permanent retail kiosk within the area extending ten (10) feet out from the storefront of the Premises and bounded by the side leaselines of the Premises extended outward."

"In the event Tenant is unable to operate its business at the Premises as a direct result of the conduct of Landlord's work pursuant to this Section 9.5. for a period in excess of forty-eight (48) hours, all Rental shall abate until the conduct of Landlord's work no longer prevents Tenant's operation of its business."

Section 9.6 (The printed Section deals with Roof and Walls):

Before the word "access" in the fourth line of the printed Section 9.6., insert the word "adequate".

After the word "access" in the fourth line of the printed Section 9.6., insert the phrase "(i.e., a minimum of fifty percent. (50%) of the existing entrances shall remain open at all times)",

Add the following to the end of the printed Section 9.6.

"Landlord agrees that any such uses contemplated hereunder shall not decrease the size of the Premises nor materially interfere with Tenant's use of or access to the Premises from the Common Areas immediately in front of and adjacent to the Premises, and any such pipes or conduits shall be concealed along the walls and ceilings of the Premises."

<u>Section 10.2</u>. (The printed Section deals with Management and Operation of Common Areas):

- (i) After the word "reasonable" appearing in the printed Section 10.2.(i), insert: "and non-discriminatory".
- (ii) With respect to clause (ii) of this Section 10.2., Landlord covenants and agrees that any such modification and/or termination of easement and other agreements shall not materially adversely affect the ingress or egress from the Premises.

Add the following to the end of the printed Section 10.2.:

"Landlord agrees that the exercise of its rights under this Section 10.2. will not materially, adversely affect access to the Premises from the Common Areas immediately in front of and adjacent to the Premises or Tenant's use of the Premises."

<u>Section 10.3</u>. (The printed Section deals with Employee Parking Areas):

Add the following to the end of the printed Section 10.3.:

"Tenant shall not be charged Ten Dollars (\$10.00) per car per day pursuant to this Section 10.3. until the third and subsequent such violation after Landlord has given notices for the first two (2) such violations."

<u>Section 10.4</u>, (The printed Section deals with Tenant to Share Expense of Common Areas):

After the word "Costs" in the twentieth line of the printed Section 10.4., add the phrase "setting forth the computation of Tenant's proportionate share thereof".

Add the following to the end of the printed Section 10.4.:

"Landlord warrants that at least eighty percent (80%) of the leases for retail tenants (excluding Anchor Stores) in the Shopping Center Area executed concurrently herewith and subsequent hereto shall contain a requirement that the tenant pay a proportionate share of Landlord's Operating Costs."

"Landlord agrees to make its records with regard to Landlord's Operating Costs for each Rental Year available to Tenant for review for a period of three (3) years."

"Notwithstanding anything to the contrary contained in this Section 10.4., Landlord warrants that there shall be no duplication of charges contained in this Lease."

"Landlord agrees that its annual statement of Landlord's Operating Costs shall be reasonably itemized by expense category."

Add the following as a new paragraph to the printed Section 10.4.:

"Notwithstanding anything to the contrary contained in this Section 10.4., during the first full calendar year falling in the Term ("Base Year") and any partial year prior thereto, Tenant shall pay its proportionate share of Landlord's Operating Costs calculated in accordance with the terms of Section 10.4. In the next succeeding twelve-month period and each subsequent full calendar year or any subsequent partial year of the Term, Tenant shall pay its proportionate share of Landlord's Operating Costs, subject to the Cap (as defined below). For purposes of the calculation of Tenant's proportionate share, Landlord's Operating Costs shall be deemed not to increase by more than ten percent (10%) on a compounded basis from year to year, over the Base Year Landlord's Operating Costs (the "Cap"). By the term 'compounded' the parties agree that it is their intention that the Cap for the second full calendar shall be an amount equal to one hundred ten percent (110%) of Landlord's Operating Costs for the Base Year and thereafter, the Cap for each year shall be established by multiplying the Cap for each previous year by one hundred ten percent (110%)."

Section 10.5. (The printed Section deals with "Landlord's Operating Costs" Defined):

Add the following to the end of the printed Section 10.5.:

"Landlord'sOperating Costs as provided in this Section 10.5. will not contain the initial cost of improvements to the Common Areas, except as shall be expensed as part of Landlord's Operating Costs under generally accepted accounting principles. There shall be no duplication of any coats or expenses.

"Landlord agrees that any item which is amortized shall be **so** amortized in accordance with generally accepted accounting principles, and Tenant shall be apportioned only its share of that part of the amortization which falls during the Term of this Lease."

<u>Section 10.7</u>. (The printed Section deals with Renovation or Expansion of Common Areas):

Delete the printed Section 10.7. in its entirety.

- Section 11.2. (The printed Section deals with Tenant's Contribution to Merchants' Association):
- (a) Add the following at the end of the printed Section 11.2. (a): "

"In no event shall the yearly adjustment to the Annual Merchants' Association Contribution made as a result of a change in the Consumer Price Index exceed an increase of five percent (5%) of the preceding year's contribution by Tenant, as adjusted for any partial Association Year."

(b) Delete the printed Section 11.2.(b).

<u>Section 11.5</u>. (The printed Section deals with Advertising):

Delete the printed Section 11.5. in its entirety and insert in lieu thereof the following:

"Section 11.5. Marketing Fund,

"Tenant agrees that at any time hereafter, Landlord shall have the right and option to create a Marketing Fund ('MarketingFund') for the purpose of establishing a special fund for promoting the Shopping Center. The Marketing Fund shall be used by Landlord to pay the costs and expenses associated with the formulation and carrying out of an ongoing program for the marketing of the Shopping Center, which program may include, without limitation, special events, shows, displays, signs, marquees, decor, seasonal events, institutional advertising for the Shopping Center, promotional literature to be distributed within the Shopping Center Area and other activities within the Shopping Center designed to attract customers. In addition, Landlord may use the Marketing Fund to defray the costs of administration of the Marketing Fund including (without limitation) the salary of a marketing administrator and related personnel (whether or not located onsite), rent and insurance. In marketing the Shopping Center, Landlord shall have the right to name Tenant's store in the Shopping Center.

"Section 11.6. Tenant's Contribution to Marketing Fund.

"(a) Tenant shall pay to Landlord in each Rental Year of the Term an amount (the 'Annual Marketing Fund Contribution') determined by multiplying the Marketing Fund Contribution Rate by Tenant's Floor Area. The Annual Marketing Fund Contribution shall be paid by Tenant in twelve (12) equal monthly installments in advance on the first day of each calendar month of the Term. The Annual Marketing Fund Contribution shall be adjusted annually, as of the first day of each calendar year during the Term, in the same proportion as the Consumer Price Index for December immediately preceding the adjustment date bears to the Consumer Price Index for December immediately preceding the commencement of the Term, all such adjustments to be apportioned for fractional years.

"If during the Term the Consumer Price Index is changed or discontinued, Landlord shall apply a comparable index, formula or other means of measurement of the relative purchasing power of the dollar and such substitute index, formula or other means shall be utilized in place of the Consumer Price Index as if it had been originally designated in this Lease.

"In no event shall the yearly adjustment to the Annual Marketing Fund Contribution made as a result of a change in the Consumer Price Index exceed an increase of five percent (5%) of the preceding year's contribution by Tenant, as adjusted for any partial calendar year."

"Until and unless Landlord creates the Marketing Fund, Landlord may elect to pay the amount designated in Section 1.1.L. into the Advertising Participation Fund currently maintained by the Association for the Shopping Center for the purpose of advertising the various Shopping Center tenants' business in the Shopping Center. In any event, funds received by Landlord as Marketing Fund contributions shall be used for the advertising, promotion and marketing of the Shopping Center and'the businesses therein. At Landlord's request, Tenant shall provide Landlord or the Association with such advertising materials, copy of other information, as may be requested for use in advertising Tenant's business in connection with advertising or marketing for the Shopping Center.

"(b) If the Shopping Center shall be expanded by adding floor area equal to more than ten percent (10%) of Landlord's Floor Area on the grand opening date of such expansion Tenant shall pay to Landlord a one-time charge for each such expansion (the 'Expansion Opening Marketing Contribution') determined by (i) multiplying Tenant's Floor Area by the average rate per square foot of all Marketing Fund Contributions which tenants in the expansion area shall become obligated pursuant to their respective leases to make to Landlord with respect to promotion and advertising of the opening of such expansion for business, and (ii) dividing the product thus obtained by two (2).

"Section 11.7. Landlord's Contribution to Marketing Fund.

"Each Association Year, Landlord shall contribute to the Marketing Fund an amount equal to five percent (5%) of the aggregate contributions made by the other contributors to the Marketing Fund for such period.

"Section 11.8, promotion Fund.

"Tenant agrees that at any time hereafter, Landlord shall have the right and option to create a Promotion Fund ('Promotion Fund') for the purpose of establishing a special fund for promoting the Shopping Center. The Promotion Fund may be in addition to or in lieu of the Merchants' Association, the Advertising Participation Fund and the Marketing Fund.

"The Promotion Fund shall be used by Landlord in its sole discretion to pay the costs and expenses associated with the formulation and carrying out of an ongoing program for the promotion of the Shopping Center, which program may include, without limitation, special events, shows, displays, signs, marquees, decor, seasonal events, institutional advertising for the Shopping Center, and other activities within the Shopping Center designed to attract customers. In addition, Landlord may use the Promotion Fund to defray the costs of administration of the Promotion Fund including (without limitation) the salary of a marketing administrator and related personnel (whether or not located on-site, rent and insurance. In promoting the Shopping Center, Landlord shall have the right to name Tenant's store in the Shopping Center.

"Section 11.9. Tenant's Contribution to Promotion Fund

"(a) In the event Landlord establishes a Promotion Fund, Landlord shall have the right, from time to time, to designate all or a portion of the amounts specified in Section 1.1.L. as Tenant's Promotion Fund Contribution Rate. Tenant shall pay to Landlord in each Rental Year of the Term an amount (the 'Annual Promotion Fund Contribution') determined by multiplying the Promotion Fund Contribution Rate, as determined by Landlord in accordance with the preceding sentence, by Tenant's Floor Area. The Annual Promotion Fund Contribution shall be paid by Tenant in twelve (12) equal monthly installments in advance on the first day of each calendar month. The Annual Promotion Fund Contribution shall be adjusted annually, as of the first day of each calendar year during the Term, in that proportion which the Consumer Price Index for December immediately preceding the adjustment date bears to the Consumer Price Index for December immediately preceding the commencement of the Term, all such adjustments to be apportioned for fractional years.

"If during the Term the Consumer Price Index is changed or discontinued, Landlord shall apply a comparable index, formula or other means of measurement of the relative purchasing power of the dollar and such substitute index, formula or other means shall be utilized in place of the Consumer Price Index as if it had been originally designated in this Lease.

"In no event shall the yearly adjustment to the Annual Promotion Fund Contribution made as a result of a change in the Consumer Price Index exceed an increase of five percent (5%) of the preceding year's contribution by Tenant, as adjusted for any partial calendar year."

"(b) If the Shopping Center shall be expanded by adding floor area equal to more than ten percent (10%) of Landlord's Floor Area, on the grand opening date of such expansion Tenant shall pay to Landlord a one-time charge for each such expansion (the 'Expansion Opening Promotion Contribution') determined by (i) multiplying Tenant's Floor Area by the average rate per square foot of all Promotion Fund Contributions which tenants in the expansion area shall become obligated pursuant to their respective leases to make to Landlord with respect to promotion and advertising of the opening of such expansion for business, and (ii) dividing the product thus obtained by two (2).

"Section 11.10. Landlord's Contribution to Promotion Fund.

"Each calendar year, Landlord shall contribute to the Promotion Fund an amount equal to fifteen percent (15%) of the aggregate contributions made by the other contributors to the Promotion Fund for such period."

Section 12.1. (The printed Section deals with Water, Electricity, Telephone and Sanitary Sewer):

Add the following to the end of the printed Section 12.1.:

"If Landlord shall elect to redistribute electricity to the Premises, Landlord warrants that the cost to Tenant for electrical energy used in the Premises will not be greater than the cost would be to Tenant if the energy were supplied directly to Tenant by a public utility or public authority in the area in which the Shopping Center Area is located, but in no event will such cost be less than the cost to Landlord to redistribute such service.

"Tenant shall have the right, upon written notice to Landlord, to request the use of test metering in connection with the monitoring of the electricity component for utility services provided to the Premises pursuant to Schedule E; provided, however, that such test metering does not violate applicable utility tariffs or regulations at law. Further, it is understood between Landlord and Tenant that such test metering shall be on an isolated basis, not to exceed once per Rental Year for a period not to exceed twenty-one (21) continuous days, and shall not be used as a permanent monthly billing meter or permanent sub-meter. If such test metering is requested by Tenant, such metering shall be at Tenant's sole cost and expense."

<u>Section 12.4</u>. (The printed Section deals with Discontinuances and Interruptions of Utility Services):

Delete the first two sentences of the printed Section 12.4.

Section 13.1. (The printed Section deals with Indemnities):

After the word "invitees" appearing in the eighth line of the printed Section 13.1., insert the parenthetical phrase "(while in the Premises)".

Add the following to the end of the first paragraph of the printed Section 13.1.:

"Landlord agrees that Tenant's indemnification of Landlord pursuant to the provisions of this Section 13.1. shall not apply to any loss of life, personal injury or contamination of or damage to property or the environment which is a result of any Hazardous Substance which was present in the Premises prior to Tenant's occupancy thereof, unless Tenant has acted negligently in connection therewith.

"Landlord shall indemnify, hold harmless and defend Tenant, its agents, servants and employees from and against all claims, actions, losses and expenses made by third parties (including attorneys' and other professional fees), arising from any conduct, activity, act, omission or operation involving the use, handling, generation, treatment, storage, disposal or release of any Hazardous Substance in, from or to the Premises or the Shopping Center, to the extent caused directly by the actions of Landlord, its agents, servants and employees, and not arising solely out of Landlord's position as an Owner/Operator of the Shopping Center, including Landlord's obligations to perform pursuant to Section 8.6."

<u>Section 13.3</u> (The printed Section deals with Tenant's Insurance):

(b) Add the following at the end of the printed Section
13.3.(b):

"So long as LARGE APPAREL OF NEW JERSEY, INC. is the Tenant under this Lease and maintains a net worth of at least \$10,000,000.00,or if Tenant's quarantor, Ashley Stewart, Ltd., maintains said net worth, Tenant may, in lieu of carrying all-risks insurance coverage on the items contained in this Section 13.3.(b), self-insure said items in accordance with a funded plan of self-insurance with approved reserves, said plan reasonably acceptable to Landlord, so long as Tenanti agrees not to hold Landlord, its officers, agents, contractors or employees liable for any losses resulting to such property. Tenant hereby expressly waives all right of recovery against Landlord, its officers, agents, contractors or employees for damage which would otherwise be covered by any all-risks insurance on the Premises or those items contained in this Section 13.3. Should Tenant elect to self-insure and in the event of a Casualty as set forth in Section 14.1. of this Lease, Tenant agrees to restore the Premises to the condition which it was in prior to such Casualty."

Add the following to the end of the printed Section 13.3.:

"Tenant may maintain the required liability and all-risks property and casualty insurance in the form of a blanket policy covering other locations of Tenant in addition to the Premises; provided, however, that Tenant shall provide Landlord with a certificate of insurance specifically naming the location of the Premises, the limits of which coverage are to be at least in the amounts set forth in this Section 13.3."

After the word "approval" in the third line of 'the printed Section 13.5., add a comma and insert the phrase "which approval shall not be unreasonably withheld,".

Section 13.6. (The printed Section deals with Increase in Insurance Premiums):

Add the following to the end of the printed Section 13.6:

"So long as Tenant complies with all laws, ordinances, rules and regulations of governmental authorities in effect and all recommendations of the National Fire Protection Association or similar entity selected by Landlord, Landlord shall not require Tenant to pay any insurance increase solely because Tenant's Permitted Use as of the Commencement Date results in the increase."

Add the following to the end of the printed Section 13.8.;

"Landlord warrants that it maintains and covenants that it will at all times maintain all risks casualty insurance covering Landlord's Building in an amount equal to at least eighty percent (80%) of its full replacement value, or such greater percent as is necessary to prevent the application of the co-insurance provisions."

Section 14.2 (The printed Section deals with Landlord's Option to Terminate Lease):

Add the following at the end of the printed Section 14.2.:

"If Landlord's Building is damaged by Casualty to the extent of fifty percent (50%) or more of Landlord's Floor Area, and Landlord does not commence reconstruction of Landlord's Building within eighteen (18) months after the date of such Casualty, Tenant may terminate this Lease by giving Landlord notice of such termination within thirty (30) days after the end of such one (1) year period, in which event, subject to Section 20.22. hereof, both parties will be relieved of all obligations under this Lease except those obligations occurring or accruing prior to the date of such termination."

"Tenant shall have the right to terminate this Lease if the Premises are damaged in whole or in part and are thereby rendered untenantable during the last three (3) years of the Term, by 'giving Landlord written notice of such termination within thirty (30) days after the date of such Casualty. If Tenant so terminates this Lease both parties, subject to Section 20.22 hereof, will be relieved of all obligations under this Lease except those obligations occurring or accruing prior to the date of such termination."

"If Landlord's Building is damaged by Casualty to the extend of fifty percent (50%) or more of the rentable Floor Area thereof, and the wing in which the Premises is located is damaged to the extent of fifty percent (50%) or more, then Tenant shall have the right to cease operation of its business in the Premises, and all Rental shall abate from the date on which Tenant ceases operation of its business in the Premises until the earlier to occur of (i) the date on which Tenant reopens for business in the Premises, or (ii) the date on which seventy-five percent (75%) of the tenants in said wing are open for business."

<u>Section 14.3</u>. (The printed Section deals with Demolition of Landlord's Building):

Add the following to the end of the printed Section 14.3.:

"It is agreed between the parties hereto that if it is Landlord's decision to demolish the building in which the Premises are located, then in that event Tenant may terminate this Lease upon ninety (90) days' notice to Landlord. In the event of such termination, both parties hereunder shall be relieved of all obligations under this Lease saving and excepting those obligations occurring or accruing prior to such termination."

(b) (x) Insert the phrase "the lesser of (i) Five Thousand Dollars (\$5,000.00) or (ii) " prior to the word "fifteen" in the third line of the printed Section 16.1.(b) (x).

Add the following to the end of the printed Section 16.1.:

"Notwithstanding anything which may be to the contrary in this Section 16.1:, provided Tenant is not in default under any of the terms and conditions of this Lease, and further provided that Tenant has fully and faithfully performed all of the terms and conditions of this Lease, Tenant shall have the right, with written notice to Landlord within thirty (30) days of such assignment, to assign this Lease to any parent, subsidiary or affiliate corporation of Tenant, or to the surviving corporation in connection with a merger, consolidation or acquisition between Tenant and any of its subsidiaries for any of the then remaining portion of the unexpired Term without Landlord's consent, at any time during the Term of the Lease, provided: (i) such assignee continues to operate the business conducted in the Premises under the same Tenant Trade Name, in the same manner as Tenant and pursuant to all of the provisions of this Lease; (ii) such assignee corporation shall assume in writing in form acceptable to Landlord all of Tenant's obligations under this Lease and Tenant shall provide Landlord with a copy of such assignment; and (iii) Tenant continues to remain liable on this Lease for the performance of all terms, including but not limited to, payment of Rental due under this Lease.

"Tenant shall have the right to sublet the Premises to a bona fide franchisee or to any parent, subsidiary or affiliate corporation of Tenant without Landlord's prior written approval, provided that (i) such sublessee continues to operate the business conducted in the Premises under the same Tenant Trade Name and in the same manner as Tenant and agrees expressly to be bound by all other provisions of this Lease, (ii) Tenant remains liable under all of the terms and conditions of the Lease, and (iii) Tenant provides Landlord with a copy of the sublease agreement within thirty (30) days after execution of such agreement."

"Tenant shall have a right to grant a license to a bona fide concessionaire of an area not to exceed ten percent (10%) of the sales floor area of the Premises ("LicensedArea"), without Landlord's consent, provided Tenant does not make a profit from the granting of said license and provided that such concessionaire shall comply with the Permitted Use in its use of the Licensed Area."

Add the following to the end of the printed Section 16.2.:

"Notwithstanding anything to the contrary contained in this Section 16.2., any transfers permitted without Landlord's consent under Section 16.1., subject to all of the provisions contained in Section 16.1. with regard to assignments, shall be permitted without Landlord's consent by transfer of stock under Section 16.2."

"Notwithstanding the provisions of this Section 16.2., so long as Tenant is not in default of any of the terms and conditions of this Lease, Landlord shall not exercise its right to terminate this Lease . with respect to a transfer of corporate shares by bequest or inheritance between or among the present majority shareholders of Tenant, to their immediate family (i.e., spouses, parents, siblings, children, grandchildren or any spouse of any parent, sibling, child, or grandchild); provided, however, that upon such transfer by bequest or inheritance the operation of the business conducted in the Premises shall be in the same Tenant Trade Name and manner as Tenant and pursuant to all of the provisions of this Lease. Subject to the aforesaid conditions being fulfilled, Landlord's consent to the above transfer is not required. Nothing contained in this provision shall, however, waive Landlord'sright with respect to any further transfer (except to another transferee which would be permitted above) of corporate shares by the aforesaid transferees."

"Notwithstanding anything to the contrary contained in the printed Section 16.2., the parties hereto agree that Tenant or any related entity of Tenant shall be allowed to make an initial public offering of stock, without Landlord's consent."

"Notwithstanding the provisions of this Section 16.2., Landlord acknowledges and agrees that it shall not terminate this Lease as a result of the issuance and private placement of additional corporate shares for the sole purpose of infusing venture capital monies into Tenant's corporation, even if said issuance and placement results in a change in control of the corporation, provided (i) Tenant is not in default of any of the terms and conditions of this Lease, (ii) the principals of Tenant's corporation at the time of signing of this Lease continue to actively participate in the management of the business at the Premises, (iii) such transfer does not adversely affect the net assets of Tenant, and (iv) such transfer does not adversely affect the quality and type of business operation which Tenant has conducted in the Premises theretofore."

Section 17.1. (The printed Section deals with "Event of Default"
Defined):

- (a) Delete the word and number "ten (10)" in the printed Section 17.1. (a) and insert "thirty (30)" in lieu thereof.
- (b) Delete the word and number "thirty (30)" in the printed Section 17.1(b) and insert "sixty (60)" in lieu thereof.
- (d) Delete the word and number "ten (10)" in the printed Section 17.1.(d) and insert "thirty (30)" in lieu thereof.
 - (f) Add the following to the printed Section 17.1(f):

"Notwithstanding anything to the contrary contained in this Section 17.1.(f), Landlord shall give Tenant seven (7) days' notice of late payment of Rental twice only in any one Rental Year during the Term before such late payment shall constitute an Event of Default hereunder. Upon the third and subsequent such occurrence in any Rental Year, Landlord shall have the right to proceed against Tenant and the Premises without such notice".

(g) Delete the word and number "ten (10)", wherever they appear in the printed Section 17.1.(g) and insert "fifteen (15)" in each instance in lieu thereof.

<u>Section 17.2</u>. (The printed Section deals with Remedies):

Delete the word "without" appearing in the first line of the printed Section 17.2., and insert "with" in lieu thereof; delete the parenthetical phrase appearing in the second line of the printed Section 17.2.

Delete the words "or without" appearing in the first line of the printed Section 17.2.(a).

Delete the parenthetical phrase appearing in lines four through seven of the printed Section 17.2. (a).

Delete the phrase "reenter the Premises" appearing in the second line of the printed Section 17.2.(c), and insert "initiate legal remedies available to Landlord" in lieu thereof; and delete the phrases "without the necessity of legal proceedings" and "without resort to legal process", respectively, as they appear in the printed Section 17.2.(c).

Add the following to the end of the printed Section 17.2.:

"If Tenant initiates an action against Landlord to enforce any of its rights hereunder, which action results in a final judgment against Landlord which is not overturned on appeal, then Tenant shall be entitled to its reasonable fees of outside counsel and reasonable costs expended in the portion of such action resulting in the judgment against Landlord."

<u>Section 17.3</u>. (The printed Section deals with Damages):

Add the following to the end of the printed Section 17.3.:

"Landlord agrees to use reasonable efforts to relet the Premises so as to mitigate damages.

"The provisions of the printed Section 17.3.(ii) shall only apply in the event of a monetary default by Tenant beyond any applicable grace and cure periods."

Section 18.1. (The printed Section deals with Subordination):

Add the following to the end of the printed Section 18.1.:

"Upon the written request of Tenant, Landlord shall use its reasonable efforts to obtain a non-disturbance agreement from its Mortgagee in favor of Tenant. Any fee charged by Landlord's Mortgagee connected with obtaining the non-disturbance agreement shall be borne solely by Tenant. Landlord agrees, however, to notify Tenant in the event there is a fee connected therewith, in which event Tenant has the option to proceed with or cancel its request for such non-disturbance."

section 18 3. (The printed Section deals with Attornment):

Add the following to the end of the printed Section 18.3.:

"Tenant's obligation to attorn to any future Mortgagees shall be conditioned upon any such Mortgagee agreeing to assume all of Landlord's obligations under this Lease from the date of repossession through the remainder of the Term, so long as Tenant is not in default hereunder."

Section 19.1. (The printed Section deals with Sending of Notices):

(ii) Delete the phrase "upon the earlier to occur of the following: (a)" appearing in the printed Section 19.1.(ii), and after the word "Address" appearing in the fourth line of clause (a), insert a period and delete the remainder of the sentence.

Section 20.1. (The printed Section deals with Radius Restriction):

Add the following at the end of the printed Section 20.1.:

"Landlord agrees that the Restriction Area (i) shall not apply to stores acquired by Tenant as part of a purchase of ten (10) or more stores in a single transaction; (ii) shall not apply to any of Tenant's stores currently open and operating within the Restriction Area; and (iii) shall apply only to stores operating under the Tenant Trade Name."

<u>Section 20.2</u>. (The printed Section deals with Estoppel Certificates):

Delete the word and number "ten (10)" wherever they appear in the printed Section 20.2. and substitute the word and number "twenty (20)" in each instance in lieu thereof.

Add the following to the end of the printed Section 20.2.:

"At any time and from time to time, within thirty (30) days after Tenant shall request the same, Landlord will execute, acknowledge and deliver to Tenant, or such other party as may be designated by Tenant, a certificate setting forth the commencement and termination dates of the Lease, the amount of Rental payable by Tenant hereunder and the nature, if any, of any Event of Default existing as of the date of such certificate."

Section 20.4. (The printed Section deals with Memorandum of Lease):

Delete the printed Section 20.4., and insert the following in lieu thereof:

The parties hereby agree that, upon the request of either party, each will execute, acknowledge and deliver a short form or memorandum of this Lease in recordable form. Recording, filing and like charges and any stamp, charge for recording, transfer or other tax shall be paid by the party requesting recordation. In the event of termination of this Lease, within thirty (30) days after written request from Landlord, Tenant agrees to execute, acknowledge and deliver to Landlord an agreement removing such short form of lease from record. If Tenant fails to execute such agreement within said thirty-day period or fails to notify Landlord within said thirty-day period of its reasons for refusing to execute such agreement, Landlord is hereby authorized to execute and record such agreement removing the short form of lease from record. This provision shall survive any termination of this Lease."

<u>Section 20.5</u>. (The printed Section deals with Remedies Cumulative):

At the beginning of the printed Section 20.5., add the following: "Except as otherwise expressly provided herein,".

After the word "Landlord" in the first line of the printed Section 20.5., add the words "or Tenant".

 $\underline{\underline{\text{Section 20.6}}}. \qquad \text{(The printed Section deals with Successors and } \\ \underline{\text{Assigns}}):$

After the word "Lease" appearing in the fifth line of the printed Section 20.6., change the period to a comma, and add the following language: "or such assigns of Tenant to whom the assignment by Tenant does not require the consent of Landlord pursuant to the provisions of this Lease".

Section 20.7. (The printed Section deals with Compliance With Laws and Regulations):

After the word "structural" in the fourth line of the printed Section 20.7., insert the following: "(except changes to the structure which are Landlord's obligation under Section 9.1. of this Lease)".

Add the following to the end of the printed Section 20.7.:

"Tenant will complete its work, fixture the Premises and perform its other obligations under this Lease in full compliance with the provisions of this Section 20.7. throughout the Term of this Lease. Landlord will complete its work and perform its other obligations under this Lease in full compliance with the provisions of this Section 20.7. throughout the Term of this Lease."

<u>Section 20.11</u>. (The printed Section deals with No Discrimination):

Change the period to a semicolon at the end of the printed Section 20.11., and add the following: "and Landlord will not discriminate in its operation of the Shopping Center Area against any person or group of persons because of the race, creed, color, sex, age, national origin or ancestry of such person or group of persons (although Landlord shall in no event be responsible for any discrimination by tenants or other occupants within the Shopping Center Area)."

section 20.20. (The printed Section deals with Waiver of Certain
Rights):

Before the word "counterclaim" appearing in the second line of the first paragraph and the third line of the second paragraph, respectively, of the printed Section 20.20., insert the word "non-compulsory" in each instance.

<u>Section 20.21</u>. (The printed Section deals with Limitation on Right of Recovery Against Landlord):

Delete the second paragraph of the printed Section 20.21.

<u>Section 20.23</u>. (The printed Section deals with Relocation of Premises):

The printed Section 20.23. is hereby deleted in its entirety.

Add the following as new sections to the Lease:

"Section 21.1. Tenant Promotions

"During the first Rental Year only, Tenant shall have the nonexclusive license, subject to the conditions set out hereunder, to place an employee in the Common Area for the purpose of offering promotional leaflets to the public and for no other purpose; provided, however, (1) Tenant shall obtain Landlord's prior approval as to the location ("Promotional Area"), time, date and duration of each instance of handing out leaflets; (2) Tenant, at its expense, shall keep the Promotional Area in a clean, safe and sanitary condition (including, without limitation, the removal of garbage), as determined by Landlord; (3) Landlord shall have the right from time to time to add to, delete or modify the rules and regulations prescribed herein so as to maintain high standards of operation within the Shopping Center and Shopping Center Area; (4) Any and all infractions by Tenant of any of the rules and regulations contained herein reported to Landlord or to Tenant will be corrected and discontinued at once. Failure on Tenant's part to cease and desist or remedy any infraction after notice by Landlord shall constitute an Event of Default."

IN WITNESS WHEREOF, the parties hereto intending to be legally bound hereby have executed this Lease under their respective hands as of the day and year first above written.

1100 1

Assistant Secretary

(CORPORATE SEAL)

ATTEST:

ATTEST:

JEFFREY A KLEIN secretary

(CORPORATE SEAL)

CHERRY HILL CENTER, INC., Landlord

By: WIRW (SI

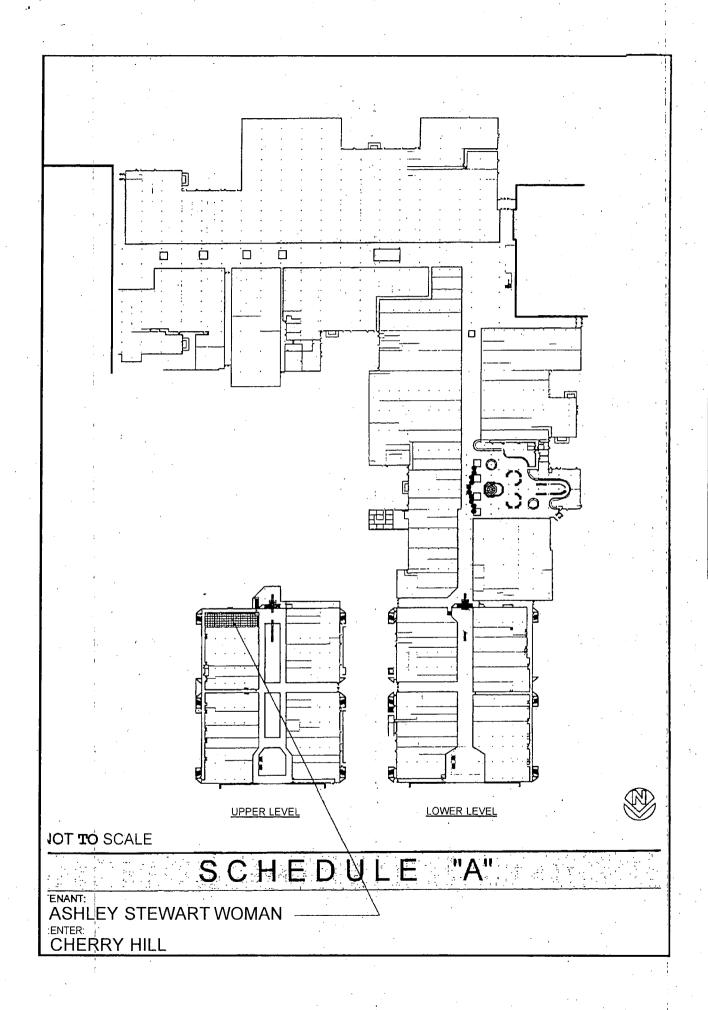
Vice-Pregident

LARGE APPAREL OF NEW JERSEY, INC., Tenant

By:

JOSEPH J. SITT, President

(SEAL)



SCREDULE 'A - I'

right of wry line of Seddonfield Road said point being the point of tangent of a curve connecting raid line with the northerly right of way line of New Jersey facts Eighway Route 1911 said point also being 46.23 feet off the centerline of Enddonfield bad and extending thence!

- 1. Along raid line of Baddonfield Food
 H1):-20:-20:1 a distance of 211.07 feat to a point and axtanding thancar
- Along same N19°-42'-47"E a distance of 111.02 feet to a point and extending thencar
- Along same N20°-59'-30°E distance of 112.26 feet to a point and extending thence;
- 4. Along same N18°-56'-40°E a dirtance Of 151.16 faat to a point and extanding thence;
- . \$, Along same N17°-27°-30°E a distance Of 107.32 faat to a point and extanding themse)
- 6. Along same N16°-28'-49"Z a distance of 14.57 feet to a point and extanding thancar
- 7. Along same N19°-20°E & distance of 1063.56 feet to a point and extending thence:
- 8. Along the \$70°-39'-40"E a distance of . 1,00 feet to a point and extending thencar
 - \$. Along same N19°-20° a distance of 205.00 (set to a point slong a line common with lands now or formerly suburban Savings and Loan Association and extending thancar
 - 10. Along Suburban Savings and Loan Association \$70'-19'-40'E a distance of 115.00 feet to point and extending theory.
 - 11. Along same N57*-14*-16"Z a distance of 51/25 feet to a point of curve md extending thence;
- 12. Along raid curve to the right in an eastwardly direction with a radius of 230.00 faat an arc dirtancr of 211.20 faat to a point end extanding thence!
- 13. Along rune N33"-23"-05"E a distance of 44.60 feet to a point in the videned right of way line of Church_Road_and extending thence;
- 14. Along raid line of Church load \$36'-36'\$5't a distance of 108.00 faat to a point and extending thence:
- 15. Along same NJ3°-23'-05°E a distance of 3.00 faat to a point and axtanding thences

- 16. Along the \$56°-36'-55°E a distance of 1137.24 feet to a paint urd axtanding thence!
- 17. NO2"-38'-20"E a distance of 14,25 feet to a point in the original right of way line of Church Road said point being 24.75 feet off the centerline when measured at right angles thereto urd extending thence!
- Along said line \$56°-J6'-55°E a distance of 104.12 feet to a point in the westerly right of vay 11ne of Cherry #111 Hall Drive and extending thence;
- 19. Along said Cherry Mill Hall Drive \$77'38'-20"W & distance of 1420.69 feet to an ingle point
 in same and extending theory
- 20. Along same \$38°-38'-20W a distance of 393,97 feet to a point urd extending thencar
- 21. Along same H51*-21'-40'W a distance of 27.89 feet to a point and extending thence!
- 22. Along sime \$45°-10'-09"W e distance of 105.78 feet to a point and extending theness
- 2). Along same S38*-38*-20** a distance of 57.82 feet to a point of curve and extending these.
- 24. Along size curving to the left with a radius of 1048.00 feet, an arc distance of 104.44 feet to a point of reverse curve and extending thenses
- 25. Along same curving to the right with a radius of 25.00 feet, an are dirtance of 2.36 feet to point and extending theory.
- Along same 505°-53'-31"E a distance of 10.01 feat to a point in the northerly right of way line of New Jersey State Bighway Route \$38 and extending thence!
- 27. Along Route 131 N87*-21*-40** a distance of 1010.36 feet to a point and extending thancar
- 28. N27°-22'-07"W & distance of 30.31 feet to a point and extending thence;
- 29. N87*-21*-40*W e distance of 20.17 feet to a point and extending thence;
- to e point and extending thencar
- 31. NB7°-21°-40°W & distance of 336.33 feet to a point of curve and extending themsel
- radius of 240.00 feet, an are distance of 171.74 feet to a point—of thingency and extending thence)
- 33. N46°-21°-40°W a distance of 356:25 feet to a point of curve and extending thence;
- 34. Along said curve to the right with a radius of 140.00 feat an are distance of 160.52 (est to the point and place of BEGINNING.

There shall be excepted from the parcel of land described above, approximately 4 acres which Is owned by Strawbridge 4 Clothier, an approximate 8 acres which is owned by Cherry Bill Properties, Corp. (Macy), an approximate 16 acres which is owned by J. C. Penney Properties, Inc. and an approximate 0.782 acres which is owned by Cherry Bill Towers, Inc. Therefore, wherever the term 'Shopping Center Area' is used, It shall be deemed to exclude such 4 acres, 8 acres, 16 acres and 0.782 acres, except with respect to such rights as may be granted by the owners thereof to Landlord and to tenants of the Shopping Center Area.

SCHEDULE "E" <u>UTILITY CONSUMPTION AND PAYMENT SCH</u>EDULE

ANNEXED TO and forming part of the Lease by and between CHERRY HILL CENTER, INC. ("Landlord") and LARGE APPAREL OF NEW JERSEY, INC., a New Jersey corporation, t/a ASHLEY STEWART WOMAN SIZES 14 - 26, ("Tenant").

Section 12.1. of the above mentioned Lease Agreement provides for the inclusion of this Schedule as the basis for the determination of electricity used by Tenant in the Premises and the payment therefor.

Landlord will furnish to the Premises electrical energy for Tenant's requirements, without specific measurement of or charge for Tenant's consumption of electricity. It is intended that the cost of such electrical energy be included in the Annual Basic Rental reserved under this Lease Since the use characteristics of Tenant's electrical equipment and fixtures are not yet known, it is not presently possible for Landlord and Tenant to agree upon the component amount to be included in Annual Basic Rental for electrical energy. For that reason the Annual Basic Rental presently set forth in this Lease does not include the component amount for electrical energy and the parties mutually desire to agree upon the method by which the amount of the Annual Basic Rental will be ultimately fixed.

In consideration of the foregoing and of the mutual covenants hereinafter expressed, Landlord and Tenant agree as follows:

1. As soon as possible, Tenant shall furnish Landlord with such information as Landlord or Landlord's electrical engineer may reasonably require in order to estimate the connected load which is used by Tenant's electrical fixtures, appliances and equipment (collectively "Tenant's Electrical Installations") in the Premises. If Tenant fails to furnish Landlord such information, Landlord shall make its estimate based on the best information available to Landlord. Based on such information, Landlord or Landlord's electrical engineer shall make an estimate of the annual total of average monthly charges (the "Electricity Component") which Tenant would otherwise pay to the public utility or public authority furnishing such electrical energy in the area in which the Shopping Center Area is located if such electrical energy were not furnished by Landlord. The Electricity Component shall be added to and become part of the Annual Basic Rental. Landlord shall notify Tenant in writing of the amount of the Electricity Component and if Landlord requests, Tenant agrees to execute an amendment to this Lease, which amendment shall confirm the increase in the Annual Basic Rental presently set forth in this Lease by the amount of the Electricity Component. Failure on the part of Tenant to execute such amendment shall not relieve Tenant from paying Annual Basic Rental, including the Electricity Component, promptly when due.

2. At any time after notice of the Electricity Component is given Tenant, and from time to time, if, in Tenant's judgment, Tenant's Electrical Installations use a lower connected load or lower demand factor or are used for a lesser number of hours than would justify the Electricity Component established by Landlord, or in the event that Landlord no longer furnishes electric service as herein contemplated. Tenant shall be entitled to request a reduction of the portion of the Annual Basic Rental represented by the Electricity Component. If Landlord and Tenant cannot agree upon the amount of such reduction. the parties hereto agree that an appraisal shall be made by an independent third party (the "Umpire") mutually acceptable to Landlord and Tenant, who shall be duly qualified in terms of professional education and experience as to be competent to determine, as an expert, whether that portion of the Annual Basic Rental represented by the Electricity Component is in excess of that which Tenant would otherwise pay to the public utility or public authority furnishing electrical energy in the area in which the Shopping Center Area is located if such electrical energy were not furnished by Landlord. If Landlord and Tenant cannot agree promptly upon an Umpire, then Landlord and Tenant shall promptly arbitrate the amount in controversy before the American Arbitration Association, in accordance with the rules of said Association, at such offices of said Association as the parties may mutually agree upon, or, in the absence of any such agreement, at such office of said Association in the city where the Shopping Center Area is located. The appraisal or arbitration, as the case may be, shall be binding on both parties and shall set forth (a) whether that portion of the Annual Basic Rental represented by the Electricity Component in effect on the date of Tenant's request for reduction exceeds or is less than the annual amount charged by the public utility or public authority furnishing electrical energy if the same were not furnished by Landlord, and (b) if so, the amount of such excess or deficiency. The Annual Basic Rental shall thereupon be adjusted by the amount of such excess or deficiency. Notwithstanding anything to the contrary contained herein, nothing in this Section 2 shall diminish or alter Tenant's obligations pursuant to this Lease to pay all rentals during any such period of request and appraisal or arbitration, as the case may be, including without limitation the payment of Annual Percentage Rental, all Additional Rental, and that Annual Basic Rental which was provided for prior to the commencement of any such period.

Tenant reciprocally agrees that if, in Landlord's judgment, that portion of the Annual Basic Rental represented by the Electricity Component is lower than would be justified by the connected load or demand factor or number of hours **used** by Tenant's Electrical Installations, Landlord may apply for an increase in that portion of the Annual Basic Rental represented by the Electricity Component in accordance with the procedure provided for herein.

Any change in the Annual Basic Rental as provided for herein shall become effective as of the first day of the month following the month in which demand for the appraisal was made.

The cost of such appraisal or arbitration shall be shared equally by Landlord and Tenant; provided, that if either party requests an appraisal prior to one year after the effective date of the last preceding appraisal or arbitration, the cost of such appraisal or arbitration shall be paid for by the party requesting an appraisal. In each case, upon completion of an appraisal and, if necessary, arbitration pursuant to this Agreement, the parties agree to amend this Lease to reflect the adjustment or adjustments in Annual Basic Rental.

(8/9/00)

3. If the filed rate (including fuel adjustment charges and all other charges) charged by the public utility for energy supplied to the Shopping Center Area shall be increased after the date on which the first Electricity Component is determined, the parties agree that the portion of the Annual Basic Rental represented by the Electricity Component shall be increased proportionately. Accordingly, such rental increase shall become effective on the first day of the month following any such rate increase. Upon written notice by Landlord to Tenant specifying such rate increase, this Lease and the Annual Basic Rental will be deemed to have been amended and increased, respectively, as provided in this paragraph above, and, if so requested by Landlord, Tenant shall execute an amendment to this Lease evidencing said increase.

Landlord shall provide water and Sewer service to the Premises. Tenant shall pay all charges for water and sewer used by it and supplied by Landlord, a public utility or public authority, or any other person, firm or corporation. In addition to the foregoing, Tenant shall pay to Landlord, as Additional Rental, the annual Water and Sewer Charge set forth in clause O of Section 1.1. (if any), which annual sum shall be paid in twelve (12) equal monthly installments in advance on the first day of each calendar month during the Term, the first such payment to include also any prorated Water and Sewer Charge for the period from the date of the commencement of the Term to the first day of the first full calendar month in the Term.

HVAC - A SCHEDULE "F" TENANT HEATING, VENTILATING AND AIR-CONDITIONING SCHEDULE

ANNEXED TO and forming part of the Lease by and between CHERRY HILL CENTER, INC. ("Landlord") and LARGE APPAREL OF NEW JERSEY, INC., a New Jersey corporation, t/a ASHLEY STEWART WOMAN SIZES 14 - 26, ("Tenant").

Section 12.2. of the above mentioned Lease provides for the inclusion of this Schedule as the basis for establishing the obligations of Landlord and Tenant with regard to the heating, ventilating and air-conditioning equipment and system servicing the Premises and the cost of energy used to provide heating, ventilating and air-conditioning to the Premises.

A. HVAC System:

Landlord and/or others have heretofore installed heating, ventilating and air-conditioning equipment and system serving the Premises and Landlord's Building. Tenant shall have use of Landlord's heating, ventilating and air-conditioning units in the Premises upon Tenant's acceptance of the Premises. Tenant will provide a sheet metal duct system. Landlord will provide and install at least one thermostat in Tenant's Premises, except for small or subdivided spaces which may share a thermostat. Landlord and Tenant shall each operate their respective portions of the facilities for heating, ventilating and air-conditioning the Premises during the Term. Landlord shall maintain, repair and operate such system at its expense, but subject to the payment by Tenant of the charges provided for herein. Upon the expiration or termination of the Term of this Lease Agreement, title to such additions and replacements shall remain in and shall vest solely in Landlord.

B. Tenant's HVAC Charge:

In each calendar month of Landlord's fiscal year (the "Fiscal Year"), Tenant shall pay Landlord, as Additional Rental, Tenant's proportionate share of (i) the cost of energy used in heating, ventilating and air-conditioning Landlord's Floor Area and (ii) the cost of maintenance, repair and operation of such equipment and system as installed or owned by Landlord ("Tenant's HVAC Charge") which shall be determined as follows:

- Landlord shall cause a heating, ventilating and air-conditioning consultant designated by Landlord to review such data and information regarding the mechanical capacity of said equipment and system as such consultant shall deem relevant and, based on such data and information, such consultant shall assign to Tenant an "HVAC Factor" which shall fairly represent the relationship between (x) the mechanical capacity of the equipment and system which is required for heating, ventilating and air-conditioning the Premises and (y) the total mechanical capacity of such equipment and system which is available for heating, ventilating and air-conditioning Landlord's Floor Area; and
- ln each Fiscal Year, the actual cost to Landlord of such energy, operation, maintenance and repair as is attributable by Landlord to the heating, ventilating and air-conditioning of Landlord's Floor Area, together with costs and fees of Landlord's consultant in recalculating HVAC Factors of Tenant and other tenants of Landlord's Building from time to time, shall be multiplied by a fraction, the numerator of which is Tenant's HVAC Factor and the denominator of which is the total of all HVAC Factors assigned to leased Landlord's Floor Area. The product thus obtained shall be the Tenant's HVAC Charge for such Fiscal Year.

Tenant's HVAC Charge for each calendar month shall be paid by Tenant in such amounts as are estimated and billed by Landlord, each such charge being estimated and billed as of the first day of each Fiscal Year. At any time during each Fiscal Year, Landlord may reestimate Tenant's HVAC Charge and adjust Tenant's monthly installments payable during such Fiscal Year to reflect more accurately Tenant's HVAC Charge. Within one hundred twenty (120) days after the termination of each Fiscal Year. Landlord will send Tenant a notice which shall:

- (iii) set forth the amount of Tenant's HVAC Charge based upon Landlord's energy bills and maintenance, repair and operation costs for such Fiscal Year; and
- (iv) state that the aggregate of all tenant HVAC Charges paid or payable by all tenants of leased portions of Landlord's Floor Area with respect to such Fiscal Year, as adjusted, does not exceed the actual cost to Landlord of such energy, operation, maintenance and repair as is attributable by Landlord to the heating, ventilating and air-conditioning of Landlord's Floor Area, together with fees and costs of Landlord's consultant in recalculating HVAC Factors of Tenant and other tenants of Landlord's Building from time to time.

Tenant's HVAC Charge paid for such Fiscal Year shall be adjusted between Landlord and Tenant, the parties hereby agreeing that Tenant shall pay Landlord or Landlord shall credit to Tenant's account (or, if such adjustment is at the end of the Term, Landlord shall pay Tenant), as the case may be, within fifteen (15) days of such notification to Tenant, the amounts necessary to effect such adjustment. Failure of Landlord to provide the notification called for hereunder within the time prescribed shall not relieve Tenant of its obligations hereunder.

C. HVAC Equipment:

In each Rental Year, Tenant shall pay Landlord annually (in twelve (12) equal monthly installments together with the Annual Basic Rental), as Additional Rental, an amount (the "HVAC Equipment Contribution") determined by multiplying the HVAC Equipment Contribution Rate by Tenant's Floor Area.

GUARANTY

ANNEXED TO AND FORMING A PART OF THE LEASE DATED SEP 23 2000 BETWEEN, CHERRY HILL CENTER, INC., an Maryland corporation ("Landlord"), and LARGE APPAREL OF NEW JERSEY, INC., a New Jersey corporation t/a ASHLEY STEWART WOMAN SIZES 14 - 26 ("Tenant").

The undersigned, ASHLEY STEWART, LTD., a Delaware corporation ("Guarantor"), whose address is 100 Metro Way, Secaucus, New Jersey 07094, in consideration of the leasing of the Premises described in the annexed Lease to the above named Tenant, does hereby covenant and agree:

- A. That if Tenant shall default in the performance of any of the covenants and obligations of said Lease on Tenant's part to be performed, then Guarantor will on demand well and truly perform the covenants and obligations of said Lease on Tenant's part to be performed and will on demand pay to Landlord any and all sums due to Landlord, including all damages and expenses that may arise in consequence of Tenant's default, and Guarantor does hereby waive all requirements of notice of the acceptance of this Guaranty and all requirements of notice of breach or non-performance by Tenant.
- B. That Guarantor may, at Landlord's option, be joined in any action or proceeding commenced by Landlord against Tenant in connection with and based upon any covenants and obligations in said Lease, and Guarantor waives any demand by Landlord and/or prior action by Landlord of any nature whatsoever against Tenant.
- C. That this Guaranty shall remain and continue in full force and effect as to any renewal, extension, modification or amendment of said Lease and as to any assignee of Tenant's interest in said Lease, and Guarantor waives notice of any and all such renewals, extensions, modifications, amendments or assignments.
- D. That Guarantor's obligations hereunder shall remain fully binding although Landlord may have waived one or more defaults by Tenant, extended the time of performance by Tenant, released, returned or misapplied other collateral given later as additional security (including other guaranties) or released Tenant from the performance of its obligations under such Lease.

- E. That this Guaranty shall remain in full force and effect notwithstanding the institution by or against Tenant of bankruptcy, reorganization, readjustment, receivership or insolvency proceedings of any nature, or the disaffirmance of said Lease in any such proceedings or otherwise.
- F. That if this Guaranty is signed by more than one party, their obligations shall be joint and several and the release of one of such Guarantors shall not release any other of such Guarantors.
- G. That the Guarantor or Guarantors hereby waive all suretyship defenses generally, and the right to petition for the marshalling of assets.
- H. That this Guaranty shall be applicable to and inure to the benefit of Landlord, its successors and assigns and shall be binding upon the heirs, representatives, successors and assigns of Guarantor.
- I. That Guarantor hereby waives any and all rights which it may have to request a jury trial in any action of proceeding, at law or in equity, on any and every matter arising out of or with respect to this Guaranty and the Lease.

in WITNESS WHEREOF, the undersigned has executed this Guaranty this day of SEP $2.6\ 2000$ '

ATTEST.

ASHLEY STEWART, LTD., Guarantor

JEFFREY A KLEIN

Secretary

(CORPORATE SEAL)

By:

_____(SEAL)

JOSEPH J. SITT, President

TENANT ESTOPPEL CERTIFICATE

The undersigned, Large Apparel of New Jersey, Inc. as Tenant of approximately 3,000 rentable square feet of the property situated at Unit Number 2185, Cherry Hill Mall, 2000 Route 38, Cherry Hill, New Jersey 08002, under that certain lease agreement (the "Lease") dated September 26, 2000, by and between Large Apparel of New Jersey, Inc., trading as Ashley Stewart Womens Sizes, as Tenant, and Cherry Hill Center, LLC as Landlord, has been advised that the Lease will be assigned to The Prudential Insurance Company of America ("Prudential") and Northwestern Mutual Life Insurance Company ("NML") as security in connection with a mortgage loan that may be made by Prudential and NML to Landlord. The undersigned hereby certifies to Prudential and NML as follows, with full knowledge that Prudential and NML, and their successors and assigns (collectively "Lender"), are relying upon the truth, accuracy and completeness of such statements:

1. The Lease has not been changed, modified, amended or supplemented, and the interest of the Tenant has not been assigned, encumbered or otherwise transferred, except as set forth below. The Lease, including any modifications or amendments set forth below, contains all of the understandings and agreements between Tenant and Landlord.

None, except as follows:

- 2. The Lease is in full force and effect and free from any default by either party. There are also no existing conditions, which upon the giving of notice or lapse of time, or both, would constitute a default under the terms of the Lease.
- 3. All improvements to the leased premises required to be built by Landlord have been fully completed to Tenant's satisfaction; all allowances and contributions (if any) payable by Landlord for Tenant's improvements (or for any other purpose) have been paid; and Tenant has accepted the leased premises and is in full occupancy thereof, paying rent and actively conducting business therein.
- The term of the Lease commenced on September 1, 2000, and expires on January 31, 2011; unless renewed or otherwise extended in accordance with any renewal or extension provisions of the Lease. None of the renewal or extension provisions in the Lease specify that the rent payable under such renewal or extension provision will be at a below market rental rate or at a currently specified fixed rental rate, except as set forth below:

None, except as follows:

5. The current monthly rent installment is \$5,000.00 which has been paid through and including August 1, 2005. Tenant is presently making monthly payments of \$5,000.00.

As of the date hereof, Tenant has no outstanding offsets or credits against, or deductions from, or "free rent" period entitlements with respect to its future rent obligations, except as set forth below:

None, except as follows:

- Tenant has not paid Landlord a Security Deposit. Tenant has made no advance payment of rent other than for the current month.
- There are no actions, whether voluntary or otherwise, pending against Tenant under Bankruptcy, debtor reorganization, moratorium or similar laws of the United States, any state thereof or any other jurisdiction.
- Tenant has no expansion rights, purchase options or rights of first refusal with respect to renting additional space or acquiring any additional interest in the above-referenced property; except-as set forth below:

None, except as follows:

Tenant has no right to terminate the Lease prior to the expiration of the term of the Lease and Tenant has no contraction rights or options, except to the extent provided in the Lease in connection with a casualty or condemnation or except as set forth below:

None, except as follows: Station 3.2 page 3 of lider

This Estoppel Certification shall inure to the benefit of and be enforceable by The Prudential Insurance Company of America, its successors and assigns, and shall be binding upon the undersigned and its successors and assigns as Tenant under the aforementioned Lease.

Large Apparel of New Jersey, Inc.

[Corporate Seal]

Dated:

Title:

FORBEARANCE AGREEMENT AND RELEASE

THIS FORBEARANCE AGREEMENT AND RELEASE (the "Agreement") made this 2Hm day of April, 2010, by and between CHERRY HILL CENTER, LLC, a Maryland limited liability company ("CH LLC"), HUDSON ASSOCIATES LIMITED PARTNERSHIP, a New Jersey limited partnership ("Hudson LP"), PR GALLERY I LIMITED PARTNERSHIP, a Pennsylvania limited partnership ("Gallery LP") and PR PRINCE GEORGES PLAZA LLC, a Delaware corporation ("PR Plaza LP") collectively with an address c/o PREIT Services, LLC, 200 S. Broad Street, 3rd Floor, Philadelphia, Pennsylvania 19102 (CH LLC, Hudson LP, Gallery LP and PR Plaza LP, collectively referred to as "Landlord"), LARGE APPAREL OF PENNSYLVANIA, INC., a Pennsylvania corporation ("LA Pennsylvania"), LARGE APPAREL OF MARYLAND, INC., a New Jersey corporation ("LA New Jersey") and LARGE APPAREL OF MARYLAND, INC., a Maryland corporation ("LA Maryland") collectively with a business address of 100 Metro Way, Secaucus, New Jersey 07049 (LA Pennsylvania, LA New Jersey and LA Maryland, collectively referred to as the "Tenants") and ASHLEY STEWART INC, a New Jersey corporation with a business address of 100 Metro Way, Secaucus, New Jersey 07049 ("Guarantor").

WITNESSETH THAT

WHEREAS, Hudson LP and LA New Jersey entered into a certain lease dated September 5, 1997, as amended by a certain First Amendment of Lease dated August 18, 1999, a Second Amendment of Lease dated November 8, 2000, a Third Amendment of Lease dated September 11, 2002, a Fourth Amendment of Lease dated December 9, 2004 and a Fifth Amendment of Lease dated October 26, 2007 (collectively, the "Hudson Lease") for certain commercial property located at Hudson Mall, Store No. 46 with an address of 701 Route 440, Jersey City, New Jersey, as more particularly described in the Hudson Lease (the "Hudson Premises");

WHEREAS, CH LLC and LA New Jersey entered into a certain lease dated September 26, 2000 (the "Cherry Hill Lease") for certain commercial property located at the Cherry Hill Mall with an address of Route 38 West, Cherry Hill New Jersey, as more particularly described in the Cherry Hill Lease (the "Cherry Hill Premises");

WHEREAS, Gallery LP's predecessor in interest and LA Pennsylvania's predecessor in interest entered into a certain lease dated November 9, 1999, as amended by a certain First Amendment to Lease dated February 21, 2001(collectively, the "Gallery Lease") for certain commercial property containing 3,169 square feet of commercial space located in the Gallery at Market East, Philadelphia, Pennsylvania, as more particularly described in the Gallery Lease (the "Gallery Premises");

WHEREAS, PR Plaza LP and LA Maryland entered into a certain lease dated March 2, 2007, as amended by a certain First Amendment of Lease dated March 2, 2007 (collectively, the "Prince Georges Lease") for certain commercial property located in The Mall at Prince Georges.

Store Number 1108, with an address of 3500 East West Highway, Hyattsville, Maryland, as more particularly described in the Prince Georges Lease (the "Prince Gorges Premises");

WHEREAS, the Hudson Lease, the Cherry Hill Lease, the Gallery Lease and the Prince Georges Lease are sometimes hereinafter referred to as the "Leases";

WHEREAS, Guarantor executed a certain guaranty agreement dated September 25, 1997 (the "Hudson Guaranty"), a certain guaranty dated September 26, 2000 (the "Cherry Hill Guaranty"), a certain guaranty dated May 20,2010 (the "Gallery Guaranty") and a certain guaranty dated March 2, 2007 (the "Prince Georges Guaranty"), (collectively, the "Guaranty Agreements") whereby Guarantor agreed to Guaranty all of Tenants' obligations under the Leases;

WHEREAS, the Tenants have defaulted under the Leases, and Guarantor has defaulted under the Guaranty Agreements, for failing to pay all Rent, Additional Rent and other charges due under the Leases (the "Defaults");

WHEREAS, as a result of the Defaults, CH LLC filed suit against LA New Jersey and Guarantor in the Superior Court of New Jersey, Camden County, Law Division, at Docket No. L-1026-10 (the "Cherry Hill Suit") seeking a judgment against LA New Jersey and Guarantor for monetary damages in the amount of One Hundred Thousand Seven Hundred Five and 79/100 Dollars (\$100,705.79), plus ongoing Rent, Additional Rent and other charges due under the Hudson Lease and legal fees and costs incurred by CH LLC;

WHEREAS, Tenants and Guarantor have requested that Landlord forbear from prosecuting the Cherry Hill Suit and further exercising Landlord's rights and remedies under the Leases and allow Tenants to cure the Defaults, and Landlord has agreed to forbear from prosecuting the Cherry Hill Suit and further exercising Landlord's rights and remedies under the Leases and allow Tenants to cure the Defaults so long as Tenants and Guarantor comply with all of the terms set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises hereinafter contained and other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

- Recitals. The foregoing recitals are true and correct and incorporated herein by reference. All capitalized terms not defined in this Agreement shall have the meanings ascribed to them in the Leases.
- 2. <u>Tenants and Guarantor Acknowledgements</u>. Tenants and Guarantor hereby acknowledge and agree as follows:
- a. Tenants have defaulted under the Leases, and Guarantor has defaulted under the Guaranty Agreements by failing to timely pay all Rent, Additional Rent and other charges due to Landlord pursuant to the Leases;

- b. Tenants and Guarantor are indebted to the Landlord in the amount of Four Hundred Forty Six Thousand Three Hundred Forty Seven and 79/100 Dollars (\$446,347.79) (the "Debt"), representing the following:
 - unpaid Minimum Rent, Additional Rent and other charges billed and due under the Cherry Hill Lease through April 1, 2010 in the amount of One Hundred Fourteen Thousand Seven Hundred Seventy Six Dollars (\$114,776.00);
 - ii. unpaid Minimum Rent, Additional Rent and other charges billed and due under the Hudson Lease through April 1, 2010 in the amount of Twenty Four Thousand Three Hundred Twenty Seven and 22/100 Dollars (\$24,327.22);
 - iii. unpaid Minimum Rent, Additional Rent and other charges billed and due under the Gallery Lease through April 1, 2010 in the amount of Thirty Two Thousand Five Hundred Eighteen Dollars (\$32,518.00);
 - iv. unpaid Minimum Rent, Additional Rent and other charges billed and due under the Prince Georges Lease through April 1, 2010 in the amount of Two Hundred Sixty Nine Thousand Seven Hundred Twenty Six and 57/100 Dollars (\$269,726.57);
 - v. legal fees and costs incurred by Landlord as a result of the Defaults in the amount of Five Thousand Dollars (\$5,000.00).
- c. Tenants and Guarantor have no defenses, counterclaims or offsets to the Debt, the Defaults, the Cherry Hill Suit or the Landlord's exercise of its remedies against Tenants; and
 - d. Landlord is not in default under the Leases.
- 3. <u>Tenants Payments</u>. Tenants shall pay the Debt, and the April 2010, monthly installment of Rent, Additional Rent and other charges due under all of the Leases, to Landlord pursuant to the following schedule:
- a. Tenants shall timely pay the April 2010, monthly installment of Rent, Additional Rent and other charges due under all of the Leases pursuant to the terms of the Leases.
- b. Tenants shall pay to Landlord the sum of One Hundred Thousand Dollars (\$100,000.00) on or before April 9, 2010;
- c. Tenants shall pay to Landlord the sum of One Hundred Thousand Dollars (\$100,000.00) on or before April 15, 2010;
- d. Tenants shall pay to Landlord the sum of Seventy Five Thousand Dollars (\$75,000.00) on or before May 15, 2010.

- e. Tenants shall pay to Landlord the sum of Seventy Five Thousand Dollars (\$75,000.00) on or before June 15, 2010.
- f. Tenants shall pay to Landlord the sum of Thirty Thousand Two Hundred Sixty Four and 79/100 Dollars (\$30,264.79) on or before July 15, 2010.
- g. All payments due pursuant to this Agreement shall be tendered to Landlord at the following address: PREIT Services LLC, 200 S. Broad Street, 3rd Floor, Philadelphia, Pennsylvania 19102.
- h. All payments due to Landlord pursuant to subsections a through e above shall be applied against the Debt pursuant to the schedule attached hereto as Exhibit "A".
- i. The payments required by subsections a through e above shall be paid to Landlord in addition to all Rent, Additional Rent and other charges due to Landlord pursuant to the terms of all of the Leases, which shall be paid at the time and in the manner set forth in the Leases.
- j. TENANTS AND GUARANTOR ACKNOWLEDGE AND UNDERSTAND THAT TIME IS OF THE ESSENCE WITH RESPECT TO ALL PAYMENTS DUE UNDER THIS AGREEMENT.

4. <u>Landlord Recapture</u>.

- a. Landlord shall have the right, for any reason or for no reason, to terminate all or less than all of the Leases upon sixty (60) days written notice (the "Termination Notice") to the Tenant (the "Terminated Tenant") whose Lease is being terminated (the "Terminated Lease"). Tenants shall have fifteen (15) days from the date of any Termination Notice to cure all of the Defaults by paying the outstanding balance of the Debt, plus all Rent, Additional Rent and all other charges due pursuant to all of the Leases that have accrued up through the date of the Termination Notice (collectively, the "Cure Payments"). If Tenants timely cure the Defaults by paying to Landlord the Cure Payments, the Termination Notice shall be withdrawn by Landlord. Landlord shall not be limited to one exercise of its rights under this Section 4a and shall be permitted to exercise such rights until the Debt has been paid in full.
- b. In the event the Tenants do not cure the Defaults pursuant to Section 4a above, each Terminated Tenant must vacate its respective Premises within sixty (60) days of the date of the Termination Notice, leaving such Premises being vacated in the condition as required by the applicable Terminated Lease. If any such Terminated Tenant fails to vacate its Premises, Landlord may immediately confess judgment for possession of such Premises upon three (3) days written notice the applicable Terminated Tenant.

- c. In the event Landlord exercises its right to terminate any of the Leases subject to this Agreement and each Terminated Tenant timely vacates its respective Premises, Tenants shall be obligated to pay to Landlord the remaining balance of the Debt, plus all accrued Rent, Additional Rent and other charges due to Landlord under each Terminated Lease.
- 5. <u>Litigation</u>. No later than ten (10) days after the execution of this Agreement and Landlord's receipt of the payment required by subsection 3a above, Landlord, through counsel, shall file a praccipe to mark the Cherry Hill Suit "withdrawn without prejudice".
- 6. No Cure. The execution of this Agreement by Landlord shall not cure the Defaults. Tenants and Guarantor acknowledge that the Defaults shall not be cured unless and until Tenants shall have complied with all of their obligations under this Agreement, including the timely payment of all sums required by Section 3 above.
- 7. Confession of Judgment. LA PENNSYLVANIA HEREBY KNOWINGLY, INTENTIONALLY, VOLUNTARILY AND IRREVOCABLY AND, ON THE ADVICE OF SEPARATE COUNSEL, REAFFIRMS, RATIFIES, REINSTATES, REMAKES AND AGREES TO BE BOUND BY THE CONFESSION OF JUDGMENT REMEDIES SET FORTH IN THE GALLERY LEASE.

Initials of Authorized Signatory of LA PENNSYLVANIA

- 8. Guarantor Acknowledgment. Guarantor, intending to be legally bound, acknowledges that it is the guarantor of the Leases referenced above, that it has reviewed this Agreement and that Guarantor guaranties all of Tenants' obligations under the Leases and this Agreement and shall re-execute the Guaranty Agreement attached hereto as Exhibit "B" for the Gallery Lease. The undersigned hereby reaffirms and ratifies all of its obligations as Guarantor of the Leases, including, without limitation, the confession of judgment provision restated and ratified in Section 7 above.
- 9. <u>Forbearance</u>. Landlord shall forbear from prosecuting the Cherry Hill Suit and further exercising Landlord's rights and remedies under the Leases and, subject to Section 4 of this Agreement, shall permit Tenants to remain in possession of and to operate their businesses within the Premises so long as Tenants comply fully with their obligations under the Leases and this Agreement, including, without limitation the obligation to pay the Landlord the amounts set forth in Section 3 above when due. If Tenants shall fail to perform any of their obligations under the Leases or this Agreement when such performance is due, Landlord shall have the automatic right, without further notice to or opportunity to cure by Tenants, to exercise all of its rights and remedies under the Leases and this Agreement, at law or in equity, without further notice of default and such default may be deemed non-curable at Landlord's discretion.
- 10. Release. Tenants and Guarantor, on behalf of themselves and their representatives, affiliates, parent companies (direct or indirect), subsidiaries, predecessors, successors, shareholders,

employees, officers, directors, agents, attorneys, insurers, and assigns, hereby forever and fully release, acquit and discharge Landlord, including their representatives, affiliates, members, parent companies (direct or indirect), subsidiaries, predecessors, successors, employees, officers, directors, agents, attorneys, insurers, and assigns, and each of them, and any and all other persons, firms, corporations, and entities, their heirs, executors, administrators, successors, assigns, and employees, whether named herein or not, from all claims, demands, and causes of action, known or unknown, from the beginning of time up to and including the date of this Agreement

- 11. <u>Security Deposit</u>. Tenants acknowledge that Landlord is not holding as funds a security deposit pursuant to any of the Leases.
- Notices. All notices by either party to the other shall be made by depositing such notice in the certified mail of the United States of America, and such notice shall be deemed to have been served on the date of such depositing in the Certified Mail unless otherwise provided, or via overnight delivery. All notices shall be addressed to:

If to Landlord:

Cherry Hill Center, LLC
Hudson Associates Limited Partnership
PR Gallery I Limited Partnership
PR Prince Georges Plaza LLC
c/o PREIT Services, LLC
200 S. Board Street, 3rd Floor
Philadelphia, Pennsylvania 19102

With a copy to: Peter Lesser, Esquire Sirlin, Gallogly & Lesser, P.C. 1529 Walnut Street, Suite 600 Philadelphia, PA 19102

If to Tenants:

Large Apparel of Pennsylvania, Inc. 100 Metro Way Secaucus, New Jersey 07049

Large Apparel of New Jersey Inc. 100 Metro Way Secaucus, New Jersey 07049 Large Apparel of Maryland, Inc. 100 Metro Way Secaucus, New Jersey 07049

If to Guarantor:

Ashley Stewart Inc. 100 Metro Way Secaucus, New Jersey 07049

Notices may be given by any attorney for the Landlord, Tenants or Guarantor.

- 13. <u>Further Assurances</u>. Landlord, Tenants and Guarantor shall execute such other and further agreements or instruments necessary or appropriate in order to carry out the terms of this Agreement.
- 14. <u>Counterparts</u>. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

15. Miscellaneous.

- (a) Unless the context otherwise specifies or requires, all the terms used in this Agreement shall have the meaning specified in the Leases, such definitions to be applicable equally to the singular and plural forms of such terms and to all genders.
- (b) Landlord, Tenants and Guarantor hereby acknowledge receipt of a copy of this Agreement before signing it and understand that the provisions of this Agreement are contractual and not mere recitals. Landlord, Tenants and Guarantor have read the foregoing Agreement. Landlord, Tenants and Guarantor represent that they have relied upon the legal advice of their attorneys and/or representatives who are the attorneys and/or representatives of their own choice, and that the terms of this Agreement have been explained to them by their attorneys and/or representatives and are fully understood.
- (c) This Agreement only shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania and the Leases shall continue to be governed in accordance with the governing law provisions contained in each Lease.
- (d) The person executing this Agreement on Landlord's, Tenants' and Guarantor's behalf warrant that he/she is duly authorized to so act.
- (e) Any oral agreements, letters of intent, proposals, representations and warranties that are in conflict with any of the terms of this Agreement shall be without force and effect.

- (f) Landlord, Tenants and Guarantor and counsel and/or representative for each has reviewed and revised this Agreement and, accordingly, no party shall be deemed the drafter of this Agreement.
- (g) In the event of any action or proceeding brought by any party against any other party for breach of any portion of this Agreement, the prevailing party shall be entitled to recover, in addition to any other remedies, its actual attorneys' fees in such action or proceeding, including any appeal.

Signature page to follow

IN WITNESS WHEREOF, Landlord, Tenants and Guarantor have signed and dated this Forbearance Agreement and Release as of the day and year first above written.

LANDLORD:

CHERRY HILL CENTER, LLC,

By: PREIT Services, LLC, its authorized agent

HUDSON ASSOCIATES LIMITED PARTNERSHIP.

By: PREIT-Rubin, Inc., its authorized agent

By:

Jeffrey A. Linn

Executive Vice President

PR PRINCE GEORGES PLAZA LLC

By: PREIT Services LLC, its authorized agent

By:

Name:

Executive vice President

PR GALLERY I LIMITED PARTNERSHIP

By: PREIT Services LLC, its authorized agent

Executive vice President

Signatures continued on next page

Signatures continued from previous page

TENANTS:	LARGE APPAREL OF PENNSYLVANIA, INC
Attest Attest	By: Oluz Weil Name: Laura Weil Title: Chief Executive Office:
	LARGE APPAREL OF NEW JERSEY, INC
Attest	By: Caura Weil Title: Chief Executive Officer
	LARGE APPAREL OF MARYLAND, INC
Attest	By: Quua Weil Name: Laura Weil Title: Chief Executive Officer
GUARANTOR:	ASHLEY STEWART INC.
Attest	By: Caura Weif Name: Laura Weil Title: Chief Executive Officer

EXHIBIT A

DEBT SCHEDULE

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V.	
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repaymen	Repayment Plan Allocation							•						
•	3/31/2010	March Charges (a)	Remaining Balance Applic excluding April Rent o	Application of remainder of first payment	April	Balance as of		Remaining		Application of	Remaining	7	Application of	ianii.
Cherry Hill		14,648.36	85,479.28 27.6%	9,377.01	14,648.36	76, 102.27	27.6% 27,646.93	48,455.34	27.6%	Third Payment (\$75K) 20,735.20	Balance 27 720 14	77 64 Four	Fourth Payment (\$75K)	Payment
Gallery		15,826.54	864.92 0.3%		15,828.54	770.04	0.3%	490.29	0.3%	209.81		77.0	200 84	\$6.500.0 \$6.
Hudson	24,327.22	4,711.33	14,904.56 4.8%	1,635.02	4,711.33	13,269.54	4.8% 4.820.85	B 448 90	4.8%	95.55		t :	0.802	/O.04
Mail at PG	269,726.57	30,896.77	207,933.03 67.3%	22,810.09	30,896.77	_	60	117,870,26	67.3%	50.530 FA	4,055,41	4. 0. F.	3,615,48	1,217.93
	441,347.79	66,083.00	309,181.79	33,917,00		275,264.79	100.000.00	175.284.79		26.000.00	0,750,00	87.50	10,438,51	16,891.25
Rema	doing to be applied	718,55								000000	W. 404.00		19,000,00	25,264.79

(a) to be paid by 4/5/1

KLEHR | HARRISON | HARVEY | BRANZBURG

Jeffrey Kurtzman Direct Dial: (215) 569-4493 Email: jkurtzma@klehr.com

September 28, 2010

BMC Group, Inc.

Attn: Urban Brands Claims Processing

P.O. Box 3020

Chanhassen, MN 55317-3020

Re:

Urban Brands, Inc.

Case No. 13005 (KJC) Chapter 11

Dear Sir or Madam:

Enclosed herewith for filing is an original and one copy of the proof of claim of Cherry Hill Center, LLC in the above-referenced Chapter 11 case. Please return a time-stamped copy of the proof of claim in the pre-addressed stamped envelope which has been enclosed for your convenience.

Thank you for your assistance.

Sincerely,

Jeffrey Kurtzman

JK/ap Enclosures