

<b>UNITED STATES BANKRUPTCY COURT</b>	District of <b>Delaware</b>	<b>PROOF OF CLAIM</b>
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Name of Debtor: <b>UBI Liquidating Corp. f/k/a Urban Brands, Inc.</b>	Case Number: <b>10-13005 (KJC)</b>
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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): <b>Montebello, LLC</b>	<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.  Court Claim Number: _____ (If known)  Filed on: _____
Name and address where notices should be sent: <b>c/o Wendy D. Pullano, Esq. Bregman, Berbert, Schwartz &amp; Gilday, LLC 7315 Wisconsin Avenue, Suite 800 West, Bethesda, MD 20814</b>	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>RECEIVED</b>   <b>JAN 19 2011</b>   <b>BMC GROUP</b> </div>
Telephone number: <b>(301) 656-2707</b>	

Name and address where payment should be sent (if different from above):	<input type="checkbox"/> 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.  <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
Telephone number:	

1. Amount of Claim as of Date Case Filed:      \$ <u>53,012.97</u>  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.  <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.	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.  <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).  <input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).  <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5).  <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).  <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).  <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a)( ).  Amount entitled to priority: \$ _____  *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.
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2. Basis for Claim: **Breach of Lease Guaranty Termination Agreement**  
(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     Other  
Describe:

Value of Property: \$ \_\_\_\_\_ Annual Interest Rate \_\_\_\_\_ %

Amount of arrearage and other charges as of time case filed included in secured claim,  
if any: \$ \_\_\_\_\_ Basis for perfection: \_\_\_\_\_


Amount of Secured Claim: \$ \_\_\_\_\_ 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. **Attachment Termination Agreement and Mutual Release**

If the documents are not available, please explain: **Excerpt Exh. F Debtor's Schedules**

Date: <b>1/17/11</b>	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.  <b>Wendy D. Pullano, Esq., Attorney for Creditor</b> <i>Wendy D. Pullano</i>	FOR COURT USE ONLY  <b>Urban Brands</b>  00504
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## **TERMINATION AGREEMENT AND MUTUAL RELEASE**

This **Termination Agreement and Mutual Release** ("Agreement") is made and entered into this 9 day of 29, 2010, by and among **Montebello, LLC**, a Delaware limited liability company ("Landlord"), **Marianne USPR, Inc.**, a Delaware corporation ("Tenant") and **Urban Brands, Inc.**, a Delaware corporation ("Guarantor").

### **WITNESSETH:**

**WHEREAS**, Landlord and Tenant are parties to a Lease Agreement dated September 26, 2005 (the "Lease"), whereby Tenant leased from Landlord certain retail premises containing approximately 8,450 square feet (the "Premises"), in the shopping center known as the Mart at Montebello, located at 886 West Beverly Boulevard, Montebello, California, for a Term expiring on November 30, 2010 (the "Lease Expiration Date"); and

**WHEREAS**, Guarantor executed a Guaranty Agreement of even date with the Lease (the "Guaranty") whereby Guarantor unconditionally and irrevocably guaranteed the payment by Tenant of all sums stated in the Lease to be payable by Tenant to Landlord; and

**WHEREAS**, on or about July 20, 2008, Tenant ceased to operate its business in the Premises, and surrendered possession of the Premises to the Landlord subject to Landlord's reservation of rights to pursue the Tenant for damages under the Lease; and

**WHEREAS**, on November 12, 2008, the Landlord filed a Complaint for Breach of Written Lease and Breach of Guaranty against Tenant and Guarantor in the Superior Court of California assigned Case No. BC401705 (the "Lawsuit") seeking the entry of a judgment for damages under the Lease; and

**WHEREAS**, on August 25, 2009, the Superior Court entered a Judgment by Default against the Tenant and Guarantor in the Lawsuit in the amount of \$42,551.64 representing accrued rent through November 2008, interest and attorneys' fees (the "Judgment"); and

**WHEREAS**, the Judgment remains unsatisfied, and the Landlord has asserted an amended claim against the Tenant and Guarantor for monies due and owing to Landlord under the Lease, calculated through the Lease Expiration Date, in an amount in excess of \$350,000 (this amount includes credits for mitigated rent and also includes the amounts comprising the Judgment); and

**WHEREAS**, the parties desire to settle the Landlord's amended claim for money damages under the Lease and Guaranty and to terminate the Lease and Guaranty in accordance with the terms and conditions of this Agreement.

**NOW THEREFORE**, in consideration of the mutual covenants herein made, Landlord and Tenant hereby enter into this Agreement and state as follows:

1. **RECITALS/CAPITALIZED TERMS.** The foregoing recitals are incorporated herein by this reference. Unless otherwise defined herein, all capitalized terms shall have the same meaning as they have been assigned in the Lease.

2. **PREMISES.** The parties acknowledge and agree that the Tenant surrendered the Premises to the Landlord on or about July 30, 2008, subject to Landlord's reservation of rights as to the Tenant's continuing obligations under the terms and conditions of the Lease including the obligation to pay Rent until the "Lease Expiration Date."

3. **TERMINATION OF LEASE AND GUARANTY.** Except as expressly set forth herein, Landlord, Tenant and Guarantor agree that the Lease and Guaranty, and the parties respective rights and obligations under the Lease and Guaranty, shall terminate when Tenant or Guarantor has paid the Termination Fee (hereinafter defined) to Landlord pursuant to the terms set forth in Paragraph 4 of this Agreement. The date when the Termination Fee has been paid in full is hereinafter referred to as the "Termination Date."

4. **TERMINATION FEE.** In consideration of and as a material inducement for Landlord to enter into this Agreement, Tenant or Guarantor shall pay Landlord a termination fee equal to \$106,025.93 (the "Termination Fee"), which amount is payable in two installments as follows: the first installment in the amount of \$53,012.96 shall be paid to Landlord on or before June 30, 2010 and contemporaneously with the execution and return of this Agreement by Landlord, Tenant and Guarantor. The second installment in the amount of \$53,012.97 shall be paid to Landlord by Tenant or Guarantor on or before August 2, 2010. The provisions of this paragraph shall survive the termination of the Lease and Guaranty. The failure of Tenant or Guarantor to pay all or part of the Termination Fee when due shall be a Default, entitling Landlord to exercise any of the remedies available under the Lease (and the Guaranty) including, but not limited to, seeking an additional judgment for all remaining amounts due and payable as stated in the Lease. In the event of a Default in payment of the Termination Fee, the Lease shall not be terminated.

5. **SATISFACTION OF JUDGMENT.** Upon the payment of the Termination Fee in full, Landlord shall forthwith file, in the Superior Court, a document in proper form to mark the Judgment paid and satisfied and shall send notice of the same to the Tenant and Guarantor. Landlord agrees that Landlord shall not execute on the Judgment.

6. **RELEASE OF CLAIMS.** Landlord, Tenant and Guarantor acknowledge and agree that, with the exception of rights arising herefrom or preserved hereunder, provided Tenant and Guarantor have fully complied with and satisfied the terms and conditions set forth in this Agreement, then on the Termination Date, the Lease and Guaranty shall terminate. This Agreement shall constitute the parties' accord and satisfaction and mutual release of any and all demands, rights, claims, remedies, actions, causes of actions or liabilities (collectively referred to herein as "Claims") that Landlord, Tenant and Guarantor may have against any of the other parties hereto or against any of their representatives, heirs, predecessors, successors, assigns, officers, directors, partners, agents, managing agents, legal representatives or employees of the others, including, without limitation, any claims that have arisen, or could be asserted arising from or relating to the Lease or Guaranty. Notwithstanding the foregoing, this mutual release

shall not apply to Claims made against Landlord (or involving Landlord) arising from or related to negligent acts or omissions of Tenant (or any subtenant of Tenant) at the Premises prior to the Termination Date.

7. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement of the parties with respect to the subject matter addressed herein. No terms, conditions, representations, warranties, promises, or understandings, of any nature whatsoever, express or implied, have been made or relied upon by any party hereto. This Agreement may not be modified, waived, discharged or terminated other than by a writing executed by the parties hereto. This Agreement shall not be construed as an admission of liability by any party hereto.

[Signature Page Follows]


IN WITNESS WHEREOF, the parties hereto set forth their hands and seals as of the date first set forth above.

WITNESS/ATTEST:



LANDLORD:

MONTEBELLO, LLC,  
a Delaware limited liability company

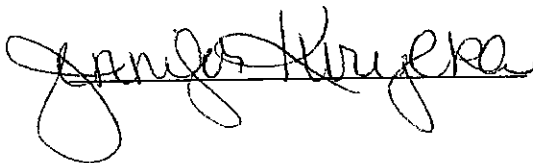
By: 

Name: KATHERINE D. ROBERTSON

Title: VICE PRESIDENT


Date: JUNE 29, 2010

WITNESS/ATTEST:



TENANT:

MARIANNE USPR, INC.,  
a Delaware corporation

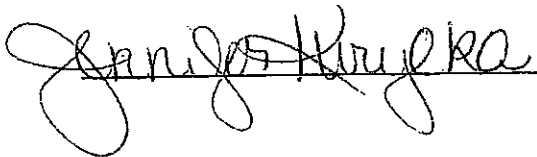
By: 

Name: Michael A. Abate

Title: VP Finance/Treasurer

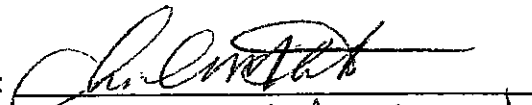
Date: June 29, 2010

WITNESS/ATTEST:



GUARANTOR:

URBAN BRANDS, INC.,  
a Delaware corporation

By: 

Name: Michael A. Abate

Title: VP Finance/Treasurer

Date: June 29, 2010

Schedule of Assets and Liabilities - Exhibit F  
URBAN BRANDS, INC. - 10-13005-KJC

URBAN BRANDS, INC.	MIKE ALBERT LEASING, INC.	10340 EVENDALE DRIVE	CINCINNATI OH	45241	ACCOUNTS PAYABLE	56,362.27
URBAN BRANDS, INC.	MILEAGE NYC, INC. MILLER PROTECTIVE SERVICE	1407 BROADWAY, SUITE 906 PO BOX 1000 DEPT 151	NEW YORK NY	10018	ACCOUNTS PAYABLE	24,145.64
URBAN BRANDS, INC.	MIMS, CECILIA	ASHLEY-336 59 STEWART PLACE	N/A SOUTH ORANGE NJ	N/A	ACCOUNTS PAYABLE	525.00
URBAN BRANDS, INC.	MINNS, MARLA MISS SPORTSWEAR	1384 BROADWAY 10TH FL	NEW YORK NY	10018	ACCOUNTS PAYABLE	4,203.64
URBAN BRANDS, INC.	MISTER NOAH	P.O. BOX 8633 31800 NORTHWESTERN HIGHWAY SUITE 360	BENSALEM PA	19020-8533	ACCOUNTS PAYABLE	960,316.02
URBAN BRANDS, INC.	MODEL T PLAZA ASSOCIATES, LLC	MONDAWMIN-VCK, INC	MINNEAPOLIS MN	55486-2733	ACCOUNTS PAYABLE	60,656.32
URBAN BRANDS, INC.	MONTEBELLO LLC	P.O. BOX 402947-025	ATLANTA GA	30384-2947	ACCOUNTS PAYABLE	121,518.66
URBAN BRANDS, INC.	MONTGOMERY WATER COMPANY	PO BOX 1670 ACCT. # 1100041-301	MONTGOMERY AL	36102-1670	ACCOUNTS PAYABLE	53,012.97
URBAN BRANDS, INC.	MORALES REALTY, INC.	N/A C/O THE MORRIS COMPANIES 350 VETERANS BOULEVARD ATTENTION: MICHEAL R. FERRIE	N/A NJ	N/A	LITIGATION	34.98
URBAN BRANDS, INC.	MORRIS PROP MGMT- THE HUB, LLC	FBI/O ML MORTGAGE LENDING INC P.O. BOX 919093 14726 LIONS PRIDE COURT	RUTHERFORD NJ	07070	ACCOUNTS PAYABLE	17,390.78
URBAN BRANDS, INC.	MURRAY, ROBERT	PRIDE COURT	ORLANDO FL	32891-9093	ACCOUNTS PAYABLE	20,461.86
URBAN BRANDS, INC.	MYISHA D. JAMES	N/A 2853 E. PICO BLVD.	N/A LOS ANGELES CA	N/A 90023	ACCOUNTS PAYABLE	145.09
URBAN BRANDS, INC.	MYNIK INC. - SOSIK	N/A	N/A	N/A	LITIGATION	UNKNOWN
URBAN BRANDS, INC.	N/A	N/A	N/A	N/A	ACCOUNTS PAYABLE	41.75
URBAN BRANDS, INC.	N/A	N/A	N/A	N/A	MERCHANDISE CREDIT LIABILITY	646,736.00
URBAN BRANDS, INC.	N/A	N/A	N/A	N/A	GIFT CERTIFICATE LIABILITY	83,832.00

BREGMAN, BERBERT, SCHWARTZ & GILDAY, LLC

ATTORNEYS AT LAW  
7315 WISCONSIN AVENUE  
SUITE 800 WEST  
BETHESDA, MARYLAND 20814-3244

TELEPHONE: (301) 656-2707  
FACSIMILE: (301) 961-6525

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EDWARD WEISS (DC)  
OF COUNSEL

January 18, 2011

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MARC B. BERGOFFEN (MD, DC, VA, FL)  
WENDY D. PULLANO (MD, DC)  
CHRISTOPHER B. BOWMAN (DC, VA)  
CHRISTINE S. PUGH (MD, DC)  
GWENDOLYN M. ALLEN (MD)

**Via FEDERAL EXPRESS**

BMC Group, Inc.  
Attn: Urban Brands Claims Processing  
18750 Lake Drive East  
Chanhausen, MN 55317

Re: UBI Liquidating Corp. f/k/a Urban Brands, Inc., et al.

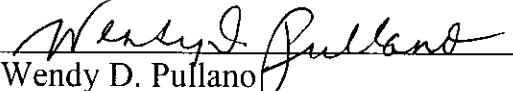
Dear Sir/Madam:

Enclosed you will find three (3) original Proofs of Claim with Exhibits for filing in this proceeding as follows:

1. Montebello, LLC, Creditor  
(Debtor: UBI Liquidating Corp. f/k/a Urban Brands, Inc., Case No. 10-13005);
2. Montebello, LLC, Creditor  
(Debtor: Marianne USPR, Inc., Case No. 10-13030); and
3. Addison Plaza II Associates, LLC, Creditor  
(Debtor: Large Apparel of Maryland, Inc., Case No. 10-13018).

Please stamp the copies of the Proof of Claim forms also enclosed and return to me in the envelope provided. Thank you for your help.

Sincerely yours,  
BREGMAN, BERBERT, SCHWARTZ & GILDAY, LLC

By:   
Wendy D. Pullano

Enclosures

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