

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

Exhibit to Proof of Claim

Debtor: Large Apparel of Maryland, Inc.  
Case No.: 10-13018-KJC  
Creditor: Iverson Mall Limited Partnership

Supporting Documents:

- Lease dated June 24, 1997
- First Amendment to Lease dated December 23, 1998
- Second Amendment to Lease dated October 11, 1999
- Third Amendment to Lease dated April 27, 2007

Calculation of Claim:

Prepetition Rents Due (prior to 9/21/2010):	\$26,754.91
Postpetition Rents Due (9/21/10-vacate date):	\$3,191.86
Lease Rejection Damages (12 months rental):	\$125,580.00
<b>TOTAL</b>	<b>\$155,526.77</b>

IVERSON MALL

LEASE AGREEMENT

by and between

IVERSON MALL LIMITED PARTNERSHIP  
A MARYLAND LIMITED PARTNERSHIP

and

LARGE APPAREL OF MARYLAND, INC.

Dated June 24, 1997

## TABLE OF CONTENTS

SUMMARY OF FUNDAMENTAL LEASE PROVISIONS .....	1
ARTICLE 1	
INTRODUCTORY PROVISIONS .....	2
Section 1.1. <u>General Definitions.</u> .....	2
Section 1.2. <u>Additional Definitions.</u> .....	3
Section 1.3. <u>Adjustment to GLA of Premises.</u> .....	3
Section 1.4. <u>Changes to the Shopping Center.</u> .....	3
ARTICLE 2	
PREMISES AND TENANT'S WORK .....	4
Section 2.1. <u>Lease of Premises.</u> .....	4
Section 2.2. <u>Preparation of Plans.</u> .....	4
Section 2.3. <u>Delivery of Possession: Commencement of Tenant's Work.</u> .....	4
Section 2.4. <u>Opening of Premises.</u> .....	5
Section 2.5. <u>Delay in Delivery of Possession.</u> .....	5
Section 2.6. <u>Unavoidable Delays.</u> .....	5
Section 2.7. <u>Mechanics Liens.</u> .....	5
Section 2.8. <u>Tenant's Property: Landlord's Lien.</u> .....	6
ARTICLE 3	
TERM .....	6
Section 3.1. <u>Term.</u> .....	6
Section 3.2. <u>Preliminary Term.</u> .....	6
Section 3.3. <u>"Main Term," "Lease Year," "Calendar Year," "Partial Calendar Year" Defined.</u> .....	6
Section 3.4. <u>Termination.</u> .....	6
Section 3.5. <u>Holding Over.</u> .....	6
Section 3.6. <u>Renewal Option.</u> .....	7
ARTICLE 4	
RENT .....	7
Section 4.1. <u>Tenant's Agreement to Pay Rent.</u> .....	7
Section 4.2. <u>Rent Commencement Date.</u> .....	7
Section 4.3. <u>Minimum Rent.</u> .....	7
Section 4.4. <u>Percentage Rent.</u> .....	7
Section 4.5. <u>"Gross Sales" Defined.</u> .....	8
Section 4.6. <u>Statement of Gross Sales.</u> .....	8
Section 4.7. <u>Tenant's Records.</u> .....	8
Section 4.8. <u>Additional Rent.</u> .....	8
Section 4.9. <u>Payment of Rent.</u> .....	8
Section 4.10. <u>Security Deposit.</u> .....	9
Section 4.11. <u>Interest Charge.</u> .....	9
Section 4.12. <u>Additional Department Stores.</u> .....	9
ARTICLE 5	
USE OF THE PREMISES .....	9
Section 5.1. <u>Prompt Occupancy and Use.</u> .....	9
Section 5.2. <u>Storage and Office Areas.</u> .....	9
Section 5.3. <u>Tenant's Trade Name.</u> .....	9
Section 5.4. <u>"Continuous Operations: Operating Hours."</u> .....	9
Section 5.5. <u>Operational Requirements.</u> .....	9
Section 5.6. <u>Signs: Painting: Displays.</u> .....	10
Section 5.7. <u>Hazardous Substances, Etc.</u> .....	11
Section 5.8. <u>Kickout</u> .....	11
Section 5.8. <u>Operating Co-Tenancy</u> .....	11
ARTICLE 6	
TAXES .....	11
Section 6.1. <u>Real Estate Taxes.</u> .....	11
Section 6.2. <u>Payment of Tenant's Taxes.</u> .....	12
Section 6.3. <u>"Tax Year" Defined.</u> .....	12
Section 6.4. <u>Other Taxes.</u> .....	12
ARTICLE 7	
UTILITIES AND OTHER SERVICES .....	12
Section 7.1. <u>Tenant's Utilities.</u> .....	12
Section 7.2. <u>Tenant's Electrical Energy Charge.</u> .....	12
Section 7.3. <u>Tenant's Water and Sewer Charge.</u> .....	12
Section 7.5. <u>Tenant's Trash Removal Charge.</u> .....	13
Section 7.6. <u>Payment of Tenant's Utility Charges.</u> .....	13
Section 7.7. <u>Telephone, Gas and Other Services.</u> .....	14
ARTICLE 8	

<u>COMMON AREAS</u> .....	14
Section 8.1, <u>Use and Management</u> .....	14
ARTICLE 9 - INTENTIONALLY OMITTED	
.....	14
Section 9.2, <u>Landlord's Contribution to Merchants' Association or Marketing and Advertising Fund</u> .....	14
ARTICLE 10	
<u>MAINTENANCE, REPAIRS AND ALTERATIONS</u> .....	15
Section 10.1, <u>Landlord's Duty to Maintain Structure</u> .....	15
Section 10.2, <u>Tenant's Duty to Maintain Premises</u> .....	15
Section 10.3, <u>Tenant's Duty to Repair Damage</u> .....	15
Section 10.4, <u>Alterations by Tenant</u> .....	15
Section 10.5, <u>Right of Access to the Premises</u> .....	15
ARTICLE 11	
<u>INDEMNITY AND INSURANCE</u> .....	16
Section 11.1, <u>Tenant's Insurance</u> .....	16
Section 11.2, <u>Tenant's Contractor's Insurance</u> .....	16
Section 11.3, <u>Insurance Criteria</u> .....	16
Section 11.4, <u>Indemnity by Tenant</u> .....	17
Section 11.5, <u>Landlord Not Responsible for Acts of Others</u> .....	17
Section 11.6, <u>Landlord's Insurance</u> .....	17
Section 11.7, <u>Increase in Insurance Premiums</u> .....	17
Section 11.8, <u>Waiver of Right of Recovery</u> .....	17
ARTICLE 12	
<u>CASUALTY</u> .....	17
Section 12.1, <u>Obligations to Repair and Reconstruct</u> .....	17
Section 12.2, <u>Landlord's Option to Terminate Lease</u> .....	17
Section 12.3, <u>Insurance Proceeds</u> .....	18
ARTICLE 13	
<u>CONDEMNATION</u> .....	18
Section 13.1, <u>Effect of Taking</u> .....	18
Section 13.2, <u>Condemnation Awards</u> .....	18
ARTICLE 14	
<u>ASSIGNMENT AND SUBLETTING</u> .....	18
Section 14.1, <u>Landlord's Consent Required</u> .....	18
Section 14.2, <u>Transfer; Issuance of Corporate Shares; Creation of Partnership Interests</u> .....	19
Section 14.3, <u>Acceptance of Rent from Transferee</u> .....	19
Section 14.4, <u>Assignments/Estoppel/Financing Transactions</u> .....	19
ARTICLE 15	
<u>DEFAULT</u> .....	19
Section 15.1, <u>"Event of Default" Defined</u> .....	19
Section 15.2, <u>Remedies</u> .....	20
Section 15.3, <u>Damages</u> .....	20
ARTICLE 16	
<u>SUBORDINATION AND ATTORNMENT</u> .....	20
Section 16.1, <u>Subordination</u> .....	20
Section 16.2, <u>Mortgagee's Unilateral Subordination</u> .....	21
Section 16.3, <u>Attornment</u> .....	21
Section 16.4, <u>Non-disturbance</u> .....	21
ARTICLE 17	
<u>QUIET ENJOYMENT</u> .....	21
Section 17.1, <u>Covenant</u> .....	21
ARTICLE 18	
<u>NOTICES</u> .....	21
Section 18.1, <u>Sending of Notices</u> .....	21
Section 18.2, <u>Notices to Mortgagees</u> .....	21
ARTICLE 19	
<u>MISCELLANEOUS</u> .....	21
Section 19.1, <u>Shopping Center Lease</u> .....	21
Section 19.2, <u>No Recordation</u> .....	21
Section 19.3, <u>Remedies Cumulative</u> .....	22
Section 19.4, <u>Successors and Assigns</u> .....	22
Section 19.5, <u>Compliance with Laws and Regulations</u> .....	22
Section 19.6, <u>Captions and Headings</u> .....	22
Section 19.7, <u>Joint and Several Liability</u> .....	22

Section 19.8.	<u>Broker's Commissions.</u>	22
Section 19.9.	<u>No Discrimination.</u>	22
Section 19.10.	<u>No Joint Venture.</u>	22
Section 19.11.	<u>Conflicts: Schedules.</u>	22
Section 19.12.	<u>No Modification.</u>	22
Section 19.13.	<u>Severability.</u>	23
Section 19.14.	<u>No Third Party Beneficiary.</u>	23
Section 19.15.	<u>Corporate Tenants.</u>	23
Section 19.16.	<u>Applicable Law.</u>	23
Section 19.17.	<u>Waiver of Jury Trial.</u>	23
Section 19.18.	<u>Limitation of Liability.</u>	23
Section 19.19.	<u>No Accord and Satisfaction.</u>	23
Section 19.20.	<u>Time of Essence.</u>	23
Section 19.21.	<u>"Person(s)" Defined.</u>	23
Section 19.22.	<u>Execution of Lease.</u>	23
Section 19.23.	<u>Non-Recourse</u>	24
LANDLORD ACKNOWLEDGMENT		25
CORPORATE/PARTNERSHIP TENANT ACKNOWLEDGMENT		25
INDIVIDUAL TENANT ACKNOWLEDGMENT		25

## SCHEDULES LIST

Schedule A	Landlord's Tract
Schedule A-1	Shopping Center Upper Level Lower Level
Schedule B	Contractor Procedures
Schedule B-1	Pre-Construction Guidelines
Schedule B-2	Procedures for Contractors
Schedule B-3	Authorization for Access Form
Schedule C	Guaranty
Schedule D	Intentionally Omitted
Schedule E	Intentionally Omitted
Schedule F	Intentionally Omitted
Schedule G	Storefront, Sign and Lighting Criteria
Schedule H	Iverson Mall Shopping Center
Schedule I	Established Rules and Regulations
Schedule J	Schedules Omitted in this Lease
Schedule K	Certificate of Lease Commencement Date

# IVERSON MALL LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease"), is executed in four (4) counterparts and made as of the 24 day of JUNE 1997, by and between IVERSON MALL LIMITED PARTNERSHIP, a Maryland limited partnership ("Landlord") and Large Apparel of Maryland, Inc., a Maryland corporation ("Tenant"), Landlord and Tenant having the following notice addresses on the date of this Lease:

## Landlord:

IVERSON MALL LIMITED PARTNERSHIP,  
a Maryland Limited Partnership  
3737 Branch Avenue, Suite 203  
Hillcrest Heights, Maryland 20748

with a copy to:

Kay Management Company, Inc.  
Suite 410  
8720 Georgia Avenue  
Silver Spring, MD 20910

## Tenant:

Large Apparel of Maryland, Inc.  
100 Metro Way  
Secaucus, NJ 07094  
Attn: Sam Polese

with a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## SUMMARY OF FUNDAMENTAL LEASE PROVISIONS

The provisions set forth below represent the agreement of the parties hereto as to certain fundamental lease provisions ("Fundamental Lease Provisions"). Specified Section, Schedule and Article references designate some of the other places in this Lease where additional applicable provisions appear. The monetary charges payable by Tenant set forth in the Summary of Fundamental Lease Provisions shall not be construed to constitute an exhaustive list of all amounts which may become payable under this Lease.

### Article/Schedule

(a)	Tenant's Trade Name:	Ashley Stewart Woman Sizes 14-26	(See 5.3)
(b)	Main Term:	Ten (10) lease years plus One (1) Five (5) year option to renew	(See 3.3, 3.6)
(c)	Premises Number:	202-B	(See Sch. A)
(d)	Gross Leasable Area in Premises:	4,830 square feet having a frontage of not less than thirty-five (35) lineal feet	(See 1.3)
(e)	Tenant's Construction Commencement Date:		(See 2.2, 2.3)
(f)	Tenant's Construction Period:		(See 2.2, 2.3)
(g)	Tenant's Opening Date:		(See 2.4)
(h)	Minimum Rent:	Yrs 1-7    Annually:    \$108,000 Monthly:    \$ 9,000  Yrs 8-10    Annually:    \$114,000 Monthly:    \$ 9,500	(See 4.3)
(i)	Percentage Rent:	Ten percent (10%) over the Natural Gross Sales Breakpoint determined by dividing the applicable Annual Minimum Rent by .10	(See 4.4)
(j)	Security Deposit:	None	(See 4.10)
(k)	Initial Estimates of Other Tenant Charges (per square foot per Lease Year):	Taxes: \$1.50  Electrical Energy Charge: To be billed directly to Tenant  Water and Sewer Charge: To be billed by Landlord based upon actual usage.  Trash Removal Charge: To be billed directly to Tenant	(See 6.1)  (See 7.2)  (See 7.3)  (See 7.5)



- |     |   |  |
|-----|---|--|
| (l) | Merchants Association/<br>Marketing Fund<br>Contribution; | (See 9.1)  |
|     |   | (See 9.1)  |
| (m) | Permitted Use:  | Retail sale of women's apparel, ladies lingerie,<br>bath and body merchandise and related<br>accessories SEE RIDER II-1 (See Art. 5) |

## ARTICLE 1

### INTRODUCTORY PROVISIONS

#### Section 1.1. General Definitions.

As used herein, the following terms have the following meanings:

- (a) "Landlord's Tract" means that certain parcel of land, situated in the County of Prince George's, State of Maryland, generally as shown on the site plan attached hereto and made a part hereof and marked Schedule A.
- (b) "Shopping Center" means the commercial structures constructed or to be constructed by Landlord within the Landlord's Tract as shown on Schedule A-1, as the same may be altered, reduced, expanded or replaced from time-to-time.
- (c) "Premises" means that portion of the Shopping Center as shown outlined in red on Schedule A-1, having the square footage of floor area specified in clause (d) of the Fundamental Lease Provisions (subject to Landlord's revised measurement thereof as provided in Section 1.3).
- (d) "GLA" means with respect to the Premises or with respect to the Premises and all other leasable areas (with the exception of any of the Department Stores or kiosks not rented by paying tenants), as the context may require, the number of square feet of area for the exclusive use by the tenants thereof for the sale of goods and services. Said area shall be measured from the exterior face of exterior walls and the exterior face of service corridor walls, the line along the front abutting the Common Areas (which line is commonly known as the lease line), and the center line of any walls shared with other tenants or occupants of the Shopping Center. No deduction from GLA shall be made for columns, stairs, elevators or any interior construction or equipment within the Premises or any leasable area.  
  
From time-to-time during the Term, Landlord may give Tenant notice of the GLA in the Shopping Center, as such GLA may be revised because of additions to (or subtractions from) the Shopping Center and/or the Common Areas, or a such GLA may be adjusted pursuant to provisions in the leases of other tenants or occupants similar to those set forth in Section 1.3. The GLA in the Premises and in all other leasable areas in the Shopping Center shall be utilized to calculate the GLA Fraction and to make any other calculations required to determine Tenant's proportionate share of any charges set forth in this Lease.
- (e) "GLA Fraction" means a fraction, the numerator of which shall be the GLA in the Premises and the denominator of which shall be the GLA in the Shopping Center (except for areas leased by the Department Stores).
- (f) "Common Areas" means those areas and facilities which may be furnished, from time-to-time, by Landlord in, on, under or about the Shopping Center and the Landlord's Tract for the non-exclusive general or limited common use of Landlord and tenants, subtenants and other occupants of the Landlord's Tract, their officers, agents, employees, customers, suppliers, materialmen and other invitees and those areas and facilities used exclusively for maintenance, management and marketing of the Shopping Center and all loading docks and areas and access roadways thereto, delivery passages, package pick-up stations, sidewalks, walkways, roadways, parking and loading areas, malls, courts, ramps, landscaped and planted areas, eating or picnic areas, retaining walls, stairways, escalators, elevators, fire corridors, bus stops, bicycle parking areas, first-aid stations, maintenance and mechanical areas, rest rooms, meeting rooms, management offices, promotional offices, utility plants, distribution equipment and service lines, pipes and conduits for heat, ventilation, light and air conditioning, and other similar areas, facilities or improvements.
- (g) "Default Rate" means an annual rate of interest equal to the lesser of (i) the maximum rate of interest for which Tenant may lawfully contract in Maryland, or (ii) five percent (5%) over the prime lending rate of Citibank, NA (any amounts due hereunder determined by using the Default Rate shall be deemed additional rent).
- (h) "Delivery of Possession" means the tender by Landlord to Tenant of possession of the Premises.
- (i) "Department Stores" mean any building(s) or improvements containing 60,000 square feet or more of GLA leased to a single tenant or owned by a single retail user.
- (j) "Landlord's Management Agent" means Kay Management Co., Inc., its successors and assigns. Landlord's Management Agent shall approve Tenant's Construction Plans, collect Rent on behalf of Landlord, deliver and receive notices pursuant to the terms of the Section 18.1 to and from Tenant on behalf of Landlord, and perform other duties of Landlord, as Landlord shall delegate to Landlord's Management Agent from time-to-time for the purpose of managing the operation of the Shopping Center.

Section 1.2. Additional Definitions.

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

<u>Defined Term</u>	<u>Defined In Section:</u>
Additional Rent	4.8
Average Cost Per Kilowatt Hour	7.2(b)
Calendar Year	3.3(c)
Casualty	12.1
Common Area Maintenance Costs	8.2
Construction Criteria	2.2
Construction Plans	2.2
Delivery of Possession	2.3(a)
Estoppel Certificate	2.4(a)
Event of Default	15.1
Gross Sales	4.5
Gross Sales Breakpoint	4.4
HVAC	7.4
HVAC Costs	7.4
Initial Assessment	9.1
Late Opening Damages	2.4(b)
Lease Outline Drawing	2.2(a)
Lease Year	3.3(b)
Liquidated Damages	15.3(a)
Main Term	3.3(a)
Merchant's Association	9.1
Merchant's Association Contribution	9.1
Minimum Rent	4.3
Mortgage	16.1(a)
Mortgagee	16.1(a)
Partial Calendar Year	3.3(d)
Percentage Rent	4.4
Permitted Use	5.1
Preliminary Term	3.2
Rent	4.1
Rent Commencement Date	4.2
Security Deposit	4.10
Taxes	6.1(a)
Tax Year	6.3
Tenant's Common Area Maintenance Charge	8.3
Tenant's Construction Commencement Date	2.2(a)
Tenant's Construction Period	2.3(a)
Tenant's Contractors	2.7(d)
Tenant's Electrical Charge	7.2(b)
Tenant's HVAC Charge	7.4
Tenant's Minimum Advertising Obligation	9.1
Tenant's Opening Date	2.4(a)
Tenant's Property	2.8(a)
Tenant's Records	4.7
Tenant's Taxes	6.1(b)
Tenant's Trade Name	5.3
Tenant's Trash Removal Charge	7.5
Tenant's Utility Charges	7.6(a)
Tenant's Water and Sewage Charge	7.3
Term	3.1
Termination Damages	15.3(a)
Transfer	14.2
Trash Removal Costs	7.5
Water and Sewer Costs	7.3
Year-to-Date Gross Sales Breakpoint	4.4

Section 1.3. Adjustment to GLA of Premises.

The GLA in the Premises shall be as set forth in clause (d) of the Fundamental Lease Provisions for all purposes of this Lease, unless adjusted pursuant to this Section. Landlord shall certify to Tenant the Actual GLA in the Premises. Landlord may, from time to time, adjust the GLA and such adjusted GLA shall thereafter be conclusively deemed to be the GLA of the Premises for all purposes of this Lease. SEE RIDER XIII-1

Section 1.4. Changes to the Shopping Center.

As between Landlord and Tenant, Landlord may at any time and from time-to-time add land to or eliminate land from the Landlord's Tract, or eliminate or add any improvements, or change or consent to a change in the shape, size, location, number, height or extent of the improvements to any portion of the Shopping Center. In connection herewith, Landlord hereby reserves the right at any time and from time-to-time to construct and lease kiosks on any portion of the Common Areas within the Shopping Center. Upon construction of such kiosks, and for so long as such kiosks shall remain occupied by paying tenants, the portions of the Common Areas devoted to such kiosks shall no longer be deemed a part of the Common Areas but shall be included in the GLA of the Shopping Center. Landlord reserves the right at any time to make alterations, modifications, reductions, expansions or additions to and to build additional story or stories on any building or portion of any building in the Shopping Center whether or not the Premises are contained therein and to build adjoining the same. Landlord reserves the right, as to the Shopping Center, at any time to do, or permit to be done, any or all of the following: add, alter or remove buildings, structures or common areas; change the number and location of buildings and structures; change building dimensions; change the number of floors in any of the buildings or structures; add to, alter or remove partially or wholly any structure or structures or to enclose any mall area; change the identity and type of stores and tenancies and the dimensions thereof, including the alteration of lease lines as same adjoin common areas; change the name of the Shopping Center in which the Premises are located; change the address or designation of the Premises or the building in which the Premises are located; provide subterranean and multiple level parking decks; convert common areas into leasable areas (including installation of kiosks except as provided otherwise herein); construct temporary or permanent buildings or

improvements in the common areas; change the location or character of or make alterations in or additions to the common area and to otherwise alter, repair or reconstruct the common areas or to change the use thereof; and expand the size of the Shopping Center by acquiring or making available additional land; provided, however, that no such changes shall materially alter the size of the Premises or deny ingress to and egress from the Premises. SEE RIDER VII-1, VII-2, VII-3

If any excavation or other building operation shall be authorized or undertaken on any premises adjoining or above or below the Premises or on any other premises in the Shopping Center, Tenant shall permit Landlord, or the adjoining owner, and their respective agents, employees, licensees and contractors, to enter the Premises after reasonable prior written notice to Tenant or without such notice in the event of an emergency and to shore the foundations and/or wall thereof, and to erect scaffolding and/or protective barricades around and about the Premises (but not so as to preclude entry thereto) and to do any act or thing necessary for the safety or preservation of the Premises. Except as provided for herein, Tenant's obligations under this Lease shall not be affected by any such construction or excavation work, shoring-up, scaffolding or barricading. Except as provided for herein, Landlord shall not be liable in any such case for any inconvenience, disturbance, loss of business or any other annoyance arising from any such construction, excavation, shoring-up, scaffolding or barricades, but Landlord shall use its best efforts to assure that such work will cause as little inconvenience, annoyance and disturbance to Tenant as possible consistent with accepted construction practice in the vicinity and to assure that such work shall be expeditiously completed.

## ARTICLE 2

### PREMISES AND TENANT'S WORK

#### Section 2.1. Lease of Premises.

Landlord, in consideration of the Rent to be paid and the covenants to be performed by Tenant, does hereby demise and lease unto Tenant, and Tenant hereby leases and takes from Landlord, for the Term, at the Rental, and upon the covenants and conditions herein set forth, the Premises situated or to be situated in or about the Shopping Center.

Tenant acknowledges that (1) Tenant has inspected the Premises and except as provided for herein accepts the Premises in "as-is" condition, except as provided for herein and (2) Landlord has made no warranties and/or representations regarding the conditions of the Premises. SEE RIDER XIII-9

#### Section 2.2. Preparation of Plans.

(a) Within thirty (30) days from the date hereof, Landlord shall furnish to Tenant a drawing of the Premises ("Lease Outline Drawing").

(b) At least ten (10) days prior to the date that Tenant intends to commence its construction within the Premises, ("Tenant's Construction Commencement Date"), Tenant shall submit to Landlord's Management Agent for Landlord's approval (1) reproducible sepia transparency and three (3) sets of blue-line prints of working drawings and specifications for architectural, electrical, mechanical, sprinkler, plumbing work and all other Tenant's Work within the Premises (collectively, "Construction Plans"). The Construction Plans shall be prepared in accordance with Schedule B ("Construction Criteria").

(c) Tenant is solely responsible for timely preparation and submission of all required drawings and plans to Landlord and to the jurisdictional authorities for timely procurement of all necessary permits and insurance coverage represented by certificates of insurance evidencing Landlord and Landlord's agent, Iverson Mall Limited Partnership, Iverson Mall Merchant's Association and Kay Management Company, Inc., Agent, as additional insured, for timely bidding and award of contracts and ordering of material and equipment, and for timely performance of all other acts necessary for Tenant to commence construction of Tenant's work and to open the Premises for business when required by this Lease.

#### Section 2.3. Delivery of Possession; Commencement of Tenant's Work.

(a) Landlord's Management Agent shall deliver possession of the Premises to the Tenant except as provided for herein in their as-is condition upon receipt by Landlord of fully executed copies of this Lease ("Delivery of Possession"). Notwithstanding anything to the contrary contained in any provision of this Lease, Tenant shall not be entitled to possession, nor shall any act of Tenant be deemed to constitute possession of, or to give to Tenant a possessory interest in, the Premises prior to Tenant's Construction Commencement Date. If Landlord fails to give Delivery of Possession on Tenant's Construction Commencement Date (and in lieu of any other remedy for such failure), Tenant's Construction Commencement Date shall be deemed to be extended to that date calculated by adding to the date specified in clause (e) of the Fundamental Lease Provisions, the number of days of Landlord's delay in providing Delivery of Possession. If Tenant fails to commence construction when required under this Lease, then any subsequent claim for extension of tenant's construction period as set forth in clause (f) of the Fundamental Lease Provisions ("Tenant's Construction Period") because of any unavoidable delay (as provided in Section 2.6), shall be reduced by the number of days that Tenant shall have failed to commence construction after the date upon which construction was to have commenced hereunder.

(b) (i) Tenant agrees to remodel the Premises at the commencement of the term of this lease including, but not limited to replacing the storefront, illuminated signs, lighting, and as necessary, damaged ceiling tiles; repainting of the interior and ceiling, and installing floor covering and a sub-water meter, all of the foregoing at Tenant's expense. Prior to commencing said remodel Tenant shall submit plans to Landlord for approval and shall have such remodeling completed in accordance with Tenant's approved plans no later than Tenant's Opening Date.

(c) On or before Tenant's Construction Commencement Date, Tenant shall deposit with Landlord a certificate of insurance as required in Section 11.2, a true copy of Tenant's building permit and the names and addresses of Tenant's contractor's, and shall commence Tenant's work in accordance with the Construction Plans, as approved, and shall proceed diligently and continuously to completion thereof, including installations of Tenant's fixtures and equipment in the Premises.

#### Section 2.4. Opening of Premises.

(a) Tenant agrees to open its business to the public in the Premises on that certain date that Tenant has completed Tenant's construction ("Tenant's Opening Date") but in no event later than the 120th day after the date of execution of this Lease subject to force majeure. After Tenant has opened the Premises to the public for business, and from time-to-time throughout the Term, Tenant shall, within twenty (20) days after receipt thereof from Landlord, deliver to Landlord a fully-executed certificate ("Estoppel Certificate") in form and substance reasonably satisfactory to Landlord, confirming among other things, the commencement and termination dates and the amounts payable under this Lease, and such other information as Landlord shall reasonably request. SEE RIDER I-1 AND I-3

(b) Tenant shall complete, or cause to be completed, Tenant's work and the installation of Tenant's fixtures, equipment and merchandise prior to Tenant's Opening Date (subject to the provisions of Section 2.6 below).

(c) Notwithstanding anything contained herein to the contrary, Tenant shall not be obligated to accept possession of the Premises or open for business therein in the event Value City department store located on the second and third levels of the former Woodward & Lothrop store at the Shopping Center, Montgomery Ward and sixty percent (60%) of the other retail GLA in the Shopping Center are not occupied and operating at that time.

#### Section 2.5. Delay in Delivery of Possession.

Notwithstanding anything to the contrary in this Lease, Landlord shall not be liable in any manner to Tenant for damages or any other claim resulting from failure to tender Delivery of Possession of the Premises or for any delay of other tenants of the Shopping Center to open, and Tenant hereby waives all such liability; provided, however, that in the event Delivery of Possession shall not have occurred by one (1) year from the date hereof, this Lease shall automatically become null and void and both parties hereto shall be relieved of all obligations hereunder (except that the Security Deposit set forth in Section 4.10 shall be returned to Tenant). In the event of termination under this Section, each party will, at the other's request, execute an instrument in recordable form containing a release and surrender of all right, title and interest in and to this Lease.

#### Section 2.6. Unavoidable Delays.

(a) If Tenant shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, inability to procure labor or construction materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, fire or other casualty, or other reason of a similar or dissimilar nature beyond the reasonable control of Tenant, then performance of such act shall be excused for the period of the delay and the period for the performance of such act shall be extended for a period equivalent to the period of such delay. Delays or failures to perform resulting from lack of funds or the unavailability of a particular contractor or laborer shall not be deemed delays beyond the reasonable control of Tenant.

(b) During Tenant's Construction Period, the provisions of this Section shall not operate to excuse Tenant from completing construction of the Premises within Tenant's Construction Period unless Tenant gives notice of the delaying event to Landlord within twenty (20) days of the occurrence of such delaying event. Such notice shall specify the nature of the delaying event and the number of days of delay claimed to be resulting therefrom. Upon Landlord's acceptance of the reasons for such delay, Tenant's Construction Period shall be extended for a period equivalent to the period of actual delay.

(c) After the Rent Commencement Date, the provisions of this Section shall not operate to excuse Tenant from prompt payment of Rent or any other payment required by the terms of this Lease and shall not extend the Term.

#### Section 2.7. Mechanics Liens.

(a) Tenant will not permit to be created or to remain undischarged any lien, encumbrance or charge (arising out of any work done or materials or supplies furnished by any contractor, subcontractor, mechanic, laborer or materialman, or any mortgage, conditional sale, security agreement or chattel mortgage or otherwise by or for Tenant), which might be or become a lien or encumbrance or charge upon Tenants' leasehold estate in the Premises, the Shopping Center, the Landlord's Tract or any portion thereof, or any income therefrom. Tenant will not suffer any other matter or thing whereby the estate, rights and interests of Landlord in the Landlord's Tract or any portion thereof might be impaired.

(b) If any mechanics' lien on account of any alleged debt of Tenant shall be filed against the Shopping Center, the Landlord's Tract or any portion thereof or any income therefrom, Tenant shall take and diligently prosecute appropriate action to have the same discharged or bonded within thirty (30) days of the filing of such lien. The existence of any mechanic's lien shall not constitute a violation of this Section 2.7(b) if payment is not yet due upon the contract or for the goods or services for which such lien has arisen. Tenant shall have the right (subject to compliance with bonding and other requirements contained in any Mortgage) to contest in good faith the validity of any such lien provided such contest shall not subject Landlord to any civil or criminal liability and provided Tenant shall provide reasonable security to hold Landlord harmless from payment of any sum so contested which is payable by Tenant hereunder. Upon Tenant's failure so to do, Landlord, in addition to any other right or remedy that it may have, may take such action as may be reasonably necessary to protect its interest, and Tenant shall pay any amount paid by the Landlord in connection with such action, and all reasonable legal and other costs and expenses incurred by Landlord in connection therewith (including reasonable attorney's fees, court costs and other necessary disbursements). Any such amounts paid by Landlord and the amount of any such expenses or costs incurred by Landlord, if not paid by Tenant to Landlord within thirty (30) days after the date Tenant receives written notice from Landlord of the amount thereof and demand for payment of the same, shall, with interest thereon at the Default Rate from the date of the receipt by Tenant of the aforesaid written notice to the date of payment thereof by Tenant, be treated as Additional Rent, and shall be payable by Tenant to Landlord not later than thirty (30) days after the giving of such written notice and demand. Nothing herein contained shall obligate Tenant to pay or discharge any lien created by Landlord.

(c) Tenant shall pay promptly all persons furnishing labor or materials with respect to any work performed by Tenant or Tenant's Contractors in, on or about the Premises. No work which Landlord permits Tenant to perform shall be deemed to be for the immediate use and benefit of Landlord so that no mechanics or other lien shall be allowed against the estate of Landlord by reason of any consent given by Landlord to Tenant to improve the Premises.

(d) To the extent permitted by law, prior to (or, if not permitted by law, upon the earliest date permitted following) commencement of any work or the delivery of any materials to the Premises by any contractor, subcontractor, independent contractor, materialman, or their respective employees, agents or servants (collectively, "Tenant's Contractors"), Tenant shall deliver to Landlord's Management Agent a recordable waiver of lien affidavit from each of such Tenant's Contractors, which shall provide among other things, that such Tenant's Contractors waive any and all lien rights that it or they may have against Landlord's interest in the Shopping Center, the Landlord's Tract or any portion thereof.

(e) To the extent permitted by law, Landlord shall have the right to post such other notices as Landlord may deem to be proper for the protection of Landlord's interest in the Premises. The provisions of this Section shall apply with respect to any work performed in, on or about the premises at any time during the Term hereof.

#### Section 2.8. Tenant's Property; Landlord's Lien.

(a) All trade fixtures and apparatus (as distinguished from leasehold improvements) owned by Tenant and installed in the Premises ("Tenant's Property") shall remain the property of Tenant and shall be removable at any time, including upon the expiration of the Term, provided (i) Tenant shall not at such time be in default of any term, covenant or provision of this Lease, (ii) Tenant shall repair any damage to the Premises caused by the removal of any of Tenant's Property and (iii) if requested by Landlord, Tenant shall have the estimated cost of repairing any such damage to the Premises bonded to the satisfaction of Landlord.

SEE RIDER VI-6

(b) If Tenant's Property, or any portion thereof, is not removed from the Premises upon the expiration of the Term or

any earlier termination of this Lease in accordance with the foregoing, such remaining Tenant's Property shall, at the election of Landlord, become the personal property of Landlord, and Tenant's rights therein shall cease upon the exercise of such election by Landlord. Nothing contained herein shall impair the right of Landlord to the benefit of any applicable lien on Tenant's Property located in, on or about the Premises as may be permitted under the law of Maryland, and in the event such lien is asserted by Landlord in any manner or by operation of law, Tenant shall not remove or permit the removal of such Tenant's Property until the lien has been removed and all defaults hereunder have been cured.

SEE RIDER XIII-22

### ARTICLE 3

#### TERM

##### Section 3.1. Term.

The term of this Lease ("Term") shall include the Preliminary Term and the Main Term. If Tenant is entitled to and exercises the Renewal Term, the Term shall also include the Renewal Term.

##### Section 3.2. Preliminary Term.

The "Preliminary Term" shall begin as the date of this Lease and, unless sooner terminated as herein provided, continue thereafter through the day immediately prior to the Rent Commencement Date.

##### Section 3.3. "Main Term," "Lease Year," "Calendar Year," "Partial Calendar Year" Defined.

(a) "Main Term" means the period commencing on the Rent Commencement Date and, subject to the provisions of Article 15 and the other terms and conditions of this Lease, continuing for the number of years specified in clause (b) of the Fundamental Lease Provisions.

(b) SEE RIDER I-4

(c) The term "Calendar Year" means each successive twelve (12) month period, commencing on January 1 and ending on December 31.

(d) "Partial Calendar Year" means either the period between the Rent Commencement Date (if that date is not January 1), and the next succeeding December 31, or the period between the preceding January 1 and the expiration of the Term.

(e) It is intended that Minimum Rent, Percentage Rent and any payments required to be made by Tenant hereunder which are based upon Gross Sales shall be calculated with reference to the Lease Year. All other charges for which Tenant is responsible are to be based upon the Calendar Year or Partial Calendar Year, whichever is applicable.

##### Section 3.4. Termination.

Unless sooner terminated pursuant to the provisions hereof, this Lease shall terminate on the expiration of the Term without the necessity of any notice from either Landlord or Tenant to terminate the same, and Tenant hereby waives notice to vacate or quit the Premises and agrees that Landlord shall be entitled to the benefit of all remedies at law or equity respecting the summary recovery of possession of the Premises from a tenant holding over, to the same extent as if statutory notice had been given. Notwithstanding anything to the contrary elsewhere in this Lease, if Tenant's Premises consist of a kiosk, Tenant's tenancy may be terminated at any time by Landlord, upon thirty (30) days prior written notice to Tenant.

##### Section 3.5. Holding Over.

If Tenant shall be in possession of the Premises after the termination of this Lease, in the absence of any written agreement extending the Term, the tenancy under this Lease shall become one from month-to-month, terminable by Landlord thirty (30) days' prior written notice, at a monthly Rental equal to  $1 \frac{1}{3}$  times the sum of (i) the monthly installment of Minimum Rent payable during the last calendar month of the Term and (ii) one twelfth (1/12) of the average annual Percentage Rent payable hereunder for the last two (2) Lease Years, or (if the Term is less than two (2) years), the complete Lease Year preceding termination. Tenant shall also pay as Additional Rent all other charges payable under the terms of this Lease, pro-rated for each month during which Tenant remains in possession. Such month-to-month tenancy shall be subject to all other conditions, provisions and obligations of this Lease. Tenant shall not interpose any counterclaims in a summary proceeding or other action based on holdover. At any time after a termination under this Section becomes effective, Landlord may re-enter and take possession of the Premises, any rule of law or equity to the contrary notwithstanding.

##### Section 3.6. Renewal Option.

Provided no default beyond applicable grace cure periods under this Lease has occurred and is continuing at the time notice is given or at the expiration of the Main Term and that Tenant is in occupancy of the entire Premises at the expiration of the Main Term, Tenant shall have the right and option, exercisable by giving written notice thereof at least one hundred eighty (180) days prior to the expiration of the Main Term, to extend the Lease term for one (1) period of five (5) years (the "Renewal Term"). Upon the giving of such notice, this Lease shall be extended for the Renewal Term. In the event that Tenant fails to give such notice to Landlord as herein provided, this Lease shall automatically terminate at the end of the Main Term and Tenant shall have no further right or option to extend this Lease. The Renewal Term shall be upon the same covenants, agreements, provisions, terms and conditions as the Main Term, except that Tenant shall have no further options to renew or extend the Lease term. Minimum Rent during the Renewal Term shall be the greater of Tenant's then current annual Minimum Rent as of the Commencement Date of the Renewal Term or the fair market rental value of the Premises as of the Commencement Date of the Renewal Term. If the parties cannot agree on the fair market value prior to the ninetieth day preceding the Renewal Term, the fair market rental value shall be determined by the Three Broker Method as defined below.

The "Three Broker Method" used to determine fair market rental value shall be applied in the following manner. Either Landlord or Tenant (the "First Party") may initiate a determination of the market rental value by delivering written notice to the other (the "Second Party") of the name of a real estate broker who has at least five (5) years of experience as a broker for the leasing of retail space in the Washington, D.C. Metropolitan Area. Within twenty (20) days after receipt of such notice, the Second Party shall provide the First Party with the name of a real estate broker who meets the same criteria by written notice. If the Second Party fails to name such a broker within such period, then the fair market rental value established by the broker named by the First Party shall be the rental. If the Second Party does name such a broker, then within fifteen (15) days the two brokers shall together appoint a third broker who meets the same criteria and within an additional fifteen (15) days the three brokers shall jointly determine the fair market rental value, which shall be the Minimum Rent to be paid by Tenant during the Renewal Term.

In determining fair market rental value, the brokers shall each review comparable per square foot market rents then being paid by other similar sized tenants under new lease agreements for comparable shopping centers. If the three brokers cannot agree to a net effective rent, the determination of the broker who is the mean of the two extremes shall be binding and conclusive. Each party shall pay all costs, fees and expenses of the broker they select and the parties shall share equally the costs, fees and expenses of the third broker.

#### ARTICLE 4

##### RENT

###### Section 4.1. Tenant's Agreement to Pay Rent.

Tenant hereby agrees to pay to Landlord during the Term, at the times and in the manner herein provided, the Minimum Rent, Percentage Rent and Additional Rent (collectively, "Rent"). Tenant's obligation to pay Rent during the Term shall survive the termination of this Lease.

###### Section 4.2. Rent Commencement Date.

"Rent Commencement Date" means August 1, 1997.

###### Section 4.3. Minimum Rent.

(i) For each Lease Year Tenant shall pay Landlord the Minimum amount set forth in clause (h) of the Fundamental Lease Provisions ("Minimum Rent"), which shall be payable in twelve (12) equal monthly installments, in advance, on the first (1st) day of each calendar month (plus, if the Rent Commencement Date shall be a day other than the first (1st) day of a calendar month, 1/365th of the annual Minimum Rent for each day commencing on the Rent Commencement Date through and including the day immediately preceding the first (1st) day of the first (1st) Lease Year, which sum shall be payable with the first (1st) monthly payment of Minimum Rent due hereunder).

(ii) In order to reimburse Tenant for the costs incurred by Tenant for the Tenant's Work (which in no event shall include Tenant fixtures, equipment and inventory), Landlord agrees to provide Tenant with a credit against Tenant's Minimum Annual Rent obligations arising during the first Lease year under the Lease in an amount that shall not in excess of ONE HUNDRED EIGHT THOUSAND DOLLARS (\$108,000.00), which credit shall be applied against the first twelve installments of Minimum Annual Rent payable hereunder. Such rent credit is being provided to Tenant based upon actual costs of Tenant's Work to the Premises incurred by Tenant. Tenant agrees to furnish to Landlord full and complete certified documentation to evidence and substantiate such costs. Tenant shall not be entitled to receive any such credit after July 31, 1998.

(iii) In the event Tenant shall open for business on or after September 1, 1997, then all Minimum Rent payable for the month of August 1998 shall be abated in its entirety. In the event that Tenant shall open for business between August 1, 1997 and August 31, 1997, inclusive, then, the Minimum Rent due and payable for August, 1998 shall be prorated to reflect the number of days during which the Tenant was open for business in the Premises during August, 1997. For example, if the Tenant opens for business on August 14, 1997, then the Minimum Rent due for August, 1998 shall be 17/31 of the full month's Minimum Rent due.

###### Section 4.4. Percentage Rent.

(i) In addition to Minimum Rent, Tenant shall pay to Landlord percentage rent ("Percentage Rent") as determined by this Section. Percentage Rent shall be determined and payable monthly on or before the twentieth (20th) day following the close of each full calendar month during which the amount of Tenant's year-to-date Gross Sales exceeds Tenant's annual Gross Sales Breakpoint. As soon as practicable after the end of each Calendar Year, Percentage Rent paid or payable for such Calendar Year shall be adjusted between Landlord and Tenant, the parties hereby agreeing that Tenant shall pay Landlord or Landlord shall credit to Tenant's account, or (if such adjustment is at the end of the Term), pay Tenant, as the case may be, such amounts as may be necessary to effect adjustment of the total Percentage Rent for the Lease Year in question in accordance with clause (i) of the Fundamental Lease Provisions.

(ii) Tenant shall not be obligated to pay Percentage Rent to Landlord during the first Lease Year of the Term.

###### Section 4.5. "Gross Sales" Defined.

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

(b) The following shall not be included in Gross Sales: (i) any exchange of merchandise between stores of Tenant where such exchange is made solely for the convenient operation of Tenant's business and not for the purpose of consummating a sale made in, at or from the Premises, or for the purpose of depriving Landlord of the benefit of a sale which would otherwise be made in, at or from the Premises, (ii) returns to shippers or manufacturers, (iii) cash or credit refunds to customers on transactions (not to exceed the actual selling price of the item returned) otherwise included in Gross Sales, (iv) amounts collected and paid by Tenant to any governmental authority for any sales or excise tax, and (v) the amount of any discount on sales to employees not to exceed in the aggregate two percent (2%) of Gross Sales. SEE RIDER III-1

###### Section 4.6. Statement of Gross Sales.

(a) Tenant shall deliver to Landlord: (i) within fifteen (15) days after the close of each calendar month on the Main Term, a report signed by Tenant or by an authorized officer or agent of Tenant, showing the Gross Sales made in the preceding calendar month; and (ii) within sixty (60) days after the close of each Lease Year and after the termination of this Lease, a statement of Gross Sales for the preceding Lease Year. The annual statement shall be certified by an independent certified public accountant or financial officer of Tenant stating specifically that (i) it has examined the report of Gross Sales for the preceding Lease Year, (ii) its examination included such tests of Tenant's books and records as it considered or appropriate under the circumstances, (iii) Tenant's books and records, including all financial statements, conform to and are in accordance with generally accepted accounting principles, (iv) such

report presents fairly the Gross Sales of the preceding Lease Year and (v) the Gross Sales conform with and are computed in compliance with the definition of Gross Sales contained in Section 4.5: If Tenant shall fail to deliver such annual statement and certificate to Landlord within said sixty (60) day period, Landlord shall have the right thereafter to employ an independent certified public accountant to examine such books and records as may be necessary to certify the amount of Tenant's Gross Sales for the Lease Year in question, and Tenant shall pay to the Landlord the cost thereof as Additional Rent. Notwithstanding anything to the contrary in this Section 4.6, Landlord shall have the right, during Tenant's regular business hours, to examine the originals or copies of sales slips or receipts of Tenant required to be maintained by Tenant pursuant to Section 4.7. SEE RIDER III-2

(b) Notwithstanding anything to the contrary contained in this Lease, if more than twice during any Lease Year, Tenant shall fail to render to Landlord the required monthly reports of Gross Sales as and when required pursuant to Section 4.6(a) and without demand therefor, then in addition to any and all rights of Landlord upon the occurrence of an Event of Default, Landlord shall have the right, without any prior notice to Tenant whatsoever, upon the fourth (4th) such occurrence, to require Tenant to pay to Landlord, as Additional Rent, the sum of One Hundred Dollars (\$100.00) for the first (1st) day and Twenty Dollars (\$20.00) for each day thereafter during which such reports of Gross Sales shall not have been delivered to Landlord as required hereunder.

#### Section 4.7. Tenant's Records.

Tenant covenants and agrees that the business upon the Premises shall be operated so that a duplicate sales slip, invoice or non-resettable cash register receipt, serially numbered, or such other device for recording sales as Landlord approves, shall be issued with each sale or transaction, whether for cash, credit or exchange. For the purpose of permitting verification by Landlord of any amounts due as Rent, Tenant shall keep and preserve for at least three (3) years after the end of each Lease Year, and during the Term shall keep at the Premises or at Tenant's Notice Address, such duplicate sales slips and receipts, and original or duplicate books and records, which shall disclose all information (conforming to and in accordance with generally accepted accounting principals) required to determine Gross Sales and the accuracy of the information required to be provided by Tenant regarding Tenant's expenditures pursuant to the provisions of Section 4.7 (collectively, "Tenant's Records"). In addition, Tenant shall provide to Landlord, on Landlord's request, copies of Tenant's sales tax, business tax, meals tax, liquor tax, or other tax returns as filed by Tenant with any applicable municipal, county or state authority, which taxes are computed and based upon Tenant's Gross Sales from the Premises. At any time or from time-to-time after advance notice to Tenant, Landlord, its agents and accountants, shall have the right during business hours to make any examination or audit of Tenant's Records which Landlord may desire at Tenant's home office. If such audit shall disclose a liability for Percentage Rent in excess of the Rent theretofore paid by Tenant for any Lease Year, Tenant shall promptly pay such liability. Should any such liability for Percentage Rent equal or exceed three percent (3%) of the Percentage Rent previously paid for such Lease Year, (i) Tenant shall, in addition, promptly pay the cost of audit and interest at the Default Rate on all Additional Rent then payable, accounting from the date such Additional Rent was due and payable, and (ii) an Event of Default shall be deemed to exist unless, within ten (10) days after Landlord shall have given Tenant notice of such liability, Tenant shall have furnished Landlord with evidence satisfactory to Landlord demonstrating that such liability for Additional Rent was the result of good faith error on Tenant's part. SEE RIDER III-3

#### Section 4.8. Additional Rent.

In addition to Minimum Rent and Percentage Rent, Tenant shall pay as Additional Rent all other sums of money or charges of whatever nature required to be paid by Tenant to Landlord pursuant to this Lease (collectively, "Additional Rent"), whether or not the same are designated as Additional Rent.

#### Section 4.9. Payment of Rent.

Tenant shall pay all Rent when due and payable, without any setoff, deduction or prior demand therefor whatsoever. If Tenant shall fail to pay any Rent within seven (7) days after the same is due, Tenant shall be obligated to pay a late payment charge equal to the greater of (a) One Hundred Dollars (\$100.00) or (b) five percent (5%) of any Rent payment not paid when due, to reimburse Landlord for its additional administrative costs provided that no such late payment charge shall be applied during the first two occurrences of lateness during any given lease year if Tenant shall have made its payment within five days following notice that same was not paid during the aforesaid seven (7) day period. Unless otherwise provided herein, any Additional Rent which shall become due shall be payable with the next installment of Minimum Rent, and if none is thereafter due, upon Landlord's demand therefor. Rent and any reports and statements required of Tenant shall be paid and delivered to Landlord at the management office of Landlord in the Shopping Center between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday, or at such other place as Landlord may, from time-to-time, designate in a notice to Tenant. Any payment by Tenant or acceptance by Landlord of a lesser amount than shall be due from Tenant to Landlord shall be treated as a payment on account. The acceptance by Landlord of a check for a lesser amount with an endorsement or statement thereon, or upon any letter accompanying such check, that such lesser amount is payment in full shall be given no effect, and Landlord may accept such check without prejudice to any other rights or remedies which Landlord may have against Tenant. In the event that any check given to Landlord by Tenant for the payment of Rent or other amounts due under this Lease shall "bounce" or shall otherwise not be honored for payment, Landlord shall have the right to demand payment of all bank charges incurred in connection therewith as additional rent and further shall have the right to demand that all future payments due under this Lease from Tenant be made in the form of certified check, bank cashiers check, or money order.

#### Section 4.10. Security Deposit.

There shall be no Security Deposit.

#### Section 4.11. Interest Charge.

In addition to any late payment charge which might otherwise be due, any Rent payable by Tenant under this Lease which is not paid when due shall bear interest at the Default Rate from the first (1st) day due until such Rent, plus all interest accrued thereon, are paid in full.

#### Section 4.12. Intentionally Omitted.

#### Section 4.13. Additional Department Stores.

## ARTICLE 5

### USE OF THE PREMISES

#### Section 5.1. Prompt Occupancy and Use.

Tenant shall occupy the Premises upon commencement of the Main Term and thereafter shall continuously use the Premises for the permitted use as set forth in clause (m) of the Fundamental Lease Provisions ("Permitted Use") and for no other purpose whatsoever without prior written consent of Landlord, which can be withheld for any reason whatsoever.

#### Section 5.2. Storage and Office Areas.

Tenant shall use only minor portions of the Premises for storage and office purposes as are reasonably required therefor. Tenant shall not use for storage or office purposes any interior walls, exterior walls or demising partitions or parts thereof which consist of glass or other transparent material.

#### Section 5.3. Tenant's Trade Name.

Unless otherwise approved by Landlord in writing, Tenant shall conduct business in the Premises only in Tenant's trade name as set forth in clause (a) of the Fundamental Lease Provisions ("Tenant's Trade Name"). Tenant hereby warrants and represents to Landlord that Tenant has authority and the exclusive right to use Tenant's Trade Name. SEE RIDER II-1

#### Section 5.4. "Continuous Operations: Operating Hours."

(a) Tenant shall, throughout the Term of this Lease, use its best efforts to assure the transaction of a maximum profitable volume of business at and from the Premises and, in furtherance thereof, shall (i) continuously, actively and diligently operate its business in the Premises in a first-class, reputable and dignified manner in compliance with its Permitted Use and in accordance with the high standards of store operation for the Shopping Center as reasonably established by Landlord from time-to-time, (ii) keep the Premises fully fixtured and equipped, and (iii) maintain an adequate stock of each type of merchandise sold in the conduct of Tenant's business at the Premises, and/or offer the services to be rendered at and from the Premises, with a sufficient number of appropriately and adequately trained personnel. Except as provided for herein, at no time during the Term of this Lease shall Tenant vacate or abandon the Premises.

(b) Tenant shall cause the Premises to be open for business from 10:00 a.m. until 9:30 p.m., Monday through Saturday, and if and to the extent permitted by law, from 12:00 noon until 6:00 p.m. Sunday, unless other operating hours are established by Landlord in Landlord's sole, absolute and subjective discretion. Tenant may not open for business during periods other than those designated herein without Landlord's prior consent (which may be granted or withheld in Landlord's sole, absolute and subjective discretion); if Tenant opens the Premises for business for periods other than those designated herein, Tenant shall pay to Landlord, as Additional Rent, upon demand, any costs incurred by Landlord in connection with Tenant's opening of the Premises for business during such other hours.

(c) Notwithstanding the provisions of Section 5.4 (b) hereinabove, Tenant shall not be required to be open for business unless the Value City department store located on the second and third levels of the former Woodward & Lothrop store at the Shopping Center and Montgomery Ward are open for business and 60% of the other tenants in the Shopping Center are also open for business. SEE RIDER II-2

#### Section 5.5. Operational Requirements.

(a) In regard to the use and occupancy of the Premises, Tenant shall, at its expense: (i) keep the inside and outside of all glass doors and windows of the Premises clean; (ii) not place any decals or lettering on any glass door, window or other surface of the Premises; (iii) keep all interior and exterior store surfaces of the Premises clean; (iv) replace promptly any cracked or broken glass with glass of like kind and quality; (v) maintain the Premises in a clean, orderly and sanitary condition, free of insects, rodents, vermin and other pests; (vi) keep all of Tenant's mechanical apparatus free of vibration and noise which may be transmitted beyond the interior of the Premises; (vii) comply with all laws, ordinances, codes, rules and reasonable recommendations of Landlord's insurer or applicable fire insurance rating organizations now or hereafter in effect; (viii) keep lit the interior of the Premises, the show windows, if any, and the storefront signs for all hours during which the Shopping Center shall be open for business, regardless of whether Tenant is open for business; (ix) comply with and observe all reasonable rules and regulations established by Landlord from time-to-time which apply generally to all retail tenants in the Shopping Center; (x) place all garbage, trash, rubbish or other refuse in rat-proof containers within the Premises, and/or promptly remove same from the Premises to areas designated by Landlord. SEE RIDER II-3

(b) In regard to the use and occupancy of the Premises and the Common Areas, Tenant shall not: (i) place or maintain any merchandise, trash, refuse or other articles in any vestibule, service corridor or entry way of the Premises, on the footwalks or any corridors adjacent thereto or elsewhere on the exterior of the Premises so as to obstruct any driveway, corridor, footwalk, mall or any other Common Areas; (ii) use or permit the use of any objectionable advertising medium such as, without limitation, loudspeakers, phonographs, public address systems, sound amplifiers, radios, televisions or other broadcast mechanisms within the Shopping Center in such a manner that any sounds reproduced, transmitted or produced shall be directed primarily beyond the interior of the Premises; (iii) permit undue accumulations of garbage, trash, rubbish or other refuse within the Premises, the Shopping Center or the Landlord's Tract; (iv) cause or permit objectionable odors to emanate or be dispelled from the Premises; (v) solicit business in the Common Areas or distribute handbills or other advertising matter in the Common Areas; (vi) permit the parking of vehicles so as to unreasonably interfere with the use of any driveway, vehicular passageway, corridor, footwalk, truck delivery area, or other Common Areas; (vii) receive or ship articles of any kind outside the designated loading area for the Shopping Center; (viii) use the walkway, aisles, sidewalk, corridor or other Common Areas adjacent to the Premises for the sale or display of any merchandise or for any other business, occupation or undertaking; (ix) conduct or permit to be conducted any auction, fictitious fire sale, going out of business sale, bankruptcy sale or other similar type sale in or connected with the Premises unless directed by a court order (but this provision shall not restrict the absolute freedom of Tenant in determining its own selling prices, nor shall it preclude the conduct of periodic seasonal, promotional or clearance sales); (x) use or permit the use of any portion of the Premises in a manner likely to injure the reputation of the Shopping Center or which will be in violation of law, nor permit any part of the Premises to be used for any unlawful, disreputable or immoral purpose whatsoever or for any other activity of a type which is not generally considered appropriate for an urban shopping center; (xi) use or permit the use of any portion of the Premises for any activity which constitutes a nuisance or is hazardous; (xii) place a load upon any floor which exceeds the floor load which the floor was designed to carry; (xiii) operate its heating or air-conditioning in such a manner as to drain heat or air-conditioning from the Common Areas or from the premises of any other tenant or other occupant of the Shopping Center; (xiv) place or maintain any merchandise within one (1) foot of the lease line of the Premises; or (xv) use or permit the use of any portion of the Premises for electronic games or machines, of any kind and description.

(c) Tenant further agrees that parking areas within the Landlord's Tract are intended primarily for use by customers of



the Shopping Center, and accordingly, Tenant agrees to prohibit its employees, contractors, suppliers, and licensees from storing or abandoning motor vehicles upon such parking areas. Tenant and its employees shall park their cars only in such areas designated for that purpose by Landlord. Tenant shall furnish Landlord with state automobile license numbers assigned to Tenant's car or cars and cars used by its employees within ten (10) days after Landlord's request. Tenant shall notify its employees in writing of the provisions of this Section.

(d) If, during the Term, Tenant directly or indirectly operates, manages or has any interest whatsoever in any other store or business operated for a purpose or business similar to or in competition with all or part of the business permitted under clause (m) of the Fundamental Lease Provisions within a radius of one (1) mile of the Shopping Center, it shall be deemed to injure Landlord's ability and right to receive Percentage Rent (such ability and right being a major consideration for this Lease and the construction of this Shopping Center). Accordingly, if Tenant operates, manages or has such interest in any such store or business within such radius, fifty percent (50%) of all sales made from any such other store or business shall be included in the computation of Gross Sales for the purpose of determining Percentage Rent under this Lease as though said sales had actually been made at, in or from the Premises. Landlord shall have all rights of inspection of books and records with respect to such stores or business as it has with respect to the Premises, and Tenant shall furnish to Landlord such reports with respect to Gross Sales from such other store or business as it is herein required to furnish with respect to the Premises. This provision shall exclude (i) stores of Tenant operating and existing on the date hereof, and (ii) stores acquired by Tenant as part of a chain of three or more stores, and shall only apply to stores operating under the same or substantially the same trade name as Tenant.

(e) If Tenant refuses or neglects to repair, replace, or maintain the Premises, or any part thereof, in a manner reasonably satisfactory to Landlord, Landlord shall have the right, upon giving Tenant reasonable written notice to its election to do so, to make such repairs or perform such maintenance on behalf of and for the account of Tenant. In such event, Tenant shall pay the cost of such work as Additional Rent promptly upon receipt of an invoice therefor.

(f) Notwithstanding any other provisions contained herein to the contrary, Tenant specifically covenants and agrees that, during the Term, Tenant (and if Tenant is a corporation, partnership or other similar entity, then Tenant, its officers, directors, stockholders (unless Tenant is a publicly held company), affiliates and partners) shall not directly or indirectly, operate, manage, or have any interest in, any other store or business carrying comparable or similar merchandise within a radius of one (1) mile of the Shopping Center. This covenant, however shall be inapplicable to any store or business of Tenant in operation on the date hereof ("Existing Store"), provided that Tenant has heretofore disclosed the existence of the Existing Store. Tenant agrees that by entering into this Lease it will not breach or violate any restriction by which it is bound under any other lease or agreement to any other person. This provision shall exclude (i) stores of Tenant operating and existing on the date hereof, and (ii) stores acquired by Tenant as part of a chain of three or more stores, and shall only apply to stores operating under the same or substantially the same trade name as Tenant.

#### Section 5.6. Signs; Paintings; Displays.

(a) Tenant shall not place or suffer to be placed or maintained on the exterior of the Premises any sign, advertising matter or any other thing of any kind, and will not place or maintain any decoration, letter or advertising matter on the glass of any window or door of the Premises unless and to the extent permitted in the Construction Criteria, as the same may be revised from time-to-time. Tenant shall, at its expense, maintain such sign, decoration, lettering, advertising matter or other thing as may be permitted hereunder in good condition and repair at all times. Professional handwritten signs shall not be permitted.

(b) Tenant shall install and maintain at all times, subject to the other provisions of this Section, displays of merchandise in the show windows (if any), glass demising partitions, or glass walls of the Premises. All articles and the arrangement, style, color and general appearance thereof in the interior of the Premises, including, without limitation, window displays, advertising matter, signs, merchandise and store fixtures, shall be in keeping with the character and standards of the improvements within the Shopping Center as reasonably determined by Landlord. Landlord reserves the right to require Tenant to correct any nonconformity. SEE RIDER XII-3 AND VII-8

#### Section 5.7 Hazardous Substances, Etc.

(a) Tenant shall not store or use any "Hazardous Substances" or "Oil" (as said terms are hereinafter defined) in the Premises except to the extent the same are required in the ordinary course of the activities conducted by Tenant in the Premises in accordance with Tenant's Permitted Use nor shall Tenant "Release" (as said term is hereinafter defined) any Hazardous Substances or Oil at, on, in, about or under the Premises. Any Hazardous Substances or Oil used in the ordinary course of the activities conducted by Tenant in the Premises shall be stored and used in compliance with all applicable laws, rules, orders, ordinances and regulations of all applicable governmental authorities and any applicable Board of Fire Underwriters having jurisdiction over the Shopping Center and/or the Hazardous Substances in question or Oil.

(b) Tenant shall indemnify, defend (with counsel selected by Landlord) and hold Landlord and its officers, employees and agents harmless from and against any claims, judgments, damages, penalties, fines, costs, liabilities (including sums paid in settlement of claims) or expenses (including reasonable attorneys' fees, costs and expenses and the reasonable fees, costs and expenses of consultants and experts selected by Landlord) which arise during the Term of this Lease in connection with the presence of Hazardous Substances or Oil introduced or Released by Tenant into, on, about or under the Premises or anywhere else in the Shopping Center, or in the soil under the Shopping Center or the ground water or soil vapor on or under the Shopping Center. Without limiting the generality of the foregoing, the indemnification provided for in this Section 5.7(b) shall specifically cover reasonable fees, costs and expenses incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of the presence or suspected presence of Hazardous Substances or Oil in the Premises, or introduced by Tenant into, on, about or under the Premises, the Shopping Center, the soil under the Shopping Center or the ground water or soil vapor on or under the Shopping Center.

(c) Notwithstanding anything to the contrary contained in Section 15.1 below, if a default arises under Section 5.7(a) above which jeopardizes the safety of persons, Tenant shall immediately take such remedial action as is necessary or appropriate to eliminate such jeopardy or peril.

(d) For purposes hereof, the terms, "Hazardous Substance(s)," "Oil" and "Release" shall have the meanings ascribed to them by any applicable Environmental Law (including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended) in effect at any time during Tenant's occupancy and/or possession of the Premises and shall include any chemical, substance, material, object, condition or waste, or combination or release thereof, which (i) is defined as a hazardous substance, hazardous material, hazardous waste, pollutant, toxic material, or contaminant under any Environmental Law; (ii) is a petroleum hydrocarbon, including crude oil or any fraction thereof; (iii) may be hazardous to human health or safety or the environment due to its harmful or potentially harmful properties or effects, including toxicity, corrosivity, flammability, explosivity, infectiousness, radioactivity, carcinogenicity, or reproductive toxicity; or (iv) is regulated pursuant to any Environmental Law. As used herein, the term "Environmental Law(s)" means any federal, state and local law, statute, ordinance, regulation, rule, guideline, judicial decisions, judicial or administrative order or decree, permit, license, approval, authorization, or similar requirement of any federal, state or local governmental agency or other governmental authority, pertaining to the protection

of human health, safety, or the environment. SEE RIDER XIII-10

Section 5.8 Kickout

In the event the Gross Sales of Tenant from the Demised Premises shall fail to exceed \$1,000,000 during the 12 month period commencing September 1, 1998 through August 31, 1999, Tenant shall be entitled to terminate this Lease by written notice given to Landlord no later than one hundred twenty (120) days prior to Tenant's proposed termination date, provided that there exists no uncured event of default hereunder and further provided that Tenant shall give such notice, along with proof of Tenant's Gross Sales certified by a Certified Public Accountant or financial officer of Tenant, prior to December 31, 1999. In the event that Tenant shall elect to exercise its rights hereunder, Tenant shall also deliver to the Landlord at the time of delivery of Tenant's notice hereunder, the sum of \$25,000.00 as a lease termination payment.

Section 5.8 Operating Co-Tenancy

Provided that no event of default has occurred hereunder, if at any time during the term of the Lease or prior to the commencement of the Term and continuing on the date the Term commences, either the Value City department store located on the second and third levels of the former Woodward & Lothrop store at the Shopping Center (herein "Value City") or fifty percent (50%) of the other retail GLA in the Shopping Center shall close for business and remain closed for a period of thirty (30) days or more, then upon the occurrence of such event, Tenant's obligation to pay monthly installments of Minimum Rent and any and all additional rent except consumables shall be reduced by fifty percent (50%) and, in the event either (i) Value City is not reopened or replaced by another tenant (the "Replacement Tenant") comparable to Value City or (b) the amount of other retail GLA in the Shopping Center that is closed for business remains in excess of fifty percent (50%), for a full year from the date of the occurrence of such event, then Tenant shall have the right to terminate this Lease by providing Landlord with sixty (60) days prior written notice, such notice to be given to Landlord within sixty (60) days from the end of said one year period. In such event the term hereof shall terminate as of the date specified by Tenant in its written notice to Landlord. In the event Tenant fails to terminate this Lease as aforesaid, Fixed Minimum Rent shall resume at the rate provided under the Lease as of the end of such sixty (60) day period. In the event a Replacement Tenant does commence operations in the Shopping Center in place of the closed Inducement Tenant, such Replacement Tenant shall thereafter be considered as the Inducement Tenant for the purposes of this paragraph.

ARTICLE 6

TAXES

Section 6.1. Real Estate Taxes.

(a) Tenant shall pay in each Tax Year, or portion thereof occurring during the Term, as Additional Rent, a proportionate share of all real estate taxes, ad valorem taxes and assessments, general and special assessments, taxes on real estate Rental receipts, taxes on Landlord's gross receipts, or any other tax imposed upon or levied against real estate or upon owners of real estate rather than persons generally, payable with respect to or allocable to the Shopping Center, the Landlord's Tract, and all other buildings and improvements situated thereon (including, but not limited to, any and all payments in lieu of any such taxes or assessments made to any federal, state or local governmental authority by Landlord), together with the reasonable costs (including, but not limited to, fees of attorneys, consultants and appraisers) or any negotiation, contest or appeal pursued by Landlord (whether individually or in conjunction with others) in an effort to reduce any such tax, assessment or charge, all the same being collectively referred to herein as "Taxes". SEE RIDER V-1, V-2, V-3, V-4 & V-5.

(b) The amount of Tenant's proportionate share of Taxes ("Tenant's Taxes") for any Tax Year shall be computed by multiplying the amount of such Taxes by the GLA Fraction. In the first (1st) and last Lease Years of the Term, the provisions of this Section shall apply, but Tenant's liability for its proportionate share of any Taxes for such year shall be subject to a pro rata adjustment based upon the number of days of such Lease Year falling within the Tax Year.

(c) Notwithstanding any provision hereunder to the contrary, Tenant's Taxes shall be abated for the first and second lease years of the Term.

Section 6.2. Payment of Tenant's Taxes.

Tenant's Taxes shall be paid by Tenant in twelve (12) equal monthly installments in advance in such amounts as are estimated and billed for each applicable Tax Year by Landlord at the commencement of the Main Term and at the beginning of each successive Tax Year during the Term, each such installment being due on the first (1st) day of each calendar month. At any time or times during any Tax Year, Landlord may revise its estimate of Tenant's Taxes and adjust Tenant's equal monthly installments payable thereafter during such Tax Year to reflect such revised estimate. Within sixty (60) days after the date upon which Landlord shall be obligated to pay any Tax or Taxes, or such reasonable (in Landlord's determination) time thereafter, Landlord shall certify to Tenant the amount of Taxes assessed by or payable to any taxing authority for the Tax Year in question and the amount of Tenant's proportionate share thereof. The proportionate share paid or payable for each such Tax Year shall be adjusted between Landlord and Tenant, the parties hereby agreeing that Tenant shall pay Landlord or Landlord shall credit to Tenant's account, or (if such adjustment is at the end of the Term), pay Tenant, as the case may be, within thirty (30) days of Tenant's receipt of such certification, such amounts as may be necessary to effect such adjustment to the agreed upon proportionate share for each such Tax Year. The failure of Landlord to provide such certification within the time prescribed above shall not relieve Tenant of its obligations generally or for the specific Tax Year in which any such failure occurs.

Section 6.3. "Tax Year" Defined.

"Tax Year" means any twelve (12) month period (deemed, for the purpose of this Section, to have 365 days) established as the real estate fiscal year by each taxing authority having lawful jurisdiction over the Landlord's Tract, during which any real estate tax or taxes, or payments in lieu thereof, shall become due and owing. If taxing authorities shall have different twelve-month periods for their respective Tax Years, each such period shall be deemed a separate Tax Year for purposes of the adjustment set forth in Section 6.2.

Section 6.4. Other Taxes.

In addition to Tenant's proportionate share of Taxes, Tenant shall promptly pay directly to the appropriate taxing authority any and all sales, personal property, excise, meals, license, income and any other Taxes (not including, however, any proportionate share of Landlord's income taxes) which are or may be levied, imposed or assessed by the United States, the State of Maryland or by any political subdivision thereof or any other taxing authority, upon any Rent payable hereunder, upon any property of Tenant, upon any income of Tenant, and/or upon Tenant's Gross Sales.

## ARTICLE 7

### UTILITIES AND OTHER SERVICES

#### Section 7.1. Tenant's Utilities.

Tenant agrees to connect to and use such utility facilities (including electricity, water and sewer, gas, telephone and any other utility) as are supplied to the Shopping Center, in accordance with Landlord's rules and regulations, and the rules and regulations of the utility companies or public authorities supplying such services. Landlord shall incur no liability to Tenant in damages or otherwise in the event that (a) any utility services shall be or become unavailable from any source of supply, or (b) any interruption in any utility service occurs by reason of making of necessary repairs or improvements, or by any reason not within Landlord's reasonable control. Any such unavailability or interruption shall not constitute a termination of this Lease or a constructive eviction of Tenant. SEE RIDER VII-3, VIII-1, VIII-2 and VIII-3 and VII-5

#### Section 7.2. Tenant's Electrical Energy Charge.

(a) Tenant's electrical service will be furnished directly to Tenant by the electrical utility company serving the Premises, and Tenant shall contract with and pay directly to the utility company all such charges therefor when such charges become due and payable. Landlord shall, however, have the option, in its sole discretion to determine (i) whether electrical service will be furnished by an electric utility company directly to the Premises (in which case Tenant agrees to pay directly to the utility company all charges of the utility company for electricity as and when such charges become due and payable); or (ii) whether electrical service will be purchased by Landlord from the utility company and furnished by Landlord to the Premises. Landlord may at any time, and from time-to-time, elect and re-elect either method of providing electrical service to the Premises, and Tenant shall accept electrical service in accordance with each such election to the exclusion of all other methods of supply.

(b) In the event Landlord elects to furnish electricity to the Premises pursuant to (a) (ii) above, Tenant shall pay to Landlord as Additional Rent in the manner hereinafter set forth, a charge therefor ("Tenant's Electrical Energy Charge"). Tenant's Electrical Energy Charge shall be an amount equal to the number of kilowatt hours of electricity used in the Premises each Calendar Year, Partial Calendar Year or other period designated by Landlord, multiplied by Landlord's Average Cost Per Kilowatt Hour for such period. "Average Cost Per Kilowatt Hour" means the total cost of electricity (including fuel adjustment, taxes, surcharges and other charges actually billed), supplied to the Landlord's Tract. The total number of kilowatt hours used in the Premises shall be determined from the kilowatt hour meter installed in the Premises. The purpose of this meter (and the purpose of similar meters to be installed in other premises in the Shopping Center) shall be solely to determine the amount of electricity used in such premises and shall not be for the purpose of reselling or remetering for profit the electrical energy consumed. In no event shall Tenant pay Landlord more per kilowatt hour than the cost to Tenant per kilowatt hour if such service were supplied directly to the Premises by the utility company.

#### Section 7.3. Tenant's Water and Sewer Charge.

(a) Subject to the provisions of Section 7.3(b) below, if, and only if, Tenant shall have water service within the Premises, Tenant shall pay to Landlord, as Additional Rent, a proportionate share of Landlord's water and sewer costs, excluding water and sewer costs allocable to the Common Areas ("Water and Sewer Costs"), in the manner and the amounts set forth below:

(i) If the Premises are not individually metered, Tenant shall pay to Landlord a water and sewer charge ("Tenant's Water and Sewer Charge") which shall be computed by multiplying the actual Water and Sewer Costs for all tenants having premises with such unmetered water service for the billing period in question, by a fraction, the numerator of which is Tenant's GLA and the denominator of which is the aggregate total of the GLA of all tenants having premises with such unmetered water service.

(ii) If the Premises are individually metered from Landlord's system, Tenant's Water and Sewer Charge shall be estimated by Landlord according to the costs of water consumption and sewer usage, for the billing period in question.

(b) Tenant acknowledges that, notwithstanding anything to the contrary contained in Section 7.3 (a) above, as part of Tenant's Work contemplated in Section 2.3 (or if no such Tenant's Work is contemplated then, prior to the commencement of the Main Term), Tenant shall install (or cause to be installed), at its sole cost and expense a sub-water meter to measure Tenant's water consumption and sewer usage for purposes of determining Tenant's Water and Sewer Charge.

#### Section 7.5. Tenant's Trash Removal Charge.

(a) Landlord shall designate a trash removal service with which Tenant shall contract at locally competitive rates, at Tenant's expense, for the removal of all of its rubbish, trash, garbage or other refuse on a daily basis or as reasonably required by Landlord. In the event Tenant fails to remove any accumulation of rubbish within twenty-four (24) hours after notice to remove same, Landlord shall have the right to remove the same, in which event the cost thereof shall be paid by Tenant except that Landlord shall at no time be obligated to remove the same. Tenant shall pay all charges in connection with its trash removal directly to the trash removal service as and when such charges become payable. Tenant shall provide a copy of the trash removal contract to Landlord prior to opening for business in the Premises.

(b) Landlord may elect to operate and maintain a trash removal service for the Shopping Center, the costs and expense of which shall be at locally competitive rates which is referred to herein as "Landlord's Trash Removal Cost". In the event Landlord elects to provide such service, Tenant shall, in each Lease Year, pay Landlord, as Additional Rent, a proportionate share of Landlord's Trash Removal Cost which shall be computed by multiplying Landlord's Trash Removal Cost for the Lease Year in question by the GLA fraction. Such proportionate share shall be paid by Tenant in monthly installments in such amounts as are estimated and billed by Landlord at the beginning of each twelve (12) month period commencing and ending on dates designated by Landlord, each installment being due on the first (1st) day of each calendar month. At any time during such twelve (12) month period, Landlord may revise its estimate of Tenant's proportionate share of Landlord's Trash Removal Costs and adjust Tenant's monthly installments payable thereafter during such twelve (12) month period to reflect such revised estimate. Within ninety (90) days (or such additional time thereafter as is reasonable under the circumstances), after the end of such twelve (12) month period, Landlord shall deliver to Tenant a statement of Landlord's Trash Removal Costs for such twelve (12) month period and the monthly installments paid or payable shall be adjusted between Landlord and Tenant, the parties hereby agreeing that Tenant shall pay Landlord or Landlord shall credit Tenant's account or (if such adjustment is at the end of the Term) pay Tenant, as the case may be, within thirty (30) days of receipt of such statement, such amounts as may be necessary to effect adjustment to the agreed proportionate share for such twelve (12) month period.

(c) If Landlord provides any trash container(s) or dumpster(s) for use by Tenant (whether or not Landlord operates or maintains a trash removal service) Tenant shall not deposit any materials in any trash container(s) or dumpster(s) provided for other tenants, and Tenant shall not deposit in any trash container(s) or dumpster(s) provided by Landlord for Tenant any Hazardous Materials

or materials deemed by Landlord, in Landlord's sole, absolute and subjective discretion, to be flammable, environmentally unsafe or otherwise dangerous or obnoxious.

**Section 7.6. Payment of Tenant's Utility Charges.**

(a) Tenant's Electrical Energy Charge, Tenant's Water and Sewer Charge, and Tenant's Trash Removal Charge (collectively, "Tenant's Utility Charges"), shall be paid by Tenant in monthly installments in such amounts as are estimated and billed by Landlord at the beginning of each Calendar Year, Partial Calendar Year or other period designated by Landlord, in its sole discretion, as the billing period for each such charge. Each installment shall be due on the first (1st) day of each calendar month. At any time or times during any applicable billing period, Landlord may revise its estimate of any of Tenant's Utility Charges and thereafter adjust Tenant's monthly installments on account thereof during such period to reflect such revised estimate. Within one hundred twenty (120) days (or such additional time as is reasonable under the circumstances) after the end of each applicable billing period, Landlord shall deliver to Tenant a statement of Landlord's costs upon which such Tenant's Utility Charges are based for such billing period, and the monthly installments paid or payable shall be adjusted between Landlord and Tenant, the parties hereby agreeing that Tenant shall pay Landlord or Landlord shall credit to Tenant's account, or (if such adjustment is at the end of the Term) pay Tenant, as the case may be, within thirty (30) days of Tenant's receipt of such statement, such amounts as may be necessary to effect adjustment to the agreed proportionate share for such billing period. The failure of Landlord to provide such statement within the time prescribed above shall not relieve Tenant of its obligations generally or for such Calendar Year, Partial Calendar Year or other period so designated in which any such failure occurs.

(b) Upon at least ten (10) days' prior notice to Landlord, Landlord shall permit Tenant to inspect at Landlord's Management Agent's Office, during normal business hours, Landlord's records in regard to all utility and other services for such preceding applicable billing period; provided, however, that if Tenant shall not have requested such inspection within three (3) years following receipt of the said statement of Landlord's costs for such applicable billing period, Tenant shall be conclusively deemed to have accepted such statement, and to have waived any further right to inspection thereof.

**Section 7.7. Telephone, Gas and Other Services.**

All charges for electricity, telephone, gas or other services which are billed directly to Tenant by utility or service company providing such service shall be paid directly by Tenant to such company, as and when they become due.

**ARTICLE 8**

**COMMON AREAS**

**Section 8.1. Use and Management.**

(a) Landlord grants to Tenant and its agents, employees and customers, a non-exclusive license to use the Common Areas (but only those areas as are specifically designated by Landlord from time-to-time) in common with others during the Term, subject to the exclusive control and management thereof at all times by Landlord, and subject further to the rights of Landlord set forth in the next paragraph.

(b) Landlord shall operate and maintain, or cause to be operated and maintained, any areas designated by Landlord as Common Areas in a manner deemed by Landlord to be reasonable and appropriate and in the best interests of the Shopping Center. Landlord shall have the right from time-to-time (i) to establish, modify and enforce rules and regulations governing the use and operation by all tenants, including but not limited to, Tenant, in, on, about, or with respect to the Common Areas which Landlord shall deem necessary or desirable in order to assure a high level of quality and character of operation of the Common Areas; (ii) to add to or subtract from the Common Areas portions thereof for the purpose of entering into, modifying and terminating kiosk leases in accordance with Section 1.4; (iii) to enter into, modify and terminate easements and other agreements pertaining to the use and maintenance of the Common Areas, and any portions thereof; (iv) to close any or all portions of the Common Areas to such extent as may, in the opinion of Landlord, be necessary to prevent a dedication thereof or the accrual of any rights by any persons or by the public therein; (v) to close temporarily any or all portions of the Common Areas; (vi) to allow for reduction or redefinition of common areas in such a way as not to materially impair Tenant's rights to do business; and (vii) to do and perform such other acts in, on, to and with respect to the Common Areas and improvements therein as, in the exercise of good business judgment, Landlord shall reasonably determine to be advisable or necessary. Tenant shall not be required to pay any Common Area charges throughout the term of this lease. SEE RIDER VII-1, VII-2, VII-3, VII-4, VII-7 and VII-9.

**ARTICLE 9 - INTENTIONALLY OMITTED**

**ARTICLE 10**

**MAINTENANCE, REPAIRS AND ALTERATIONS**

**Section 10.1 Landlord's Duty to Maintain Structure.**

Landlord shall maintain the structure of the Shopping Center and shall be responsible for: (a) repairs to any sprinkler system or HVAC system serving the Premises if and to the extent installed by Landlord, its predecessors, agents, contractors and employees, and (b) structural repairs to the roof (and skylights, if any), exterior walls, structural columns and structural floors which collectively enclose the Premises (excluding, however, all doors, door frames, sliding or roll-up doors, storefronts, windows and any glass therein); provided (i) Tenant shall give Landlord notice of the necessity for such repairs and; (ii) make all repairs, alterations and/or improvements in and to the Premises which may, at anytime, or from time-to-time, be required by any legally constituted governmental authority or insurance requirements if such repairs, alterations and/or improvements are so required by reason of Tenant's particular use of the Premises in a manner other than as contemplated by Tenant's Permitted Use; (iii) the necessity for such repairs shall not have arisen, in whole or in part, from the negligence or willful acts or omissions of Tenant, its agents, concessionaires, officers, employees, licensees, invitees or contractors. SEE RIDER VI-1, VI-2 AND VI-7

**Section 10.2. Tenant's Duty to Maintain Premises.**

(a) Tenant shall at all times from and after delivery of possession of the Premises to Tenant, at its own cost and expense, maintain the Premises in good and tenantable condition, and make all repairs to the Premises or any installations, equipment or facilities therein (except for any maintenance and repairs required to be made by Landlord pursuant to Section 10.1, or reconstruction required to be made by Landlord pursuant to Section 12.1). Without limiting the generality of the foregoing, Tenant shall: (i) keep the interior of the Premises, (including, without limitation, walls, ceilings, utility meters, HVAC systems, pipes and conduits which

are installed by Tenant of which exclusively serve the Premises, whether inside or outside the Premises), together with all electrical, plumbing and other mechanical installations therein, in good order and repair and shall make all replacements thereof from time-to-time required by any governmental agency having jurisdiction thereof; (ii) make all repairs, alterations and/or improvements in and to the Premises which may, at any time, or from time-to-time be required by any legally constituted governmental authority or insurance requirements if such repairs, alterations and/or improvements are so required by reason of Tenant's particular use of the Premises in a manner other than as contemplated by Tenant's Permitted Use; (iii) surrender the Premises at the expiration of the Term or at such other time as Tenant may vacate the Premises in as good condition as when received, except for (A) ordinary wear and tear, (B) damage by Casualty (other than such damage by Casualty which is caused, in whole or in part, by the negligence or willful acts or omissions of Tenant, its agents, concessionaires, officers, employees, licensees, invitees, or contractors and which is not wholly covered by Landlord's hazard insurance policy), or (C) unavoidable accidents or acts of God; and (iv) take care not to overload the electrical wiring serving the Premises or within the Premises, and install at its expense, subject to the provisions of Section 10.4, any additional electrical, mechanical, plumbing or any other equipment which may be required in connection with the Permitted Use.

(b) Any damage or injury sustained by any person because of mechanical, electrical, plumbing or any other equipment or installation, the maintenance and repair of which is the responsibility of Tenant pursuant to this Section shall be paid for by Tenant, and Tenant shall indemnify and hold Landlord, Landlord's Management Agent and any Mortgagee harmless from and against all claims, actions, damages and liabilities in connection therewith, including, but not limited to, attorneys' and other professional fees and any other costs which Landlord, Landlord's Management Agent and any Mortgagee incur by reason thereof.

#### Section 10.3. Tenant's Duty to Repair Damage.

Tenant shall repair promptly, at its expense, any damage to the Premises (and upon demand, shall reimburse Landlord for the cost of the repair of any damage occurring elsewhere in the Shopping Center, or in any part of the Landlord's Tract), caused by Tenant, Tenant's contractor, Tenant's suppliers, independent contractors, agents, employees, or any other persons in bringing into the Premises any property for Tenant's use, or by the installation or removal of such property, regardless of fault or by whom such damage shall be caused (unless caused solely by Landlord, its agents, employees or contractors). In default of the making of such repairs by Tenant, at the expiration of ten (10) days after notice to Tenant, Landlord may make such repairs or cause the same to be made, and Tenant agrees to pay to Landlord promptly upon Landlord's demand, as Additional Rent, the cost thereof with interest thereon at the Default Rate until paid.

#### Section 10.4. Alterations by Tenant.

Tenant shall not make any alterations, renovations, improvements or other installations in, under, on or to the Premises or any part thereof (including, without limitation, any alterations of the storefront or signs, structural alteration or any cutting or drilling into any part of the Premises, or any securing of any fixture, apparatus or equipment of any kind to any part of the Premises) unless and until (i) Tenant shall have caused plans and specifications therefor to have been prepared, at Tenant's expense, by a licensed architect or other duly qualified person and (ii) Tenant shall have obtained Landlord's written approval thereof, and Landlord may withhold said approval for any reason whatsoever. If such approval is granted, Tenant shall cause the work described in such plans and specifications to be performed, at its expense, promptly, efficiently and competently by duly qualified or licensed persons or entities without interference with or disruption of the operations of tenants or other users and occupants of the Landlord's Tract. All such work shall comply with all applicable governmental codes, rules, regulations and ordinances. SEE RIDER VI-4 and VII-6

#### Section 10.5. Right of Access to the Premises.

Landlord, and its authorized representatives may upon reasonable notice: (a) enter the Premises (i) during normal business hours for the purpose of inspecting any repairs and alterations being made or required to be made by Tenant hereunder, or (ii) at any other time Landlord deems reasonably necessary to prevent waste and deterioration of the Premises; (b) use exclusively all or any part of the roof of the Premises for any purpose, including, without limitation, the erecting of temporary scaffolds and other aids to construction on the exterior of the Premises, provided access to the Premises shall not be denied; (c) install, maintain, use, repair and replace within the Premises pipes, ducts, conduits, wires, access doors and all other mechanical equipment serving other parts of the Shopping Center, the Landlord's Tract, or areas adjacent thereto, the same to be at such locations within the Premises as will not unreasonably deny Tenant's use thereof; and (d) make any use it desires of the side or rear walls of the Premises, provided that such use shall not encroach on the interior of the Premises. SEE RIDER VII-9

### ARTICLE 11

#### INDEMNITY AND INSURANCE

##### Section 11.1 Tenant's Insurance.

At all times from and after Tenant's Construction Commencement Date, Tenant shall take out and keep in full force and effect, at its expense:

(a) Tenant's Liability Insurance. Throughout the Lease Term, Tenant, at its own cost and expense, shall obtain and maintain a policy of broad form comprehensive general liability insurance. Such comprehensive general liability insurance policy shall protect its insureds against any liability (including, specifically but without limitation, contractual liability) that arises from any occurrence on or about the Premises, or that arises from any matter against which Tenant is required to indemnify Landlord pursuant to Section 11.4. Such policies shall be in minimum amounts approved by Landlord from time-to-time in the exercise of its reasonable business judgment taking into account the then-industry practice in the Baltimore-Washington Metropolitan Area and the policy of Tenant shall name Landlord, Kay Management Company, Inc., Merchants' Association and each Mortgagee, as additional insureds thereunder. As of the date hereof, such insurance shall be in the minimum amount of Three Million Dollars (\$3,000,000.00) combined single limit per occurrence.

(b) Tenant's Property Insurance. Tenant shall, at its cost and expense, obtain and, at all times from the Commencement Date of this Lease and during the Term hereof, maintain in effect insurance covering all Leasehold Improvements, providing protection to the extent of not less than 100% of the full replacement value (to be determined on an annual basis) of all of said items against any peril included under insurance industry practices in the jurisdiction in which the Premises are located within the classification "fire and extended coverage," together with insurance against vandalism, malicious mischief and sprinkler leakage or other sprinkler damage including "use and occupancy" and/or "business interruption" coverage. The amount of insurance shall be based on a written estimate of replacement cost. This estimate shall be made by Tenant's insurance agent and shall be submitted to Landlord for its prior approval, which shall be made by Landlord in the exercise of its reasonable business judgment taking into account the then-industry practice in Baltimore-Washington Metropolitan Area.

(c) Plate Glass Insurance. Tenant shall, at its cost and expense, obtain, and at all times from the Commencement Date of this Lease and throughout the Term hereof, maintain in effect, plate glass insurance. Such policy shall name Landlord and each Mortgagee as additional insureds and loss payees thereunder, and shall insure against all risks, in amounts satisfactory to Landlord, the full cost of repairing and/or restoring all of the plate glass in, at or about the Premises.

- (d) Comprehensive Boiler and Machinery Equipment coverage, if applicable; and
- (e) Worker's compensation or similar insurance to the extent and in the amounts required by law. SEE RIDER IX-1 and IX-2

**Section 11.2. Tenant's Contractor's Insurance.**

Tenant shall require any contractor of Tenant performing work in, on or about the Premises to take out and keep in full force and effect, at no expense to Landlord:

- (a) Comprehensive general liability insurance, including contractor's liability coverage, contractual liability coverage, broad form property damage endorsement, contractor's protective liability and completed operations coverage, with limits, for each occurrence, of not less than Three Million Dollars (\$3,000,000) with respect to personal injury or death, and One Million Dollars (\$1,000,000) with respect to property damage;
- (b) Comprehensive automobile liability insurance, with limits for each occurrence of not less than One Million Dollars (\$1,000,000) with respect to personal injury and death and Five Hundred Thousand Dollars (\$500,000) with respect to property damage; and
- (c) Worker's compensation or similar insurance in form and amounts required by law.

**Section 11.3. Insurance Criteria.**

Each policy which Tenant is required hereby to procure and maintain shall:

- (a) be issued by a company licensed to do business in the jurisdiction in which the Property is located and with a general policyholder's rating of at least A and a financial rating of at least XI in the most current Best Insurance Reports available on the Commencement Date and annually thereafter. If the Best ratings are discontinued, any such policy shall meet the prior approval of Landlord;
- (b) contain an endorsement that such policy shall remain in full force and effect notwithstanding that the insured may have waived its right of action against any party prior to the occurrence of a loss;
- (c) provide that the insurer thereunder waives all right of recovery by way of subrogation or otherwise against Landlord, its partners, agents, employees and representatives in connection with any loss or damage covered by such policy provided landlord's insurance also waives subrogation rights;
- (d) be acceptable in form and content to Landlord (it being agreed by Tenant that if a Mortgagee shall refuse to consent to the form or content of the insurance policy in question, same shall conclusively be deemed to be a reasonable ground for Landlord to withhold its consent);
- (e) be primary and non-contributory; and
- (f) contain an endorsement prohibiting cancellation, failure to renew, reduction of amount of insurance or change in coverage without the insurer's first giving Landlord thirty (30) days prior written notice (by certified or registered mail, return receipt requested) of such proposed action. No such policy shall contain any deductible provision except as otherwise approved in writing by Landlord. Tenant shall deliver to Landlord certificates of insurance evidencing the coverages herein required and payment of the premium for such insurance on or before the Commencement Date and at least annually thereafter. The Certificate of Insurance shall specify the amounts, types of coverage, the waiver of subrogation and other criteria set forth in herein. Tenant shall not be permitted to take possession of the Premises until a certificate of insurance which fully complies with all of the provisions of this hereof has been provided to Landlord by Tenant.

**Section 11.4. Indemnity by Tenant.**

- (a) Notwithstanding any policy or policies of insurance required of Tenant, Tenant, for itself and its successors and assigns, to the extent permitted by law, shall defend, indemnify and hold harmless Landlord, Landlord's Management Agent and any Mortgagee against and from any and all liability or claims of liability by any person arising out of (i) the use, occupancy, conduct, operation or management of the Premises by Tenant or any of its agents, contractors, servants, employees, licensees, suppliers, materialmen or invitees while invitees are within the Premises during the Term; or (ii) any work or thing whatsoever done or not done in the Premises during the Term; or (iv) any breach or default in performing any of the obligations under the provisions of this Lease and/or applicable law by Tenant or any of its agents, contractors, servants, employees, licensees, suppliers, materialmen or invitees during the Term; or (v) any negligent, intentionally tortious or other act or omission by Tenant or any of its agents, contractors, servants, employees, licensees, suppliers, materialmen, invitees while invitees are within the Premises during the Term; or (vi) any injury to or death of any person or any damage to any property occurring upon the Premises (whether or not such event results from a condition existing before the execution of this Lease or resulting in the termination of this Lease), and from and against all costs, expenses and liabilities incurred in connection with any claim, action, demand, suit at law, in equity or before any administrative tribunal, arising in whole or in part by reason of any of the foregoing (including, by way of example rather than of limitation, the fees of attorneys, investigators and experts), all regardless of whether such claim, etc., is asserted before or after the expiration of the Term or any earlier termination of this Lease.
- (b) If any such claim, action or proceeding is brought against Landlord, Landlord's Management Agent or any Mortgagee, Tenant shall promptly if requested by Landlord, Landlord's Management Agent or such Mortgagee, and at Tenant's expense, resist or defend such claim, action or proceeding or cause it to be resisted or defended by an insurer.

**Section 11.5. Landlord Not Responsible for Acts of Others.**

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

Section 11.6. Landlord's Insurance.

During the Term, to the extent deemed reasonable or necessary in Landlord's sole discretion, Landlord shall maintain (a) insurance on the structure of the Shopping Center against loss or damage by fire and all of the hazards included in the extended coverage endorsement, in an amount deemed reasonable by Landlord, (b) comprehensive liability and property damage insurance with respect to the Common Areas, against claims for personal injury or death, or property damage suffered by others occurring in, on or about the Landlord's Tract, such public liability insurance to afford protection in limits deemed reasonable by Landlord, and (c) any other insurance, in such form and in such amounts as are deemed reasonable by Landlord, including, without limitation, rent insurance, theft insurance and worker's compensation insurance. The costs and expenses of any and all insurance carried by Landlord pursuant to the provisions of this Section 11.6 shall be deemed a part of Common Area Maintenance Costs.

Section 11.7. Increase in Insurance Premiums.

Tenant shall not do or suffer to be done, or keep or suffer to be kept, anything in, upon or about the Premises which will contravene Landlord's policies of hazard or liability insurance or which will prevent Landlord from procuring such policies from companies acceptable to Landlord. If anything done, omitted to be done or suffered by Tenant to be kept in, upon or about the premises shall cause the rate of fire or other insurance on the Premises or on other property of Landlord or of others within the Landlord's Tract or other areas within the vicinity thereof to be increased beyond the minimum rate from time-to-time applicable to the Premises or to any such other property for the use or uses made thereof, Tenant shall pay to Landlord, as Additional Rent, the amount of any such increase upon Landlord's demand therefor. SEE RIDER IX-4

Section 11.8. Waiver of Right of Recovery.

To the extent that any loss or damage to any building, structure or other tangible property, or resulting loss of income, or losses under worker's compensation laws and benefits, are covered by insurance, neither party shall be liable to the other party or to any insurance company insuring the other party (by way of subrogation or otherwise), even though such loss or damage might have been occasioned by the negligence of such party, its agents or employees; provided, however, that if, by reason of the foregoing waiver, either party shall be unable to obtain any such insurance, such waiver shall be deemed not to have been made by either party.

ARTICLE 12

CASUALTY

Section 12.1. Obligations to Repair and Reconstruct.

If the Shopping Center shall be damaged by fire, the elements, accident or other casualty (collectively, "Casualty"), but the Premises shall not thereby be rendered wholly or partially untenantable, then, subject to the provisions of Section 12.2, Landlord shall promptly cause such damage to be repaired and there shall be no abatement of Rent. If as the result of Casualty, the Premises shall be rendered wholly or partially untenantable, then, subject to the provisions of Section 12.2, Landlord shall cause such damage to be repaired and all Rent (other than any Additional Rent due Landlord by reason of Tenant's prior failure to perform any of its obligations hereunder) shall be abated proportionately as to the portion of the Premises rendered untenantable during the period of such untenantability. All such repairs shall be made at the expense of Landlord, but Landlord shall not be required to repair any work performed by or on behalf of Tenant, or to expend any amounts in excess of the net proceeds of insurance received by Landlord. Landlord shall not be liable for interruption to Tenant's business or for damage to or replacement or repair of Tenant's Property or to any leasehold improvements installed in the Premises by or on behalf of Tenant, all of which damage, replacement or repair shall be undertaken and completed promptly by Tenant at Tenant's expense.

Section 12.2. Landlord's Option to Terminate Lease.

If: (a) the Premises are rendered wholly untenantable, or (b) the Premises are damaged as a result of any cause which is not covered by Landlord's insurance, or (c) the Premises are damaged or destroyed in whole or in part during the last two (2) Lease Years of the Term, or (d) the Shopping Center is damaged to such an extent that it is not economically or physically feasible, in Landlord's sole judgement, to restore the Shopping Center to at least seventy-five percent (75%) of the previous floor area, or to restore the Shopping Center to a complete architectural unit connecting buildings of all stores then operating, then, and in any of such events, Landlord may elect to terminate this Lease by giving Tenant notice of such election within ninety (90) days after the occurrence of such event. If such notice is given, the rights and obligations of the parties shall cease as of the date of such notice, and Rent (other than any Additional Rent due Landlord by reason of Tenant's failure to perform any of its obligations hereunder) shall be adjusted as of the date of such termination. SEE RIDER X-1, X-2, X-3, X-4 & X-7

Section 12.3. Insurance Proceeds.

If Landlord does not elect to terminate this Lease pursuant to Section 12.2, then, subject to the prior rights of any Mortgagee, Landlord shall disburse and apply any net insurance proceeds received by Landlord to the restoration and rebuilding of the Shopping Center in accordance with Section 12.1. All insurance proceeds payable with respect to the Premises (excluding proceeds payable to Tenant pursuant to Section 11.1), shall belong to and shall be payable to Landlord.

ARTICLE 13

CONDEMNATION

Section 13.1 Effect of Taking.

If the whole or any part of the Premises shall be taken pursuant to the power of eminent domain, whether by condemnation or deed in lieu thereof, this Lease shall terminate as to the part so taken as of the date of such taking. Landlord shall make such repairs and alterations as may be necessary in order to restore (but only to the extent that such restorations shall not exceed the net condemnation proceeds received by Landlord applicable thereto) the part of the Premises not taken to a useful condition and all Rent (other than any Additional Rent due to Landlord by reason of Tenant's prior failure to perform any of its obligations hereunder) shall be reduced in the same proportion as the portion of the Premises so taken bears to Tenant's GLA. If the portion of the Premises so taken renders the remainder of the Premises unusable for the Permitted Use, either party may terminate this Lease as of the date of such taking notice to the other party within thirty (30) days after such date. If a portion of the Shopping Center is taken as aforesaid, and, as a result of such taking it is not economically or physically feasible, in Landlord's sole judgement, to restore the Shopping Center to at least seventy-five percent (75%) of the previous floor area, or to restore the Shopping Center to a complete architectural unit connecting buildings of all stores then operating, Landlord may elect to terminate this Lease as of the date of such taking by giving notice of such election to Tenant within ninety (90) days after such date. If any notice of termination is given pursuant to this Section, this Lease and the rights and obligations of the parties hereunder shall cease as of the date of such notice and all Rent (other than any Additional Rent due Landlord by reason of Tenant's prior failure to perform any of its obligations hereunder) shall be adjusted as of the date of such termination.

Section 13.2. Condemnation Awards.

All compensation awarded for any taking of the Premises or any portion of the Landlord's Tract or any interest in either of them shall belong to and be the property of Landlord. Tenant hereby assigns to Landlord all rights with respect thereto; provided, however, nothing contained herein shall prevent Tenant from seeking in a separate action reimbursement from the condemning authority (if permitted by law) for moving expenses, expenses for removal of Tenant's Property or loss of Tenant's business good will, but if and only if such action shall not reduce the amount of the award or other compensation otherwise recoverable from the condemning authority by Landlord or any Mortgagee.

ARTICLE 14

ASSIGNMENT AND SUBLETTING

Section 14.1. Landlord's Consent Required.

(a) Tenant shall not assign this Lease, in whole or in part, nor sublet all or any part of the Premises, nor license concessions or lease departments therein, without in each instance first obtaining the written consent of Landlord which consent can be withheld for any reason whatsoever (unless otherwise stated herein). This prohibition includes any subletting or assignments which would otherwise occur by operation of law, merger, consolidation, reorganization, transfer or other change of Tenant's corporate or proprietary structure (including, without limitation, the transfer of partnership interests or the creation of additional partnership interests), or an assignment or subletting to or by a receiver or trustee in any Federal or State bankruptcy, insolvency, or other similar proceedings. Consent by Landlord to any assignment, subletting or licensing shall not (i) constitute a waiver of the requirement for such consent to any subsequent assignment, subletting or licensing, (ii) relieve Tenant from its duties, responsibilities and obligations under this Lease or (iii) relieve any guarantor of this Lease from such guarantor's obligations under its guaranty agreement. SEE RIDER XI AND XIII-19

(b) Except in cases where Landlord's consent is not required, if Tenant wishes to assign or sublet all or any part of the Premises, Tenant shall, by notice in writing, advise Landlord of its intention from, on and after a stated date (which shall not be less than sixty (60) days after the date of Tenant's notice) to sublet or assign any part or all of the Premises for the balance or any part of the Term, and, in such event, Landlord shall have the right, to be exercised by giving written notice to Tenant thirty (30) days after receipt of Tenant's notice, to recapture the space described in Tenant's notice and such recapture notice shall, if given, cancel and terminate this Lease with respect to the space therein described as of the date stated in Tenant's notice. Tenant's notice shall state the name and address of the proposed subtenant or assignee, and a true and complete copy of the proposed sublease or assignment shall be delivered to Landlord with said notice. If Tenant's notice shall cover all of the space hereby demised, and Landlord shall give the aforesaid recapture notice with respect thereto, the Term of this Lease shall expire and end on the date stated in Tenant's notice as fully and completely as if that date had been herein definitely fixed for the expiration of the Term. If, however, this Lease be canceled pursuant to the foregoing with respect to less than the entire Premises, the Rent and the escalation percentages herein reserved shall be adjusted on the basis of the number of square feet retained by Tenant in proportion to the Rent and escalation percentages reserved in this Lease, and this Lease as so amended shall continue thereafter in full force and effect. If Landlord, upon receiving Tenant's said notice with respect to any such space shall not exercise its right to cancel as aforesaid, Landlord will not unreasonably withhold its consent to Tenant's subletting or assigning the space covered by its notice. If Tenant shall sublet the Premises, having first obtained Landlord's consent, at a rental in excess of the Rent due and payable by Tenant under provisions of this Lease, said excess rent shall become the Landlord's; it being agreed, however, that Landlord shall not be responsible for any deficiency if Tenant shall sublet the Premises at a rental less than that provided for herein. Any assignment, transfer or sublease in violation of the terms hereunder shall be ineffective and of no force and effect as to any third (3rd) party.

(c) Notwithstanding the foregoing limitations and restrictions on assignment and subletting, Tenant shall have the right to transfer this Lease and/or sublet all of the Leased Premises without obtaining Landlord's consent to any of the following: (1) any entity which at the time of such transfer is the record holder of all of the voting stock of Tenant; (2) any entity which at the time of such transfer is a wholly owned subsidiary of Tenant or an entity which is the then record holder of all of the voting stock of Tenant and into which Tenant has been consolidated; (3) any entity which shall result from a merger of the Tenant with one or more entities; or (4) any entity to whom Tenant shall have sold all or substantially all of its assets or stock. Tenant will provide Landlord with copies of the agreement executed by the assignee of this Lease evidencing the assumption by such assignee of all of the obligations and liabilities imposed upon Tenant under the Lease. Further, Tenant will acknowledge that it shall remain liable on the Lease, notwithstanding any such permitted transfer.

Section 14.2. Transfer; Issuance of Corporate Shares; Creation of Partnership Interests.

If Tenant (or any general partner of Tenant, or any guarantor of Tenant), is a corporation (other than a corporation the outstanding voting stock of which is listed on a "national securities exchange," as defined in the Securities Exchange Act of 1934), or a general or limited partnership, Tenant shall give Landlord notice within fifteen (15) days following the date upon which (i) additional voting stock shall be issued by Tenant or any such general partner or guarantor, or upon which any part or all of the corporate shares of Tenant or any such general partner or guarantor shall be transferred, or (ii) additional partnership interests shall be created by Tenant or any guarantor, or upon which any part or all of the partnership interests shall be transferred, by sale, assignment, pledge, bequest, inheritance, operation of law or otherwise (including such a transfer to or by a receiver or trustee in any federal or state bankruptcy, insolvency, or other similar proceedings), in the event that such issuance, creation and/or transfer results in a change in the present control of said corporation or partnership by the person or persons now owning a majority of said corporate shares or partnership interests (collectively, "a Transfer"). In the event of a Transfer and whether or not Tenant has given such notice, Landlord may elect, in Landlord's sole discretion, to either (a) terminate this Lease at any time thereafter by giving Tenant notice of such election, in which event this Lease and the rights and obligations of the parties hereunder shall cease as of a date set forth in such notice, which date shall not be less than sixty (60) days after the date of such notice (and in the event of any such termination, all Rent (other than any Additional Rent due Landlord resulting from Tenant's prior failure to perform any of its obligations hereunder) shall be adjusted as of the date of such termination), or (b) deem such Transfer to be an Event of Default hereunder, thereby entitling Landlord to all of the rights and remedies set forth in Section 15.2.

Section 14.3. Acceptance of Rent from Transferee.

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



Section 14.4. Assignments/Estoppel/Financing Transactions.

Tenant understands and acknowledges that a condition precedent to any consent of Landlord, including but not limited to tenant requests for assignments, estoppel letters and financing documentation, shall be Tenant's agreement to pay to Landlord any reasonable costs and expenses, including Landlord's administrative costs, overhead and legal fees incurred in obtaining advice and/or preparing documentation for each transaction which requires Landlord's consent.

ARTICLE 15

DEFAULT

Section 15.1. "Event of Default" Defined.

Any one or more of the following events shall constitute a default under the terms of this Lease ("Event of Default"):

- (a) the failure to submit plans and/or to continuously and diligently prosecute construction of Tenant's work during Tenant's Construction Period in order to open when required under this Lease;
- (b) the failure of Tenant to pay any Rent or other sum of money due hereunder to Landlord or any other person within ten (10) days after the notice;
- (c) the sale of Tenant's interest in the Premises under attachment, execution or similar legal process or otherwise without Landlord's approval;
- (d) the filing of a petition proposing the adjudication of Tenant, any general partner of Tenant or any guarantor of Tenant's obligations hereunder as a bankrupt or insolvent, or the reorganization of Tenant, any such general partner or guarantor, or an arrangement by Tenant or any such general partner or guarantor with its creditors, whether pursuant to the Federal Bankruptcy Act or any similar Federal or State proceeding, unless such petition is filed by a party other than Tenant or any such guarantor and is withdrawn or dismissed within thirty (30) days after the date of its filing;
- (e) the admission in writing by Tenant or any such general partner or guarantor of its inability to pay its debts when due;
- (f) the appointment of a receiver or trustee for the business or property of Tenant or any such general partner or guarantor, unless such appointment shall be vacated within thirty (30) days of its entry;
- (g) the making by Tenant or any such general partner or guarantor of an assignment for the benefit of its creditors;
- (h) the failure by Tenant to comply with its obligations arising under Section 5.4 above for a period of five (5) days after notice;
- (i) the default by Tenant in the performance or observance of any covenant or agreement of this Lease to be performed or observed by Tenant (other than as set forth in clauses (a) through (h) above), which default is not cured within thirty (30) days after the giving of notice thereof by Landlord, unless such default is of such nature that it cannot be cured within said thirty (30) day period, in which event an Event of Default shall be deemed to have occurred unless Tenant shall commence the curing of such default within said thirty (30) day period and shall thereafter diligently and continuously prosecute the curing of same until completion, but in no event shall such cure period exceed ninety (90) days.

Section 15.2. Remedies.

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

- (a) Landlord may elect to terminate this Lease, and the tenancy created hereby by giving notice of such election to Tenant, and thereafter re-enter the Premises by summary proceedings or otherwise, remove Tenant and all other persons and property from the Premises, and store such property in a public warehouse or elsewhere at the cost of and for the account of Tenant without resort to legal process and without Landlord being deemed guilty of trespass or becoming liable in any way for any loss or damage occasioned thereby.
- (b) Landlord may terminate the right of the Tenant to possession of the Premises without terminating Tenant's obligations hereunder, by giving written notice thereof to Tenant and Tenant's right of possession shall end on the date stated in such notice.
- (c)
- (d) Landlord may perform, on behalf and at the expense of Tenant, any obligation of Tenant under this Lease which Tenant has failed to perform and of which Landlord shall have given Tenant notice, the cost of which performance by Landlord, together with interest thereon at the Default Rate from the date of such expenditure, shall be deemed Additional Rent and shall be payable by Tenant to Landlord upon demand therefor. Notwithstanding anything to the contrary contained herein, regardless of whether an Event of Default shall have occurred, Landlord may exercise the remedy described in this clause (d) without any notice to Tenant if Landlord, in its good faith judgment believes it would be materially injured by failure to take rapid action or if the unperformed obligation of Tenant constitutes an emergency.
- (e) Landlord may exercise any other legal or equitable right or remedy which it may have.

Section 15.3. Damages.

(a) If this Lease or Tenant's possessory interest pursuant hereto is terminated by Landlord pursuant to Section 15.2, Tenant nevertheless shall remain liable for any Rent and damages which may be due or sustained prior to such termination, and all reasonable costs, fees and expenses, including attorneys' fees, incurred by Landlord in pursuit of its remedies hereunder, and/or in connection with any bankruptcy proceedings of Tenant or any guarantor of Tenant, and/or in connection with renting the Premises to others from time-to-time (all such Rent, damages, costs, fees and expenses being referred to herein as "Termination Damages"). The Percentage Rent payable with respect to each Lease Year following termination (including the Lease Year in which such termination shall take place) shall be conclusively presumed to be equal to the average Percentage Rent payable with respect to each Lease Year or portion thereof preceding termination.

(b) If this Lease is terminated pursuant to Section 15.2, Landlord may (without so obligating itself) relet the Premises

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

(c) Notwithstanding anything to the contrary set forth in this Subsection 15.3, upon the occurrence of an Event of Default, if (i) Landlord must initiate legal action to enforce any one or more of the provisions of this Lease against Tenant, its successors or assigns, or (ii) Landlord must consult with and/or engage an attorney(s) in order (A) to enforce any one or more of the provisions of this Lease against Tenant, any guarantor of Tenant, their successors or assigns, or (B) in connection with any bankruptcy proceedings of Tenant or any guarantor of Tenant, whether or not such consultation and/or engagement results in the initiation of any judicial action or termination of this Lease, then and in any of such events, Tenant, its successors and assigns, undertakes and agrees to pay any and all costs incurred by Landlord in connection therewith, including, by way of illustration and not of limitation, all actual and reasonable attorneys' fees (inclusive of consultation fees, research costs, and correspondence fees), court costs and any similar professional fees and/or costs associated therewith which shall be deemed additional rent. SEE RIDER XIII-11, XIII-12, and XIII-13

## ARTICLE 16

### SUBORDINATION AND ATTORNMEN

#### Section 16.1. Subordination.

(a) Unless a Mortgagee shall otherwise elect as provided in Section 16.2, Tenant's rights under this Lease are and shall remain subject and subordinate to the operation and effect of: (i) any lease of land only or of land and buildings in a sale-leaseback transaction involving the Premises, or (ii) any mortgage, deed of trust or other security instrument constituting a lien upon the Premises, or upon any estate or interest including, but not limited to a leasehold estate therein, whether the same shall be in existence at the date hereof or created hereafter (any such lease, mortgage, deed of trust or other security instrument being referred to herein as a "Mortgage," and the party or parties having the benefit of the same, whether as lessor, mortgagee, trustee or noteholder, being referred to herein as a "Mortgagee"). Tenant's acknowledgment and agreement of subordination as provided for in this Section is self-operative and no further instrument of subordination shall be required; however, Tenant shall execute, within twenty (20) days after request therefor, such further assistance thereof as shall be requisite or as may be requested from time-to-time by Landlord or any Mortgagee.

(b). Landlord hereby directs Tenant, upon (i) the occurrence of an Event of Default by Landlord, as mortgagor under any Mortgage, (ii) the receipt by Tenant of a notice of the occurrence of such Event of Default under such Mortgage, and (iii) a direction by the Mortgagee under such Mortgage to Tenant to pay all Rent thereafter to such Mortgagee, to make such payments to such Mortgagee, and Landlord agrees that in the event that Tenant makes such payments to such Mortgagee, as aforesaid, Landlord shall have no further recourse against Tenant for the Rent or portion thereof in question.

#### Section 16.2. Mortgagee's Unilateral Subordination.

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

#### Section 16.3. Attornment.

If any person shall succeed to all or any part of Landlord's interest in the Premises, whether by purchase, foreclosure, deed in of foreclosure, power of sale, termination of lease, or otherwise, and if such successor-in-interest requests or requires, Tenant shall attorn to such successor-in-interest and shall execute such agreement in confirmation of such attornment as such successor-in-interest shall reasonably request. Tenant hereby agrees that any suit, action or other proceeding commenced by any Mortgage in order to realize upon Landlord's interest in, under and to this Lease, the Shopping Center or any other part of the Landlord's Tract shall not, by operation of law or otherwise, result in the cancellation or termination of this Lease or of the obligations of Tenant hereunder. SEE RIDER XIII-4 & XIII-5.

#### Section 16.4. Non-disturbance.

Landlord agrees to use reasonable efforts to obtain a non-disturbance agreement from Landlord's mortgagee and any future mortgagees indicating that said mortgagee will recognize this Lease notwithstanding any foreclosure or termination of its mortgage.

## ARTICLE 17

### QUIET ENJOYMENT

#### Section 17.1 Covenant.

Landlord covenants and agrees with Tenant that, upon the continuing compliance by Tenant with all of the terms, covenants and provisions of this Lease to be performed by Tenant, Tenant shall and may peaceably and quietly have, hold and enjoy the Premises for the Term, free from any interference whatsoever by, from or through Landlord or anyone claiming by, from or through Landlord, except as may be otherwise provided herein.

## ARTICLE 18

### NOTICES

#### Section 18.1. Sending of Notices.

Any notice, request, demand, approval, report or consent given or required to be given under this Lease shall be in writing and shall be deemed to have been given on the third (3rd) day following the day on which the same shall have been mailed by United States registered or certified mail, return receipt requested, with all postal charges prepaid, addressed to Landlord and Landlord's Management Agent at the address set forth in the preamble paragraph of this Lease or Tenant to the respective notice addresses set forth in the preamble paragraph of this Lease and/or such other addresses as either party may designate to the other by notice in accordance with this Section.

Section 18.2. Notices to Mortgagees.

If any Mortgagee shall notify Tenant via certified mail, return receipt requested that it is the holder of a Mortgage affecting the Premises, no notice, request or demand thereafter sent by Tenant to Landlord shall be effective unless and until a copy of the same shall also be sent to such Mortgagee in the manner prescribed in Section 18.1 and to such address as such Mortgagee shall designate.

ARTICLE 19

MISCELLANEOUS

Section 19.1. Shopping Center Lease.

It is understood and agreed that this is a "lease of real property in a shopping center" as such term is used in Section 365(b)(3) of the Bankruptcy Code, 11 U.S.C. Section 101 et seq., and that neither Tenant's interest in this Lease, nor in any estate created hereby shall pass to any trustee or receiver or assignee for the benefit of creditors or otherwise, except as may be specifically provided therein. Nothing contained in this Section 19.1 shall be deemed in any manner to limit Landlord's rights and remedies under the Bankruptcy Code, as presently existing or as may be hereafter amended.

Section 19.2. No Recordation.

Tenant hereby agrees that it shall not record this Lease or any memorandum of this Lease, unless expressly consented to in writing by Landlord. The recordation of this Lease or memorandum hereof by Tenant in derogation of this Section 19.2 shall be deemed an Event of Default hereunder, and Landlord shall have all of the rights and remedies set forth in Section 15.2, including, but not limited to, the right to terminate this Lease and declare all sums of Rent accruing under this Lease immediately due and payable. In addition, Tenant hereby appoints Landlord as its attorney-in-fact for the purpose of executing such documents as may be required to nullify and/or release this Lease or any memorandum hereof from the public records.

Section 19.3. Remedies Cumulative.

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

Section 19.4. Successors and Assigns.

This Lease and the covenants and conditions herein contained shall inure to the benefit of and be binding upon Landlord, its successors and assigns, and shall be binding upon Tenant, its successors and assigns and shall inure to the benefit of Tenant, and, subject to the provisions of Article 14, only such assigns of Tenant to whom the assignment of this Lease by Tenant has been consented to by Landlord. Upon any sale or other transfer by Landlord of its interest in the Premises, Landlord shall be relieved of any obligations under this Lease occurring thereafter.

Section 19.5. Compliance with Laws and Regulations.

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

Section 19.6. Captions and Headings.

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

Section 19.7. Joint and Several Liability.

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

Section 19.8. Broker's Commissions.

Tenant represents and warrants to Landlord that it has dealt with no broker, finder or other person who may be entitled to brokerage commissions or finder's fees in connection with the execution of this Lease, and Tenant hereby agrees to indemnify and hold harmless Landlord against and from all liability arising from any such claim including, without limitation, the cost of attorneys' fees in connection therewith. SEE RIDER XII-6

Section 19.9. No Discrimination.

It is intended that the Shopping Center shall be operated so that all prospective tenants thereof and all customers, employees, licensees and invitees of all tenants thereof shall have the opportunity to obtain all of the goods, services, accommodations, advantages, facilities, and privileges of the Shopping Center without discrimination because of race, color, religion, sex or national origin. To that end, Tenant shall not discriminate in the conduct and operation of its business in the Premises against any person or group of persons because of the race, color, religion, sex or national origin of such person or group of persons.

Section 19.10. No Joint Venture.

Any intention to create a joint venture or partnership relationship between the parties hereto is hereby expressly disclaimed.

Section 19.11. Conflicts; Schedules.

If there is any conflict between any of the Fundamental Lease Provisions and any other provisions of this Lease, the former shall control. Any documents attached hereto as Schedules or Riders, together with all drawings and documents prepared pursuant thereto or referred to therein are hereby incorporated herein and made a part hereof.

Section 19.12. No Modification.

This writing is intended by the parties as a final expression of their agreement and as a complete and exclusive statement of the terms thereof, all negotiations, considerations or representations between the parties having been incorporated herein. To course of prior dealings between the parties or their officers, employees, agents or affiliates shall be relevant or admissible to supplement, explain, or vary any of the terms of this Lease. Acceptance of, or acquiescence in, a course of performance rendered under this Lease or any prior agreement between the parties or their affiliates shall not be relevant or admissible to determine the meaning of any of the terms of this Lease. No representations, understandings or agreements have been made or relied upon in the making of this Lease other than those specifically set forth herein. All prior communications from Landlord or Landlord's Management Agent with respect to estimated charges payable by Tenant hereunder are for information only and are not to be construed as representations of the actual charges which Tenant is required to pay hereunder, or as binding upon Landlord in any manner whatsoever. This Lease can be modified only by a writing signed by each of the parties hereto.

Section 19.13. Severability.

In any term or provision, or any portion thereof, of this Lease, or the application thereof to any person or circumstances shall, to any extent, be rendered invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held specifically invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 19.14. No Third Party Beneficiary.

Nothing contained in this Lease shall be construed so as to confer upon any other party the rights of a third (3rd) party beneficiary, except rights contained herein for the benefit of Landlord's Management Agent and any Mortgagee.

Section 19.15. Corporate Tenants.

If Tenant is a corporation, the persons executing this Lease on behalf of Tenant hereby covenant and warrant that: (a) Tenant is a duly constituted corporation qualified to do business in Maryland; (b) all of Tenant's franchise and corporate taxes have been paid to date; (c) all future forms, reports, fees and other documents necessary for Tenant to comply with applicable laws shall be filed by Tenant when due; and (d) such persons are duly authorized by the board of directors of such corporation to execute and deliver this Lease on behalf of the corporation.

Section 19.16. Applicable Law.

This Lease and the rights and obligations of the parties hereunder shall be construed in accordance with the laws of Maryland, and any action or proceeding arising hereunder shall be brought in the courts of Maryland; provided, that if any such action or proceeding arises under the Constitution, the laws or treaties of the United States of America, or if there is a diversity of citizenship between the parties hereto, so that it is to be brought in the United States District Court for the District of Maryland, or any successor court thereto.

Section 19.17. Waiver of Jury Trial.

Landlord and Tenant hereby mutually waive any and all rights which either may have to request a jury trial in any proceeding at law or in equity in any court of competent jurisdiction.

Section 19.18. Limitation of Liability.

Anything contained in any provision of this Lease to the contrary notwithstanding, in consideration of the benefits accruing hereunder, Tenant, for itself, and its successors and assigns, covenants and agrees that in the event of any actual or alleged failure, breach or default hereunder by Landlord, its successors or assigns:

- (a) tenant shall give written notice to Landlord in the manner herein set forth and shall afford Landlord a reasonable opportunity to cure any such default;
- (b) the sole and exclusive remedy shall be against the entity then constituting Landlord shall be limited to Landlord's equity interest in and to the Landlord's Tract;
- (c) no partner, officer, director or stockholder of Landlord shall be sued or named as a party in any suit or action, except as may be necessary to secure jurisdiction of Landlord;
- (d) no service of process shall be made against any partner, officer, director or stockholder of Landlord, except as may be necessary to secure jurisdiction of Landlord;
- (e) no partner, officer, director or stockholder of Landlord shall be required to answer or otherwise plead to any service of process;
- (f) no judgment shall be taken against any partner, officer, director or stockholder of Landlord;
- (g) any judgment taken against any partner, officer, director or stockholder of Landlord may be vacated and set aside at any time *nunc pro tunc*;
- (h) no writ of execution shall ever be levied against the assets of any partner, officer, director or stockholder of Landlord or any assets of Landlord, other than as specified in clause (b) of this Section 19.18; and
- (i) these covenants and agreements are enforceable by Landlord and by any partner, officer, director or stockholder of Landlord, and shall survive the expiration of the Term, and any sooner or later termination of this Lease.

Section 19.19. No Accord and Satisfaction.

The acceptance by Landlord of any sums from Tenant (whether as Rent or otherwise) in amounts which are less than the amounts due and payable by Tenant hereunder is not intended, nor shall be construed, to constitute an accord and satisfaction of any dispute between Landlord and Tenant regarding sums due and payable by Tenant hereunder, unless Landlord specifically deems it as such in writing.

Section 19.20. Time of Essence.

Time is of the essence in each and every instance hereunder with respect to the covenants, undertakings and conditions to be performed hereunder by Tenant.

Section 19.21. "Person(s)" Defined.

The words "person" or "persons," as used herein, shall mean individual(s), corporation(s), partnership(s), firm(s), other business association(s), or governmental entity or entities, whichever is required by the context, or all of the foregoing if the context so requires.

Section 19.22. Execution of Lease.

THE SUBMISSION OF THIS LEASE FOR EXAMINATION DOES NOT CONSTITUTE A RESERVATION OF OR OPTION FOR THE PREMISES OR ANY OTHER SPACE WITHIN THE SHOPPING CENTER. THIS LEASE SHALL BECOME EFFECTIVE ONLY UPON EXECUTION AND LEGAL DELIVERY THEREOF BY THE PARTIES HERETO. THIS LEASE MAY BE EXECUTED IN MORE THAN ONE COUNTERPART, AND EACH SUCH COUNTERPART SHALL BE DEEMED AN ORIGINAL DOCUMENT.

Section 19.23. Non-Recourse.

The Landlord, Iverson Mall Limited Partnership, a Maryland limited partnership, has executed this Lease, not personally, and the agreements of the Landlord contained herein shall be enforceable against (and Tenant, for the enforcement of its rights hereunder, shall look solely to), Landlord's equity in the Shopping Center for the payment of any claim hereunder, and Tenant hereby waives any claim or any right to proceed for the enforcement of any rights hereunder against (i) Iverson Mall Limited Partnership, a Maryland limited partnership, and/or (ii) any partner, general or limited, of Iverson Mall Limited Partnership, a Maryland limited partnership, or any employee or agent thereof.

IN WITNESS WHEREOF, intending to be legally bound hereby, the parties hereto, by their duly authorized representatives, have executed this Lease as of the day and year first above written.

ATTEST/WITNESS:

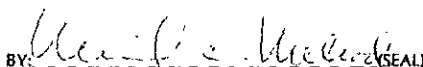
LANDLORD:

IVERSON MALL LIMITED PARTNERSHIP,  
a Maryland Limited Partnership

BY: IVERSON MALL CORPORATION, its General Partner

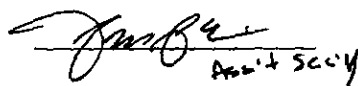


(Corporate Seal)

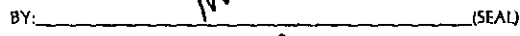
BY:  (SEAL)  
Officer

TENANT:

LARGE APPAREL OF MARYLAND, INC.

  
Pres.

(Corporate Seal)

BY:  (SEAL)  
Pres.

**LANDLORD ACKNOWLEDGMENT**

STATE OF Maryland  
CITY/COUNTY OF Montgomery

I HEREBY CERTIFY that on this 34th day of June, 1997, before me, a Notary Public for the state and county aforesaid, personally appeared Ruben S. C. Miller known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the agent of IVERSON MALL CORPORATION, a Maryland corporation, which corporation is the general partner of IVERSON MALL LIMITED PARTNERSHIP, a Maryland limited partnership, that he has been duly authorized to execute, and has executed the foregoing instrument on behalf of the said entity for the purposes therein set forth, and that the same is its act and deed, in its capacity as general partner of the said IVERSON MALL LIMITED PARTNERSHIP.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, the day and year first above written.

Harriet B. Leri  
Notary Public

My commission expires on September 1, 1997

**CORPORATE/PARTNERSHIP TENANT ACKNOWLEDGMENT**

STATE OF New Jersey  
CITY/COUNTY OF Hudson

I HEREBY CERTIFY that on this 20th day of June, 1997, before me, a Notary Public for the state and county aforesaid, personally appeared Joseph H. [unclear] known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that he is the President of Large Apparel of Maryland Inc. a PA Corp organized and existing under the law of Maryland, that he has been duly authorized to execute, and has executed the foregoing instrument on behalf of the said entity for the purposes therein set forth, and that the same is its act and deed.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, the day and year first above written.

Kimberly Ann Ruitenberg  
Notary Public

KIMBERLY ANN RUITENBERG  
NOTARY PUBLIC OF NEW JERSEY

My commission expires on My Commission Expires August 5, 2001

**INDIVIDUAL TENANT ACKNOWLEDGMENT**

STATE OF \_\_\_\_\_  
CITY/COUNTY OF \_\_\_\_\_

I HEREBY CERTIFY that on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, a Notary Public for the state and county aforesaid, personally appeared \_\_\_\_\_, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument, who acknowledged that s/he executed the foregoing instrument on behalf of the said entity for the purposes therein set forth, and that the same is his/her act and deed.

IN WITNESS WHEREOF, I have set my hand and Notarial Seal, the day and year first above written.

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

My commission expires on \_\_\_\_\_

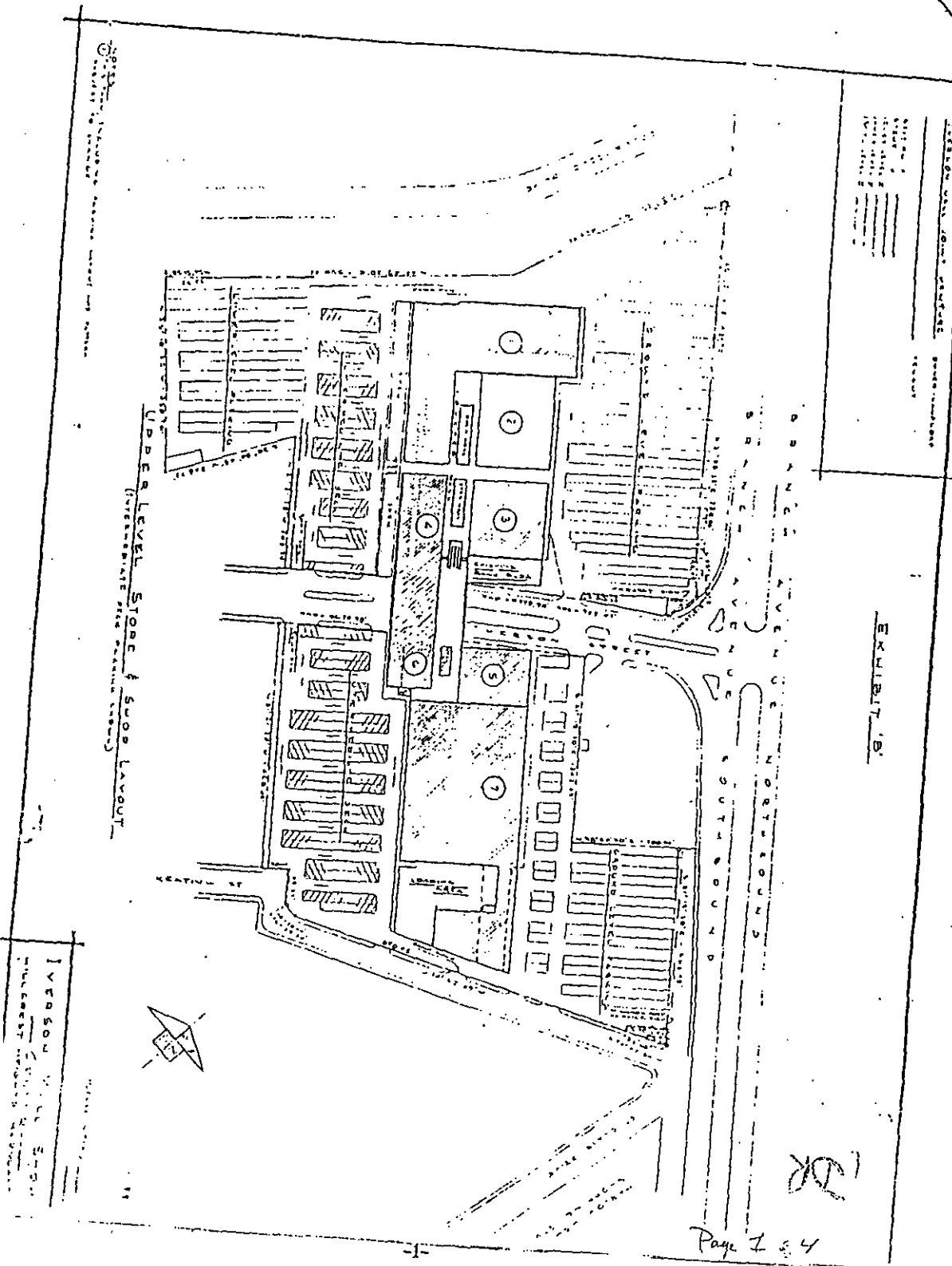
IVERSON MALL  
SCHEDULE A  
LANDLORD'S TRACT  
LEASE AGREEMENT

IVERSON MALL LIMITED PARTNERSHIP

## Mall

SCHEDULE A-1

LANDLORD'S TRACT





IVERSON MALL  
SCHEDULE A - 1 UPPER LEVEL  
SHOPPING CENTER  
LEASE AGREEMENT

IVERSON MALL LIMITED PARTNERSHIP

AND

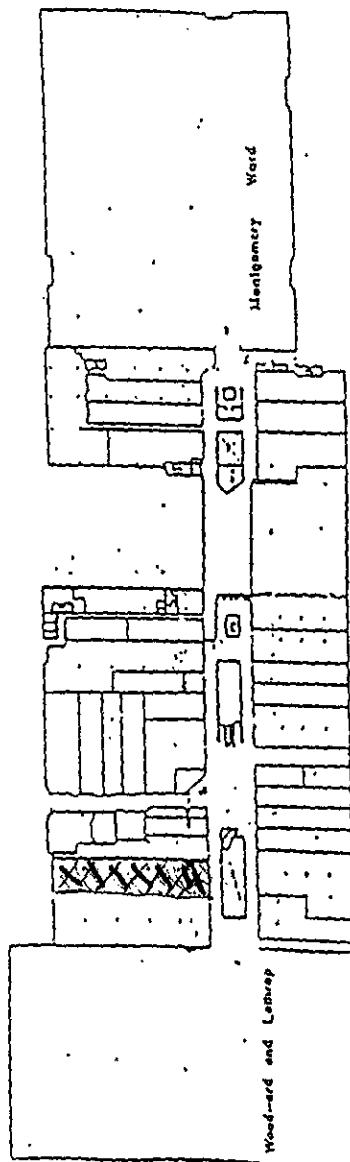
Large Apparel of Maryland, Inc.

IVERSON MALL  
SCHEDULE A - 1 UPPER LEVEL  
SHOPPING CENTER  
LEASE AGREEMENT

IVERSON MALL LIMITED PARTNERSHIP

AND

IVERSON MALL  
MILLCREST HEIGHTS, MARYLAND 20818  
UPPER LEVEL LEASING PLAN - 8/1/93



NOTE: This Leasing Plan is provided for information purposes only. Owner may change, remove, or alter any of the shown demised areas at owner's discretion.

IVERSON MALL  
SCHEDULE A - 1 LOWER LEVEL  
SHOPPING CENTER  
LEASE AGREEMENT

IVERSON MALL LIMITED PARTNERSHIP

AND

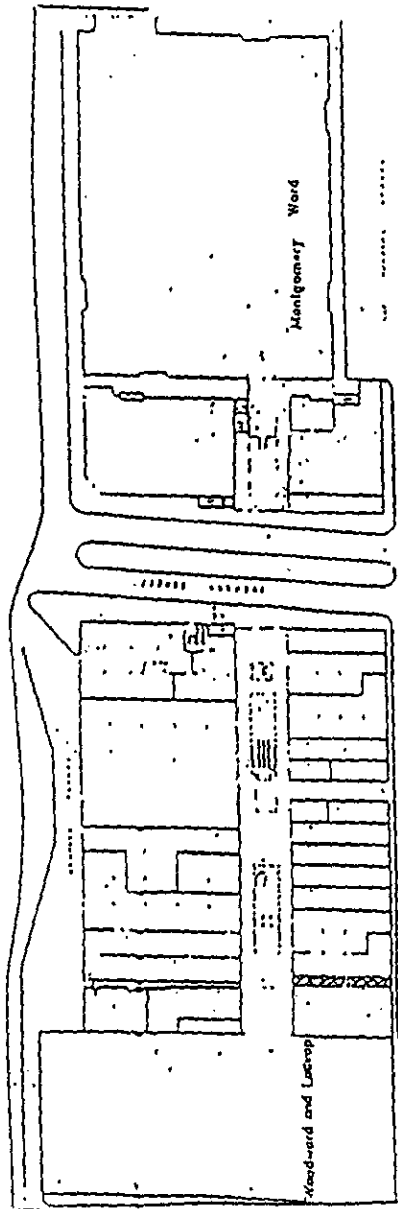
Large Apparel of Maryland, Inc.

IVERSON MALL  
SCHEDULE A - LOWER LEVEL  
SHOPPING CENTER  
LEASE AGREEMENT

IVERSON MALL LIMITED PARTNERSHIP

AND

IVERSON MALL  
MILLCREEK HEIGHTS, MARYLAND 20854  
LOWER LEVEL LEASING PLAN-RETAIL



NOTE: This Leasing Plan is provided for information purposes only. Owner may change, remove, or alter any of the shown demised areas at owner's discretion.

IVERSON MALL

SCHEDULE B

CONTRACTOR PROCEDURES

LEASE AGREEMENT

by and between

IVERSON MALL LIMITED PARTNERSHIP  
A MARYLAND LIMITED PARTNERSHIP

and

Large Apparel of Maryland, Inc.

Contractor Procedures for Tenant Contractors Working in Iverson Mall, Managed by Kay Management Co., Inc., Agent

I. SUBJECT

To establish a standard procedure to allow contractors to build out tenant storefronts, tenant stores and Landlord projects in an orderly, safe, and neat manner. To also establish a procedure whereas any construction or repair project can be done with the minimum inconvenience and interference with daily mall operations, tenant store operations, and customers.

II PRELIMINARY

After the work has been awarded, contractor is to be notified in writing of the following:

1. Before any construction work begins or material is brought on site, the contractor is to report to the mall Operations Manager and give to him a copy of his liability insurance. Normal insurance requirements are \$1,000,000 bodily injury, \$3,000,000 property damage.
2. Show building permits.
3. Show proof of Workmen's Compensation certificates.
4. Inform Mall Manager and determine if lease has been signed and if plans have been approved.
5. If there is no signed lease:
  - a. There will be absolutely no work started.

III PROCEDURE

1. Dust covers or shields are to be installed prior to any work beginning and as soon after tenant leaves the space.
    - a. Dust shields are not to be nailed or mechanically fastened to floor or ceiling. Mall floors or ceilings are not to be damaged in any way. 2 x 4's or equal are to be wedged between ceiling and floor and braced to existing storefront. All dust shields are to be painted in a neat manner, color to blend in with existing mall colors. If dust cover is in place at time of occupancy, tenant will reimburse Landlord for same.
    - b. In some cases and only in an individual case will clear plexiglass covers be allowed to be used.
- Before plexiglass covers can be substituted for plywood or similar dust shields, approval must be obtained through the Property Management Office.
2. Contractors to obtain own trash containers. Location of trash containers to be determined by mall management.
  3. No mall utilities are to be used by contractors.
  4. No construction work is to take place in the common area of the mall. All work is to take place behind the dust shields.
  5. No loud noise such as breaking up of concrete floors (air hammers) is to take place during mall store hours.
  6. The fire main is not to be shut down during mall shopping hours. Arrangements are to be made to have this work done when mall is not open for business. If fire main is shut down, the Fire Department is to be notified. All sprinkler work is to be done by the Landlord's sprinkler company, paid for by contractor.
  7. All roof penetrations by Landlord's roof contractor, paid for by construction contractor.
  8. No fire exits or corridors are to be blocked or used for storage.
  9. Any work that is to be done after mall hours, the Mall Manager is to be notified one day in advance. Arrangements are to be made for additional security if necessary. Cost to be borne by Contractor.
  10. The cost of dust covers is to borne by the new tenant contractor possible.

11. No one is allowed access to the roof of any mall building for any reason until first signing in at the Management Office (Suite 203). Contractors must also sign out after completion of the job. All air conditioning and heating work has to be scheduled in advance and completed between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday. (If units require attention on weekends, special arrangements must be made with the Operations Manager.) Contractors will not be permitted to use their own ladders to gain access to the roof. They must also provide the Mall Office with a Certificate of Insurance before being allowed access to the roof. The certificate must list the following as *additionally* insured:

Iverson Mall Limited Partnership  
Iverson Mall Merchants' Association  
Kay Management, Inc., Agent

For any unusual, or items not specifically covered by this directive, contact the Iverson Mall Tenant Coordinator or the Mall Management Office.

IVERSON MALL

SCHEDULE B-1

PRE-CONSTRUCTION GUIDELINES

LEASE AGREEMENT

by and between

IVERSON MALL LIMITED PARTNERSHIP  
A MARYLAND LIMITED PARTNERSHIP

and

Large Apparel of Maryland, Inc.

GENERAL REQUIREMENTS FOR TENANT'S GENERAL CONTRACTOR

Space # \_\_\_\_\_ Address: \_\_\_\_\_

Contractor must notify tenant to contact utility companies to transfer meters into tenant's own name as of the first day of construction.

DATE: \_\_\_\_\_

DOCUMENTS:

\_\_\_\_\_ Building Permits  
\_\_\_\_\_ Insurance Certificate(See Attached Sample for coverage)  
\_\_\_\_\_ Approved Prints  
\_\_\_\_\_ List of sub-contractors

STORE TO REMAIN OPEN ☐/CLOSED ☐ DURING CONSTRUCTION.

CONSTRUCTION START DATE \_\_\_\_\_ AND END DATE \_\_\_\_\_

REIMBURSABLE / CHECK RECEIVED \_\_\_\_\_

\_\_\_\_\_ Barricade (cost to center when installed, if installed by center personnel. CONTRACTOR responsible for removal and return of dry wall partitions of Eastern Batten System).

\_\_\_\_\_ Mall tile (if Landlord has stock piled, purchase from stock pile at cost).

\_\_\_\_\_ Neutral strip paint (Paint from stock pile).

REVIEW PROCEDURES FOR CONTRACTORS WHILE WORKING IN AN OPERATING CENTER.

SECURITY COMMENTS

MECHANICAL AND MAINTENANCE COMMENTS

"COMING SOON" SIGNAGE PROVIDED AND INSTALLED BY CENTER PERSONNEL.

COMMENTS:

SECURITY DEPOSIT A thousand dollar (\$1,000.00) construction deposit is required prior to any construction. Deposit to be held in a non-interest bearing escrow account until all work is completed. All back charges will be deducted from deposit, contractor to be notified in writing of all such charges.

IVERSON MALL

SCHEDULE B - 2

PROCEDURES FOR CONTRACTORS

LEASE AGREEMENT

by and between

IVERSON MALL LIMITED PARTNERSHIP

A MARYLAND LIMITED PARTNERSHIP

and

Large Apparel of Maryland, Inc.

The following guidelines were prepared for the contractor for a better understanding of our requirements.

These guidelines consist of do's and don'ts with the main emphases on communications.

I. Landlord's Representatives

It is imperative that the contractor maintain open and clear communication with all of the Landlord's representatives while the store is under construction. If in doubt, ask. We will be more than glad to help you.

- A. The Mall Management. The mall management will consist of the Mall Manager and the Operations Manager.
- B. Security. Please feel free to contact the Operations Manager or Management Office for after hours access to the shopping center or if you have special security problems or questions. The Management Office should also be contacted to arrange any sprinkler work.
- C. Operations Manager. Often times the tenant is required to match the mall material and finishes in the storefront area. Please contact the Operations Manager to determine cleaning and finishing procedures for the floor tile, etc., that you may be trying to match.
- D. Engineer. Although the Operations Manager is not authorized to answer technical engineering design questions, he can be very helpful in locating existing facilities and giving general guidelines as to the procedures needed to hook up electrical meters and gas meters.

II. Before Construction Starts

The contractor shall supply the Center Management with the following:

- A. Certificate of Insurance (SEE ATTACHED for coverage).
- B. The names and phone numbers of all contractors and material suppliers that will be involved in the project. (SEE ATTACHED)
- C. A copy of the building permit.

III. Signage

- A. The contractor is not allowed to post any signs.
- B. The contractor shall post all signage as required by Center Management for public safety or general warning.

IV. Electricity

All temporary wiring needed to work in the space should be off the tenant space electricity, NOT OFF COMMON AREA OUTLETS.

V. Security

- A. Space and Equipment Security. The shopping center is not responsible for security of contractor's tools and/or equipment. The tenant space will be locked when unoccupied.
- B. After Hours Access. Should the contractor desire access to the shopping center after hours, the contractor should coordinate security and entrance access with the Management Office.
- C. Special. Should the contractor need to work in an adjacent, upper or lower level tenant's space, the contractor shall be responsible for coordinating with that Tenant any security requirements to protect that tenant's merchandise, AFTER CONTACTING THE MANAGEMENT OFFICE.

VI. Welding

It is the responsibility of the contractor to contact the Center Management for a welding permit prior to the start of any welding (if applicable).

VII. Noise

- A. Working hours whereby the contractor may perform "noisy" construction are defined as prior to or after mall operating hours. This would be work such as jackhammering, saw cutting, core drilling, etc.





B. The Center Management or their representative, reserves the right to order an immediate halt to any excessively noisy work being done that is disruptive to the normal operations of the adjacent tenants and/or mall.

#### VIII. Protection of Property

A. Adjacent Tenants. The contractor is responsible for replacing and/or repairing anything damaged in an adjacent tenant's store. Such damage may include ceiling tiles, wall coverings, glass or mirrors, merchandise, etc.

B. Existing Shopping Center Building. The contractor shall replace and/or repair anything damaged to the existing shopping center building and/or facilities.

#### IX. Barricades

A. If a barricade is constructed at vacant tenant space by Landlord it will be back-charged to the contractor. This will be constructed flush with the front of the vacant space and will consist of an Eastern Batten System extending from floor to storefront neutral band. It will be painted "Duron Prokote Latex Semi-Gloss Cream color" (5 gallon mixture) #AY42COL20, (1 gallon mixture) #A18C4L4.

B. When construction begins on a space, the existing barricade can be moved out three (3) feet from the store front to facilitate storefront construction. Any additions made to the barricade must match the standards of the Landlord's barricade.

C. Barricade doors must be kept closed by an operating door closer while work is in progress to confine noise and dust within the tenant space. If possible, barricade door should open inward (verify with code officials). Whenever possible, all construction employees will enter and leave by the back door.

D. All barricades must provide dust barrier at the top and sides.

E. Carpet or mat is required directly inside the barricade at the entrance to avoid debris being tracked into the mall. Contractor responsible for daily maintenance.

F. No work is to be done outside the barricaded area.

G. The contractor shall contact the Center Management office to coordinate the removal of the barricade when work is completed. Barricade is to be transported and stored at a location specified by Management Office.

#### X. Deliveries

All supplies necessary for construction, fixturing or merchandising should be delivered through designated truck tunnel or truck docks and down the service corridors. Deliveries made through the mall doors must be completed by 8:00 a.m. Any exception to this requires prior approval of the Center Management.

Carts for moving supplies must have rubber wheels. No exceptions will be made.

Contractors and delivery vehicles will be parked in the parking lot at all times. Driving or parking of vehicles on sidewalks or pedestrian walkways will not be permitted.

#### XI. Storage

All materials shall be stored within the tenant area being remodeled. No materials or debris may be placed in the malls, arcades, service areas or other tenant spaces without prior written approval of Center Management.

#### XII. Trash

A. Dumpsters. Trash dumpsters can be placed in designated areas for temporary periods during construction. The placement of these dumpsters must be arranged in advance with the Center Management. All dumpsters to be located on asphalt must be placed on 3/4" plywood so as not to damage asphalt.

B. Removal. The trash may be accumulated for one day only and must be removed before 8:00 a.m. the following day. The contractor will be responsible for cleaning up any mess in the common area caused by the trash removal.

C. NO CONSTRUCTION TRASH OR MERCHANDISING BOXES ARE TO BE PUT IN THE SHOPPING CENTER COMPACTORS.

D. In the event that tenant's trash has accumulated for a 24 hour period or longer within tenant's premises or mall or service corridors adjacent to premises, Landlord shall remove tenant's or tenant's contractor's trash at a charge of 1.5 times Landlord cost.

E. Tenant's general contractor must notify Management Office 24 hours prior to delivery of his dumpster for proper placement.

#### XIII. Sprinkler System

A. No sprinkler work to take place without approved shop drawings.

B. Contractor must notify the Operations Manager before making any modifications to sprinkler system. There are several systems in the center and only (1) one system can be down for changes at any given time.

C. All sprinkler work must be completed before 4:30 p.m. No sprinkler system can be left drained overnight.

D. Contractor will supply Center Management with a copy of any sprinkler change or modification, approved by the local fire marshal.

E. If a blank is installed in a space, a sprinkler pressure test must be conducted by the sprinkler contractor under direction of a representative of the fire department.

XIV. Parking

A. All trade vehicles will park in employee parking areas unless given another designated space by Management Office. At no time is a vehicle to be left unattended in the fire lane.

B. When possible, all delivery of materials for construction should be made through tenant's back door or designated delivery areas, not the public entrances.

XV. Interruption of Utilities and Services

The Center Management must be notified at least 72 hours prior to any modification to utility services that will temporarily interrupt the services to other tenants or to the mall.

XVI. Modifications of the Existing Building

A. Roof Penetrations. All roof penetrations required by the tenant shall be performed by a Landlord approved roofing contractor. The contractor should notify the Center Management at least 72 hours prior to needing a roof cut. No roof penetrations will be allowed without prior approval from the Center Management.

B. Structural Plumbing, Electrical or HVAC Revisions. If the tenant store design requires a revision or modification to these existing systems, the tenant shall provide Landlord with plans for proposed modifications. Plans must be signed by a registered engineer and approved by Landlord.

XVII. Landlord Inspection

A. The premises will be inspected periodically by the Landlord's representative, for compliance with Landlord's requirements as set forth in the Lease Agreement and in accordance with the Landlord approved working drawings. Any unauthorized construction will be corrected at the contractor's expense.

B. The tenant contractor shall maintain (in the tenant's space) at all times during the tenant's construction of the premises, a set of tenant working drawings bearing the signed and date approved stamp.

XVIII. Completion

Upon completion, the contractor must contact the local Inspection Department for a Certificate of Occupancy and give a copy of the certificate to the Center Management.

XIX. Stop Work

Center Management may stop any work and contractors will correct anything which is in violation, in the opinion of Center Management, of OSHA standards or may cause injury or harm to the public.

XX. Safety Data

Contractor must submit completed material safety data sheet for hazardous materials or toxic chemicals used to the center personnel prior to commencement of construction.

IVERSON MALL

MECHANICAL AND BUILDING MAINTENANCE REQUIREMENTS OF THE  
TENANT'S GENERAL CONTRACTOR

1. Fire extinguisher must be on site and visible - dry chemical.
2. If tenant uses Landlord's common HVAC system, the return air ducts must be blocked off.
3. Call Management Office for a sprinkler shutdown. We require at least 24 hours' notice.  
  
If the tenant's contractor requires more than two (2) shutdowns, he will be billed approximately \$200.00 for each additional shutdown.  
  
No sprinkler work to take place without approved shop drawings.
4. Materials must be delivered to the site prior to or after mall operating hours.
5. There can be no core drilling, welding, floor channels or excessive noise so as to disturb adjacent tenant during mall operating hours.
6. On site electrical service must be used.
7. All sprinkler drawings must be approved by local Fire Department with sign off by same.
8. Sub-water meter shall be installed.
9. No Sylvania Capsulite bulbs.
10. Electric duct heaters not permitted.
11. Greenfield conduit must not exceed six (6) feet.
12. Panel board must have 20% spare capacity.
13. Electrical circuitry balance sheet must be provided.
14. All wiring must be copper encased in conduit and terminated in the proper terminals.
15. Abandoned conduit must be removed.
16. All electrical service is 120/208 volt, three phase, four wire.
17. Store power requirements should be submitted prior to construction.

Construction Area \_\_\_\_\_

General Contractor \_\_\_\_\_ Phone \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

IVERSON MALL

SECURITY REQUIREMENTS FOR TENANT'S GENERAL CONTRACTOR:

Tenant \_\_\_\_\_ Meeting Date \_\_\_\_\_

Formerly \_\_\_\_\_

General Contractor \_\_\_\_\_ Phone \_\_\_\_\_

Emergency Contact #1 \_\_\_\_\_ Phone \_\_\_\_\_

Emergency Contact #2 \_\_\_\_\_ Phone \_\_\_\_\_

Starting Date \_\_\_\_\_ Completion Date \_\_\_\_\_

Dumpster Location \_\_\_\_\_

1. Charged fire extinguisher on site at all times.
2. No deliveries in the fire route during mall hours (9:30 a.m.-9:30 p.m.). If you have a problem with delivering materials, contact Operations Manager.
3. Management Office must be notified of any construction being done during closed hours.
4. No construction material deliveries are allowed through mall during open hours.
5. Carpet or mat is required directly inside the barricade at the entrance to avoid debris being tracked into the mall.
6. Carts for moving supplies must have rubber wheels. No exceptions will be made.
7. Contractors and delivery vehicles will be parked in the parking lot at all times. Driving or parking of vehicles on sidewalks or pedestrian walkways will not be permitted.
8. No work is to be done outside the barricaded area.
9. All barricades must provide dust barrier at the top and sides.
10. No sprinkler work to take place without approved shop drawings and without a 24 hour notice to the Management Office.
11. Tenant's general contractor must notify Management Office 24 hours prior to delivery of his dumpster for proper placement.

IVERSON MALL

SCHEDULE B - 3

AUTHORIZATION FOR ACCESS FORM

LEASE AGREEMENT

by and between

IVERSON MALL LIMITED PARTNERSHIP  
A MARYLAND LIMITED PARTNERSHIP

and

Large Apparel of Maryland, Inc.

TENANT NAME Large Apparel of Maryland, Inc.

SPACE NUMBER \_\_\_\_\_

MALL Iverson

TENANT CONTRACTOR NAME \_\_\_\_\_

Dear Sir:

Upon receipt of this letter, you are authorized access to the Mall, to start your construction. Our records show that you have met all the construction requirements as set forth in the Lease Agreement between the Tenant and Landlord and you are in receipt of, have read, and understand the Tenant Contractor Information Package.

LANDLORD'S REPRESENTATIVE \_\_\_\_\_ (Center Manager)

DATE \_\_\_\_\_

ACKNOWLEDGMENT \_\_\_\_\_ DATE \_\_\_\_\_

\_\_\_\_\_  
(TENANT'S GENERAL CONTRACTOR)

## SCHEDULE C

### GUARANTY OF LEASE AGREEMENT

THIS GUARANTY OF LEASE AGREEMENT is executed simultaneously and constitutes a part of the attached Lease.

In consideration of the execution of that certain Lease Agreement (the "Lease"), dated as of \_\_\_\_\_, 1997, by and between Iverson Mall Limited Partnership, a Maryland limited partnership, (in the Lease and hereinafter referred to as "Landlord"), and Large Apparel of Maryland, Inc., (in the Lease and hereinafter referred to as "Tenant") and for other good and valuable consideration, the receipt whereof is hereby acknowledged, the undersigned, Guarantor (hereinafter referred to as the "Guarantor"), does unconditionally guarantee to Landlord, its successors and assigns, the performance by Tenant, of each and every undertaking, covenant and agreement on the part of Tenant to be performed pursuant to the Lease, to the same extent and with the same full force and effect as though the Guarantor had been named in the Lease as tenant, either singularly or as a tenant jointly and severally with Tenant, it being understood and agreed that the obligation hereby assumed shall be deemed primary and not secondary and that Landlord, its successors or assigns, may proceed for the enforcement of any such covenant, condition or undertaking against the Guarantor, or jointly against the Guarantor and Tenant, without having first proceeded separately against Tenant.

Guarantor does hereby irrevocably, unconditionally and without reservation guarantee to the Landlord and Landlord's successors in interest and assigns, the following:

(a) the due and punctual payment in full (and not merely the collectibility) when and as due of all rentals, including any escalations or additional rental due under said Lease,

(b) the due and punctual performance and completion by Tenant of all covenants, undertakings, duties, agreements, liabilities, obligations and requirements made by or imposed upon the Tenant pursuant to the terms and provisions of said Lease, and

(c) the due and punctual payment in full of all costs and expenses, including without limitation all court costs, all expenses and all reasonable attorney's fees, paid or incurred by Lessor in the enforcement of Landlord's rights under said Lease and under this Guaranty and of Tenant's obligations under the Lease and Guarantor's obligations under this Guaranty.

All matters mentioned in clauses (a), (b) and (c) of the preceding sentence are hereinafter collectively sometimes called the "Obligations".

The Guarantor hereby expressly further covenants and agrees that if any default shall be made by the Tenant in the payment of any of the aforesaid Obligations at any time(s) beyond any applicable grace period, then and in any such event the Guarantor will truly pay said Obligations and all arrears thereof and perform and complete said Obligations and all defaults thereunder, and all damages, claims, demands, costs and expenses which the Landlord may suffer or sustain or which may arise in consequence of the breach or non-performance by Tenant of any of Tenant's Obligations under said Lease.

The liabilities and undertakings of the Guarantor hereunder, if more than one person or entity is the Guarantor hereunder, shall be joint and several. The liabilities and undertakings of Guarantor shall be and are primary, direct and immediate and shall not be conditional or contingent upon the pursuit or enforcement by Landlord of any remedies it may have against the Tenant with respect to the Lease, whether pursuant to the terms thereof or by operation of law. Without limiting the generality of the foregoing, it is agreed that Landlord need not make any demand on Tenant or otherwise pursue, enforce or exhaust its remedies against Tenant either before, concurrently with or after pursuing or enforcing its rights and remedies hereunder. Any one or more successive or concurrent actions or proceedings may be brought against any one or more Guarantors (if more than one) under this Guaranty, in separate actions or proceedings, as often as Landlord may deem expedient or advisable, and without constituting an election of remedies or a bar to any other remedies available to Landlord.

Guarantor hereby expressly waives (i) presentment and demand for payment of the Obligations and protest of non-payment; (ii) notice of acceptance by Landlord of this Guaranty Agreement and of presentment, demand and protest thereof; (iii) notice of any default hereunder or under the Lease and notice of all indulgences; (iv) demand for observance, performance or enforcement of any of the terms or provisions of this Guaranty Agreement or the Lease; (v) any right or claim of right to cause a marshaling of the assets of the Tenant; and (vi) all other notices and demands otherwise required by law which the Guarantor may lawfully waive.

Guarantor hereby further agrees that the failure of Landlord to require strict performance at any time(s) of the terms, provisions or covenants of said Lease or any waiver by Landlord of performance by Tenant thereunder, shall not release the undersigned Guarantor from any liability under this Guaranty. Guarantor hereby agrees that the terms and provisions of said Lease may be amended or modified in any manner in writing by the parties thereto without notice to the Guarantor, and without said Guarantor's consent, approval or waiver, and without thereby releasing the Guarantor from any liability under this Guaranty. This Guaranty, and the Guarantor's liabilities and obligations hereunder, shall extend fully to said Lease and also to all of the terms and provisions of any and all amendments, modifications or changes at any time(s) made to said Lease, with or without notice thereof. This Guaranty and the Guarantor's liability hereunder

shall continue unaffected by any assignment or assignments of the Lease (in whole or in part) or by any sublettings in whole or in part of the premises demised thereunder, made from time to time, whether or not notice thereof is given to Guarantor. The Guarantor hereby expressly waives all right to notice or approval by it, them or either of them of any assignment, subletting, modification or amendment affecting said Lease in whole or in part, and also as to the substance of any such modifications or amendments to said Lease made at any time(s). Guarantor hereby acknowledges its receipt of a complete copy of said Lease prior to execution of this Guaranty.

All provisions hereof shall be binding upon and enforceable against the Guarantor and/or either one of them individually, jointly and severally and shall inure to the benefit of and be enforceable by the Landlord and its successors in interest, heirs and assigns. Time is hereby agreed to be of the essence as regards all of the Guarantors' liabilities, covenants, undertakings and obligations hereunder.

If Landlord becomes obligated by any bankruptcy or other law involving Tenant or any Guarantor as the subject debtor to repay to Tenant or any Guarantor or to any trustee, receiver or other representative or any of them, any amounts previously paid to Landlord under the Lease or the Guaranty, then this Guaranty shall be reinstated in the amount of such repayment. Landlord shall not be required to litigate or otherwise dispute its obligation to make such repayments if it in good faith and on the advice of counsel believes that such obligation exists or might exist. The Guarantor hereby waives any claim, right or remedy which the Guarantor may now have or hereafter acquire against Tenant that arises hereunder and/or from the performance by the Guarantor hereunder including, without limitation, any claim, remedy or right of subrogation, reimbursement exoneration, indemnification, or participation in any claim, right or remedy of Guarantor against Tenant or any security which the Guarantor now have or hereafter acquires, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise.

None of the terms or provisions of this Guaranty may be waived, modified, discharged or terminated except by instrument in writing executed by the Landlord. None of the terms or provisions of this Guaranty shall be deemed to have been abrogated or waived by reason of any failure or failures of Landlord to enforce the same. No Guarantor shall be relieved of any liability hereunder by reason of the failure of Landlord to comply with any request of Guarantor or of any other person to take action to enforce any provisions of the Lease or by reason of any agreement of stipulation extending the time of payment of the Obligations or of performance or modifying the terms of the Lease without first having obtained the consent of the Guarantor.

The Guarantor further acknowledges that the Guarantor shall be subject to the jurisdiction of the Courts of Maryland, and that this Guaranty shall be construed according to the laws of Maryland, for the purpose of any proceeding instituted to enforce any covenant or undertaking hereby assumed.

IN WITNESS WHEREOF, this Guaranty has been duly executed by the Guarantor as of the \_\_\_\_ day of \_\_\_\_\_, 1997.

ATTEST:

Name: Jeffrey Klein  
Title: Assistant Secretary

{Corporate Seal}

GUARANTOR:  
ASHLEY STEWART, LTD., a Delaware Corporation

By: [Signature]  
Name: Joseph Sitt  
Title: President

Subscribed and sworn to before me this 20th day of June, 1997.

Kimberly A. Ruitenberg  
Notary Public

My commission expires:

KIMBERLY ANN RUITENBERG  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires August 5, 2001



IVERSON MALL

SCHEDULE G

STOREFRONT, SIGN AND LIGHTING CRITERIA

by and between

IVERSON MALL LIMITED PARTNERSHIP  
A MARYLAND LIMITED PARTNERSHIP

and

Large Apparel of Maryland, Inc.

GENERAL STOREFRONT CRITERIA

It is the intent of these Criteria to encourage Tenants to maintain a "show window" concept in storefront design. Landlord encourages the maximum use of glass as a basic storefront material. Storefronts and finishes will harmonize with the character of the Center. No element of the storefront(s) or any sign(s) or attachment(s) either temporary or permanent shall project across the Tenant Premises Lease Line except as may be permitted by these Criteria.

GENERAL STOREFRONT WORK

1. Show window floors, display platforms, ceilings and entries, show window backgrounds, doors, screens, walls, ornamental work and all walls between the Premises and the Mall shall be considered storefront work.
2. Storefront openings shall adhere to the following:  
  
The premises may have any number of entrances onto the Mall, but the sum total of all widths of all the entrances shall be less than, or equal to, 50% or the total linear inches of frontage on the Mall. In no case may the width of the entrances exceed 25 feet.
3. Tenant may elect to set back from the Premises Lease Line, portions of the storefront. In this event, Tenant shall furnish all necessary labor and materials to install flooring material, sidewall material, and soffit material as follows:
  - a. Sidewalls and soffit to match Landlord's materials and finishes on demising pier and neutral band. Standard color to match Landlord's color.
  - b. Floor tile to match Landlord's quarry tile band/field at Tenant Lease Line.

Proposed Tenant storefronts which are set back from the Lease Line, but request continuation of interior Tenant finishes on soffits or sidewalls beyond the storefront, to the Lease Line, will be judged on an individual basis. In general, such requests will be denied unless exterior continuation of interior materials is crucial to the design concept of the storefront; and beneficial to the mall, in the judgment of Landlord's Tenant Coordinator.
4. No mezzanines will be permitted.
5. No slab depressions will be permitted.
6. Raised platform areas are permitted, subject to appropriate structural capacity of Landlord work. Accommodate requirements of all jurisdictional authorities.
7. Attach all storefront construction securely to the existing building structure. Welding to the structure is not permitted, except as authorized in writing by the Landlord.
8. All storefront aluminum must be extruded color anodized sections. Designs of high, artistic merit employing natural aluminum color finishes in creative applications will be considered on an individual basis by Landlord's Tenant Coordinator.
9. Provide a 4" wall base on all storefront assemblies, as follows:
  - a. 4" quarry tile base to match 4" Landlord's quarry tile base on demising piers.
  - b. Other low maintenance base consistent with storefront design such as marble, chrome, glass. Vinyl or rubber is not acceptable.
10. Recess all sliding glass doors completely in pockets within storefront construction.
11. Swinging doors must not swing across Tenant Lease Line.
12. At least 50% of the storefront area on any facade facing the mall must be glass.
13. Use of the following materials are prohibited on storefronts:
  - a. Artificial versions of brick, wood, or stone.
  - b. Plastic laminates in other than solid colors.
  - c. Painted gypsum board below 8'-0" height.

- d. Pegboard walls or fixturing systems.
  - e. omit - potential of leaf pattern
14. Install only noncombustible materials. All gypsum board must be 5/8" type X.
  15. All construction materials and finish materials must be free of asbestos.

#### SCOPE OF WORK

1. The following scope of work is by Tenant, at Tenant expense:
  - a. Storefront design.
  - b. Storefront construction.
  - c. Store interiors and fixturing systems: design and construction.
  - d. All signing: design and construction.
  - e. All store lighting: design and construction.
  - f. Store entrance closure systems.
2. The following work is by Tenant, at Tenant expense, in strict conformance with specifications and details established by the Landlord in the Lease Outline Drawings and Specifications:
  - a. U. L. Rated ceiling suspension system G229 with details to provide two (2) hour rating on Tenant ceiling. The G229 system is compatible with a variety of ceilings and fixtures by various manufactures at Tenant's option, non-combustible decorative ceilings may be installed within the fire-rated enclosure provided by the G229 system, if the entire assembly maintains the required two (2) hour rating. *This applies to the lower level only.*
  - b. On the demising partitions, supply and install gypsum wall board and appropriate accessories to provide a one (1) hour U.L. Rated partition assembly. For partitions between Tenants, each Tenant will provide the assembly components and finishes within its own Premises.
  - c. Where required by Landlord, provide ceilings, soffits, sidewall and floor assemblies and finishes as per Landlord's specifications and details.

#### PLANNING RESTRICTIONS

1. Conform to requirements for all governing jurisdictions.
2. In accord with requirements of the Prince George's County Building Department tenant sales areas may use a corridor exit to fulfill exit requirements (where available) with the following stipulations:
  - a. Corridors through storage or non-sales areas must be straight, direct to rear/side/front.
  - b. Provide illuminated exit signs at public entrance to the corridor and at the exit.
  - c. Corridor width is 4'-0" minimum and greater if required by other requirements.
  - d. Floor or corridor must be painted with diagonal stripes, per OSHA requirements, to signify use of an exit corridor.
  - e. No storage permitted in the exit corridor.
3. No sales kiosks or merchandise will be permitted any closer to Lease Line than adjacent railing (or opening above) at the Mall.
4. Tenants adjoining service corridors are not allowed any openings signing or other identification elements in the corridor between the Mall and the recessed services corridor doors.
5. Conform to Tenant Criteria for mechanical, plumbing, electrical and sprinkler systems.

#### GENERAL SIGN CRITERIA

These criteria have been established for the purpose of assuring an outstanding Tenant signage program.

#### RESTRICTIONS ON SIGN DESIGN

1. All signs, including type, configuration, size, colors, illumination, materials, design, and construction require written approval by Landlord prior to installation. Approval will require conformance with these Criteria. The Landlord, or his duly authorized agent shall make the sole and final determination of conformance with these Criteria.
2. The Landlord reserves the right to reject any sign design, if in his judgement, it is inappropriate, unacceptable, or incompatible with the Mall character or aesthetic intent.
3. Sign designs and construction must conform to the requirements and standards of all governing jurisdictional authorities. Conformance is the sole responsibility of Tenant.
4. The neutral band above a typical storefront is not a signband. In order to encourage particular creativity and individuality in the design of storefront show window concepts, sign bulkheads are discouraged. Signing may occur

anywhere within the limits of the basic storefront open (See drawing "Upper Level Sign Elevation" or "Lower Level Sign Elevation"). Tenant shall identify its Premises by signage at its expense. Such identification shall be attached to all storefront(s) facing the Mall(s). Tenant shall install all signage subject to these criteria.

#### SUBMISSION

Tenant shall submit for approval one (1) complete set of sign drawings to Landlord and three (3) sets to Landlord's representative prior to sign fabrication. In addition to detail sign drawings such submission must include:

1. Elevation of storefront showing design, location, size, and layout of sign drawn to scale indicating dimensions, attachment devices and construction details.
2. Sample board showing colors and materials including fascia, letter faces, returns, caps, etc.
3. Section through letter and sign panel showing the dimensioned projection of the face of the letter and sign panel from the storefront fascia.

#### GENERAL SIGNING REQUIREMENTS

1. One sign or other graphic treatment is allowed at each storefront elevation. When a storefront has two or more elevations (based on lease line configuration), or one elevation in excess of 50 linear feet, a second sign will be allowed based upon Landlord's approval. In addition, one projecting sign will be required.
2. No sign, visible from the Mall, shall be permitted at any time, or in any place, except as specifically approved in writing by Landlord.  
  
No sign, advertisement, notice or lettering shall be exhibited on, painted, or affixed to the storefront except as specifically approved in writing by the Landlord.
3. No Tenant's sign will be permitted on any part of the exterior of the building unless specifically approved by Landlord and as permitted by the appropriate local authorities. Only Tenants who possess an entry to their store from outside of the Mall shall be permitted to display a sign. Doors opening into service areas, corridors, or any non-habitable space shall not qualify as an entrance.
4. No Tenant signs will be permitted on any part of the exterior of the building unless specifically approved by Landlord and as permitted by the appropriate local authorities.
5. In order to increase the visual importance of all Mall signage and all signage allowed on storefronts, the following restrictions will be enforced. Any internally illuminated sign located in the interior of Tenant Premises, except code-required exit signs, must not be visible from the Mall, except as allowed in writing by Landlord. In general, all such signage will be unacceptable unless it meets the following requirements.
  - a. Brightness ratio of sign-to-background must not create a visual element which becomes important, or as visually dominant as storefront signage on the Mall, in the opinion of Landlord. In no case should brightness exceed 100 foot lamberts taken at the face of the sign.
  - b. Letter style must be well proportioned. Size, color and sign information must be coordinated with, or generally compatible with store interior decor. Sign field must be large enough to accommodate the graphic insignia and lettering on the field without "crowding" the edge of the sign.
  - c. Blinking, moving, or animated/flashing signs must not be visible from the Mall under any circumstances.
6. All attachment devices, wiring, clips, transformers, lamps, tubes, and other mechanisms required for signs shall be concealed.
7. Paper signs, stickers, banners, or flags are not permitted. Credit card identification stickers must be applied to a free standing panel and located in the show window along with the merchandise such as a price tag would be displayed.
8. Public safety decals or art work on glass must be designed as part of storefront design and approved by Landlord.
9. Sign company names and union labels must be concealed or inconspicuous.
10. No signface shall project more than 8" beyond storefront lease line except as otherwise allowed herein.
11. All signs must be U.L. approved.

#### SIGN RESTRICTIONS

1. Store identification signs shall be limited to Tenant's trade name and logo, as approved in its lease, or as otherwise approved in writing by Landlord.
2. The following signs are prohibited:
  - a. Signs of box or cabinet type construction (except when fully recessed).
  - b. Signs employing animated components.
  - c. Signs employing moving or flashing lights.
  - d. Signs employing exposed raceways, ballast boxes or transformers.
  - e. Sign manufacturer's names, stamps or decals.
  - f. Signs employing luminous-vacuum formed type plastic letters.
  - g. Signs employing unedged or uncapped plastic letters or letters with no returns and exposed fastenings.
  - h. Paper, cardboard or styrofoam signs, stickers or decals hung around, or behind storefronts.
  - i. Signs employing painted and non-illuminated letters.

- j. Unedged or uncapped plastic letters without returns.
  - k. Exposed fastenings.
  - l. Except as provided herein, no advertising placards, banners, pennants, names, insignia, trademarks, or other descriptive material shall be affixed or maintained upon the glass panes and supports of the show windows and doors.
  - m. No simulated materials (i.e., wood grained plastic laminates, etc.) or wallcovering may be used in the sign area.
3. Signs designed in the more traditional manner with the lettering applied to a background surface that is part of the storefront shall conform to the following requirements:
    - a. The sign area shall not exceed five percent (5%) of the area of the storefront. Sign area will be measured by circumscribing a rectangle around the main body of the sign.
    - b. The overall length of the sign shall not exceed 2/3 of the width of the storefront exposure between the neutral strips.
    - c. The maximum height for letters in the body of the signs is fourteen inches (14"). The maximum height for initial capitals is eighteen inches (18").
  4. No painted letters may be applied directly on sign bulkheads. All lettering where applied to the bulkheads must have a minimum depth of 1/8".
  5. Sign design must be different from the design of adjacent and nearby stores.

#### ILLUMINATED SIGNS

Illuminated signs are signs with internal illumination of the field, letters, or insignia. Where illuminated signs are considered, the following restrictions shall apply:

Individual dimensional or metal back-lit (halo effect) letters shall not exceed a maximum height of 14".

#### NON-ILLUMINATED SIGNS

Non-illuminated signs are signs which are lighted from light sources separate from the sign, such as from recessed ceiling fixtures. The attempt of these Criteria is to encourage imaginative and creative signage, using quality materials, and non-illuminated signs.

#### PROJECTING

To give added dimension and vitality to the mall and greater exposure to the occupants, the use of projecting signs may be utilized subject to the Landlord's sole discretion. Such signs would be an addition to the occupant signs on the storefront. Conformance to the following criteria shall be strictly enforced.

1. The use of two dimensional (see "C") symbols is suggested. Generic wording (no brand or store name) signs shall be permitted only if they also contain generic visual references to the products sold. These signs are not intended to be an additional occupant sign unless an occupant sign is not visible from the Mall.
2. Several options are available in the design of projecting signs:
  - a. Carved or routed wood with natural or paint finish. Lettering shall be done by carving or added pieces.
  - b. Non-solid signs or wrought iron, chrome, brass, turned wood.
  - c. Painted panels. Painting shall be permitted for background and graphic shapes only. Words shall be of wood or metal.
3. The size of two dimensional projecting signs shall be a maximum of 3'-0" wide by 2'-0" high by 2" thick.
4. Signs shall be mounted perpendicular to and secured on the Tenant's storefront on a mounting bracket supplied by the Landlord at the Tenant's expense. Mounting height shall be a minimum of 8'-0" to the bottom of the sign from the Mall floor.

#### SIGN CONSTRUCTION REQUIREMENTS

1. All letters shall be fabricated using full-welded construction.
2. Location of all openings for conduit sleeves and supports in sign panels or building walls shall be indicated by the sign contractor on drawings submitted to the Landlord. Sign contractor shall install same in accordance with the approved drawings.
3. Sign contractor shall repair any damage to any work caused by his work.
4. Sign installation will be coordinated with the Landlord prior to commencement of any work by the Tenant's sign contractor.
5. All electrical signs shall bear the U.L. label; their fabrication and installation must comply with all national and local building and electrical codes.
6. All conduit, raceways, crossovers, wiring, ballast boxes, transformers and other equipment necessary for sign connection shall be concealed. All channeled letters, bolts, fastenings and clips shall be of enameling iron with porcelain enamel finish; stainless steel, anodized aluminum, brass or bronze; or carbon bearing steel with painted finish. No black iron material will be allowed.

7. No sign marker's labels or other identification will be permitted on the exposed surface of signs, except those required by local ordinance which shall be in an inconspicuous location.
8. Threaded rods or anchor bolts shall be used to mount sign letters which are spaced out from background panel. Angle clips attached to letter side will not be permitted.
9. Simplicity and restraint in material selection is important; however, the material selection, its method of application, or its detail construction, should be consistent with the other storefront design criteria.
10. Landlord shall not be responsible for the cost of signs fabricated or installed which do not conform to the sign criteria.

#### GENERAL LIGHTING CRITERIA

The overall design of lighting at Iverson Mall will be low key, focusing attention on the store areas and merchandise, when illumination is at normal levels. It is the intent of these Criteria to provide a basic approach which will maintain visual variety and balance. These Criteria govern the design and installation of all store lighting by Tenant that is visible from the Mall or public spaces.

INCANDESCENT LAMPS with series diodes are NOT PERMITTED to be used in the mall. They have caused transformers to fail within a few weeks of installation. The brand names of the lamps involved are the Sylvania Capsylite and the North American Phillips equal

#### 1. SHOW WINDOW DISPLAY LIGHTING

Show window or display lighting may be of general or spot light type. Incandescent lighting is preferred. Light sources, including bulbs must be screened from vision by observers in the Mall.

#### 2. ACCENT LIGHTING IN WINDOWS OR STORE INTERIORS

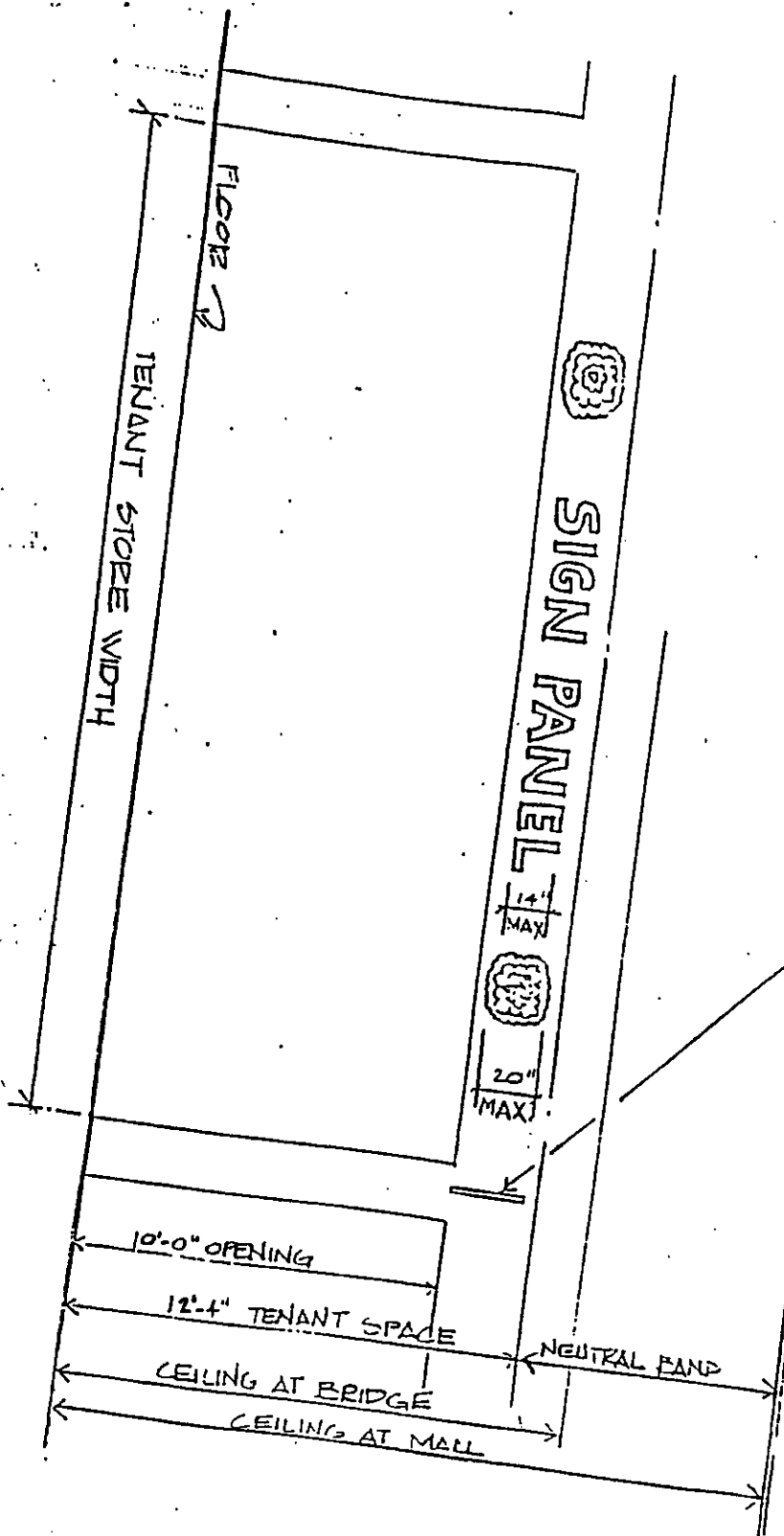
Recess spot lights or track mounted fixtures in coves in store windows. With the general light level of the Mall 5-10 foot candles, 150 watt bulbs will be satisfactory for normal throws 250 watt PAR lamps or low voltage spots can be used for accents. Focus to eliminate brightness in the Mall.

#### 3. STORE INTERIOR GENERAL LIGHTING

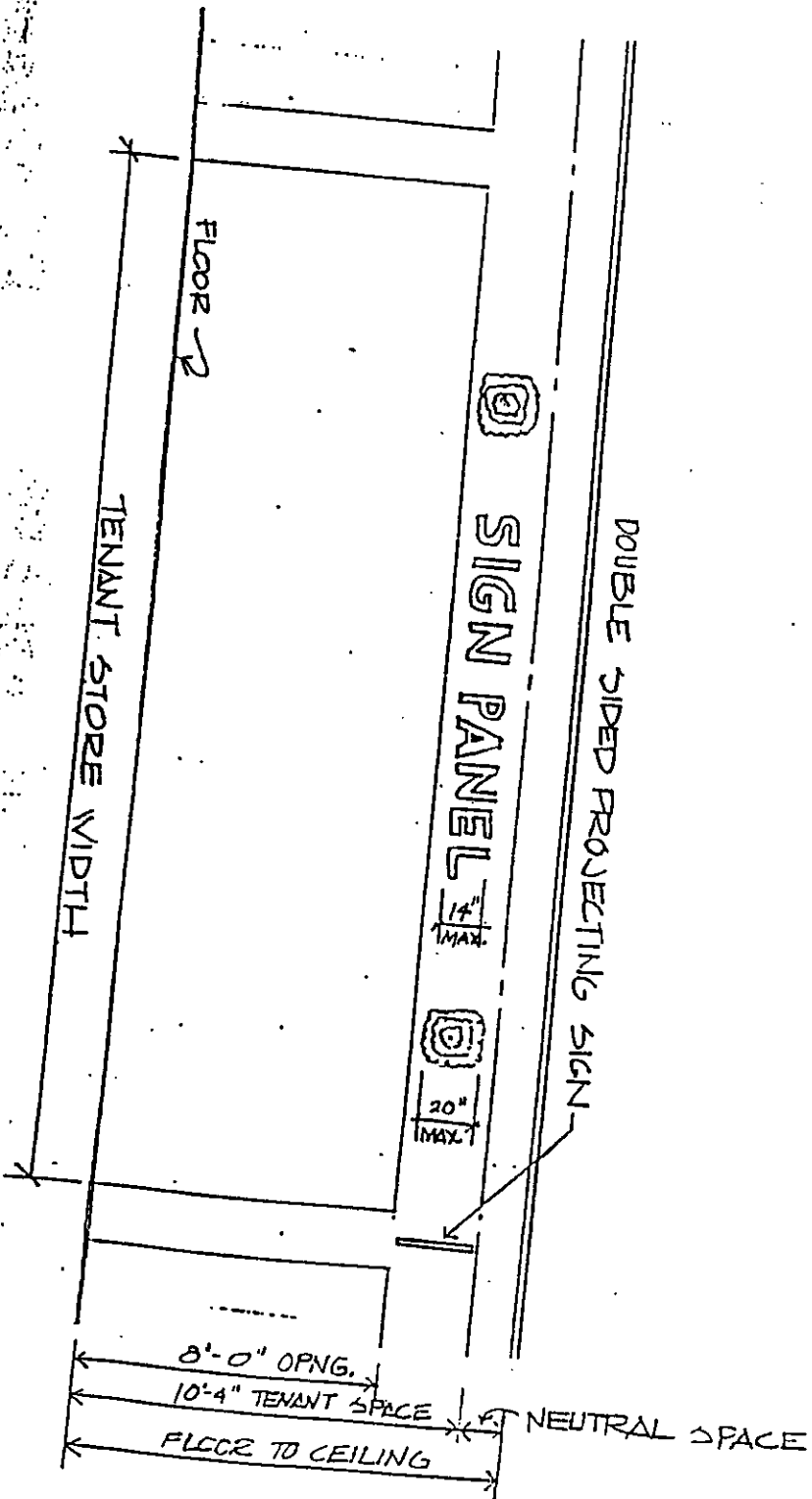
- a. Incandescent lighting is recommended and preferred.
- b. Provide low brightness lenses on all fluorescent fixtures visible from the Mall.
- c. Provide complete baffles with low brightness reflectors or lenses on all stem mounted fixtures.
- d. Base bulb incandescent fixtures, without baffles or lenses may not be visible from the Mall.
- e. Install emergency and exit lighting as required by codes.

# DOUBLE FRONT / SIGN ELEVATION

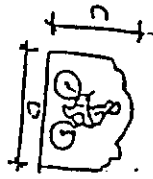
DOUBLE SIDED PROJECTING SIGN



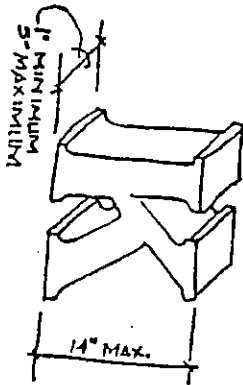
MINIMUM SIGN ELEVATION



1 SIGN AREA

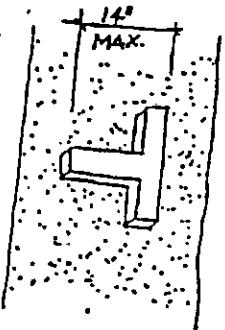
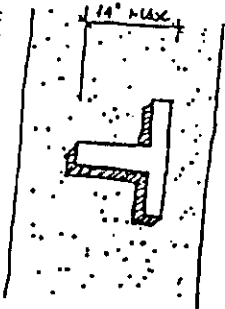


1 SIGN AREA

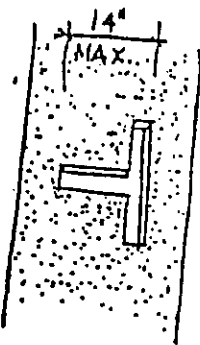


INTERIALLY  
ILLUMINATED

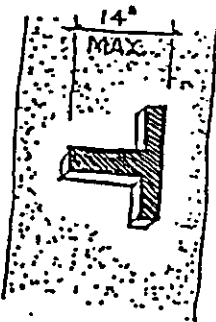
ILLUMINATED FACE  
WITH METAL CHANNEL  
SIDES



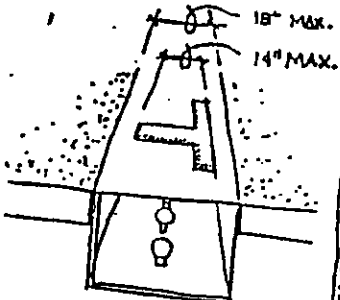
ILLUMINATED PROJECTING LETTERS  
FROM OPAQUE FIELD



OPAQUE FIELD CUT  
TO REVEAL IMAGE OF  
ILLUMINATED LETTER



HALO LETTER:  
OPAQUE LETTER ON  
LIGHTED FIELD



RECESSED BOX SIGN  
(ILLUMINATED FIELD & OPAQUE  
OR ILLUMINATED LETTER)



IVERSON MALL

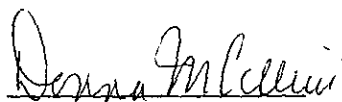
SCHEDULE H

IVERSON MALL SHOPPING CENTER

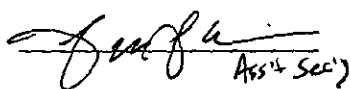
The foregoing attached Lease between Iverson Mall Limited Partnership, a Maryland limited partnership, as Landlord, and Tenant, as Tenant, is modified, amended and/or supplemented as hereafter set forth and any language of or provision in said Lease inconsistent or in conflict with the following, and not herein expressly referred to, shall be deemed appropriately amended or modified.

1. Tenant will make all necessary alterations, remodel his store and conform to new storefront sign and lighting criteria as set forth in the attached Schedule "C".
2. Tenant has examined the demised premises and agrees to accept them in their present "as is" condition, and Tenant agrees that Landlord has not made any representation as to the present or future condition of said premises. Except as expressly set forth to the contrary herein, all work to be done or performed in or about the demised premises shall be done by Tenant, at Tenant's sole cost and expense and in accordance with the provisions of the Lease and this Exhibit H. Tenant shall, within twenty (20) business days after the date of execution of this Lease, deliver to Landlord detailed plans and specifications prepared by and at the expense of Tenant complying with Landlord's Design Criteria and General Conditions which shall be obtained by Tenant from Landlord. Landlord shall review such plans and specifications and return same to Tenant either marked approved, marked to show the corrections required (in which event such marked-up plans and specifications shall be deemed approved as marked-up), or marked disapproved with the reasons therefor. If Landlord disapproves Tenant's plans and specifications, Tenant shall have fifteen (15) days from the date of such disapproval to submit revised plans and specifications subject to subsequent mark-ups or disapprovals and corrections in the manner set forth above; provided, however, if Tenant's plans do not meet Landlord's approval after the fifth submission, Landlord, at its option to be exercised by written notice to Tenant, may terminate this Lease.
3. All work consented to by Landlord, to be done or performed in or about the demised premises by Tenant shall comply with Landlord's Design Criteria and General Conditions which shall be obtained by Tenant from Landlord, and shall be performed (i) at Tenant's sole cost and expense; (ii) in accordance with the plans and specifications prepared by and at the expense of Tenant and approved by Landlord; (iii) by contractors, subcontractors and materialmen approved by Landlord. During the course of performance of said work, Tenant will carry or cause to be carried such insurance as may from time-to-time be required by Landlord for the benefit of Landlord, or such parties as Landlord prime contractors and materialmen for the benefit of Landlord, Tenant and such other parties as Landlord shall designate all work performed and materials and equipment furnished by such contractors will conform to the requirements of the plans and specifications as to the kind, quality, function of equipment and characteristics of material and workmanship and will remain so for a period of at least one year from the date that the work has been completed, and in the event any deficiency, defects, faults or imperfections of materials, equipment or workmanship shall appear prior to the expiration of such period, the contractor, upon receiving written notice thereof from Landlord or Tenant will immediately correct and repair the same at the expense of such contractor; said guarantees to be effective whether or not any part of the aforesaid work has been subcontracted by the contractor.
4. No work permitted to be done by Tenant under this Lease or equipping or furnishing of the demised premises shall be done except pursuant to contracts and/or subcontracts containing or accompanied by a stipulation that neither the contractor nor any subcontractors shall have the right to file or otherwise assert any mechanic's or materialmen's liens against the demised premises, the building or land, which stipulation shall be in such form and shall have been filed as to constitute an effective waiver of such liens under the laws of the state in which the Shopping Center is located.
5. In the event any labor, materials or equipment are furnished to Tenant with respect to which any mechanics' or materialmen's lien might be filed against the demised premises or the land and building, Tenant shall, in addition to complying with the provisions of Section 3, take such other appropriate action to assure that no such lien is filed and pay, when due, all sums of money that may become due for any such labor, materials or equipment and to cause any such lien to be fully discharged and released or bonded promptly upon receiving notice thereof.
6. Any consent by Landlord permitting Tenant to do any or cause any work to be done in or about the demised premises shall be and hereby is conditioned upon Tenant's work being performed by workmen and mechanics working in harmony and not interfering with labor employed by Landlord, Landlord's mechanics or their contractors or by any other tenant or their contractors. If at any time any of the workmen or mechanics performing any of Tenant's work shall be unable to work in harmony or interfere with any labor employed by Landlord, other tenants or their respective mechanics and contractors, then the permission granted by Landlord to Tenant or permitting Tenant to do or cause any work to be done in or about the demised premises, may be withdrawn by Landlord upon forty-eight (48) hours written notice to Tenant.

WITNESS/ATTEST:

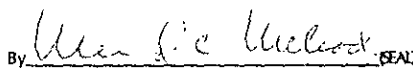


ATTEST/WITNESS:

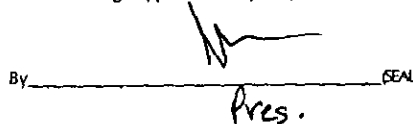
  
Attest Sec'y

LANDLORD:

IVERSON MALL LIMITED PARTNERSHIP,  
a Maryland Limited Partnership

By  (SEAL)

TENANT: Large Apparel of Maryland, Inc.

By  (SEAL)  
Pres.

Trading as:

IVERSON MALL

SCHEDULE 1

ESTABLISHED RULES AND REGULATIONS

by and between

IVERSON MALL LIMITED PARTNERSHIP  
A MARYLAND LIMITED PARTNERSHIP

and

Large Apparel of Maryland, Inc.

1. No signs may be painted on window or door glass. Signs that move, flash and/or emit an audible sound are prohibited. Signs and stickers may not be affixed to store windows at any time (i.e., VISA, MASTER CARD, etc.). All store signs which are visible to the public must be of professional quality, produced either by an artist or a printer. All signage must be contained within the store itself. If you have a sign holder, it is not to be placed outside of your lease line. Free standing floor signs should be mounted on a tripod or other standard and must be placed a minimum of twelve (12) inches from the doorway inside the store.  
  
Approved storefront signs: a) directional signs ("in", "out", "pull", "push", etc.); b) store's security system.
2. Easels or other displays must not protrude onto the mall walk-ways. They must remain within the limits of the stores' own areas. This regulation, as do all regulations in this document, applies to all stores including kiosks and push carts.
3. Radios, stereos, tape recorders, records, TVs, VCRs, and/or musical instruments may not be played loudly enough to be heard beyond the store proper - AT ANY TIME - even before mall opening or after the mall is closed.
4. No pets of any kind are permitted in the mall or its stores, unless the animals are being taken directly to or from Docktor Pet Center.
5. It is the responsibility of each and every store to notify the Management Office when there is a change in managers and/or assistant managers. Stores are required to furnish management with emergency telephone numbers of key personnel. A copy of the Information/Emergency Contact sheet is included in your Merchants' Information Book. It is imperative that we have this information on file and up-to-date for emergencies (i.e., fire, alarm, late openings, etc.) THIS INFORMATION IS CONFIDENTIAL AND FOR MANAGEMENT OFFICE USE ONLY.
6. Mall employees are required to park on the middle parking decks at the rear of both sides of the shopping center. Parking is not permitted in fire lanes, loading zones, and/or space reserved for the handicapped. Mall employees found in violation will be assessed a fine of \$10.00 per day for each infraction. The Branch Avenue mall doors close at 10:00 p.m., as do the ramps to the upper level rear parking areas. No one will be permitted through the Branch Avenue doors, nor will the upper ramps be unsecured after 10:00 p.m., for any reason.
7. No drinking of alcoholic beverages is permitted in the mall or any of its parking lots.
8. Mandatory hours of operation are the hours which, by lease agreement, all stores must be open. Stores may not close periodically during regular hours of operation for any reason, nor may they open late or close early. Infractions will be reported to the home offices. Because the damages for tenant's failure to operate during regular hours of operation are not easily ascertainable, Landlord may charge tenant \$50.00 per day for each day that tenant either opens its store late or closes its store prior to the mandatory hours of the shopping center. Landlord will not assess this charge unless tenant has failed to so open or close its store (as the case may be) two times previously. Established mandatory hours for holidays are exceptions to this two time policy.
9. Security hours for the mall are:  
  
Monday through Saturday prior to 8:30 a.m.  
and after 10:15 p.m.  
Sunday - prior to 11:00 a.m. and after 6:45 p.m.  
  
Sign in at the Carriage Court entrance located on the lower level by Montgomery Ward (Monday thru Friday) or the Fountain Court entrance located at the upper level by the barber shop.
10. No one will be admitted to the mall when it is closed for a holiday unless the Management Office has been notified in advance (301-423-7400).
11. Store managers or employees, who have to work in the store before/and or beyond the normal mall closing/opening hour, must notify the Management Office (301-423-7400) by 5:00 p.m., Monday thru Friday. On weekends or holidays, employees must notify the Security Office (301-423-8055) prior to 9:30 p.m., if they plan to stay in their store after 10:00 p.m. They must then call security when they are ready to leave their store so that security can be alerted, and the alarm system bypassed. Mall employees who fail to notify security before leaving their store, will be sent back to their store to contact dispatch (301-423-8055) of their intentions to leave the store. ALL MALL EMPLOYEES ARE EXPECTED TO LEAVE MALL PREMISES BEFORE 11:00 P.M., unless prior arrangements have been made through the Mall Management Office.
12. THE SECURITY OF EACH STORE IS THE RESPONSIBILITY OF THE STORE. THE SECURITY OF THE MALL (except the store) IS THE RESPONSIBILITY OF LANDLORD.
13. Security can be reached ONLY by dialing 301-423-8055. Security guards have been hired to protect the common areas of the mall. If possible, security guards will assist store personnel while awaiting the arrival of the County Police, but it is the responsibility of each store to contact the police.

14. All customers must leave the mall when closing time is announced. Friends and/or relatives of employees may not loiter in the mall or in stores waiting for store employees to leave.
15. Lost or found children (or parents) should be referred to security (301-423-8055) for assistance.
16. Lost or found objects (including keys, wallets, eyeglasses, etc.) should be turned in to the Management Office, to be retained in the LOST AND FOUND FILE, for a period of thirty (30) days.
17. No one is allowed access to the roof of any mall building for any reason until first signing in at the Management Office (Suite 203). Contractors must also sign out after completion of the job. All air conditioning and heating work has to be scheduled in advance and completed between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday. (If units require attention on weekends, special arrangements must be made with the Operations Manager.) Contractors will not be permitted to use their own ladders to gain access to the roof. They must also provide the Mall Office with a Certificate of Insurance before being allowed access to the roof. The certificate must list the following as additionally insured:

Iverson Mall Limited Partnership  
Iverson Mall Merchants' Association  
Kay Management Co., Inc., Agent

This certificate should be mailed to:

Operations Manager  
Iverson Mall Shopping Center  
3737 Branch Avenue, Suite 203  
Hillcrest Heights, MD 20748

18. Except as expressly set forth in the Lease, maintenance within individual stores is each store's responsibility (replacing lights, fixing plumbing, cleaning carpet, washing windows, fixing leaks, etc.). Maintenance in the mall proper is the responsibility of mall maintenance personnel.
19. **THE MANAGEMENT OFFICE DOES NOT HAVE KEYS TO STORES** and is therefore, unable to assist when employees are locked out of their stores.
20. Each store must make its own arrangements for removal of trash with the Mall Management Office 301-423-7400. Cartons must be broken down before they are picked up by the trash service. Any store found putting trash outside their store prior to trash pick up or using mall trash receptacles for trash removal, will be assessed a \$50.00 fine for each occurrence.  
**ALL STORES MUST COMPLY WITH COUNTY RE-CYCLING REGULATIONS.**
21. Except as provided for in the Lease, tenants and their employees and/or agents may not solicit business on the parking lot or in other common areas, nor may tenants distribute any handbills or other advertising matter in the common area or on automobiles in the parking area. Organizations, businesses or individuals may not solicit in the mall or its parking lots. The Community Booth on the lower level of the mall is available to non-profit organizations only. Arrangements may be made through the Marketing Director's Office (301-423-8430).
22. Deliveries are not permitted at the Branch Avenue entrance to Iverson Mall nor at the Iverson Street doors. **ALL DELIVERIES TO THE UPPER LEVEL ARE TO BE MADE THROUGH THE FREIGHT ELEVATOR**, located between Peoples Drug Store and Montgomery Ward (behind Iverson Plaza). The only exception to this policy will be to stores with rear doors through which deliveries may be accepted. The freight elevator is open from 8:30 a.m. to 5:30 p.m., Monday through Saturday. If you require deliveries at times other than those listed, you may contact security (301-423-8055). If prior arrangements have been made through the Management Office, deliveries will be permitted through the Branch Avenue doors if accomplished before 8:30 a.m. **LANDLORD WILL ASSESS STORES A \$50.00 FINE FOR EACH VIOLATION OF THIS RULE.**

SCHEDULE I

SCHEDULES OMITTED IN THIS LEASE

by and between

IVERSON MALL LIMITED PARTNERSHIP  
A MARYLAND LIMITED PARTNERSHIP

and

Large Apparel of Maryland, Inc.

D, E & F

IVERSON MALL

SCHEDULE K

CERTIFICATE OF LEASE COMMENCEMENT DATE

by and between

IVERSON MALL LIMITED PARTNERSHIP  
A MARYLAND LIMITED PARTNERSHIP

and

Large Apparel of Maryland, Inc.

ATTACHED to and made a part of the Lease dated \_\_\_\_\_ day of \_\_\_\_\_, 1997, (the "Lease"),  
entered into by and between IVERSON MALL LIMITED PARTNERSHIP, as Landlord, and \_\_\_\_\_  
\_\_\_\_\_, as Tenant.

The undersigned Landlord and Tenant do hereby declare as follows:

- i. The date of the Lease is \_\_\_\_\_, 1997.
- ii. The date of Delivery of Possession is \_\_\_\_\_, 1997.
- iii. The Rent Commencement Date described in Section 4.2 of the Lease is \_\_\_\_\_, 1997.
- iv. The Main Term, shall expire on \_\_\_\_\_, 200\_\_.
- v. As of the date of the acceptance as herein set forth, there is no right of set off of any kind  
whatsoever claimed by Tenant against Landlord.

Witness:

LANDLORD:

IVERSON MALL LIMITED PARTNERSHIP

By: Iverson Mall Corporation, its General  
Partner

By: \_\_\_\_\_ (SEAL)  
\_\_\_\_\_, Officer

Witness:

TENANT:

Large Apparel of Maryland, Inc.

\_\_\_\_\_ (SEAL)

\_\_\_\_\_ (SEAL)

**RIDER TO LEASE BETWEEN IVERSON MALL LIMITED PARTNERSHIP, AS  
LANDLORD AND LARGE APPAREL OF MARYLAND, INC., AS TENANT,  
DATED \_\_\_\_\_, FOR PREMISES AT IVERSON MALL, HILLCREST HEIGHTS,  
MD.**

#### Additional Lease Provisions

The following additional provisions are hereby incorporated into the Lease as though fully set forth therein. In the event of any conflict or inconsistency between the terms of the Lease, all exhibits thereto and the terms of the following provisions, the terms of the following provisions shall be controlling. Any reference within the Lease to specific provisions herein is for convenience only, and shall have no bearing upon the weight accorded to those provisions herein to which specific reference is not made.

### **I**

#### Commencement Date

##### I-1 Commencement Date

The Lease term shall commence after the full execution of this Lease and then upon sixty (60) days after the latest to occur of (i) delivery to Tenant by notification to Tenant of the same in writing; and (ii) approval of Tenant's final plans and specifications by Landlord (the "Commencement Date"). In no event shall Tenant be required to open prior to the date (the "Co-tenancy Date") on which at least Value City on the second and third levels of the Shopping Center and Montgomery Ward, as depicted on Schedule A and tenants occupying Sixty (60%) percent of the remaining gross leaseable area of the Shopping Center as depicted on Schedule A are open for business to the public provided, however, that if Tenant shall elect to open prior to the Co-tenancy Date, the Lease Term shall commence and Tenant's obligation to pay monthly installments of minimum rent and any and all additional rent except consumables shall be rent reduced by fifty percent (50%) until the Co-tenancy Date has been satisfied. If such co-tenancy is not met within twelve (12) months after the date hereof, Tenant shall have the option to cancel this lease upon thirty (30) days notice to Landlord.

In addition, if Tenant should encounter delays in Tenant's Work due to conditions constituting force majeure, the Commencement Date shall be postponed by the number of days during which such delays prevail.

##### I-2 (Intentionally Omitted)

##### I-3 Tenant Cancellation Date

If the Leased Premises are not delivered to Tenant with Landlord's Work (if any) complete within one (1) year from the date hereof, then Tenant may terminate this Lease on thirty (30) days notice to Landlord.

##### I-4 Lease Year

As used in this Lease, the term "lease year" or "Lease Year" shall mean each twelve (12) month period from February 1 to January 31 during the term of this Lease provided however that the first lease year shall also include the period from the Commencement Date to the following January 31. In the event the first Lease Year is longer than twelve (12) full calendar months then annual Fixed Minimum Rent, Percentage Rent breakpoint and all other charges payable on a lease year basis shall be increased proportionately. Wherever in the lease, "year" or "years" appears with respect to the lease or the payment of rent thereunder, such term shall be construed to mean "lease year (s)" unless specifically stated otherwise.

### **II**

#### Use and Operation

##### II-1 Permitted Use/ Tradename

Tenant may use the Leased Premises for the display and retail sale of misses, ladies and women's apparel, including, but not limited to, juniors, half-size and large-size, furnishings and accessories, lingerie, perfume, health and beauty aids, handbags, shoes, scarves, cosmetics, wigs and costume jewelry (including precious metals), gifts and boutique items. Tenant may perform alterations on apparel sold at the Leased Premises.

Tenant may change its tradename at any time throughout the term of this Lease without Landlord's consent provided such tradename is used by a majority of Tenant's stores in the State of Maryland.

##### II-2 Hours of Operation

(a) In no event shall Tenant be required to be open for business on any days, and during any hours where Value City department store located on the second and third levels of the Shopping Center and Montgomery Ward as depicted on Schedule A and each tenant in the Shopping Center occupying 30,000 contiguous square feet, (each referred to herein as a "Major Tenant" and collectively, as the "Major Tenants") and tenants occupying at least Sixty (60%) percent of the remaining gross leasable area of the Shopping Center are not similarly open for business.

(b) In each Lease Year, Tenant may close for a period of time reasonably necessary in order to take inventory, make repairs, renovate or redecorate, provided, however, that such period shall not exceed ten (10) days in the aggregate in any Lease Year unless Landlord has consented thereto.

### **II-3 Window Lighting Requirements**

Tenant shall be obligated to keep its show windows lit only during its required hours of operation.

### **II-4 Go Dark Right**

(a) As an inducement for Tenant to enter into this Lease, Landlord represents that it has entered into the following leases which contain operating covenants that are in effect at least until the applicable lease expiration date(s) :

<b><u>TENANT</u></b>	<b><u>LEASE EXPIRATION DATE</u></b>
Value City	January 31, 2003
Montgomery Ward	April 30, 2006

## **III**

### **Gross Sales**

#### **III-1 Gross Sales Exclusions**

The following shall be excluded from Gross Sales:

(i) Bona fide, close-out or bulk sales of inventory to jobbers or wholesalers provided same do not exceed 2% of all Gross Sales; (ii) sales to employees of Tenant or its parent company or affiliates at a discount provided same do not exceed 2% of all Gross Sales; (iii) shipping charges separately stated; (iv) proceeds of the sale of substantially all of the assets of Tenant at the Leased Premises; (v) proceeds of insurance or condemnation; (vi) the unpaid balance of any credit or check sale which is written off as un-collectible in accordance with generally accepted accounting principles provided same do not exceed 2% of all Gross Sales; (vii) proceeds of sale of trade equipment or fixtures, including track lighting; (viii) proceeds of sales from vending machines installed for the convenience of employees of Tenant; (ix) lay-away sales, except to the extent of amounts actually received by Tenant; (x) charges for alterations to apparel sold at the Leased Premises; (xi) the amount of all discounts, returns, refunds, credits, allowances and adjustments made to Tenant's customers; (xii) (intentionally omitted); (xiii) finance charges on credit card sales payable to Tenant by Tenant's customers; (xiv) the amounts of all retail sales taxes, including federal, city, county or state sales tax, luxury or excise tax; (xv) the amount of returns to shippers or manufacturers for credit; (xvi) sums and credit received from shippers or manufacturers in settlement of claims for loss or damage merchandise; and (xvii) the exchange or transfer of inventory between the Leased Premises and any store owned by Tenant or any parent, affiliate or subsidiary of Tenant, where such exchange or transfer is made for the convenient operation of Tenant's business and not for the purpose of avoiding a sale which would otherwise be included in Gross Sales.

#### **III-2 Landlord's Right to Audit**

Landlord may audit Tenant's books of account and records concerning Gross Sales for the Leased Premises only, not more than once in any Lease Year and on not less than ten (10) days prior notice to Tenant. Such audit shall be conducted at the place where Tenant maintains its records of Gross Sales for the Leased Premises.

#### **III-3 Method of Maintaining Business Records and Recording Sales**

Notwithstanding anything contained herein to the contrary, Tenant may keep business records and record sales in the manner which said records are maintained and sales are recorded at a majority of Tenant's other stores in the State of Maryland and in accordance with generally accepted accounting principles.

## **IV**

**(Intentionally Omitted)**

**V**

**Taxes**

**V-1 No Penalties**

Real estate taxes payable by Tenant as provided for herein ("Taxes") shall not include any interest or penalties imposed by the assessing authority except if arising as a result of Tenant's late payment of Tenant's proportionate share thereof.

**V-2 Unimproved Land**

Taxes allocable to the Shopping Center shall not include taxes on any unimproved parcels of land.

**V-3 Installment Payments**

If general or special assessments may be paid in installments over a period of years, only the installments coming due during the tax year in question during the Lease term shall be included in Taxes payable by Tenant for such year.

**V-4 Refund and Abatements**

If Landlord shall obtain a refund or abatement of any Taxes to which Tenant contributes, Landlord shall refund to Tenant its proportionate share thereof less Tenant's proportionate share of Landlord's reasonable costs of obtaining same. In no event shall Tenant be liable for such costs unless there shall be a net savings to Tenant.

**V-5 Exclusion**

Taxes shall not include any corporate, personal property, franchise, capital levy, inheritance, transfer or income tax levied on Landlord.

**VI**

**Maintenance, Repairs, and Alterations**

**VI-1 Landlord's Repairs**

Landlord shall promptly make necessary repairs to the Leased Premises and the Building in which the Leased Premises is located including, without limitation, exterior walls, foundations, roof structure and roof of the building of which the Leased Premises is a part and all structural portions of the Leased Premises, and shall maintain in good repair the floor slab, sprinkler system, all utility lines, pipes and conduits located outside of or inside but not exclusively serving the Leased Premises, the sewage system, gutters, downspouts, utility and water lines and HVAC system located outside of or inside but not exclusively serving the Leased Premises (exclusive of systems or lines owned by a municipality or similar public or quasi-public authority) provided that such repairs are not necessitated by any act or omission of Tenant or its agents, employees or contractors. Landlord shall make all repairs with due diligence and due care in a good and workmanlike manner and in compliance with all applicable local, state and Federal regulations, ordinances and laws. In making such repairs Landlord shall use reasonable efforts to prevent any interference with Tenant's use of the Leased Premises. Landlord shall promptly restore any damage to any portion of the Leased Premises resulting from any act or omission of Landlord, its agents, servants, employees or contractors.

**VI-2 Tenant's Right to Cure**

If Landlord has not commenced repairs or maintenance required to be performed by Landlord hereunder within thirty (30) days after written notice thereof from Tenant, or if so commenced, is not diligently pursuing same to completion, Tenant shall have the right, but not the obligation, to make such repairs and Landlord shall reimburse Tenant for the reasonable cost thereof within ten (10) days after receipt of a bill therefor from Tenant. In the event of an emergency, Tenant may (but shall not be obligated to) perform such repairs which may be reasonably necessary, after having given Landlord such notice as may be practicable under the circumstances. Tenant shall make all such repairs with due diligence and due care in a good workmanlike manner and in compliance with all applicable local, state and Federal laws, regulations and ordinances. Tenant shall not be responsible for any loss or damage to Landlord's property that may result from such repairs. Notwithstanding anything to the contrary set forth hereinabove, Tenant shall not be required to perform repairs which would otherwise be Landlord's obligation hereunder.

**VI-3 (Intentionally Omitted)**



#### **VI-4 Tenant's Permitted Alterations**

Tenant shall be permitted to perform non-structural alterations without Landlord's consent, provided such alterations do not materially affect Tenant's storefront or the electrical, plumbing or HVAC systems located in the Leased Premises. All signage, decorative lighting and millwork installed in the Leased Premises by Tenant shall be and remain the property of Tenant and Tenant may remove same at the expiration or sooner termination of this Lease.

#### **VI-5 (Intentionally Omitted)**

#### **VI-6 Surrender of Leased Premises**

Tenant shall not be required to remove its alterations and/or restore the Leased Premises to its original condition upon the expiration or earlier termination of this Lease unless Tenant has specifically agreed to such obligation.

#### **VI-7 Landlord's Representation**

Landlord represents and warrants that as of the date the Leased Premises is delivered to Tenant that all utilities, plumbing, sprinkler, HVAC and electrical systems are all in good working order. Also, there are no violations filed against the Leased Premises or the Shopping Center which would prevent Tenant from obtaining any permits or approvals required in connection with the performance of any work at the Leased Premises or the Shopping Center.

### **VII**

#### **Premises Integrity**

##### **VII-1 Kiosks**

Landlord shall not construct or place a kiosk or other improvement or obstruction, whether permanent or temporary, in any portion of the area created by extending Tenant's side lease lines across the entire width of the enclosed mall, or if the Shopping Center is not an enclosed mall, for a distance of 75 feet with the exception of the ATM bank machine currently located in the Common Area.

##### **VII-2 Modifications to the Shopping Center**

- (a) Landlord shall make no changes to the Shopping Center or the Leased Premises which will change the layout of the Leased Premises, materially adversely affect access to the Leased Premises, the visibility of the Leased Premises, or the frequency of pedestrian traffic passing in front of the Leased Premises.
- (b) Landlord shall not diminish materially parking for the Shopping Center.
- (c) Landlord shall not place trees and/or other shrubbery in front of Tenant's Leased Premises which shall impede pedestrian traffic or affect the access to, or visibility of the Leased Premises.

##### **VII-3 Interference with Operation**

If as a result of:

- (a) Landlord's making of any repairs to the Leased Premises; or
- (b) Landlord's performing of any repairs, additions, alterations, renovations, reconfigurations or improvements in or to the Shopping Center (including excavations); or
- (c) Landlord's failure to supply any Utility (if Landlord shall supply such Utility); or
- (d) Landlord's removal of Hazardous Materials (as hereinafter defined) from the Leased Premises; and

there is a material interference with Tenant's ability to conduct its business in the Leased Premises ("Interference") then all payments of Fixed Minimum Rent and all additional rent shall be abated from the date of Interference until such Interference ceases.

##### **VII-4 Relocation**

Landlord shall not relocate Tenant into another space in the Shopping Center or reduce the size of the Leased Premises or change the configuration of the Shopping Center such that the result is to materially change the proximity of Tenant to the Major Tenants currently depicted on the site plan attached hereto as Schedule A.

##### **VII-5 Installation of Utility Lines**

Landlord shall install all utility lines and services for other Shopping Center tenants store locations above the finished ceiling and along the perimeter walls of the stock room area of the Leased Premises. Any such installations shall not interfere with electrical, mechanical or sprinkler lines in the Leased Premises.

#### **VII-6 Security Gates**

Tenant shall have the right, with Landlord's consent which shall not be unreasonably withheld, delayed or conditioned, to install additional or replacement security gates or any other security device or system at the Leased Premises.

#### **VII-7 Sign Removal**

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

- a. Permanent Sign. Removal of the Permanent Sign shall be subject to the following conditions:
  - (i) Landlord shall, at it's sole cost and expense, remove the Permanent Sign in a careful manner so as not to damage it, and store it in an appropriate facility;
  - (ii) As soon as the Work has progressed to the point that the Permanent Sign can be reinstalled, Landlord, at Landlord's sole cost and expense, shall reinstall the Permanent Sign at it's former location; and
  - (iii) Landlord, at Landlord's sole cost and expense, shall promptly repair any damage to the Permanent Sign which occurs during the removal, storage, or reinstallation thereof.
- b. Temporary Sign. If the Permanent Sign is removed or blocked by scaffolding or other Work for a period in excess of two (2) days, then Landlord, at Landlord's sole cost and expense, shall provide a temporary sign to advertise Tenant's business. Such temporary sign shall be as similar as reasonably possible in both size and style to the Permanent Sign, and shall be installed by Landlord in a location as near as reasonably possible to the location from which the Permanent Sign was removed or blocked, consistent with the goal of achieving maximum visibility for such temporary sign.

#### **VII-8 Pylon Signs/Canopy**

If the Leased Premises are located in an enclosed mall, Tenant's trade name shall be listed on all mall directories, at no cost to Tenant, within thirty (30) days after Tenant opens the Leased Premises for business with the public.

#### **VII-9 Scaffolding**

If Landlord desires to erect scaffolding at the Building or near the Leased Premises at the Shopping Center, same must be in compliance with requirements imposed by law. Landlord will use reasonable efforts to perform all such work so as not to diminish Tenant's floor area or disrupt Tenant's architectural layout. Tenant may install reasonable signs on all scaffolding provided same is in accordance with law. Landlord will use reasonable and diligent efforts so that the scaffolding shall not inhibit ingress to or egress from the Leased Premises.

### **VIII**

#### **Utilities**

##### **VIII-1 Utilities Provided by Landlord**

If Landlord furnishes any electricity, water, sewer, heating, air conditioning, ventilating or other utility services ("Utilities") to the Leased Premises, Tenant's charges for such Utilities shall not exceed the charges which Tenant would pay if Tenant were to purchase such Utilities directly from the public utility servicing the area in which the Leased Premises is located.

Also, if the Landlord operates the HVAC system at the Leased Premises the cost to Tenant of such operation shall not exceed the cost to Tenant would have incurred had Tenant operated its own HVAC system at the Leased Premises. If Tenant should disagree with Landlord's determination of the quantity of consumption of or the cost of such Utilities, Tenant may, but shall not be obligated to, purchase a check or test meter which it may install at the Leased Premises. Following its installation, the check or test meter shall be utilized for sixty (60) days and the results therefor shall be retroactive and binding on Landlord and Tenant and an appropriate adjustment shall be made for the entire period in dispute.

##### **VIII-2 Change in Supply of Utilities**

Landlord shall not discontinue furnishing any Utilities to Tenant until Tenant shall receive such Utility from an alternate source of supply. If Landlord shall voluntarily effectuate a change in the supply of any Utility, whether by electing to provide a Utility previously furnished by the public utility or some other source, or by discontinuing a Utility previously furnished by Landlord, Landlord shall pay all costs in connection with such change.

#### **VIII-3 Utility Equipment**

Tenant shall have the right to use all existing wires, feeders, risers, lines, conduits and other utility equipment in the Leased Premises at no cost to Tenant.

### **IX**

#### **Insurance and Indemnity**

##### **IX-1 Blanket Policy**

Tenant may maintain all or any part of the insurance required pursuant to this Lease in the form of a blanket policy covering other locations in addition to the Leased Premises.

##### **IX-2 Self Insurance**

In lieu of carrying all insurance required under this Lease other than public liability insurance, Tenant may self insure each such risk, provided, however, that Tenant or Tenant's parent corporation has assets exceeding \$10,000,000 at all times during the term hereof.

##### **IX-3 (Intentionally Omitted)**

##### **IX-4 No Premium Increase**

Tenant's use of the Leased Premises for the permitted use as set forth herein shall not be deemed to increase Landlord's insurance premiums for fire and extended coverage insurance (or "all risk" insurance, as the case may be).

##### **IX-5 Indemnity by Landlord**

Unless due to the negligent act or omission of Landlord, its agents, contractors or employees, Landlord shall indemnify, hold harmless and defend Tenant from and against any and all claims, demands, damages, judgments, fines, penalties, losses, costs and expenses, including reasonable attorneys' fees, incurred by Tenant as a result of:

- (a) any accident occurring on or about the Common Areas of the Shopping Center; or
- (b) the negligent or willful acts or omissions of Landlord, its agents, contractors or employees.

##### **IX-6 (Intentionally Omitted)**

##### **IX-7 Coverage's**

In no event shall Tenant's proportionate share of the cost of such insurance include any contribution toward earthquake, flood, or rental abatement insurance, unless Landlord's mortgagee requires such items to be carried in Landlord's policy.

### **X**

#### **Casualty/Condemnation**

##### **X-1 Tenant's Right to Terminate**

If (a) the Leased Premises is damaged by casualty, in whole or in part, during the last two (2) years of the Lease term, or (b) if at any time during the Lease term the Leased Premises are destroyed by casualty, in whole or in part and Landlord shall not begin repair thereof within six (6) months of the date of the casualty or, (c) if 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 thirty (30) days notice to Landlord given to Landlord within sixty (60) days following the occurrence of one of the foregoing.

##### **X-2 No Discrimination in Termination**

Landlord shall not exercise any right that it may have to terminate this Lease unless it simultaneously terminates the leases of all other tenants in the Shopping Center similarly affected with respect to any such casualty or condemnation.

### **X-3 Unamortized Costs**

If Landlord terminates this Lease in the event of a casualty or condemnation to the Shopping Center and the Leased Premises has not been damaged by such casualty, Landlord shall reimburse Tenant for Tenant's unamortized cost of its leasehold additions, alterations, improvements and trade fixtures, such amortization to be computed assuming a useful life equal to the term of this Lease (including any option periods, if Tenant has exercised such option(s) and assuming a straight line method of depreciation. Unamortized costs of improvements paid from the construction allowance shall be included in the foregoing.

### **X-4 Tenant's Right to Close**

If any of the Major Tenants or tenants occupying fifty (50%) percent or more of the remaining gross leaseable area of the Shopping Center shall be damaged by casualty and shall close for business, Tenant shall have the right to close and upon such closure all Fixed Minimum Rent, Percentage Rent, and additional rent shall be abated until the earlier to occur of the date Tenant shall reopen, or the date all of the Major Tenants and fifty (50%) percent or more of the remaining gross leaseable area in the Shopping Center shall reopen.

### **X-5 (Intentionally Omitted)**

### **X-6 (Intentionally Omitted)**

### **X-7 Abatement of Rent and Charges**

If the Leased Premises are rendered untenable, or unsuitable for Tenant's business, Tenant shall not be required to resume payment of Fixed Minimum Rent, Percentage Rent, additional rent and charges until Tenant's reopening for business in the Leased Premises.

## **XI**

### **Assignment and Subletting**

(a) Notwithstanding anything to the contrary in the Lease, Tenant may assign the Lease or sublet the entire Leased Premises without Landlord's prior approval, provided: (i) any assignee assumes in writing the performance and observance of all the terms, covenants and conditions of the Lease; (ii) any assignee or sublessee agrees in writing to continue to occupy the Leased Premises in accordance with all provisions of the Lease, including without limitation provisions regarding the use and operation of the Leased Premises; (iii) a copy of the sublease or assignment and assumption agreement is delivered to Landlord upon execution; and (iv) the assignee or sublessee is a parent, affiliate or wholly-owned subsidiary of Tenant, or of Tenant's parent company, or Tenant's guarantor, if any, or is a successor to Tenant by way of merger, consolidation or corporate reorganization, private placement or by the purchase of all or a portion of the assets or shares of stock of Tenant, or in connection with the sale of a majority of the stores of a chain trading under the same tradename as Tenant. In no event shall the Lease be assigned or sublet if there are any uncured defaults outstanding hereunder.

(b) (Intentionally Omitted)

(c) It shall not be deemed an assignment of this Lease and Landlord's consent shall not be required (regardless of any resulting change of control of Tenant) in the event that Tenant or its parent company, subsidiary or affiliate becomes a publicly traded company whose outstanding voting stock is listed on a "national securities exchange," as defined in the National Securities Exchange Act of 1934 or in the event of a private placement or sale of stock of Tenant or Guarantor (if any).

(d) Tenant may permit up to fifteen (15%) percent of the gross leaseable area of the Leased Premises to be occupied by concessionaires without Landlord's consent provided that the sales of such concessionaires are included in Gross Sales. The Fixed Minimum Rent and additional rent received from such concessionaires, however, shall be excluded from Gross Sales.

(e) Landlord's consent shall not be required in the event of any sale, issuance or transfer of capital stock in Tenant, or any related entity of Tenant, to any family members, or trust(s) for the benefit of such family members of Joseph Sitt.

## **XII**

### **Landlord's Work and Tenant's Plans**

**XII-1 (Intentionally Omitted)**

**XII-2 (Intentionally Omitted)**

### **XII-3 Tenant's Plans and Specifications**

- (a) Landlord shall respond to Tenant's plans and specifications ("Tenant's Plans") for Tenant's initial improvements to the Leased Premises or for any alterations, additions or improvements proposed during the lease term within ten (10) business days of their presentment.
- (b) Tenant shall have no obligation to pay Landlord for any cost or expense incurred by Landlord or Landlord's Architect, in reviewing Tenant's Plans.
- (c) Landlord hereby consents that Tenant may use Tenant's storefront design, as shown on Exhibit C-1 attached hereto, which contains an elliptical front that extends not more than four (4) feet into the Common Area of the Shopping Center provided that the final plans are subject to Landlord's reasonable consent.
- (d) (Intentionally Omitted)
- (e) Wherever Landlord's approval is required with respect to Tenant's plans, said approval shall not be unreasonably withheld or delayed.
- (f) Tenant or its contractors shall not be required to furnish any performance, labor or material payment bond(s).
- (g) In addition to Tenant's storefront sign, Landlord hereby consents that Tenant may install an additional interior back-lit sign stating "SIZES 14-26" provided said sign is substantially similar to like signs in Tenant's other Ashley Stewart stores.

## **XIII**

### **Miscellaneous**

#### **XIII-1 (Intentionally Omitted)**

#### **XIII-2 (Intentionally Omitted)**

#### **XIII-3 (Intentionally Omitted)**

#### **XIII-4 Attornment**

Tenant shall attorn to any subsequent purchaser or transferee of Landlord's interest in the Shopping Center provided that such purchaser or transferee shall assume Landlord's obligations hereunder and permit Tenant to remain in undisturbed possession, use and enjoyment of the Leased Premises and further provided that Tenant is not in default hereunder after notice from Landlord and the expiration of the applicable grace or cure period in accordance with the terms of this Lease.

#### **XIII-5 Modifications to Lease**

In no event shall Tenant be required to agree, and Landlord shall not have any right of cancellation for Tenant's refusal to agree to any modification of the provisions of this Lease relating to: (a) the amount of Fixed Minimum Rent, Percentage Rent, additional rent and/or any other charges reserved herein; (b) the size and/or location of the Leased Premises; (c) the duration and/or Commencement Date of the Lease term; or (d) reducing the amount of improvements to be made by Landlord to the Leased Premises prior to delivery of possession, or the amount of any construction allowance or free rent period due to Tenant.

#### **XIII-6 Brokerage Indemnity**

Each party hereby represents and warrants to the other party that no broker or real estate agent has had any part in bringing about this Lease other than Hicks & Rotner. Each party hereby agrees to indemnify and save the other party harmless from and against any claims against the other party if the indemnifying party's representation is not true. Landlord agrees to pay Hicks & Rotner pursuant to a separate agreement.

#### **XIII-7 (Intentionally Omitted)**

#### **XIII-8 Landlord's Authority**

Landlord has the right and lawful authority to enter into this Lease and perform Landlord's obligations hereunder, including, but not limited to the right and lawful authority to terminate any right of any present or prior tenant of the Premises and deliver possession thereof to Tenant.

#### **XIII-9 Zoning and Restrictions**

(a) Landlord represents, warrants and covenants that the Leased Premises are presently zoned, and are in conformity with applicable law, so as to permit: (i) the renovation of the Premises in accordance with the provisions hereof; (ii) the operation of a retail store business in the Leased Premises upon the renovation thereof in accordance with the provisions hereof; (iii) the Leased Premises to be lawfully used for retail sales to the public of merchandise and services as set forth herein; and (iv) sufficient parking to comply with applicable zoning codes of at least spaces per 1,000 square feet of the Leased Premises.

(b) Landlord represents, warrants and covenants that Landlord's title to the Leased Premises is not subject to any covenant, agreement, reservation, lien, easement, restriction and/or encumbrance which would prohibit Tenant from using the Leased Premises in accordance with the Permitted Use.

#### **XIII-10 Hazardous Materials**

The Landlord represents, warrants and covenants that the Leased Premises and the Shopping Center are free from the contamination of hazardous wastes or materials, including but not limited to, asbestos and asbestos containing material (collectively "Hazardous Materials"). For the purposes of this Section, Hazardous Materials shall include, but not be limited to, substances defined as "hazardous substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 *et. seq.*, the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Section 1801, *et. seq.*; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 *et. seq.* and any applicable state, county, city or local law; and the regulations adopted and publications promulgated pursuant to said laws. Landlord agrees to indemnify and to hold Tenant and any guarantor harmless from any and all claims, demands, losses, liabilities, penalties, damages, costs and expenses, including without limitation, reasonable attorneys' fees and costs (collectively "Claims") arising out of or in any way connected with the presence of Hazardous Materials, or the removal thereof, from the Leased Premises or the Shopping Center unless Tenant or its agents, employees or contractors have placed or otherwise authorized placement of said Hazardous Materials in the Leased Premises or the Shopping Center. The indemnity obligation set forth herein shall survive the expiration or earlier termination of this Lease.

#### **XIII-11 Accord and Satisfaction**

No payment by Tenant, nor any writing accompanying any payment, shall be deemed an accord and satisfaction, and Tenant may make any payment without prejudice to Tenant's right to recover an overpayment or to pursue any other remedy provided in this Lease or available by law.

#### **XIII-12 Litigation**

In the event of any suit or litigation between Landlord and Tenant arising from or in connection with this Lease, the losing party shall pay the reasonable fees and expenses of the successful party at all levels of trial, negotiation or appeal.

#### **XIII-13 Reservation of Claims**

Tenant shall have the right to reserve all claims against Landlord, its successors and assigns arising prior to any transfer of Landlord's interest under this Lease.

#### **XIII-14 Landlord's Remedies**

Notwithstanding any rights which may be conferred upon Landlord in law, equity, or otherwise, in no event shall Landlord be entitled to collect rent and damages due hereunder on an accelerated basis upon default by Tenant. In addition, Landlord agrees to use its best efforts to mitigate its damages in the event of a default by Tenant.

#### **XIII-15 (Intentionally Omitted)**

#### **XIII-16 (Intentionally Omitted)**

#### **XIII-17 (Intentionally Omitted)**

#### **XIII-18 (Intentionally Omitted)**

#### **XIII-19 Landlord's Consent**

Whenever, pursuant to this Lease, Tenant is required to pay estimated amounts to Landlord, such estimates shall be reasonable.

#### **XIII-20 (Intentionally Omitted)**

#### **XIII-21 (Intentionally Omitted)**

**XIII-22 Waiver of Landlord's Security Interest**

Landlord hereby waives any security interest it may have in any of Tenant's property located at the Leased Premises that is created either by (i) statute in the state in which the Leased Premises are located or (ii) pursuant to any other provision contained within this Lease.

**XIII-23 (Intentionally Omitted)**

**XIII-24 (Intentionally Omitted)**

**XIII-25 Grand Opening Promotion**

Tenant shall have the right to have an employee of Tenant hand out leaflets in the Common Areas of the Shopping Center for a period not to exceed ten (10) days in the first thirty (30) days after Tenant initially opens for business with the public at the Leased Premises. Tenant shall be responsible to pick up discarded leaflets from the floor of the Common Areas.

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### **FIRST AMENDMENT TO LEASE**

THIS FIRST AMENDMENT TO LEASE, made this 23 day of December 1998, by and between **IVERSON MALL LIMITED PARTNERSHIP** (hereinafter called "Landlord") and **LARGE APPAREL OF MARYLAND, INC.**, a Maryland Corporation trading as "Ashley Stewart" (hereinafter called "Tenant") and **ASHLEY STEWART, LTD.** (The "Guarantor").

WHEREAS, by Lease made and entered into on the 24th day of June, 1997, (the "Lease"), Landlord leased unto Tenant approximately 4,830 square feet of space, (the "Premises") in the shopping center known as Iverson Mall in Prince George's County, Maryland; and

WHEREAS, the Landlord and Tenant desire to modify and amend the Lease with respect to Tenant's right to terminate, the Minimum Rent, the Percentage Rent, the Guaranty and other various provisions therein.

NOW THEREFORE, in consideration of the sum of Ten Dollars (\$10.00), the mutual covenants hereinafter contained and for other good and valuable consideration by each of the parties hereto to the other in hand paid, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Tenant's Right to Terminate. Section 5.8 of the Lease is hereby modified and amended by (i) deleting "\$1,000,000" and inserting "\$750,000" in lieu thereof in the first line; (ii) deleting "September 1, 1998 through August 31, 1999" and inserting "August 1, 1999 through July 31, 2000" in lieu thereof in the second line; and (iii) deleting "December 31, 1999" and inserting "November 30, 2000" in lieu thereof in the fifth line.

2. Minimum Rent.

Section (h) of the Fundamental Lease Provisions is hereby amended to reflect that the Minimum Rent payable during the nineteen (19) month period from December 1, 1998 through June 30, 2000 the monthly Minimum Rent shall be Six Thousand Dollars (\$6,000.00) each. Upon July 1, 2000, the monthly Minimum Rent shall return to Nine Thousand Dollars as set forth in the Lease. In the event of an event of default beyond expiration of applicable cure periods under the Lease as amended hereby, the aforesaid seven month reduction in Minimum Rent shall deemed null and void, and the Landlord shall be entitled to collect all unpaid Minimum Rent without regard to the aforesaid reduction provided for herein.

3. Percentage Rent.

Section 4.4 of the Lease and Section (i) of the Fundamental Lease Provisions are hereby modified and amended to provide that the Gross Sales Breakpoint for determining the payments due as Percentage Rent shall be based on a pro-rated calculation taking into account that during the nineteen (19) month period from December 1, 1998 through June 30, 2000, the monthly Minimum Rent is reduced as set forth above and that during such period, an eleven percent (11%) Gross Sales Breakpoint shall be applicable. For example, assuming that during the 1999 Calendar Year, Tenant pays Monthly Minimum Rent of Six



Thousand Dollars (\$6,000) per month, the annual gross sales breakpoint shall be determined on \$72,000/11% or \$654,545. During Calendar Year 1999, Tenant shall pay Percentage Rent based on eleven percent (11%) of Gross Sales in excess of \$654,545. During Calendar Year 2000, the gross sales breakpoint shall be determined based on the minimum rent payable.

4. Landlord's Right to Terminate. Landlord shall be entitled to terminate the Lease upon ninety (90) days prior written notice to Tenant which notice must be given to Tenant on or before June 30, 2000. In the event such notice is given, the date of termination set forth in such notice shall be deemed to be the expiration date of the Lease.

5. Additional Guarantor. For and during the period from the date hereof through June 30, 2000, The Ashley Stewart Group LTD, a Delaware corporation shall guaranty the Lease as an additional guarantor thereof. In no event shall this additional guaranty limit or modify the existing guaranty. The attached form Guaranty of Lease shall be executed by The Ashley Stewart Group, LTD upon execution by Tenant of this Amendment to Lease.

6. Capitalized Terms.

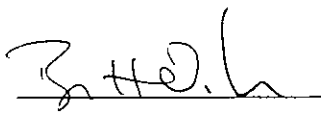
All capitalized terms used herein shall have the meaning as defined in the Lease unless otherwise defined herein.

7. Terms and Conditions.

All of the terms and conditions and obligations of Tenant set forth in the Lease, except as specifically modified or revised herein, shall continue in full force and effect until the termination or other expiration of the Lease.

IN WITNESS WHEREOF, intending to be legally bound hereby, the Landlord, the Tenant, and the Guarantor, by their duly authorized representatives, have executed this Lease as of the day and year first above written.

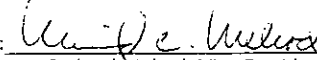
ATTEST/WITNESS:

  
(Corporate Seal)

LANDLORD:

**IVERSON MALL LIMITED PARTNERSHIP**  
a Maryland Limited Partnership

BY: IVERSON MALL CORPORATION,  
its General Partner

BY:  (SEAL)  
Richard Melrod, Vice President

TENANT:

**LARGE APPAREL OF MARYLAND**

BY:  (SEAL)  
Joseph Sitt, President

GUARANTOR:

**ASHLEY STEWART, LTD.**

BY:  (SEAL)  
Joseph Sitt, President

## SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE, made this 11 day of ~~JULY~~<sup>OCTOBER</sup> 1999, by and between IVERSON MALL LIMITED PARTNERSHIP (hereinafter called "Landlord") and LARGE APPAREL OF MARYLAND, INC., a Maryland Corporation trading as "Ashley Stewart" (hereinafter called "Tenant") and ASHLEY STEWART, LTD. and THE ASHLEY STEWART GROUP, LTD., (each of the two foregoing parties being herein referred to as the "Guarantors").

WHEREAS, by Lease made and entered into on the 24th day of June, 1997 as amended by that certain First Amendment to Lease dated December 23, 1998, (collectively, the "Lease"), Landlord leased unto Tenant approximately 4,830 square feet of space, (the "Premises") in the shopping center known as Iverson Mall in Prince George's County, Maryland; and

WHEREAS, the Landlord and Tenant desire to modify and amend the Lease with respect to Tenant's right to terminate, the Minimum Rent, the Percentage Rent, the Guaranty and other various provisions therein.

NOW THEREFORE, in consideration of the sum of Ten Dollars (\$10.00), the mutual covenants hereinafter contained and for other good and valuable consideration by each of the parties hereto to the other in hand paid, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Tenant's Right to Terminate. Section 5.8 of the Lease is hereby modified and amended to read as follows:

Section 5.8 Kickout

*In the event the Gross Sales of Tenant from the Demised Premises shall fail to exceed \$750,000 during the 12 month period commencing August 1, 2000 through July 31, 2001, Tenant shall be entitled to terminate this Lease by written notice given to Landlord no later than one hundred twenty (120) days prior to Tenant's proposed termination date, provided that there exists no uncured event of default hereunder and further provided that Tenant shall give such notice, along with proof of Tenant's Gross Sales certified by a Certified Public Accountant or financial officer of Tenant, prior to November 30, 2001. In the event that Tenant shall elect to exercise its rights hereunder, Tenant shall also deliver to the Landlord at the time of delivery of Tenant's notice hereunder, the sum of \$25,000.00 as a lease termination payment.*

2. Numbering Correction. The provision in the Lease following "Section 5.8 - Kickout" is referred to in the Lease as "Section 5.8 - Operating Co-tenancy". This section is hereby re-numbered to be "Section 5.9".

3. Minimum Rent.

Section (h) of the Fundamental Lease Provisions is hereby amended to reflect that the monthly installments of Minimum Rent payable through June 30, 2001 shall be Six Thousand Dollars (\$6,000.00) each month. Upon July 1, 2001, the monthly Minimum Rent shall return to Nine Thousand Dollars (\$9,000) per month as set forth in the Lease. In the event of an event of default beyond expiration of applicable cure periods under the Lease as amended hereby, the aforesaid reduction in Minimum Rent shall be deemed null and void, and the Landlord shall be entitled to collect all unpaid Minimum Rent without regard to the aforesaid reduction provided for herein or provided in the First Amendment to Lease.

4. Percentage Rent.

Section 4.4 of the Lease and Section (i) of the Fundamental Lease Provisions are hereby modified and amended to provide that the Gross Sales Breakpoint for determining the payments due as Percentage Rent shall be based on a pro-rated calculation taking into account that through June 30, 2001, the monthly Minimum Rent is reduced as set forth above and that during such period, an eleven percent (11%) Gross Sales Breakpoint shall be applicable. For example, assuming that during the 2000 Calendar Year, Tenant pays Monthly Minimum Rent of Six Thousand Dollars (\$6,000) per month, the annual gross sales breakpoint shall be determined on \$72,000/11% or \$654,545. During Calendar Year 2000, Tenant shall pay Percentage Rent based on eleven percent (11%) of Gross Sales in excess of \$654,545. During Calendar Year 2001, the gross sales breakpoint shall be determined based on the minimum rent actually payable.

5. Landlord's Right to Terminate. Landlord shall be entitled to terminate the Lease upon ninety (90) days prior written notice to Tenant which notice must be given to Tenant on or before June 30, 2001. In the event such notice is given, the date of termination set forth in such notice shall be deemed to be the expiration date of the Lease.

6. Guaranty.

A. The term of the Guaranty of Lease Agreement made by The Ashley Stewart Group LTD is hereby revised to reflect that the final paragraph thereof shall read as follows:

*Notwithstanding any provision set forth in this Guaranty to the contrary, in no event shall the Guarantor be liable for any obligation or liability of the Tenant that does not arise on or before June 30, 2001.*

B. The Guaranty of Lease Agreement made by Ashley Stewart, LTD shall remain in full force and effect.

C. The Guarantors hereby consent to all of the terms and provisions of this Second Amendment to Lease.

7. Capitalized Terms.


All capitalized terms used herein shall have the meaning as defined in the Lease unless otherwise defined herein.

8. Terms and Conditions.

All of the terms and conditions and obligations of Tenant set forth in the Lease, except as specifically modified or revised herein, shall continue in full force and effect until the termination or other expiration of the Lease.

IN WITNESS WHEREOF, intending to be legally bound hereby, the Landlord, the Tenant, and the Guarantor, by their duly authorized representatives, have executed this Lease as of the day and year first above written.

ATTEST/WITNESS:

  
\_\_\_\_\_  
(Corporate Seal)

LANDLORD:


**IVERSON MALL LIMITED PARTNERSHIP**  
a Maryland Limited Partnership

BY: IVERSON MALL CORPORATION,  
its General Partner

BY:  \_\_\_\_\_ (SEAL)  
Jack Kay, President


TENANT:

**LARGE APPAREL OF MARYLAND, INC.**

BY:  \_\_\_\_\_ (SEAL)  
Joseph Sitt, President

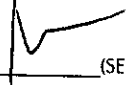
GUARANTOR:

**ASHLEY STEWART, LTD.**

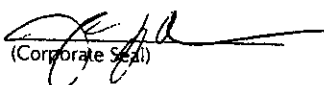
BY:  \_\_\_\_\_ (SEAL)  
Joseph Sitt, President

GUARANTOR:

**THE ASHLEY STEWART GROUP, LTD.**

BY:  \_\_\_\_\_ (SEAL)  
Joseph Sitt, President

ATTEST:

  
\_\_\_\_\_  
(Corporate Seal)

### THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE (this "Third Amendment"), is made this 27 day of April, 2007, by and between IVERSON MALL LIMITED PARTNERSHIP, a Maryland limited partnership (hereinafter called "Landlord") and LARGE APPAREL OF MARYLAND, INC., a Maryland corporation, trading as "Ashley Stewart" (hereinafter called "Tenant"), and ASHLEY STEWART, LTD. (hereinafter called the "Guarantor").

#### WITNESSETH:

WHEREAS, Landlord and Tenant entered into that certain Lease dated June 24, 1997 (the "Original Lease"), as amended by First Amendment to Lease dated December 23, 1998 (the "First Amendment"), and Second Amendment to Lease dated October 11, 1999 (the "Second Amendment") (the Original Lease, First Amendment and Second Amendment are collectively referred to herein as the "Lease"), for the leasing by Tenant of approximately 4,830 rentable square feet of space known as Premises number 202-B in Iverson Mall, Hillcrest Heights, Maryland (the "Premises"); and

WHEREAS, the Lease expires by its own terms on the 31<sup>st</sup> day of January, 2008; and

WHEREAS, the parties hereto desire to modify the Lease to reflect an extension of the term of the Lease and to reflect the Minimum Rent and other Rents due during the extended term of the Lease all as more fully set forth below.

NOW THEREFORE, in consideration of the premises and such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby amend the Lease as follows:

1. Effective Date.

The "Effective Date" of all matters referred to in this Third Amendment shall be as of the date of full execution hereof.

2. Term.

The term of the Lease, which currently expires on January 31, 2008, shall be extended for a period of sixty (60) months, commencing February 1, 2008 and terminating at the close of business January 31, 2013 (the period from February 1, 2008 through January 31, 2013 being referred to herein as the "Extended Term").

3. Minimum Rent.

Commencing on February 1, 2008 and continuing through the Extended Term, the Minimum Rent shall be Four Thousand Four Hundred Twenty-Seven and 50/100 Dollars (\$4,427.50) per month, or \$53,130.00 annually, payable in advance, monthly as set forth in the Lease.

4. Minimum Rent Abatement.

Commencing as of February 1, 2008 through and including March 31, 2008, unless and until there shall occur an Event of Default under the Lease, Tenant shall be provided with a credit (the "Rent Credit") against its Minimum Rent obligations in the amount of Four Thousand Four Hundred Twenty-Seven and 50/100 Dollars (\$4,427.50) per month during said two (2) month period (such period being referred to herein as the "Abatement Period"). The aggregate value of the Rent Credit shall not exceed Eight Thousand Eight Hundred Fifty-Five and 00/100 Dollars (\$8,855.00). In the case of an Event of Default under the Lease as hereby amended, the Rent Credit shall be deemed void and of no effect and Landlord shall be entitled to pursue all amounts due to Landlord as if said Rent Credit was never granted. The Rent Credit shall apply only during the two (2) month Abatement Period and only in the event that no Event of Default shall occur under the Lease.

5. Percentage Rent.

Percentage Rent, for the "Extended Term" shall be four percent (4%) of the Gross Sales over the natural breakpoint.

6. Common Area Maintenance Costs.

Commencing on February 1, 2008, Section 8.1 of the Original Lease is hereby deleted in its entirety and replaced with the following Sections 8.1, 8.2 and 8.3 as follows:

"Section 8.1. Use and Management.

(a) Landlord grants to Tenant and its agents, employees and customers, a non-exclusive license to use the Common Areas (but only those areas as are specifically designated by Landlord from time-to-time) in common with others during the Term, subject to the exclusive control and management thereof at all times by Landlord, and subject further to the rights of Landlord set forth in the next paragraph.

Deleted: shall continue to be paid in accordance with terms and conditions of the Lease in effect immediately preceding the date of this Third Amendment

(b) Landlord shall operate and maintain, or cause to be operated and maintained, any areas designated by Landlord as Common Areas in a manner deemed by Landlord to be reasonable and appropriate and in the best interests of the Shopping Center. Landlord shall have the right from time-to-time (i) to establish, modify and enforce rules and regulations governing the use and operation by all tenants, including but not limited to, Tenant, in, on, about, or with respect to the Common Areas which Landlord shall deem necessary or desirable in order to assure a high level of quality and character of operation of the Common Areas; (ii) to add to or subtract from the Common Areas portions thereof for the purpose of entering into, modifying and terminating kiosk leases in accordance with Section 1.4; (iii) to enter into, modify and terminate easements and other agreements pertaining to the use and maintenance of the Common Areas, and any portions thereof; (iv) to close any or all portions of the Common Areas to such extent as may, in the opinion of Landlord, be necessary to prevent a dedication thereof or the accrual of any rights by any persons or by the public therein; (v) to close temporarily any or all portions of the Common Areas; (vi) to allow for reduction or redefinition of common areas in such a way as not to materially impair Tenant's rights to do business; and (vii) to do and perform such other acts in, on, to and with respect to the Common Areas and improvements therein as, in the exercise of good business judgment, Landlord shall reasonably determine to be advisable or necessary.

Section 8.2. Common Area Maintenance Costs Defined.

"Common Area Maintenance Cost" means any and all costs and expenses incurred by Landlord with respect to the Common Areas, including, without limitation:

- (a) costs and expenses of operating, managing, maintaining, repairing, lighting, signing, cleaning, painting, striping, controlling of traffic, controlling of rodents, and policing and securing the Common Areas (including, without limitation, the costs of uniforms, equipment and supplies);
- (b) costs and expenses of purchasing and maintaining in full force insurance (including, without limitation, liability insurance for personal injury, death and property damage, rent insurance, insurance against fire, extended coverage, theft or other casualties, worker's compensation insurance covering personnel, fidelity bonds for personnel, insurance against liability for defamation and claims of false arrest occurring on or about the Common Areas, and plate glass insurance);
- (c) costs and expenses of removing snow, ice and debris;
- (d) costs and expenses of operating, maintaining, repairing and replacing machinery and equipment used in the operation and maintenance of the Common Areas, and the personal property taxes and other charges incurred in connection with such machinery and equipment;
- (e) costs and expenses of maintaining, repairing and replacing paving, curbs, walkways, drainage, pipes, ducts, conduits and similar items, and lighting fixtures throughout the Landlord's Tract;
- (f) costs and expenses of maintaining, planting, replanting and replacing flowers, shrubbery, trees, grass and planters;
- (g) costs and expenses incurred in the purchase and/or Rental of music program services and loudspeaker systems and all related fees charged by unions such as ASCAP or BMI in connection with such music program services and loudspeaker systems;
- (h) costs and expenses of providing HVAC and energy management to the Common Areas and operating, maintaining and repairing any equipment used in connection therewith;
- (i) costs of water and sewer services and other services, if any, furnished to the Common Areas for the non-exclusive use of tenants;
- (j) costs and expenses of parcel pick-up and delivery services;
- (k) costs and expenses of enforcing any operating or easement agreements pertaining to the Common Areas or any portions thereof, or any arbitration or judicial actions undertaken with respect to the same;
- (l) costs and expenses of operating, managing, maintaining and repairing (but not replacing) all components of the Shopping Center, including, without limitation, altering the Shopping Center to comply with all federal, state and local laws, ordinances, rules and regulations applicable thereto, including the Americans with Disabilities Act of 1990 (ADA);
- (m) costs and expenses of payroll, payroll taxes and employee benefits of all personnel, including without limitation security and maintenance people, secretaries, bookkeepers, Manager or any other assistants;
- (n) costs and expenses of producing brochures and advertising material to be used to advertise the Shopping Center (other than through the Marketing Fund or Merchant Association);
- (o) if Landlord so elects the costs and expenses of an annual audit of the Common Area Maintenance Costs;
- (p) costs and expenses incurred in maintaining the parking lot area of the Shopping Center and making necessary repairs to the same due to normal wear and tear;
- (q) .

Common Area Maintenance Costs shall not include depreciation or the cost of reconstruction pursuant to Landlord's obligations under Article 12.

Deleted: an administrative charge in an amount equal to twenty percent (20%) of the total aggregate cost of operating, maintaining and repairing the Common Areas, including but not limited to those things listed in subsections (a) through (p) of this Section 8.2.

Section 8.3. Tenant's Common Area Maintenance Charge.

In each Calendar Year, Partial Calendar Year or other period designated by Landlord in its sole discretion, Tenant shall pay to Landlord, as Additional Rent, a proportionate share of the Common Area Maintenance Costs, which share ("Tenant's Common Area Maintenance Charge") shall be computed by multiplying the Common Area Maintenance Costs for the period in question by the Tenant's GLA Fraction. Such proportionate share shall be paid by Tenant in monthly installments in such amounts as are estimated and billed by Landlord at the beginning of each applicable billing period, each installment being due on the first (1st) day of each calendar month. Landlord's initial estimate of Tenant's Common Area Maintenance Charge will be based on Thirteen Dollars (\$13.00) per rentable square foot per year. At any time during each such billing period, Landlord may revise its estimate of Tenant's Common Area Maintenance Charge and adjust Tenant's monthly installments payable thereafter during such period to reflect such revised estimate. Within one hundred twenty (120) days (or such additional time as is reasonable under the circumstances) after the end of each such billing period, Landlord shall deliver to Tenant a statement of the Common Area Maintenance Costs for such period, and the monthly installments paid or payable shall be adjusted between Landlord and Tenant, the parties hereby agreeing that Tenant shall pay Landlord or Landlord shall credit Tenant's account, or (if such adjustment is at the end of the Term) pay Tenant, as the case may be, within thirty (30) days of receipt of such statement, such amounts as may be necessary to effect adjustment to the agreed proportionate share for such billing period. The failure of Landlord to provide such statement within the time prescribed above shall not relieve Tenant of its obligations generally or for such period in which any such failure occurs. Upon at least ten (10) days prior notice to Landlord, Landlord shall permit Tenant to inspect, at Landlord's office during normal business hours, Landlord's records in regard to Common Area Maintenance Costs for such preceding billing period; provided, however, that if Tenant shall have neither requested such inspection nor otherwise provided Landlord with written objections within three (3) years following receipt of any statement of Common Area Maintenance Costs, Tenant shall be conclusively deemed to have accepted such statement and to have waived any further right to inspection thereof or objection thereto. Any expense incurred by Landlord by reason of such inspection shall be paid by Tenant.

Deleted: one (1)

7. Taxes.

Commencing on February 1, 2008, and continuing for the remainder of the Extended Term, paragraph (k) of the Summary of Fundamental Lease Provisions of the Original Lease is hereby amended by deleting "\$1.50" as the estimate of Taxes, and inserting "\$2.00" in lieu thereof. All of the other terms and conditions of the Lease relating to Tenant's payment of its proportionate share of Taxes shall continue in full force and effect during the Extended Term.

8. GLA Fraction.

The parties hereby stipulate and agree that Tenant's "GLA Fraction" is determined by the fraction 4,830/191,325, equaling 2.525%.

9. Renewal Option.

Section 3.6 of the Original Lease is hereby deleted in its entirety and replaced with the following:

\*Section 3.6. Renewal Option.

Provided no default beyond any applicable grace cure periods under the Lease has occurred and is continuing at the time notice is given or at the expiration of the Extended Term and that Tenant is in occupancy of the entire Premises at the expiration of the Extended Term, Tenant shall have the right and option, exercisable by giving written notice thereof at least one hundred eighty (180) days prior to the expiration of the Extended Term, to extend the Lease term for one (1) period of five (5) years (the "Second Renewal Term"). Upon the giving of such notice, the Lease shall be extended for the Second Renewal Term. If Tenant fails to give such notice to Landlord as herein provided, the Lease shall automatically terminate at the end of the Extended Term and Tenant shall have no further right or option to extend the Lease. The Second Renewal Term shall be upon the same covenants, agreements, provisions, terms and conditions as the Extended Term, except that Tenant shall have no further options to renew or extend the Lease term. Minimum Rent during the Second Renewal Term shall be Sixty Thousand Three Hundred Seventy-Five and 00/100 (\$60,375.00) Dollars per annum, payable in equal monthly installments of Five Thousand Thirty-One and 25/100 Dollars (\$5,031.25)."

10. Miscellaneous.

This Third Amendment (i) shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, (ii) shall be governed by and construed in accordance with the laws of the State of Maryland, and (iii) may be executed in multiple counterparts, each of which shall constitute an original and all of which shall constitute one and the same agreement. This Third Amendment contains and embodies the entire agreement of the parties hereto with respect to the matters set forth herein, and supersedes and revokes any and all negotiations, arrangements, letters of intent, representations, inducements or other agreements, oral or in writing with respect to such matters. No representations, inducements or agreements, oral or in writing, between the parties with respect to such matters, unless contained in this Third Amendment, shall be of any force or effect.

11. Guarantors.

The Guarantors hereby consent to all of the terms and conditions of this Third Amendment.

12. Confidentiality.

Tenant agrees to hold all information concerning this Third Amendment to Lease in strict confidence and not to discuss, communicate, transmit, or otherwise disclose in any manner whatsoever any of such information to

any third parties. If Tenant or any of its agents, officers or employees, either intentionally or inadvertently, discloses any information concerning this Third Amendment, such action shall be deemed an Event of Default under the Lease. Tenant acknowledges the importance to Landlord of maintaining the confidentiality of the components of Tenant's Rent, Additional Rent and other terms of the Lease.

13. Capitalized Terms.


All capitalized terms used herein shall have the meaning as defined in the Lease unless otherwise defined herein.

14.  Ratification.


The parties hereto hereby represent that the Landlord is in full compliance with the Landlord's obligations under the Lease, that the Tenant has no right of set off under the Lease and that except as herein modified, the Lease shall be and remain in full force and effect.

IN WITNESS WHEREOF, Landlord has caused these presents to be signed and sealed by a duly authorized officer of its corporate general partner and the Tenant has caused these presents to be signed and sealed by a duly authorized officer, all done as of the date first written above.


WITNESS:



ATTEST:

  
(Corporate Seal)

ATTEST:

  
(Corporate Seal)

LANDLORD:

IVERSON MALL LIMITED PARTNERSHIP

By: IVERSON MALL CORPORATION,  
its General Partner

By:  (SEAL)  
Jack Kay, President

TENANT:

LARGE APPAREL OF MARYLAND, INC.

By:  (SEAL)  
Name: Ethan Shapiro  
Title: President/CEO

GUARANTOR:

ASHLEY STEWART, LTD.

By:  (SEAL)  
Name: Ethan Shapiro  
Title: President/CEO



LAW OFFICES  
GROSSBERG, YOCHELSON, FOX & BEYDA, LLP

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SOLOMON GROSSBERG (1905-1994)  
IRVING B. YOCHELSON (1906-1983)

C. RICHARD BEYDA  
LAWRENCE A. MILLER  
GERALD P. GROSSBERG  
STEVEN G. FRIEDMAN  
RICHARD F. LEVIN  
LINTON W. HENGERER  
BRETT D. ORLOVE  
MICHAEL D. RAVITCH  
CHRISTINE M. SORGE  
LAWRENCE J. SKOK  
SAM TOTH\*

\*ADMITTED IN ILLINOIS ONLY

January 18, 2011

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

Re: In Re: Large Apparel of Maryland, Inc.  
Chapter 11 Case No: 10-13018-KJC

Dear Sir or Madam:

Enclosed herewith please find the following:

1. Original Proof of Claim of Iverson Mall Limited Partnership, inclusive of supporting documentation;
2. One copy of the Proof of Claim (without attachments) to be date-stamped and returned as evidence of filing; and
3. Stamped self-addressed envelope to send back the copy.

Thank you.

Sincerely,



Brett D. Orlove

Enclosures