

UNITED STATES BANKRUPTCY COURT DISTRICT OF DELAWARE

PROOF OF CLAIM

Name of Debtor: **Urban Brands Inc.**Case Number: **10-13005 (KJC)**

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom the debtor owes money or property):

X Good Hope Marketplace Limited Partnership

Name and address where notices should be sent:

c/o Seth D. Goldberg, Esq.
2 Wisconsin X Circle, Suite 700
Chevy Chase, Maryland 20815
Telephone number:
240-235-5040

RECEIVED

NOV 02 2010

BMC GROUP

☐ Check this box to indicate that this claim amends a previously filed claim.Court Claim Number: _____
(If known)

Filed on: _____

Name and address where payment should be sent (if different from above):

Telephone number:

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.☐ Check this box if you are the debtor or trustee in this case.1. Amount of Claim as of Date Case Filed: **\$ 35,635.78**

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

☐ Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).☐ Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).☐ Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7).☐ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).☒ Other - Specify applicable paragraph of 11 U.S.C. § 507 (a)().

Amount entitled to priority:

\$ 35,635.78

If these amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

2. Basis for Claim: **Breach of commercial lease/installment agmnt.**
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: _____

3a. Debtor may have scheduled account as: _____
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)

Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: ☐ Real Estate ☐ Motor Vehicle ☒ OtherDescribe: **Section 45-1413 of the District of Columbia Code**Value of Property: \$ _____ Annual Interest Rate: % **(all property within leased premises)**

Amount of arrearage and other charges as of time case filed included in secured claim,

if any: \$ _____ Basis for perfection: **statutory**Amount of Secured Claim: **35,635.78** Amount Unsecured: \$ _____

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

Date: **10-20-10**

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Seth D. Goldberg, Esq. authorized agent for Good Hope Marketplace Limited Partnership

Urban Brands



00092

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

| | | |
|---------------------------|---|--------------------------------|
| In re: |) | Case No. 10-13005 (KJC) |
| |) | |
| URBAN BRANDS, INC. |) | |
| |) | |
| Debtor. |) | Chapter 11 |
| |) | |

**CREDITOR, GOOD HOPE MARKETPLACE LIMITED PARTNERSHIP'S ,
SUMMARY IN SUPPORT OF PROOF OF CLAIM**

Creditor, GOOD HOPE MARKETPLACE LIMITED PARTNERSHIP (hereinafter ("Creditor" or "Landlord")), by and through its undersigned attorney in further support of its proof of claim states as follows:

1. The undersigned represents that he is duly authorized to make this proof of claim on behalf of GOOD HOPE MARKETPLACE LIMITED PARTNERSHIP.

2. Landlord is the owner of the Good Hope Market Place Shopping Center situated in the District of Columbia.

3. The correct post office address to which all notices and distribution checks should be mailed to is:

Seth D. Goldberg, Esquire
Beins, Goldberg & Hennessey, LLP
2 Wisconsin Circle, Suite 700
Chevy Chase, Maryland 20815

4. Landlord, via its predecessor in interest Safeway, Inc. (the "Original Landlord") and Debtor's predecessor in interest Ashley Stewart, Inc. (the "Original Tenant") entered into that certain Commercial Shop Lease dated July 17, 1997 (the "Original Lease"), for premises consisting of approximately 3,320 square feet of space located within Good Hope Marketplace

Shopping Center at 2847 Alabama Avenue, S.E. Washington D.C. (the "Premises"). The Original Lease was amended by that certain Letter Agreement dated September 23, 1997 (the "Letter Agreement"), and further amended by that certain Assignment and Assumption Agreement of Lease dated January 29, 2000 ("the Assignment") as further extended pursuant to that certain option letter dated June 28, 2002 (the "Option Letter") as further amended by that certain First Amendment to Lease dated January 8, 2008 (the "First Amendment to Lease"). Hereinafter the Original Lease, the Letter Agreement, the Assignment, the Option Letter and the First Amendment to Lease are hereinafter collectively referred to as the "Lease". The Lease is attached hereto as Exhibit "A".

5. The Debtor, Urban Brands Inc. (hereinafter the "Debtor"), filed its Chapter 11 bankruptcy case on September 21, 2010.

6. Pre-petition the Landlord issued a written notice of default to the Debtor.

7. Debtor not only breached and defaulted under the lease pre-petition but also defaulted under and breached an installment agreement for which back rent and additional rent, late fees and interest owed under the Lease was to be paid. A copy of the executed Installment Agreement is attached hereto as Exhibit "B"

8. Through and up to September 20, 2010 (the day prior to the filing of the Debtor's Chapter 11 bankruptcy petition, the Debtor owes/owed Landlord certain pre-petition amounts entitled to priority if the lease is to be assumed, as follows:

| | |
|---|-------------|
| Unpaid Rent and Additional Rent due under the Lease and Installment Agreement through September 20, 2010: | \$26,767.64 |
|---|-------------|

| | |
|--|-------------|
| Accrued and unpaid Late fees through September 20, 2010 As per ¶4.5 of the Original Lease/Lease : | \$ 2,676.76 |
|--|-------------|

Reasonable attorney's fees and expenses

| | |
|---|--------------------|
| as per Lease and Installment Agreement at ¶9: | \$ 5,754.17 |
| Accrued interest through 9/15/10 | |
| As per ¶1.11 of the Original Lease/Lease | \$ 437.21 |
| | <u>=====</u> |
| TOTAL: | \$35,635.78 |

11. The total pre-petition claim of Landlord entitled to priority in connection with any assumption of the Lease totals: \$35,635.78. This pre-petition amount is automatically secured pursuant to Section 45-1413 of the District of Columbia Code as a statutory lien on all Debtor's tangible property located within the leased premises.

12. Immediately prior to filing bankruptcy, Debtor representative agreed Debtor would pay the above-referenced claim.

13. As of the filing of this summary in support of proof of claim, the Debtor has not paid Landlord any of the amounts claimed herein.

14. Any and all rights of Landlord are reserved to recover from Debtor any and all post-petition amounts not addressed hereby and as allowed by law and/or the Lease.

Respectfully submitted,

By: /s/ Seth D. Goldberg
 Seth D. Goldberg, Esq., No. 449228
 BEINS, GOLDBERG & HENNESSEY, LLP
 2 Wisconsin Circle, Suite 700
 Chevy Chase, Maryland 20815
 Tel: 240-235-5040

Attorney for Creditor/Landlord
Good Hope Marketplace Limited Partnership

ORIGINAL

1 **GOOD HOPE MARKETPLACE**

2
3 Alabama Avenue, S.E.
4 and
5 Good Hope Road, S.E.
6 Washington, D.C.
7
8
9

10
11
12 **COMMERCIAL SHOP LEASE**

13
14 Between

15
16 **SAFEWAY INC.,**
17 a Delaware corporation,
18 as Landlord
19

20 and

21
22 **ASHLEY STEWART, INC.,**
23 a New Jersey corporation,
24 as Tenant
25
26
27
28
29
30

Dated: July 17, 1997

1 COMMERCIAL SHOP LEASE

2
3 THIS COMMERCIAL SHOP LEASE (this "Lease") is made and entered into as of July,
4 1997, by and between SAFEWAY INC., a Delaware corporation ("Landlord"), and ASHLEY
5 STEWART, INC., a New Jersey corporation ("Tenant").

6 IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS
7 CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

8 1. DEFINITIONS.

9 The terms set forth in this Article 1 shall have the meanings set forth below for each such
10 term. Other terms used in this Lease and the Exhibits hereto not defined in this Article 1 shall
11 have the meanings set forth elsewhere in this Lease and the Exhibits hereto.

12 1.1. Building. The Building located, or to be located, in the Shopping Center in which
13 the Premises are situated, as shown on Exhibit A.

14 1.2. Common Area. All areas and facilities within the Shopping Center not
15 appropriated to the exclusive occupancy of tenants, including all Parking Area, sidewalks,
16 pedestrian ways, driveways, drive-thru lanes, signs, service delivery facilities, common storage
17 areas, landscape areas, common utility facilities, and all other areas in the Shopping Center
18 established by Landlord for non-exclusive use.

19 1.3. Common Area Maintenance Costs. The total of all costs and expenses paid or
20 incurred by Landlord in connection with the operation, maintenance, ownership, repair, and
21 replacement of the Common Area. Without limiting the generality of the foregoing, Common
22 Area Maintenance Costs include the Management Fee and all costs of and expenses for:
23 (i) maintenance, replacement, and repairs of the Common Area; (ii) resurfacing, resealing,
24 remarking, painting and restriping the Parking Area; (iii) maintenance, replacement, and repair of
25 all public or common facilities and installations; (iv) maintenance, repair and replacement of
26 sidewalks, curbs, paving, walkways, and Parking Area; Shopping Center signs; landscaping,
27 planting and irrigation systems; trash facilities; lighting, drainage and common utility facilities;
28 directional and other signs (other than tenant signs), markers and bumpers; (v) wages, salaries,
29 benefits, payroll burden fees and charges of all outside personnel employed for the maintenance,
30 replacement, and repair of the Common Area, and for security personnel retained by Landlord in
31 connection with the operation and maintenance of the Common Area (although Landlord shall not
32 be required to retain security services); (vi) maintenance, replacement, and repair of security
33 systems and alarms, and the cost to Landlord of any rental subsidy granted by Landlord to the
34 Metropolitan Police Department in connection with the occupancy by the Metropolitan Police
35 Department of a police substation in the Shopping Center; (vii) depreciation or amortization (or in
36 lieu thereof, rental payments) on all tools, equipment, and machinery used in the operation,
37 replacement, maintenance, and repair of the Common Area; (viii) premiums for the insurance
38 carried by Landlord pursuant to Section 6.2, and for Comprehensive General Liability Insurance
39 or Commercial General Liability Insurance, casualty insurance, worker's compensation insurance,
40 and other insurance on the Common Area or Shopping Center, or any portion thereof or interest
41 therein; (ix) Taxes and all personal property or real property taxes and assessments levied or
42 assessed on the Shopping Center or any portion thereof or interest therein; (x) cleaning,
43 collection, storage, and removal of trash, rubbish, dirt and debris; snow and ice removal; and
44 sweeping and cleaning the Common Area; (xi) maintenance, repair and replacement of holiday
45 decorations; (xii) servicing, maintaining, replacing, and monitoring any fire sprinkler system and
46 storm water management system, including grease traps and filters; and (xiii) utility charges for
47 lighting the Common Area, Shopping Center signs, and tenant signs. Common Area Expenses
48 shall not include (i) the initial cost of any construction of the Shopping Center or any part thereof;
49 (ii) costs for any items which under generally accepted accounting principles would be capitalized,
50 depreciated, or amortized (whether or not said items are leased, financed and/or purchased); (iii)
51 salary, employee benefits and payroll taxes for off-site, executive or managerial personnel; (iv)
52 brokerage fees and commissions incurred in connection with the sale or leasing of space in the
53 Shopping Center; (v) such portion of any expense for which Landlord is entitled to reimbursement

1 by insurance proceeds, condemnation awards, other tenants, or any other source; (vi) cost of
2 performing additions, alterations, improvements or individual services for other tenants or vacant
3 or vacated space (including, but not limited to, the repair and/or replacement of the roof over
4 other tenant's premises); (vii) any payment required in connection with any debt or ground lease
5 encumbering the Shopping Center, (viii) any amounts not actually expended, such as contingency
6 funds, reserve funds or sinking funds; (ix) costs and expenses of enforcing lease provisions against
7 other tenants in the Shopping Center, including legal fees; (x) expenses resulting from a violation
8 of Landlord of the terms of any lease of space in the Shopping Center or of any ground lease or
9 mortgage to which this Lease is subordinate; (xi) the repair of any part of the Common Area that
10 was inadequately designed or defectively constructed; and (xii) costs attributable to any exterior
11 building painting.

12 1.4. CPI. The Consumer Price Index, All Items, for the Washington, D.C.-MD-VA,
13 All Urban Consumers, published by the Bureau of Labor Statistics of the United States
14 Department of Labor (1982-1984 equals 100). If the Base Year of the CPI is changed, then all
15 calculations pursuant to this Lease which require the use of the CPI shall be made by using the
16 appropriate conversion factor published by the Bureau of Labor Statistics (or successor agency)
17 to correlate to the Base Year of the CPI herein specified. If no such conversion factor is
18 published, then Landlord shall, if possible, make the necessary calculation to achieve such
19 conversion. If such conversion is not in Landlord's judgment possible, or if publication of the CPI
20 is discontinued, or if the basis of calculating the CPI is materially changed, then the term "CPI"
21 shall mean (i) comparable statistics on the cost of living, as computed by an agency of the United
22 States Government performing a function similar to the Bureau of Labor Statistics, or (ii) if none,
23 by a substantial and responsible periodical or publication of recognized authority most closely
24 approximating the result which would have been achieved by the CPI, as may be determined by
25 Landlord in the exercise of its reasonable good faith business judgment.

26 1.5. Environmental Laws. All statutes, ordinances, orders, rules, and regulations of all
27 federal, state, or local governmental agencies relating to the use, generation, manufacture,
28 installation, Release, discharge, storage, or disposal of Hazardous Materials.

29 1.6. Event of Default. The occurrence of any of the following:

30 1.6.1. Vacation or Abandonment. Vacation or abandonment of the Premises for
31 a continuous period in excess of ten (10) days.

32 1.6.2. Nonpayment of Money. Failure to pay when due Fixed Minimum Rent,
33 Percentage Rent, Common Area Maintenance Costs, Taxes, or any other charge or sum due and
34 payable by Tenant under this Lease within the cure periods provided in Section 19.1.2 below.

35 1.6.3. Prohibited Assignment or Subletting. Any assignment or subletting by
36 Tenant in contravention of the terms and conditions of Article 13.

37 1.6.4. Insolvency. The admission by Tenant in writing of its inability to pay its
38 debts as they become due; the filing by Tenant of a petition seeking any reorganization,
39 arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any
40 present or future statute, law, or regulation; the filing by Tenant of an answer admitting or failing
41 timely to contest a material allegation of a petition filed against Tenant in any such proceedings
42 or, if within thirty (30) days after the commencement of any proceeding against Tenant seeking
43 any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar
44 relief under any present or future statute, law, or regulation, such proceeding shall not have been
45 dismissed; the appointment of a receiver or trustee to take possession of all or substantially all of
46 the assets of Tenant; a general assignment by Tenant for the benefit of creditors; any action or
47 proceeding commenced by Tenant under any insolvency or bankruptcy act or under any other
48 statute or regulation having as its purpose the protection of creditors, or any such action
49 commenced against Tenant and not discharged within thirty (30) days after the date of
50 commencement; or the attachment, execution, or other judicial seizure of all or substantially all of
51 Tenant's assets or the Premises, if such attachment or other seizure remains undismissed or
52 undischarged for a period of ten (10) days after the levy thereof.

1 1.6.5. Failure to Perform Other Obligations. Failure to perform any other term,
2 obligation, covenant, or agreement under this Lease within the cure periods provided in Section
3 19.1.3 below.

4 1.7. Exhibits. The following exhibits, which are attached hereto and made a part of this
5 Lease:

6 Exhibit A - Lease Plan
7 Exhibit B - Legal Description of Shopping Center
8 Exhibit C - Scope of Tenant's Work
9 Exhibit D - Design Criteria for Signs
10 Exhibit E - Form of Certificate of Commencement of Term
11 Exhibit F - Rules and Regulations

12
13 1.8. Gross Leasable Area. The number of square feet of all areas in the Shopping
14 Center appropriated to the exclusive use or occupancy of the respective Shopping Center tenants
15 or owner/occupants, including free-standing structures and uses, whether or not such areas are
16 actually leased or occupied, measured from the exterior surface of exterior walls (and extensions
17 thereof for openings), and/or from the center line of party or common walls or demising
18 partitions.

19 1.9. Gross Sales. The sum of the following: (i) the entire gross amount of the price,
20 fee, commission, charge, or other consideration charged or received, whether wholly or partly for
21 cash or on credit or otherwise, for all goods, wares, merchandise, services, or other business
22 activities sold, leased, licensed, delivered, performed, or made, in, at, upon, or from any part of,
23 or through any use of, the Premises by Tenant, or by means of any mechanical or vending device,
24 or from orders secured or received in the Premises by telephone, mail, house to house, or other
25 canvassing by personnel operating from, reporting to, or under the supervision of, any employee,
26 agent, or representative of Tenant located at or operating out of the Premises, or which Tenant, in
27 the normal and customary course of its operations, would credit or attribute to its business in the
28 Premises, or by other means, whether or not filled elsewhere; (ii) all gross income or receipts of
29 Tenant made or received from any operations or use, in, at, upon, from, or of the Premises, which
30 is neither expressly included in nor expressly excluded from Gross Sales by other provisions of
31 this Lease; and (iii) all deposits of any kind received by Tenant from and not refunded to
32 purchasers or customers in connection with any transactions, operations, or use in, at, upon, from,
33 or of the Premises. For purposes hereof, Gross Sales excludes (or if included there shall be
34 deducted, but only to the extent previously included in Gross Sales): (A) the net amount of any
35 bona fide cash or credit refunds made by Tenant upon any sale from the Premises where the
36 merchandise sold, or some part thereof, is thereafter returned by the purchaser to and accepted by
37 Tenant (but not exceeding in amount the original selling price of the item in question);
38 (B) exchanges or transfers of merchandise between stores of Tenant, if any, where such
39 exchanges are made solely for the convenient operation of Tenant's business and not for the
40 purpose of consummating a sale which has been made at, in, upon, or from the Premises, or
41 having the effect of depriving Landlord of the benefit of a sale which would have otherwise been
42 made in, at, upon, or from the Premises; (C) returns by Tenant to shippers or manufacturers;
43 (D) sales of fixtures by Tenant, which are not stock in trade and other than in the ordinary course
44 of business, after substantial use thereof in the conduct of Tenant's business in the Premises;
45 (E) the amount of any city, county, state, or federal sales, use, gross receipts, luxury, or excise tax
46 on sales which is both added to the selling price (or absorbed therein) and paid to the taxing
47 authority by Tenant (but not by any vendor of Tenant); (F) bona fide sales at a discount to
48 employees of Tenant employed in the operation of Tenant's business on the Premises; (G) the
49 unpaid balance of any credit or check sale that is written off as uncollectible in accordance with
50 generally accepted accounting principles; and (H) financing and credit card charges payable by
51 Tenant to credit card companies provided that such charges are separately identified in Tenant's
52 records. Each transaction on an installment basis (including so-called "lay-away sales"), or
53 otherwise involving the extension of credit, shall be treated as a sale, transaction, or event for the
54 full price in the Month in which such transaction occurred, irrespective of the time of payment or
55 when title passes. No deduction from Gross Sales shall be allowed for uncollected or
56 uncollectible credit accounts or charges, bad debts, or returned checks. If Tenant, or any person,
57 firm or corporation which controls or is controlled by Tenant, owns, operates, or becomes

1 financially interested in a business similar to that conducted by Tenant in the Premises within
2 three-fourths (3/4) of a mile in any direction from the Premises and operating under the same
3 trade name as Tenant, the Gross Sales from such business shall be included in the Gross Sales
4 made in, upon, or from the Premises for the purpose of computing the Percentage Rent payable to
5 Landlord under this Lease. For purposes of this Section 1.9 and the other provisions of this Lease
6 regarding Percentage Rent, all references to "Tenant" include all subtenants, licensees,
7 concessionaires, or any other person, firm, or entity conducting business from the Premises, and
8 Gross Sales includes all items, categories, and exclusions set forth above with respect to any such
9 subtenant, licensee, concessionaire, person, firm, or other entity.

10 1.10. Hazardous Materials. Petroleum, asbestos, polychlorinated biphenyls, radioactive
11 materials, radon gas, or any chemical, material, or substance defined as or included in the
12 definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely
13 hazardous waste", "restricted hazardous waste", "toxic substances", or words of similar import,
14 under any applicable laws, including but not limited to, Federal Water Pollution Act, as amended
15 (33 U.S.C. 1251 et seq.), the Resource Conservation and Recovery Act, as amended
16 (42 U.S.C. 6901 et seq.), the Comprehensive Environmental Response, Compensation and
17 Liability Act of 1980, as amended (42 U.S.C. 9601 et seq.), the Hazardous Materials
18 Transportation Act, as amended (49 U.S.C. 1801 et seq.), and all similar statutes, rules,
19 regulations, ordinances, and orders of the District of Columbia.

20 1.11. Interest. The per annum rate equal to the greater of (i) eighteen percent (18%) or
21 (ii) the prime rate, reference rate, or succeeding similar index, as published in the Wall Street
22 Journal, in effect from time to time plus two percent (2%), but not to exceed the maximum rate
23 allowed by applicable usury law.

24 1.12. Lease Year. Each period during the Term commencing on January 1 and ending
25 on December 31 next succeeding, except that the first Lease Year shall commence on the first day
26 of the Term and end on December 31 next succeeding, and the last Lease Year shall end on the
27 last day of the Term.

28 1.13. Management Fee. The management and administrative fee equal to fifteen percent
29 (15%) of the total Common Area Maintenance Costs for the Lease Year in question. The
30 Management Fee shall be paid to Landlord as reimbursement for its direct internal administration
31 and overhead costs incurred in the operation and management of the Common Area hereunder
32 (such as wages and salaries paid by Landlord to its employees engaged in property management
33 or accounting) and no such costs shall be included in Common Area Maintenance Costs.

34 1.14. Month. Each full calendar month during the Term.

35 1.15. Parking Area. All Common Area (except sidewalks and service delivery facilities)
36 now or hereafter designated by Landlord for the parking or access of motor vehicles, including
37 roads, traffic lanes, drive-thru lanes, vehicular parking spaces, landscaped areas, and walkways.

38 1.16. Percentage Rent. The amount by which five percent (5 %) of Tenant's Gross Sales
39 for each Lease Year exceeds the Fixed Minimum Rent paid by Tenant to Landlord for such Lease
40 Year.

41 1.17. Premises. The space known as Unit G-2, containing approximately Three
42 Thousand Three Hundred Forty-nine (3,349) square feet of Gross Leasable Area with a frontage
43 of approximately 28'11" lineal feet (subject to adjustment upon completion of an as-built survey
44 of the Shopping Center), located in the Shopping Center substantially where depicted as single-
45 hatched on Exhibit A, together with those appurtenances specifically granted to Tenant in this
46 Lease. Within thirty (30) days after Landlord delivers possession of the Premises to Tenant,
47 Tenant may cause the floor area of the Premises to be measured by a licensed architect to verify
48 the square footage thereof. If the measurement of Tenant's architect differs from the square
49 footage shown in the as-built survey of the Shopping Center contemplated under this Section
50 1.17, Landlord and Tenant shall jointly appoint a third licensed architect to measure the Premises
51 and whose measurement shall be binding upon both Landlord and Tenant. If the final
52 measurement determines that the actual floor area of the Premises is more or less than the square
53 footage set forth hereinabove, the Fixed Minimum Rent and all other rent and/or charges payable

1 on a "per square foot" basis shall be adjusted proportionately. Additionally, the frontage
2 representation set forth in this Section 1.17, shall be deemed to be the lineal footage of the
3 Premises from center of demising wall to center of demising wall.

4 1.18. Proportionate Share. Unless otherwise specified in this Lease, whenever Tenant is
5 required to pay its Proportionate Share, such Proportionate Share shall be calculated in the ratio
6 (expressed as a percentage) which the number of square feet of Gross Leasable Area in the
7 Premises bears to the total number of square feet of Gross Leasable Area in the Shopping Center.
8 If the Shopping Center is expanded or contracted, then as of the date of completion of such
9 expansion or contraction, Tenant's Proportionate Share shall be adjusted, pursuant to the
10 foregoing formula, to reflect any increased or decreased amount of Gross Leasable Area
11 contained in the Shopping Center. Notwithstanding the foregoing, so long as the Metropolitan
12 Police Department of Washington, D.C. occupies any portion of the Shopping Center, such
13 portion shall be excluded from the computation of the Gross Leasable Area in the Shopping
14 Center.

15 1.19. Release. As used in Article 25 ("Hazardous Materials"), disposal or placement or
16 existence of any Hazardous Materials in, on, about, or under the Premises or Shopping Center in
17 violation of any Environmental Laws.

18 1.20. Rent. Fixed Minimum Rent, Percentage Rent, Common Area Maintenance Costs,
19 Taxes, and all other sums and amounts payable by Tenant hereunder as additional rent.

20 1.21. Shopping Center. The real property described in Exhibit B, together with all
21 improvements from time to time or at any time located thereon.

22 1.22. Taxes. The following: (i) all real estate taxes and assessments and all other taxes
23 relating to or levied, assessed, or imposed on the Shopping Center or any portion thereof or
24 interest therein; (ii) all other taxes, assessments, charges, levies, fees, or penalties, general or
25 special, ordinary or extraordinary, unforeseen as well as foreseen, of any kind and nature imposed,
26 levied, assessed, charged, conformed, or collected by any governmental authority or other entity
27 either directly or indirectly (A) for public improvements, user, maintenance, or development fees,
28 services, or benefits, (B) upon or with respect to the development, possession, leasing, operation,
29 management, maintenance, alteration, repair, use, or occupancy of, or business operations in, the
30 Shopping Center, and (C) upon, against, or measured by the area of the Shopping Center or uses
31 made thereof or leases made to tenants thereof; (iii) any tax or excise, however described,
32 imposed in addition to, or in substitution partially or totally of, any or all of the foregoing taxes,
33 assessments, charges, or fees; and (iv) any and all costs, expenses, and attorneys' fees paid or
34 incurred by Landlord in connection with any proceeding or action to contest in whole or in part,
35 formally or informally, the imposition, collection, or validity of any of the foregoing taxes,
36 assessments, charges, or fees. If by law any Tax may be paid in installments at the option of the
37 taxpayer, then Landlord shall include within Taxes hereunder only those installments (including
38 interest, if any) which would become due by exercise of such option. Taxes shall not include any
39 taxes, assessment fees, or charges for which Tenant is directly responsible under Section 7.2 or
40 taxes payable by Landlord measured by Landlord's net income, or as franchise or inheritance
41 taxes.

42 1.23. Term. The period commencing on the Term Commencement Date and ending
43 (unless sooner terminated as provided in this Lease) on the Term Expiration Date (the "Original
44 Term"), including any "Extended Term," as defined in Section 3.5.

45 1.24. Term Commencement Date. The earlier of (i) the date sixty (60) calendar days
46 after Landlord delivers possession of the Premises to Tenant or (ii) the date on which Tenant first
47 opens for business in the Premises. Notwithstanding the foregoing, the Term Commencement
48 Date shall be delayed by a number of days equal to any delay encountered by Tenant as the result
49 of an "act of God" such as unusual action of the elements, or similar occurrence. In the event of a
50 delay occasioned as the result of an act of Landlord, strike, labor dispute, inability to procure or
51 general shortage of labor or materials in the normal channels of trade, or delay in governmental
52 action or inaction where action is required or any other condition beyond the reasonable control
53 of Tenant, then the Term Commencement Date shall occur no later than ninety (90) calendar days
54 after Landlord delivers possession of the Premises to Tenant.

1 1.25. Term Expiration Date. January 31, 2003, unless Tenant has timely exercised an
2 option to extend this Lease, in which event, the last day of the Extended Term then in effect.

3 2. **LEASE OF PREMISES.**

4 2.1. Lease and Hiring. Landlord leases to Tenant, and Tenant rents from Landlord, the
5 Premises for the Term, at the Rent, and upon the terms, covenants, and conditions contained
6 herein.

7 2.2. Reservation by Landlord. Landlord reserves the use of the exterior walls (other
8 than Tenant's storefront), the roof, and the area beneath the floor of the Premises, and the right to
9 install, maintain, use, and replace ducts, wires, conduits, and pipes in and through the Premises.

10 2.3. Landlord's Right to Relocate Premises. Landlord shall not have the right during
11 the Term to relocate the Premises to another location in the Shopping Center without the
12 Tenant's prior written consent.

13 3. **TERM.**

14 3.1. Duration. This Lease, and the terms, covenants, and conditions contained herein,
15 shall be effective as of the date hereof.

16 3.2. Certificate. Within fifteen (15) days following the Term Commencement Date,
17 Tenant shall execute and deliver to Landlord a certificate in the form attached hereto as Exhibit E
18 and incorporated herein by reference setting forth the Term Commencement Date and the Term
19 Expiration Date. Tenant's failure to deliver the certificate hereunder shall not affect the Term
20 Commencement Date nor the Term Expiration Date but, at Landlord's option, shall constitute an
21 Event of Default by Tenant hereunder.

22 3.3. Termination for Delay. Landlord shall have the right, by written notice to Tenant
23 given at least sixty (60) days after delivering possession of the Premises to Tenant, to terminate
24 this Lease, without any liability or obligation to Tenant, in the event Tenant fails to prosecute
25 diligently Tenant's Work to substantial completion in accordance with Exhibit C and open for
26 business within ninety (90) days after delivery of the Premises to Tenant. Upon termination,
27 Landlord shall be released from all obligation or liability to Tenant hereunder. Notwithstanding
28 the foregoing, the time for performance of Tenant's obligation under this Section 3.3 shall be
29 extended by a number of days equal to any delay encountered by Tenant as the result of an "act of
30 God" such as unusual action of the elements, or similar occurrence. In the event of a delay
31 occasioned as the result of an act of Landlord, strike, labor dispute, inability to procure or general
32 shortage of labor or materials in the normal channels of trade, or delay in governmental action or
33 inaction where action is required or any other condition beyond the reasonable control of Tenant,
34 then the time for performance of Tenant's obligations under this Section 3.3 shall be extended by
35 a number of days equal to any delay caused by the foregoing but in no event shall such extension
36 be for more than thirty (30) days.

37 3.4. Holding Over. If Tenant should remain in possession of the Premises after the
38 expiration of the Term with the express written consent of Landlord and without executing a new
39 lease, then such holding over shall be deemed a tenancy from month-to-month, subject to all
40 conditions, provisions, and obligations of this Lease, except that the Fixed Minimum Rent then in
41 effect shall be increased to an amount equal to one hundred fifty percent (150%) of such Fixed
42 Minimum Rent.

43 3.5. Option to Extend this Lease. Provided there exists no Event of Default on the
44 date of Tenant's notice to Landlord, Tenant shall have the right to extend this Lease for one (1)
45 separate and additional consecutive period of five (5) years ("Extended Term") by giving
46 Landlord written notice of its intention to so extend at least one hundred eighty (180) days before
47 the end of the Original Term.

48 3.6. Key Tenant Protection. In the event that the occupant of the premises depicted as
49 the "Safeway Food & Drug" on Exhibit A shall cease to operate a business from such premises
50 for a continuous period of three hundred sixty-five (365) consecutive days and no comparable

1 retail tenant shall open for business within such premises within such three hundred sixty-five
2 (365)-day period, provided Tenant is not then in default of its obligations under this Lease beyond
3 any applicable cure period set forth herein, Tenant may terminate this Lease if Tenant gives
4 Landlord written notice within sixty (60) days following the expiration of such period. For the
5 purposes of this Section 3.6, the term "comparable retail tenant" shall be deemed to mean a multi-
6 store national or regional chain of at least six (6) stores operating in at least three (3) states who
7 occupies at least thirty thousand (30,000) square feet of Gross Leasable Area within the premises
8 depicted as the "Safeway Food & Drug" on Exhibit A.

9 **4. RENT.**

10 4.1. Fixed Minimum Rent. Tenant shall pay to Landlord "Fixed Minimum Rent" as
11 follows:

12 4.1.1. Original Term.

13 (i) \$14.50 per square foot annually, or Four Thousand Forty-Six and
14 71/100 Dollars (\$4,046.71) per Month during the first (1st) Month of the Term (including any
15 partial calendar month at the commencement of the Term) and continuing through the sixtieth
16 (60th) Month of the Term;

17 (ii) 16.68 per square foot annually, or Four Thousand Six Hundred
18 Fifty-Five and 11/100 Dollars (\$4,655.11) per Month during the sixty-first (61st) Month of the
19 Term and continuing through January 31, 2003.

20 4.1.2. Extended Term, if Any.

21 (i) \$16.68 per square foot annually, or Four Thousand Six Hundred
22 Fifty-Five and 11/100 Dollars (\$4,655.11) per Month during each Month of the Term following
23 January 31, 2003 and continuing through the one hundred twentieth (120th) Month of the Term,
24 if any; and

25 (ii) \$17.18 per square foot annually, or Four Thousand Seven Hundred
26 Ninety Four and 76/100 Dollars (\$4,794.76) per Month during each Month of the Term following
27 the one hundred twentieth (120th) Month of the Term (if any) and continuing through January 31,
28 2009.

29 4.2. Payment and Proration of Fixed Minimum Rent. Fixed Minimum Rent shall be
30 paid without notice, deduction, or offset in advance on or before the first day of each Month
31 during the Term, unless the Term commences on a day other than the first day of a Month, in
32 which event Tenant shall pay to Landlord on the first day of the Term, as Fixed Minimum Rent
33 for such first partial calendar month of the Term, a pro rata portion of the Fixed Minimum Rent
34 set forth in Section 4.1.1 equal to the product of: (i) the quotient obtained when the Fixed
35 Minimum Rent set forth in Section 4.1.1 multiplied by twelve (12) is divided by three hundred
36 sixty-five (365), times (ii) the number of days of such first partial calendar month of the Term.

37 4.3. Percentage Rent. In addition to Fixed Minimum Rent, Tenant shall pay Percentage
38 Rent to Landlord for each Lease Year during the Term, in the manner and at the times hereinafter
39 specified. Gross Sales made during any partial calendar month during the first or last Lease Years
40 of the Term shall be reported at the end of such partial calendar month and shall be included in the
41 computation of Percentage Rent for such Lease Year.

42 4.3.1. Reports and Payment. Percentage Rent for each Lease Year shall be paid
43 in monthly installments computed on Tenant's Gross Sales for each Month of such Lease Year.
44 On or before the twentieth (20th) day following each Month of each Lease Year, Tenant shall
45 furnish to Landlord a true and accurate statement of all Gross Sales for such Month, showing in
46 detail all items, deductions, exclusions, and additions included in the calculation of such Month's
47 Gross Sales. Such statement shall otherwise be in such form as Landlord may from time to time
48 prescribe and shall be certified as correct by an authorized representative of Tenant. Within forty-
49 five (45) days after each Lease Year, Tenant shall furnish to Landlord a true and accurate

1 statement of the Gross Sales of Tenant for such Lease Year, showing in detail all items,
2 deductions, exclusions, and additions included in the calculation of Gross Sales for such Lease
3 Year, the amount of all estimated Percentage Rent paid for such Lease Year, the amount of Fixed
4 Minimum Rent paid for such Lease Year, and the actual amount of Percentage Rent due for such
5 Lease Year. Such statement shall otherwise be in such form as Landlord may, from time to time,
6 prescribe and shall be certified as correct by a certified public accountant or an authorized
7 representative or officer of Tenant. Tenant shall pay with such statement the Percentage Rent due
8 from Tenant for such Lease Year.

9 4.3.2. Books and Records. Tenant shall maintain and keep on the Premises, or at
10 its principal office, accurate, true, and complete books and records and accounts of all Gross
11 Sales, including books of account or general ledger, daily bank deposits, sales tax reports, and
12 cash register tapes and receipts. Such books, records, and accounts shall be maintained in such
13 manner, and include such records, as would be required by a certified public accountant to
14 perform an audit to determine, or produce an audited statement of, Tenant's Gross Sales. Tenant
15 shall, for a period of three (3) years after the end of each Lease Year, keep safe and intact all of its
16 books, records, and accounts maintained hereunder. Notwithstanding anything contained herein
17 to the contrary, Tenant may keep business records and record sales in the manner in which said
18 records are maintained and sales are recorded at a majority of Tenant's other stores in the
19 Baltimore/Washington D.C. Metropolitan Statistical Area and in accordance with generally
20 accepted accounting principles.

21 4.3.3. Inspection and Audit. Tenant shall at all times during normal business
22 hours and upon five (5) working days' notice provide to Landlord, and its authorized
23 representatives, access to Tenant's books, records, and accounts hereunder for inspection, review,
24 and/or copying. Landlord and its authorized representatives shall have the right at any time and
25 from time to time to audit all of Tenant's books, records, and accounts maintained hereunder not
26 more than once in any Lease Year and on not less than five (5) days prior notice to Tenant. Such
27 audit shall be conducted at the place where Tenant maintains its records of Gross Sales for the
28 Premises. If any Landlord's audit hereunder, or any audit supplied by Tenant hereunder, shows
29 that Gross Sales or Percentage Rent as set forth on Tenant's statement for any Lease Year were
30 understated by more than three percent (3%), or if either such audit shows that Tenant has failed
31 to maintain its books, records and accounts in the manner required by Section 4.3.2 so that
32 Landlord is unable to verify the accuracy of Tenant's statements, then Tenant shall pay Landlord
33 the cost of such audit (unless the audit was performed by Tenant). Tenant shall promptly pay to
34 Landlord, upon completion of any audit hereunder, any Percentage Rent found due as a result
35 thereof, together with interest thereon from the date payment was required to be made until the
36 date actually paid hereunder. Nothing contained in this Section 4.3.3 shall excuse Tenant from its
37 obligations to maintain accurate and complete books, records, and accounts, to report accurately
38 Gross Sales and the amount of Percentage Rent due, and to pay the Percentage Rent actually due,
39 and the rights and remedies of Landlord hereunder shall be in addition to, and not in lieu of, any
40 other rights or remedies under this Lease on account of Tenant's failure to comply with its
41 obligations hereunder. Acceptance by Landlord of any monies paid to Landlord by Tenant as
42 Percentage Rent, as shown by any statement furnished by Tenant hereunder, shall not be an
43 admission of the accuracy of such statement or of the amount of such Percentage Rent payment.

44 4.4. Additional Rent. For all purposes under this Lease, all sums and other amounts
45 payable by Tenant to Landlord or otherwise hereunder which are not specifically denominated as
46 "rent" shall be payable as and shall be deemed to be additional rent. Such sums and amounts shall
47 be payable as and when provided under this Lease, unless no date is specified, in which case such
48 sums shall be payable together with each installment of Fixed Minimum Rent payable hereunder.

49 4.5. Late Charge; Rent Notices; Address for Payment of Rent. Tenant hereby
50 acknowledges that late payment by Tenant to Landlord of Rent and other sums due under this
51 Lease will cause Landlord to incur additional costs not contemplated by this Lease, the exact
52 amount of which will be extremely difficult or impossible to ascertain. Such additional costs
53 include processing and accounting charges and late charges which may be imposed upon Landlord
54 by the terms of any mortgage or deed of trust covering the Premises. Therefore, if, more than
55 once in any calendar year, any installment of Rent or any other sum due from Tenant shall not be
56 received by Landlord within ten (10) days after the date that such amount is due, Tenant shall pay

1 to Landlord a late charge equal to ten percent (10%) of the overdue amount. The parties hereby
2 acknowledge, warrant, and represent that such late charge represents a fair and reasonable
3 estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of
4 such late charge by Landlord shall in no event constitute a waiver of an Event of Default with
5 respect to such overdue amount or prevent Landlord from exercising any or all of the other rights
6 and remedies granted under this Lease. Landlord may, as a matter of convenience, provide to
7 Tenant from time to time billings or invoices for Rent or other sums due under this Lease, but
8 Tenant's failure to receive any such billing or invoice, or Landlord's omission or cessation of any
9 such billing or invoice shall not excuse Tenant's obligation for the timely payment of Rent and
10 other sums due in accordance with this Lease. Tenant shall pay the Rent by check or draft
11 payable to:

12 Safeway Inc.
13 c/o Property Development Associates
14 Attn: Accounting #94-5500-07
15 15350 SW Sequoia Pkwy., Suite 300
16 Portland, OR 97224
17

18 or as otherwise may be designated in writing by Landlord.

19 4.6. Square Footage of Premises; Adjustment of Rent. The amount of rent payable
20 under this Article 4 shall be adjusted if, after completion of Tenant's Work and the as-built
21 survey for the Shopping Center, the square footage of the Premises differs from 3,349 square feet.

22 **5. PERMISSIBLE USE; TENANT'S CONDUCT OF BUSINESS.**

23 5.1. Use Restrictions.

24 5.1.1. Use; Trade Name. Tenant shall use the Premises solely for the following
25 purpose: the retail sale of women's, children's, infant's and/or men's apparel, women's lingerie,
26 and bath and body merchandise, women's handbags, scarves and costume jewelry (including
27 precious metals), accessories relating to any of the foregoing, and cosmetics and health and
28 beauty aids comprising no more than five percent (5%) of Tenant's sales floor and wall area, but
29 excluding in all events the sale of shoes. Tenant shall conduct its business in the Premises solely
30 under the trade name of "Ashley Stewart Women Sizes 14-26." Tenant shall not use or permit
31 the Premises to be used for any other purpose or under any other trade name whatsoever except
32 that Tenant may change its tradename at any time throughout the term of this Lease without
33 Landlord's consent provided such tradename is used by a majority of Tenant's stores in the
34 Baltimore/Washington D.C. Metropolitan Statistical Area.

35 5.1.2. Prohibited Uses. Tenant covenants and agrees that it shall not include or
36 permit in the use of the Premises as allowed by Paragraph 5.1.1 any of the following uses,
37 whether incidental to the use of the Premises or otherwise: (i) the sale of food and/or beverages
38 for on or off-premises consumption (including consumption at outdoor seating); (ii) the sale of
39 merchandise which, under the laws of the District of Columbia, is required to be dispensed by or
40 under the supervision of a registered or licensed pharmacist; (iii) the sale of alcoholic beverages
41 for on- or off-premises consumption; (iv) the sale of lottery tickets, fire arms, or drug
42 paraphernalia; (v) check cashing services; (vi) self-service laundry or car wash; (vii) a beauty
43 salon, barber shop, or wig shop; (viii) the sale of auto parts; (ix) an office, other than an
44 administrative office necessary to the operation of Tenant's retail business; (x) veterinarian's
45 services; (xi) tax preparation services; (xii) a church or other place of worship; (xiii) a training or
46 educational facility; (xiv) an entertainment or recreational facility; (xv) any coin or token-operated
47 vending machines or similar device for the sale or leasing to the public of any goods, wares,
48 merchandise, food, beverages, and/or service, including pay telephones, pay lockers, pay toilets,
49 scales, video games, or other amusement devices; or (xvi) a thrift shop, flea market, or store
50 selling used products. As used in this Lease, a "training or educational facility" includes, without
51 limitation, a beauty school, barber college, place of instruction, or any other operation catering to
52 students or trainees rather than to customers, and an "entertainment or recreational facility"
53 includes, without limitation, an amusement center; electronic or mechanical games arcade; pool or

1 billiard hall; betting parlor or bingo parlor; health or aerobic spa or studio; gymnasium; massage
2 parlor; pornographic shop; adult book store; or any other place of public or private amusement.

3 5.2. Continuous And Full Operation. Landlord shall deliver possession of the Premises
4 to Tenant promptly after Landlord's execution of this Lease. Subject to the provisions of Section
5 26.5 below, Tenant shall open for business in the Premises within sixty (60) days after Landlord
6 delivers possession of the Premises to Tenant (or ninety (90) calendar days after Landlord delivers
7 possession if an event of force majeure, as described in Section 26.5 below, occurs during such
8 60-day period). Notwithstanding the foregoing, in no event shall Tenant be required to open for
9 business in the Premises and if Tenant does not elect to open, Tenant shall not pay any Rent,
10 unless and until the Safeway store and tenants occupying at least 12 percent of the remaining
11 Gross Leasable Area in the Shopping Center have opened for business. Once open, Tenant shall
12 thereafter remain open for business continuously and uninterruptedly during the Term, during at
13 least the lesser of (i) the following minimum business hours: Monday to Saturday, 10 a.m. to 7
14 p.m.; Sunday, 12 p.m. to 6 p.m.; or (ii) the hours of the majority of other businesses in the
15 Shopping Center. Tenant shall occupy and use the entire Premises for the purpose or purposes
16 specified herein and shall continuously fully merchandise the Premises (except during times when
17 the Premises may be untenable by reason of fire or other casualty), subject only to the
18 provisions of this Article 5. Tenant shall at all times employ its best judgment, efforts, and
19 abilities to operate its business on the Premises in a manner calculated to produce the maximum
20 profit and practical volume of Gross Sales obtainable, and to enhance the reputation and
21 attractiveness of the Shopping Center. Gross Sales for any period in which Tenant does not
22 continuously and uninterruptedly conduct its business in the Premises as required hereunder shall
23 be deemed for purposes of computing Percentage Rent to be the greater of the Gross Sales
24 (i) during such period or (ii) during the corresponding period of the preceding Lease Year.
25 Tenant shall continue to operate its business to the extent reasonably practicable during any
26 period of reconstruction or repair. Tenant shall not vacate or abandon the Premises at any time
27 during the Term. Notwithstanding the foregoing, in each Lease Year, Tenant may close for a
28 period of time reasonably necessary in order to take inventory, make repairs, renovate or
29 redecorate, provided, however, that such period shall not exceed ten (10) days in the aggregate in
30 any Lease Year unless Landlord has consented thereto. In addition, Tenant shall be obligated to
31 keep its show windows lit only during its required hours of operation.

32 5.3. Insurance Requirements; Compliance With Laws. Tenant shall not do or permit
33 anything to be done in or about the Premises, or bring or keep anything therein, which will
34 increase the rate of any insurance on the Shopping Center, or any portion thereof or interest
35 therein. Tenant's use of the Premises for the permitted uses contemplated as of the date of this
36 Lease as set forth in Section 5 above shall not be deemed to increase Landlord's insurance
37 premiums for fire and extended coverage insurance (or "all risk" insurance, as the case may be).
38 Except for structural changes (but including structural changes arising from Tenant's specific use
39 of the Premises), Tenant shall, at its sole cost and expense, comply with any and all orders and
40 requirements imposed by any insurance company providing casualty (including fire and extended
41 coverage) or public liability insurance to Tenant or Landlord and covering the Shopping Center,
42 or any portion thereof or interest therein. Tenant shall promptly comply with any and all laws,
43 ordinances, rules, regulations, and orders applicable to the Premises (except for structural or
44 extraordinary improvements and alterations not required because of Tenant's particular use or
45 occupancy of the Premises). Tenant's obligations hereunder shall include the making of
46 alterations, additions, and improvements and the installation of additional facilities required for the
47 conduct or continuance of Tenant's business on the Premises, including (without limitation) any
48 alterations, additions, or improvements to the Premises or the installation of additional facilities at
49 the Premises required by the Americans with Disabilities Act. Tenant shall not use, or permit the
50 use of, any portion of the Premises for any unlawful or immoral purpose. Tenant may contest or
51 review, by procedures permitted by applicable law or insurance policies, at its own expense, any
52 such order, requirement, law, ordinance, rule, or regulation, and may delay compliance therewith
53 if permitted by such law or policy, provided that Landlord or any other tenant, occupant, or
54 owner of the Shopping Center is not subject to civil liability or criminal prosecution as a result
55 thereof and Landlord's title to or interest in, or such tenant's, occupant's or owner's business in or
56 title to, the Shopping Center, or any portion thereof, is not subjected to forfeiture, involuntary

1 sale, loss, or closure as a result thereof. Tenant shall indemnify, defend, protect, and hold
2 Landlord and such other tenants, occupants, and owners harmless from and against any and all
3 liability, loss, cost, damage, or expense (including attorneys' fees) resulting from or in connection
4 with any contest hereunder. Any contest shall be conducted with all due diligence. Tenant shall
5 diligently comply with any final, non-appealable decision in any such contest.

6 5.4. Use Limitations and Requirements. Tenant shall not conduct or allow any auction,
7 fire, going out of business, or bankruptcy sales in or from the Premises. Tenant shall not perform
8 any acts or conduct any practices which may injure the Shopping Center, or any portion thereof,
9 or which may injure the reputation of the Shopping Center, or constitute a nuisance, annoyance,
10 or menace to other tenants of the Shopping Center, or disturb their quiet enjoyment. Tenant shall
11 keep the Premises, front and rear walkways adjacent to the Premises, and any service delivery
12 facilities allocated for the use of Tenant (whether or not exclusive) clean and free from rubbish
13 and dirt at all times, shall store all trash and garbage within the Premises, and shall arrange for the
14 regular pickup of such trash and garbage at Tenant's expense, unless garbage pick-up is included
15 in Common Area Maintenance Costs pursuant to Section 12.2. Tenant shall not burn any trash or
16 garbage of any kind in or about the Premises or Shopping Center. All plumbing facilities within
17 or serving the Premises shall be used only for the purposes for which they are installed, and no
18 foreign substance of any kind shall be thrown therein; any and all costs and expenses resulting
19 from misuse of such plumbing facilities in violation of the foregoing by Tenant or any other
20 person shall be borne by Tenant. Neither Tenant nor its employees, agents, or contractors shall
21 mark or deface any walls, ceilings, partitions, floors, wood, stone, or iron within or about the
22 Premises. Tenant: (i) shall warehouse, store, and/or stock in the Premises only such goods,
23 wares, and merchandise as Tenant intends to offer for retail sale in, on, at, or from the Premises
24 within a reasonable time after receipt thereof; (ii) shall use for office, clerical, or other non-selling
25 purposes only such space as is from time to time reasonably required for Tenant's business therein;
26 and (iii) shall not perform therein any such functions for any other store or business of Tenant, or
27 any affiliate of Tenant.

28 5.5. Restrictions on Similar Business. In the event that Tenant shall own, operate,
29 maintain, or control, directly or indirectly, or in any way participate in the ownership,
30 management, control, operation, or profits of, any retail business under the same trade name to
31 that conducted in the Premises within a radius of three-fourths (3/4) of a mile from the Premises
32 (measured on a straight-line basis on a map and not by following contours of land or streets), the
33 Gross Sales from any such retail business shall be deemed to be a part of Tenant's Gross Sales
34 from the Premises for purposes of calculating Percentage Rent under Section 4.3, and such retail
35 business shall be subject to all of the terms, covenants, and conditions contained in Section 4.3.

36 5.6. Tenant's Exclusive Rights. Notwithstanding any provision of this Lease to the
37 contrary, Landlord reserves the absolute right to effect such other tenancies in the Shopping
38 Center as Landlord, in the exercise of its sole discretion, determines may best promote the
39 interests of the Shopping Center; provided, however, that so long as Tenant is not in default of its
40 obligations under this Lease, Landlord shall not enter into any lease of any portion of the
41 Shopping Center that permits the tenant thereunder to operate, during the Original and Extended
42 Term of this Lease, a retail store selling women's plus size (sizes 18-26) apparel as such tenant's
43 principal business so long as (i) Tenant is not in default of any of its obligations under this Lease
44 and (ii) Tenant actually uses and continues to use the Premises to sell such merchandise. The
45 foregoing restrictive covenant shall not apply to Safeway Inc. (or to the tenant occupying Space
46 "F" identified on the Lease Plan shown in attached Exhibit A) or to tenants engaging in any of the
47 uses described in Section 5.7 below. For purposes of this Section 5.6, the term "principal
48 business" shall be defined as the use of more than sixty percent (60%) of such tenant's premises
49 for the aforesaid restricted activities. If Tenant believes that the exclusive right granted to Tenant
50 under this paragraph has been violated by another tenant in the Shopping Center, Tenant will
51 promptly notify Landlord of such violation, or alleged violation, and Tenant, at its election and
52 expense, may proceed directly against the violating tenant and pursue all remedies, in equity and
53 at law, directly against the violating tenant. In addition, if such violation continues for one
54 hundred twenty (120) days after notice to Landlord, Tenant shall have the right after such 120-
55 day period to reduce its monthly Fixed Minimum Rent then due hereunder by twenty five percent
56 (25%). In the event Landlord conveys its interest in the Shopping Center to an unrelated and
57 unaffiliated third party, and thereafter, Tenant's said exclusive right is violated by another tenant

1 in the Shopping Center, which violation continues for one hundred twenty (120) days, Tenant
2 may reduce the Fixed Minimum Rent due hereunder by fifty percent (50%). At such time as any
3 such violation has been rectified, Tenant shall resume paying Fixed Minimum Rent as set forth in
4 Section 4.1 hereof. The foregoing shall be Tenant's sole remedy with respect to Landlord in the
5 event of a violation of Tenant's exclusive right granted by this paragraph, and in no event shall
6 Landlord be liable for any damages as a result of another party's violation of such exclusive
7 except to the extent Tenant can show that Landlord has violated this provision by entering into a
8 lease with such other party that expressly allows a use that violates Tenant's exclusive rights
9 granted under this paragraph or has otherwise intentionally violated this provision.

10 5.7. Other Tenant Uses and Exclusive Rights. Without limiting Landlord's rights to
11 effect other tenancies as provided in the first sentence of Section 5.6, Landlord specifically
12 reserves the right to lease other space in the Shopping Center to tenants for the following uses:

13 5.7.1. The full service sale of athletic shoes and/or hiking boots or shoes;

14 5.7.2. The retail sale of men's, women's and children's sportswear (including
15 without limitation caps, t-shirts, jackets, sweatsuits, belts, jeans and shirts but excluding shoes);

16 5.7.3. The retail sale of children's toys, apparel and/or shoes provided that the
17 primary source of revenue from such store does not derive from the sale of children's shoes;

18 5.7.4. The self-service retail sale of family shoes;

19 5.7.5. The sale, rental and/or distribution of prerecorded video cassettes, video
20 games (including without limitation CD-1), digital video discs (DVD), video tapes, video discs,
21 laser discs or other video software (including CD-ROM) and/or any substitutes for, or items
22 which are a technological evolution of, the foregoing items;

23 5.7.6. A business which leases or rents with option to own televisions, jewelry,
24 stereos, furniture, appliances, video cassette recorders, electronics, computers, communication
25 and business equipment and services or other consumer durable goods and related items; and

26 5.7.7. The operation of a pizza carry-out or delivery operation.

27 In addition, Tenant acknowledges that Landlord has granted or may grant certain exclusive rights
28 to other tenants for the uses described above. As of the date of this Lease, Landlord represents
29 that it has granted exclusives to third parties for the uses described in Sections 5.7.1, 5.7.4, 5.7.6
30 and 5.7.7 above. Accordingly, Tenant represents and warrants that Tenant will not use the
31 Premises in violation of the such exclusive uses and acknowledges that, if Tenant violates any
32 such exclusive right, Landlord may exercise any and all remedies available to Landlord pursuant
33 to this Lease or applicable law and may assign its rights to enforce such exclusive to the tenant
34 holding such exclusive and, further, the tenant who holds such exclusive right may exercise any
35 remedy available in equity or at law directly against Tenant for such violation. Without limiting
36 the foregoing, Tenant specifically acknowledges that, as of the date of this Lease, Landlord has
37 leased certain premises in the Shopping Center for the uses described in Section 5.7.2 above,
38 which may include women's plus sizes 14-26 of the type of apparel described in Section 5.7.2, and
39 acknowledges that such tenant's use will not violate Tenant's exclusive use rights granted
40 pursuant to Section 5.6 above.

41 6. INSURANCE.

42 6.1. Tenant's Insurance. At its sole cost and expense, Tenant shall maintain in full force
43 and effect as of the date of this Lease and continuing throughout the Term, the following policies
44 of insurance:

45 6.1.1. Liability Insurance. Comprehensive General Liability Insurance or
46 Commercial General Liability Insurance, insuring against liability for bodily injury or death to
47 persons, property damage and personal injury, covering the Premises and the business of Tenant,
48 with a combined single limit of liability, in the amount typical in the industry for a retail clothing
49 store the size of the Premises but in any event not less than Two Million Dollars (\$2,000,000.00)

per occurrence per location, such coverage to be in a commercial general liability form with at least the following endorsements: (i) deleting any employee exclusion on personal injury coverage; (ii) including coverage for injuries to or caused by employees; (iii) providing for blanket contractual liability coverage (including Tenant's indemnity obligations contained in this Lease), broad form property damage coverage and products completed operations, owner's protective and personal injury coverage; (iv) providing for coverage of employers automobile non-ownership liability; and (v) if required by Landlord, providing liquor liability coverage. All such insurance: (i) shall be primary and non-contributory; (ii) shall provide for severability of interests; (iii) shall provide that an act or omission of one of the named insureds shall not reduce or avoid coverage to the other named insureds; and (iv) shall afford coverage for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period. If, in the reasonable opinion of Landlord's insurance advisor, the amount or scope of such coverage is deemed inadequate at any time during the Term, Tenant shall increase such coverage to such reasonable amounts or scope as Landlord's advisor deems adequate.

6.1.2. Plate Glass Insurance. Tenant shall be required to carry plate glass insurance at such time as plate glass insurance becomes available in the District of Columbia at commercially reasonable rates.

6.1.3. Tenant's Insurance on Fixtures. Fire insurance, with standard extended coverage, sprinkler leakage, vandalism, and malicious mischief endorsements on all of Tenant's fixtures and equipment in the Premises, in an amount not less than one hundred percent (100%) of their full insurable value, the proceeds of which shall, so long as this Lease is in effect, be used for the repair or replacement of the fixtures and equipment so insured.

6.1.4. Tenant's Worker's Compensation Insurance. Worker's Compensation Insurance in the manner and to the extent required by applicable law and with limits of liability not less than the minimum required under applicable law, covering all employees of Tenant having any duties or responsibilities in or about the Premises.

6.2. Landlord's Insurance. Landlord shall, as of the date of this Lease and continuing throughout the Term, maintain in full force and effect a policy or policies of fire insurance covering the buildings within the Shopping Center, with standard extended coverage, vandalism, malicious mischief, and sprinkler leakage endorsements, and such other insurance in such amounts and covering such other liability or hazards as deemed appropriate by Landlord. The amount and scope of coverage of Landlord's insurance hereunder shall be determined by Landlord from time to time in its sole discretion and shall be subject to such deductible amounts as Landlord may elect. Landlord shall have the right to reduce or terminate any insurance or coverage called for by this Section 6.2, to the extent that any such coverage is not reasonably available in the commercial insurance industry from recognized carriers or not available at a cost which is in Landlord's judgment economic or feasible under the circumstances. The cost of all insurance maintained by Landlord hereunder, or otherwise on all or any portion of the Shopping Center, shall be included in Common Area Maintenance Costs. All insurance proceeds payable under Landlord's casualty insurance carried hereunder shall be payable solely to Landlord, and Tenant shall have no interest therein.

6.3. Policy Requirements. All insurance policies required to be carried under this Lease shall be issued by financially sound qualified insurers, approved to do business in the District of Columbia. All Tenant's insurance (other than Worker's Compensation) shall name Landlord, Landlord's managing agent, and such other persons or entities as Landlord may from time to time designate, as additional insureds and shall not contain deductibles in excess of Twenty five Thousand Dollars (\$25,000.00). Tenant's Worker's Compensation Insurance shall contain an employer's contingent liability endorsement. Prior to the Term Commencement Date and thereafter not less frequently than annually, Tenant shall deliver to Landlord certificates of all insurance required to be carried by Tenant hereunder, showing that such policies are in full force and effect in accordance with this Article 6. Tenant shall obtain written undertakings from each insurer under policies maintained by Tenant hereunder to notify Landlord, and any other additional insured thereunder, at least thirty (30) days prior to cancellation, amendment or reduction in coverage under any such policy.

1 6.4. Blanket Coverage. Any policy required to be maintained hereunder by either party
2 may be maintained under a so-called "blanket policy", insuring other parties and other locations,
3 so long as the amount of insurance required to be provided hereunder is not thereby diminished.

4 6.5. Waiver of Subrogation. To the extent permitted by law and without affecting the
5 coverage provided by insurance required to be maintained hereunder, Landlord and Tenant each
6 waive any right to recover against the other on account of any and all claims Landlord or Tenant
7 may have against the other with respect to any loss or damage caused by water damage, sprinkler
8 leakage or any of the risks covered by a fire insurance policy with extended coverage and
9 sprinkler leakage endorsements, and there shall be no subrogated claim by one party's insurance
10 carrier against the other party arising out of any such loss. Each casualty insurance policy carried
11 by Landlord or Tenant hereunder, or which either may obtain with respect to the Premises or the
12 Shopping Center independent of obligations hereunder, shall provide that the insurer waives all
13 rights of recovery by way of subrogation against Landlord or Tenant in connection with all
14 matters included within the scope of the waiver of recovery contained in this Section 6.5.

15 7. **TAXES.**

16 7.1. Tenant's Payment of Taxes. Commencing on the Term Commencement Date and
17 thereafter throughout the Term, Tenant shall pay to Landlord, as part of Common Area
18 Maintenance Costs, Tenant's Proportionate Share of Taxes.

19 7.2. Tenant's Payment of Taxes Relating to the Premises. In addition to payment by
20 Tenant of its Proportionate Share of Taxes, Tenant shall pay any and all taxes, assessments,
21 levies, license fees, business taxes, impositions, in-lieu taxes or fees, excises, or charges, of any
22 kind or character, general or special, ordinary or extraordinary, unforeseen as well as foreseen,
23 which are: (i) levied against, upon, measured by, or attributable to any and all leasehold
24 improvements to the Premises over and above the base Building shell, whether installed or paid
25 for by Landlord or Tenant, and upon any and all fixtures, equipment, and personal property
26 installed or located in the Premises, or levied upon, measured by, or reasonably attributable to the
27 cost or value of any of the foregoing; (ii) levied upon or measured by the Fixed Minimum Rent,
28 Percentage Rent, or any other amounts payable by Tenant hereunder, including any gross income
29 taxes, excise tax, or value-added tax levied by any governmental authority or other entity with
30 respect to the receipt or making of such payments; (iii) levied upon or with respect to the
31 development, possession, leasing, operation, management, maintenance, alteration, repair, use, or
32 occupancy by Tenant of, or business operations of Tenant in, the Premises or any portion thereof;
33 (iv) levied upon or with respect to the transaction under this Lease, any document to which
34 Tenant is a party creating or transferring any interest or an estate in the Premises, or any leases,
35 subleases, licenses, or concessions made to Tenant, any subtenant, or other occupant of the
36 Premises; or (v) enacted by way of substitution for or in addition to all or any part of the
37 foregoing. Tenant shall make payment of all amounts hereunder before delinquency directly to
38 the levying authority and shall provide Landlord receipts evidencing such payments. If any of the
39 foregoing taxes, assessments, fees, or charges are included in tax bills to Landlord for Taxes, then
40 Tenant shall pay to Landlord the amount attributable to the taxes, fees, assessments, or charges so
41 included immediately upon demand by Landlord and prior to the payment date required with
42 respect to such tax bill. Real estate taxes payable by Tenant as provided for herein shall not
43 include any interest or penalties imposed by the assessing authority except if arising as a result of
44 Tenant's failure to pay or late payment of Tenant's Proportionate Share thereof, taxes allocable to
45 the Shopping Center on any unimproved parcels of land, or any corporate, personal property,
46 franchise, capital levy, inheritance, transfer or income tax levied on Landlord (except to the extent
47 such taxes are imposed in lieu of, and not in addition to, real property taxes). In addition, if
48 general or special assessments may be paid in installments over a period of years, only the
49 installments coming due during the tax year in question during the Lease term shall be included in
50 taxes payable by Tenant for such year.

51 8. **CONSTRUCTION.**

52 8.1. Initial Shopping Center Construction: Landlord's and Tenant's Work. The design,
53 construction, and development of the Shopping Center and/or the design and construction of the
54 Building, if either or both are not yet constructed or completed, and the design and construction

1 of the Premises and "Landlord's Work" and "Tenant's Work" therein, shall be undertaken in
2 accordance with this Article 8 and the provisions of Exhibit C.

3 8.2. Landlord's Work. If the Building and/or the Common Area serving the Building
4 have not been constructed, then Landlord shall, prior to the commencement of the Term, at
5 Landlord's sole cost and expense, construct the Building and Common Area in accordance with
6 such design and construction criteria and methods as Landlord may, in its sole discretion,
7 determine as necessary or appropriate.

8 8.3. Landlord's Plans. Exhibit A designates the location of the Premises in the Building
9 and the Common Area serving the Premises.

10 8.4. Tenant's Plans and Construction. Tenant shall prepare, furnish to Landlord, and
11 obtain Landlord's prior written approval of all necessary drawings and specifications for Tenant's
12 proposed improvements to the Premises and shall thereafter construct such improvements
13 pursuant to the provisions under "Tenant's Work" in Exhibit C. Provided that Tenant has
14 obtained the insurance required by Article 6 above and Exhibit C, then Tenant shall, upon receipt
15 of Landlord's notice, have the right to enter the Premises to construct and complete Tenant's
16 Work and the installation of all Tenant's fixtures, sign faces, equipment and merchandise at the
17 Premises. Tenant's entry into the Premises hereunder shall be at Tenant's own risk and without
18 interference with any remaining work which must be performed by Landlord in the Premises or to
19 the balance of the Shopping Center. Tenant shall use all due diligence to construct and complete
20 Tenant's Work and shall complete Tenant's Work, the installation of all Tenant's fixtures, sign
21 faces, equipment, and merchandise and open for business in the Premises within sixty (60)
22 calendar days after the date Landlord delivers possession of the Premises to Tenant (or ninety
23 (90) calendar days after Landlord delivers possession if an event of force majeure, as described in
24 Section 26.5 below, occurs during such 60-day period). Tenant shall design and construct
25 Tenant's Work hereunder at Tenant's sole cost and expense. Any and all fixtures and equipment
26 which Tenant may install or otherwise employ on the Premises shall be new and shall not have
27 been previously utilized at other locations.

28 8.5. Compliance With Codes and Regulations. Tenant and its agents, employees, and
29 contractors shall perform Tenant's Work in a first-class manner using new materials of good
30 quality, and in compliance with all applicable codes, laws, ordinances, rules, and regulations of all
31 governmental and quasi-governmental authorities with jurisdiction, including (without limitation)
32 the Americans with Disabilities Act with respect to Tenant's manner or unique use of the
33 Premises.

34 8.6. Tenant's Acceptance. The opening by Tenant of its business in the Premises shall
35 constitute acknowledgment by Tenant that the Premises, the Building, and the Common Area are
36 then in the condition called for by this Lease and that Landlord has performed all of Landlord's
37 Work with respect thereto. Failure of Landlord to complete any work of construction or
38 improvement called for hereunder within the time and in the condition provided for in this Lease
39 shall not give rise to any claim for damages by Tenant against Landlord or against Landlord's
40 contractors or architects, and Tenant hereby waives any such claims.

41 8.7. Allowance. Provided Tenant is not in default hereunder, Landlord will pay Tenant
42 a construction allowance of up to \$50,235 for Tenant's Work within thirty (30) days
43 after: (i) Tenant's Work has been completed in accordance with Tenant's Plans and all applicable
44 laws and all permit requirements; (ii) Tenant has paid all sums, costs and expenses due for, or
45 purporting to be due for, any work, labor, services, materials, supplies or equipment furnished or
46 claimed to be furnished to or for, or in connection with, Tenant's Work, and has obtained lien
47 waivers from all parties providing such work, labor, services, materials, supplies, or equipment,
48 and has provided Landlord with copies of such paid invoices and lien waivers; and (iii) Tenant has
49 provided Landlord with copies of paid invoices and receipts evidencing the amount to be
50 reimbursed up to \$50,235. If Landlord fails to pay the allowance to Tenant within one hundred
51 twenty (120) days after the satisfaction of all conditions stated in the foregoing sentence
52 (including without limitation the receipt by Landlord of all documents required by the foregoing
53 sentence), then, after thirty (30) days' prior notice to Landlord, Tenant shall have the right to

1 offset the amount of the allowance against monthly Fixed Minimum Rent that becomes due and
2 payable subsequent to such 150-day period.

3 **9. REPAIRS AND MAINTENANCE; ALTERATIONS.**

4 9.1. By Landlord. Landlord shall keep in good order, condition, and repair, the
5 exterior foundations, exterior walls, canopy, roof, downspouts, and gutters of the Building
6 (excluding therefrom the exterior and interior of all windows, doors, plate glass, show cases, and
7 storefronts, and except for reasonable wear and tear, any damage thereto caused by any act,
8 negligence, or omission of Tenant or its employees, agents, licensees, contractors, or subtenants,
9 damage or destruction caused by any casualty not required to be repaired under Article 16 and
10 any condemnation or taking of the Premises or the Shopping Center, or any portion of or interest
11 in either, governed by Article 15). Landlord shall have no obligation to make any repairs or
12 replacements hereunder until the expiration of ten (10) days following written notice from Tenant
13 to Landlord of the need therefor except in an emergency. Notwithstanding the foregoing, in the
14 event Landlord fails to commence any such repairs or replacements within said ten (10) day
15 period and thereafter to prosecute such repairs or replacements diligently to completion, Tenant
16 may, by delivering fifteen (15) days' prior written notice to Landlord, elect to exercise "self-help"
17 remedies unless within said fifteen (15) day period, Landlord commences such repairs or
18 replacements and diligently prosecutes the same to completion. Other than as set forth in this
19 Section 9.1, Tenant waives any right now or hereafter granted by law to make any repairs under
20 this Section 9.1 upon Landlord's failure to do so hereunder or otherwise. For purposes of this
21 Section 9.1, Landlord shall be deemed to have commenced repairs or replacements at such time as
22 Landlord has commenced bidding processes for such repairs or actually commenced repairs,
23 whichever occurs first.

24 9.2. By Tenant. Tenant, at Tenant's sole cost and expense, shall at all times keep the
25 Premises, all windows, glass, plate glass, show cases, storefront parts, and moldings, doors,
26 doorjambes, door closers, door hardware, fixtures, equipment, and appurtenances thereof, floors,
27 partitions, all electrical, lighting, heating, plumbing, and sprinkler systems, fixtures and equipment,
28 and any air conditioning system serving the Premises all of which are located within and
29 exclusively serve the Premises in good order, condition, and repair, including replacements, and
30 repair of leaks around ducts, pipes, vents, or other parts of the air conditioning, heating, or
31 plumbing systems which protrude through the roof or floor all of which are located within and
32 exclusively serve the Premises, excepting any damage or destruction caused by any casualty not
33 required to be repaired under Article 16. Tenant shall also be responsible for the repair of any and
34 all damage caused to the Building or any other portion of the Shopping Center by any act,
35 neglect, or omission of Tenant or its employees, agents, licensees, contractors, or subtenants; the
36 repair of any such damage shall be made by Landlord at Tenant's cost and expense, and Tenant
37 shall reimburse to Landlord all such costs and expenses, together with a management and
38 administration fee of fifteen percent (15%) of the amount thereof, within ten (10) days after
39 submission by Landlord to Tenant of a statement of the amount thereof. Tenant shall maintain in
40 force at Tenant's expense a service and preventative maintenance contract with an authorized air-
41 conditioning service company covering all heating and air conditioning equipment serving the
42 Premises, and shall provide Landlord with a copy thereof prior to commencement of the Term,
43 unless Landlord elects to obtain such a contract for the entire Building, or for any larger portion
44 of the Shopping Center, in which event Tenant shall not be required to maintain such contract but
45 shall be required to reimburse Landlord for Tenant's pro rata share of the cost of such contract.
46 Tenant's pro rata share shall be determined by multiplying the total cost thereof by a fraction, the
47 numerator of which is the Gross Leasable Area of the Premises and the denominator of which is
48 the Gross Leasable Area of the Building, or any such larger portion of the Shopping Center to
49 which the contract applies. Such contract shall be at a locally competitive rate.

50 9.3. Alterations by Tenant. Tenant shall make no alterations, improvements, or
51 additions in, upon, to, or about the Premises without Landlord's prior written consent made in
52 Landlord's sole discretion; provided, however, that Landlord will not unreasonably withhold or
53 delay its consent to Tenant's request to make alterations, improvements or additions in, upon, to,
54 or about the interior of the Premises; and provided further that Tenant shall not be required to
55 obtain Landlord's consent to alterations to the interior of the Premises that cost less than Twenty-
56 five Thousand Dollars (\$25,000). In no event, however, shall Tenant make any alterations,

1 improvements, additions, changes, or decorations to the exterior of the Premises, to any
2 storefront, the exterior walls, mechanical or utility systems, or roof of the Building, including any
3 penetration through the roof above or below the Premises, without the prior written consent of
4 Landlord made in Landlord's sole discretion. Unless otherwise specified by Landlord pursuant to
5 Section 22.1, all alterations, additions, or improvements, to the Premises, including air
6 conditioning and heating equipment, mechanical systems, floor coverings, and fixtures, other than
7 Tenant's trade fixtures, which may be made or installed by either of the parties in, upon, or about
8 the Premises shall be the property of Landlord, and at the termination of this Lease shall remain
9 upon and be surrendered with the Premises; provided, however, upon the expiration or sooner
10 termination of this Lease, if Landlord so requires in its sole discretion, Tenant shall remove any
11 alterations made without Landlord's consent as allowed by the first sentence of this paragraph and
12 shall restore the Premises to good condition as though such alterations had not occurred. In
13 addition, all signage, decorative and tract lighting and millwork installed in the Premises by
14 Tenant shall be and remain the property of Tenant, and Tenant may remove same at the expiration
15 or sooner termination of this Lease. In addition, Tenant shall have the right, without Landlord's
16 consent, to install additional or replacement security gates on the interior of door(s) to the
17 Premises. In addition, notwithstanding anything to the contrary in this Lease, if Landlord so
18 elects in its sole discretion, Landlord shall offer to the tenants in the Shopping Center the right for
19 each to display such tenant's tradename on the pylon sign now or hereafter existing in the
20 Shopping Center, in descending order corresponding to the Gross Leasable Area in each of such
21 tenants' premises in the Shopping Center, until the space available for signage on the pylon has
22 been taken.

23 9.4. Construction Requirements. Any and all alterations, additions, or improvements
24 made by Tenant under this Article 9 shall be designed by a competent licensed architect or
25 structural engineer and shall be made under the supervision of such architect or engineer by
26 financially sound, bondable contractors of good reputation in accordance with plans and
27 specifications approved in writing by Landlord hereunder before commencement of any work.
28 Landlord may require in connection with its consent to any alterations, additions, or
29 improvements hereunder, that any contractor, or major subcontractors, provide payment and
30 completion bonds in such amounts and with sureties reasonably acceptable to Landlord; provided,
31 however, that payment and completion bonds will not be required for work performed by Tenant
32 or its contractors in the Premises (as allowed by Section 9.3 above) for contracts equal to or less
33 than \$25,000. All alterations, additions, and improvements made by Tenant hereunder shall be
34 performed in a good and workmanlike manner, diligently prosecuted to completion, and using
35 new materials. Tenant shall notify Landlord at least twenty (20) days prior to commencement of
36 any work, alteration, addition, or improvement hereunder so that Landlord may post, file, and/or
37 record any notice of non-responsibility or other notice required under applicable mechanic's lien
38 laws. Upon completion of any work hereunder, Tenant shall record in the Office of the Recorder
39 of Deeds for the District of Columbia a notice of completion or any other notice required or
40 permitted by applicable mechanic's lien law to commence the running of, or terminate, any period
41 for the filing of liens or claims, and shall deliver to Landlord any certificate of occupancy or other
42 equivalent evidence of completion of such work in accordance with the requirements of applicable
43 law. Tenant shall perform or cause performance of all work hereunder in accordance with such
44 rules and regulations as Landlord may from time to time prescribe with respect thereto, and in
45 such manner so as not to obstruct or interfere with access to the Premises of any other tenant or
46 owner of the Shopping Center, the business of any such tenant or owner conducted therein, or
47 any portion of the Common Area. Prior to commencing any work hereunder, Tenant shall supply
48 to Landlord evidence that its contractor or contractors have procured such insurance as Landlord
49 may prescribe in connection with such work.

50 9.5. Liens. Tenant shall pay, or cause to be paid, all sums, costs, and expenses due for,
51 or purporting to be due for, any work, labor, services, materials, supplies, or equipment furnished,
52 or claimed to be furnished, to or for Tenant in, upon, or about the Premises, and shall keep the
53 Premises and the Shopping Center free of all mechanic's, materialmen's, or other liens arising
54 therefrom. Tenant may contest any such lien, if Tenant first procures and posts, records, and/or
55 files a bond or bonds issued by a financially sound, qualified corporate surety, in conformance
56 with the requirements of applicable law for the release of such lien from the Premises and/or
57 Shopping Center. Tenant shall pay and fully discharge or bond over any contested claim of lien
58 within thirty (30) days after entry of final judgment adverse to Tenant in any action to enforce or

1 foreclose the same; notwithstanding any such contest, Landlord shall have the absolute right at
2 any time to pay any lien imposed hereunder if in Landlord's reasonable good faith judgment such
3 payment is necessary to avoid the forfeiture, involuntary sale, or loss of any interest of Landlord
4 or any other tenant or owner in the Shopping Center, or any portion thereof. Tenant shall
5 indemnify, defend, protect, and hold Landlord harmless of and from any and all loss, cost, liability,
6 damage, injury, or expense (including attorneys' fees) arising out of or in connection with claims
7 or liens for work, labor, services, materials, supplies, or equipment furnished or claimed to be
8 furnished to or for Tenant in, upon, or about the Premises or the Shopping Center.

9 **10. UTILITIES.**

10 **10.1. Tenant To Pay for Utilities and Utility Connections.** Tenant shall pay for the cost
11 of connecting all utilities to the Premises, including water, sewage, gas, electricity and telephones.
12 Tenant shall promptly pay, as the same become due and payable, all bills, charges, fees,
13 assessments, and exactions for all water, gas, electricity, heat, refuse pickup, sewer service,
14 telephone, and any other utilities, materials, and services furnished to or used by Tenant in, on, or
15 about the Premises. If any utility, material, or service is included as part of the maintenance of the
16 Common Area under Article 12, then the cost thereof shall be included in Common Area
17 Maintenance Costs and Tenant shall pay its share thereof in accordance with Section 12.3.

18 **10.2. Landlord to Provide Mains and Conduits; No Liability for Interruption of Service.**
19 Landlord shall provide and maintain the necessary mains, conduits, and cables to bring water,
20 telephone, electricity and/or gas, and remove sewage from, the interior face of an exterior wall of
21 the Building containing the Premises. In no event shall Landlord be liable for any interruption or
22 failure of any utility services for any cause, whether or not within Landlord's control unless due to
23 Landlord's sole, active negligence or intentional misconduct or neglect.

24 **11. ADVERTISING, SIGNS AND DISPLAYS.**

25 **11.1. Signs and Other Advertising Media.** Tenant shall not erect or install in, upon, or
26 about the Premises any exterior or interior signs or advertising media, or window or door lettering
27 or placards, without Landlord's prior written consent which shall not be unreasonably withheld or
28 delayed. Landlord hereby approves Tenant's signage as shown in attached Exhibit C-1. All of
29 Tenant's signs and media shall conform to Landlord's uniformly enforced sign criteria set forth in
30 Exhibit D or otherwise prescribed from time to time by Landlord and shall otherwise comply with
31 all applicable laws, ordinances, rules, and regulations. Tenant shall properly and promptly
32 maintain and repair its signs, and keep them in a neat and clean condition. Upon expiration of this
33 Lease, Tenant shall promptly remove all signs installed hereunder, unless otherwise specified by
34 Landlord pursuant to Section 22.1, and shall "cap off" the electrical wiring thereto. Tenant shall
35 not use any advertising media or other media that is objectionable to Landlord, or which can be
36 heard outside the Premises, such as loudspeakers, phonographs, or radio broadcasts.

37 **11.2. Exterior Displays; Illumination of Window Displays.** Tenant shall not keep or
38 display any merchandise on, or otherwise obstruct in any manner, the sidewalks or areaways
39 adjacent to the Premises without Landlord's consent made in Landlord's sole discretion. Tenant
40 shall maintain its display windows and show cases of the Premises in a neat and clean condition,
41 and shall also keep them well lighted from dusk until such time as Landlord may determine from
42 time to time during each and every day of the Term. No exposed fluorescent tubes or
43 incandescent bulbs, except in factory built track lighting fixtures approved by Landlord, shall be
44 used for the illumination of display windows. Tenant shall be obligated to keep its show windows
45 lit only during its required hours of operation.

46 **11.3. Sign Removal.** If during any remodeling, repair or expansion of the Shopping
47 Center (for purposes of this Section 11.3, the "Work"), it is necessary for Landlord to remove
48 Tenant's storefront sign (the "Permanent Sign"), or to install scaffolding or other aids for
49 performing the Work that obscures the Permanent Sign in whole or in part, then Landlord may do
50 so, provided Landlord complies with the requirements set forth below:

51 **11.3.1. Permanent Sign.** Removal of the Permanent Sign shall be subject to the
52 following conditions:

1 (i) Landlord shall, at its sole cost and expense, remove the Permanent Sign
2 in a careful manner so as not to damage it, and store it in an appropriate facility;

3 (ii) As soon as the Work has progressed to the point that the Permanent
4 Sign can be reinstalled, Landlord, at Landlord's sole cost and expense, shall reinstall the
5 Permanent Sign at its former location; and

6 (iii) Landlord, at Landlord's sole cost and expense, shall promptly repair
7 any damage to the Permanent Sign which occurs during the removal, storage, or reinstallation
8 thereof.

9 11.3.2. Temporary Sign. If the Permanent Sign is removed or blocked by
10 scaffolding or other Work for a period in excess of two (2) days, then Landlord, at Landlord's
11 sole cost and expense, shall provide a temporary sign to advertise Tenant's business. Such
12 temporary sign shall be as similar as reasonably possible in both size and style to the Permanent
13 Sign, and shall be installed by Landlord in a location as near as reasonably possible to the location
14 from which the Permanent Sign was removed or blocked, consistent with the goal of achieving
15 maximum visibility for such temporary sign.

16 11.4. Tenant's Grand Opening.

17 Notwithstanding any rule or regulation governing the use of the Shopping Center to the contrary,
18 no more than one employee or other agent of Tenant may distribute promotional leaflets in the
19 Common Areas of the Shopping Center on the day of the opening of Tenant's store for business.

20 12. COMMON AREA.

21 12.1. Maintenance and Repair. Landlord shall, throughout the Term, maintain in good
22 order, condition and repair (ordinary wear and tear, damage due to casualty and condemnation or
23 taking excepted) all Common Area. Landlord may at any time delegate such maintenance, or any
24 portion thereof, to any other third party, affiliated or non-affiliated, upon such terms and
25 conditions as Landlord deems compensatory, necessary, or appropriate. The manner in which the
26 Common Area is maintained hereunder, and the expenditures therefor, shall be at Landlord's sole
27 discretion. Any use of the Common Area shall be subject to such reasonable and non-
28 discriminatory rules and regulations as Landlord may from time to time or at any time promulgate.

29 12.2. Payment by Tenant of Proportionate Share of Common Area Maintenance Costs.
30 Commencing with the Term Commencement Date and thereafter throughout the Term, Tenant
31 shall pay to Landlord in the manner hereinafter provided, Tenant's Proportionate Share of
32 Common Area Maintenance Costs, except that Taxes shall be paid by Tenant under Article 7.
33 The charges for any services provided by affiliates, related or designated parties of Landlord
34 which are included in Common Area Maintenance Costs shall be reasonable, customary and
35 competitive with charges for similar services of independent contractors in the area where the
36 Shopping Center is located. In the event Landlord shall contract for any services on behalf of
37 Tenant and/or other tenants in the Shopping Center, such contract(s) shall be at locally
38 competitive rates and proportionate to Tenant's actual use of such services. Furthermore,
39 Landlord covenants and agrees that there will be no additional overhead, administrative,
40 management or supervisory costs other than those contained in the fifteen percent (15%)
41 administrative charge for operating and maintaining the Common Area pursuant to this Lease.
42 There shall be no duplication of costs, charges or expenses charged to Tenant under this Lease,
43 including, without limitation, charges for utilities, advertising, HVAC, insurance, Taxes, Common
44 Area Maintenance Costs or depreciation.

45 12.2.1. Method of Payment. On the first day of each Month during each Lease
46 Year, Tenant shall pay in advance one-twelfth (1/12th) of the amount which Landlord estimates as
47 Tenant's Proportionate Share of Common Area Maintenance Costs for such Lease Year. In the
48 event the Term commences on a day other than the first day of a Month, Tenant shall pay to
49 Landlord on the first day of the Term, as Tenant's estimated Proportionate Share of Common
50 Area Maintenance Costs for such first partial calendar month of the Term, a pro rata portion of
51 Tenant's estimated Proportionate Share of Common Area Maintenance Costs based on a thirty
52 (30) day month. Within forty-five (45) days after the end of each Lease Year, Landlord shall

1 furnish to Tenant a statement of the actual amount of Tenant's Proportionate Share of Common
2 Area Maintenance Costs. If the amount paid by Tenant during such Lease Year is less than
3 Tenant's Proportionate Share of Common Area Maintenance Costs as shown by Landlord's
4 statement, then Tenant shall pay the difference within twenty (20) days after the date of
5 Landlord's statement; if the amount paid by Tenant during such Lease Year is more than Tenant's
6 Proportionate Share of Common Area Maintenance Costs as shown by such statement, then
7 Tenant shall receive a credit on future payments of Common Area Maintenance Costs hereunder
8 for the amount of such excess or provide Tenant a prompt refund in the last year of the Term.

9 12.2.2. Adjustments During Lease Year. If at any time it appears to Landlord that
10 Common Area Maintenance Costs for any Lease Year may exceed Landlord's estimate thereof,
11 then Landlord shall have the right by notice to Tenant to revise the estimated monthly amount
12 payable by Tenant hereunder, and subsequent payments of Tenant's estimated Proportionate Share
13 of Common Area Maintenance Costs hereunder shall be increased based upon such revised
14 statement.

15 12.2.3. Prorations. For the Lease Years in which the Term commences and ends,
16 Common Area Maintenance Costs shall be prorated based on the number of days of the calendar
17 year the Term is in effect.

18 12.2.4. Limitation on Common Area Maintenance Costs. Notwithstanding any
19 other provision in this Lease to the contrary, annual increases in Tenant's Proportionate Share of
20 Common Area Maintenance Costs will be the lesser of the actual increase and five percent (5%)
21 of Tenant's Proportionate Share of Common Area Maintenance Costs charged for the preceding
22 Lease Year; provided, however, that in any event, Tenant shall pay Tenant's Proportionate Share
23 of all Common Area Maintenance Costs incurred in connection with snow and ice removal,
24 security, insurance and Taxes, which costs will not be subject to the foregoing five percent (5%)
25 annual cap on Common Area Maintenance Costs.

26 12.3. Grant of Non-Exclusive Rights in Common Area Rules and Regulations. Subject
27 to the terms and conditions of this Lease, and such rules and regulations as Landlord may from
28 time to time promulgate with respect thereto, until termination of this Lease, Landlord hereby
29 grants to Tenant, and its invitees and licensees, the non-exclusive right to use the Common Area
30 for ingress and egress to and from the Premises. Tenant and its invitees and licensees shall
31 observe all rules and regulations which Landlord may from time to time or at any time promulgate
32 with respect to the use, operation, and maintenance of the Common Area or any other portion of
33 the Shopping Center. Any such rules and regulations shall be binding upon Tenant and its
34 licensees and invitees upon Landlord's delivery of a copy thereof to Tenant. Tenant shall not use
35 the Common Area, or any other portion of the Shopping Center, for any purpose, or allow therein
36 any use, other than that specifically allowed hereunder or under any rules and regulations
37 promulgated by Landlord hereunder. Tenant's use of the Common Area is granted hereunder as a
38 revocable license and, if Landlord revokes such license or if the amount of Common Area or
39 Tenant's use thereof hereunder is diminished, altered, damaged, or modified, Landlord shall not be
40 subject to any liability or claims of any kind or character, nor shall Tenant be entitled to any
41 compensation, damages, or rental abatement on account thereof, nor shall any such diminution,
42 alteration, change, or modification be deemed a constructive or actual eviction of Tenant, and all
43 such rights and remedies are hereby waived by Tenant.

44 12.4. Receiving and Deliveries. All receiving of goods and materials at the Premises, all
45 delivery of goods and merchandise to the Premises, and all removal of garbage and refuse from
46 the Premises shall be made only by way of Tenant's rear service door, if any, or the service
47 delivery facilities designated by Landlord for Tenant's use. Landlord hereby grants to Tenant and
48 Tenant's employees, invitees and licensees, the non-exclusive right, during the Term, to use, in
49 common with others entitled to the use thereof, the service delivery facilities most immediately
50 adjacent to the Premises, subject to the terms and conditions of this Lease and any rules and
51 regulations as Landlord may from time to time or at any time promulgate hereunder.

52 12.5. Tenant Parking. Tenant and its officers, agents, contractors, and employees shall
53 park their motor vehicles only in that portion of the Parking Area which Landlord may from time
54 to time designate hereunder. Tenant shall not at any time park, or permit the parking of, motor

1 vehicles in truck passageways or adjacent to any loading area or service delivery facility so as to
2 interfere in any way with the use thereof by others, nor shall Tenant at any time park, or permit
3 the parking of, motor vehicles of its suppliers or vendors in the Parking Area. If required by
4 Landlord, Tenant shall cause its employees to display stickers on their vehicles indicating that they
5 are entitled to park in those portions of the Parking Area designated as employee parking by
6 Landlord.

7 12.6. Changes to Shopping Center. Landlord shall have the right, at any time or from
8 time to time, to designate or change, alter, modify, or improve any portion of the Shopping
9 Center as Common Area and/or Parking Area; may change the shape, size, location, number, and
10 extent of the improvements shown on Exhibit A; and may eliminate or add any property or
11 improvements to the Shopping Center, including one or more parking decks or parking structures.

12 12.7. Restrictions on Changes to Common Area: Protected Area. Landlord shall not
13 construct or place a kiosk or other improvement or obstruction, whether permanent or temporary,
14 in any portion of the area designated on attached Exhibit A as the "Protected Area." In addition,
15 Landlord will make no changes to the Shopping Center or the Premises that would change the
16 layout of the Premises or materially adversely affect access to the Premises, the visibility of the
17 Premises or the frequency of pedestrian traffic passing in front of the Premises. Landlord shall not
18 place trees and/or other shrubbery in front of Tenant's Premises that would materially impede
19 pedestrian traffic or materially adversely affect the access to or visibility of the Premises.

20 13. ASSIGNMENT AND SUBLETTING.

21 13.1. Lease as Personal to Tenant. Tenant acknowledges that Landlord has entered into
22 this Lease based on Tenant's qualifications to operate Tenant's business under its trade name as
23 specified in Section 5.1.1, above pursuant to the information given and representations made by
24 Tenant to Landlord with respect thereto. As such, this Lease is intended by the parties to create a
25 leasehold estate personal to Tenant to enable Tenant to so operate its business in the Premises
26 under such trade name. Tenant acknowledges that Landlord is the owner of the Shopping Center
27 and has bargained for and entered into this Lease in order to derive the economic and other
28 benefits of such ownership, and that Tenant has no intention of profiting from an increase in the
29 value of the leasehold estate created hereunder so as to deprive Landlord of the benefits of its
30 ownership of the Shopping Center. The parties have agreed to the provisions of this Article 13 in
31 order to effectuate the foregoing understandings.

32 13.2. Landlord Consent Required: Notice. Tenant shall not assign this Lease, or any
33 rights, duties, or obligations hereunder, and Tenant shall not sublet all or any portion of the
34 Premises, without Landlord's prior written consent to such assignment or sublease, which consent
35 shall not be unreasonably withheld or delayed, and then only upon and subject to the terms and
36 conditions hereinafter set forth. In considering any request for consent to a proposed assignment
37 or sublease, Landlord shall make its decision based on the standards and criteria set forth in
38 Section 13.5. Prior to effectuating any such assignment or sublease, Tenant shall notify Landlord
39 in writing of the name and address of the proposed assignee or sublessee, and deliver to Landlord
40 with such notice a true and complete copy of the proposed assignment agreement or sublease,
41 financial statements from such proposed assignee or sublessee, such other information or
42 documents as may be necessary or appropriate to enable Landlord to determine the qualifications
43 of the proposed assignee or sublessee and the compliance of such transaction with the
44 requirements of this Article 13, and a request that Landlord consent thereto. Within thirty (30)
45 days after the receipt of such written notice, Landlord shall either: (i) consent in writing to such
46 proposed assignment or sublease, subject to the terms and conditions hereinafter set forth; or
47 (ii) notify Tenant in writing that Landlord refuses such consent.

48 13.3. Permitted Assignment and Subletting. Notwithstanding anything to the contrary in
49 this Lease, Tenant may assign its interest in this Lease or sublet the entire Premises without
50 Landlord's prior consent if: (i) any assignee assumes in writing the performance and observance
51 of all the terms, covenants and conditions of the Lease; (ii) any assignee or sublessee agrees in
52 writing to continue to occupy the Premises in accordance with all provisions of the Lease
53 including without limitation provisions regarding the use and operation of the Premises; (iii) a
54 copy of the sublease or assignment and assumption agreement is promptly delivered to Landlord;

1 and (iv) the assignee or sublessee is a parent, affiliate or wholly-owned subsidiary of Tenant,
2 Tenant's parent company, or Tenant's guarantor, if any, or is a successor to Tenant by way of
3 merger, consolidation or corporate reorganization, private placement or by the purchase of all or
4 a portion of the assets or shares of stock of Tenant, or in connection with the sale by Tenant of at
5 least five (5) stores of a chain trading under the same tradename as Tenant. Furthermore, subject
6 to the provisions of Section 13.5 below, Landlord shall not unreasonably withhold or delay its
7 consent to any other assignment of this Lease or subletting of the Premises by Tenant if (a) any
8 assignee shall assume in writing the performance and observance of all of the terms, covenants
9 and conditions of this Lease, including the use permitted hereunder, (b) a copy of the sublease or
10 assignment and assumption agreement is delivered promptly to Landlord, and (c) any assignee or
11 sublessee shall have a reputation, experience and financial condition equal to or better than
12 Tenant's as of the date of this Lease (not including good will), as reasonably determined by
13 Landlord. It shall not be deemed an assignment of this Lease and Landlord's consent shall not be
14 required (regardless of any resulting change of control of Tenant) in the event that Tenant or its
15 parent company, subsidiary or affiliate becomes a publicly traded company whose outstanding
16 voting stock is listed on a "national securities exchange," as defined in the National Securities
17 Exchange Act of 1934 or in the event of a private placement or sale of stock of Tenant or
18 Guarantor (if any) or in the event of any sale, issuance or transfer of capital stock in Tenant, or
19 any related entity of Tenant, to any family members of Joseph Sitt or to any trust(s) established
20 for the benefit of Joseph Sitt or members of his family; provided in any event that the management
21 of Tenant's operations does not change as a result of the foregoing transfers.

22 13.4. Payment of Consideration to Landlord. If Landlord consents to any assignment or
23 sublease hereunder, then Tenant shall pay to Landlord immediately upon Tenant's receipt thereof,
24 any and all additional rent (including allowances, free rent periods, improvements, personal
25 property and the like constituting consideration for such assignment or sublease), howsoever the
26 same may be denominated, to the extent that such consideration exceeds the unamortized cost of
27 any leasehold improvements to the Premises made and paid for by Tenant, and in the case of
28 subleases, to the extent that such consideration exceeds the pro rata portion of the Fixed
29 Minimum Rent and other charges payable by Tenant hereunder attributable to the sublet portion
30 of the Premises, based on the Gross Leasable Area of the Premises and the Gross Leasable Area
31 of the Premises sublet. As used herein "consideration" includes any payments received by Tenant
32 on account of such assignment or subletting, rent, and other payments received by Tenant on
33 account thereof, payments made in consideration of the operation of Tenant's business in the
34 Premises, good will, non-competition covenants, or any other amounts payable either directly or
35 indirectly in connection with such transaction.

36 13.5. Parameters of Landlord's Consent. Landlord shall have the right to base its
37 consent to any assignment or sublease hereunder upon such factors and considerations
38 as Landlord, in its good faith business judgment, deems relevant or material to the proposed
39 assignment or sublease transaction and the best interest of the Shopping Center operations.
40 Without limiting the generality of the foregoing, Tenant acknowledges that it shall be reasonable
41 for Landlord to withhold its consent to any assignment or sublease transaction hereunder if
42 Tenant has not demonstrated to Landlord's complete satisfaction, within the exercise by Landlord
43 of its good faith business judgment, that: (i) the proposed assignee or sublessee is financially
44 responsible, with sufficient net worth and net current assets, properly and successfully to operate
45 its business in the Premises and meet the financial and other obligations of this Lease; (ii) the
46 proposed assignee or sublessee possesses sound and good business judgment, reputation, and
47 experience, and proven management skills in the operation of a business or businesses
48 substantially similar to the uses permitted in the Premises under Section 5.1.1; (iii) the use of the
49 Premises proposed by such assignee or sublessee conforms to the permitted uses specified under
50 Section 5.1.1 above and does not include any of the prohibited uses specified under Section 5.1.2
51 or Section 5.7 above and otherwise conforms with Landlord's tenant-mix requirements then
52 pertaining in the Shopping Center; (iv) the Percentage Rent theretofore paid by Tenant under this
53 Lease will not be reduced or adversely affected as a result of the assignment or sublease
54 transaction; and (v) the assignment or sublease would not breach any covenant of Landlord
55 respecting radius, location, use, or exclusivity in any other lease, financing agreement, or other
56 agreement relating to the Shopping Center or contained in this Lease.

1 13.6. Other Terms and Conditions. Each assignment or sublease hereunder shall be
2 effected by an instrument in writing in form and substance reasonably satisfactory to Landlord,
3 and shall be executed by both Tenant and the assignee or sublessee, as the case may be. One (1)
4 executed copy of such written instrument shall be delivered to Landlord concurrently with the
5 consummation of such assignment or sublease transaction. Each assignee or sublessee in any
6 assignment or sublease transaction hereunder shall agree in such written instrument to assume and
7 be bound by all of the terms, covenants, conditions, and obligations of this Lease. Every sublease
8 shall be subject and subordinate to the provisions of this Lease. In the event of an assignment or
9 sublease, Tenant shall remain liable for all its obligations and liabilities under this Lease, including
10 the payment of Fixed Minimum Rent, Percentage Rent, Common Area Maintenance Costs, and
11 Taxes. No consent by Landlord to any modification, amendment, or termination of this Lease, or
12 extension, waiver, or modification of payment or any other obligations under this Lease, or any
13 other action of Landlord with respect to any assignee or sublessee, or the insolvency, bankruptcy,
14 or default of any such assignee or sublessee, shall affect the continuing liability of Tenant for its
15 obligations and liabilities hereunder, and Tenant waives any defense arising out of or based
16 thereon. Tenant shall reimburse Landlord for all costs and expenses incurred in connection with
17 any proposed assignment or sublease transaction hereunder, including attorneys' fees and lease
18 administration fees incurred by Landlord in connection with the processing and documentation of
19 any requested assignment or subletting, regardless of whether such transaction is actually
20 consummated. Landlord may also require, as a condition of any assignment or subletting, that
21 Tenant not then have committed an Event of Default beyond applicable grace and cure periods.

22 13.7. Landlord Rights and Remedies. Except as provided for herein, any assignment or
23 sublease made without Landlord's prior written consent hereunder shall, at Landlord's sole
24 election, be void and shall constitute an Event of Default by Tenant under this Lease. No consent
25 to any assignment or sublease shall constitute a waiver of the provisions of this Article 13 with
26 respect to any subsequent assignment or sublease, and except as provided for herein each
27 assignment or sublease by Tenant hereunder shall require Landlord's prior written consent
28 pursuant to this Article 13. If Tenant purports to assign this Lease, or sublease all or any portion
29 of the Premises, or permit any person or persons other than Tenant to occupy the Premises,
30 without Landlord's prior written consent given hereunder except as provided for herein, Landlord
31 may collect rent from the person or persons then or thereafter occupying the Premises and apply
32 the net amount collected to the Rent hereunder, but no such collection shall be deemed a waiver
33 of this Article 13, or the acceptance of any such purported assignee, sublessee, or occupant, or a
34 release of Tenant from the further performance by Tenant of covenants on the part of Tenant
35 herein contained.

36 13.8. Scope of Assignment or Subletting. Subject to the provisions of Section 13.3
37 above, as used herein, an assignment or subletting includes the following: (i) if Tenant is a
38 partnership, a transfer, voluntary or involuntary, of all or any part of any interest in such
39 partnership, or the dissolution of the partnership, whether voluntary or involuntary; (ii) if Tenant
40 is a corporation, any dissolution, merger, consolidation, or other reorganization of Tenant, or the
41 transfer, either by a single transaction or in a series of transactions, of a controlling percentage of
42 the stock of Tenant, or the sale, by a single transaction or series of transactions, within any one
43 (1) year period, of corporate assets equaling or exceeding twenty percent (20%) of the total value
44 of Tenant's assets, unless any such corporate change results from the trading of shares listed on a
45 recognized public stock exchange and such trading is not for the purposes of acquiring effective
46 control of Tenant; (iii) if Tenant is a trust, the transfer, voluntarily or involuntarily, of all or any
47 part of the controlling interest in such trust; and (iv) if Tenant is any other form of entity, a
48 transfer, voluntary or involuntary, of all or any part of any interest in such entity. As used herein,
49 the phrase "controlling percentage" or "controlling interest" means the ownership of, and/or the
50 right to vote, stock possessing at least fifty-one percent (51%) of the total combined interests in
51 Tenant, or voting power of all classes of Tenant's capital stock issued, outstanding, and entitled to
52 vote for the election of directors.

53 13.9. Encumbrances. Tenant shall not encumber, hypothecate, or transfer as security
54 (whether by conditional assignment or sublease, or otherwise) this Lease, or any Tenant's rights,
55 duties or obligations hereunder.

1 14. ACCESS.

2 14.1. Access to Premises. Landlord and its designees shall have the right to enter upon
3 the Premises at all reasonable hours upon at least forty-eight (48) hours' notice, which may be
4 given by telephone or in person to a store manager of Tenant at the Premises (and in emergencies
5 at all times without notice) without diminution, or abatement of Rent or liability to Tenant: (i) to
6 inspect the same or show the same to prospective lenders or buyers; (ii) to make repairs,
7 improvements, additions, or alterations to the Premises, the Building, or any property owned or
8 controlled by Landlord (and for such purposes erect scaffolding and other necessary structures
9 where required by the character of the work to be performed); (iii) to serve or post any notice
10 required or permitted under the provisions of this Lease or by law; and (iv) for any other lawful
11 purposes.

12 14.2. Excavations. If an excavation is made upon the land adjacent to the Premises or
13 the Building, Tenant shall permit entry to the Premises by all persons performing such work as
14 Landlord may deem necessary or appropriate to shore or underpin to preserve the Premises or the
15 Building from injury or damage, or otherwise. Tenant shall have no claim against Landlord nor
16 shall Landlord be liable for damages, indemnification, or diminution or abatement of Rent payable
17 hereunder, and Tenant waives any such right or remedy.

18 14.3. Access for Prospective Tenants. For the period commencing ninety (90) days
19 prior to the end of the Term, Landlord shall have access to the Premises to exhibit the same to
20 prospective tenants and to post any usual "For Lease" signs upon the Premises.

21 15. EMINENT DOMAIN.

22 15.1. Entire or Substantial Taking. If the Premises or the Shopping Center, or any
23 portion of or interest in either, is taken for any public or quasi-public use under any statute or by
24 right of eminent domain, or by purchase in lieu thereof, so that in Landlord's judgment a
25 reasonable amount of reconstruction of the Premises and/or Shopping Center will not result in the
26 Premises being reasonably suited for Tenant's continued occupancy for the uses and purposes for
27 which the Premises are leased, then this Lease shall terminate as of the date that possession of the
28 Premises or Shopping Center, or part thereof, or interest therein is taken.

29 15.2. Partial Taking. If any part of or interest in the Premises or the Shopping Center is
30 so taken and the remaining part thereof or interest therein is, in Landlord's judgment, after
31 reconstruction of the remaining Premises or Shopping Center, reasonably suitable for Tenant's
32 continued occupancy for the purposes and uses for which the Premises are leased, then this Lease
33 shall, as to the part of the Premises so taken, terminate as of the date possession of such part is
34 taken, and the Fixed Minimum Rent then in effect and Tenant's Proportionate Share shall be
35 reduced in the proportion that the Gross Leasable Area of the part taken (less any additions
36 thereto by reason of any reconstruction) bears to the original Gross Leasable Area of the
37 Premises. Landlord shall, at its own cost and expense, make necessary repairs or alterations to
38 the remaining Premises and/or Shopping Center, so as to constitute the remaining Premises (or
39 the Building) a complete architectural unit, provided that (i) the cost of such work does not
40 exceed the amount of the award available to Landlord as a result of the taking, and (ii) the scope
41 of such work shall not exceed that done by Landlord in originally constructing the Building and/or
42 the Premises. A just part of the Fixed Minimum Rent shall be abated during such restoration to
43 the extent that such restoration substantially interferes with the conduct of Tenant's business in the
44 Premises.

45 15.3. Disposition of Award. All compensation or damages awarded or paid for any
46 taking hereunder shall belong to and be the property of Landlord, whether such compensation or
47 damages are awarded or paid as compensation for diminution in value of the leasehold, the fee, or
48 otherwise, except that Landlord shall not be entitled to any award made to Tenant for loss of
49 business or the unamortized cost of Tenant's stock, trade fixtures, or leasehold improvements paid
50 by Tenant. Tenant waives all right to any portion of the award belonging to Landlord hereunder,
51 and grants to Landlord all of Tenant's rights therein.

52 15.4. Further Assurance. Each party shall execute and deliver to the other all documents
53 or instruments that may be necessary or appropriate to effectuate the provisions hereof.

16. DAMAGE OR DESTRUCTION.

16.1. Landlord to Rebuild. If the Premises are damaged or destroyed by fire or other casualty insured under Landlord's casualty insurance carried under Section 6.2., then Landlord shall repair the damaged or destroyed portions of the Premises, using reasonable diligence, unless Landlord elects not to repair as hereinafter provided. If such damage or destruction substantially interferes with the conduct of Tenant's business in the Premises, then a just part of the Fixed Minimum Rent shall be abated, to the extent of such interference reasonably attributable to such damage or destruction, until substantial completion of such repairs.

16.2. Landlord's Options to Terminate. If (i) fifty percent (50%) or more of the Gross Leasable Area of the Building or the Shopping Center is damaged or destroyed by fire or other casualty insured under Landlord's casualty insurance carried under Section 6.2. (notwithstanding that the Premises may sustain no material damage), or (ii) the Building is damaged or destroyed by casualty so insured and the cost of repair or replacement equals or exceeds thirty-three and one-third percent (33-1/3%) of the actual replacement cost thereof, or (iii) the Premises, the Building, and/or the Shopping Center, or any portion thereof, are damaged or destroyed in whole or in part from any cause or casualty, and Landlord does not actually receive insurance proceeds sufficient to fund the cost of repair and restoration, then, in any such event, Landlord may elect, in its sole discretion, to (a) repair or rebuild the damaged or destroyed portion of the Premises, Building, or Shopping Center or (b) terminate this Lease by giving written notice of such termination to Tenant. Landlord shall make its election within thirty (30) days after any such damage or destruction; provided that, if the Premises has sustained no material damage, Landlord will not terminate this Lease unless Landlord elects (in its sole discretion) to terminate at least fifty percent (50%) of the leases affecting other undamaged premises, if any, in the Shopping Center. If Landlord elects to repair or rebuild, then it shall proceed with reasonable diligence to make such repairs or rebuilding. Unless Landlord elects to terminate this Lease hereunder, any damage or destruction to the Premises, the Building, and/or the Shopping Center shall have no effect on this Lease and this Lease shall remain in full force and effect, the parties waiving the provisions of any statute or law to the contrary.

16.3. Extent of Landlord's Repair and Rebuilding Obligations. If Landlord elects to repair and rebuild hereunder, then its obligation for such repair and rebuilding shall be limited to a scope of work not exceeding the original scope of work for the portions of the Shopping Center repaired and reconstructed hereunder and for Landlord's Work as constructed in the Premises as of the date of delivery thereof to Tenant at the inception of the Term, to the end that Landlord shall restore those portions of the Premises constructed by Landlord as part of Landlord's Work to their condition immediately prior to such damage or destruction. Landlord shall have sole control over all design and construction decisions with respect to such repair and rebuilding. All costs and expenses for such repair and rebuilding shall be borne by Landlord. If Landlord elects to repair and rebuild hereunder, then Tenant shall forthwith replace or repair those portions of the Premises constructed by Tenant as part of Tenant's Work to their condition immediately prior to such damage or destruction, as well Tenant's signs, trade fixtures, equipment, display cases, and all other installations made or installed by Tenant under this Lease, regardless of whether paid for by Landlord or Tenant. Tenant shall prosecute its work of repair and reconstruction hereunder with all due diligence and shall re-open for business in the Premises at the earliest possible time after the event of damage or destruction, so that Landlord will be deprived of the benefits of Tenant's business operations in the Premises for as short a time as possible.

16.4. Tenant's Right To Terminate. If (a) fifty percent (50%) or more of the Gross Leasable Area of the Premises are damaged by casualty, during the last twenty four (24) months of the Term, (b) less than fifty percent (50%) of the Gross Leasable Area of the Premises are damaged by casualty during the last twelve (12) months of the Term, (c) at any time during the Term the Premises are destroyed by casualty, in whole or in part, and Landlord does not begin repair thereof within six (6) months of the date of the casualty, or (d) Landlord has not completed the repair of any casualty within one (1) year of the date of the casualty, then Tenant shall have the right to terminate this Lease on sixty (60) days notice to Landlord.

16.5. Tenant Waivers. Tenant hereby waives any right at law or in equity which it might have to terminate this Lease on account of any damage or destruction to the Premises, the

1 Building, and/or the Shopping Center. In the event of any such damage or destruction, the rights,
2 duties, and obligations of the parties shall be governed solely by the applicable provisions of this
3 Lease with respect thereto.

4 **17. WAIVER OF CLAIMS; INDEMNITY.**

5 17.1. Waiver of Claims. Except for the negligent acts or omissions of Landlord, and its
6 agents, employees or contractors, but subject in any event to the provisions of Section 6.5 hereof,
7 Landlord shall not be liable to Tenant, or to any other person or entity, from or for any event,
8 occurrence, act, neglect, omission, loss, damage, injury, or death, howsoever caused or whenever
9 occurring, including damages occasioned by falling plaster; electricity; plumbing; gas; water;
10 steam; sprinkler or other pipe and sewage system; or by the bursting, running, or leaking of any
11 tank, washstand, closet, or waste or other pipes in or about the Premises, the Building, or the
12 Shopping Center; damages occasioned by water being upon or coming through the roof, skylight,
13 vent, trapdoor, or otherwise of any portion of the Building; damages arising from any act or
14 neglect of tenants, owners, or other occupants of the Shopping Center, or of adjacent property, or
15 of their employees, agents, contractors, licensees, or invitees, or the public; or damages for any
16 failure to furnish, or interruption of, service of any security personnel or system, water, gas,
17 electricity, and/or telephone; or caused by fire, accident, riot, strike, labor disputes, acts of God,
18 or the making of or failure to make any repairs or improvements.

19 17.2. Indemnity. Subject to Section 6.5 hereof, Tenant shall indemnify, defend, protect,
20 and hold Landlord harmless from and against any and all claims, proceedings, damages, causes of
21 action, liability, costs, or expense (including attorneys' fees) arising from or in connection with or
22 caused by: (i) any act, omission, or negligence of Tenant or any subtenant of Tenant, or their
23 respective contractors, licensees, agents, servants, or employees, wheresoever the same may
24 occur; or (ii) any accident, injury, death, or damage to any person or property occurring in, on, or
25 about the Premises, or any part thereof, the sidewalks adjoining the same and any service delivery
26 facilities used by Tenant, except to the extent caused by the negligent or willful acts of Landlord,
27 its agents contractors or employees. Subject to Section 6.5 hereof, Landlord shall indemnify, hold
28 harmless and defend Tenant from and against any and all claims, proceedings, damages, causes of
29 action, liability, costs, or expense including reasonable attorneys' fees incurred by Tenant resulting
30 from the negligent or willful acts or omissions of Landlord, its agents, contractors or employees.

31 **18. NOTICES.**

32 18.1. Procedure. All notices, consents, waivers, or other communications which this
33 Lease requires or permits either party to give to the other shall be in writing and shall be given by
34 personal delivery (including delivery by any messenger or carrier service which requires a signed
35 receipt), by overnight courier service or by registered or certified mail, or Express Mail, return
36 receipt requested, postage prepaid, addressed if to Landlord at Landlord's address shown below,
37 and addressed if to Tenant at Tenant's address shown below. Either party may change its mailing
38 address at any time by giving written notice of such change to the other party in the manner
39 provided herein, provided that the notified party shall have at least ten (10) days after receipt of
40 such notice to reflect such change of address in its records. Rent and other charges required by
41 this Lease to be paid by Tenant to Landlord shall be delivered to Landlord at Landlord's address
42 set forth below, or to such other address as Landlord may from time to time specify by written
43 notice to Tenant. All notices under this Lease shall be deemed given, received, made, or
44 communicated on the date personal delivery is effected or refused or, if mailed, on the delivery
45 date or attempted delivery date shown on the return receipt. Notices sent by facsimile, telecopier,
46 or equivalent means shall not be deemed given, made, received, or communicated until mailing or
47 personal delivery is complete as provided in this section.

48 Notice Address of Landlord: Safeway Inc.
49 c/o Property Development Associates
50 Attn: General Counsel #94-5500-07
51 15350 S.W. Sequoia Pkwy., #300
52 Portland, OR 97224

54 Notice Address of Tenant: Ashley Stewart, Inc.

100 Metro Way
Secaucus, NJ 07094
Attn: Jeffrey Klein, Esq.

18.2. Multiple Tenants Receipt. If there is more than one (1) person or entity comprising Tenant, then all notices, consents, waivers, or other communications under this Lease may be given by or to any one of such persons or entities, and when so served, shall have the same force and effect as if given or served upon each such person or entity, and each such person or entity hereby designates each other such person or entity as its agent for service of such notices in accordance herewith.

19. **DEFAULT; REMEDIES.**

19.1. Notice to Tenant. Upon the occurrence of any Event of Default, Landlord shall give Tenant written notice thereof, specifying the Event of Default and the provisions of this Lease breached by Tenant, and Tenant shall have the right to cure such Event of Default within the time periods, if any, hereinafter specified.

19.1.1. Vacation or Abandonment. For vacation or abandonment of the Premises, within ten (10) days after Landlord's notice.

19.1.2. Nonpayment of Money. For failure to pay Fixed Minimum Rent, Percentage Rent, Common Area Maintenance Costs, Taxes, or any other charge or sum, within ten (10) days after Landlord's notice, unless Tenant has failed more than two (2) times during a given Lease Year timely to pay any Rent so that Landlord has been required to give notice hereunder, in which event, on the third (3rd) and any subsequent failure to timely pay Fixed Minimum Rent, Percentage Rent, Common Area Maintenance Costs, Taxes, or any other charge or sum during such Lease Year, Landlord, at its option, may elect to pursue its rights and remedies under this Lease without giving Tenant written notice or the opportunity to cure such failure to timely pay such amounts.

19.1.3. Failure to Perform Other Obligations. For failure to perform any obligation, agreement, or covenant under this Lease, other than nonpayment of monies and the replacement of glass, plate glass, and storefront parts, within thirty (30) days after Landlord's notice. Notwithstanding the foregoing thirty (30)-day period, if such obligation, agreement, or covenant is of such a nature that it cannot be cured within thirty (30) days after Landlord's notice, then Tenant shall not be in default provided that it has commenced to perform such obligation, agreement, or covenant within such thirty (30)-day period and is diligently pursuing performance thereof.

19.1.4. Failure to Replace Broken Plate Glass. For failure to replace broken glass, broken plate glass, or broken storefront parts, within twenty (20) days after Landlord's notice, unless Tenant has defaulted in the performance of such obligation more than two (2) times during the Term and notice of such Event of Default has been given by Landlord in each instance, in which event no notice or cure period shall thereafter be required or applicable hereunder.

19.1.5. No Notice. No notice or cure period shall be required or applicable hereunder for any Event of Default specified in Sections 1.6.3 or 1.6.4.

19.2. Remedy Upon Occurrence of Event of Default. On the occurrence of an Event of Default which Tenant fails to cure after notice and expiration of the cure period, if any, specified above, Landlord shall have the right either (i) to terminate this Lease, and at any time thereafter recover possession of the Premises, or any part thereof, and expel and remove therefrom Tenant and any other person occupying the same, by any lawful means, and again repossess and enjoy the Premises without prejudice to any of the remedies that Landlord may have under this Lease or at law or in equity by reason of the Event of Default or of such termination, or (ii) to continue this Lease in effect for so long as Landlord does not so terminate Tenant's right to possession, and enforce all Landlord's rights and remedies under this Lease, including the right to recover Fixed Minimum Rent as it becomes due, or relet the Premises at such rental and upon such terms and conditions as Landlord, in its sole discretion, may deem advisable. Acts of maintenance, preservation, or efforts to lease the Premises, the appointment of a receiver upon application of

1 Landlord to protect Landlord's interest under this Lease, or re-entry or taking of possession of the
2 Premises by Landlord hereunder, shall not constitute an election to terminate Tenant's right to
3 possession unless specific written notice of such termination is given to Tenant hereunder.
4 Landlord may store any property of Tenant located in the Premises in a public warehouse, storage
5 facility, or elsewhere at Tenant's expense or otherwise dispose of such property in the manner
6 provided by law. If Landlord does not terminate this Lease hereunder, then Tenant shall continue
7 to pay currently all amounts payable by Tenant under this Lease, together with the cost of
8 obtaining possession of and reletting the Premises, any repairs and alterations necessary to
9 prepare the Premises for reletting, and brokerage commissions and attorneys' fees incurred in
10 connection therewith, less the rents, if any, received from such reletting. Any and all monthly
11 deficiencies so payable by Tenant shall be paid on each due date for Fixed Minimum Rent herein
12 specified. Notwithstanding any reletting without termination, Landlord may at any time thereafter
13 elect to terminate this Lease pursuant to this Section 19.2.

14 19.3. Damages Upon Termination. If Landlord terminates this Lease pursuant to
15 Section 19.2, then Landlord may exercise all rights and remedies available to a landlord at law or
16 in equity, including the right to recover from Tenant: (i) the worth at the time of award of the
17 unpaid Rent and other amounts payable by Tenant hereunder which had been earned at the time of
18 termination; (ii) the worth at the time of award of the amount by which the unpaid Rent and such
19 other amounts which would have been earned after termination until the time of the award
20 exceeds the amount of loss of Rent and such other amounts that the Tenant proves could have
21 been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid
22 Rent and such other amounts for the balance of the term after the time of the award exceeds the
23 amount of loss of Rent and such other amounts that the Tenant proves could be reasonably
24 avoided; and (iv) any other amount necessary to compensate Landlord for all the detriment
25 proximately caused by Tenant's failure to perform its obligations under this Lease or which, in the
26 ordinary course of things, would be likely to result therefrom. The "worth at the time of award"
27 of the amounts referred to in clauses (i) and (ii) shall be computed with interest. The "worth at
28 the time of award" of the amount referred to in clause (iii) shall be computed by discounting such
29 amount at the discount rate of the Federal Reserve Bank of Baltimore, Maryland, plus one percent
30 (1%). As used herein, "time of award" shall mean either the date upon which Tenant pays to
31 Landlord the amount recoverable by Landlord as hereinabove set forth, or the date of entry of any
32 determination, order, or judgment, of any court or other legally constituted body determining the
33 amount recoverable, whichever first occurs. Notwithstanding the foregoing, Landlord shall only
34 be entitled to exercise the remedies set forth in Clause (iii) above, in the event that (A) Tenant has
35 been in default at least once previously during that Lease year and (B) such default is monetary in
36 nature.

37 19.4. Computation of Rent and Other Amounts for Purposes of Default. For purposes
38 of Section 19.3, unpaid Rent and other amounts which would have accrued and become payable
39 under this Lease shall consist of the sum of: (i) the total Fixed Minimum Rent for the balance of
40 the Term, plus (ii) a computation of Tenant's Proportionate Share of Taxes and Common Area
41 Maintenance Costs for the balance of the Term, the assumed Taxes and Common Area
42 Maintenance Costs for the Lease Year in which the Event of Default occurs and each future Lease
43 Year to be equal to the Taxes and Common Area Maintenance Costs for the Lease Year prior to
44 the Lease Year in which the Event of Default occurs, compounded at a per annum rate equal to
45 the mean average rate of inflation for the preceding five (5) Lease Years as determined by the
46 CPI, plus (iii) a computation of Percentage Rent for the balance of the Term equal to the average
47 Percentage Rent payable by Tenant for the three (3) Lease Years immediately prior to the
48 occurrence of the Event of Default (or if less than three (3) Lease Years have then elapsed, the
49 number actually then elapsed), compounded at a per annum rate equal to the mean average rate of
50 inflation for such preceding three (3) Lease Years based on the CPI.

51 19.5. Waiver of Statutory Notice Periods. The notice periods after Events of Default
52 specified in Section 19.1, shall be exclusive of any other notice period provided by law with
53 respect to any such Event of Default, and Tenant hereby waives any right under law to any other
54 notice period now or hereinafter enacted.

55 19.6. Landlord's Right to Perform on Tenant's Breach. In addition to any other right or
56 remedy of Landlord hereunder, upon the occurrence of an Event of Default and without waiving

1 or releasing Tenant from any obligation of Tenant hereunder, Landlord may (but shall not be
2 required to) cure such Event of Default for the account of Tenant. Landlord shall not be
3 responsible or liable to Tenant for any loss or damage that may be caused to Tenant's stock or
4 business by reason of effecting cure hereunder. All sums paid by Landlord and all costs and
5 expenses incurred by Landlord in connection with such cure (including attorneys' fees), together
6 with Interest thereon from the respective dates of Landlord's incurrence of each item of cost or
7 expense, shall be payable by Tenant on demand.

8 19.7. Receiver. If a receiver is appointed in any action by Landlord against Tenant on
9 account of any Event of Default, such receiver may take possession of any personal property
10 belonging to Tenant and used in the business conducted on the Premises, and the entry or
11 possession by such a receiver shall not constitute an eviction of Tenant from the Premises or any
12 portion thereof. Tenant shall indemnify, defend, protect, and hold Landlord harmless from any
13 damages, causes of action, liability, cost, or expense (including attorneys' fees) arising out of or in
14 connection with the entry by such receiver and the taking of possession of the Premises and/or
15 such personal property. Neither the application for the appointment of such receiver, nor the
16 appointment itself, shall constitute an election on Landlord's part to terminate this Lease, unless
17 written notice of such election is given by Landlord to Tenant hereunder.

18 19.8. Landlord's Defaults.

19 19.8.1. Notice and Cure; Landlord's Liability. If Landlord fails to perform any of
20 its obligations under this Lease, then Tenant shall give Landlord written notice thereof, specifying
21 with particularity the breach claimed by Tenant. Landlord shall have the right to cure such breach
22 during the thirty (30)-day period following receipt of Tenant's notice hereunder, unless such
23 breach cannot reasonably be cured within such thirty (30)-day period, in which event Landlord
24 shall not be in default under this Lease if Landlord commences such cure within such thirty (30)-
25 day period and thereafter diligently prosecutes the same to completion. If the Premises, or any
26 portion thereof, are at any time subject to any mortgage or a deed of trust, and Landlord or the
27 mortgagee or beneficiary of such deed of trust shall have given Tenant a written request to do so,
28 Tenant shall serve on the mortgagee or beneficiary thereunder concurrent copies of any notice of
29 default served on Landlord hereunder. If Landlord fails to cure any noticed breach hereunder
30 within the time period provided in this Section 19.8.1, then any such noticed mortgagee or
31 beneficiary shall have an additional thirty (30) days within which to cure Landlord's breach, plus
32 such additional time as may be necessary to perfect such mortgagee's or beneficiary's rights and
33 remedies under its mortgage or deed of trust (including foreclosure proceedings or the
34 appointment of a receiver) and complete cure in fact. If and when such mortgagee or beneficiary
35 has rendered performance on behalf of Landlord, Landlord's breach shall be deemed cured.
36 Notwithstanding anything to the contrary under applicable law, Tenant shall have no right to
37 terminate this Lease during the notice and cure periods hereunder. If Landlord fails to cure its
38 breach hereunder (or such breach is not cured by a mortgagee or beneficiary as herein specified),
39 then Landlord shall be liable to Tenant only for Tenant's direct damages caused thereby and
40 Tenant waives any rights to recover consequential damages on account thereof.

41 19.8.2. Certain Limitations on Tenant's Remedies. Landlord shall never be
42 personally liable under this Lease; Tenant shall look solely to Landlord's interest in the Shopping
43 Center for any recovery of damages for any breach by Landlord of this Lease, or any recovery of
44 any judgment from Landlord. None of the members comprising Landlord (whether partners,
45 shareholders, officers, directors, trustees, employees, beneficiaries, or otherwise) shall ever be
46 personally liable for any such judgment. There shall be no levy of execution against any assets of
47 Landlord, other than the Shopping Center, or the assets of such members on account of any
48 liability of Landlord hereunder. Tenant hereby waives any right of recovery or satisfaction of any
49 judgment against Landlord or its members, except as to Landlord's interest in the Shopping
50 Center as herein specified.

51 19.9. Waiver; Remedies Cumulative. Failure of Landlord to declare an Event of Default
52 immediately upon the occurrence thereof, or delay in taking any action in connection therewith,
53 shall not waive such Event of Default, but Landlord shall have the right to declare any such Event
54 of Default at any time thereafter. No waiver by Landlord of an Event of Default, or any
55 agreement, term, covenant, or condition contained in this Lease, shall be effective or binding on

1 Landlord unless made in writing and no such waiver shall be implied from any omission by
2 Landlord to take action with respect to such Event of Default or other such matter. No express
3 written waiver by Landlord of any Event of Default, or other such matter, shall affect or cover
4 any other Event of Default, matter or period of time, other than the Event of Default, matter
5 and/or period of time specified in such express waiver. One or more written waivers by Landlord
6 of any Event of Default, or other matter, shall not be deemed to be a waiver of any subsequent
7 Event of Default, or other matter, in the performance of the same provision of this Lease.
8 Acceptance of Rent by Landlord hereunder shall not, in and of itself, constitute a waiver of any
9 Event of Default or of any agreement, term, covenant, or condition of this Lease, except as to the
10 payment of Rent so accepted, regardless of Landlord's knowledge of any concurrent Event of
11 Default or matter. All of the remedies permitted or available to Landlord under this Lease, or at
12 law or in equity, shall be cumulative and not alternative; invocation of any such right or remedy
13 shall not constitute a waiver or election of remedies with respect to any other permitted or
14 available right or remedy.

15 19.10. Interest. Any sum due and payable to Landlord under the terms of this Lease
16 which is not paid when due shall bear Interest from the date when the same becomes due and
17 payable by the provisions hereof until paid.

18 19.11. No Accord and Satisfaction. No payment by Tenant, or receipt by Landlord, of a
19 lesser amount than the Rent herein provided shall be deemed to be other than on account of the
20 earliest Rent due and payable hereunder, nor shall any endorsement or statement on any check, or
21 letter accompanying any check or payment, as Rent be deemed an accord and satisfaction.
22 Landlord may accept any such check or payment without prejudice to Landlord's right to recover
23 the balance of such Rent or pursue any other right or remedy provided in this Lease.

24 19.12. Waiver of Right of Redemption. Tenant hereby expressly waives any and all rights
25 of redemption granted by or under any present or future law in the event Tenant is evicted or
26 dispossessed from the Premises for any cause, or in the event Landlord obtains possession of the
27 Premises by reason of the commission by Tenant of an Event of Default or otherwise.

28 20. **SUBORDINATION AND ATTORNMEN; ESTOPPEL CERTIFICATES.**

29 20.1. Subordination. Landlord represents that, as of the date of this Lease, the Premises
30 are not encumbered by any mortgage or deed of trust. This Lease, and all of Tenant's rights and
31 interest in the leasehold estate hereunder, shall be subject and subordinate to any mortgages or
32 deeds of trust that may hereafter be placed upon the Premises, and to the rights of the mortgagees
33 or beneficiaries thereunder, any and all advances made or to be made thereunder, the interest
34 thereon, and all modifications, renewals, replacements and extensions thereof, provided the holder
35 of each such encumbrance executes an agreement whereby the holder agrees not to disturb
36 Tenant's possession, use and enjoyment of the Premises as long as Tenant is not in default under
37 this Lease. If any such mortgagee or beneficiary so elects in writing, then this Lease shall be
38 superior to the lien of the mortgage or deed of trust held by such mortgagee or beneficiary,
39 whether this Lease is dated or recorded before or after such mortgage or trust deed. Upon
40 request, Tenant shall promptly execute and deliver to Landlord, or any such mortgagee or
41 beneficiary, any documents or instruments required by any of them to evidence subordination of
42 this Lease hereunder or to make this Lease prior to the lien of any mortgage or deed of trust as
43 herein specified. If Tenant fails or refuses to do so within twenty (20) days after written request
44 therefor by Landlord or such mortgagee or beneficiary, such failure or refusal shall constitute an
45 Event of Default by Tenant, but shall in no way affect the validity or enforceability of the
46 subordination to or by the mortgage or deed of trust held by such mortgagee or beneficiary. As
47 used herein, the terms "mortgage" and "deed of trust" include any sale and leaseback transaction
48 in which Landlord sells and simultaneously leases back all or any portion of its interest in the
49 Shopping Center.

50 20.2. Attornment by Tenant. Upon enforcement of any rights or remedies under any
51 mortgage or deed of trust to which this Lease is subordinated (including proceedings for judicial
52 foreclosure or a trustee's sale pursuant to a power of sale, or deed in lieu of foreclosure delivered
53 by Landlord to the mortgagee or beneficiary thereunder), Tenant shall, at the election of the
54 purchaser or transferee under such right or remedy, attorn to and recognize such purchaser or

1 transferee as Tenant's landlord under this Lease. Tenant shall execute and deliver any document
2 or instrument required by such purchaser or transferee confirming the attornment hereunder.

3 20.3. Subordination to Covenants and Easements. If the Shopping Center is now or
4 hereafter governed or burdened by any easements, covenants, conditions, and/or restrictions of
5 record agreed to, granted, and/or imposed by Landlord and/or any other third party, then this
6 Lease, and all of Tenant's rights and interest in the leasehold estate hereunder, is and shall be
7 subject and subordinate thereto and to any and all amendments or modifications at any time made
8 thereto. Tenant shall promptly upon request execute and deliver to Landlord any documents or
9 instruments required to evidence the subordination of this Lease hereunder. If Tenant fails or
10 refuses to do so within twenty (20) days after written request therefor by Landlord, such failure or
11 refusal shall constitute an Event of Default by Tenant, which shall in no way affect the validity or
12 enforceability of this subordination as herein specified.

13 20.4. Estoppel Certificates. Tenant shall, at any time and from time to time, upon not
14 less than twenty (20) days prior written request by Landlord, execute, acknowledge and deliver to
15 Landlord, or Landlord's designee, a statement in writing certifying: (i) the date of this Lease, and
16 that this Lease is unmodified and in full force and effect (or if there have been modifications, that
17 the same are in full force and effect as modified and stating the date[s] and identifying the nature
18 of the modification[s]); (ii) the amounts of pre-paid Rent and other charges (if any) and the dates
19 to which such Rent and other charges have been paid, if applicable; (iii) and confirming Tenant's
20 acceptance of the Premises and the Term Commencement Date; (iv) that Tenant is not in default
21 under this Lease; that no notice has been received by or delivered to Tenant of any Event of
22 Default which has not been cured, except as to Events of Default specified in the certificate; and
23 that no event has occurred which, but for the giving of required notice or expiration of an
24 applicable grace period, would constitute an Event of Default by Tenant under this Lease; (v) that
25 Landlord is not in default in the performance of any of its obligations under this Lease; that
26 Tenant has given no notice of default to Landlord; and that no event has occurred which, but for
27 the giving of required notice or expiration of an applicable grace period, would constitute a
28 default by Landlord hereunder; and (vi) such other matters as may be requested by Landlord or
29 any designee of Landlord. Any statement delivered pursuant to this Section 20.4, may be relied
30 upon by any prospective purchaser, investor, encumbrancer, mortgagee, or assignee of any
31 encumbrancer or mortgagee, of the Premises or the Shopping Center, or any portion of or interest
32 in either. Upon not less than twenty (20) days prior written request by Landlord, Tenant shall
33 execute, acknowledge, and deliver to any lender supplying financing to the Shopping Center, or
34 any portion thereof or interest therein, an estoppel certificate on such lender's standard form. If
35 Tenant fails or refuses to give a statement or certificate within the time provided hereunder after
36 proper notice and request, then Landlord shall have the right to treat such failure or refusal as an
37 Event of Default under this Lease and seek recourse to all rights and remedies granted herein.

38 21. SECURITY DEPOSIT. N/A

39 22. SURRENDER OF PREMISES.

40 22.1. Condition of Premises. Subject to the provision of Section 9.3 hereof, on the last
41 day or sooner termination of the Term, Tenant shall quit and surrender the Premises to Landlord,
42 broom clean, in good order, condition, and repair as required by Section 9.2., together with all
43 alterations, additions, and improvements made in, to, or on the Premises, except movable
44 furniture and Tenant's trade fixtures installed at the expense of Tenant, except that Tenant shall
45 ascertain from Landlord within thirty (30) days before the end of the Term whether Landlord
46 desires to have the Premises, or any part or parts thereof, restored to the condition in which the
47 Premises were delivered to Tenant, or to their condition prior to making any alteration, addition,
48 or improvements thereto, and if Landlord shall so desire, then Tenant shall, at Tenant's sole cost
49 and expense, so restore the Premises, or such part or parts thereof, before the end of the Term.
50 On or before the end of the Term, Tenant shall remove all its personal property from the
51 Premises, and all property of Tenant not removed hereunder shall be deemed, at Landlord's
52 option, to be abandoned by Tenant and Landlord may store such property in Tenant's name at
53 Tenant's expense, and/or dispose of the same in any manner permitted by law. Tenant shall repair
54 any and all damage to the Premises caused by Tenant's removal of its furniture, trade fixtures, or
55 property hereunder. If the Premises are not surrendered as of the end of the Term in the manner

and condition herein specified, Tenant shall indemnify, defend, protect, and hold Landlord harmless from and against all loss, liability, cost, or expense (including attorneys' fees) resulting from or caused by Tenant's delay or failure in so surrendering the Premises, including any claims made by any succeeding tenant due to such delay or failure.

22.2. Effect of Surrender on Subleases. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, or a termination of this Lease prior to the expiration of the Term, shall not work a merger and shall, at the sole option of Landlord, either terminate any or all existing subleases or subtenancies, or operate as an assignment to it of all or any such subleases or subtenancies.

23. SALE OF PREMISES BY LANDLORD.

23.1. Release of Landlord. In the event of any sale or exchange by the Landlord of its interest in the Premises and assignment by Landlord of this Lease, Landlord shall be released and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease accruing after the consummation of such sale or exchange and assignment.

24. BROKERS.

24.1. Tenant Warranty. Landlord and Tenant warrant and represent to the other that neither has had any dealings with any realtor, broker or agent, other than CB Commercial Real Estate Group, Inc. (Michael Burkard) ("CB Commercial") and Hicks & Rotner Retail, Inc. (Scott Yurow) ("Hicks & Rotner") in connection with the negotiation of this Lease and shall pay, indemnify, defend, protect, and hold Landlord harmless from and against any cost, expense, or liability (including attorneys' fees) on account of or in connection with any compensation, commissions, or charges claimed by any other realtor, broker, or agent with respect to this Lease and/or the negotiation thereof. Landlord agrees to pay the commission owing to CB Commercial, and CB Commercial shall be responsible for paying the commission owing to Hicks & Rotner pursuant to an agreement between such parties.

25. HAZARDOUS MATERIALS

25.1. Landlord's Representations. Landlord represents and warrants that as of the date of this Lease, to the best of its knowledge without inquiry beyond the environmental reports previously disclosed to Tenant, the Premises and Shopping Center are free from Hazardous Materials other than those disclosed in the environmental reports previously provided to Tenant or those which Landlord is obligated to remediate or monitor in accordance with State and Federal law, the costs for which shall not be included in Common Area Maintenance costs and shall be borne by Landlord. In the event of a breach of the foregoing representation and warranty, Landlord shall indemnify, defend, protect and hold Tenant, its employees, agents, officers and directors, harmless from and against any and all claims, actions, suits, proceedings, losses, costs, damages, liabilities (including without limitation sums paid in settlement of claims), deficiencies, fines, penalties, punitive damages or expenses (including without limitation, reasonable attorney's fees and consultant's fees, investigation and laboratory fees, court costs, and litigation expenses) which arise during or after the term as a result of such breach. This indemnity shall include, without limitation, (i) any damage, liability, fine, penalty, punitive damage, cost, or expense arising from or out of any claim, action, suit, or proceeding for personal injury (including sickness, disease, or death), tangible property damage, nuisance, pollution, contamination, leak, spill, Release, or other effect on the environment, and (ii) the cost of any reasonably required or necessary investigation, repair, cleanup, treatment or detoxification of the Premises of the Shopping Center and the preparation and implementation of any closure, disposal, remediation, or other required actions in connection with the Premises or the Shopping Center.

25.2. Tenant's Obligations.

25.2.1. Covenants. If Tenant obtains knowledge of the actual or suspected Release of Hazardous Materials on, about, under, or in the Premises or the Shopping Center, then Tenant shall promptly notify Landlord of same. Neither Tenant nor its agents, employees, or contractors, shall cause or permit Hazardous Materials to be brought upon, kept, or used in, on,

1 or about the Premises or the Shopping Center except in strict compliance with all Environmental
2 Laws. Tenant shall immediately notify Landlord of any inquiry, test, investigation, or enforcement
3 proceeding by or against Tenant involving the Premises and/or the Shopping Center and a
4 Hazardous Material.

5 25.2.2. Indemnification. If Tenant breaches any obligation set forth in this Article
6 or if a Release is caused or permitted by Tenant or its agents, employees, or contractors, and
7 results in contamination of the Premises or the Shopping Center, then Tenant shall indemnify,
8 defend, protect, and hold Landlord, its lenders, employees, agents, partners, partners of partners,
9 officers and directors, harmless from and against any and all claims, actions, suits, proceedings,
10 losses, costs, damages, liabilities (including without limitation sums paid in settlement of claims),
11 deficiencies, fines, penalties, punitive damages, or expenses (including, without limitation,
12 reasonable attorneys' fees and consultants' fees, investigation and laboratory fees, court costs, and
13 litigation expenses) which arise during or after the Term as a result of such breach or
14 contamination. This indemnity shall include, without limitation (i) any damage, liability, fine,
15 penalty, punitive damage, cost, or expense arising from or out of any claim, action, suit, or
16 proceeding for personal injury (including sickness, disease, or death), tangible property damage,
17 nuisance, pollution, contamination, leak, spill, Release, or other effect on the environment, and
18 (ii) the cost of any reasonably required or necessary investigation, repair, clean-up, treatment, or
19 detoxification of the Premises or the Shopping Center and the preparation and implementation of
20 any closure, disposal, remediation, or other required actions in connection with the Premises or
21 the Shopping Center.

22 26. GENERAL PROVISIONS.

23 26.1. Relationship. Nothing contained in this Lease shall be deemed or construed by the
24 parties or by any third person to create the relationship of principal and agent, or of partnership,
25 or of joint venture, or of any association between Landlord and Tenant, and neither the method of
26 computation of Rent, nor any other provision contained in this Lease, nor any acts of the parties
27 shall be deemed to create any relationship between Landlord and Tenant, other than the
28 relationship of landlord and tenant.

29 26.2. Binding on Successors. Subject to the provisions of Article 13 regarding
30 assignment and subletting by Tenant, all of the provisions, terms, covenants, and conditions of this
31 Lease shall be binding upon and inure to the benefit of the parties and their respective heirs,
32 executors, administrators, successors and assigns.

33 26.3. Litigation Expenses. If either party brings any action or proceeding against the
34 other (including any cross-complaint, counterclaim, or third party claim) to enforce or interpret
35 this Lease, or otherwise arising out of this Lease, the prevailing party in such action or proceeding
36 shall be entitled to its costs and expenses of suit, including reasonable attorneys' fees, expert
37 witness fees, and accountants' fees, which shall be payable whether or not such action or
38 proceeding is prosecuted to judgment. "Prevailing party" within the meaning of this Section 26.3,
39 shall include a party who dismisses an action for recovery hereunder in exchange for payment of
40 the sums allegedly due, performance of covenants allegedly breached, or consideration
41 substantially equal to the relief sought in the action.

42 26.4. Governing Law. This Lease shall be construed and enforced in accordance with
43 the laws of the District of Columbia.

44 26.5. Excuse for Non-Performance. If either party is delayed in the performance of any
45 covenant of this Lease because of acts of the other party, unusual action of the elements, war,
46 riot, strikes, lockouts, labor disputes, inability to procure or general shortage of labor or materials
47 in the normal channels of trade, or delay in governmental action or inaction where action is
48 required, or any other condition (excluding financial inability, imprudent management, or
49 negligence) beyond the reasonable control of such party, then such performance shall be excused
50 for the period of the delay and the period of such performance shall be extended for a period
51 equivalent to the period of such delay, except that the foregoing shall in no way affect or apply to
52 (i) Tenant's or Landlord's obligation to pay Rent or any other sums or amounts hereunder, (ii) the
53 length of the Term, or (iii) Tenant's covenants contained in Article 5 or any other provision of this
54 Lease which obligates Tenant to open and/or operate its business in the Premises, or use due

1 diligence so to do, subject, however, to the provisions of Section 1.24 above. Nothing herein
2 contained shall excuse a party from exercising all due diligence and taking all necessary actions
3 possible under the circumstances to terminate any delaying cause herein specified at the earliest
4 feasible time.

5 26.6. Construction and Interpretation. Except in Article 1 ("Definitions") and the Table
6 of Contents, the headings or titles to the Articles and Sections of this Lease are not a part of this
7 Lease and shall have no effect upon the construction or interpretation of any part thereof. The
8 use in this Lease of the words "including," "such as," or words of similar import when following
9 any general term, statement, or matter shall not be construed to limit such statement, term, or
10 matter to the specific items or matters, whether or not language of non-limitation such as "without
11 limitation" is used with reference thereto, but rather shall be deemed to refer to all other items or
12 matters that could reasonably fall within the broadest possible scope of such statement, term, or
13 matter. All provisions of this Lease have been negotiated by Landlord and Tenant at arm's length
14 and neither party shall be deemed the scrivener of this Lease. This Lease shall not be construed
15 for or against either party by reason of the authorship or alleged authorship of any provision
16 hereof or by reason of the status of the respective parties as Landlord or Tenant.

17 26.7. Entire Agreement and Amendment. This Lease, together with the Exhibits hereto,
18 contains all the representations and the entire understanding between the parties with respect to
19 the subject matter hereof. The Exhibits to this Lease are fully incorporated herein by reference.
20 Any prior negotiations, correspondence, memoranda, agreements, representations, or warranties
21 are replaced in total by this Lease and the Exhibits hereto. All reliance with respect to
22 representations and warranties is solely upon the representations and warranties contained in this
23 Lease. This Lease may be modified or amended only by an agreement in writing signed by each
24 of the parties.

25 26.8. References. All references herein to a given Article, Section, subsection or Exhibit
26 refer to the Articles, Sections, subsections, and Exhibits of this Lease. References to a party or
27 parties shall refer to Landlord or Tenant, or both, as the context may require.

28 26.9. Warranty of Authority to Enter into Lease. Tenant warrants and represents to
29 Landlord that Tenant has the full right, power, and authority to enter into this Lease and has
30 obtained all necessary consents and approvals from its partners, officers, board of directors, or
31 other members required under the documents governing its affairs in order to consummate the
32 leasing transaction contemplated hereby. The persons executing this Lease on behalf of Tenant
33 have the full right, power, and authority so to do and affirm the foregoing warranty on behalf of
34 Tenant and on their own behalf. Landlord represents that it has the right and lawful authority to
35 enter into this Lease and perform Landlord's obligations hereunder, including, but not limited to
36 the right and lawful authority to terminate any right of any present or prior tenant of the Premises
37 and deliver possession thereof to Tenant. Landlord further represents (but without warranty of
38 any kind) that Landlord's title to the Premises is not subject to any covenant, agreement,
39 reservation, lien, easement, restriction and/or encumbrance that would prohibit Tenant from using
40 the Premises in accordance with the uses allowed by Section 5.1.1 hereof except as otherwise
41 provided herein.

42 26.10. Severability of Provisions. If any term or provision of this Lease, or the
43 application thereof to any person or circumstance, shall be invalid or unenforceable, then the
44 remainder of this Lease, or the application of such term or provision to persons or circumstances
45 other than those as to which it is invalid or unenforceable, shall not be affected thereby.

46 26.11. Lease Modifications in Connection with Financing. If Landlord finances the
47 construction of improvements on and to the Shopping Center, or otherwise procures financing
48 secured by the Shopping Center, or any portion thereof or interest therein, then the terms and
49 provisions of this Lease may be subject to review and approval by the financial source providing
50 such financing. If any such financial source should require, as a condition to such financing, any
51 modification of the terms and provisions of this Lease, Tenant shall execute any and all documents
52 desired by Landlord to effect the modification. If Tenant should refuse to approve and execute
53 any documents so desired, then Landlord shall have the right by notice to Tenant to terminate this
54 Lease. In no event shall Tenant be required to agree, and Landlord shall not have any right of

1 cancellation for Tenant's refusal to agree, to any modification of the provisions of this Lease
2 relating to: (a) the amount of Fixed Minimum Rent, Percentage Rent, additional rent and/or any
3 other charges reserved herein; (b) the size and/or location of the Premises; (c) the duration of the
4 Term and/or Commencement Date of the Lease term; (d) reducing the amount of any
5 construction allowance due to Tenant; or (e) materially increase Tenant's obligations or materially
6 decrease Tenant's rights hereunder.

7 26.12. Other Tenancies. Except for the exclusive use granted Tenant in Section 5 hereof,
8 Landlord reserves the absolute right to effect such other tenancies in the Shopping Center as
9 Landlord, in the exercise of its sole discretion, determines may best promote the interests of the
10 Shopping Center. Landlord does not warrant, represent, or covenant, expressly or impliedly, that
11 any specific lease or leases now or hereafter in effect between Landlord and any third parties will
12 be continued in effect for any period of time, that any other tenant or tenants, or owner, shall
13 during the Term continue to occupy any space in the Shopping Center; Tenant, in entering into
14 this Lease, has not relied upon the continued existence or operation of any other tenant or tenants
15 or owner within the Shopping Center, notwithstanding any other lease or leases in existence at the
16 time of execution hereof or commencement of the Term.

17 26.13. Time of Essence. Time is of the essence with respect to the performance of each
18 of the covenants and agreements contained in this Lease.

19 26.14. Non-Discrimination. Tenant covenants by and for itself and its heirs, executors,
20 administrators, and assigns, and all persons claiming under or through Tenant, and this Lease is
21 made and accepted upon and subject to the following conditions:

22 There shall be no discrimination against or segregation of any person or group of
23 persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry,
24 in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Premises nor
25 shall Tenant itself, nor any person claiming under or through Tenant, establish or permit any such
26 practice or practices of discrimination or segregation with reference to the selection, location,
27 number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the Premises.

28 26.15. Employment Covenant. Tenant shall make reasonable efforts to hire and train
29 individuals who are District of Columbia residents. Tenant shall be deemed to have made
30 reasonable efforts if, in the ordinary course of its business, Tenant seeks and accepts applications
31 from, and considers applicants for employment who are referred by, the District of Columbia
32 Department of Employment Services or any other community-based organizations which refer
33 District of Columbia residents as applicants for employment.

34 26.16. Store Expansion. In the event Tenant or an affiliate of Tenant becomes the tenant
35 and/or the occupant of either of the premises immediately adjoining the Premises, Tenant shall
36 have the right, subject to the remaining provisions of this Lease, to combine the ground floor and
37 mezzanine of both premises to provide for one retail store. In the event Tenant undertakes such
38 work, Tenant agrees that such work will be prepared and performed at Tenant's sole cost and
39 expense, and in accordance with all governmental regulations, and in accordance with all
40 provisions of this Lease, and upon termination of this Lease, Tenant shall restore the Premises to
41 the condition existing immediately prior to the performance of such construction work.

1 IN WITNESS WHEREOF, the parties have entered into this Lease on the respective dates
2 set opposite their signatures below, but this Lease on behalf of such parties shall be deemed to
3 have been dated as of the date first above written.

4
5 LANDLORD:

6
7 SAFEWAY INC.,
8 a Delaware corporation
9

10
11 Date: July 17, 1997

12 By: [Signature]

13 Peter F. Bechen
14 (typed or printed name)

15 Its Asst. Vice President
16

17
18 Date: July 17, 1997

19 By: [Signature]

20 Thomas J. Smith
21 (typed or printed name)

22 Its Asst. Secretary
23
24
25

26
27 TENANT:

28 ASHLEY STEWART, INC.,
29 a New Jersey corporation
30

31 Date: _____, 1997

32 By: [Signature] President

33 Joseph Smith
34 (typed or printed name)

35 Its President

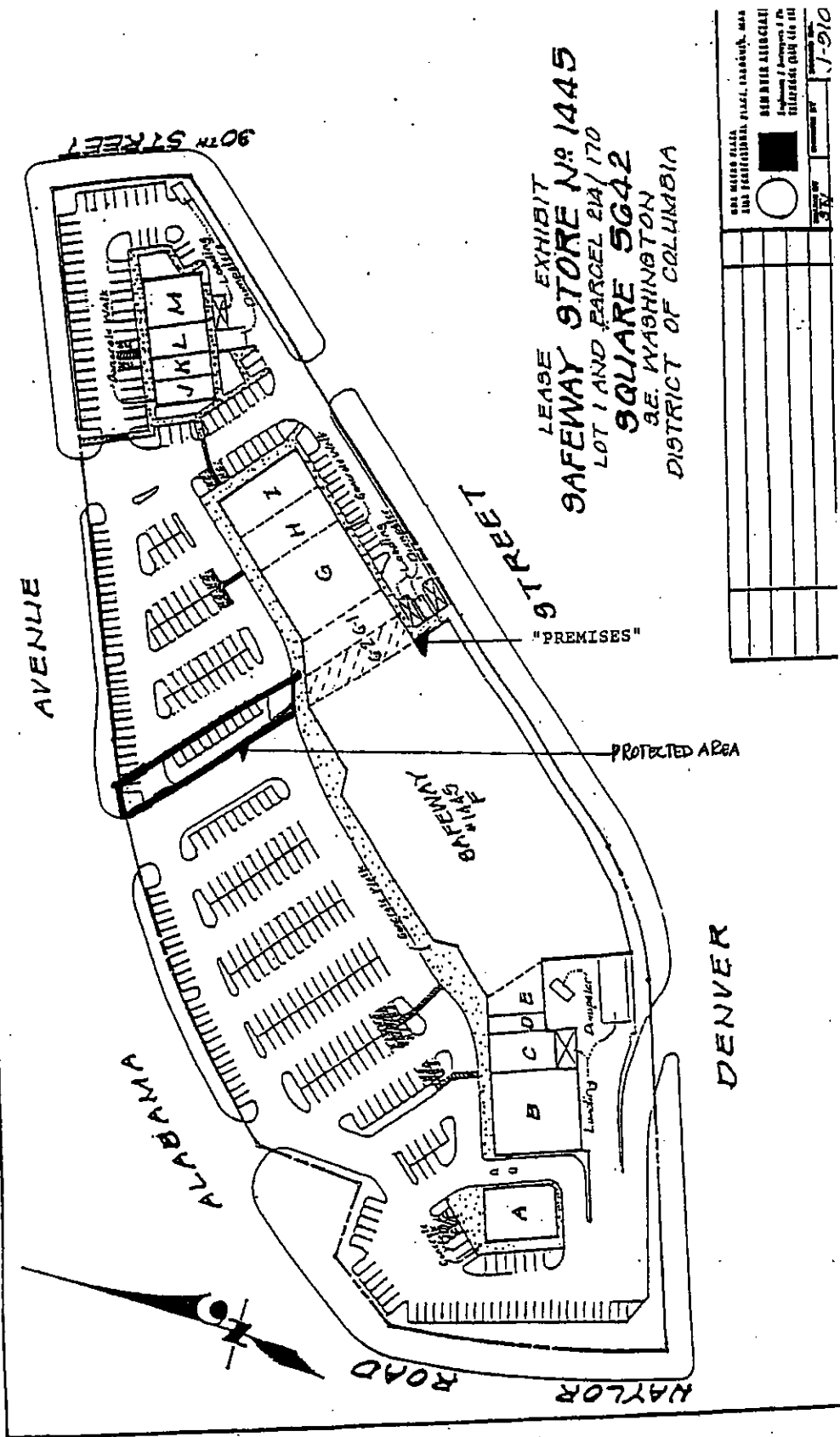


EXHIBIT A

**EXHIBIT B
TO
GOOD HOPE MARKETPLACE
COMMERCIAL SHOP LEASE**

LEGAL DESCRIPTION OF SHOPPING CENTER

PARCEL 1

Lot numbered One (1) in Square numbered Fifty-six Hundred Forty-two (5642) in the subdivision made by Sears, Roebuck and Company, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 151 at folio 95.

PARCEL 2

Being part of the lands conveyed by the Penn Oil Company, to Paul Himmelfarb, by deed dated September 15, 1993 and recorded in the Land Records of the District of Columbia in Liber 7919 at folio 363, and being more particularly described as follows:

Beginning for the same at a point on the easterly right-of-way line of Alabama Avenue 110 feet wide, said point being at the southwesterly end of the 395.45 feet line of lot 1, Square 5642 in the subdivision made by Sears, Roebuck and Company as per plat recorded in Liber 151 at folio 95 among the Records of the Office of the Surveyor of the District of Columbia, and running thence with part of the North 2 degrees 37 minutes 00 seconds East 103.71 foot line of said Lot 1, Square 5642.

1. South 02 degrees 37 minutes 00 seconds West, 53.71 feet to a point; thence leaving said line
2. North 87 degrees 23.00 minutes 00 seconds West 38.19 feet to the aforesaid right-of-way line of Alabama Avenue, thence with said line
3. 65.92 feet along the arc of a curve, deflecting to the right, having a radius of 900.00 feet and a chord bearing of North 38 degrees 01 minutes 50 seconds East 65.92 feet to the place of beginning containing 1,052 square feet or 0.0241 of an acre more or less.

EXHIBIT C
TO
GOOD HOPE MARKETPLACE
COMMERCIAL SHOP LEASE

SCOPE OF TENANT'S WORK

I. Tenant's Plans. At Tenant's sole cost and expense, Tenant shall prepare, or cause to be prepared, and deliver simultaneously to Landlord and Landlord's architect, within sixty (60) days after the date that the Lease is fully executed, one set each of fully dimensioned one-quarter inch (1/4") scale drawings, showing a complete floor plan and reflected ceiling plan for the Premises, including Tenant's Work (as defined below), and the location of all utilities, lighting, and electrical outlets, partitions, store front, trade fixture plans, and any other specifications which would affect the construction or design of the Premises ("Tenant's Plans"). In addition, Tenant shall provide interior elevations showing placement of displays, fixtures, mirrors, and other wall treatments, and a layout of the interior decor which shall include furniture, equipment, materials, and color schemes. If Tenant fails to so deliver all of such plans and specifications within such sixty (60)-day period, then Tenant shall pay Landlord One Hundred Dollars (\$100.00) per day for every day after such sixty (60)-day period, until Tenant so delivers such plans and specifications. All the aforementioned are subject to Landlord's approval. If the nature and/or extent of Tenant's Plans is such that Landlord's architect (or architect's consultants) requires more than four (4) hours to review them, then Tenant shall pay to Landlord fees for Landlord's architect (or consultants) attributable to the amount of time in excess of such four (4) hours. Review of Tenant's Plans by Landlord's architect (or consultants) shall not be deemed a representation as to the sufficiency or quality of such plans or a representation that such plans comply with applicable law. Landlord shall in no event be responsible for any defects, deficiencies, or inaccuracies in Tenant's Plans. Any changes to the Premises shall be contracted and paid for by Tenant or, at Landlord's election, performed by Landlord's contractor at Tenant's sole cost and expense. If any governmental authority or jurisdiction requires Tenant's Plans to be signed by a licensed design professional in the District of Columbia, Tenant shall provide same. Tenant shall, at its sole cost and expense, obtain all permits necessary for the performance of Tenant's Work, including but not limited to the Alterations and Repair Permit required by the District of Columbia. Tenant shall, at its sole cost and expense, obtain any Certificate of Occupancy required for Tenant to conduct its business in the Premises. Notwithstanding anything to the contrary contained herein, Landlord hereby approves Tenant's plans and specifications and signage described in attached Exhibit C-1.

Upon the date of execution of this Lease, Tenant shall conclusively be deemed to have accepted the Premises in their then existing condition, and Tenant hereby waives any right or claim arising out of the condition of the Premises, the appurtenances thereto, or the improvements, or equivalent, therein, and Landlord shall not be liable for any latent or patent defects therein. All changes, alterations or improvements shall be made at Tenant's expense. Tenant shall make no changes, modifications, or alterations in the Premises without the prior written consent of Landlord.

II. Tenant's Work. Upon delivery of possession of the Premises, Tenant, at its own expense, shall immediately proceed with due diligence to perform Tenant's Work (as defined below) and install Tenant's personal property, trade fixtures, equipment, and merchandise ("Tenant's Property") in the Premises, all without interference with other work, if any, being done in the Shopping Center. Tenant's Work, and the installation of Tenant's Property, shall be performed in compliance with all reasonable rules which Landlord, its architect, and its contractors may make. Tenant shall, upon final completion of Tenant's Work, furnish Landlord with copies of all certificates and approvals relating to any work or installations done by Tenant that may be required by any governmental authority or insurance company. Landlord shall have no responsibility for any loss of or damage to any of Tenant's Property so installed or left on the Premises. Tenant's entry shall be subject to all of the provisions of the Lease other than the payment of Rent and other charges to Landlord; at all times after such entry, Tenant shall maintain or cause to be maintained in effect insurance complying with the Lease.

(a) Scope of Tenant's Work. Tenant's Work shall include all work required to complete the interior improvements in the Premises, including the purchase, installation, and performance, as appropriate, of the following items, and all other items required for the operation of Tenant's business in the Premises, including all applicable governmental, architectural, and engineering work and fees therefor:

- (i) All interior partitions within the Premises.
- (ii) All electrical work except as provided in the Premises as of the date of the Lease.
- (iii) Light coves and special hung or furred ceilings.
- (iv) Internal communications systems and alarm systems.
- (v) Store fixtures and furnishings.
- (vi) Plumbing and plumbing fixtures, except as provided in the Premises as of the date of the Lease.
- (vii) Show window display platforms and window backs.
- (viii) Heating, cooling, and ventilating, including all distribution ducts, except as provided in the Premises as of the date of the Lease.
- (ix) Special lighting fixtures.
- (x) All interior finish in show windows.
- (xi) Tenant's signs, both interior and exterior.
- (xii) The finish of all walls, ceilings, and columns on the inside of the glass line.
- (xiii) All work other than that which is provided in the Premises as of the date of the Lease.
- (xiv) Any and all other items required by Tenant.
- (xv) All utility submetering, utility assessments, hook-up fees, connection fees within the Premises, and permit fees for Tenant's Work, whether billed directly by governmental authorities or prepaid by Landlord, in which event such amount shall be reimbursed by Tenant to Landlord.
- (xvi) Removal of all construction related debris from Tenant's Work. Tenant shall keep such debris out of public view at all times.
- (xvii) All improvements constructed by Tenant shall be non-combustible materials or shall meet BOCA Code requirements for flame spread ratings.

Any roof penetrations made by Tenant or its contractors shall first be approved by and then patched by Landlord's roofing contractor, and Tenant shall reimburse to Landlord the cost thereof.

All of Tenant's Work shall be designed by a competent licensed architect and shall be performed under the supervision of such architect by financially sound and bondable contractors of good reputation in accordance with plans and specifications approved in writing by Landlord before commencement of any work. All contractors performing Tenant's Work shall be subject to Landlord's prior approval, and Tenant shall not use any contractor not approved in writing by Landlord. In connection with its consent, Landlord may require that any contractor, or major subcontractors, provide payment and completion bonds in such amounts and with sureties acceptable to Landlord. All work shall be performed in a good and workmanlike manner,

diligently prosecuted to completion, and using all new materials of good quality. Tenant shall notify Landlord at least twenty (20) days prior to the commencement of any work, so that Landlord may post, file, and/or record a notice of non-responsibility or other notice required under applicable mechanics' lien laws. Upon completion of any work hereunder, Tenant shall record in the Office of the Recorder of Deeds for the District of Columbia a notice of completion or any other notice required or permitted by applicable mechanics' lien laws to commence the running of, or terminate, any period for the filing of liens or claims, and shall deliver to Landlord any certificate of occupancy or other equivalent evidence of completion of such work in accordance with the requirements of applicable law. Tenant's Work shall be performed in compliance with all applicable laws, codes, rules, and regulations of all governmental and quasi-governmental authorities with jurisdiction. All contractors performing any such work shall maintain insurance which meets the requirements of Section 6.1 of the Lease.

With respect to any work performed by or at the direction of Tenant, Tenant shall pay, or cause to be paid, all sums, costs, and expenses due for, or purporting to be due for, any work, labor, services, materials, supplies, or equipment furnished, or claimed to be furnished, to or for Tenant and shall keep the Premises and the Shopping Center free of all mechanics', materialmen's or other liens arising therefrom. Tenant may contest any such lien, if Tenant first procures and posts, records, and/or files a bond or bonds issued by a financially sound, qualified corporate surety, in conformance with the requirements of applicable law for the release of such lien from the Premises and/or Shopping Center. Tenant shall pay and fully discharge any contested claim of lien within five (5) days after entry of final judgment adverse to Tenant in any action or enforce or foreclose the same; notwithstanding any such contest, Landlord shall have the absolute right at any time to pay any lien imposed hereunder if in Landlord's reasonable good faith judgment such payment is necessary to avoid the forfeiture, involuntary sale or loss of any interest of Landlord or any other tenant or owner in the Shopping Center, or any portion thereof. Tenant shall indemnify, defend, protect, and hold Landlord harmless of and from any and all loss, cost, liability, damage, injury, or expense (including attorneys' fees) arising out of or in connection with claims or liens for work, labor, services, materials, supplies, or equipment furnished or claimed to be furnished to or for Tenant in, upon, or about the Premises or the Shopping Center.

TENANT'S SIGNAGE

A description of *Tenant's Signage* shall be attached at a later date and which shall comply in all respects with the *Design Criteria for Signs* attached as Exhibit D.

EXHIBIT C-1

**EXHIBIT D
TO
GOOD HOPE MARKETPLACE
COMMERCIAL SHOP LEASE**

DESIGN CRITERIA FOR SIGNS

These sign criteria have been established for the purpose of ensuring an outstanding retail center and for the mutual benefit of all tenants. Conformance with these sign criteria shall be strictly enforced and any non-conforming signs must be immediately brought into conformance at the expense of Tenant, unless otherwise agreed in writing by Landlord.

A. GENERAL REQUIREMENTS

1. Prior to applying for a sign permit, Tenant, at its sole cost and expense, shall submit or cause to be submitted to Landlord for approval before fabrication, at least two (2) copies of detailed drawings indicating the location, size, layout, design, and color of the proposed sign(s), including all lettering and/or graphics. Drawings shall comply with all District of Columbia rules and regulations.
2. All permits for signs and their installation shall be obtained and paid for by Tenant or its representative.
3. All signs shall be constructed and installed at Tenant's sole cost and expense.
4. Landlord reserves the right to approve or disapprove, in Landlord's sole discretion, sign submittals based on the aesthetic and/or overall quality of the design.
5. Tenant shall keep its sign illuminated from dusk until such time as Landlord may determine from time to time during each and every day of the Term. The utility charges for such sign shall be included in Common Area Maintenance Costs.

B. GENERAL SPECIFICATIONS

1. Tenant is allowed one (1) sign.
2. Signs for tenant spaces on the Exterior Insulation and Finish System (EIFS) shall center vertically on the display above each store. A maximum letter height of 16" shall be enforced.
3. All displays shall be erected on 8" x 8" exposed raceway, painted to match the EIFS band.
4. All raceways shall be exposed and must be installed using a minimal amount of fasteners so as not to cause unnecessary or excessive defacement to the sign band.
5. Landlord shall supply electrical junction box to sign band behind raceway. Tenant shall be responsible for final electrical connection.
6. The color of the metal returns shall be Dove Gray to match the EIFS sign band on all displays. The color of the face of each letter shall be limited to Plexiglass 2151 Red.
7. The text of the sign shall be limited to Tenant's trade name set forth in the Lease.
8. Tenant shall arrange for the design and fabrication of the sign, in conformance with the restrictions set forth herein. Tenant shall submit to Landlord and Freeman + Morgan Architects for approval, the name of the signage supplier and/or fabricator prior to design and fabrication of any signage. The style of the typography shall be Helvetica Medium. Sign text is limited to one line for the sign.

9. Upon the expiration or earlier termination of the Lease, Tenant, at its sole cost and expense, shall remove the sign and refurbish the sign band.

10. No projections above or below the sign panel shall be permitted. The sign must be within dimensioned limits as indicated on the drawings approved by Landlord.

11. The sign shall consist of internal neon tube illumination, with UL approved PK housings and trim cap edge and returns to match the EIFS band.

12. The width of Tenant's graphics on the sign fascia shall not exceed 75% of the width of the store frontage.

13. Each Tenant who has a non-customer door for receiving merchandise may have Tenant's trade name and address uniformly applied on said door in 2" high block letters, in a location directed by Landlord.

14. Landlord shall install on the storefront the street address, only. Size, type, and color of numbers shall be as stipulated by Landlord.

C. CONSTRUCTION REQUIREMENTS

1. Tenant shall be responsible for the installation and maintenance of all signs and the maintenance of the sign illumination.

2. Tenant shall be fully responsible for the operations of Tenant's sign contractor. Tenant's sign contractor shall repair any damage to the Shopping Center caused by its work.

3. All penetrations of the building structure required by the sign installation shall be sealed in a watertight condition and shall be patched and painted to match the adjacent finish.

4. Electrical conduit and junction boxes shall be concealed.

EXHIBIT E
TO
GOOD HOPE MARKETPLACE
COMMERCIAL SHOP LEASE

FORM OF CERTIFICATE

[Date]

Safeway Inc.
4551 Forbes Boulevard
Lanham, MD 20706
Attn: Real Estate

Gentlemen:

Re: Unit , Good Hope Marketplace
Washington, D.C. (the "Premises")

On or about _____, 199____, a _____, dba
_____, as Tenant, and Safeway Inc., a Delaware corporation, as Landlord, entered
into a Lease for the Premises.

Section 3.2 of the Lease requires that within fifteen (15) days following the Term Commencement
Date as defined therein, Tenant shall deliver a certificate to Landlord confirming certain matters.

Therefore, by execution of this letter, Tenant confirms the following facts:

1. That the Term Commencement Date is _____, 199____, that Tenant has
accepted the Premises and that the Premises are in the condition required by the Lease;
2. That the Original Term of the at midnight on _____, 19____; and
3. That the payment of Rent commenced or, pursuant to the Lease, will commence
on _____ 199____.

Very truly yours,

a _____

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT F
TO
GOOD HOPE MARKETPLACE
COMMERCIAL SHOP LEASE

RULES AND REGULATIONS

The following Rules and Regulations shall remain in full force and effect until Tenant is notified in writing by Landlord of any changes or amendments to the Rules and Regulations.

- (1) Landlord's employees or agents shall not perform any work or do anything outside of their regular duties for Tenant, unless under special instructions from Landlord.
- (2) All loading and unloading of goods, merchandise, supplies, and all other items used, held, or stored by Tenant in connection with the Premises shall be done only through the rear door of the Premises.
- (3) No aerial or satellite dishes or antennas shall be erected on the roof or exterior walls of the Premises or the Building of which the Premises are a part. This Item 3 shall not apply to the building area depicted as "Safeway Food & Drug - I" on the lease plan attached as Exhibit A to the Lease.
- (4) Landlord reserves the right to require Tenant to discontinue any display or demonstration in or from the Premises which, in Landlord's sole opinion, interferes with the use of the public passageways of the Shopping Center or constitutes a nuisance or an unhealthy or unsafe condition.
- (5) Tenant shall at all times maintain an adequate number of suitable fire extinguishers in good working order in the Premises for use in case of local fires, including electrical or chemical fires.
- (6) Tenant shall immediately notify Landlord of any breakage, injury, fire, or disorder which comes to its attention which occurs in or about the Premises or any of the Common Areas.
- (7) Tenant shall not cause or permit any unusual or objectionable odors to be produced or emanate from the Premises.
- (8) Tenant shall not permit the use in the Premises of any device or instrument, such as a sound reproduction system, television sets, phonographs or radios or excessively bright, changing, flashing, flickering, moving or neon lights, or other lighting devices or any similar devices, intended to be audible or visible beyond the confines of the Premises, nor shall Tenant permit any act or thing upon the Premises disturbing to normal sensibilities or other tenants in the Shopping Center.
- (9) Tenant shall not, at any time, place any security gate or grille in front of the entrance doors or storefront of the Premises.
- (10) Canvassing, soliciting, and peddling in the Shopping Center is prohibited, and Tenant shall not encourage same. Tenant shall not solicit business in the parking area or other Common Areas, or distribute handbills or other advertising matter in or upon automobiles parked in the Shopping Center, provided that the foregoing shall not prohibit Tenant from using direct mail solicitation or advertising in the regular communications media.
- (11) Landlord reserves the right to exclude from the Shopping Center at any time disorderly persons and any person who does not have sufficient reason for being on or about the Shopping Center. If requested in writing by Landlord, Tenant shall promptly furnish to Landlord an up-to-date list of Tenant's employees and give reasonable advance notice to Landlord of invitees expected outside of regular business hours.

(12) Employees of Landlord are prohibited from receiving any packages or other articles delivered to the Shopping Center for Tenant and, should any such employee receive any such package or article, he or she in so doing shall be the agent of Tenant and not Landlord.

(13) Tenant shall insure that all entrance doors in the Premises shall be locked when the Premises are not in use.

(14) Landlord shall not be responsible to Tenant for the non-observance or violation of any of these Rules and Regulations at any time by any other tenant of the Shopping Center.

(15) Tenant shall furnish and install all light bulbs for the Premises.

(16) Tenant and Tenant's employees shall park their cars only in those portions of the parking areas which may be designated for that purpose by Landlord from time to time. If requested in writing by Landlord, Tenant shall promptly furnish Landlord with the automobile license numbers of the automobiles used by Tenant and Tenant's employees and shall require its employees to place a sticker on their vehicles indicating their right to park in the parking area if such stickers are provided by Landlord. Tenant hereby authorizes Landlord to remove or cause to be removed from the Shopping Center any of Tenant's car or cars belonging to Tenant's employees which are not parked in designated areas. Any such removal shall be at Tenant's sole cost and expense. Tenant hereby waives and releases Landlord and hereby indemnifies and agrees to hold Landlord harmless from all claims, liabilities, costs, and expenses which may result or arise from such unauthorized parking.

(17) Tenant shall not place, hang, tape, install, or otherwise affix any paper or other signage in or on the glass doors, show windows, window panes, or other storefront areas of the Premises; provided that Tenant may suspend signage behind (but not on) window panes in the interior of the Premises. This Item 17 shall not apply to the building area depicted as the "Safeway Food & Drug - I" on the lease plan attached as Exhibit A to the Lease.

(18) Landlord may, upon written request by Tenant, waive the compliance by Tenant of any of the foregoing Rules and Regulations, provided that (i) no waiver shall be effective unless signed by Landlord or Landlord's authorized agent, (ii) any such waiver shall not relieve Tenant from the obligation to comply with such Rule or Regulation in the future unless expressly consented to by Landlord, and (iii) no waiver granted to Tenant shall relieve any other tenant from the obligation of complying with the foregoing Rules and Regulations, unless such other tenant has received a similar waiver in writing from Landlord.

(19) The term "Tenant" as used herein shall also mean, in addition to the Tenant under the Lease, any sublessee, assignee, agent, servant, contractor, employee, invitee, or licensee of Tenant. All said parties are subject to compliance with these Rules and Regulations.

Tenant's Lease For *2000-2001 - 2002-2003*
Safeway

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT made as of the 29th day of January, 2000, by and between **ASHLEY STEWART, INC.** (hereinafter called "Assignor") and **LARGE APPAREL OF DISTRICT OF COLUMBIA, INC.** (hereinafter called "Assignee")

WITNESSETH:

WHEREAS Assignor, as tenant, has previously entered into a certain lease agreement dated as of July 1997 (the "Lease") with Safeway Inc. ("Landlord") for retail space located in Unit G-2, Good Hope Marketplace, 2847 Alabama Avenue, SE, Washington, D.C.;

WHEREAS Assignor desires to assign to Assignee its entire interest in the Lease, together with Assignor's entire leasehold estate thereunder,

NOW, THEREFORE, in consideration of Ten Dollars (\$10) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignor hereby assigns, conveys and sets over to Assignee, all of Assignor's right, title and interest as tenant in and to the Lease, together with the leasehold estate created thereunder and all rights and interests of Assignor in and to the premises demised thereby.

TO HAVE AND TO HOLD the same unto the Assignee, its successors and assigns for all of the remainder of the term of the Lease, subject to the terms, covenants, conditions, restrictions and provisions therein contained.

2. Assignee hereby assumes and hereby agrees, promptly and faithfully, to keep, fulfill, observe, perform and discharge each and every covenant, duty, debt and obligation on Assignor's part, as tenant under the Lease, to be performed to the extent that same may accrue and become performable, due or owing on and after the date hereof.

3. This Agreement shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized representatives of Assignor and Assignee as of the date first above written.

ASSIGNOR: **ASHLEY STEWART, INC.**

By: 
Jeffrey Klein, Secretary

ASSIGNEE: **LARGE APPAREL OF DISTRICT OF COLUMBIA, INC.**

By: 
Jeffrey Klein, Secretary

URBAN BRANDS™

INVESTING IN URBAN AMERICA

VIA FAX AND CETIFIED MAIL
RETURN RECEIPT REQUESTED

Good Hope Marketplace, LP
%Madison Marquette Realty Services
1815 Pennsylvania Avenue, N.W. 8th Flr.
Washington, DC 20006.

June 28, 2002

Re: Ashley Stewart (#A154)
Good Hope Marketplace
Washington, DC

Dear Landlord:

Pursuant to the terms of Paragraph 3.5 of the lease for the above referenced store, please be advised that the Tenant hereby exercises its option to renew the term of the lease for an additional period of five (5) years. Accordingly, the lease shall now expire on January 31, 2008.

If you have any questions, please feel free to call.

Sincerely,



Robert S. Bland
President and Chief
Executive Officer

JAK:ab

1:/andlord option lit/A154

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE ("Amendment"), is made this 8th day of JANUARY, 2008, by and between GOOD HOPE MARKETPLACE LIMITED PARTNERSHIP, a District of Columbia limited partnership ("Landlord"), and LARGE APPAREL OF DISTRICT OF COLUMBIA, INC., a District of Columbia corporation ("Tenant").

RECITALS:

WHEREAS, Landlord's predecessor in interest, Safeway, Inc. (the "Original Landlord") and Tenant's predecessor in interest, Ashley Stewart, Inc. (the "Original Tenant"), entered into that certain Commercial Shop Lease dated July 17, 1997 (the "Original Lease"), for premises consisting of approximately 3,320 square feet of space located in the Good Hope Marketplace Shopping Center, at 2847 Alabama Avenue, S.E., Washington, D.C. (the "Premises");

WHEREAS, The Original Lease has been amended by that certain Letter Agreement dated September 23, 1997 ("Letter Agreement"), that certain Assignment and Assumption of Lease dated January 29, 2000 ("Assignment"), and that certain option letter dated June 28, 2002 ("Option Letter"). The Original Lease, as amended by the Letter Agreement, Assignment and Option Letter, are hereinafter referred to collectively as the "Lease";

WHEREAS, the Term of the Lease expires on January 31, 2008 ("Original Term"); and

WHEREAS, Tenant desires to extend the Original Term, and the parties hereto desire to amend and modify the Lease as hereinafter set forth.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing Recitals which are incorporated herein by reference, as well as other good and valuable consideration, receipt of which is hereby acknowledged, along with the covenants, warranties and agreements contained herein, the parties do hereby agree as follows:

1. **Parties.** All references to Safeway, Inc. as Landlord shall be deleted and "Landlord" under the Lease shall be defined as Good Hope Marketplace Limited Partnership, its successor and/or assigns.

2. **Extension of Term.** The Original Term is hereby extended for a period of five (5) years, commencing on February 1, 2008 and expiring on January 31, 2013 (the "Extended Term"), upon the same terms, covenants and conditions as set forth in the Lease, as modified by this Amendment, except that the Fixed Minimum Rent during the Extended Term shall be as provided for in Paragraph 3 below.

3. **Fixed Minimum Rent.** Notwithstanding any provision to the contrary contained in the Lease, the Fixed Minimum Rent payable by Tenant during the Extended Term shall be as follows:

| <u>Lease Year</u> | <u>Per Annum</u> | <u>Per Month</u> | <u>Per Square Foot</u> |
|----------------------|------------------|------------------|------------------------|
| 2/1/2008 - 1/31/2009 | \$83,000.00 | \$6,916.67 | \$25.00 |
| 2/1/2009 - 1/31/2010 | \$86,320.00 | \$7,193.33 | \$26.00 |
| 2/1/2010 - 1/31/2011 | \$89,640.00 | \$7,470.00 | \$27.00 |
| 2/1/2011 - 1/31/2012 | \$92,329.20 | \$7,694.10 | \$27.81 |
| 2/1/2012 - 1/31/2013 | \$95,084.80 | \$7,923.73 | \$28.64 |

All rental payments shall continue to be paid in the intervals and manner as required under the terms and conditions contained in the Lease.

4. **Notices and Payment.** Notwithstanding any provision to the contrary contained in the Lease, notification addresses for the Landlord shall be revised to reflect that all notices be addressed to the Landlord c/o First Washington Realty, 4350 East-West Highway, Suite 400, Bethesda, Maryland 20814, with copies to: Kodiak Properties, L.L.C., 4733 Bethesda Avenue,

Suite 630, Bethesda, MD 20814, and Janis Schiff, Esq., Holland & Knight LLP, 2099 Pennsylvania Avenue, N.W., Suite 100, Washington, D.C. 20006.

Notification addresses for the Tenant shall be revised to reflect that all notices be addressed to the Tenant c/o Urban Brands, Inc., 100 Metro Way, Secaucus, NJ 07094, Attn: Real Estate, with a copy to Urban Brands, Inc., 100 Metro Way, Secaucus, NJ 07094, Attn: Chief Financial Officer.

5. **Premises.** Tenant shall take the Premises "as is" for the Extended Term and Landlord shall have no obligation to make any improvements or alterations to the Premises, other than those improvements or alterations which may or may not be required under the terms and conditions contained in the Lease.

6. **Confirmation of No Options to Renew the Lease.** Landlord and Tenant hereby confirm that the Lease does not contain any renewal options which would provide for the extension of the Lease Term beyond the January 31, 2013 expiration date.

7. **Ratification of Lease/Conflict.** All terms and conditions of the Lease are hereby ratified and affirmed, as modified by this Amendment. To the extent there is any inconsistency between the Lease and this Amendment, the provisions of this Amendment control.

8. **No Waiver.** Tenant hereby acknowledges that Landlord's execution of this Amendment shall not, (a) constitute a waiver of any of Landlord's rights and remedies under the Lease or at law with respect to the Tenant's obligations under the Lease, or (b) be construed as a bar to any subsequent enforcement of any of Landlord's rights or remedies against Tenant.

9. **Capitalized Terms.** All capitalized terms in this Amendment shall have the same meanings as in the Lease unless expressly provided otherwise herein. As used herein, the term "Lease" shall mean the Lease as modified by this Amendment.

10. **Contingency.** This Amendment is contingent upon, (i) its execution by the parties hereto, and (ii) all rents due under the Lease being current

11. **Governing Law.** This Amendment shall be construed and enforced in accordance with the laws of the jurisdiction in which the Premises is located.

12. **Binding Nature.** This Amendment shall be binding upon and inure to the benefit of Landlord, the Tenant, and their heirs, personal representatives, successors and assigns. The parties hereto agree and understand that no oral agreements, or understandings, shall be binding, unless reduced to a writing which is signed by said parties. The parties hereto agree and understand that this Amendment shall be binding on them, their personal representatives, heirs, successors and assigns.

13. **No Broker.** The parties represent and warrant to each other that there is no agent, broker, or finder involved with this Amendment or entitled to a commission in connection with this transaction and the parties agree to indemnify and hold each other harmless in connection with any breach of the foregoing warranty.

14. **Counterparts.** This Amendment may be executed in any number of counterparts and shall be effective and binding on the parties when all signatories have each fully executed a counterpart and returned a copy to the other party, notwithstanding that the signatories may have executed different counterparts. Counterparts may be compiled, duplicate pages discarded and the remainder assembled as a complete document binding on the parties.

15. **Time is of the Essence.** Time is of the essence with respect to each and every obligation arising under this Amendment and the Lease.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the date first above written.

WITNESS:

LANDLORD:

GOOD HOPE MARKETPLACE LIMITED
PARTNERSHIP, a District of Columbia limited
partnership

By: Good Hope Manager, LLC, a Delaware limited
liability company, its general Partner

Lynne Hoffell
Name: *Lynne Hoffell*

By: *Edmund S. Spivack*
Edmund S. Spivack
Its Manager

Date: *1/8/08*

WITNESS:

TENANT:

LARGE APPAREL of DISTRICT of COLUMBIA
INC., a District of Columbia corporation

Bernadette Sullivan
Name: *BERNADETTE SULLIVAN*

By: *Ethan Shapiro*

Name: Ethan Shapiro
Chief Executive Officer

Title: _____

Date: *1/4/08*

A154

INSTALLMENT AGREEMENT

This Installment Agreement ("Agreement") is made and entered into by Goodhope Marketplace Limited Partnership and Large Apparel of District of Columbia Inc. with an effective date of March 10, 2010 (the "Effective Date").

I. DEFINITIONS

1. The term "Landlord" shall mean Goodhope Marketplace Limited Partnership.
2. The term "Tenant" shall mean Large Apparel of District of Columbia, Inc. doing business as Ashley Stewart.
3. The term "Lease" shall refer to that certain shopping center Lease dated July 17, 1997 for commercial leasehold property located at 2847 Alabama Avenue, S.E., Washington, D.C. as extended pursuant to that certain letter dated June 28, 2002 and as amended by that First Amendment to Lease dated January 8, 2008
4. The term "Premises" refers to the property located at 2847 Alabama Avenue, S.E., Washington, D.C. within the Good Hope Marketplace Shopping Center that is the subject matter of the Lease.
5. The term the "Arrearage" or "Arrearage Amount" as used in this Agreement shall mean Forty Seven Thousand Fifty Nineteen Dollars and Ninety Cents (\$47,019.90) to be paid by Tenant to Landlord for amounts claimed by Landlord through February 28, 2009 consisting of the following: (i) \$36,506.22 outstanding rent through February 28, 2010, plus (ii) accrued interest on amounts owed through January 31, 2010 as of March 4, 2010 in the amount of \$1,224.67, plus (iii) reasonable 15% attorney's fees in the amount of \$5,500.00, plus (iv) expenses of \$137.65.

II. EXPLANATORY STATEMENT

On February 25, 2010 Landlord issued its Supplemental Notice of Default to Tenant alleging, among other things, that Tenant was in default and in breach of the Lease for non-payment of rent and other amounts. Tenant agrees to pay the Arrearage Amount and requested Landlord permit Tenant to pay the Arrearage Amount in installments. The parties acknowledge and agree that this Agreement in no way modifies the Lease or the parties respective obligations arising thereunder and that the Lease remains in full force and effect. The parties further acknowledge and agree that this Agreement is only intended to permit Tenant certain additional time in which to pay the Arrearage owed to Landlord and to proscribe the rights and remedies of the parties in the event that Tenant breaches this Agreement.

III. TERMS

In consideration of the mutual promises and covenants contained in this Agreement, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

6. As a condition precedent to this Agreement, Tenant promises to pay the March 2010 Rent due under the Lease in the amount of Nine Thousand Six Hundred Seventy Dollars and Fourteen Cents (\$9,670.14) in full and by no later than March 15, 2010.

7. Tenant agrees and acknowledges that it owes Landlord the Arrearage Amount. Tenant promises to pay the Arrearage Amount (Forty Seven Thousand Fifty Nineteen Dollars and Ninety Cents) in strict accordance with this Agreement. Tenant shall pay (without the requirement of any demand) to Landlord the entire Arrearage

Amount in six (6) equal and consecutive installments (principal only) in the amount of Seven Thousand Eight Hundred Thirty Six Dollars and Sixty Five Cents (\$7,836.65) each. The first installment shall be paid in full by Tenant to Landlord by no later than March 15, 2010 with any and all future installments to be paid in the amount of Seven Thousand Eight Hundred Thirty Six Dollars and Sixty Five Cents (\$7,836.65) on the first (1st) day of each month thereafter until August 1, 2010 when the last installment due shall be paid in the amount of Seven Thousand Nine Hundred Eighty Four Dollars and Forty Cents (\$7,984.40). An example payment scheduled for the Arrearage Amount is attached hereto as Exhibit "1". Tenant may prepay the Arrearage Amount without penalty. Each installment payment due hereunder shall be made payable to Seth Goldberg Trust Account (for the benefit of Landlord) and delivered by Tenant to: Seth D. Goldberg, Esq., 2 Wisconsin Circle Suite 700 Chevy Chase, Maryland 20815. All payments due hereunder shall be paid by Tenant to Landlord by means of bank check or certified funds or by such other method as Landlord may designate in writing. Each installment payment shall state on the face of the check "Installment Payment".

8. Tenant shall be in material default and breach of this Agreement if any one of the following events occur: (i) Tenant is in default under the Lease for non payment of rent, or (ii) Tenant fails to pay any installment due hereunder more than five (5) days after it is due, or (iii) Tenant tenders any check that is returned for non sufficient funds for credit hereunder or otherwise.

9. In the event of a default and/or breach of this Agreement by Tenant then in such situation the entire outstanding Arrearage Amount shall automatically accelerate and become due and owing in full to Landlord. In addition Tenant agrees to pay all

expenses incurred by Landlord in connection with Tenant's default or breach plus reasonable attorneys' fees.

10. The parties agree the Lease remains unmodified hereby and in full force and effect.

MISCELLANEOUS PROVISIONS

11. Any headings preceding text or paragraphs herein are inserted solely for convenience of reference and shall not constitute a part of this agreement; nor shall they affect its meaning, construction or effect.

12. Where text requires, words in the singular shall be deemed to include the plural and vice-versa. Words in any gender shall be deemed to include all genders.

13. If any one or more of the terms of this Agreement shall be held to be indefinite, invalid, illegal, or otherwise unenforceable, in whole or in part, for any reason, by any court of competent jurisdiction, the remainder of this agreement shall continue in full force and effect and shall be construed as if such indefinite, invalid, illegal or unenforceable term(s) had not been contained herein.

14. This Agreement contains all (and is intended by all parties hereto to be an integration of all) of the promises, agreements, understandings and representations made between the parties hereto. There are no promises, agreements, conditions, understandings, warranties, or representations, oral or written, express or implied, other than those specifically set forth herein.

15. This Agreement can only be modified, amended or changed in a writing executed by all parties hereto.

16. Any rule of law construing the terms of this Agreement against the party that drafted the agreement is hereby waived.

17. Risk of Loss: Tenant bears risk of loss in connection with the delivery of each payment due under this Agreement.

18. In the event of a breach of this Agreement by any party hereto, the parties agree this Agreement shall be construed according to the laws of the District of Columbia.

19. The parties hereto warrant to the other party that it has the authority to enter into this Agreement.

20. Each party hereto knowingly and voluntarily waives the right to a jury trial in connection with any claim, counterclaim and/or any dispute relating in any way to this Agreement. In the event of a dispute in connection with this Agreement the parties agree that the dispute shall be brought in the Superior Court of the District of Columbia, Washington, D.C.

21. The parties agree that this Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement consisting of six (6) typewritten pages with an effective date as first written above.

[Signatures commence on following page]

READ AND AGREED TO:

Witness:

(print name and date)

TENANT:

**LARGE APPAREL OF DISTRICT OF
COLUMBIA INC. doing business as
Ashley Stewart**

By: 

Its: CEO

LANDLORD:

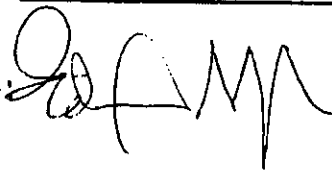
**GOODHOPE MARKETPLACE
LIMITED PARTNERSHIP**

Edmund S. Spivack
(print name and date)

4/27/10

By: Good Hope Manager, LLC

Its: General Partner

By: , manager

Example Payment Schedule for Large Apparel of District of Columbia, Inc. doing business as Ashley Stewart.

| Date | Beginning Balance | Payment | Principal | Interest (omitted) | Balance |
|--------------|--------------------------|--------------------|--------------------|---------------------------|----------------|
| 3/15/2010 | \$47,187.65 | \$7,836.65 | \$ | 7,836.65 | |
| 4/1/2010 | \$39,331.00 | \$7,836.65 | \$ | 7,836.65 | \$39,331.00 |
| 5/1/2010 | \$31,494.35 | \$7,836.65 | \$ | 7,836.65 | \$31,494.35 |
| 6/1/2010 | \$23,657.70 | \$7,836.65 | \$ | 7,836.65 | \$23,657.70 |
| 7/1/2010 | \$15,821.05 | \$7,836.65 | \$ | 7,836.65 | \$15,821.05 |
| 8/1/2010 | \$7,984.40 | \$7,984.40 | \$ | 7,984.40 | \$7,984.40 |
| | | | | | \$0.00 |
| TOTAL | | \$47,187.65 | \$47,187.65 | \$ | \$ |

SULLIVAN • HAZELTINE • ALLINSON LLC
ATTORNEYS AND COUNSELORS AT LAW

William D. Sullivan
wsullivan@sha-llc.com

William A. Hazeltine
whazeltine@sha-llc.com

Elihu E. Allinson, III
zallinson@sha-llc.com

John G. Pope
jpope@sha-llc.com

4 East 8th Street, Suite 400
Wilmington, Delaware 19801
Tel: (302) 428-8191
Fax: (302) 428-8195

October 29, 2010

BMC Group, Inc.
Attn: Urban Brands Claims Processing
PO Box 3020
Chanhassen, MN 55317-3020

Re: Urban Brands., et al., Case No. 10-13005 (KJC)

Dear Claims Agent:

Enclosed please find the original and one copy of the proof of claim form on behalf of Good Hope Marketplace Limited Partnership. Please accept the original for filing and return the time-stamped copy in the postage-paid envelope provided herein.

Thank you for your help in this matter.

Sincerely,



Heidi M. Coleman, AACP, DCP

Enclosures