


<b>UNITED STATES BANKRUPTCY COURT</b> District of Delaware		<b>PROOF OF CLAIM</b>
Name of Debtor: <b>Urban Brands, Inc.</b>		Case Number: <b>10-13005 (KJC)</b>
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): <b>La Caranda Limited Partnership</b>		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.
Name and address where notices should be sent: <b>Dennis P. McNulty (180465)</b> <b>Wojkowski &amp; McNulty, LLP</b> <b>2151 E Gonzales Rd, Ste 250, Oxnard, CA 93036</b>  Telephone number: <b>(805) 604-7444</b>		<b>RECEIVED</b>  <b>JAN 28 2011</b>  <b>BMC GROUP</b>  Court Claim Number: _____ (If known)  Filed on: _____
Name and address where payment should be sent (if different from above): <b>La Caranda Limited Partnership</b> <b>c/o BARCO Real Estate Management</b> <b>1545 N Verdugo Rd, Ste 115, Glendal, CA 91208</b>  Telephone number: <b>(818) 500-7257</b>		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.  <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
<b>1. Amount of Claim as of Date Case Filed:</b> \$ <u>25,736.67</u>  If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.  If all or part of your claim is entitled to priority, complete item 5.  <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		<b>5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.</b>  Specify the priority of the claim.
<b>2. Basis for Claim:</b> <u>breach of lease</u> (See instruction #2 on reverse side.)		<input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).
<b>3. Last four digits of any number by which creditor identifies debtor:</b> _____  <b>3a. Debtor may have scheduled account as:</b> _____ (See instruction #3a on reverse side.)		<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4).
<b>4. Secured Claim (See instruction #4 on reverse side.)</b> Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.  <b>Nature of property or right of setoff:</b> <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other <b>Describe:</b>  <b>Value of Property:</b> \$ _____ <b>Annual Interest Rate</b> _____ %  <b>Amount of arrearage and other charges as of time case filed included in secured claim,</b> <b>if any:</b> \$ _____ <b>Basis for perfection:</b> _____  <b>Amount of Secured Claim:</b> \$ _____ <b>Amount Unsecured:</b> \$ _____		<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).  <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).  <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).
<b>6. Credits:</b> The amount of all payments on this claim has been credited for the purpose of making this proof of claim.  <b>7. Documents:</b> Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.)  DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.  If the documents are not available, please explain:		<input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(____).  <b>Amount entitled to priority:</b> \$ _____
<b>Date:</b> <b>01/20/2011</b>		<b>Signature:</b> The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.   <b>Dennis P. McNulty, attorney for Creditor</b>

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



\*Amount  
4/1/13 a  
respect  
the date

FOR COURT USE ONLY

BMC

**EXHIBIT INDEX**  
**District of Delaware Case No.: 10-13005 (KJC)**

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1. SUMMARY OF SUMS OWED TO CREDITOR;
2. CREDITOR'S STATEMENT;
3. LEASE AGREEMENT;
4. FIRST AMENDMENT TO LEASE; AND
5. SECOND AMENDMENT TO LEASE.

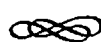
### Summary of Sums Owed to Creditor, La Caranda Limited Partnership

#### Summary of Sums Owed as of Date September 30, 2010

July 2010 Rent	\$ 5,980.21
July 2010 CAM	\$ 2,062.50
July 2010 Late Fee	\$ 804.02
August 2010 Rent	\$ 5,980.21
August 2010 CAM	\$ 2,062.50
August 2010 Late Fee	\$ 804.02
September 2010 Rent	\$ 5,980.21
September 2010 CAM	\$ 2,062.50
<hr/>	
Total	\$ 25,736.67

DATE

1/19/2011

**STATEMENT****BALANCE IS DUE AND  
PAYABLE ON THE FIRST  
OF THE MONTH****BARCO MANAGEMENT***Specializing In The Maintenance Of Shopping Centers*

1545 NO. VERDUGO ROAD • SUITE 115 • GLENDALE, CA 91208

(818) 500-7257 • FAX (818) 500-7258

**Make Checks Payable to:  
Hawthorne Plaza**Large Apparel of California  
Ashley Stewart #196  
100 Metro Way  
Secaucus, NJ 07094  
Attn: Jeffrey Klein Ren**BALANCE DUE****AMOUNT ENCLOSED****\$25,736.67**

PLEASE DETACH AND RETURN WITH YOUR REMITTANCE

TRANSACTION DATE	DESCRIPTION	CHARGES	PAYMENTS	BALANCE
03/31/2010	Balance forward			36,579.03
04/19/2010	PMT #340605.		-36,579.03	0.00
04/20/2010	INV #MayCAM02.		2,062.50	2,062.50
04/20/2010	INV #MayRent02.		5,980.21	8,042.71
05/20/2010	INV #JunCAM02.		2,062.50	10,105.21
05/20/2010	INV #JunRent02.		5,980.21	16,085.42
06/20/2010	INV #JulyCAM02.		2,062.50	18,147.92
06/20/2010	INV #JulyRent02.		5,980.21	24,128.13
07/12/2010	PMT #343343.		-16,085.42	8,042.71
07/20/2010	INV #AugCAM02.		2,062.50	10,105.21
07/20/2010	INV #AugRent02.		5,980.21	16,085.42
08/17/2010	INV #LateFee. July & August, 2010 at 10%.		1,608.54	17,693.96
08/20/2010	INV #SeptCAM02.		2,062.50	19,756.46
08/20/2010	INV #SeptRent02.		5,980.21	25,736.67
09/20/2010	INV #OctCAM02.		2,062.50	27,799.17
09/20/2010	INV #OctRent02.		5,980.21	33,779.38
10/11/2010	PMT #345181.		-8,042.71	25,736.67
10/20/2010	INV #NovCAM02.		2,062.50	27,799.17
10/20/2010	INV #NovRent02.		5,980.21	33,779.38
11/05/2010	PMT #345660.		-8,042.71	25,736.67
11/20/2010	INV #DecCAM02.		2,062.50	27,799.17
11/20/2010	INV #DecRent02.		5,980.21	33,779.38
12/06/2010	PMT #346151.		-8,042.71	25,736.67
12/20/2010	INV #JanCAM02.		2,062.50	27,799.17
12/20/2010	INV #JanRent02.		5,980.21	33,779.38
01/03/2011	PMT #346735.		-8,042.71	25,736.67
Please make checks payable to: Hawthorne Plaza.				

**BARCO MANAGEMENT***Specializing In The Maintenance Of Shopping Centers*1545 NO. VERDUGO ROAD • SUITE 115 • GLENDALE, CA 91208  
(818) 500-7257 • FAX (818) 500-7258**PLEASE PAY LAST  
AMOUNT IN THIS COLUMN**

**EXHIBIT 3**

## SHOPPING CENTER LEASE

This Shopping Center Lease (this "Lease") is entered into this 29th day of March, 1999, by and between the Landlord and the Tenant hereinafter named.

### ARTICLE 1. DEFINITIONS AND CERTAIN BASIC PROVISIONS.

- 1.1 (a) "Landlord": Regency Centers, L.P., a Delaware limited partnership
- (b) Landlord's Address: 8140 Walnut Hill Lane, Suite 400  
Dallas, TX 75231
- With copy to: 14200 Culver Drive, Suite S  
Irvine, CA 92604
- (c) "Tenant": Large Apparel of California, Inc.
- (d) Tenant's Mailing Address: 100 Metro Way  
Secaucus, NJ 07094  
Attn: Jeffrey Klein, Esq.
- (e) Tenant's Trade Name: "Ashley Stewart Woman Sizes 14-28" or "The Essence of Body & Soul" or "100% Girls" or "Kid Spot"
- (f) Tenant's Address in Shopping Center:  
  
Ashley Stewart  
12540 Hawthorne Boulevard  
Hawthorne, CA 90250
- (g) "Premises": Approximately three thousand five (3,005) square feet in area, with a frontage of not less than forty-five (45) linear feet, such Premises being shown and outlined on the plan attached hereto as Exhibit "A" and incorporated herein by reference, and being part of the Shopping Center (as hereinafter defined) situated upon the property described in Exhibit "B" attached hereto and incorporated herein by reference. The Premises shall not include the land lying thereunder or any part of the exterior walls of the building in which the Premises are situated or the roof thereof. "Shopping Center" shall refer to the property described in Exhibit "B", together with such additions and other changes as Landlord may from time to time designate as included within the Shopping Center.
- (h) "Lease Term": Commencing on the Commencement Date (as hereinafter defined) and ending sixty (60) months thereafter, except that if the Commencement Date is a date other than February 1, then the Lease Term shall be extended such that it shall end on the next January 31st following the expiration of the sixty (60) month period. The "Commencement Date" shall be the earlier of (i) the date Tenant opens for business in the Premises or (ii) ninety (90) days following the date Landlord or Landlord's authorized representative notifies Tenant the Landlord's Work as described in Exhibit "C" (if applicable) has been substantially completed. Notwithstanding the foregoing, in no event shall the Commencement Date occur (i) during the period between November 1 and January 15 (the "Dead Period"), or (ii) prior to the date (the "Co-tenancy Date") on which the tenant (the "Anchor Tenant") occupying that space identified as "Market/Drug" on Exhibit A (the "Anchor Premises") is 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 shall be liable for the full payment of all Monthly Payments (as defined below) and the performance of all obligations hereunder. 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, but shall in no event be postponed for more than thirty (30) days. In order to be entitled to any such postponement, Tenant must notify Landlord immediately of any conditions constituting force majeure. Notwithstanding the foregoing, in the event the force majeure delay is a result of an inability to obtain permits necessary for the completion of Tenant's Work or the operation of Tenant's business at the Premises, the thirty (30) day limitation shall not apply; provided, however, that Tenant shall provide Landlord with written notice of such delay and Landlord shall have the right, but not the obligation, to intervene on Tenant's behalf to assist in the procurement of such permits.
- (i) "Estimated Completion Date" of Landlord's Work": May 15, 1999.
- (j) "Minimum Guaranteed Rental": \$5,008.33 per month, payable in advance, and subject to adjustment as provided herein.
- (k) "Percentage Rental Rate": 5%. The "Break Point" shall be \$1,202,000.00 per calendar year, subject to adjustment as provided herein.
- (l) Initial Common Area Maintenance Charge Per Month: \$0.14 per square foot in the Premises
- (m) Initial Insurance Escrow Payment Per Month: \$0.02 per square foot in the Premises
- (n) Initial Tax Escrow Payment Per Month: \$0.25 per square foot in the Premises
- (o) "Prepaid Rent": N/A
- (p) "Security Deposit": None
- (q) "Permitted Use": Tenant may use the Premises for the display and retail sale of children's, infant's, men's and female apparel and accessories, lingerie, perfume, handbags, shoes, scarves, cosmetics, wigs and costume jewelry (including precious metals), gifts and boutique items. Tenant may perform alterations on apparel sold at the Premises.

## ARTICLE II. GENERAL SPECIFICATIONS

A. All plans, diagrams, schedules, specifications and other data required to be furnished by Tenant under this exhibit (collectively, the "Plans and Specifications") must be submitted to Landlord (at Tenant's sole expense) complete and sufficient to obtain a building permit, and ready for Landlord's consideration and final approval within twenty-one (21) calendar days after the execution of this Lease. Upon review, Landlord shall, in writing, accept or notify Tenant of Landlord's objections to the Plans and Specifications within ten (10) days after receipt. Tenant shall promptly remedy any objections made by Landlord to the Plans and Specifications. Tenant shall reimburse Landlord for any loss or extra cost which may result to Landlord by reason of failure on the part of Tenant to submit all or any part of the Plans and Specifications within said period of time, or, alternatively, and at Landlord's sole option, Landlord may elect to immediately terminate this Lease by reason of such failure by giving written notice of such election to Tenant (whereupon Landlord shall have no further obligations to Tenant hereunder).

B. Tenant shall secure Landlord's written approval of (i) the Plans and Specifications, (ii) contracts, and (iii) contractors for work to be performed by Tenant before beginning the work (including compliance with any Tenant construction specifications which Landlord may deliver to Tenant), and shall secure all necessary licenses and permits to be used in performing the work. Three (3) sets of the plans and specifications shall be signed and dated by both parties, with two (2) sets retained by Landlord and one (1) set retained by Tenant. Changes to the Plans and Specifications shall be made only by written change order describing scope of work and exact cost of same signed by both parties. Tenant's finished work shall be subject to Landlord's approval and acceptance, which shall be a condition to any reimbursement hereinafter provided.

C. As soon as the Plans and Specifications have been approved by Landlord, and Premises have been turned over to Tenant, Tenant shall commence construction (and shall be required to diligently pursue said construction until the completion thereof) no later than thirty-five (35) calendar days after the date upon which Landlord approves the Plans and Specifications. If Tenant has not commenced construction within said time period, Landlord shall have the option to terminate this Lease; or, if Tenant has not completed construction of such improvements within seventy-five (75) calendar days after the date upon which the Plans and Specifications have been approved by Landlord, then Landlord shall have the option to terminate this Lease and, in either such event, Tenant shall forfeit all prepaid rent and security deposits made under this Lease.

## ARTICLE III. DESCRIPTION OF TENANT'S WORK

- A. Signs: Tenant shall pay for all signs and installation thereof, subject to the provisions of Article II of the Lease.
- B. Utilities: All meters or other measuring devices in connection with utility services shall be provided by Tenant. All service shall be made at Tenant's expense.
- C. Storefront: Tenant shall be responsible for any changes to Landlord furnished storefront, exterior doors and weatherproofing. However, actual work will be by Landlord's contractor at Tenant's expense, based on Landlord's approval of Tenant's design.
- D. Interior Work: The work to be done by Tenant shall include, but not be limited to, the purchase and/or performance of the following:
1. Electrical panel circuit breakers (bolt-on only), fuses, wiring, and fixtures.
  2. Revisions to Landlord's demising wall(s) dividing Tenant's space from that of adjacent lease space.
  3. Tenant's interior partitions including finishing, electrical wiring, and connections within the Premises.
  4. Light covers and any special hung and furred ceilings.
  5. Interior painting.
  6. Store fixtures and furnishings.
  7. Display window enclosure.
  8. Plumbing fixtures within the Premises beyond Landlord furnished restroom.
  9. Floor covering.
  10. Fire extinguishers per local fire authority.
- E. All work undertaken by Tenant shall be at Tenant's expense and shall not damage the building or any part thereof. Any roof penetration shall be sealed by Landlord's approved roofer and shall be performed only after Landlord has given consent, which consent shall in part be conditioned upon the Plans and Specifications, including materials acceptable to Landlord and roof top curbs to spread the weight of the equipment being installed in order to prevent damage to the roof. Tenant shall also be responsible for obtaining and paying for professional inspections of any structural work and/or mechanical work (including, without limitation, any roof work or concrete work) as required by Landlord.
- F. All of Tenant's Work to the Premises made by Tenant shall be in good and workmanlike manner and shall be in conformity with the applicable building code or other applicable governmental requirements of the city in which the Shopping Center was built.
- G. Upon completion of the Tenant's Work, Tenant shall furnish Landlord:
1. A Certificate of Occupancy (or an equivalent) issued by the municipality in which the Premises are located or other evidence satisfactory to Landlord that the improvements have been approved by such municipality;
  2. A notarized affidavit executed by Tenant or Tenant's authorized representative, stating that all work and materials performed or used in connection with the improvements to the Premises have been paid for by

- Tenant;
3. True and correct original unconditional final lien releases or waivers of lien from the general contractor and all subcontractors and suppliers;
  4. Evidence of all costs of construction of the improvements to the Premises; including invoices marked "paid";
  5. Tenant Certificate of Insurance as required by the Lease;
  6. Copy of recorded Notice of Completion;
  7. Copy of record drawings of Tenant's improvements; and
  8. List of Tenant's subcontractors.

Upon receipt and approval of all documentation set forth in Article III, Subparagraph G, completion of all improvements to Landlord's satisfaction, and Tenant's commencement of business in the Premises, Landlord shall reimburse Tenant within thirty (30) days after Landlord's approval of said documentation in an amount equal to the lesser of (i) \$6.00 per square foot of the Premises as stated in Section 1.1(g) of this Lease for Tenant's Work, or (ii) the actual cost of Tenant's Work paid by Tenant as evidenced by the documentation to be provided herein.

- H. Prior to commencing construction, Tenant shall furnish Landlord with Tenant's Contractor's insurance endorsements and certificates in accordance with the following insurance requirements:

1. Workers Compensation	Statutory Limits
2. Employers Liability	\$500,000 each accident \$1,000,000 general aggregate \$1,000,000 products/ completed operation aggregate
3. Comprehensive Form Auto Liability	\$100,000 each person \$300,000 per occurrence/bodily injury \$100,000 per occurrence/property
4. Commercial General Liability	\$1,000,000 each occurrence
Insuring against Bodily Injury, Property	\$2,000,000 general aggregate
Damage, Personal Injury, and Advertising Injury	\$1,000,000 products. Completed operation aggregate

Any general aggregate shall apply on a "per project" basis for contractors. Coverage is to be provided on an "occurrence" rather than a "claims made" basis.

5. Business Auto Liability	\$1,000,000 each accident
Coverage shall apply to "any auto"	
6. Umbrella Excess Liability	\$1,000,000 each occurrence \$1,000,000 aggregate

All contractors' or vendors' liability (except employers liability and errors and omissions) shall name Pacific Retail Trust, 8140 Walnut Hill Lane, Suite 400, Dallas, TX 75231, as Additional Insured and Certificate holder.



**MODIFICATION TO LEASE AGREEMENT**

**THIS FIRST MODIFICATION TO LEASE AGREEMENT**, made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2000, by and between Regency Centers L.P., a Delaware limited partnership (the "Landlord") and Large Apparel of California, Inc., a California corporation (the "Tenant").

**WITNESSETH: That,**

**WHEREAS**, Landlord and Tenant are parties to that certain Shopping Center Lease dated March 29, 1999 covering certain premises in the Hawthorne Plaza Shopping Center located in Hawthorne, California.

**NOW, THEREFORE**, in exchange for the mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. The above recitals are hereby confirmed as true and correct and are reaffirmed herein.
2. Article 1.1(f) Tenant's Address in Shopping Center is hereby deleted and replaced with the following:  
  
Tenant's Address in Shopping Center shall be as follows:  
12730-A Hawthorne Boulevard, Hawthorne, CA 90250
3. Tenant hereby acknowledges that the Lease as modified is in full force and effect and there are no violations or defaults under any of the provisions of the Lease on the part of the Tenant.
4. In the event of conflict between the terms and conditions of this Lease Modification Agreement and the Lease, this Lease Modification Agreement shall control.
5. This First Modification to Lease Agreement shall be effective only when it is signed by both the Landlord and Tenant. The Tenant's submission of a signed Modification to Lease Agreement for review by the Landlord does not give the Tenant any interest, right or option.

**IN WITNESS WHEREOF**, the parties have executed these presents as of the day and year first above written.

Signed, sealed, and delivered in the presence of:

**LANDLORD: Regency Centers L.P., a Delaware limited partnership**

\_\_\_\_\_  
Witness

By: Regency Realty Corporation  
Its: General Partner

\_\_\_\_\_  
Witness

\_\_\_\_\_  
By: Enrique Legaspi  
Its: Vice President

**TENANT: Large Apparel of California, Inc., a California corporation**

\_\_\_\_\_  
Witness for Tenant

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

\_\_\_\_\_  
Witness for Tenant

REGENCY REALTY CORPORATION  
LEASE RESERVATION/SUMMARY  
OF  
TERMS AND CONDITIONS  
March 29, 1999

NEW/RENEWAL (CIRCLE ONE)

Center: Hawthorne Plaza

Tenant: Large Apparel of California, Inc.

Tenant's Trade Name: Ashley Stewart Woman Sizes 14-28

Lease Term: Sixty (60) months

Premises Space Number: 12540 Hawthorne Boulevard

GLA in Premises: 3,005 square feet

GLA in Landlord's  
Building: 99,770 square feet

**Tenant's Proportionate Share:** Tenant's proportionate share shall be defined as the percentage that the gross leasable area of the Premises bears to the entire gross leasable area of Landlord's building except as hereinafter provided. In determining Tenant's percentage responsibility for the common expenses, tax contribution and insurance contribution, Landlord may exclude from the gross leasable area of the Landlord's building any premises containing 7,500 or more square feet of gross leasable area if the Lease for such premises does not require the applicable Tenant to pay a pro-rata common expense, tax or insurance contribution, but in that event, Landlord shall deduct from the common expenses, taxes or insurance any amounts payable by any such tenants specifically for items included in the common expenses, taxes or insurance.

Minimum Annual Rent	Months:	Base PSF	Annual	Monthly
W/Annual Increases:	1 - 24	\$1.67	\$ 60,099.96	\$ 5,008.33
	25 - 48		*Rental Rate Increase	
	49 - 60		*Rental Rate Increase	

\*Rental rate increase in months 25 & 49 based on CPI, not to increase by less than 3% nor by more than 6% of the Minimum Rental Rate then in effect.

**Percentage Rent:** Five percent (5%) of the difference, if positive, of the Gross Sales of the calendar year minus the Break Point (as set forth in Section 1.1 of the Lease).

**Security Deposit:** NONE

**Advertising and  
Promotion Contribution:** \$ \_\_\_\_\_

**Estimated Common Area Costs:** \$ 1.68 per square foot per annum

**Estimated Taxes for 1999:** \$ 3.00 per square foot per annum

**Estimated Insurance for 1999:** \$ 0.24 per square foot per annum

**Estimated Initial Monthly Payments Required:**

Minimum Rent : \$ 5,008.33

**ADDITIONAL RENT**

Common Area Costs \$420.70 (\$0.14 per sq.ft.)

**Commencement Date:** The earlier of ninety (90) days after the date of Landlord's delivery of Premises to Tenant or the date on which Tenant opens for business.

**Use:** **HAVE ALL EXCLUSIVES OF CENTER BEEN THOROUGHLY CHECKED?**

**INITIALS**

The display and retail sale of children's, infant's, men's and female apparel and accessories, lingerie, perfume, handbags, shoes, scarves, cosmetics, wigs, costume jewelry (including precious metals), gifts and boutique items. Tenant may perform alterations on apparel sold at the Premises.

**Guarantor(s)**  
(if none, so state)

Urban Brands, Inc., a Delaware Corporation (FULL LEGAL NAME)  
\_\_\_\_\_  
(SOCIAL SECURITY #)  
\_\_\_\_\_  
(D.L.# AND STATE ISSUED)  
\_\_\_\_\_  
(HOME ADDRESS)  
\_\_\_\_\_

**Landlord's Leasing  
Agent  
and Cooperating  
Broker (if any)**

Regency Realty Corporation  
CB Commercial Real Estate Group, Inc.

**Address for Notice:**

To Landlord: c/o Regency Realty Corporation  
121 West Forsyth Street  
Suite 200  
Jacksonville, Florida 32202

To Tenant: Large Apparel of California  
100 Metro Way  
Secaucus, NJ 07094  
Attention: Jeffery Klein, Esq.

*Tallas  
address  
in lease* →

*addendum  
complete?* →

**Additional Provisions:** Additional provisions numbered \_\_\_\_\_  
are included on Addendum to Lease.

**Renewal Option:** Two (2) Five (5) year Option Periods

**Construction/T.I.:** Tenant agrees to accept space in vanilla shell condition. Tenant Improvement reimbursement is the lesser of i) \$6 per square foot of the Premises for Tenant's work or ii) the actual cost of Tenant's work paid by Tenant for Tenant's work (as evidence by the documentation to be provided.)

**Not Binding:** The business terms and conditions as outlined above are not an offer to lease. Neither party will be bound by these terms and conditions until Landlord's standard form lease has been fully executed by both parties. When a lease is signed, it will supersede and replace this summary in its entirety.

**Commission:** It is understood Regency Realty Corporation represents Landlord, and upon closing of this transaction, will be paid a fee by the Landlord for professional services rendered. This disclosure was made to the undersigned parties prior to the execution of the lease agreement.

This proposal is entirely contingent upon Landlord's receipt and approval of complete financial/credit information for the above named Tenant.

Presented By: \_\_\_\_\_ (Landlord)

Lease Reservation/Summary of Terms and Conditions:  
Page 3

Tenant Improvement Cost Estimate & Description: \$18,030 Tenant Improvement Contribution (\$6 per sq. ft.)

Calculation of Total Leasing Commission: \$13,523

Co-Broker:  
Address: N/A

Portion of Commission Payable to Co-Broker: N/A

Terms Payable: 1/2 upon execution of the Lease and 1/2 upon Landlord's delivery of Premises to Tenant.

Budget Variance:

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Gross Rent	<u>\$60,099.69</u>	<u>\$60,100.00</u>	<u>-0.0%</u>
+ Gross CAM*	<u>\$15,325.50</u>	<u>\$9,736.20</u>	<u>36.5%</u>
= Gross Revenues	<u>\$75,425.19</u>	<u>\$69,836.20</u>	<u>7.4%</u>
- Commission	<u>\$13,522.50</u>	<u>\$13,523.00</u>	<u>-0.0%</u>
- Tenant Improvements	<u>\$18,030.00</u>	<u>\$18,030.00</u>	<u>0.0%</u>
= Net Revenues	<u>\$43,872.69</u>	<u>\$38,283.20</u>	<u>12.7%</u>
) Square Feet	<u>3,005</u>	<u>3,005</u>	<u>3.005</u>
= Average Annual Rent / Sq.Ft.	<u>\$14.60</u>	<u>\$12.74</u>	<u>14.60%</u>

\*CAM charges include:  
CAM, taxes, insurance,  
admin. fees.

LEASING REPRESENTATIVE COMMENTS

RO/GM COMMENTS

*Lease negotiated by Development.  
Budget #12 are listed in the pro forma*

**Budget Variance:**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Gross Rent	\$ 60,099.69	\$ 60,100.00	0.0%
+ Gross CAM*	\$ 15,325.50	\$ 9,736.20	36.5%
= Gross Revenues	\$ 75,425.19	\$ 69,836.20	7.4%
- Commission	\$ 13,522.50	\$ 13,523.00	0.0%
- Tenant Improvements	\$ 18,030.00	\$ 18,030.00	0.0%
= Net Revenues	\$ 43,872.69	\$ 38,283.20	12.7%
) Square Feet	3,005	3,005	3,005
= Average Annual Rent / Sq.Ft.	\$ 14.60	\$ 12.74	14.60%

\*CAM includes: CAM costs, taxes, insurance, administrative fee

insurance (liability + earthquake?)

SHOPPING CENTER LEASE

BETWEEN

REGENCY CENTERS, L.P., a Delaware limited partnership, as Landlord,

AND

LARGE APPAREL OF CALIFORNIA, INC., a California corporation, as Tenant

concerning certain premises in Hawthorne Plaza,  
Hawthorne, California

Dated: March 29, 1999

LA/297505.8

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## SHOPPING CENTER LEASE

This Shopping Center Lease (this "Lease") is entered into this 29th day of March, 1999, by and between the Landlord and the Tenant hereinafter named.

### ARTICLE 1. DEFINITIONS AND CERTAIN BASIC PROVISIONS.

- 1.1 (a) "Landlord": Regency Centers, L.P., a Delaware limited partnership
- (b) Landlord's Address: 8140 Walnut Hill Lane, Suite 400  
Dallas, TX 75231
- With copy to: 14200 Culver Drive, Suite S  
Irvine, CA 92604
- (c) "Tenant": Large Apparel of California, Inc.
- (d) Tenant's Mailing Address: 100 Metro Way  
Secaucus, NJ 07094  
Attn: Jeffrey Klein, Esq.
- (e) Tenant's Trade Name: "Ashley Stewart Woman Sizes 14-28" or "The Essence of Body & Soul" or "100% Girls" or "Kid Spot"
- (f) Tenant's Address in Shopping Center:  
  
Ashley Stewart  
12540 Hawthorne Boulevard  
Hawthorne, CA 90250
- (g) "Premises": Approximately three thousand five (3,005) square feet in area, with a frontage of not less than forty-five (45) linear feet, such Premises being shown and outlined on the plan attached hereto as Exhibit "A" and incorporated herein by reference, and being part of the Shopping Center (as hereinafter defined) situated upon the property described in Exhibit "B" attached hereto and incorporated herein by reference. The Premises shall not include the land lying thereunder or any part of the exterior walls of the building in which the Premises are situated or the roof thereof. "Shopping Center" shall refer to the property described in Exhibit "B", together with such additions and other changes as Landlord may from time to time designate as included within the Shopping Center.
- (h) "Lease Term": Commencing on the Commencement Date (as hereinafter defined) and ending sixty (60) months thereafter, except that if the Commencement Date is a date other than February 1, then the Lease Term shall be extended such that it shall end on the next January 31st following the expiration of the sixty (60) month period. The "Commencement Date" shall be the earlier of (i) the date Tenant opens for business in the Premises or (ii) ninety (90) days following the date Landlord or Landlord's authorized representative notifies Tenant the Landlord's Work as described in Exhibit "C" (if applicable) has been substantially completed. Notwithstanding the foregoing, in no event shall the Commencement Date occur (i) during the period between November 1 and January 15 (the "Dead Period"), or (ii) prior to the date (the "Co-tenancy Date") on which the tenant (the "Anchor Tenant") occupying that space identified as "Market/Drug" on Exhibit A (the "Anchor Premises") is 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 shall be liable for the full payment of all Monthly Payments (as defined below) and the performance of all obligations hereunder. 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, but shall in no event be postponed for more than thirty (30) days. In order to be entitled to any such postponement, Tenant must notify Landlord immediately of any conditions constituting force majeure. Notwithstanding the foregoing, in the event the force majeure delay is a result of an inability to obtain permits necessary for the completion of Tenant's Work or the operation of Tenant's business at the Premises, the thirty (30) day limitation shall not apply; provided, however, that Tenant shall provide Landlord with written notice of such delay and Landlord shall have the right, but not the obligation, to intervene on Tenant's behalf to assist in the procurement of such permits.
- (i) "Estimated Completion Date" of Landlord's Work": May 15, 1999.
- (j) "Minimum Guaranteed Rental": \$5,008.33 per month, payable in advance, and subject to adjustment as provided herein.
- (k) "Percentage Rental Rate": 5%. The "Break Point" shall be \$1,202,000.00 per calendar year, subject to adjustment as provided herein.
- (l) Initial Common Area Maintenance Charge Per Month: \$0.14 per square foot in the Premises
- (m) Initial Insurance Escrow Payment Per Month: \$0.02 per square foot in the Premises
- (n) Initial Tax Escrow Payment Per Month: \$0.25 per square foot in the Premises
- (o) "Prepaid Rent": N/A
- (p) "Security Deposit": None
- (q) "Permitted Use": Tenant may use the Premises for the display and retail sale of children's, infant's, men's and female apparel and accessories, lingerie, perfume, handbags, shoes, scarves, cosmetics, wigs and costume jewelry (including precious metals), gifts and boutique items. Tenant may perform alterations on apparel sold at the Premises.



- (r) "Lease Year": As used in this Lease, the term "lease year" or "Lease Year" shall mean each twelve (12) month period following the Commencement Date except that if the Commencement Date is a date other than the first day of a calendar month, then the first "Lease Year" shall commence on the Commencement Date and end twelve (12) months following the first day of the month immediately following the month in which the Commencement Date occurs.

1.2 Each of the definitions and basic provisions set forth in Section 1.1 shall be construed in conjunction with and limited by references thereto in other provisions of this Lease.

**ARTICLE 2. GRANTING CLAUSE.** In consideration of the obligation of Tenant to pay rent and other charges as herein provided and in consideration of the other terms, covenants and conditions hereof, Landlord hereby demises and leases to Tenant, and Tenant hereby takes from Landlord, the Premises, TO HAVE AND TO HOLD the Premises for the Lease Term upon the terms and conditions set forth in this Lease.

**ARTICLE 3. CONSTRUCTION AND ACCEPTANCE OF PREMISES.**

3.1 Landlord shall proceed to commence Landlord's Work in compliance with the "Description of Landlord's Work" in Exhibit "C" attached hereto and incorporated herein by reference (if applicable), with such minor variations as Landlord may reasonably deem advisable, and which do not materially and adversely interfere with Tenant's plans, and tender the Premises to Tenant. The Premises shall be deemed to be "Ready for Occupancy" when Landlord certifies in writing to Tenant that Landlord has substantially completed Landlord's Work. If the Premises are not Ready for Occupancy on or prior to the Estimated Completion Date, then Landlord shall not be deemed to be in default under this Lease or otherwise liable in damages to Tenant, nor shall the Lease Term be affected, except that if for any reason the Premises are not Ready for Occupancy within eighteen (18) months following the Estimated Completion Date, Tenant may, at Tenant's option, cancel and terminate this Lease by written notice to Landlord delivered within thirty (30) days following the expiration of such eighteen (18) month period, in which event neither party shall have any further liabilities or obligations hereunder, except that Landlord shall repay to Tenant any Prepaid Rent. Furthermore, in the event the Anchor Tenant fails to open within fifteen (15) months after Landlord's delivery of the Premises to Tenant Ready for Occupancy, and provided that Tenant has not opened for business to the public any time prior thereto, Tenant may, at Tenant's option, cancel and terminate this Lease by written notice to Landlord delivered within thirty (30) days following the expiration of such fifteen (15) month period, in which event neither party shall have any further liabilities or obligations hereunder, except that Landlord shall repay to Tenant any Prepaid Rent. When the Premises are Ready for Occupancy, Tenant agrees to accept possession of the Premises and to proceed with due diligence to perform the work described under "Description of Tenant's Work" in Exhibit "C", with all of Tenant's Work to be performed in compliance with Exhibit "C", and to install Tenant's fixtures, furniture and equipment. Any Tenant Work causing venting, opening, sealing, waterproofing or any altering of the roof shall be performed by Landlord's roofing contractor at Tenant's expense. Tenant shall provide Landlord with a certificate from Landlord's roofing contractor that all of Tenant's Work causing venting, opening, sealing, waterproofing or in any way altering the roof has been performed in compliance with Exhibit "C". Tenant hereby holds Landlord harmless from any damage to the Premises resulting, directly or indirectly, from Tenant's venting, opening, sealing, waterproofing or in any way altering the roof. In the event of any dispute as to work performed or required to be performed by Landlord or Tenant, the certificate of Landlord's architect or engineer shall be conclusive. Except as otherwise agreed to by the parties, by initiating Tenant Work in the Premises, Tenant shall be deemed to have accepted the Premises and to have acknowledged that Landlord has fully complied with Landlord's covenants and obligations hereunder concerning Landlord's Work, delivery of the Premises and the condition of the Premises. Tenant shall promptly pay all of Tenant's contractors and materialmen and shall do any and all things necessary to minimize the possibility of a lien attaching to the Premises or to any or all of the Shopping Center, and if any such lien should be filed by reason of any act or omission of Tenant, then Tenant shall discharge the same of record within fifteen (15) days thereafter at Tenant's expense. Tenant further agrees that, if requested by Landlord, Tenant will furnish Landlord with a written statement that Tenant has accepted the Premises and that Landlord has fully complied with Landlord's covenants and obligations hereunder concerning Landlord's Work, delivery of the Premises and the condition of the Premises. Tenant agrees to furnish to Landlord a certificate of occupancy from applicable governmental authorities upon the Commencement Date. After Tenant opens for business in the Premises, it shall have no legal or equitable remedy based either upon a claim that Landlord failed to deliver possession to Tenant in accordance with the terms of this Lease, or upon a claim that the size, location, lay-out, dimensions, or construction of the building in which the Premises are located, or service areas, sidewalks, parking or other Common Area (as hereinafter defined) associated therewith, were not completed or furnished in accordance with the terms of this Lease. Further, the opening for business by Tenant shall be conclusive evidence that Tenant accepts the Premises as suitable for the purposes for which they were leased.

3.2 Landlord and Tenant each agree that at the request of either they will, following the Commencement Date, execute and deliver a written declaration containing the basic provisions of this Lease, acknowledging that Tenant has accepted possession of the Premises and reciting the Commencement Date and termination of this Lease, and such other terms as the other party may reasonably require.

3.3 Landlord hereby reserves the right at any time to make alterations or additions or construct other buildings and improvements in the Shopping Center; provided, however, that Landlord shall not (i) eliminate the number of access points to the Shopping Center which are currently set forth in Exhibit "A", or (ii) decrease the number of parking spaces in the Shopping Center below the number required by applicable laws.

3.4 If Landlord or Landlord's architect notifies Tenant that Landlord's Work described in Exhibit "C" is complete and that the services Landlord is obligated to furnish under this Lease are available at the Premises or otherwise as required hereunder or in Exhibit "C", and Tenant fails to take possession of and open the Premises for business fully fixtured, stocked and staffed on or before the Commencement Date (as extended for force majeure pursuant to Section 1.1(h) above), then Landlord shall have, in addition to any and all remedies herein provided, the right at Landlord's option to collect, in addition to the monthly Minimum Guaranteed Rental, additional rent at the rate of \$100.00 per day for each and every day that Tenant shall fail to commence to do business on the Premises as herein provided. Such additional rent shall be deemed to be in lieu of any Percentage Rent that might have accrued during the period when Tenant failed to open. In addition to any and all other remedies herein provided, Landlord shall have the right, at Landlord's option, at any time following one hundred eighty (180) days after the Commencement Date, to terminate this Lease upon thirty (30) days written notice to Tenant, which termination notice shall be effective unless Tenant opens for business in the Premises prior to the date such notice is given by Landlord.

**ARTICLE 4. MONTHLY PAYMENT.**

4.1 Monthly Payments (as hereinafter defined) shall accrue hereunder from the Commencement Date and shall be payable at the address designated by Landlord, without demand, setoff or deduction for any reason whatsoever. "Monthly Payments" shall mean, for each month, the sum of Minimum Guaranteed Rental in monthly installments in the amount specified in Section 1.1(j), as such amount may be adjusted, Percentage Rental as set forth in Section 4.3, Common Area Maintenance Charge as set forth in Article 6, Insurance Escrow Payment as set forth in Article 13 and Tax Escrow Payment as set forth in Article 18.

4.2 Tenant shall pay to Landlord Minimum Guaranteed Rental in monthly installments in the amount specified in Section 1.1(j), as such amount may be adjusted. The first such monthly installment shall be due and payable on or before the Commencement Date, and subsequent installments shall be due and payable on or before the first day of each succeeding calendar month during the Lease Term; provided that if the Commencement Date is a date other than the first day of a calendar month, the Minimum Guaranteed Rental shall be prorated on a daily basis and the Minimum Guaranteed

Rental for such partial month shall be due and payable by Tenant on the Commencement Date and Landlord shall apply the Prepaid Rent to the installment of Minimum Guaranteed Rental that is due and payable on the first day of the next succeeding calendar month.

4.3 In addition to the Minimum Guaranteed Rental, Tenant shall pay to Landlord for each calendar year during the Lease Term, as "Percentage Rental" (herein so called), an amount, if positive, equal to the product of (a) the Percentage Rental Rate set forth in Section 1.1(k) multiplied by (b) the difference, if positive, of (i) the Gross Sales for a particular calendar year minus (ii) the applicable Break Point set forth in Section 1.1(k), as such Break Point may be adjusted, for such particular calendar year. The Percentage Rental shall be paid in quarterly installments as hereinafter provided. During each particular calendar year during the Lease Term, once the Gross Sales for such calendar year exceed the applicable Break Point set forth in Section 1.1(k), as such Break Point may be adjusted, for such calendar year, then, on or before the tenth day following each succeeding calendar quarter during such calendar year, Tenant shall pay to Landlord an amount equal to the product of (y) the Percentage Rental Rate multiplied by (z) the total Gross Sales made in or from the Premises during the immediately preceding quarter. In no event shall the rent to be paid by Tenant and retained by Landlord for any calendar year be less than the annual Minimum Guaranteed Rental herein specified.

4.4 If this Lease should commence on a date other than the first day of a calendar year or terminate on a date other than the last day of a calendar year, Percentage Rental for such fractional part of the calendar year following the Commencement Date or preceding the termination date, as the case may be, shall be paid at the specified rate or rates for all sales made during such fractional part of a calendar year, but with the Break Point for such partial calendar year to be multiplied by a fraction, the numerator of which shall be the number of days in such calendar year during which this Lease shall be in effect and the denominator of which shall be the total number of days in such calendar year, with such Percentage Rental to be paid in monthly installments as provided above with respect to full calendar years. Notwithstanding anything contained in this Lease to the contrary, if the number of square feet of floor space in the Premises is reduced at any time during the Lease Term due to casualty, condemnation or other cause to an amount less than that set forth in Section 1.1(g), then the Break Point for that particular calendar year and for each subsequent calendar year during the Lease Term shall be reduced to an amount equal to the quotient of (a) the aggregate Minimum Guaranteed Rental set forth in Section 1.1(j), as such amount may be adjusted, payable during such calendar year divided by (b) the Percentage Rental Rate set forth in Section 1.1(k).

4.5 The term "Gross Sales" as used herein shall be construed to include the entire amount of the sales price, whether for cash or otherwise, of all sales of merchandise (including gift and merchandise certificates), services and other receipts whatsoever of all business conducted (including, without limitation, interest, time price differential, finance charges, service charges, credit and layaway sales) in or from the Premises, including mail or telephone orders received or filled at the Premises, deposits not refunded to purchasers, orders taken, although said orders may be filled elsewhere, sales to employees, sales through vending machines or other devices, and sales by any sublessee, concessionaire, licensee or otherwise in or from the Premises. Each sale upon installment or credit shall be treated as a sale for the full price in the month during which such sale was made, irrespective of the time when Tenant receives payment from its customer. Gross Sales shall not include, however, (i) any sums collected and paid out for any sales or direct excise tax imposed by any duly constituted governmental authority, (ii) the exchange of merchandise between the stores of Tenant, if any, where such exchanges are made solely for the convenient operation of the business of Tenant and not for the purpose of consummating a sale which has theretofore been made in or from the Premises or for the purpose of depriving Landlord of the benefit of a sale which otherwise would be made in or from the Premises, (iii) the amount of returns to shippers or manufacturers, (iv) the amount of any cash or credit refund made upon any sale where the merchandise sold, or some part thereof, is thereafter returned by the purchaser and accepted by Tenant, (v) the sales of Tenant's fixtures, (vi) sales to employees of Tenant at a discount not to exceed one percent (1%) of Gross Sales; (vii) shipping charges separately stated which are charged directly to customers and do not yield a profit to Tenant; (viii) proceeds of sales from vending machines installed for the convenience of, and used exclusively by, employees of Tenant; (ix) sums and credit received from shippers or manufacturers in settlement of claims for loss or damage to merchandise; and (x) uncollected or uncollectible credit accounts not to exceed one percent (1%) of Gross Sales.

4.6 It is understood that the Minimum Guaranteed Rental is payable in advance on or before the first day of the month (in accordance with Section 4.2) and Percentage Rental, if any, is payable on or before the tenth day following each calendar quarter, all without offset or deduction of any nature. In the event any rental is not received within five (5) days after its due date for any reason whatsoever, in addition to the past due amount, Tenant shall pay to Landlord as a "late charge" an amount, as additional rent, equal to ten percent (10%) of the amount past due in order to compensate Landlord for its administrative and other overhead expense, and it is agreed that the amount thus due shall, at the option of Landlord upon notice to Tenant, bear interest at the lesser of twelve percent (12%) per annum or the maximum contractual rate which could legally be charged in the event of a loan of such rental to Tenant in the state where the Premises are located, with such interest to accrue continuously on any unpaid balance due to Landlord by Tenant during the period commencing on the aforesaid due date and terminating on the date on which Tenant makes full payment of all amounts then owing to Landlord. Notwithstanding the foregoing, the "late charge" set forth above shall only be payable for the second (2<sup>nd</sup>) late payment of rental per calendar year; provided, however, that the interest provided above shall nonetheless accrue on any such late payment. Any such interest shall be payable as additional rent hereunder, shall not be considered as a deduction from Percentage Rental and shall be payable immediately on demand.

4.7 Intentionally Omitted.

4.8 Effective as of the second anniversary of the Commencement Date and on each successive two-year anniversary thereafter, (each such date being an "Adjustment Date"), the Minimum Guaranteed Rental shall be adjusted to equal the sum of (i) the Minimum Guaranteed Rental as specified in Section 1.1(j), plus (ii) the product obtained by multiplying such amount by the Percentage Increase (defined below) in the Consumer Price Index measured from the third month immediately preceding the Commencement Date to the third month immediately preceding the effective date of the increase (the "Percentage Increase"); provided, however that the Minimum Guaranteed Rental shall not increase by less than three percent (3%) nor by more than six percent (6%) of the Minimum Guaranteed Rental in effect immediately prior to any such adjustment on a cumulative and compounded basis. As used herein, the term "Consumer Price Index" shall mean the United States Department of Labor's Bureau of Labor Statistics' Consumer Price Index, All Urban Consumers, All Items, Los Angeles-Anaheim-Riverside (1982-84=100). If the format of the components of the Consumer Price Index is materially changed, Landlord shall substitute an index which is published by the Bureau of Labor Statistics, or similar agency, which is most nearly equivalent to the Consumer Price Index in effect for the third month immediately preceding the Commencement Date. Landlord shall notify Tenant of the substituted Consumer Price Index, which shall be used to calculate the subsequent increases in Minimum Guaranteed Rental.

4.9 The delay or failure of Landlord to demand any adjustment to Minimum Guaranteed Rental shall not constitute a waiver of Landlord's right to adjust and collect the Minimum Guaranteed Rental in accordance with the provisions of Section 4.8 as to future adjustments to Minimum Guaranteed Rental or for prior periods for which Landlord is entitled to increased Minimum Guaranteed Rental under this Section 4.8. If the new Minimum Guaranteed Rental cannot be determined on the Adjustment Date in question, Tenant shall continue paying the Minimum Guaranteed Rental payable immediately preceding the Adjustment Date in question until such time as the new Minimum Guaranteed Rental is determined. When the new Minimum Guaranteed Rental is determined, Tenant shall pay the new Minimum Guaranteed Rental retroactive to the applicable Adjustment Date.

4.10 In the event that the Anchor Tenant vacates the Anchor Premises or ceases to operate therein for a period of nine (9) consecutive months during the Lease Term (the "Co-Tenancy Period") and Landlord fails to replace the Anchor Tenant with a tenant which commences operations in at least 40,000 square feet of the Anchor Premises (a "Substitute Tenant") prior to the expiration of the Co-Tenancy Period, thereafter Tenant shall have the right to pay, in lieu of Minimum Guaranteed Rental and Percentage Rental, five percent (5%) of its monthly Gross Sales until such time as Landlord replaces the Anchor Tenant with a Substitute Tenant. In the event the Anchor Tenant is not so replaced in the Anchor Premises for a period

exceeding one hundred eighty (180) days following the expiration of the Co-Tenancy Period, Tenant shall have the right within thirty (30) days thereafter (but prior to Landlord's replacement of the Anchor Tenant with a Substitute Tenant within the Anchor Premises) to terminate this Lease upon sixty (60) days prior written notice given to Landlord.

#### ARTICLE 5. SALES REPORTS AND RECORDS.

5.1 On or before the twentieth (20th) day of each calendar month during the Lease Term, Tenant shall prepare and deliver to Landlord at the place designated by Landlord a statement of Gross Sales made during the immediately preceding calendar month. In addition, within sixty (60) days after the expiration of each calendar year and within sixty (60) days after the termination of this Lease, if this Lease should not terminate at the end of a calendar year, Tenant shall prepare and deliver to Landlord at the place designated by Landlord a statement of Gross Sales during the immediately preceding calendar year (or partial calendar year), certified to be correct by a financial officer of Tenant. Tenant shall furnish similar statements for Tenant's licensees, concessionaires and subtenants and any other occupants of all or any portion of the Premises, if any. All such statements shall be in such form as Landlord may require. If any such certified statement discloses error in the calculation of the Percentage Rental for any period, an appropriate adjustment of Percentage Rental shall be made, subject, however, to Landlord's rights under Section 5.3.

5.2 Tenant shall keep, at its home office, a permanent, accurate set of books and records of all sales of merchandise and revenue derived from business conducted in the Premises, and all supporting records such as tax reports, banking records, cash register tapes, sales slips and other sales records which are kept in accordance with generally accepted accounting principles. All such books and records shall be retained and preserved for at least thirty-six (36) months after the end of the calendar year to which they relate, and shall, upon ten (10) days prior written notice to Tenant, be made available to Landlord at Tenant's home office and subject to inspection and audit by Landlord and Landlord's agents at all reasonable times but no more often than once per calendar year.

5.3 If Landlord is not satisfied with any monthly statement or certified annual statement of Gross Sales submitted by Tenant, then Landlord shall have the right to have Landlord's auditors, or other designated auditors, make a special audit of all books and records, wherever located, pertaining to sales made in or from the Premises during the period in question. If such statements are found to be incorrect to the extent of more than three percent (3%) over the figures submitted by Tenant, then Tenant shall pay for the reasonable cost of such audit, including the reasonable cost of travel to and from Tenant's home office, lodging and expenses. Tenant shall promptly pay to Landlord any deficiency or Landlord shall promptly refund to Tenant any overpayment, as the case may be, which is established by such audit.

5.4 If any reports of Gross Sales required hereunder are not received by Landlord or Landlord's designee within fifteen (15) days following the due date for such report and such failure continues for an additional five (5) days after notice from Landlord of such failure, Tenant will pay to Landlord the sum of Twenty-Five Dollars (\$25.00). The parties hereby agree that such charge represents a fair and reasonable estimate of the cost which Landlord will incur by reason of the late submittal of the report. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default, nor prevent Landlord from exercising any of the other rights and remedies granted hereunder.

#### ARTICLE 6. COMMON AREA.

6.1 The "Common Area" is that part of the Shopping Center designated by Landlord from time to time for the common use of all tenants, including, among other facilities, parking areas, sidewalks, landscaping, curbs, loading areas, private streets and alleys, lighting facilities, hallways, malls, restrooms, and other areas and improvements provided by Landlord for the common use of all tenants, all of which shall be subject to Landlord's sole management and control and shall be operated and maintained in such manner as Landlord, in its reasonable discretion, shall determine. Landlord reserves the right to change from time to time the dimensions and location of the Common Area as shown on Exhibit "A", as well as the location, dimensions, identity and type of any building shown on Exhibit "A", and to construct additional buildings or additional stories on existing buildings or other improvements in the Shopping Center, and to eliminate buildings from the plan shown on Exhibit "A". Tenant and Tenant's employees, customers, subtenants, licensees and concessionaires shall have the nonexclusive right and license to use the Common Area as constituted from time to time, with such use to be in common with Landlord, other tenants of the Shopping Center and other persons permitted by Landlord to use the same, and subject to such reasonable rules and regulations governing use as Landlord may from time to time prescribe, including the designation of specific areas within the Shopping Center or in reasonable proximity thereto in which automobiles owned by Tenant and Tenant's employees, subtenants, licensees and concessionaires shall be parked. Tenant will furnish to Landlord upon request a complete list of license numbers of all automobiles operated by Tenant and Tenant's employees, subtenants, licensees or concessionaires. Tenant shall not solicit business or display merchandise within the Common Area, or distribute handbills therein, or take any action which would interfere with the rights of other persons to use the Common Area without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Landlord may temporarily close any part of the Common Area for such periods of time as may be necessary to prevent the public from obtaining prescriptive rights or, provided that Landlord uses commercially reasonable efforts to avoid causing unreasonable interference to the operation of Tenant's business in the Premises and access thereto, to make repairs or alterations.

6.2 In addition to the rights reserved to Landlord in Section 6.1 above, Landlord may from time to time substitute for any parking area shown on Exhibit "A" other areas or multi-level parking facilities reasonably accessible to the tenants of the Shopping Center.

6.3 In each Lease Year, Tenant shall pay to Landlord, in addition to the rent specified elsewhere in this Lease, as additional rent, Tenant's proportionate share of Landlord's costs and expenses of maintaining and operating the Common Area during such Lease Year, including, without limitation, the costs and expenses incurred by Landlord in connection with: (a) striping, resurfacing, repair and replacement of the parking area and driveways of the Shopping Center; (b) cleaning, including snow removal, garbage and waste collection and disposal; (c) lighting, loudspeakers and public address, musical broadcasting and electrical systems; (d) traffic control, security, policing and supervising; (e) all utilities, including electricity, gas, water and sewer; (f) management fees and the cost of all personnel, including management staff employed to carry out maintenance of the Common Area, including salaries and contributions toward usual fringe benefits, unemployment insurance and similar contributions; (g) repairs, maintenance and operation of the heating, ventilating and air conditioning systems, if any, serving the Common Area, and gardening and landscaping maintenance; (h) rental or lease charges and repairs and replacements to and maintenance and operation of signs relating to the Shopping Center, whether owned or rented by Landlord and whether or not located on the Shopping Center; (i) depreciation or cost, including interest payable thereon, of any fixtures and equipment which, by their nature, require periodic replacement or substantial replacement; and (j) an administrative fee of ten percent (10%) of the total annual cost of the items described above in clauses (a) through (i) inclusive (collectively, "Common Area Expenses"). All capital items shall be included in Common Area Expenses but shall be amortized over their useful lives. Landlord acknowledges that there shall be no additional overhead, managerial, administrative or supervisory cost or expense (other than as set forth in (f) above) in excess of the ten (10%) percent administrative fee as described herein for the operation and maintenance of the Common Areas of the Shopping Center. Notwithstanding Section 6.3(a) above, Common Area Expenses shall not include (i) brokerage fees and commissions incurred in connection with the sale or leasing of space in the Shopping Center; (ii) such portion of any expense for which Landlord is entitled to reimbursement by insurance proceeds, condemnation awards or other tenants, but only to the extent Landlord actually receives any such reimbursable amounts; (iii) the cost of additions, alterations, improvements or individual services for other tenants; (iv) any payment required in connection with any debt or ground lease encumbering the Shopping Center, (v) costs and expenses of enforcing lease provisions against other tenants in the Shopping Center, including legal fees; (vi) expenses resulting from a violation of Landlord of the terms of any lease of space in the Shopping Center or of any ground lease or mortgage to which this Lease is subordinate; (vii) all costs associated with the removal and clean up

of hazardous wastes and toxic substances; and (viii) the initial costs of construction for new improvements in the Shopping Center.

6.4 The proportionate share to be paid by Tenant for any cost of operation and maintenance of the Common Area (the "Common Area Maintenance Charge") shall be computed on the ratio that the aggregate number of square feet of floor space in the Premises bears to the (a) aggregate number of square feet of floor space of the all buildings within the Shopping Center from time to time minus (b) the aggregate number of square feet of floor space within the Shopping Center (if any) that are owned by or leased to third parties to the extent such third parties are responsible and liable for the cost of operating and maintaining a portion of the Common Area. Tenant shall make monthly or other periodic payments based upon the estimated (as reasonably determined by Landlord) annual cost of operation and maintenance of the Common Area in advance, but subject to adjustment after the end of the year on the basis of the actual cost for such year (or, for the final Lease Year, within sixty (60) days following the expiration of the Lease Term). Any such periodic charges shall be due and payable within ten (10) days of delivery of notice thereof. The initial Common Area Maintenance Charge, subject to adjustment as provided herein, shall be the amount set out in Section 1.1(i).

6.5 The charges for any services provided by affiliates, related or designated parties of Landlord which are included in Common Area Expenses shall be reasonable, customary and competitive with charges for similar services of independent contractors in the area where the Shopping Center is located. In the event Landlord shall contract for any services on behalf of Tenant and/or other tenants in the Shopping Center, such contract(s) shall be at locally competitive rates and proportionate to Tenant's actual use of such services.

6.6 There shall be no duplication of costs, charges or expenses anywhere in this Lease, including, without limitation, charges for utilities, advertising, HVAC, Insurance, Taxes, Common Area Expenses or depreciation. Landlord agrees to limit increases in "Controllable Common Area Expenses" (as defined below) to eight percent (8%) per annum on a cumulative basis. "Controllable Common Area Expenses" shall mean all Common Area Expenses except charges for (i) insurance, (ii) utilities, (iii) trash removal, (iv) Taxes, (v) slurring, reslurring and restriping the parking area and (vi) repainting the exterior of the Shopping Center.

6.7 Tenant shall have the right, within twelve (12) months after receipt of the statement of Common Area Maintenance Charges delivered pursuant to Section 6.4 above, not more than once per calendar year, to audit Landlord's books and records pertaining to the immediately preceding calendar year's Common Area Maintenance Charges. If the statement is found to be incorrect to the extent of more than three percent (3%) over the figures submitted by Landlord, then Landlord shall pay for the reasonable cost of such audit, including the reasonable cost of travel to and from Landlord's home office, lodging and expenses. Tenant shall promptly pay to Landlord any deficiency or Landlord shall promptly credit Tenant's next payment of Minimum Guaranteed Rental in the amount of any overpayment, as the case may be, which is established by such audit.

#### ARTICLE 7. USE AND CARE OF PREMISES.

7.1 The Premises shall be used only for the purpose or purposes specified in Section 1.1(q) above, and for no other purpose without the prior written consent of Landlord. Tenant shall use in the transaction of business in the Premises the trade name specified in Section 1.1(e) above and no other trade name without the prior written consent of Landlord. Notwithstanding the immediately preceding sentence, Tenant may change its trade name at any time throughout the term of this Lease without Landlord's consent provided such trade name is used by a majority of Tenant's stores in the State of California. Tenant shall not at any time leave the Premises vacant, but shall in good faith operate Tenant's business in all of the Premises continuously during the entire Lease Term with due diligence and efficiency and with a complete line and sufficient stock of first class merchandise, attractive displays and in an efficient, high class and reputable manner so as to produce the maximum profitable amount of sales from the Premises, and shall, except during reasonable periods of repairing, cleaning and decorating, keep the Premises open to the public for business with adequate and competent personnel in attendance at least from 10:00 A.M. to 8:00 P.M. Monday through Saturdays for retailers and 10:00 A.M. to 6:00 P.M. Monday through Saturday for service tenants, except to the extent Tenant may be prohibited from being open for business by applicable law, ordinance or governmental regulation. Notwithstanding the foregoing, in each Lease Year, Tenant may close for a period of time reasonably necessary in order to take inventory or renovate; provided, however, that such period shall not exceed five (5) days in the aggregate in any Lease Year unless Landlord has consented thereto.

Tenant acknowledges that Tenant's monetary contribution to Landlord, in the form of Percentage Rental and Tenant's general contribution to commerce within the Shopping Center, which constitutes an important factor in Landlord's determination to execute this Lease with Tenant, will be substantially reduced if, at any time during the Lease Term, Tenant fails to occupy and operate Tenant's business in accordance with this Section 7.1. Therefore, if Tenant deserts or vacates any portion of the Premises or otherwise fails to comply with the provisions of this Section 7.1 at any time during the Lease Term following Tenant's initial opening for business to the public, then, in addition to any other rights or remedies that Landlord may have, Landlord may, without terminating this Lease, require Tenant to pay to Landlord, at such time as Percentage Rental is otherwise due each month, an amount equal to the greater of (a) the highest monthly amount of Percentage Rental previously paid by Tenant to Landlord, or (b) thirty percent (30%) of the monthly installment of Minimum Guaranteed Rental in effect during the period when Tenant fails to occupy and operate in accordance with this Section 7.1. Such amount shall be in addition to the other Monthly Payments that are due and payable under this Lease and shall be additional rent under this Lease. Such payment shall continue as long as Tenant fails to comply with the provisions of this Section 7.1. Election of this remedy shall not preclude Landlord from later electing to exercise any other rights or remedies to which Landlord may be entitled under this Lease.

7.2 Tenant shall not, without Landlord's prior written consent, keep anything within the Premises for any purpose which increases the insurance premium cost or invalidates any insurance policy carried on the Premises or any other part of the Shopping Center. Tenant shall pay as additional rental, upon demand of Landlord, any such increased premium cost due to Tenant's use or occupancy of the Premises. Landlord acknowledges that Tenant's use of the Premises, in accordance with the Permitted Uses, shall not cause any increase in premiums or invalidate any such insurance policy. All property kept, stored or maintained within the Premises by Tenant shall be at Tenant's sole risk and Landlord shall have no liability with respect thereto.

7.3 Tenant shall not, without Landlord's prior written consent, conduct within the Premises any fire, auction or bankruptcy sales or operate within the Premises a "wholesale" or "factory outlet" store, a cooperative store, a "secondhand" store, a "surplus" store or a store commonly referred to as "discount house." Tenant shall not, without Landlord's prior written consent, advertise that Tenant sells products or services at "discount," "cut-price" or "cut-rate" prices or that Tenant is "going out of business." Tenant shall not permit any objectionable or unpleasant odors or noises to emanate from the Premises, or place or permit any radio, television, loudspeaker or amplifier on the roof or outside of the Premises or where the same can be seen or heard from outside of the Premises or in the Common Area; or place an antenna, awning or other projection on the exterior of the Premises; or solicit business or distribute leaflets or other advertising material in the Common Area; or take any other action which in the exclusive judgment of Landlord would constitute a nuisance or would disturb or endanger other tenants of the Shopping Center or unreasonably interfere with their use of their respective premises, or do anything which would tend to injure the reputation of the Shopping Center.

7.4 Tenant, at Tenant's cost, shall take good care of the Premises and keep the same free from waste at all times. Tenant shall keep the Premises and sidewalks, service ways and loading areas adjacent to the Premises neat, clean and free from dirt, rubbish, insects and pests at all times, and shall store all trash and garbage within the Premises, arranging for regular pickup of such trash and garbage at Tenant's expense. Tenant will store

all trash and garbage within the area designated by Landlord for such trash pickup and removal and only in receptacles of the size, design and color from time to time prescribed by Landlord. Receipt and delivery of goods and merchandise and removal of garbage and trash shall be made only in the manner and areas from time to time prescribed by Landlord. Landlord may, at Landlord's sole option, arrange for collection of all trash and garbage, and, if Landlord shall exercise such election, the rates for such service shall be competitive with local rates and Tenant's proportionate share of the cost thereof will be part of Tenant's Common Area Maintenance Charge. Tenant shall not operate an incinerator or burn trash or garbage within the Shopping Center.

7.5 Tenant shall maintain all display windows in a neat, attractive condition, and shall keep all display windows and exterior electric signs in front of the Premises lighted from dusk until the end of Tenant's hours of operation every day, including Sundays and holidays.

7.6 Tenant shall include the address and identity of Tenant's business activities in the Premises in all advertisements made by Tenant in which the address and identity of any similar local business activity of Tenant is mentioned except with respect to advertisements regarding a particular location other than the Shopping Center.

7.7 Tenant shall procure, at Tenant's sole expense, any permits or licenses required for the transaction of business in the Premises.

7.8 Provided that Tenant is not in default under this Lease and is continuously using the Premises for the sale of women's plus size apparel or lingerie, Landlord will not enter into a lease for space in the Shopping Center after the execution hereof with any other tenant whose primary use is the sale of any women's plus size apparel or lingerie. As used herein, the term "primary use" is defined as a use which utilizes greater than ten percent (10%) of retail sales floor area. Tenant shall not violate any rights granted to other tenants or occupants in the Shopping Center (as set forth in Exhibit "G") or any exclusive use rights granted by Landlord to any other tenant or occupant following the date hereof provided that Tenant shall receive written notice of such exclusive use rights and provide further that such exclusive use rights are not contrary to the use specified in Section 1.1(q). Landlord shall cooperate reasonably with Tenant, at no material cost to Landlord, in the enforcement of all exclusive rights granted to Tenant under this Section 7.8; however, in no event shall Landlord have any liability, nor shall this Lease be terminated or reduced, if any court invalidates any exclusive use right of Tenant under this Lease. Further, Landlord shall not be required to undertake any action against a third party if Landlord in good faith does not believe such third party is violating any exclusive rights of Tenant under this Lease. Notwithstanding anything in this Lease that may be construed to the contrary, this Lease shall not affect Landlord's ability to grant use rights of any kind whatsoever to any other tenant that occupies or will hereafter occupy any space in the Shopping Center in excess of 10,000 square feet (collectively, "Major Tenants"), nor shall this Lease affect any Major Tenant's right to use its premises as provided for in its lease agreement.

7.9 Landlord shall not construct or place a kiosk or other similar improvement or obstruction which materially and adversely affects the visibility of the Premises, whether permanent or temporary, in any portion of the area created by extending Tenant's side lease lines across the entire width of the sidewalk in front of the Premises, not to exceed a distance of seventy-five (75) feet.

#### ARTICLE 8. MAINTENANCE AND REPAIR OF PREMISES.

8.1 Tenant shall at all times keep and maintain the Premises (including entrances, glass, show-window moldings and store fronts) and all partitions, doors, fixtures, equipment and appurtenances and improvements thereto (including lighting, heating, air conditioning, ventilation and plumbing fixtures and equipment) in good order, condition and repair and shall replace any of the same as required by Landlord, including, but not limited to, plate glass, windows, doors, door closure devices and other exterior openings; window and door frames, molding, locks and hardware; special store fronts; lighting, heating, air conditioning, plumbing and other electrical, mechanical and electromotive installations to the extent exclusively serving the Premises, equipment and fixtures; signs, placards, decoration or advertising media of any type; and interior painting or other treatment of the Premises. Landlord shall not be required to make any repairs to the foundation, the exterior walls or the roof by reason of the acts or omissions of Tenant or Tenant's employees, agents, customers or invitees. Tenant shall bear the cost of all such maintenance, repairs and replacements and if Tenant fails to perform any such maintenance, repairs or replacements within fifteen (15) days following receipt of notice from Landlord of the necessity thereof, then Landlord may do so and Tenant shall pay to Landlord upon demand, as additional rent hereunder, the cost of all such maintenance, repairs and replacements plus interest at the maximum lawful non-usurious rate, with such interest to accrue continuously from the date of payment by Landlord until repayment by Tenant. In connection with any repairs, replacements or maintenance described in this Article 8, or elsewhere in this Lease which affect the Shopping Center systems (mechanical, HVAC, plumbing, electrical or otherwise) or which otherwise require a building permit, Tenant shall, before commencing same, obtain Landlord's written approval and shall, if required by Landlord to do so, submit plans and specifications therefor. Any repairs, replacements or maintenance so done by Tenant, whether at Landlord's request or otherwise, shall be done by duly licensed contractors, workers or tradesmen and all such repairs, replacements and maintenance shall be carried out in a good and workmanlike manner with first-class materials. If Tenant refuses or neglects to repair, maintain or replace, within thirty (30) days following receipt of notice from Landlord of the necessity thereof, anything whatsoever as required hereunder to the reasonable satisfaction of Landlord, then Landlord may, but shall have no obligation to, effect such maintenance, replacement or repair without liability to Tenant for any loss or damage (unless caused by the gross negligence or willful misconduct of Landlord or Landlord's agents) that may accrue to Tenant as a result thereof and, upon completion thereof, Tenant shall pay to Landlord upon demand, as additional rent hereunder, the cost of any such maintenance, replacements or repairs plus interest at the maximum rate permitted by law, with such interest to accrue continuously from the date of payment by Landlord until repayment by Tenant. Landlord shall at all times keep and maintain the structural portion of the walls, roof and foundation of the Premises in good order and repair. Landlord's obligations hereunder are limited to repairs specified in this Section 8.1 only, and Landlord shall have no liability for any damage or injury arising out of any condition or occurrence causing a need for such repairs. For any repairs performed by Landlord, Landlord shall use commercially reasonable efforts to avoid causing unreasonable interference to the operation of Tenant's business in the Premises and access thereto.

8.2 Tenant shall furnish, maintain and replace all electric light bulbs, tubes and tube casings in the Premises.

8.3 Tenant shall keep the Premises in good, clean condition and shall, at Tenant's sole cost and expense, make all needed repairs and replacements, including replacement of cracked or broken glass, except for repairs and replacements required to be made by Landlord under the provisions of Section 8.1 or Article 15, and Tenant shall keep all plumbing units, pipes and connections free from obstruction and, to the extent such plumbing units, pipes and connections are located within the Premises and exclusively serving the Premises, protected against ice and freezing. If the Shopping Center or the Common Area, floor or water pipes, drainage pipes, electric lighting or other equipment of the Shopping Center or the roof or any outside wall of the Shopping Center is damaged or destroyed in any way through the negligence or carelessness of Tenant or Tenant's employees, agents, concessionaires, customers or invitees, then the expense of the necessary repairs, replacements or alterations shall be borne by Tenant, which shall pay the same to Landlord as additional rent hereunder upon demand, together with interest on such amount at the maximum lawful non-usurious rate, with such interest to accrue continuously from the date of payment by Landlord until repayment by Tenant. If any repairs required to be made by Tenant hereunder are not made within thirty (30) days after written notice delivered to Tenant by Landlord, then Landlord may, at Landlord's option, make such repairs without liability to Tenant for any loss or damage (unless caused by the gross negligence or willful misconduct of Landlord or Landlord's agents) which may result to Tenant's stock or business by reason of such repairs, and Tenant shall pay to Landlord immediately upon demand as additional rental hereunder the cost of such repairs plus ten percent (10%) of the amount thereof, and failure to do so shall constitute an Event of Default (as hereinafter defined) hereunder. At the expiration of this Lease, Tenant shall surrender the Premises in good condition, reasonable wear and tear and loss by fire or other casualty excepted, and shall surrender all keys to the Premises to Landlord and shall inform Landlord of all combinations on locks, safes and vaults,

if any, in the Premises.

8.4 Maintenance and replacement of the air conditioning and heating equipment shall be Tenant's sole responsibility throughout the Lease Term. Tenant, at Tenant's cost, will at all times during the Lease Term cause to be in effect a maintenance contract in a form and with a service company acceptable to Landlord covering said equipment and Tenant will provide a copy of said maintenance contract to Landlord upon occupancy.

8.5 Tenant shall have the right, without Landlord's consent, to install additional or replacement security gates or any other security device or system on the interior of the Premises; provided, however, that Landlord shall have the right to approve any such gate which is visible from the exterior of the Premises.

8.6 If as a result of (i) Landlord's making of any repairs to the Premises, or (ii) Landlord's performing of any repairs, additions, alterations, renovations, reconfigurations or improvements in or to the Shopping Center (including excavations), or (iii) Landlord's failure to supply any Utility (if Landlord shall supply such Utility), or (iv) Landlord's removal of Hazardous Materials (as hereinafter defined) from the Premises, there is a material interference with Tenant's ability to conduct its business in the Premises such that Tenant is forced to cease operating for more than three (3) consecutive days, payments of Minimum Guaranteed Rental, Percentage Rental, Common Area Maintenance Charge, Insurance Escrow Payment and Tax Escrow Payment shall be abated from the end of such three (3) day period until Tenant is able to open for business.

#### ARTICLE 9. ALTERATIONS.

9.1 Tenant shall not make any alterations, additions or improvements to the Premises without the prior written consent of Landlord, except for (i) the installation of unattached, movable trade fixtures which may be installed without drilling, cutting or otherwise defacing the Premises or (ii) interior, non-structural alterations, additions or improvements which do not affect the Shopping Center systems (mechanical, HVAC, plumbing, electrical or otherwise) and which cost less than \$20,000 in the aggregate per Lease Year. All alterations, additions, improvements and fixtures (other than unattached, movable trade fixtures) which may be made or installed by either party upon the Premises shall remain with the Premises and become the property of Landlord at the termination of this Lease (except for signage, millwork and track lighting), unless Landlord requests their removal, in which event Tenant shall remove the same and restore the Premises to their original condition at Tenant's expense. Any linoleum, carpeting or other floor covering which may be cemented or otherwise affixed to the floor of the Premises is a permanent fixture and shall become the property of Landlord without credit or compensation to Tenant.

9.2 All construction work done by Tenant within the Premises shall be performed in a good and workmanlike manner, in compliance with all governmental requirements, and the requirements of any contract or deed of trust to which Landlord may be a party, and in such manner as to cause a minimum of interference with other construction in progress and with the transaction of business in the Shopping Center. Tenant shall pay for all costs incurred for alterations, additions or improvements to the Premises and shall not permit a mechanic's or materialmen's lien to be asserted against the Premises. Tenant agrees to indemnify Landlord and hold Landlord harmless against any loss, liability or damage resulting from such work, and Tenant shall, for all alterations, additions or improvements costing more than \$20,000 in the aggregate, if requested by Landlord, furnish a bond or other security satisfactory to Landlord against any such loss, liability or damage. In the event that Tenant shall not, within fifteen (15) days following the imposition of any such mechanic's or materialmen's lien, cause such lien to be released of record by payment of posting of a proper bond, Landlord shall have, in addition to all other remedies provided herein and by law, the right but not the obligation to cause such lien to be released by such means as Landlord shall deem proper, including payment of or defense against the claim giving rise to such lien. All sums paid by Landlord and all reasonable expenses incurred by it in connection therewith shall create automatically an obligation of Tenant to pay an equivalent amount to Landlord as rent on Landlord's demand therefor, together with interest at the maximum rate per annum then permitted by law until paid to Landlord. Nothing herein shall imply any consent by Landlord to subject Landlord's estate to liability under any mechanics' or other lien law. Tenant shall give Landlord adequate opportunity, and Landlord shall have the right at all times, to post such notices of nonresponsibility as are provided for in the mechanics' lien laws of California.

9.3 Tenant agrees that any venting, opening, sealing, waterproofing or altering of the roof shall be approved by Landlord and performed by Landlord's roofing contractor at Tenant's expense, and when completed, Tenant shall furnish to Landlord a certificate from Landlord's roofing contractor that all such alterations have been completed in accordance with the plans and specifications therefor approved by Landlord.

9.4 If Landlord, in Landlord's sole discretion, should elect to alter or change the architectural design or appearance of the Shopping Center or the design criteria for signage of the Shopping Center, Landlord may, at Landlord's cost and expense, remodel the storefront of the Premises and Tenant shall, for any such remodeling occurring after the expiration of the fifth (5th) Lease Year, pay to Landlord all of the costs and expenses incurred by Landlord in the alteration of Tenant's signage so as to comply with the new architectural design or design criteria for signage.

#### ARTICLE 10. LANDLORD'S RIGHT OF ACCESS; USE OF ROOF.

10.1 Provided Landlord shall use reasonable efforts to avoid unreasonable interference with the operation of Tenant's business, Landlord shall have the right to enter the Premises upon 24 hours prior notice (except in the event of emergency, in which case no notice shall be necessary) at any reasonable time for the purpose of inspecting the same, or making repairs to the Premises, or making repairs, alterations or additions to adjacent premises, or showing the Premises to prospective purchasers or lenders, or, during the last nine (9) months of the Term, showing the Premises to prospective lessees. Landlord reserves the right to install, remove and re-install, at any time and from time to time, in, under, over and through the Premises, pipes, ducts, wires, lines and facilities serving other areas of the Shopping Center.

10.2 Use of the roof above the Premises is reserved to Landlord.

10.3 Tenant will permit Landlord to place and maintain "For Rent" or "For Lease" signs on the Premises during the last ninety (90) days of the Lease Term, it being understood that such signs shall in no way affect Tenant's obligations pursuant to Section 8.3, Section 11.1 or any other provision of this Lease.

#### ARTICLE 11. SIGNS; STOREFRONTS.

11.1 Tenant shall not, without Landlord's prior written consent, (a) make any changes to or paint the storefront; or (b) install any exterior lighting, decorations or painting; or (c) affix signs, advertisements, banners or other material to the inside or outside of store windows or to any doors, columns or storefront walls. All interior signage must be tastefully and professionally done and the use of handscripted signs of any kind is expressly prohibited. Landlord reserves the right to remove unauthorized signage after notification has been made to Tenant. Tenant's right to erect and/or install any signs is also conditioned upon Tenant and Tenant's signs complying with all applicable Regulations (as hereinafter defined).

11.2 Tenant agrees to have erected and/or installed and have fully operative on or before the Commencement Date all signs in accordance with Landlord's sign criteria attached hereto and incorporated herein by reference as Exhibit "D". Tenant, upon vacation of the Premises, or removal

or alteration of Tenant's signs for any reason, shall be responsible for the repair, painting and/or replacement of the building fascia surface where signs are attached.

11.3 Tenant shall not erect or display any banners or temporary or portable signs without Landlord's prior written consent.

11.4 Any signs or lettering placed on storefronts by Tenant or at Tenant's request shall be paid for by Tenant.

11.5 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 its 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 its 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 five (5) 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 size 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.

## ARTICLE 12. UTILITIES.

12.1 Landlord agrees to cause to be provided and maintained the necessary mains, conduits and other facilities necessary to supply water, gas (if deemed appropriate by Landlord), electricity, telephone service and sewerage service to the building in which the Premises are located, subject to any special provisions contained in Exhibit "C".

12.2 Tenant shall promptly pay all charges for electricity, water, gas, telephone service, sewerage service and other utilities furnished to the Premises and shall promptly pay any maintenance charges therefor which are assessed by the applicable utility companies (e.g., hook-up fees). Landlord may, if Landlord so elects, furnish one or more utility services to Tenant, and in such event Tenant shall purchase the use of such services as are tendered by Landlord and shall pay on demand as additional rental the rates established therefor by Landlord, which shall not exceed the rates which would be charged for the same service if furnished directly by the local public utility companies. Landlord may at any time discontinue furnishing any such service without obligation to Tenant other than to connect the Premises to the public utility, if any, furnishing such service.

12.3 Landlord shall not be liable for any interruption or failure whatsoever in utility services unless caused by the gross negligence or willful misconduct of Landlord or Landlord's agents, nor shall any such failure or interruption constitute an actual or constructive eviction of Tenant from the Premises or result in or give rise to any abatement in any rent reserved hereunder.

12.4 Tenant shall not install any equipment which will exceed or overload the capacity of any utilities serving the Premises. No additional utility facilities shall be installed in the Premises without the prior written consent of Landlord, and if such consent is granted by Landlord in Landlord's sole discretion, such installation shall be at Tenant's sole expense and in accordance with plans and specifications approved by Landlord and in accordance with all applicable governmental requirements.

## ARTICLE 13. INDEMNITY, PUBLIC LIABILITY INSURANCE AND FIRE AND EXTENDED COVERAGE INSURANCE.

13.1 Landlord shall not be liable to Tenant or to Tenant's employees, agents or visitors, or to any other person or entity whomsoever, for any injury to person or damage to or loss of property on or about the Premises or the Common Area caused by the act, omission, negligence or misconduct of Tenant or Tenant's employees, subtenants, licensees or concessionaires, or any other person entering the Shopping Center under the express or implied invitation of Tenant, or arising out of the use of the Premises by Tenant and the conduct of Tenant's business therein, or arising out of any breach or default by Tenant in the performance of Tenant's obligations hereunder or resulting from any other cause, except Landlord's or Landlord's employees', agents' or contractors' gross negligence, and Tenant hereby agrees to indemnify, defend, protect and hold Landlord harmless from any loss, expense or claims arising out of such damage or injury.

13.2 Tenant shall, at Tenant's sole cost and expense during the Lease Term, obtain and maintain in full force and effect insurance upon all glass and plate glass in the Premises, fire insurance with extended coverage endorsement upon Tenant's merchandise, inventory, furniture, fixtures and all improvements installed in the Premises to the full replacement value thereof, property damage and public liability insurance (including liquor law liability insurance) with respect to the Premises and the business conducted by Tenant and any other persons in the Premises. Tenant, at Tenant's sole cost and expense, shall procure and maintain throughout the Lease Term the following insurance: (a) commercial general liability insurance against claims for bodily injury, personal injury, advertising injury and property damage arising from the Premises, or the use of any portion of the Shopping Center by Tenant or Tenant's agents, employees, contractors, invitees and licensees, and having limits of not less than (i) \$1,000,000 per occurrence, (ii) \$2,000,000 for the general aggregate (per location), (iii) \$2,000,000 for the products and completed operations aggregate, (iv) \$1,000,000 for personal and advertising injury liability, (v) \$50,000 for fire damage liability, and (vi) \$5,000 for medical payments, which minimum limits may be increased if reasonably recommended by Landlord's consultants or other insurance professionals; (b) contractual liability insurance covering all contractual indemnities by Tenant contained in this Lease; (c) business auto liability insurance for ownership, use or maintenance of any automobile with a combined single limit of not less than \$1,000,000, if an automobile is used in connection with the operation of Tenant's business; (d) employer's liability insurance with limits of not less than \$500,000 for each accident and \$500,000 for each employee for bodily injury by disease; (e) worker's compensation insurance if and as required by law; (f) all-risk property insurance covering all personal property, inventory, plate glass, equipment, fixtures, alterations and improvements at the Premises up to the replacement value of such property; and (g) business income and extra expense insurance with limits of at least 100% of Tenant's gross revenue for a twelve (12) month period. Tenant shall obtain a written obligation on the part of each insurance company to notify Landlord at least thirty (30) days prior to the cancellation or amendment of such insurance. 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 Premises. Landlord and Landlord's lender, if applicable, shall be named as additional insureds on Tenant's liability insurance policy. Prior to Tenant's occupancy, such policies or duly executed certificates of



insurance shall be delivered to Landlord, and renewals thereof shall be delivered to Landlord at least thirty (30) days prior to the expiration of the respective policy terms. Tenant's failure to comply with the foregoing requirements relating to insurance shall constitute an Event of Default hereunder. In addition to the remedies provided in Article 19 of this Lease, Landlord may, but is not obligated to, obtain such insurance and Tenant shall pay to Landlord upon demand as additional rental the premium cost thereof plus interest at the maximum lawful non-usurious rate from the date of payment by Landlord until repaid by Tenant. All insurance policies of Tenant shall be maintained with insurance companies qualified to do business in the State of California having a "General Policy Rating" of A-XII or better as set forth in the most current issue of "Best's Key Rating Guide" or the equivalent publication.

13.3 Landlord and Tenant agree and covenant that neither shall be liable to the other for loss arising out of damage to or destruction of the Premises or the contents thereof when such loss is caused by any perils included within standard fire and extended coverage insurance policies of the state in which the Premises are situated. This agreement shall be binding whether or not such damage or destruction is caused by the negligence of either party or its agents, employees or visitors and regardless of the amount of any deductible.

13.4 Tenant shall pay, as additional rent, Tenant's proportionate share (which shall be computed on the ratio that the aggregate number of square feet of floor space in the Premises bears to (a) the aggregate number of square feet of floor space of the all buildings within the Shopping Center from time to time minus (b) the aggregate number of square feet of floor space within the Shopping Center (if any) that are owned by or leased to third parties to the extent such third parties are responsible and liable for the cost of fire insurance with extended coverage for their premises) of all premiums for fire insurance with extended coverage endorsement and/or supplemental risks insurance and/or broad boiler and unfired pressure vessels insurance, including repair or replacement coverage, public liability and property damage insurance, business interruption and/or loss of rent insurance and/or any other insurance as respects loss of or damage to or liability by reason of the ownership and operation of the Shopping Center that may be carried by Landlord with respect to the Shopping Center during the Lease Term (the "Insurance"), and Tenant shall pay such amounts to Landlord in the manner hereinafter specified. During each month of the Lease Term, Tenant shall make a monthly escrow deposit with Landlord equal to one-twelfth of Tenant's proportionate share of the Insurance which will be due and payable for that particular year (the "Insurance Escrow Payment"). Landlord agrees to carry commercial general liability insurance covering the Common Area and fire and extended coverage insurance covering the Shopping Center in commercially reasonable amounts. Tenant authorizes Landlord to use the funds deposited by Tenant with Landlord under this Section 13.4 to pay the cost of such Insurance. Each Insurance Escrow Payment shall be due and payable at the same time and in the same manner as the payment of Minimum Guaranteed Rental. The amount of the initial monthly Insurance Escrow Payment will be that amount set forth in Section 1.1(m) above. The initial monthly Insurance Escrow Payment is based upon Tenant's proportionate share of the estimated Insurance for the year in question, and the monthly Insurance Escrow Payment is subject to increase or decrease as determined by Landlord to reflect an accurate monthly escrow of Tenant's estimated proportionate share of the Insurance. The Insurance Escrow Payment account of Tenant shall be reconciled annually. If Tenant's total Insurance Escrow Payments are less than Tenant's actual proportionate share of the Insurance, then Tenant shall pay to Landlord upon demand the difference. If the total Insurance Escrow Payments are more than Tenant's actual proportionate share of the Insurance, then Landlord shall retain such excess and credit it to Tenant's Insurance Escrow Payment account. Tenant's proportionate share of the cost of Insurance shall be computed by multiplying the cost of the Insurance by a fraction, the numerator of which shall be the aggregate number of square feet of floor space in the Premises and the denominator of which shall be the (a) aggregate number of square feet of floor space of the buildings within the Shopping Center from time to time minus (b) the aggregate number of square feet floor space within the Shopping Center (if any) that is owned by or leased to third parties who are responsible and liable for maintaining all or a portion of the insurance that Landlord would otherwise be required to maintain pursuant to this Lease.

13.5 Landlord shall indemnify, protect, defend and hold harmless Tenant from and against any and all claims, demands, damages, judgments, fines, penalties, losses, costs and expenses, including reasonable attorneys' fees, except as expressly set forth herein, incurred by Tenant as a result of: (a) any accident occurring on or about the Common Areas of the Shopping Center; (b) the grossly negligent or willful acts or omissions of Landlord, its agents, contractors or employees; or (c) a breach of the provisions of this Lease by Landlord, its agents, contractors or employees, unless such claims, demands, damages, judgments, fines, penalties, losses, costs and expenses arise as a result of the gross negligence or willful misconduct of Tenant or Tenant's agents, employees or contractors.

13.6 Each party ("Insured") hereby waives its entire right of recovery against the other party, the other party's partners, officers, directors, agents, representatives, employees, successors and assigns with respect to any loss or damage, including consequential loss or damage, to the Insured's property caused or occasioned by any peril or perils (including negligent acts) covered by any policy or policies of property insurance carried by the Insured or required to be carried by the Insured under this Article 13. Landlord and Tenant shall ensure that their respective insurance policies contain a waiver of subrogation provision.

**ARTICLE 14. NONLIABILITY FOR CERTAIN DAMAGES.** Landlord and Landlord's agents and employees shall not be liable to Tenant or any other person or entity whomsoever for any injury to person or damage to property caused by the Premises or other portions of the Shopping Center becoming out of repair or by defect in or failure of equipment, pipes or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the Premises unless caused by the gross negligence or willful misconduct of Landlord or Landlord's agents, nor shall Landlord be liable to Tenant or any other person or entity whomsoever for any loss or damage that may be occasioned by or through the acts or omissions of other tenants of the Shopping Center or any other persons or entities whomsoever. With respect to latent or patent defects in the Premises or in the building of which they form a part, Landlord's liability shall not extend beyond one (1) year from the date of substantial completion of the construction of the Premises, whether or not such defects are discovered within such one (1) year period.

#### **ARTICLE 15. DAMAGE BY CASUALTY.**

15.1 Tenant shall give immediate written notice to Landlord of any damage caused to the Premises by fire or other casualty.

15.2 If the Premises shall be damaged or destroyed by fire or other casualty insured under standard fire and extended coverage insurance and Landlord does not elect to terminate this Lease as hereinafter provided, then Landlord shall proceed with reasonable diligence and at Landlord's sole cost and expense (to the extent that insurance proceeds are reasonably available for application to such costs and expenses, provided that Tenant shall reimburse Landlord for any such costs and expenses for which Tenant may be liable pursuant to Article 13 above or otherwise) to rebuild and repair the Premises. In the event (a) the building in which the Premises are located shall be destroyed or substantially damaged by a casualty not covered by Landlord's insurance, (b) such building shall be destroyed or rendered untenable to an extent in excess of fifty percent (50%) of the first floor area by a casualty covered by Landlord's insurance, (c) such building shall be damaged to such an extent that the remaining Lease Term is not sufficient to amortize the cost of reconstruction, (d) the holder of a mortgage, deed of trust or other lien requires the use of all or any part of Landlord's insurance proceeds in satisfaction of all or any part of the indebtedness secured by the mortgage, deed of trust or other lien, or (e) such damage shall occur during the last eighteen (18) months of the Lease Term, then Landlord may elect either to terminate this Lease or to proceed to rebuild and repair the Premises. Landlord shall give written notice to Tenant of such election within ninety (90) days after the occurrence of such casualty and, if Landlord elects to rebuild and repair, shall proceed to do so with reasonable diligence and at Landlord's sole cost and expense. Landlord shall not exercise any right that it may have to terminate this Lease under this Article 15 unless it simultaneously terminates the leases of at least one of the tenants in the Shopping Center which is contiguous to Tenant and similarly affected with respect to any such casualty or condemnation.



15.3 Landlord's obligation to rebuild and repair under this Article 15 shall in any event be limited to restoring (a) the Premises to substantially the condition in which the same existed prior to such casualty, exclusive of any alterations, additions, improvements, fixtures and equipment installed by Tenant, or if applicable, (b) Landlord's Work as described in Exhibit "C" to substantially the same condition in which the same existed prior to the casualty and shall further be limited to the extent of the insurance proceeds available to Landlord for such restoration. Tenant agrees that promptly after completion of such work by Landlord, Tenant will proceed with reasonable diligence and at Tenant's sole cost and expense to restore, repair and replace all alterations, additions, improvements, fixtures, signs and equipment installed by Tenant or, if an Exhibit "C" is attached hereto, all items of Tenant's Work as described in Exhibit "C", as the case may be.

15.4 Tenant agrees that during any period of reconstruction or repair of the Premises Tenant will continue the operation of Tenant's business within the Premises to the extent practicable. During the period from the occurrence of the casualty until Landlord's repairs are completed, the Minimum Guaranteed Rental, Percentage Rental, Common Area Maintenance Charge, Insurance Escrow Payment and Tax Escrow Payment shall be reduced to such extent as may be fair and reasonable under the circumstances.

15.5 Tenant hereby waives any right to terminate the Lease by reason of damage or casualty loss, including without limitation the provisions of California Civil Code Sections 1932(2) and 1933(4) and any present or future laws or case decisions to the same effect.

15.6 If at any time during the Lease term the Premises are destroyed by casualty, in whole or in part and (a) Landlord shall not begin repair thereof within six (6) months of the date of the casualty, or (b) Landlord has not completed the repair of any casualty within one (1) year of the date of the casualty, or (c) such damage or destruction occurs during the final twelve (12) months of the Lease Term and will not be completed, in Landlord's reasonable estimation, within one hundred eighty (180) days of the date of the casualty, then Tenant shall have the right to terminate this Lease on thirty (30) days notice to Landlord; provided, however, that, in the case of (a) and (b) above, if Landlord shall begin or complete any such repairs, as the case may be, prior to the expiration of such thirty (30) day period, Tenant's termination notice shall be deemed null and void.

#### ARTICLE 16. EMINENT DOMAIN.

16.1 If more than thirty percent (30%) of the floor area of the Premises should be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, then this Lease shall terminate and the rent shall be abated during the unexpired portion of this Lease, effective on the date physical possession is taken by the condemning authority.

16.2 If less than thirty percent (30%) of the floor area of the Premises should be taken as aforesaid, then this Lease shall not terminate; however, the Minimum Guaranteed Rental payable hereunder during the unexpired portion of this Lease shall be reduced in proportion to the area taken, effective on the date physical possession is taken by the condemning authority. Percentage Rental shall be adjusted to reflect such change in the Minimum Guaranteed Rental. Following such partial taking, Landlord shall make all necessary repairs or alterations within the scope of Landlord's Work as described in Exhibit "C" necessary to make the Premises an architectural whole.

16.3 If any part of the Common Area shall be taken, then this Lease shall not terminate, nor shall the rent payable hereunder be reduced, except that either Landlord or Tenant may terminate this Lease if the area of the Common Area remaining following such taking plus any additional parking area provided by Landlord in reasonable proximity to the Shopping Center shall be less than seventy percent (70%) of the area of the Common Area immediately prior to the taking. Any election to terminate this Lease in accordance with this provision shall be evidenced by written notice of termination delivered to the other party within thirty (30) days after the physical possession is taken by the condemning authority.

16.4 All compensation awarded for any taking (or the proceeds of private sale in lieu thereof) of the Premises or Common Area shall be the property of Landlord, and Tenant hereby assigns Tenant's interest in any such award to Landlord; provided, however, Landlord shall have no interest in any award made to Tenant for loss of business or for the taking of Tenant's fixtures and other property if a separate award for such items is made to Tenant.

16.5 Despite any taking of a part of the Premises and/or the Shopping Center, Tenant shall not be released from any of its obligations under this Lease, except to the extent and upon the conditions expressly stated in this Article 16. Upon a full or partial termination of this lease pursuant to this Article 16 and with the exception of (a) Minimum Guaranteed Rental, Percentage Rental and other obligations which have accrued but not been paid or performed on or before the termination date, and (b) those obligations which be the terms of this Lease, survive such termination, Landlord and Tenant shall be released thereby, without further obligation to the other, from and after the date possession of the Premises is surrendered to the Landlord. For the purposes of this Section 16.5, the date of termination shall be the later of the date the condemnor has the right to the possession of the property being condemned or the date upon which Tenant ceases doing business in, upon or from the Premises.

#### ARTICLE 17. ASSIGNMENT AND SUBLETTING.

17.1 Tenant shall not assign or in any manner transfer this Lease or any estate or interest herein, or sublet the Premises or any part thereof, or grant any license, concession or other right to occupy any portion of the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld. If such consent is granted by Landlord, it shall be granted only on such terms and conditions as Landlord may require. Notwithstanding anything to the contrary contained in this lease, Tenant shall have the right, without Landlord's written consent, but upon twenty-one (21) days prior written notice to Landlord, at any time to assign this Lease or sublet all or part of the Premises: (i) to a subsidiary, affiliate or parent of Tenant which controls or is controlled by Tenant; (ii) in connection with a merger or consolidation with another entity; (iii) as a result of the sale of substantially all of the assets or stock of the Tenant; (iv) in connection with the sale of at least three (3) Southern California stores of a chain operating under the same trade name as Tenant; (v) 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 its parent company, subsidiary or affiliate; or (vi) 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. In determining whether or not to grant its consent, Landlord may take into consideration several factors, including, but not limited to, Landlord's desired tenant mix, the reputation and net worth of the proposed transferee and the current market conditions (including market rentals). Consent by Landlord to one or more assignments or sublettings shall not operate as a waiver of Landlord's rights as to any subsequent assignments or sublettings. Tenant will pay Landlord an administrative fee for preparing the transfer documentation not to exceed \$1,000.00 for all assignments or sublettings which require Landlord's consent hereunder.

17.2 If Tenant is a corporation, partnership or other entity and if at any time during the Lease Term the person or persons who own a majority of either the outstanding voting rights or the outstanding ownership interest of Tenant at the time of the execution of this Lease cease to own a majority of such voting rights or ownership interests (except as the result of transfers by devise or descent), then the loss of a majority of such voting rights or ownership interests shall be deemed an assignment of this Lease by Tenant and therefore subject in all respects to the provisions of Section 17.1 above. The previous sentence shall not apply, however, if at the time of the execution of this Lease the outstanding voting shares of capital stock of Tenant are listed on a nationally recognized security exchange or over-the-counter market. Notwithstanding the foregoing, 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 its parent company, subsidiary or affiliate.

17.3 Notwithstanding any assignment or subletting (including those not requiring Landlord's consent), Tenant and any guarantor of Tenant's obligations under this Lease shall at all times remain fully responsible and liable for the payment of the rent herein specified and for compliance with all of its other obligations under this Lease (even if future assignments or sublettings occur subsequent to the assignment or subletting by Tenant, and regardless of whether or not Tenant's approval has been obtained for such future assignments or sublettings). Moreover, in the event that the rental due and payable by a sublessee (or a combination of the rental payable under such sublease plus any bonus or other consideration therefor or incident thereto) exceeds the rental payable under this Lease, or if with respect to an assignment, permitted license or other transfer by Tenant permitted by Landlord, the consideration payable to Tenant by the assignee, licensee or other transferee exceeds the rental payable under this Lease, then Tenant shall be bound and obligated to pay Landlord all such excess rental and other excess consideration within ten (10) days following receipt thereof by Tenant from such sublessee, assignee, licensee or other transferee, as the case may be. Finally, in the event of any assignment or subletting, it is understood and agreed that all rentals paid to Tenant by an assignee or sublessee shall be received by Tenant in trust for Landlord, to be forwarded immediately to Landlord as specified in Section 4.2 of this Lease (to be applied as a credit and offset to Tenant's rental obligations).

17.4 Tenant shall not mortgage, pledge or otherwise encumber Tenant's interest in this Lease or in the Premises.

17.5 Tenant may permit up to a total of fifteen (15%) percent of the gross leasable area of the Premises to be occupied by up to two (2) 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.

#### ARTICLE 18. PROPERTY TAXES.

18.1 Tenant shall be liable for all taxes and assessments levied against personal property and trade fixtures placed by Tenant in the Premises. If any such taxes or assessments are levied against Landlord or Landlord's property and if Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and trade fixtures placed by Tenant in the Premises and Landlord elects to pay the taxes or assessments based on such increase, then Tenant shall pay to Landlord upon demand that part of such taxes and assessments for which Tenant is primarily liable hereunder.

18.2 Tenant shall pay to Landlord, as additional rent, in addition to the rent and other sums due hereunder, in the manner hereinafter specified, for each calendar year during the Lease Term, commencing with the calendar year in which the Commencement Date occurs, Tenant's proportionate share (which shall be computed on the ratio that the aggregate number of square feet of floor space in the Premises bears to (a) the aggregate number of square feet of floor space of the all buildings within the Shopping Center from time to time minus (b) the aggregate number of square feet of floor space within the Shopping Center (if any) that are owned by or leased to third parties to the extent such third parties are responsible and liable for the cost of Taxes (as defined below) attributable to their premises) of all real property taxes, assessments and governmental charges levied or assessed against the Shopping Center, together with all costs and expenses (including reasonable attorneys' fees and expenses) incurred by Landlord in connection therewith, for such calendar year (the "Taxes"). Taxes shall not include (i) any penalties imposed by the assessing authority except if arising as a result of Tenant's late payment of Tenant's proportionate share thereof; (ii) if general or special assessments may be paid in installments over a period of years, installments which are not coming due during the tax year in question, and (iii) any corporate, franchise, capital levy, inheritance, transfer or income tax levied on Landlord. The copy of the tax bill submitted by Landlord to Tenant shall be sufficient evidence of the amount of Taxes assessed or levied against the parcel of real property to which such bill relates. During each month of the Lease Term, Tenant shall make a monthly escrow deposit with Landlord equal to one-twelfth of its proportionate share of the Taxes which will be due and payable for that particular year (the "Tax Escrow Payment"). Tenant authorizes Landlord to use the funds deposited by Tenant with Landlord under this Section 18.2 to pay the Taxes. Each Tax Escrow Payment shall be due and payable at the same time and in the same manner as the payment of Minimum Guaranteed Rental. The amount of the initial monthly Tax Escrow Payment will be that amount set out in Section 1.1(n) above. The initial monthly Tax Escrow Payment is based upon Tenant's proportionate share of the estimated Taxes for the year in question, and the monthly Tax Escrow Payment is subject to increase or decrease as determined by Landlord to reflect an accurate escrow of Tenant's estimated proportionate share of the Taxes. The Tax Escrow Payment account of Tenant shall be reconciled annually. If Tenant's total Tax Escrow Payments are less than Tenant's actual proportionate share of the Taxes, Tenant shall pay to Landlord upon demand the difference. If the total Tax Escrow Payments of Tenant are more than Tenant's actual proportionate share of the Taxes, Landlord shall retain such excess and credit it to Tenant's Tax Escrow Payment account. Tenant's proportionate share of the Taxes on the Shopping Center shall be computed by multiplying the Taxes by a fraction, the numerator of which shall be the aggregate number of square feet of floor space in the Premises and the denominator of which shall be the (a) aggregate number of square feet of floor space of the buildings within the Shopping Center from time to time minus (b) the aggregate number of square feet floor space within the Shopping Center (if any) that is owned by or leased to third parties who are responsible and liable for maintaining all, paying all or a portion of the Taxes assessed or levied against a portion of the Shopping Center.

18.3 If Tenant should fail to pay any Taxes required to be paid by Tenant hereunder within ten (10) days following written notice of any such failure, in addition to any other remedies provided herein, Landlord may, if Landlord so elects, pay such Taxes. Any sums so paid by Landlord shall be deemed to be additional rental owing by Tenant to Landlord and shall be due and payable upon demand, plus interest at the maximum lawful non-usurious rate from the date of payment by Landlord until repaid by Tenant.

18.4 If at any time during the Lease Term the present method of taxation shall be changed so that, in lieu of the whole or any part of any taxes, assessments or levies assessed or imposed on real estate and the improvements thereon, there shall be levied, assessed or imposed on Landlord a capital levy or other tax directly on the rents received therefrom and/or a franchise tax, assessment, levy or charge measured by or based, in whole or in part, upon such rents from the present or any future building or buildings on the Shopping Center, then all such taxes, assessments, levies or charges, or the part thereof so measured or based, shall be deemed included within the terms "Taxes" for the purposes hereof.

18.5 Any payment to be made pursuant to this Article 18 with respect to the real estate tax year in which this Lease commences or terminates shall bear the same ratio to the payment which would be required to be made for the full tax year as that part of such tax-year covered by the Lease Term bears to a full tax year.

#### ARTICLE 19. DEFAULT BY TENANT AND REMEDIES.

19.1 The following events shall be deemed to be events of default (an "Event of Default") by Tenant under this Lease:

(a) Tenant shall fail to pay any installment of rent or any other obligation hereunder involving the payment of money, and such failure shall continue for a period of five (5) business days after written notice that the same is due.

(b) Tenant shall fail to comply with any term, provision or covenant of this Lease, or any amendment, addendum or exhibit hereto, other than as described in subsection (a) above, and shall not cure such failure within twenty (20) days after written notice thereof to Tenant (provided that if such default cannot with due diligence be wholly cured within such twenty (20) day period, Tenant shall have such longer period as is reasonably necessary to cure the default, so long as Tenant proceeds promptly to commence the cure of same within such twenty (20) day period and diligently prosecutes the cure to completion); provided, however, that Landlord shall be obligated to provide Tenant such written notice of default or failure only a maximum of two (2) times during any calendar year, and in the event of two (2) such defaults by Tenant during any calendar year, the next default shall be an automatic default hereunder without any further obligations on the part of Landlord to provide notice thereof: provided further, that any such notice shall be in lieu of, and not in addition to, any notice required under Section 1161 et seq. of the California Code of Civil Procedure.

(c) Tenant or any guarantor of Tenant's obligations under this Lease shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors.

(d) Tenant or any guarantor of Tenant's obligations under this Lease shall file a petition under any section or chapter of the United States Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof, or an order for relief relating to Tenant or any guarantor of Tenant's obligations under this Lease is granted in proceedings filed against Tenant or any guarantor of Tenant's obligations under this Lease thereunder any of which shall not be dismissed for a period of forty-five (45) days.

(e) A receiver or trustee shall be appointed for the Premises or for all or substantially all of the assets of Tenant or any guarantor of Tenant's obligations under this Lease and shall not be dismissed for a period of forty-five (45) days.

(f) Tenant shall desert, vacate or abandon or shall commence to desert, vacate or abandon the Premises or any substantial portion of the Premises or shall remove, without the prior written consent of Landlord, all or a substantial portion of Tenant's goods, wares, equipment, fixtures, furniture or other personal property prior to the end of the Term, as such Term may be extended, except as otherwise expressly permitted hereunder.

(g) The business operated by Tenant shall be closed for failure to pay any State sales tax as required or for any other reason, except as expressly provided under the terms of this Lease.

(h) Tenant shall assign this Lease or sublet the Premises without the prior written consent of Landlord, where required pursuant to Section 17 above.

(i) The Premises shall be used for purposes other than those listed in Section 1.1(q).

(j) Tenant shall use or display signs other than those approved in accordance with Article 11 or Exhibit "D" following ten (10) days prior written notice from Landlord.

(k) Tenant shall do or permit to be done anything which creates a lien upon the Premises. Upon the occurrence of any Event of Default, in addition to all other remedies available to Landlord at law or inequity, Landlord shall have the option to pursue any one or more of the following alternative and cumulative remedies without any notice or demand whatsoever:

(i) Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder by giving Tenant written notice of such intention to terminate, in which event Landlord may recover from tenant all of the following: (A) the worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus (B) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss Tenant proves reasonably could have been avoided; plus (C) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves reasonably could be avoided; plus (D) any other amount necessary to compensate Landlord for all the detriment proximately caused by tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; plus (E) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable California law. As used in (A) and (B) above, the "worth at the time of award" shall be computed by allowing interest at the rate specified in Article 25 below and as used in (C) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%). Notwithstanding the foregoing, Landlord may seek a judgment against Tenant for a maximum of two (2) years of the then-current annual Minimum Guaranteed Rental and additional Monthly Payments (excluding Percentage Rental) on an accelerated basis. Landlord may seek additional one (1) year judgments one at a time only upon the lapsing of the rental period encompassed by the respective prior one (1) year judgment. Landlord shall not be entitled to further acceleration of rents as a default remedy.

(ii) Landlord shall also have the right, with or without terminating this lease, to re-enter the Premises and remove all persons and property from the Premises. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant.

(iii) In the event Landlord elects to re-enter the Premises under (ii) above or takes possession of the Premises pursuant to any proceeding or notice provided by law or Tenant vacates or abandons the Premises, but Landlord does not elect to terminate this Lease as provided in this Section 19.1. Landlord may from time to time without terminating this Lease either recover from Tenant all rent as it becomes due (pursuant to California Civil Code Section 1951.4) or relet the Premises or any part thereof upon such terms and conditions as Landlord in its sole Discretion may deem advisable, with the right of Landlord to make alterations and repairs to the Premises. In the event of any such reletting, rental and other charges received by Landlord therefrom shall be applied in the following order: (A) to the payment of any indebtedness other than rent due hereunder from Tenant to Landlord, (B) to the payment of all costs of such reletting, (C) to the payment of the costs of any alterations and repairs to the Premises, and (D) the payment of rent and other charges due and unpaid hereunder. The residue, if any, shall be held by Landlord and applied in payment of future rent and other charges due hereunder, as the same may become due. In the event the rental and other charges received by Landlord from all such reletting are at any time less than the then aggregate of (A) through (D) above, tenant shall pay such deficiency to Landlord immediately upon demand therefor, but not more often than monthly.

(iv) No re-entry or taking possession of the Premises by Landlord pursuant to this Section 19.1 shall be construed as an election to terminate this Lease unless a written notice of such intention shall be given to tenant or unless such termination shall be decreed by a court of competent jurisdiction. Notwithstanding any reletting without termination by Landlord because of any default by Tenant, Landlord may at any time after such reletting elect to terminate this Lease for any such default.

(v) In any action for unlawful detainer commenced by Landlord against Tenant by reason of any default hereunder, the

reasonable rental value of the premises for the periods of the unlawful detainer shall be the amount of rent reserved in this Lease for such period, unless Landlord or tenant shall provide to the contrary by competent evidence. The rights and remedies reserved to landlord herein, including those not specifically described, shall be cumulative and, except as otherwise provided by then applicable California law, landlord may pursue any or all of such rights and remedies at the same time or otherwise.

(vi) Landlord, at any time after Tenant commits a default beyond any applicable cure periods, can cure the default at Tenant's cost. If Landlord at any time, by reason of Tenant's default, pays any sum or does any act that requires the payment of any sum, the reasonable sum paid by Landlord shall be due immediately from Tenant to Landlord at the time the sum is paid, and if paid at a later date shall bear interest at the rate set forth in Article 25 from the date the sum is paid by Landlord until Landlord is reimbursed by Tenant. The sum, together with interest thereon, shall be deemed additional rent. No such re-entry or taking of possession of the Premises by Landlord shall be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention signed by Landlord is given to Tenant. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for a previous default by Tenant. Should Landlord at any time terminate this Lease for any default, in addition to any other remedies Landlord may have, Landlord may recover from Tenant all damages Landlord may incur by reason of such default, including, but not limited to, the cost of recovering the Premises and reasonable attorneys' fees, all of which amounts shall be immediately due and payable from Tenant to Landlord. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or in equity, nor shall pursuit of any remedy herein or otherwise provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions or covenants herein contained. Landlord's acceptance of any installment of rent following a default hereunder shall not be construed as Landlord's waiver of such default except a default otherwise resulting from the failure to pay such installment so accepted, in which event such payment by Tenant shall constitute a waiver by Tenant of any damages suffered by Tenant as a result of Landlord's actions hereunder after said default and prior to Landlord's acceptance of such installment of rent. No waiver by Landlord of any violation or breach of any of the terms, provisions or covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions or covenants herein contained. Forbearance by Landlord to enforce one or more of the remedies herein or otherwise provided upon the occurrence of any Event of Default shall not be deemed or construed to constitute a waiver of any other violation or Event of Default. The loss or damage that Landlord may suffer by reason of termination of this Lease or the deficiency from any repossession and/or reletting as provided for above shall include the expense of repossession and any repairs or remodeling undertaken by Landlord following repossession.

19.2. If either party hereto shall fail to perform any of its duties or obligations under this Lease and the other non-defaulting party shall employ an attorney to enforce or defend any of the non-defaulting party's rights or remedies under this Lease, then the defaulting party shall be liable for and obligated to pay the reasonable attorney's fees incurred by the non-defaulting party in connection therewith.

#### ARTICLE 20. DEFAULT BY LANDLORD AND REMEDIES.

20.1 Notwithstanding anything to the contrary contained herein, Landlord shall not be in default under this Lease until Tenant notifies Landlord in writing of an obligation that Landlord is required to perform pursuant to this Lease, and Landlord fails to perform same within the time period provided therefor in the Lease (or if no such time period is prescribed in the Lease, within thirty (30) days) or, if such obligation cannot reasonably be completed within such time period, such longer period of time as is reasonably necessary to cure the default, so long as Landlord proceeds promptly to commence the cure of same within such time period and diligently prosecutes the same to completion. After the expiration of such cure period, if Landlord has not completed such obligation and the failure to fulfill such obligation (i) affects the interior of the Premises or (ii) affects any area(s) located outside of the Premises and materially interferes with Tenant's business operations within the Premises, Tenant may deliver an additional written notice to Landlord specifying that Tenant is taking such required action and thereafter, Tenant may, subject to the provisions below, perform such obligation on behalf of Landlord, and Tenant shall be entitled to reimbursement by Landlord for Tenant's reasonable, actual, out-of-pocket costs in so doing in accordance with the following paragraph.

If within thirty (30) days after Landlord's receipt of an invoice by Tenant for such costs, Landlord does not either (i) pay such amount to Tenant, or (ii) deliver to Tenant a written objection to such costs, or the work undertaken, and provided such invoice from Tenant sets forth a reasonably detailed breakdown of its costs and expenses in connection with same, then Tenant shall be entitled to deduct from rent payable by Tenant under this Lease the amount set forth in such invoice. If within such thirty (30) day period, Landlord advises Tenant of its objection to the payment of such invoice, setting forth with reasonable detail Landlord's reasons for its claim that such performance was not Landlord's responsibility and should not be reimbursable by Landlord pursuant to the terms of this Lease, or that the cost of such work was excessive, then Tenant shall not be entitled to deduct more than an aggregate of Four Thousand and No/100 Dollars (\$4,000.00) from rental but Tenant may continue to prosecute its claim for reimbursement by Landlord in accordance with the provisions of the next succeeding paragraphs. The right of Tenant to perform an obligation of Landlord as set forth herein shall be carefully and judicially exercised, so that wherever reasonable, Landlord shall be given first opportunity to so act in order to avoid any conflict between the parties as to such matter.

Either Landlord (if it contests the nature or cost of Tenant's remedial work) or Tenant (if it disagrees with Landlord's objections to Tenant's remedial work) may demand arbitration/judicial reference pursuant to the provisions of the American Arbitration Association's Commercial Arbitration Rules, to adjudicate such claim. Notwithstanding the foregoing to the contrary, if the amount expended by Tenant is more than Four Thousand and 00/100 Dollars (\$4,000.00), and if the parties are unable, negotiating in good faith, to mutually agree on the amount expended by Tenant, such matter shall be referred to arbitration/judicial reference in accordance with the provisions of American Arbitration Association's American Arbitration Association's Commercial Arbitration Rules. In the event that such judicial reference results in any money being payable by Landlord to Tenant, then Landlord shall pay such amount to Tenant within thirty (30) days after the issuance of such award. If within thirty (30) days after the issuance of such award, Tenant has not received such reimbursement from Landlord, then Tenant shall have the right to deduct such amount from rent thereafter coming due.

ARTICLE 21. **HOLDING OVER.** If Tenant remains in possession of the Premises after the expiration of this Lease and without the execution of a new lease, Tenant shall be deemed to be occupying the Premises as a tenant from month to month at a rental equal to the rental (including any Percentage Rental) herein provided plus fifty percent (50%) of such amount and otherwise subject to all of the conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy. Notwithstanding the foregoing, in no event shall Tenant be allowed to hold over in the Premises without the prior written consent of Landlord, and Tenant shall be liable for any and all damages that Landlord may suffer or incur as a result of Tenant's hold over in the Premises.

ARTICLE 22. **SUBORDINATION.** Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter created upon the Premises or the Shopping Center, and to any renewals and extensions thereof, but Tenant agrees that any mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease. Landlord represents and warrants that upon the execution of this Lease, there are no mortgagees or lenders with liens on the Shopping Center. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien hereafter placed upon the Premises or the Shopping Center, and Tenant agrees upon demand to execute such further instruments subordinating this Lease as Landlord may request; provided, however, that Landlord shall use

commercially reasonable efforts to obtain a non-disturbance agreement from any future lender or mortgagee which is commercially reasonable to such mortgagees or lenders. The terms of this Lease are subject to approval by Landlord's lender(s), if any, and such approval is a condition precedent to Landlord's obligations hereunder. Such approval will be obtained by Landlord, if at all, within thirty (30) days of execution of this Lease. If Landlord is required to modify the terms of this Lease, Tenant shall have ten (10) days to notify Landlord in writing of the option to accept such modifications or terminate this Lease, and neither party shall be liable to the other.

#### ARTICLE 23. MARKETING FUND.

23.1 If Landlord elects at any time during the Lease Term to provide or cause to be provided a program of advertising and promotional events in order to assist the business of the tenants in the Shopping Center and which, in Landlord's sole judgment, will serve to promote the Shopping Center. Tenant shall contribute to the cost of such advertising and promotional events as hereinafter provided, and such contributions shall be maintained by Landlord as a marketing fund (the "Marketing Fund"). The Marketing Fund shall be used by Landlord to pay all costs and expenses associated with the formation and carrying out of an ongoing program for the promotion and advertising of the Shopping Center, which program may include, without limitation, special events, shows, displays, signs, decor, seasonal events, institutional advertising, promotional and advertising literature and other activities designed to attract customers to the Shopping Center. In addition, Landlord may use the Marketing Fund to defray the costs of administration of the Marketing Fund, including (without limitation) the salary of a marketing director and related administrative personnel, rent and insurance. Upon reasonable notice, Landlord shall make available for Tenant's inspection, during normal business hours at Landlord's office, Landlord's records relating to the contributions to and disbursements from the Marketing Fund.

#### 23.2 Intentionally Omitted.

23.3 Tenant shall pay, as Tenant's contribution to the Marketing Fund, the sum of Seven Hundred Fifty Dollars (\$750.00), payable in advance in equal monthly installments. Commencing with the third Lease Year (or second Lease Year in the event of a partial Lease Year) and on each successive two-year anniversary thereafter, Landlord may adjust the amount payable by Tenant based upon the Consumer Price Index (as referenced in Section 4.8). In no event, however, shall Tenant's contribution to the Marketing Fund increase more than ten percent (10%) per adjustment calculated on a cumulative basis.

#### ARTICLE 24. NOTICES.

24.1 Whenever any notice is required or permitted hereunder, such notice shall be in writing. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered when actually received or, whether actually received or not, when deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, addressed to the parties hereto at the respective addresses set out in Section 1.1 above, or at such other addresses as they may have hereafter specified by written notice.

24.2 If and when included within the term "Landlord" as used in this instrument there is more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such notice specifying some individual at some specific address for the receipt of notices and payments to Landlord. If and when included within the term "Tenant" as used in this instrument there is more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such a notice specifying some individual at some specific address for the receipt of notices and payments to Tenant. All parties included with terms "Landlord" and "Tenant," respectively, shall be bound by notices and payments given in accordance with the provisions of this Section 24.2 to the same effect as if each had received such notice or payment. In addition, Tenant agrees that notices from Landlord may be given by Landlord's attorney, property manager or other agent.

ARTICLE 25. LATE CHARGES, INTEREST ON TENANTS OBLIGATIONS. If Tenant fails to pay to Landlord when due any installment of rental or other sum to be paid hereunder, Landlord will incur additional expenses in an amount not readily ascertainable and which has not been elsewhere provided for between Landlord and Tenant. Accordingly, Tenant will pay Landlord on demand a late charge of ten percent (10%) thereof as liquidated damages, in lieu of actual damages (other than interest as set forth hereinbelow and attorneys' fees and costs); provided, however, that the "late charge" set forth above shall only be payable for the second (2<sup>nd</sup>) late payment of rental per calendar year. The parties agree that this late charge represents a reasonable estimate of the expenses that Landlord will incur because of any late payment of Rent (other than interest and attorneys' fees and costs). Failure to pay such late charge upon demand therefor shall be an Event of Default hereunder. Provision for such late charge shall be in addition to all other rights and remedies available to Landlord hereunder or at law or in equity and shall not be construed as liquidated damages or limiting Landlord's remedies in any manner. Landlord's acceptance of any liquidated damages hereunder shall not constitute a waiver of Tenant's default with respect to the overdue amount. Notwithstanding anything contained herein to the contrary, if such late charge shall ever be deemed to be interest and, as a result thereof, Landlord would be deemed to have charged, collected or received interest in excess of the maximum lawful non-usurious rate, then this Article 25 shall automatically be amended to reduce the late charge to an amount which shall comply with all applicable Regulations and, if necessary, Landlord shall promptly refund to Tenant an amount which will enable Landlord to comply with all applicable Regulations, it being the intent of Landlord and Tenant that Landlord shall never be entitled to charge, collect or receive interest in excess of the maximum lawful non-usurious rate.

Any amount due from Tenant to Landlord which is not paid when due shall bear interest at the lesser of eighteen percent (18%) per annum or the maximum rate then permitted by law in this context from the date such payment is due until paid. The rate so determined shall continue in effect following any default by Tenant pursuant to this Lease. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

ARTICLE 26. DIRECTION OF TENANT'S ENERGIES. Tenant acknowledges that Tenant's monetary contribution to Landlord (in the form of rentals) and Tenant's general contribution to commerce within the Shopping Center (also important in Landlord's determination to execute this Lease) will be substantially reduced if during the Lease Term either Tenant or any person, firm or corporation directly or indirectly controlling, controlled by or under common control with Tenant shall directly or indirectly operate, manage, conduct or have any interest in any establishment within commercial proximity of the Shopping Center which is similar to or in competition with Tenant's business. Accordingly, Tenant agrees that during the Lease Term neither Tenant nor any person, firm or corporation directly or indirectly controlling, controlled by or under common control with Tenant (and also, in the event Tenant is a corporation, if any officer or director thereof or shareholder owning more than ten percent (10%) of the outstanding stock thereof or of a parent, subsidiary or related or affiliated corporation) shall directly or indirectly operate, manage, conduct or have any interest in any commercial establishment within two (2) miles of the Shopping Center which operates under the same trade name as Tenant, except that any such commercial establishment existing at the date of this Lease may continue to be operated, managed, conducted and owned in the same manner as on the date of this Lease, provided there is no change in the size or trade name of such commercial establishment. This restriction shall not apply to an acquisition by Tenant of three (3) or more stores.

ARTICLE 27. COMPLIANCE WITH REGULATIONS. Landlord and Tenant acknowledge that there are in effect federal, state, county and municipal laws, orders, rules, directives and regulations, together with rules or regulations which may be promulgated by Landlord from time to time (collectively referred to hereinafter as the "Regulations"), pertaining to the use, condition or occupancy of the Premises, and that additional Regulations may hereafter be enacted or go into effect relating to or affecting the Premises or the Shopping Center, and concerning the impact on the environment,

construction, land use, maintenance and operation of structures and conduct of business. Tenant agrees to comply, and to cause all Tenant's employees, agents, subtenants, licensees, concessionaires, guests and invitees to comply, with any and all such Regulations. Notwithstanding the foregoing, nothing herein shall require Tenant to make structural repairs or alterations unless Tenant has, by its alterations, damage or particular manner of use of the Premises, detrimentally affected the structural integrity of the Building, or violated any provision or requirement of this Lease or such Regulations, or caused such Regulations to be applicable to the Premises by virtue of its particular manner of use. Moreover, Tenant shall have no claim against Landlord by reason of any changes Landlord may make in the Shopping Center or the Premises pursuant to said Regulations or any charges imposed upon customers or other invitees pursuant to same.

#### ARTICLE 28. HAZARDOUS MATERIAL; INDEMNITY.

28.1 Tenant shall not cause or permit any Hazardous Material (as hereinafter defined) (except for normal office, retail and cleaning supplies in commercially reasonable amounts, used in the ordinary course of business and stored in compliance with all laws and regulations) to be brought upon, kept or used in or about the Premises by Tenant or its agents, employees, contractors or invitees without the prior written consent of Landlord (which Landlord shall not unreasonably withhold as long as Tenant demonstrates to Landlord's reasonable satisfaction that such Hazardous Material is necessary or useful to Tenant's business and will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Material so brought upon or used or kept in or about the Premises). If Tenant breaches the obligations set forth in the immediately preceding sentence, or if the presence of Hazardous Material on the Premises caused or permitted by Tenant results in contamination of the Premises, or if contamination of the Premises by Hazardous Material otherwise occurs for which Tenant is legally liable to Landlord for damage resulting therefrom, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Lease Term as a result of such contamination. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean up or remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or groundwater on or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises caused or permitted by Tenant results in any contamination of the Premises, Tenant shall promptly take all actions at Tenant's sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises, provided that Landlord's approval of such actions shall first be obtained.

28.2 As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the state in which the Premises are situated or the United States Government. The term "Hazardous Material" includes, without limitation, (i) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances" or "solid waste" under all present and future federal, state and local laws (whether under common law, statute, rule, regulation or otherwise) relating to the protection of human health or the environment, including, without limitation, California Senate Bill 245 (Statutes of 1987, chapter 1302), the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as Proposition 65) and the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and the Hazardous Materials transportation Act, 49 U.S.C. Sections 1801, *et seq.*, all as heretofore and hereafter amended, or in any regulations promulgated pursuant to said laws; (ii) those substances defined as "hazardous wastes" in Section 25117 of the California Health & Safety Code or as "hazardous substances" in Section 25316 of the California Health & Safety Code, or in any regulations promulgated pursuant to said laws; (iii) such other substances, materials and wastes which are or become regulated under applicable local, state or federal law or by the United States government or which are or become classified as hazardous or toxic under federal, state or local laws or regulations, including, without limitation, California Health & Safety Code, division 20, and title 26 of the California Code of Regulations; and (iv) any material, waste or substance which contains petroleum, asbestos or polychlorinated biphenyls, is designated as a "hazardous substance" pursuant to Section 311 of the designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act of 1977, 33 U.S.C. Sections 1251, *et seq.* (33 U.S.C. § 1321) or listed pursuant to Section 307 of the Clean Water Act of 1977 (U.S.C. § 1317) or contains any flammable, explosive or radioactive material.

28.3 Landlord shall indemnify, defend and hold Tenant harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses arising out of or in any way connected with the presence of Hazardous Materials or the removal thereof, from the Shopping Center or the Premises, except to the extent the presence of such Hazardous Materials arises from the acts or omissions of Tenant or Tenant's agents, employees or contractors.

ARTICLE 29. ASSIGNMENT BY LANDLORD. Landlord may, at any time and from time to time, sell, lease or otherwise transfer Landlord's interest in the Premises or assign this Lease or any interest of Landlord hereunder, and to the extent that such purchaser, assignee or transferee has assumed the covenants and obligations of Landlord hereunder, Landlord shall without further written agreement be released from liability with respect to such covenants and obligations, and Tenant agrees to look solely to such successor-in-interest of Landlord for performance of such obligations. Any Security Deposit or Prepaid Rent given by Tenant hereunder may be assigned and transferred by Landlord to such successor-in-interest, and Landlord shall thereby be discharged from any further obligation relating thereto.

ARTICLE 30. NO PERSONAL LIABILITY OF LANDLORD. Notwithstanding any other provision of this Lease to the contrary, neither Landlord nor any of Landlord's trustees, officers, directors, employees, partners, shareholders, affiliates, agents, attorneys, representatives, successors or assigns shall have any personal liability whatsoever for the performance or payment of any covenant, obligation, warranty or damages of Landlord under this Lease or under any judgment with respect thereto, all such personal liability hereby being expressly waived and released by Tenant and Tenant's successors and assigns. If at any time Landlord shall fail to perform any covenant or pay any obligation required to be performed or paid by Landlord under this Lease or shall breach any warranty or otherwise incur any liability for damages under this Lease, and as a consequence thereof Tenant or Tenant's successors and assigns shall recover a money judgment against Landlord, such judgment shall (subject to the rights of any mortgagee or beneficiary under a deed of trust whose lien predates the filing of the complaints which results in such judgment) be enforced against and satisfied out of only the proceeds of sale produced upon execution of such judgment and levy thereon against Landlord's interest in the Premises and rents derived therefrom, and Tenant hereby waives and releases any right that Tenant may have to enforce such judgment against any other property or assets of Landlord other than Landlord's interest in the Premises.

#### ARTICLE 31. INTENTIONALLY OMITTED.

ARTICLE 32. RULES AND REGULATIONS. The rules and regulations applicable to the Premises and Shopping Center that are attached hereto as Exhibit "E" are hereby made a part of this Lease, and Tenant agrees to comply with and observe the same. Tenant's failure to keep and observe said rules and regulations shall constitute a default under this Lease in a manner as if the same were contained herein as covenants. Landlord reserves the right from time to time to amend or supplement said rules and regulations and to adopt and promulgate additional rules and regulations applicable to the Premises and the Shopping Center. Notice of such rules and regulations and amendments and supplements, if any, shall be given to Tenant, and Tenant agrees thereupon to comply with and observe all such rules and regulations and amendments thereto and supplements thereof, provided that no rule or regulation shall contradict any provision of this Lease. Landlord shall endeavor to apply such rules and regulations in a nondiscriminatory manner.

**ARTICLE 33. MISCELLANEOUS.**

33.1 Nothing herein contained shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of rental nor any other provisions contained herein nor any acts of the parties hereto shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant.

33.2 Tenant shall not for any reason withhold or reduce Tenant's required payments of rentals and other charges provided in this Lease, it being agreed that the obligations of Landlord hereunder are independent of Tenant's obligations except as may be otherwise expressly provided. In this regard, it is specifically understood and agreed that, if Landlord commences any proceedings against Tenant for nonpayment of rentals or any other sum due and payable by Tenant hereunder, Tenant will not interpose therein any counterclaim or other claim against Landlord of whatever nature or description in any such proceedings (with the exception of mandatory counterclaims), and if Tenant interposes therein any such counterclaim or other claims against Landlord in such proceedings, Landlord and Tenant stipulate and agree that, in addition to any other lawful remedy of Landlord, upon motion of Landlord, such counterclaim or other claim asserted by Tenant shall be severed out of the proceedings instituted by Landlord, and the proceedings instituted by Landlord may proceed to final judgment separately and apart from and without consolidation with or reference to the status of such counterclaim or any other claim asserted by Tenant.

33.3 The captions used herein are for convenience only and do not limit or amplify the provisions hereof. Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender.

33.4 One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

33.5 Whenever a period of time is herein prescribed for action to be taken by Landlord or Tenant, such party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations or restrictions or any other causes of any kind whatsoever which are beyond the reasonable control of such party; provided, however, that in no event shall force majeure excuse Tenant's obligation to pay rent (except as specifically set forth in Section 1(h) above). At any time when there is outstanding a mortgage, deed of trust or similar security instrument covering Landlord's interest in the Premises, Tenant may not exercise any remedies for default by Landlord hereunder unless and until the holder of the indebtedness secured by such mortgage, deed of trust or similar security instrument shall have received written notice of such default, and a reasonable time for curing such default shall thereafter have elapsed.

33.6 Tenant shall and may peacefully have, hold and enjoy the Premises, subject to the terms hereof, provided that Tenant pays the rent and other sums herein recited to be paid by Tenant and performs all of Tenant's covenants and agreements herein contained. This covenant and any and all other covenants of Landlord shall be binding upon Landlord and Landlord's successors only with respect to breaches occurring during its or their respective periods of ownership of Landlord's interest hereunder.

33.7 Intentionally Omitted.

33.8 Each party hereby represents and warrants to the other party that it has had no dealing with any broker or agent in connection with the negotiation or execution of this Lease other than CB Commercial Real Estate Group, Inc. (Landlord's broker and Tenant's broker). Each party hereby agrees to indemnify and save the other party harmless from and against any claims for commissions or fees against the other party by any agent or broker other than CB Commercial Real Estate Group, Inc. if the indemnifying party's representation is not true. Landlord shall be responsible for paying only those commissions or fees set forth in a separate executed written commission agreement with CB Commercial Real Estate Group, Inc. wherein Landlord expressly agrees to pay a commission or fee as a result of the execution of this Lease.

33.9 Tenant agrees that Tenant will from time to time, upon request by Landlord, execute and deliver to Landlord within ten (10) days after demand therefor an estoppel certificate in Landlord's form certifying that this Lease is unmodified and in full force and effect and such other matters as Landlord may request. Tenant hereby grants to Landlord Tenant's power-of-attorney to execute said estoppel certificates in Tenant's name, place and stead in the event that Tenant shall fail to deliver any such estoppel certificate within five (5) days after receipt of notice from Landlord of the expiration of such ten (10) day period. Said power is coupled with an interest and is irrevocable.

33.10 The laws of the state in which the Premises are located shall govern the interpretation, validity, performance and enforcement of this Lease. If any provision of this Lease should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby.

33.11 The terms, provisions and covenants contained in this Lease shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors-in-interest, legal representatives and permitted assigns except as otherwise herein expressly provided.

33.12 Landlord has the right and lawful authority to enter into this Lease and perform Landlord's obligations hereunder.

33.13 Because the Premises are on the open market and are presently being shown, this Lease shall be treated as an offer by Tenant subject to nonacceptance by Landlord, and this Lease shall not be valid or binding on Landlord unless and until accepted by Landlord in writing and a fully executed copy is delivered to both parties hereto.

33.14 No payment by Tenant or receipt by Landlord of a lesser amount than the Minimum Guaranteed Rental, Percentage Rental and additional rent herein stipulated and reserved shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or to pursue any other remedy provided in this Lease.

33.15 With the exception of Section 6.1, if any provision of an exhibit or other page attached hereto shall be inconsistent with a provision in the body of this Lease, the provision as set forth in the exhibit shall be deemed to control.

33.16 The time of the performance of all of the covenants, conditions and agreements of this Lease is of the essence of this Lease.

33.17 Tenant shall use Tenant's best efforts to keep confidential the rent payable under this Lease and the other business terms of this Lease except as the disclosure of such information may be necessary in response to a subpoena, court order or other legal process. In connection therewith, Tenant shall not record or file for recordation this Lease or any memorandum of this Lease. Tenant's failure to comply with the terms and provisions of this Section 33.17 shall constitute an Event of Default by Tenant under this Lease.

33.17 Tenant shall use Tenant's best efforts to keep confidential the rent payable under this Lease and the other business terms of this Lease except as the disclosure of such information may be necessary in response to a subpoena, court order or other legal process. In connection therewith, Tenant shall not record or file for recordation this Lease or any memorandum of this Lease. Tenant's failure to comply with the terms and provisions of this Section 33.17 shall constitute an Event of Default by Tenant under this Lease.

33.18 The voluntary or other surrender of this Lease by Tenant or a mutual cancellation hereof shall not work a merger but shall, at the option of Landlord, either terminate all or any existing subleases or subtenancies or operate as an assignment to Landlord of such subleases or subtenancies. If Tenant is a corporation which under the then current guidelines published by the Commissioner of Corporations of the State of California, is not deemed to be a public corporation, or is an unincorporated association, partnership of any type or limited liability company, then the transfer, assignment or hypothecation of any stock or interest in such corporation, association, partnership or limited liability company which, in the aggregate, results in a change in control or common control of Tenant, such transfer, assignment or hypothecation shall be deemed to be as assignment within the meaning and provisions of this Section 33.18 (with respect to which Landlord's prior written consent is required).

33.19 Limitation of Liability. In accordance with the declaration of trust of Landlord, notice is hereby given that all persons dealing with Landlord shall look solely to the assets of Landlord (i.e., the Shopping Center and the rents derived therefrom) for the enforcement of any claim against Landlord, as neither the trustees, officers, employees nor shareholders of Landlord assume any personal liability for obligations entered into by or on behalf of Landlord.

33.20 THIS LEASE CONTAINS THE SOLE AGREEMENT BETWEEN THE PARTIES AND SUPERSEDES, MERGES, COMBINES AND COMPLETELY INTEGRATES ANY PRIOR UNDERSTANDINGS OR WRITTEN OR ORAL AGREEMENTS BETWEEN THE PARTIES RESPECTING THE SUBJECT MATTER HEREOF. ANY ADDITIONAL TERMS OR ANY PORTION OF THIS LEASE, NO OTHER REPRESENTATIONS, PROMISES OR ORAL AGREEMENTS HAVE BEEN MADE.

33.21 The following exhibits are attached hereto and incorporated herein by reference and made a part hereof for all purposes:

- |             |                                  |
|-------------|----------------------------------|
| Exhibit "A" | - Description of Premises        |
| Exhibit "B" | - Description of Shopping Center |
| Exhibit "C" | - Construction Exhibit           |
| Exhibit "D" | - Signage Criteria               |
| Exhibit "E" | - Rules and Regulations          |
| Exhibit "F" | - Renewal Option                 |
| Exhibit "G" | - Exclusive Use Rights           |
| Exhibit "H" | - Guaranty of Lease              |

33.22 Provided that Tenant is not in default under this Lease beyond any applicable cure period(s) and subject to the terms hereof, if, after the twenty-fourth (24<sup>th</sup>) month of the Lease Term Tenant's Minimum Guaranteed Rental paid to Landlord for the preceding twelve (12) months exceeds ten percent (10%) of Tenant's gross sales for the preceding twelve (12) months, Tenant shall have the one-time right to terminate this Lease ("Termination Right"). The Termination Right may only be exercised by Tenant providing Landlord with ninety (90) days prior written notice of its intention to do so. In the event that Tenant exercises its Termination Right, an amount equal to three-fifths (3/5) of the Tenant Improvement Allowance plus three-fifths (3/5) of any brokerage commissions paid by Landlord in connection with Tenant's Lease of the Premises shall be payable by Tenant to Landlord upon the effective termination date of this Lease.

33.23 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.

Executed and effective as of the day and year first above written.

LANDLORD:

REGENCY CENTERS, L.P.,  
a Delaware limited partnership

By: Regency Realty Corporation,  
Its General Partner

By: Mark W. Hastings  
Name: Mark W. Hastings  
Title: Tenants Rep.

TENANT:

LARGE APPAREL OF CALIFORNIA, INC.,  
a California corporation

By: [Signature]  
Name: JOSEPH J. SITT, President  
Title: President

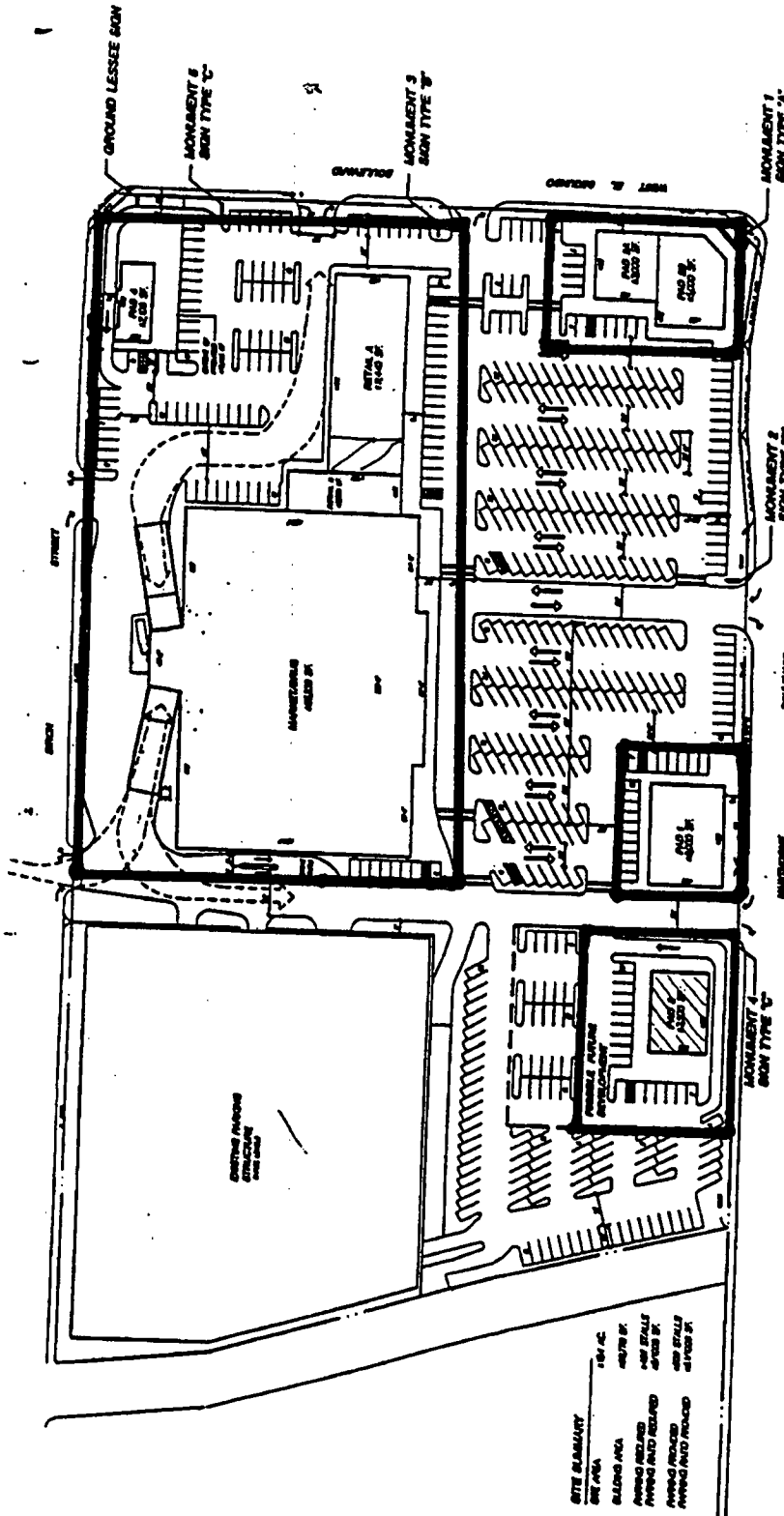
By: [Signature]  
Name: JEFFREY A. KLEIN  
Title: Secretary

LA287505.8

-17-



EXHIBIT "A"  
DESCRIPTION OF PREMISES



SIGN LOCATION PLAN

HAWTHORNE PLAZA  
HAWTHORNE, CALIFORNIA

Prepared by:

DATE: 10/1/81  
BY: J. HUNTER

ALL SIGNING AND LAYOUT CHANGES ARE THE RESPONSIBILITY OF THE SIGNAGE CONTRACTOR. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL GOVERNMENT AGENCIES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES AND STRUCTURES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE REMOVAL OF ALL SIGNAGE AND STRUCTURES AT THE END OF THE PROJECT.

McChell Hunter  
Architectural Construction Design & Construction  
10000 Wilshire Blvd., Suite 1000  
Beverly Hills, CA 90210  
Tel: 310-274-1111

INITIALS  
Landlord \_\_\_\_\_  
Tenant \_\_\_\_\_

EXHIBIT "C"

LANDLORD'S WORK AND TENANT'S WORK

ARTICLE I. LANDLORD WORK

Landlord shall provide to Tenant a "vanilla shell" space for the use of Tenant in the construction of its tenant improvements. The work of the Landlord and the shell space shall be defined as follows:

1. Floor Slab on Grade: The floor slab shall consist of a 4" thick, reinforced slab on grade over 2" sand cushion over 6 mil vapor barrier over compacted sub grade. Floor shall be level to a tolerance of plus/minus 1/4" in 10'.
2. Perimeter, Exterior, Nonrated Walls: All building perimeter exterior walls shall be constructed to the minimum standard required by Title 24 Energy Calculation requirements including the exterior finish, vapor barrier, insulation, studs or furring and sheetrock taped only.
3. Perimeter, Exterior Rated Walls and Rated Demising Partitions: All building perimeter exterior walls and rated demising partitions shall be constructed to the minimum standards required for the fire rating dictated by the governing code or authority including insulation and fire taped sheetrock.
4. Roofing: The roof shall be complete with predesigned platforms constructed on the roof for HVAC equipment weighing up to 1,500 lbs each.
5. Ceilings: A complete suspended acoustic T-bar ceiling shall be installed using an Armstrong, or equal 2x4 painted grid with 5/8" Cortega acoustic tiles.
6. Doors: Exit doors for the shell space shall be hollow metal as required by the governing code or authority for the tenant space.
7. Glass & Glazing: Exterior glass, glazing and storefront systems shall be installed in accordance with the shell building design drawings and Title 24 energy calculation requirements.
8. Heating, Ventilating & Air Conditioning (HVAC): Roof mounted HVAC package units will be installed on factory curbs including all utility connections for an operational HVAC system. Supply and return plenums shall be stubbed through the roof into the lease space and distributed. HVAC units shall be sized and zoned to accommodate a cooling load of 300 sq. ft / ton of AC and shall meet or exceed efficiency requirements of Title 24 Energy efficiency standards. *Landlord shall supply tonnage of HVAC.*
9. Fire Sprinklers: The fire sprinkler system, when required, shall be installed as required to cover the building shell with main riser, tamper switch, main and distribution piping and up and down heads based on light hazard use and a maximum of 130 sq. ft per head. Fire sprinkler heads will be installed at center of ceiling tiles without regard for lessee's space plan or partition layout.
10. Plumbing: The plumbing system shall consist of a main building sewer, vents, risers and domestic cold water running through the lease space and one (1) handicap accessible restroom.
11. Restroom: Provide one handicap accessible restroom with door and frame, sheetrock walls and ceiling, toilet, grab bars, wall hung sink, flat laid sheet vinyl flooring with rubber coved top set base and Marlite or FRP type wainscot to +48", 1x4 fluorescent light fixture, exhaust fan and light switch.
12. Electrical: The electrical system shall include the main building service entrance equipment as required by the governing code and authority and local utility company to provide the following items:
  - a. <sup>400</sup>200 amps 120/208 volt, 3 phase, 4 wire system with electric meters for each projected lease space.
  - b. <sup>400</sup>Provide a 200 amp, 120/208 volt, 42 circuit, bare sub panel (i.e. no breakers) in each lease space. Extend a 2" conduit from the building main switchgear to the panel location in each tenant space.
  - c. <sup>80</sup>Provide 2x4, four-tube fluorescent lighting fixtures in the acoustic ceiling at the rate of one fixture for each 80 sq. ft of floor area.
  - d. Provide duplex electrical outlets at 20' on center at perimeter walls.
  - e. Provide lighted exit signs as required by local code or governing authority.
13. Telephone: Provide main telephone service entrance to the building with conduits stubbed from the utility company to the main telephone backboard and a 1" conduit from the backboard to a telephone outlet at each tenant space.
14. Fire Alarm: Provide a complete fire alarm system as required by the local code or governing authority as required to protect the unfinished shell space.

## ARTICLE II. GENERAL SPECIFICATIONS

A. All plans, diagrams, schedules, specifications and other data required to be furnished by Tenant under this exhibit (collectively, the "Plans and Specifications") must be submitted to Landlord (at Tenant's sole expense) complete and sufficient to obtain a building permit, and ready for Landlord's consideration and final approval within twenty-one (21) calendar days after the execution of this Lease. Upon review, Landlord shall, in writing, accept or notify Tenant of Landlord's objections to the Plans and Specifications within ten (10) days after receipt. Tenant shall promptly remedy any objections made by Landlord to the Plans and Specifications. Tenant shall reimburse Landlord for any loss or extra cost which may result to Landlord by reason of failure on the part of Tenant to submit all or any part of the Plans and Specifications within said period of time, or, alternatively, ~~and at Landlord's sole option, Landlord may elect to immediately terminate this Lease by reason of such failure by giving written notice of such election to Tenant (whereupon Landlord shall have no further obligations to Tenant hereunder).~~

B. Tenant shall secure Landlord's written approval of (i) the Plans and Specifications, (ii) contracts, and (iii) contractors for work to be performed by Tenant before beginning the work (including compliance with any Tenant construction specifications which Landlord may deliver to Tenant), and shall secure all necessary licenses and permits to be used in performing the work. Three (3) sets of the plans and specifications shall be signed and dated by both parties, with two (2) sets retained by Landlord and one (1) set retained by Tenant. Changes to the Plans and Specifications shall be made only by written change order describing scope of work and exact cost of same signed by both parties. Tenant's finished work shall be subject to Landlord's approval and acceptance, which shall be a condition to any reimbursement hereinafter provided.

C. As soon as the Plans and Specifications have been approved by Landlord, <sup>and Premises have been turned over to Tenant</sup> Tenant shall commence construction (and shall be required to diligently pursue said construction until the completion thereof) no later than thirty-five (35) calendar days after the date upon which Landlord approves the Plans and Specifications. If Tenant has not commenced construction within said time period, Landlord shall have the option to terminate this Lease; or, if Tenant has not completed construction of such improvements within seventy-five (75) calendar days after the date upon which the Plans and Specifications have been approved by Landlord, then Landlord shall have the option to terminate this Lease and, in either such event, Tenant shall forfeit all prepaid rent and security deposits made under this Lease.

## ARTICLE III. DESCRIPTION OF TENANT'S WORK

- A. Signs: Tenant shall pay for all signs and installation thereof, subject to the provisions of Article 11 of the Lease.
- B. Utilities: All meters or other measuring devices in connection with utility services shall be provided by Tenant. All service shall be made at Tenant's expense.
- C. Storefront: Tenant shall be responsible for any changes to Landlord furnished storefront, exterior doors and weatherproofing. However, actual work will be by Landlord's contractor at Tenant's expense, based on Landlord's approval of Tenant's design.
- D. Interior Work: The work to be done by Tenant shall include, but not be limited to, the purchase and/or performance of the following:
1. Electrical panel circuit breakers (bolt-on only), fuses, wiring, and fixtures.
  2. Revisions to Landlord's demising wall(s) dividing Tenant's space from that of adjacent lease space.
  3. Tenant's interior partitions including finishing, electrical wiring, and connections within the Premises.
  4. Light covers and any special hung and furred ceilings.
  5. Interior painting.
  6. Store fixtures and furnishings.
  7. Display window enclosure.
  8. Plumbing fixtures within the Premises beyond Landlord furnished restroom.
  9. Floor covering.
  10. Fire extinguishers per local fire authority.
- E. All work undertaken by Tenant shall be at Tenant's expense and shall not damage the building or any part thereof. Any roof penetration shall be sealed by Landlord's approved roofer and shall be performed only after Landlord has given consent, which consent shall in part be conditioned upon the Plans and Specifications, including materials acceptable to Landlord and roof top curbs to spread the weight of the equipment being installed in order to prevent damage to the roof. Tenant shall also be responsible for obtaining and paying for professional inspections of any structural work and/or mechanical work (including, without limitation, any roof work or concrete work) as required by Landlord.
- F. All of Tenant's Work to the Premises made by Tenant shall be in good and workmanlike manner and shall be in conformity with the applicable building code or other applicable governmental requirements of the city in which the Shopping Center was built.
- G. Upon completion of the Tenant's Work, Tenant shall furnish Landlord:
1. A Certificate of Occupancy (or an equivalent) issued by the municipality in which the Premises are located or other evidence satisfactory to Landlord that the improvements have been approved by such municipality;
  2. A notarized affidavit executed by Tenant or Tenant's authorized representative, stating that all work and materials performed or used in connection with the improvements to the Premises have been paid for by

- Tenant;
3. True and correct original unconditional final lien releases or waivers of lien from the general contractor and all subcontractors and suppliers;
  4. Evidence of all costs of construction of the improvements to the Premises; including invoices marked "paid";
  5. Tenant Certificate of Insurance as required by the Lease;
  6. Copy of recorded Notice of Completion;
  7. Copy of record drawings of Tenant's improvements; and
  8. List of Tenant's subcontractors.

Upon receipt and approval of all documentation set forth in Article III, Subparagraph G, completion of all improvements to Landlord's satisfaction, and Tenant's commencement of business in the Premises, Landlord shall reimburse Tenant within thirty (30) days after Landlord's approval of said documentation in an amount equal to the lesser of (i) \$6.00 per square foot of the Premises as stated in Section 1.1(g) of this Lease for Tenant's Work, or (ii) the actual cost of Tenant's Work paid by Tenant as evidenced by the documentation to be provided herein.

- H. Prior to commencing construction, Tenant shall furnish Landlord with Tenant's Contractor's insurance endorsements and certificates in accordance with the following insurance requirements:

1. Workers Compensation	Statutory Limits
2. Employers Liability	\$500,000 each accident \$1,000,000 general aggregate \$1,000,000 products/ completed operation aggregate
3. Comprehensive Form Auto Liability	\$100,000 each person \$300,000 per occurrence/bodily injury \$100,000 per occurrence/property
4. Commercial General Liability	\$1,000,000 each occurrence
Insuring against Bodily Injury, Property	\$2,000,000 general aggregate
Damage, Personal Injury, and Advertising Injury	\$1,000,000 products. Completed operation aggregate

Any general aggregate shall apply on a "per project" basis for contractors. Coverage is to be provided on an "occurrence" rather than a "claims made" basis.

5. Business Auto Liability	\$1,000,000 each accident
Coverage shall apply to "any auto"	
6. Umbrella Excess Liability	\$1,000,000 each occurrence \$1,000,000 aggregate

All contractors' or vendors' liability (except employers liability and errors and omissions) shall name Pacific Retail Trust, 8140 Walnut Hill Lane, Suite 400, Dallas, TX 75231, as Additional Insured and Certificate holder.

**EXHIBIT "D"**

**SIGN SPECIFICATIONS**

[See Attached.]

# **Hawthorne Plaza Village Signage Criteria**

January 28, 1998

Revised February 10, 1998

Revised February 13, 1998

Revised October 2, 1998

## **CONTENTS**

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## **I. INTRODUCTION**

*The intent of this sign criteria is to provide guidelines necessary to achieve a visually coordinated, balanced, and appealing signage environment at the project. Performance of this sign criteria shall be rigorously enforced, and any non-conforming signs shall be removed by tenant or its sign contractor at tenant's expense, upon demand by landlord. Exceptions to these standards shall be reviewed by landlord. Landlord will retain full rights of approval of any sign used in the center.*

## **II. GENERAL LANDLORD / TENANT REQUIREMENTS**

- A. Within thirty (30) days of lease execution, tenant shall submit to landlord five (5) copies (one in full color) of detailed shop drawings of the proposed sign indicating conformance with the sign criteria herein outlined. Send to:**

**Pacific Retail Trust  
Attention: John Hayes  
520 South Grand Avenue  
Suite 390  
Los Angeles, CA 90071  
213-624-6500  
213-624-2280 - fax**

- B. Tenant shall submit a sign drawing approved by landlord to the appropriate city authority for approval prior to the start of any sign construction or fabrication.
- C. Tenant shall pay for all signs, their installation (including final connection, transformers, and all other labor and materials,) and maintenance.
- D. Tenant shall obtain all necessary permits.
- E. Tenant shall be responsible for fulfillment of all requirements of this sign criteria.
- F. Tenant shall provide the wired connection from tenant's sign to landlord's house timer to terminate at tenant's electrical panel. Landlord shall have control over the timing of any building, pylon, or monument sign and its hours of illumination.
- G. It is the responsibility of tenant's sign company to verify all conduit and transformer locations and service prior to fabrication.
- H. The location of all signs shall be per the accompanying design criteria.
- I. Except as permitted herein, any illuminated sign or lighting device shall employ only lights emitting a light of constant intensity; and no sign shall be illuminated by or contain flashing, intermittent, rotating, or moving lighting or lights. In no event shall an illuminated sign or light device be so placed or so directed upon a public street, highway, sidewalk, or adjacent premises so as to cause glare or reflection that may constitute a traffic hazard or nuisance.
- J. All illuminated building wall and fascia signs shall be reverse-channel letters.
- K. Banners or theme flags are permitted, yet shall be subject to landlord, as well as the City of Hawthorne's, approval.
- L. Temporary window signage for special or seasonal sales shall be subject to landlord, as well as the City of Hawthorne's, approval, and shall be limited to a maximum of twenty-five percent (25%) of the window area per elevation. All such signs shall be professionally prepared. No window painting shall be permitted.
- M. Tenant shall verify its sign location and size with landlord prior to fabrication.
- N. Signs which vary from this sign criteria must first be approved by landlord and the respective city authority.
- O. Tenant is required to maintain its sign in a first-class condition and replace lamps, plex faces, etc., as necessary.

III. GENERAL SIGN SPECIFICATIONS

A. GENERAL SPECIFICATIONS

1. No exposed raceways, crossovers, conduits, conductors, transformers, etc. shall be permitted.
2. All lettering shall be restricted to the "maximum sign letter copy area." See attached design criteria for specific information.
3. All signs and their installation must comply with all local building and electrical codes and bear a U.L. label placed in an inconspicuous location. Electrical service to the sign shall be paid for by tenant.
4. Side returns of channel letters shall receive a minimum of two (2) coats of primer and one (1) coat of finish to match face color. Plastic sheet seam joints shall be by electric weld only. Sign colors shall be submitted to landlord for written review prior to fabrication.
5. The copy style, logo design, and colors shall be consistent with tenant's established identification program as it pertains to and is in conformance with the guidelines set forth by the City of Hawthorne and this criteria. Sign designs shall be submitted to landlord for written review prior to fabrication.
6. All internally lit signs to be reverse-channel type with 4500 white neon source. Reverse-channel letters to have service access to lamps, ballasts, and wiring.
7. All penetrations of the building structure required for sign installation shall be sealed in a watertight condition and shall be patched to match adjacent finish.
8. Upon removal of any sign, the building or wall surface shall be patched, textured, sealed, and painted in order to match its original condition.

B. BUILDING WALL AND FASCIA SIGNS

Building wall and fascia signs which identify the name and associated corporate logo of a business are permitted subject to the provisions below.

1. Maximum sign copy area shall be two (2) square feet per lineal foot of frontage. \*
2. Minimum sign copy area shall be a minimum of sixteen (16) square feet. In case of conflict, city requirements shall govern.
3. Maximum copy height shall be 24 inches unless permitted otherwise by Landlord. Major tenant sign height shall be per attached exhibit. \*

\* SUBJECT TO CITY APPROVAL, THESE MEASUREMENTS SHALL NOT INCLUDE THE DROPPED PORTION OF THE LETTER "Y" IN TENANT'S TRADE NAME!



4. **Maximum Sign Length:** The maximum sign length for building wall and fascia signs is seventy percent (70%) of the horizontal length of the building elevation or tenant space of the wall on which they are located.
5. **Number of Building Wall and Fascia Signs Permitted:**
  - a) **Major tenants (over 20,000 sf):** per attached exhibit.
  - b) **In-Line Tenants:** In-line tenants are permitted to have one building wall and fascia sign facing the public street and/or main parking lot or public entry. If the tenant space is located on an end cap position such that the tenant is at the end or corner of a building, the tenant may have one (1) additional building wall or fascia sign on one additional elevation facing the parking area or public street.
  - c) **Freestanding Tenants:** Freestanding pad tenants shall be allowed one (1) building wall sign per building frontage. Maximum sign copy area shall be proportioned to individual wall faces according to frontage.
6. **Except as specifically permitted herein, sign copy is limited to the display of the business name and corporate logo or trademark.**

**C. PEDESTRIAN BLADE SIGNS**

1. **Blade signs** are intended to provide standardized identification of tenants to pedestrians where the building is designed without a canopy. Blade signs shall be located on the pilaster or wall surface adjacent to the entrance storefront. (See attached elevation.) Area of signs shall be included as part of Maximum Sign Copy Area as specified in Section B-1.

**D. STORE IDENTIFICATION SIGNAGE**

1. For purposes of store identification, tenant will be permitted to place upon each entrance to its premises not more than four (4) square feet of white vinyl decal application lettering, not to exceed four (4) inches in height, indicating tenant's name, hours of business, emergency telephone, etc. Area of signs shall be included as part of Maximum Sign Copy Area as specified in Section B-1.

**E. MONUMENT SIGNS**

1. **Monument signs** will be allowed as defined per attached exhibit.

**VIII. PROHIBITED SIGNS**

- A. *Signs Constituting a Traffic Hazard: No person shall install or maintain, or cause to be installed or maintained, any sign which simulates or imitates in size, color, lettering, or design any traffic sign or signal, or any other symbols or characters, in such a manner to interfere with, mislead, or confuse traffic.*
- B. *Immoral or Unlawful Advertising: It shall be unlawful for any person to exhibit, post, display, or cause to be exhibited, posted or displayed, upon any sign, anything of an obscene, indecent, or immoral nature or unlawful activity.*
- C. *Signs on Doors and Windows: No sign shall be installed, relocated, or maintained so as to prevent free ingress to or egress from any door. No exterior sign shall be placed on the exterior premises except as permitted herein. No sign of any kind shall be attached to a stand pipe except those signs as required by code or ordinance.*
- D. *Animated, Audible, or Moving Signs: Signs which have any moving, swinging, rotating, flashing, or otherwise animated light are prohibited. Any signs emitting an audible sound are also prohibited.*
- E. *Off-Premises Signs: Any signs off-premises are subject to landlord's written approval. Any unauthorized off-premises sign may be removed without notice by landlord at tenant's expense.*
- F. *Vehicle Signs: Signs or parking lot fliers on or affixed to trucks, automobiles, trailers, or other vehicles which advertise, identify, or provide direction to a use or activity not related to its lawful making of deliveries of sales or merchandise, or rendering of services from such vehicles, is prohibited.*
- G. *Any sign located on the roof, projecting above the roof line of a building, or outside the sign board is prohibited.*
- H. *Freestanding signs, except as provided in this document, are prohibited.*

## HAWTHORNE PLAZA VILLAGE

### MONUMENT SIGN SCHEDULE

<u>Sign No.</u>	<u>Sign Type</u>	<u>Location</u>	<u>Tenant Signage</u>
1	A	Corner	Hawthorne Plaza Mall and Village
2	B	Hawthorne Bl.	Lucky Sav-on
3	B	El Segundo Bl.	Lucky Sav-on
4	C	Hawthorne Bl.	Cal Fed Taco Bell Tenant
5	C	El Segundo Bl.	Cal Fed Footlocker Video

# Hawthorne Plaza Village

Signage Allotment Calculation Per Hawthorne Plaza Sign Criteria Dated 1/28/98

## Freestanding Signage:

A.	Hawthorne Frontage	
1.	Center ID sign - 1/2 face @ 20 sf	= 10 sf
2.	Monument 2 - 2 faces @ 13.5 sf	= 27 sf
3.	Monument 4 - 2 faces @ 20 sf	= 40 sf
4.	Proposed pad 3 monument - 2 faces @ 10 sf	= 20 sf
	Total freestanding signs @ Hawthorne Frontage	= 97 sf
B.	El Segundo Frontage:	
1.	Center ID sign - 1/2 faces @ 20 sf	= 10 sf
2.	Monument 3 - 2 faces @ 13.5 sf	= 27 sf
3.	Monument 5 - 2 faces @ 20 sf	= 40 sf
4.	Proposed pad 4 monument - 2 faces @ 10 sf	= 20 sf
	Total freestanding signs @ El Segundo Frontage	= 97 sf

## Major Tenant Wall Signage:

A.	Hawthorne Frontage: Lucky Sav-on signage (Per criteria received from Leads on 1/26/98)	
	Sav-on	= 190 sf
	Lucky	= 96 sf
	1 Hour Photo	= 29 sf
	BA Bank of America	= 54 sf
	Deli / Bakery	= 32 sf
	Liquor	= 11 sf
	Pharmacy	= 16 sf
	Drive-Thru Pharmacy	= 56 sf
	Food Mart	= 17 sf
	Pharmacy	= 27 sf
	Rx Drive-Thru	= 38 sf
	Seafood	= 23 sf
	Actual proposed wall signage total:	= 589 sf
	Hawthorne frontage allowance: $\pm 304$ lf @ 2 sf/lf	= $\pm 608$ sf
B.	El Segundo frontage allowance: $\pm 100$ lf @ 2 sf/lf	= $\pm 200$ sf
C.	Birch frontage allowance: $\pm 304$ lf @ 2 sf/lf	= $\pm 608$ sf

**Retail Shop and Pad Building Wall Signage:**

Allowable signage per frontage:

Tenant Space*	Hawthorne Blvd. Frontage	El Segundo Blvd. Frontage	Birch St. Frontage
Pad 1*	160 lf	160 lf	-0-
Pad 2 A/B*	206 lf	206 lf	-0-
Pad 3 *	130 lf	130 lf	-0-
Pad 4	0 lf	99 lf	99 lf
Retail A/B	211 lf	100 lf	211 lf
Total lf	707 lf	695 lf	310 lf
Total Allowable @ 2 sf/lf	1414 sf	1390 sf	620 sf

\*Signage allotment for Pad Buildings assumes that north and west elevations front (ie are visible from) Hawthorne Blvd. and south and east elevations front El Segundo Blvd.

**Blade Signage:**

Maximum of 16 tenants @ 6 sf per sign = 96 sf

Assume split between frontages: Hawthorne Frontage = 48 sf  
El Segundo Frontage = 48 sf

**Store Identification Signage:**

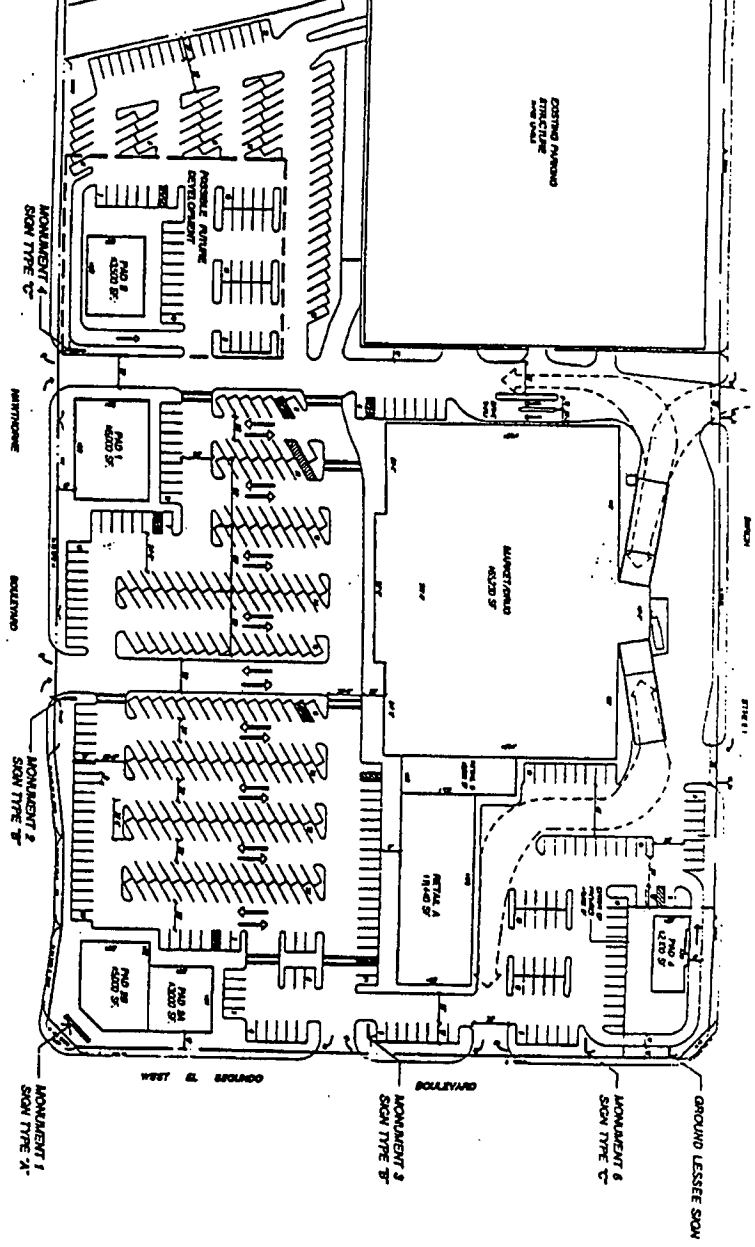
Maximum of 16 tenants @ 4 sf per sign = 64 sf

Assume split between frontages: Hawthorne Frontage = 32 sf  
El Segundo Frontage = 32 sf

**Total Sign Area Per Allotment**

Major Tenant	608 sf	200 sf	608 sf
Retail / Pads	1414 sf	1390 sf	620 sf
Blade Signage	48 sf	48 sf	
Store ID Signage	32 sf	32 sf	
Freestanding Signs	97 sf	97 sf	
Total Allotted Sign Area per Frontage Proposed:	2199 sf	1767 sf	1228 sf
Allowable Signage per City Ordinance @ 3 sf/lf of frontage:	2629 sf	1811 sf	1871 sf

SITE SUMMARY  
 SITE AREA 124 AC.  
 BUILDING AREA 487,750 SF  
 PARKING REQUIRED 5,000 SF  
 PARKING PROVIDED 5,000 SF  
 PARKING PROVIDED 5,000 SF  
 USE FUTURE 5,000 SF

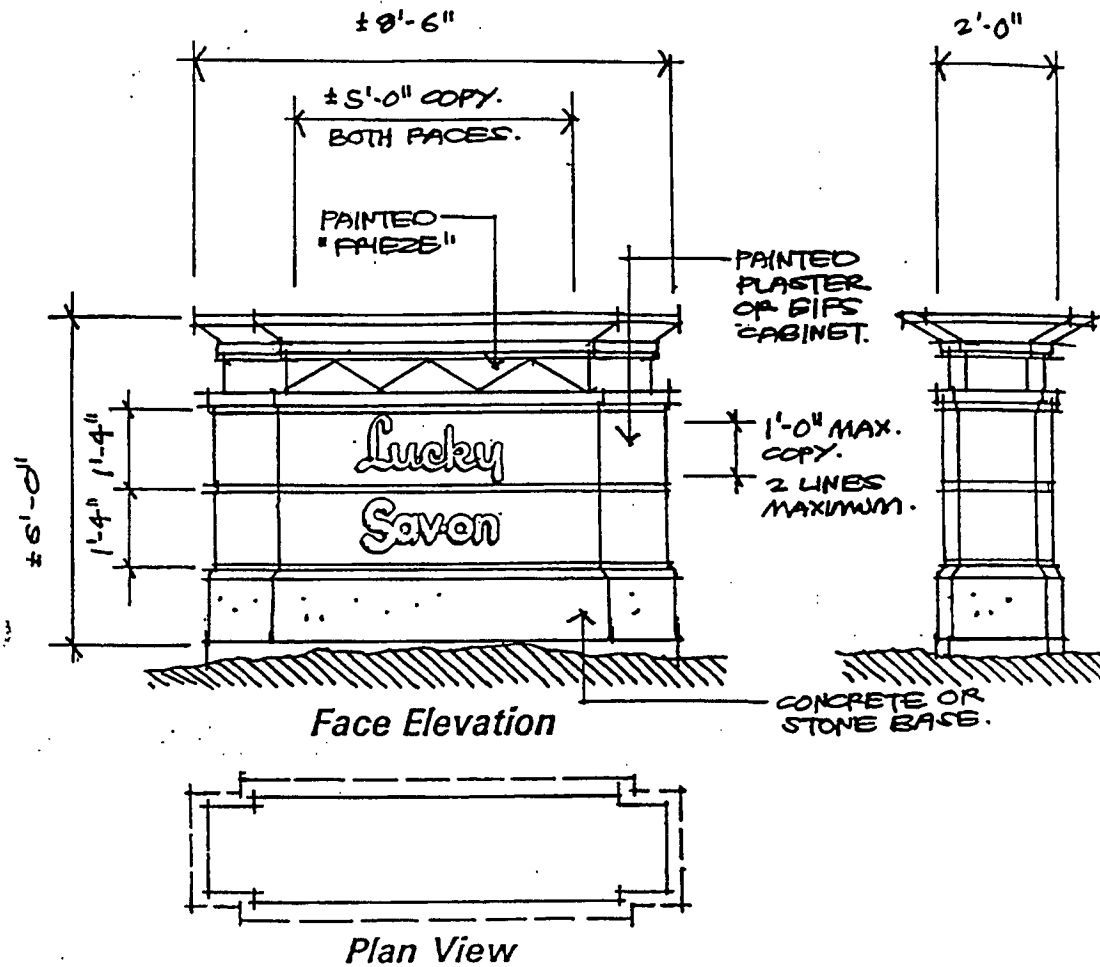


**SIGN LOCATION PLAN**

**HAWTHORNE PLAZA**  
 HAWTHORNE, CALIFORNIA  
 Prepared for  
 Pacific Retail Trust

BUILDING AND LAND OWNERS ARE  
 REQUESTING THAT THE SIGNAGE  
 BE REVIEWED AND APPROVED  
 BY THE CITY OF HAWTHORNE  
 BEFORE ANY CONSTRUCTION  
 BEGINS TO BE CONSIDERED  
 FOR REVIEW.

**McCallan-Hunter**  
 Architectural Consultant Design & Bldg  
 10000 Wilshire Blvd, Suite 1000  
 Los Angeles, CA 90024  
 Tel: 310-206-1000 Fax: 310-206-1001



**SIGN TYPE "B"**  
**FRONTAGE MONUMENT SIGN**  
 $3/8" = 1'-0"$  (2 TOTAL).

REV. 12/31/97.

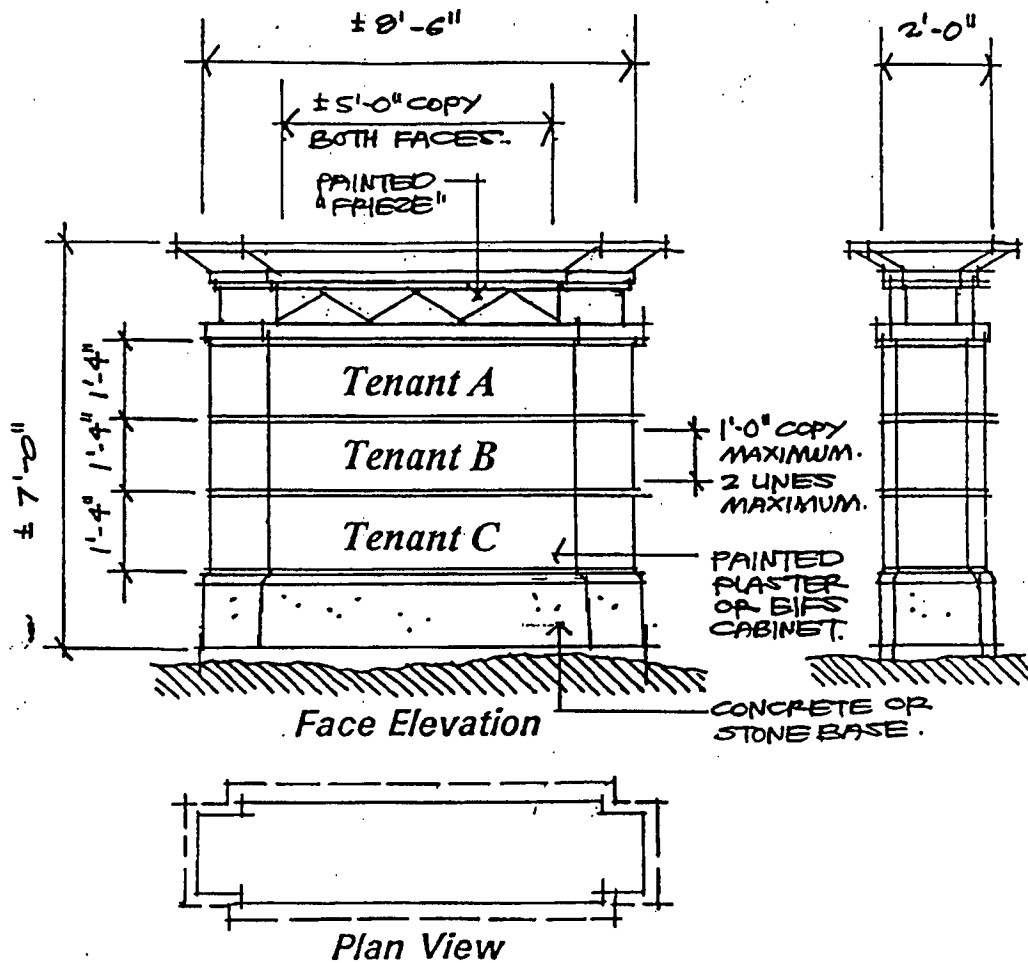
**Hawthorne Plaza Village**  
**Signage Program**

Prepared for:  
**Pacific Retail Trust**



**McClellanHunter**  
 Architecture Construction Design/Bu

120 West Bellevue Drive  
 Pasadena, California 91105 - 2504  
 (626) 397-2700 FAX (626) 793-9445

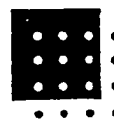


**SIGN TYPE "C"**  
**FRONTAGE MONUMENT SIGN**  
 3/8" = 1'-0" (2 TOTAL)

REV. 12/31/97

**Hawthorne Plaza Village  
 Signage Program**

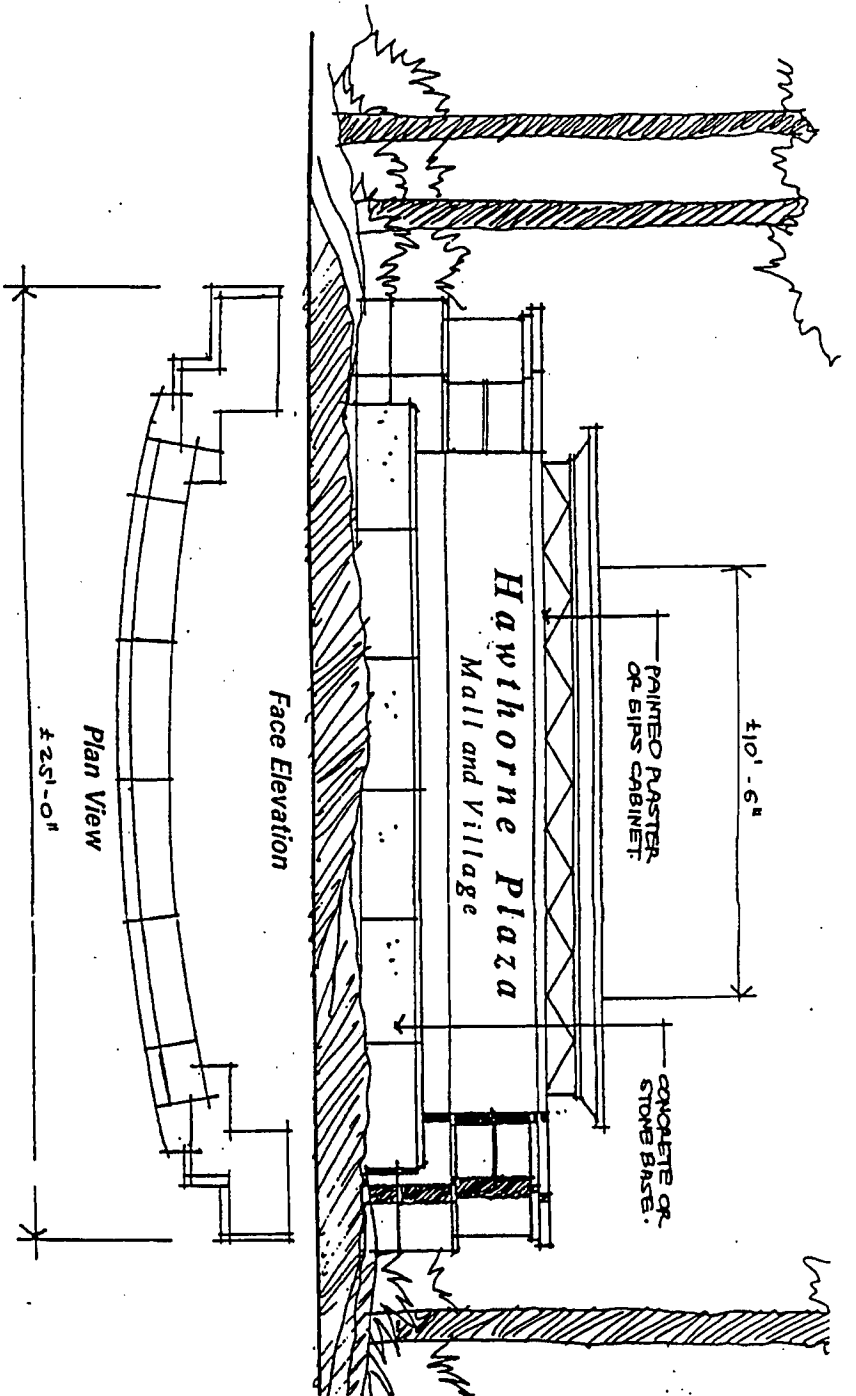
Prepared for:  
 Pacific Retail Trust



**McClellanHunter**  
 Architecture Construction Design/Build

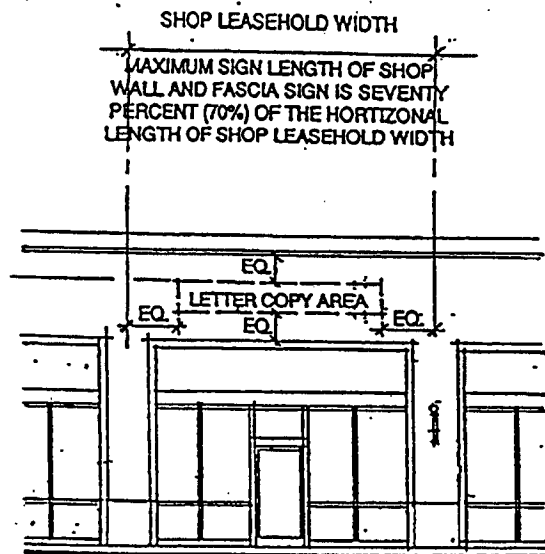
120 West Bellvue Drive  
 Pasadena, California 91105 - 2504  
 (626) 397-2700 FAX: (626) 793-9445





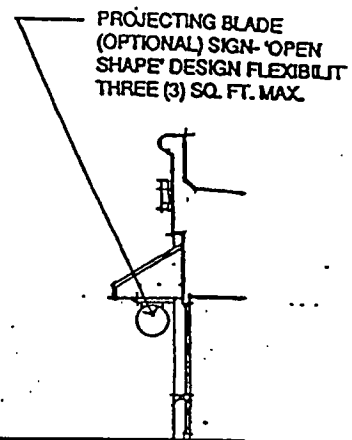
SIGN TYPE "A"  
CORNER IDENTIFICATION MONUMENT  
3/8" = 1'-0"

Hawthorne Plaza Village  
Signage Program  
Prepared for:  
Pacific Retail Trust



TYPICAL SHOP  
AWNING ELEVATION

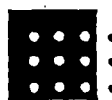
FOR HEIGHT DIMENSIONS- SEE  
TEXT PORTION OF CRITERIA



TYPICAL SHOP  
AWNING SECTION

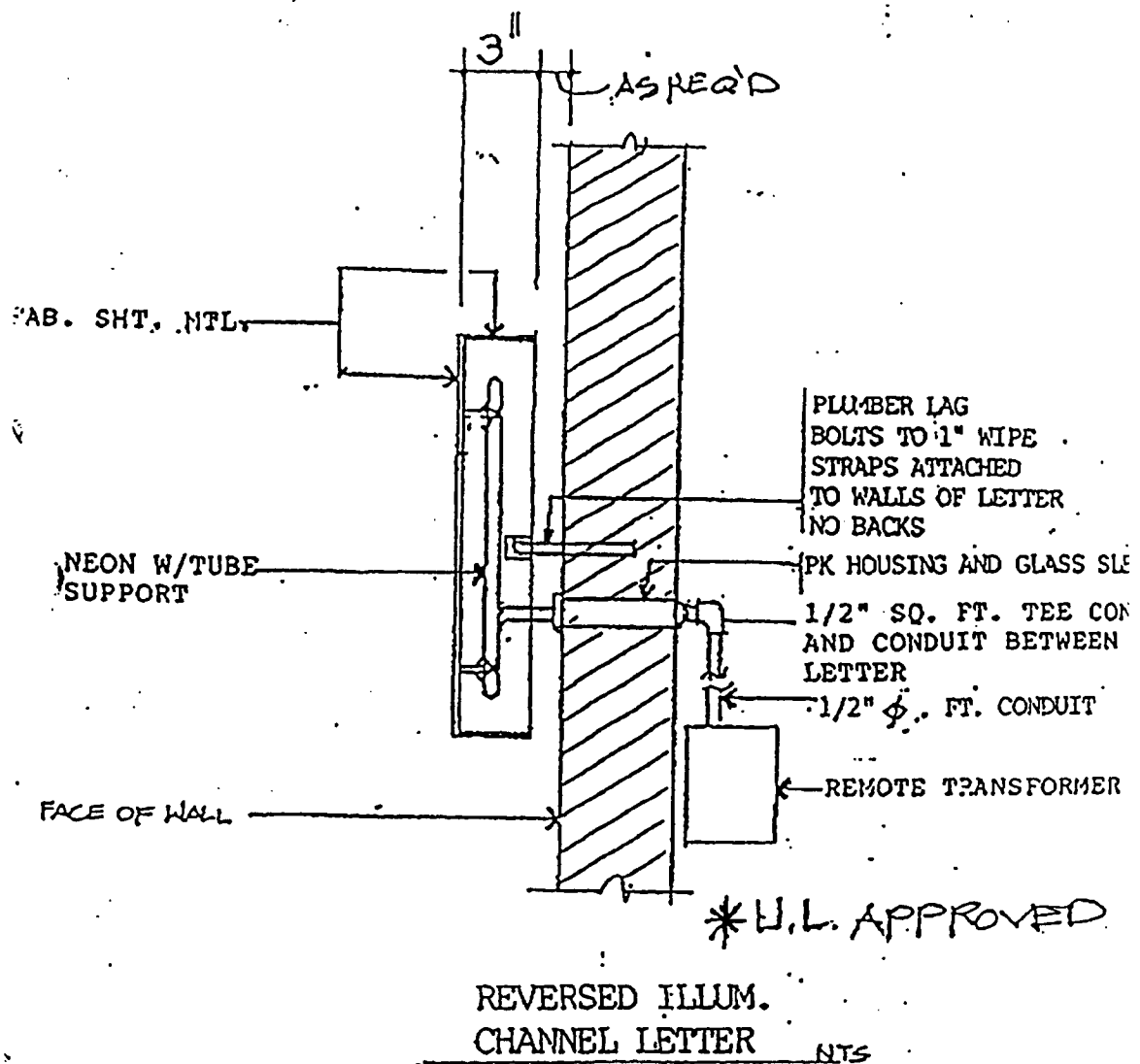
## Hawthorne Plaza Village Signage Program

Prepared for:  
Pacific Retail Trust



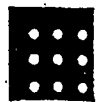
**McClellanHunter**  
Architecture Construction Design/Bi

100 West Belmont Drive  
Pasadena, California 91105 • 2504  
626/397-2700 FAX 626/793-9445



**Hawthorne Plaza Village  
Signage Program**

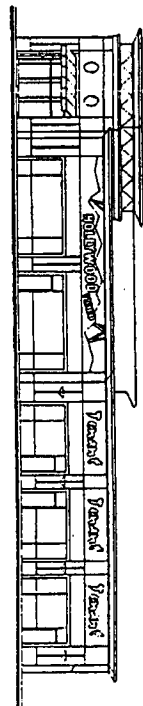
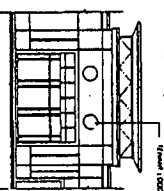
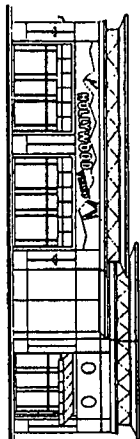
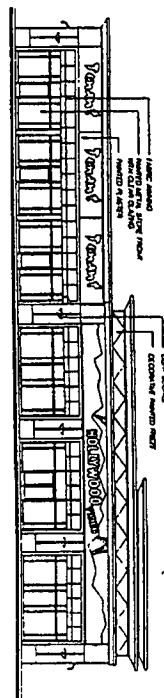
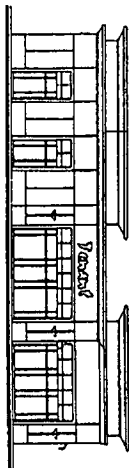
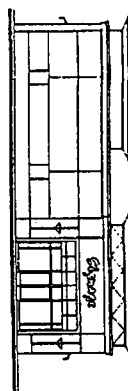
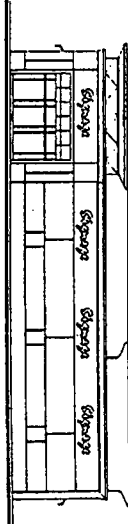
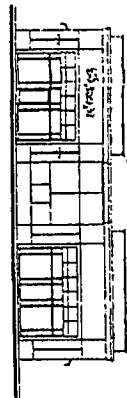
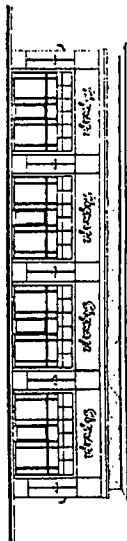
Prepared for:  
**Pacific Retail Trust**



**McClellanHunter**

Architecture Construction Design/Bui

120 West Bellevue Drive  
Pasadena, California 91105 • 2504  
(626) 397-2700 FAX: (626) 793-9445



**THIS DRAWING IS INTENDED TO SHOW GENERAL DESIGN INTENT ONLY. ADDITIONAL SIGNAGE MAY BE ALLOWED UNDER THE WRITTEN SIGNAGE CRITERIA**

**HAWTHORNE PLAZA**  
HAWTHORNE, CALIFORNIA

**HAWTHORNE, CALIFORNIA**

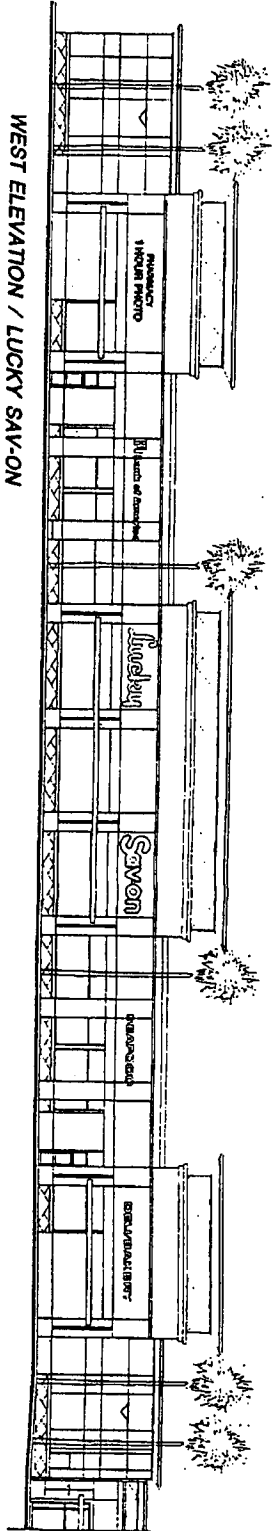
Prepared for  
Fitzwillk Retail Trust

97061644 06.27.94  
06.28.94

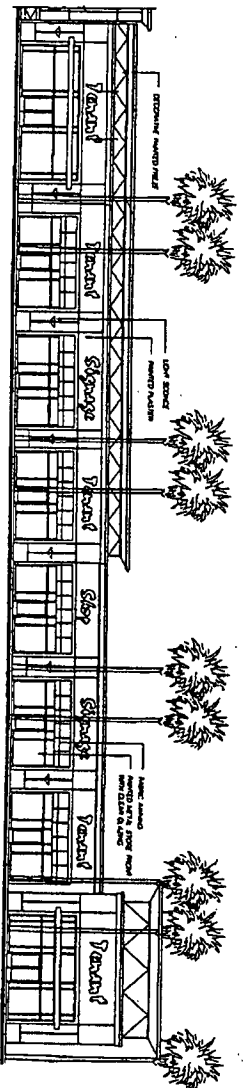
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BEATING AND ANTI-COMMUNISM  
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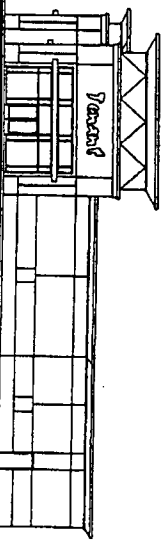
**McClellanHunter**  
Architectural & Engineering Construction  
27101 190th Avenue, Suite 100  
Farmingdale, NY 11735  
(516) 277-2000 FAX (516) 277-2005



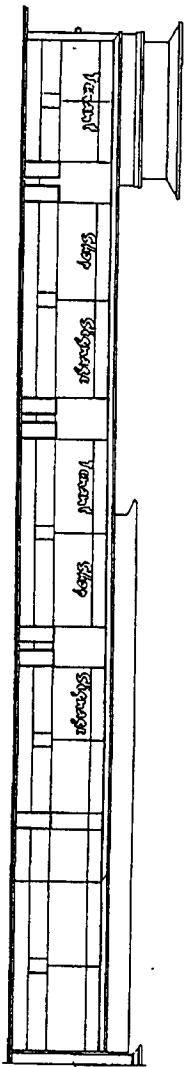
WEST ELEVATION / LUCKY SAV-ON



WEST ELEVATION / SHOPS



SOUTH ELEVATION / SHOPS



EAST ELEVATION / SHOPS

THIS DRAWING IS INTENDED TO SHOW GENERAL DESIGN INTENT ONLY. ADDITIONAL SIGNAGE MAY BE ALLOWED UNDER THE WRITTEN SIGNAGE CRITERIA.

0 1 1  
11 21  
9/20/2014 11/21/19  
14.06.39

**HAWTHORNE PLAZA**  
HAWTHORNE, CALIFORNIA  
Prepared for  
Parille Retail Trust

ALL THE ARTS AND LAND COMPANY ARE REQUIRED TO OBTAIN PERMITS AND SECURE ALL NECESSARY SIGNAGE AND PERMITS FOR ALL THE WORKS AND SITE CONDITIONS ARE SUBJECT TO VERIFICATION.



**McClallanHunter**  
ARCHITECTURE | INTERIOR DESIGN | CONSTRUCTION  
3000 Santa Monica Blvd, Suite 100  
Santa Monica, CA 90404  
310.310.1111

EXHIBIT "E"

RULES AND REGULATIONS

- (1) All loading and unloading of goods shall be done only at such times, in the areas, and through the entrances, designated for such purposes by Landlord.
- (2) The delivery or shipping of merchandise, supplies and fixtures to and from the leased premises shall be subject to such rules and regulations as in the judgment of Landlord are necessary for the proper operation of the leased premises or Shopping Center.
- (3) All garbage and refuse shall be kept in the kind of container specified by Landlord, and shall be placed outside of the premises prepared for collection in the manner and at the times and places specified by Landlord. If Landlord shall provide or designate a service for picking up refuse and garbage. Tenant shall use same at tenant's cost. tenant shall pay the cost of removal of any of Tenant's refuse or rubbish.
- (4) No radio or television or other similar devices shall be installed without first obtaining in each instance Landlord's consent in writing. No aerial shall be erected on the roof or exterior walls of the premises or on the grounds with out in each instance the written consent of Landlord. Any aerial so installed without such written consent shall be subject to removal without notice at any time.
- (5) No loud speakers, televisions, phonographs, radios or other devices shall be used in a manner so is to be heard or seen outside of the premises without the prior written consent of Landlord.
- (6) The outside areas immediately adjoining the premises shall be kept clean and free from dirt and rubbish by Tenant to the satisfaction of Landlord, and Tenant shall not place nor permit any obstructions or merchandise in such areas.
- (7) Tenant and Tenant's employees shall park their cars only in those portions of the parking area designated for that purpose by Landlord. Upon Landlord's request Tenant shall furnish Landlord with State automobile license numbers assigned to Tenant's car or cars, and cars of Tenant's employees within five (5) days after receipt of such request, and shall thereafter notify Landlord of any changes within five (5) days after such changes occur. In the event that Tenant or its employees fail to park their cars in designated parking areas as aforesaid, then Landlord at its option may charge tenant Twenty Dollars (\$20.00) per day, or any portion thereof per car parked in any other area than those designated as and for liquidated damages; provided, however, that Tenant shall incur such charge only after the third (3<sup>rd</sup>) such infraction. Tenant shall reimburse Landlord for the cost to Landlord in having any such car towed to a location designated by Landlord.
- (8) The plumbing facilities shall not be used for any other purpose than that for which they are constructed and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by tenant, who shall or whose employees, agents or invitees shall have caused it.
- (9) Tenant shall use at Tenant's cost such pest extermination contractor as Landlord may direct and at such intervals as Landlord may require unless Tenant is otherwise providing pest extermination which is reasonably acceptable to Landlord.
- (10) Tenant shall not burn any trash or garbage of any kind in or about the leased premises, the Shopping Center, or within one mile of the outside property lines of the Shopping Center.
- (11) No portion of the premises shall be used for lodging purposes.
- (12) Without the written consent of Landlord, no person shall use any of the common areas for:
  - (a) Vending, peddling, or soliciting orders for sale or distributing of any merchandise, device, service, periodical, book, pamphlet, or other matter;
  - (b) Exhibiting any sign, placard, banner, notice, or other written material;
  - (c) Distributing any circular, booklet, handbill, placard, or other material;
  - (d) Soliciting membership in any organization, group, or association, or soliciting contributions for any purpose;
  - (e) Parading, patrolling, picketing, demonstrating, or engaging in conduct that might interfere with the use of the common areas or be detrimental to any of the business establishments in the shopping center;
  - (f) Using the common areas for any purpose when none of the business establishments in the shopping center is open for business;
  - (g) Discarding any paper, glass or extraneous matter of any kind, except in designated receptacles;
  - (h) Using a sound-making device of any kind or making or permitting any noise that is annoying, unpleasant, or distasteful;
  - (i) Damaging any sign, light standard, or fixture, landscaping material, or other improvement or property within the shopping center.

EXHIBIT "F"

MARKET RENEWAL OPTION

If, at the end of the primary term of this Lease, or the first Option Period (as defined below), as the case may be, (i) Tenant is not in default of any of the terms, conditions or covenants of this Lease, beyond any applicable notice and cure periods, and (ii) Tenant has not assigned or sublet the Premises, then Tenant shall have the option(s) to extend the Lease Term for two (2) additional periods of five (5) years (such period hereinafter referred to as an "Option Period") upon the same terms and conditions contained in this Lease with the following exceptions:

- (a) effective as of the first (1<sup>st</sup>) anniversary of the commencement of each Option Period and on each successive two-year anniversary thereafter (each such date being an "Adjustment Date"), the Minimum Guaranteed Rental shall be adjusted to equal the sum of (i) the Minimum Guaranteed Rental in effect immediately prior to such Adjustment Date, plus (ii) the product obtained by multiplying such amount by the Percentage Increase (defined below) in the Consumer Price Index measured from the third month immediately preceding the commencement of the most recent Option Period to the third month immediately preceding the effective date of the increase (the "Percentage Increase"); provided, however that the Minimum Guaranteed Rental shall not increase by less than three percent (3%) nor by more than six percent (6%) of the Minimum Guaranteed Rental in effect immediately prior to any such adjustment on a cumulative and compounded basis. As used herein, the term "Consumer Price Index" shall mean the United States Department of Labor's Bureau of Labor Statistics' Consumer Price Index, All Urban Consumers, All Items, Los Angeles-Anaheim-Riverside (1982-84=100). If the format of the components of the Consumer Price Index is materially changed, Landlord shall substitute an index which is published by the Bureau of Labor Statistics, or similar agency, which is most nearly equivalent to the Consumer Price Index in effect for the third month immediately preceding the Commencement Date. Landlord shall notify Tenant of the substituted Consumer Price Index, which shall be used to calculate the subsequent increases in Minimum Guaranteed Rental.
- (b) there shall be no further extensions of the Lease Term following the expiration of the Option Periods unless granted by Landlord in writing; and;
- (c) Tenant will not be granted any rental concessions, rental abatement or finish-out allowances during any Option Period.

If Tenant desires to exercise its option to extend the Lease Term (subject to Tenant's compliance with the standards set forth herein), Tenant will notify Landlord in writing of Tenant's intention to do so no later than one hundred eighty (180) calendar days prior to the expiration date of the primary Lease Term. Landlord shall, within fifteen (15) business days after receipt of Tenant's written notice of intent to extend the Lease Term, notify Tenant in writing of the proposed Minimum Guaranteed Rental rate to be charged by Landlord during the Option Period. Landlord's determination of the proposed Minimum Guaranteed Rental rate shall be subject to the standards set forth herein. Tenant shall, within fifteen (15) business days following receipt of Landlord's written notice of the proposed Minimum Guaranteed Rental rate for the Option Period, notify Landlord in writing of Tenant's acceptance or rejection of the proposed Minimum Guaranteed Rental rate. If Tenant rejects Landlord's proposed rental rate, then the Lease will terminate at the end of the primary Lease Term. If Tenant accepts Landlord's determination of the proposed Minimum Guaranteed Rental rate, the parties shall immediately execute an amendment to this Lease setting forth the new Minimum Guaranteed Rental rate for the Option Period. After proper and timely exercise of the extension option by Tenant, all references in this Lease to "Lease Term" or "Term" shall be considered to mean the Lease Term as extended, and all references in this Lease to the expiration date or to the end of the Lease Term shall be considered to mean the termination or end of the Option Period.

**EXHIBIT "G"**  
**EXCLUSIVE USE RIGHTS**

Footlocker – The retail Sale of athletic and/or casual footwear.

Subway – The preparation and sale of submarine style sandwiches.

Radio Shack – The sale of DSS Satellite Dishes, Computer Hardware, and Wireless Communication Devices.

Hollywood Video –sale and rental of prerecorded video cassettes and technological evolutions of same.

Taco Bell – The sale of Mexican food excluding a full service sit down restaurant.

Starbuck's – The sale of whole or freshly ground coffee beans, espresso, espresso based coffee drinks, or gourmet brand identified brewed coffee.

Lucky/Sav-On: - See Attached

McDonald's – Hamburgers, or any other type of beef products served in sandwich form, ground meat or meat substitute, or a combination of ground meat and meat substitute, or any other type of meat product any of which are served in hamburger sandwich form.



presence, use, generation, storage, or Release of Hazardous Materials in, on, under, or above the Shopping Center Released as a result of the acts of Tenant; and (iii) any violation of the obligations of Tenant contained in this Article. Without limiting the foregoing, this indemnification shall include any and all costs incurred in connection with any investigations of the Shopping Center or any cleanup, removal, repair, remediation, detoxification or restoration and the preparation of any closure or other plans (including the Plan, defined later) required or permitted by any governmental authority, unless the Hazardous Materials are present as a result of the acts of Landlord, its tenants, agents, servants and employees.

**23.4 Landlord's Obligations.** In the event of a Release of Hazardous Materials in, on, under, or above the Shopping Center (whether or not originating from adjacent property), which is not caused by the acts of Tenant and its subtenants, concessionaires, licensees, agents, employees or invitees, Landlord shall promptly conduct a site assessment, take any immediate action required for containment of the Release, and prepare and implement a plan for the cleanup of the Release ("Plan"). Landlord's representations, warranties, indemnifications and obligations under this Article shall survive the expiration or termination of this Lease.

**23.5 Environmental Assessment.** It shall be a condition precedent to the commencement of the Preliminary Term, that Tenant shall have performed an environmental assessment of the Premises and the Shopping Center in accordance with Tenant's guidelines ("EA"), and Tenant has determined that the results of the EA are satisfactory to Tenant, which determination shall be made in Tenant's sole, subjective discretion. The EA shall be performed at Tenant's expense. Tenant agrees to exercise good faith and reasonable diligence to complete the EA in a timely manner. Tenant shall notify Landlord in writing that this condition has been satisfied, waived or remains unsatisfied within a reasonable time after Tenant's receipt of the EA. Failure to so notify Landlord shall be deemed a disapproval of such condition.

## **24. RESTRICTIVE COVENANTS.**

**24.1 Grocery/Drug Restrictions.** The types of uses permitted in the Shopping Center shall be of a retail and/or commercial nature found in first class shopping centers of a similar size in the metropolitan marketing area in which the Shopping Center is located. No premises (nor any part thereof) in the Shopping Center other than the Premises, shall be (i) used or occupied as a retail supermarket, drug store or combination thereof, nor (ii) used for the sale of any of the following: (1) fish or meat; (2) liquor or other alcoholic beverages in package form, including, but not limited to, beer, wine and ale; (3) produce; (4) baked goods; (5) floral items; (6) any combination of food items sufficient to be commonly known as a convenience food store or department; (7) INTENTIONALLY OMITTED; (8) photo processing; (9) health and beauty aids and vitamins; (10) INTENTIONALLY OMITTED; and (11) items requiring dispensation by or through a pharmacy or requiring dispensation by or through a registered or licensed pharmacist. No premises (nor any part thereof) in the Shopping Center shall be given the exclusive right to conduct financial services, (including, but not limited to, installation of automatic teller

machines) such that Tenant is precluded from conducting financial services on the Premises. Notwithstanding the foregoing to the contrary, if, subject to Force Majeure, Tenant fails to operate a pharmacy at the Premises for a period in excess of two hundred seventy (270) consecutive days, the restriction against a pharmacy contained in this Section 24.1 shall become void. No premises (nor any part thereof) in the Shopping Center shall be used as a Boston Market restaurant (or any future evolution of Boston Market whether under that trade name or a new trade name).

**24.2 General Restrictions.** In addition, none of the following uses shall be conducted in the Shopping Center: (a) offices (except as an incidental use to a permitted retail or commercial business); (b) funeral homes; (c) any production, manufacturing, industrial, or storage use of any kind or nature, except for storage and/or production of products incidental to the retail sale thereof from the Shopping Center; (d) entertainment or recreational facilities ("entertainment or recreational facilities" includes, but are not limited to, a bowling alley, skating rink, electronic or mechanical games arcade [except as an incidental use to a retail or commercial business, in which case such use shall be restricted to less than seven percent (7%) of the floor area occupied by such business], theater, billiard room or pool hall, health spa or studio or fitness center, massage parlor, discotheque, dance hall, banquet hall, night club, bar or tavern, "head shop", pornographic or "adult" store, racquetball court or gymnasium, or other place of public amusement); (e) training or educational facilities ("training or educational facilities" includes, but are not limited to, a beauty school, child care facility, barber college, library, reading room, church, school, place of instruction, or any other operation catering primarily to students or trainees rather than to customers); (f) restaurants (except on the Premises); (g) car washes, gasoline or service stations, or the displaying, repairing, renting, leasing, or sale of any motor vehicle, boat or trailer; (h) dry cleaner with on-premises cleaning; (i) any use which creates a nuisance or materially increases noise or the unreasonable emission of dust, odor, smoke, gases, or materially increases fire, explosion or radioactive hazards in the Shopping Center; (j) any business with drive-up or drive-through lanes; (k) second-hand or thrift stores, or flea markets; (l) INTENTIONALLY OMITTED; and (m) any use involving Hazardous Material, except as may be customary in first class neighborhood shopping centers in the metropolitan area where the Shopping Center is located.

**24.3 Exceptions to Restrictions.**

**24.3.1** Notwithstanding the restrictions contained in Section 24.1 and the restriction on restaurant use contained in Section 24.2 hereof, Landlord may lease to or allow the occupancy of the buildings located in the Shopping Center for the operation of a bagel shop, a doughnut shop, coffee shop or juice store or similar operation so long as such operation otherwise complies with the terms of this Agreement.

**24.3.2** Notwithstanding the restrictions contained in Section 24.1 and the restriction on restaurant use contained in Section 24.2 hereof, Landlord may lease to or allow the

occupancy of the buildings located in the Shopping Center for the operation of a single store for the sale of sandwiches similar to a "Subway" or Togo's" type of operation so long as such operation otherwise complies with the terms of this Agreement. Landlord may lease to or allow the occupancy of the buildings located in the Shopping Center for restaurant users up to a total of ten thousand two hundred (10,200) square feet of floor area; provided, (i) no single restaurant space shall be greater than three thousand five hundred (3,500) square feet of floor area, and (ii) no more than three thousand (3,000) square feet of restaurants are located in the Building Areas labeled "Retail A" and "Retail B" on the Site Plan.

24.3.3 Notwithstanding the restrictions contained in Section 24.1 regarding the sale of health and beauty aid, Landlord may lease to or allow the occupancy of the buildings located in the Shopping Center for the operation of a beauty salon which sells health and beauty aids as a part of its business; provided either (i) such salon has a minimum of two (2) styling chairs inside the premises, or (ii) such beauty salon is a national brand name chain beauty supply operator (i.e. Sally Beauty Supply).

24.3.4 Notwithstanding the restrictions contained in Section 24.1 regarding the sale of vitamins, Landlord may lease to or allow the occupancy of the buildings located in the Shopping Center for the operation of a national brand chain vitamin store (i.e. GNC) so long as such operation (i) does not exceed two thousand (2,000) square feet of ground floor area, and (ii) otherwise complies with the terms of this Agreement.

24.3.5 Notwithstanding the restrictions contained in Section 24.2, the Landlord may lease or allow the occupancy of up to five thousand five hundred (5,500) square feet of floor area for the purpose of operating service offices, such a medical, dental or travel agent offices; provided, no single service office space shall be greater than three thousand five hundred (3,500) square feet of floor area.

24.3.6 Notwithstanding the restriction against drive throughs contained in Section 24.2, drive throughs shall be allowed in those areas shown as "Drive Through Area" on the Site Plan.

24.4 **Building Restrictions.** No building constructed in the Shopping Center shall consist of more than one (1) story plus Mezzanine. "Mezzanine" means any floor area above the ground floor that does not extend over the entire ground floor and which is used in connection with the primary commercial use of the building but is not used as a sales area or generally open to the public. No Mezzanine or basement of any building in the Shopping Center shall be used as an area for sales or display or open to the public generally. The building heights of all buildings or other structures constructed or located in the Shopping Center (except the Building) shall be consistent with the approved elevations set forth in Exhibit G attached hereto. The height of any building in the Shopping Center shall be measured perpendicular from the finish floor to

**EXHIBIT 4**

## FIRST AMENDMENT TO LEASE

This First Amendment to Lease ("Amendment") is made and entered into this 31<sup>st</sup> day of January 2005 by and between La Caranda Limited Partnership, a California limited partnership, successors to Regency Centers, L.P., a Delaware limited partnership ("Landlord") and Large Apparel of California, Inc., a California corporation dba Ashley Stewart ("Tenant"), with respect to that certain Lease Agreement dated March 29, 1999.

Whereas, Tenant desires to lease the same space through January 31, 2010. If the contents of this Amendment are inconsistent with the terms and conditions of the Lease, or any Addendum thereto the Terms and conditions of this Amendment shall control:

Section 2.01: Term. The initial Term of the Lease will expire January 31, 2005. The Lease is hereby Amended to provide for an Extension of Term of the Lease for a period of five (five) years, commencing February 1, 2005 and expiring on January 31, 2010, ("Extended Term"), unless sooner terminated in accordance with the provision of the Lease.

Section 3.02: Rent. Effective February 1, 2005 through January 31, 2006 the Monthly Minimum Rent shall be in the amount of \$5,472.74 per month with a annual fixed three (3%) percent increase effective February 1, 2006 annually through the end of the term.

Section 7: Additional Tenant to be responsible for an approximate monthly amount of One Thousand Fifty One and No/100 (\$1,051.00) Dollars for Common Area Maintenance to be applied to pro-rata expense responsibility as required in the Lease

Section: Options. Tenant to have one (1) five (5) year renewal option at a rate to be determined based on the then current market rate at a minimum of four (4%) percent annual increase rate.

Confidentiality. Tenant acknowledges and agrees that the terms of this Amendment are confidential. Tenant represents and warrants that Tenant shall not disclose or discuss the content of this Amendment with any past, present and/or prospective tenant of the Shopping center without Landlord's prior written consent, which may be withheld in Landlord's sole and absolute discretion.

No Other Changes. All other terms, covenants and conditions of the Lease, any amendment or addendum shall remain in full force and effect. Tenant acknowledges and agrees that the terms of this Amendment are the result of the negotiation between Landlord and Tenant.

Counterpart. This Amendment may be executed in counterpart which, when taken together, shall constitute one (1) Amendment.


The content of this Agreement sets forth the entire Agreement between Landlord and Tenant and supersedes any prior negotiations, discussions, or representations by Landlord and Tenant. Additionally, all terms and conditions with respect to the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have entered into this Amendment as of the date set forth above.

'LANDLORD'  
La Caranda Limited Partnership,  
a California limited partnership

'TENANT'  
Large Apparel of California, Inc.,  
a California corporation dba  
Ashley Stewart

By:  2-28-04  
Hernan R. Barros Date

By:   
Name & Title Date  
Ethan Shapiro  
President/CEO 12/23/04

**EXHIBIT 5**

## SECOND AMENDMENT TO LEASE

This Second Amendment to Lease ("Amendment") is made this 20th day of June, 2009, by and between La Caranda Limited Partnership, ("Landlord") and Large Apparel of California, Inc., a California corporation doing business as Ashley Stewart ("Tenant").

### RECITALS

Whereas, Landlord's predecessor-in-interest and Tenant entered into that certain Lease dated March 29, 1999 as amended by a First Amendment dated January 31, 2005, collectively (the "Lease"), whereby Landlord leased to Tenant and Tenant leased from Landlord, the premises located at 12540 Hawthorne Boulevard, Hawthorne, CA 90250 ("Leased Premises") as more particularly described in the Lease.

The Lease shall expire on January 31, 2010 with Tenant having one remaining option to extend the lease for five (5) years.

Whereby in exchange for Landlord's agreement to renegotiate the rent scheduled under the Lease, Tenant has agreed to exercise its option under the Lease and extend the term as of the date hereof.

**NOW, THEREFORE**, incorporating the foregoing recitals of fact, Landlord and Tenant agree as follows:

**EXTENSION OF LEASE TERM:** The Lease Term shall be extended for sixty (60) additional months commencing on February 1, 2010 and expiring on January 31, 2015. Landlord further grants Tenant one additional five (5) year option which may be exercised by providing Landlord with at least 180 days prior written notice. Said notice shall be due on or before August 1, 2014.

**MINIMUM RENT:** Minimum Monthly Rent shall remain at \$5,980.21 until February 1, 2011 at which time Minimum Monthly Rent shall be increased by three percent (3%) subject to three percent (3%) increases on each February 1st thereafter throughout the initial term. Minimum Rent during the option term if exercised, shall be determined by Fair Market Value.

All other terms of the Lease shall remain in full force and effect.

### ACCEPTED BY LANDLORD:

La Caranda Limited Partnership

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

Hernan R. Barros

Its: \_\_\_\_\_

General Partner

Date: 8-19-09

### ACCEPTED BY TENANT

Large Apparel of California, Inc. a California corporation

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

LAURA WEIL CEO

Name and Title

Date: 8/18/09

# WOJKOWSKI & McNULTY, LLP

ATTORNEYS AT LAW

ATTORNEYS

JAMES WOJKOWSKI  
DENNIS P. McNULTY

PARALEGAL

SUSAN BRAY

2151 E. GONZALES ROAD, SUITE 250  
OXNARD, CALIFORNIA 93036-3757  
TELEPHONE (805) 604-7444  
FACSIMILE (805) 604-7744

LEGAL ADMINISTRATOR

JILL McCARTHY

E-MAIL

jill@w2law.com

U.S. BANKRUPTCY COURT  
DISTRICT OF DELAWARE

JAN 24 AM 9:53

January 21, 2011

Clerk of Court  
United States Bankruptcy Court  
District of Delaware  
824 North Market Street  
Third Floor  
Wilmington, DE 19801

VIA FEDERAL EXPRESS

Re: In Re: Urban Brands, Inc.  
Chapter 11 – BK Case No. 10-13005 (KJC)

Dear Clerk:

Please find enclosed our *original* Proof of Claim plus two copies to file in the above-referenced U.S. Bankruptcy matter. Please return the face page (also enclosed) conformed in the enclosed self-addressed, stamped envelope.

Please contact me if you have any questions or need additional information. Thank you in advance for your anticipated cooperation.

Very truly yours,

WOJKOWSKI & McNULTY, LLP

JILL McCARTHY

Secretary to DENNIS P. McNULTY

/jmm

Enclosures

cc: La Caranda Limited Partnership