

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.

Urban Brands



00837

B. M. C.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district where the bankruptcy case was filed (for example, District of Delaware), the bankruptcy debtor's name, and the bankruptcy case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is located at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if the trustee or another party in interest files an objection to your claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Secured Claim.

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. §§ 507(a).

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Amount of Claim that qualifies as an Administrative Expense under 11 U.S.C. § 503(b)(9)

State the value of any goods received by the debtor within 20 days before the date of commencement in which the goods have been sold to the debtor in the ordinary course of the debtor's business.

7. Credits:

An authorized signature on this proof of claim serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

8. Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). If the claim is based on the delivery of health care goods or services, see instruction 2. Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS

Debtor

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is the person, corporation, or other entity owed a debt by the debtor on the date of the bankruptcy filing. See 11 U.S.C. § 101(10).

Claim

A claim is the creditor's right to receive payment on a debt that was owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. § 101(5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim form is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

Secured Claim Under 11 U.S.C. § 506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. §§ 507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION

Acknowledgement of Filing a Claim

To receive acknowledgment of your filing, please enclose a stamped self-addressed envelope and a copy of this proof of claim. You may view a list of filed claims in this case by visiting the Claims and Noticing Agent's website at <http://www.bmcgroup.com/UrbanBrands>

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(c), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.), and any applicable orders of the bankruptcy court.

PLEASE SEND COMPLETED PROOFS OF CLAIM TO:

Via Regular U.S. Mail Via Overnight Courier

BMC Group, Inc.	BMC Group, Inc.
Attn: Urban Brands	Attn: Urban Brands
Claims Processing	Claims Processing
P.O. Box 3020	18750 Lake Drive East
Chanhassen, MN 55317	Chanhassen, MN 55317

Large Apparel

	Sep-10	Daily rate	Days	
		30	10	
Rent	\$ 5,112.00	\$ 170.40	\$ 1,704.00	
CAM	\$ 1,203.88	\$ 40.13	\$ 401.29	
Insurance	\$ 271.05	\$ 9.04	\$ 90.35	
Taxes	\$ 427.12	\$ 14.24	\$ 142.37	
Total	\$ 7,014.05	\$ 233.80	\$ 2,338.02	

	Sep-10	Daily rate	Days	
		30	10	
Rent	\$ 600.00	\$ 20.00	\$ 200.00	
CAM	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Taxes	\$ -	\$ -	\$ -	
Total	\$ 600.00	\$ 20.00	\$ 200.00	

Total due for the period of Sept 21 - 30 is:

\$ 2,538.02

Commercial Tenant A/R Status
5091 - Fair Oaks Renaissance Plaza
September-2010 through September-2010

Description	Date	Beginning Balance	Current Charges	Amounts Collected	Ending Balance	Payment Date - Check #
#643A - Large Apparel of CA, Inc. - (P) - t0013083						
E/P Common Area Maint (12/2009)	12/01/2009	1,203.88	0.00	0.00	1,203.88	
Basic Rent - Retail (12/2009)	12/01/2009	5,112.00	0.00	0.00	5,112.00	
E/P Common Area Maint (01/2010)	01/01/2010	1,203.88	0.00	0.00	1,203.88	
E/P - Insurance (01/2010)	01/01/2010	271.05	0.00	0.00	271.05	
E/P - Real Estate Taxes (01/2010)	01/01/2010	427.12	0.00	0.00	427.12	
Basic Rent - Retail (01/2010)	01/01/2010	5,112.00	0.00	0.00	5,112.00	
E/P Common Area Maint (02/2010)	02/01/2010	1,203.88	0.00	0.00	1,203.88	
E/P - Insurance (02/2010)	02/01/2010	271.05	0.00	0.00	271.05	
E/P - Real Estate Taxes (02/2010)	02/01/2010	427.12	0.00	0.00	427.12	
Basic Rent - Retail (02/2010)	02/01/2010	5,112.00	0.00	0.00	5,112.00	
E/P Common Area Maint (08/2010)	08/01/2010	1,203.88	0.00	0.00	1,203.88	
E/P - Insurance (08/2010)	08/01/2010	271.05	0.00	0.00	271.05	
E/P - Real Estate Taxes (08/2010)	08/01/2010	427.12	0.00	0.00	427.12	
Basic Rent - Retail (08/2010)	08/01/2010	5,112.00	0.00	0.00	5,112.00	
E/P Common Area Maint (09/2010)	09/01/2010	0.00	1,203.88	0.00	1,203.88	
E/P - Insurance (09/2010)	09/01/2010	0.00	271.05	0.00	271.05	
E/P - Real Estate Taxes (09/2010)	09/01/2010	0.00	427.12	0.00	427.12	
Basic Rent - Retail (09/2010)	09/01/2010	0.00	5,112.00	0.00	5,112.00	
Total #643A - Large Apparel of CA, Inc. - (P) - t0013083		27,358.03	7,014.05	0.00	34,372.08	
Grand Total					0.00	34,372.08

Commercial Tenant A/R Status
5091 - Fair Oaks Renaissance Plaza
September-2010 through September-2010

Description	At Risk Date	Beginning Balance	Current Charges	Amounts Collected	Ending Balance	Payment Date	Check #
#643B - Large Apparel of CA, Inc. - (P) - 10013084							
Basic Rent - Retail (12/2009)	12/01/2009	600.00	0.00	0.00	600.00		
Basic Rent - Retail (01/2010)	01/01/2010	600.00	0.00	0.00	600.00		
Basic Rent - Retail (02/2010)	02/01/2010	600.00	0.00	0.00	600.00		
Basic Rent - Retail (08/2010)	08/01/2010	600.00	0.00	0.00	600.00		
Basic Rent - Retail (09/2010)	09/01/2010	0.00	600.00	0.00	600.00		
Total #643B - Large Apparel of CA, Inc. - (P) - 10013084		2,400.00	600.00	0.00	3,000.00		

Grand Total

2,400.00	600.00	0.00	3,000.00
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1 **PROOF OF SERVICE**

2 I, the undersigned, am employed in the County of Los Angeles, State of California. I am over the
3 age of eighteen and not a party to the within action. My business address is 800 West Sixth Street, Suite
320, Los Angeles, California 90017-2706.

4 On November 2, 2011, I served the foregoing **PROOF OF CLAIM** on the interested parties
5 in this action as follows:

6 Clerk of the Bankruptcy Court
824 North Market Street, 3rd Floor
7 Wilmington, Delaware 19801

8 ☒ **(BY UNITED STATES MAIL)** I placed ☐ the original ☒ a true copy of the above described
9 document(s) in sealed envelope(s) and I deposited such envelope(s) to be mailed at Los Angeles,
California. The envelope was mailed with postage thereon fully prepaid.

10 *I am "readily familiar" with the firm's practice of collection and processing correspondence for*
11 *mailing. Under that practice it would be deposited with the United States Postal Service on the same day*
12 *with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am*
13 *aware that on motion of the party served, service is presumed invalid if postal cancellation date or*
14 *postage meter date is more than one (1) day after date of deposit for mailing in affidavit.*

15 ☐ **(BY OVERNIGHT MAIL)** I placed ☐ the original ☐ a true copy of the above-described document(s)
16 in sealed envelope(s) and I deposited such envelope(s) to be mailed at Los Angeles, California. The
17 envelope was mailed with postage thereon fully prepaid.

18 *I am "readily familiar" with the firm's practice of collection and processing correspondence for*
19 *mailing. Under that practice it would be deposited with Federal Express or Overnight Express on the*
20 *same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of*
21 *business. I am aware that on motion of the party served, service is presumed invalid if postal*
22 *cancellation date or postage meter date is more than one (1) day after date of deposit for mailing in*
23 *affidavit.*

24 ☐ **(BY FACSIMILE)** From fax no. (213) 689-0881 to the fax numbers listed on the service list. The
25 facsimile machine I used complied with Rule 2003(3) and no error was reported by the machine. Pursuant
26 to Rule 2008(e), I caused the machine to print a transmission report which confirms the document was
27 transmitted and a copy is attached hereto.

28 I declare under penalty of perjury under the laws of the State of California that the above is true
and correct.

Executed on this Wednesday, November 02, 2011, at Los Angeles, California.



Felix Huerta

FAIR OAKS RENAISSANCE PLAZA

SHOPPING CENTER LEASE

CENTER:	Fair Oaks Renaissance Plaza, Pasadena, California
LANDLORD:	Pasadena Commercial Development Company
TENANT:	Large Apparel of California, Inc. dba Ashley Stewart Woman Sizes 14-26
DATED:	December 1, 1998

FAIR OAKS RENAISSANCE PLAZA
SHOPPING CENTER LEASE

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FAIR OAKS RENAISSANCE PLAZA

SHOPPING CENTER LEASE

THIS LEASE is made as of the 1st day of December, 1998, by and between PASADENA COMMERCIAL DEVELOPMENT COMPANY, a California general partnership ("Landlord"), and LARGE APPAREL OF CALIFORNIA, INC., a California corporation ("Tenant").

Landlord, in consideration of the rent to be paid and the covenants to be performed by Tenant, does hereby, subject to the provisions of Article 1 hereof, demise and lease to Tenant, and Tenant hereby rents and hires from Landlord, in the shopping center development commonly known as the "Fair Oaks Renaissance Plaza" (the "Shopping Center"), a site plan of which retail development is shown on Exhibit A attached hereto and made a part hereof, those certain premises (the "leased premises") located approximately as shown by the cross-hatching on Exhibit A attached hereto and made a part hereof. The legal description of the Shopping Center in which the leased premises are located is attached hereto as Exhibit B and made a part hereof. The leased premises are described as follows:

Store No. 110, being approximately 3,104 square feet of Floor Area, and having a storefront width of approximately 31'6" linear feet.

DATA SHEET

The following references furnish data to be incorporated in the specified Sections of the Lease and shall be construed to incorporate all of the terms of the entire Section as stated in the Lease:

(1) Section 1.01: Outside Commencement Date of Term: The day Landlord delivers possession of the leased premises to Tenant. Base rent and CAM charges commence ninety (90) days after delivery of space to Tenant by Landlord, or upon Tenant's opening of business, whichever occurs first.

(2) Section 1.01: Expiration Date of Term: January 31, 2005. Tenant has two (2) five (5) year options to extend this Lease.

(3) Section 2.01: Minimum Annual Rental: Fifty-four Thousand and 00/100 Dollars (\$54,000.00), payable in equal consecutive monthly installments of Four Thousand Five Hundred and 00/100 Dollars (\$4,500.00). In the event that Tenant exercises its option(s) to extend the term of the Lease, then fixed minimum annual rental shall increase every five (5) years to an amount equal to 112% of the fixed minimum annual rental in effect immediately prior to such increase.

(4) Sections 2.01 and 2.02: Name and Address for Rental Payments:

Payable To: Fair Oaks Renaissance Plaza
c/o Commercial Development Company
5100 Goldleaf Circle; Suite 245
Los Angeles, California 90056

(5) Section 2.02.01 Percentage Rental: Five percent (5%) of Gross Sales for each whole or partial calendar year of the term hereof (the "Percentage Rent Period") in excess of a dollar amount equal to (a) the Minimum Annual Rental payable in such calendar year divided by (b) the foregoing percentage rate (the "Breakpoint").

(6) Sections 2.04 and 8.03: Tenant's Proportionate Share - Non-Building Common Area Expenses: The ratio from time to time of the number of square feet of Floor Area of the leased premises to the total number of square feet of constructed, gross leaseable Floor Area of all buildings in the Shopping Center. The current estimated percentage is 21.45%, subject to adjustment (*based on 14,469 s.f.*).

(7) Sections 2.04 and 8.03: Tenant's Proportionate Share - Building Common Area Expenses: The ratio from time to time of the number of square feet of Floor Area of the leased premises to the total number of square feet of constructed, gross leaseable Floor Area of all buildings in the Shopping Center.

items incidental to its primary business as set forth in Section II-1 of the attached Rider to Lease. No beauty supplies may be sold at the Premises, except as an incidental use.

(10) Section 7.03: Radius: N/A miles from any boundary of the Shopping Center.

(11) Section 17.01: Trade Name: Ashley Stewart Woman Sizes 14-26, or
The Essence of Body & Soul, 100% Girls, Kidspot,
Marianne, or Rainbow.

(12) Section 17.02: Initial Promotional Charge (Merchants Association): Twenty-five Dollars (\$25.00) per month.

(13) Section 25.07: Addresses for Notices:

If to Landlord: 5100 Goldleaf Circle; Suite 245
Los Angeles, California 90056
Attention: Property Manager

If to Tenant:
Prior to Occupancy: Ashley Stewart
Attn: Jeffrey Klein, Esq.
100 Metro Way
Secaucus, NJ 07094

After Occupancy: Ashley Stewart
Attn: Jeffrey Klein, Esq.
100 Metro Way
Secaucus, NJ 07094

(14) Section 25.08: Brokers:

For Landlord: CB Commercial.

For Tenant: CB Commercial.

(15) Riders: Option to Extend; Rider to Lease - consisting of ten pages

(16) Guarantor(s): Ashley Stewart, Ltd.

ARTICLE 1

TERM OF LEASE; PREMISES DEMISED

Section 1.01 COMMENCEMENT AND ENDING DATE OF TERM. The term of this Lease shall commence upon execution of this Lease. The obligation of Tenant to pay minimum annual rental, percentage rent, and additional rent and charges shall commence on the earlier to occur of (a) the Outside Commencement Date specified in item (1) of the Data Sheet, if so specified, or (b) the date on which Tenant opens its store in the leased premises for business to the public (the "Commencement Date"), and shall end on the expiration date set forth in item (2) of the Data Sheet, unless sooner terminated as hereinafter provided. For the purpose of this Lease, "lease year" shall have the meaning contained in Section I-4 of the attached Rider to Lease.

Section 1.02 LATE OPENING. Tenant's failure to open its store for business by the Outside Commencement Date for any reason other than a force majeure delay or a delay caused by Landlord shall constitute a material default by Tenant, in which case Landlord shall have all remedies available under this Lease or at law.

Section 1.03 PREMISES DEMISED.

1.03.01 The exterior walls, the floor above, the roof and the area beneath the leased premises are not demised hereunder and Landlord hereby reserves the use thereof, together with the right to locate, both vertically

ARTICLE 2

RENTAL AND SECURITY DEPOSIT

Section 2.01 MINIMUM RENTAL.

2.01.01 The fixed minimum annual rental during the term of this Lease shall be the sum set forth in item (3) of the Data Sheet, with increases as provided in item (3) of the Data Sheet or in any rider attached to this Lease, which sum shall be payable in currency of the United States by Tenant in equal consecutive monthly installments in the sum set forth in item (3) of the Data Sheet, on or before the first day of each month during the term, in advance, payable to the party and at the address set forth in item (4) of the Data Sheet or such other place as Landlord may designate, without any prior demand therefor and without any deduction or offset whatsoever.

2.01.02 Should the term of this Lease commence on a day other than the first day of a calendar month, then the rental for such month shall be 1/360th of the annual rental multiplied by the number of days remaining in the month. Should any lease year contain more or less than 12 calendar months, said annual rental shall be prorated.

Section 2.02 PERCENTAGE RENTAL.

2.02.01 In addition to the payment of the fixed minimum annual rental, as hereinbefore provided, Tenant shall pay to Landlord for each Percentage Rent Period (as set forth in item (5) of the Data Sheet), during the term hereof as percentage rental, a sum equal to the percentage of all Gross Sales set forth in item (5) of the Data Sheet resulting from business conducted in, on or from the leased premises during such Percentage Rent Period, in excess of the amount set forth as the Breakpoint in item (5) of the Data Sheet. The percentage rental shall be payable within 15 days after the expiration of each Percentage Rent Period, to the same party and address as described in Section 2.01.01 above, without any prior demand therefor and without any deduction or offset whatsoever.

2.02.02 The obligation to pay percentage rental for the last Percentage Rent Period or portion thereof of the term of this Lease shall survive the expiration or earlier termination of this Lease.

Section 2.03 GROSS SALES. The term "Gross Sales" as used herein shall be construed to include the entire amount of the actual sales price, whether for cash or otherwise, of all sales of merchandise or services and other receipts whatsoever of all business conducted in or from the leased premises, by Tenant, all concessionaires, all occupants or otherwise, including, without limitation, the following: mail, catalogue, closed circuit television, computer, other electronic or telephone orders received or filled at the leased premises; all deposits not refunded to purchasers; orders taken, although said orders may be filled elsewhere; and the entire amount of the actual sales price and all other receipts for sales and services by Tenant, any concessionaire, any occupant or otherwise in or from the leased premises. A "sale" shall be deemed to have been consummated for the purposes of this Lease, and the entire amount of the sales price shall be included in Gross Sales, at such time that (a) the transaction is initially reflected in the books or records of Tenant or a concessionaire or occupant (if a concessionaire or occupant makes the sale), or (b) Tenant or such concessionaire or occupant receives all or any portion of the sales price, or (c) the applicable goods or services are delivered to the customer, whichever first occurs, regardless of whether payment is made in installments, the sale is for cash or for credit, or all or any portion of the sales price has actually been paid at the time of inclusion in Gross Sales or at any other time. No deduction shall be allowed for uncollected or uncollectible credit accounts or for direct or indirect discounts, rebates, credits or other reductions to employees or others (except that in the case of credits or other reductions to employees an amount not to exceed two percent (2%) of Gross Sales per annum shall be permitted), unless generally offered to the public on a uniform basis. Gross Sales shall not include, however, any sums collected and paid out by Tenant for any sale or excise tax imposed by and accounted for by Tenant to any duly constituted governmental authority, nor shall it include the exchange of merchandise between the stores of Tenant, if any, where such exchange of goods or merchandise is 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 leased premises and/or for the purpose of depriving Landlord of the benefit of a sale which otherwise would be made in or from the leased premises. Gross Sales also do not include the amount of returns to shippers or manufacturers, or proceeds from the sale of trade fixtures. There shall be deductible from Gross Sales the amount of any cash or credit refund made upon any sale in or from the leased premises, previously included in "Gross Sales" hereunder, not to exceed the sum so previously included, where the merchandise sold is thereafter returned by purchaser and accepted by Tenant.

Section 2.04 TENANT'S TAX OBLIGATION

property, except as provided in Section 2.04.02, (b) Tenant's Proportionate Share - Building Common Area Expenses, which estimated percentage is 3.10%, subject to adjustment (*based on 103,328 s.f. which excludes Kmart's s.f.*), of all taxes upon, against or with respect to Landlord-Maintained Buildings and the improvements and property therein owned by Landlord, and with respect to the land on which Landlord-Maintained Buildings are located, and (c) all costs and attorneys' fees Landlord incurs to contest any such taxes. The taxes payable by Tenant pursuant to this subsection 2.04.01 which are levied or assessed for the fiscal tax year in which the term of this Lease commences and for the fiscal tax year in which the term of this Lease ends shall be prorated on a daily basis. The relevant Tenant's Proportionate Share of all the foregoing taxes and amounts shall be paid in monthly installments on or before the first day of each calendar month (or such longer period as Landlord may determine), in advance, in an amount estimated by Landlord and billed by Landlord to Tenant; provided that Landlord shall have the right to revise the estimates from time to time. Upon receipt of all tax bills pertaining to taxes payable by Tenant, Landlord shall furnish Tenant a written statement of the actual amount of Tenant's Proportionate Share of the taxes for such year. In the event no tax bill is available at the time Landlord bills Tenant for taxes, Landlord may estimate the amount of such tax. If the total of the estimated amounts paid by Tenant under this subsection shall be less than the actual amount due from Tenant, as shown on such statement, Tenant shall pay to Landlord the difference between the amount paid by Tenant and the actual amount due, such deficiency to be paid within ten days after demand therefor by Landlord; and if the total of the estimated amounts paid by Tenant shall exceed such actual amount due from Tenant, such excess shall be credited against the next installment of taxes due from Tenant to Landlord hereunder.

2.04.02 Tenant shall be responsible for, and agrees to pay, prior to delinquency, any and all taxes (as defined in Section 2.04.01) upon, against or with respect to (a) the leased premises or any leasehold interest, (b) all furniture, fixtures, equipment and any other personal property of any kind owned by, or placed, installed or located in, within, upon or about the leased premises by Tenant, any concessionaire, and (c) all alterations, additions, or improvements of whatsoever kind or nature, if any, made to the leased premises, by Tenant, any concessionaire or any previous tenant or occupant. Tenant shall provide Landlord with evidence of Tenant's payment of such taxes upon Landlord's request. If at any time any of such taxes are not levied and assessed separately and directly to Tenant, Tenant shall pay to Landlord Tenant's share thereof as determined and billed by Landlord.

2.04.03 Should the State of California or any political subdivision thereof or any governmental, taxing or assessing authority, directly or indirectly by way of substitution for or in lieu of or in addition to or in any other way directly or indirectly used or intended to provide revenues to fund all or any part of revenues theretofore provided or services theretofore funded by all or any part of the taxes otherwise required to be paid in whole or in part by Tenant pursuant to this Section 2.04, whether presently foreseen or unforeseen or known or unknown, (a) impose a tax of any kind or nature upon, against, in connection with or with respect to the rentals or other charges payable by or to Landlord by Tenant or other tenants in or occupants of the Shopping Center or on the income of Landlord derived from the Shopping Center or on Shopping Center revenues or on Landlord's (or the individuals' or entities' which constitute the partners of the partnership which is Landlord) ownership of the Shopping Center and/or the Shopping Center or any portion thereof or interest therein, or any direct or indirect tax whatsoever other than the taxes otherwise required to be paid in whole or in part by Tenant pursuant to this Section 2.04, (b) impose a tax of any kind or nature upon, against or with respect to the parking facilities or the number of parking spaces in the Shopping Center, (c) reappraise, or determine that the method utilized by Landlord in determining property taxes to be incorrect, or redetermine the method upon which property taxes are imposed against the Shopping Center from time to time by virtue of a change in the ownership of Landlord's interest or otherwise by operation of law, and/or (d) impose a charge, assessment, tax, fee, levy or exaction for services such as fire protection, sidewalk and road maintenance, refuse removal and other public services generally provided without charge to property owners or occupants prior to June, 1978, that being the date of the adoption of Proposition 13 by the voters of the State of California, then, in any such case, such charge, assessment, tax, fee, levy, exaction or other amount shall be deemed to constitute a tax payable by Tenant under this Lease and Tenant shall pay to Landlord the relevant Tenant's Proportionate Share thereof (or all thereof, with respect to taxes under subsection 2.04.02) as determined and billed by Landlord.

2.04.04 Notwithstanding any contrary provisions of this Section 2.04, "taxes" exclude any general net income, corporate, personal property, capital, transfer, franchise, gift, inheritance or estate taxes imposed on Landlord or its business.

2.04.05 All amounts due hereunder shall be payable to Landlord at the place where the fixed minimum annual rental is payable. A copy of a tax bill or statement or assessment notice submitted by Landlord to Tenant shall at all times be sufficient evidence of the amount of taxes assessed or levied against the property to which such bill relates. Tenant's obligations under this Section shall survive the expiration or earlier termination of the term of this Lease. The failure of Tenant to pay any tax or other amount payable under this Section either prior to

deductions or offset whatsoever. Tenant's failure to pay any such amounts or charges set forth in this Lease and the Exhibits and Riders hereto when due shall carry with it the same consequences under Article 18 hereof as Tenant's failure to pay rental. Landlord's rights and remedies pursuant to this Section shall be in addition to any and all other rights and remedies provided under this Lease or by law. All such amounts or charges shall be payable to Landlord in the manner and at the place where fixed minimum annual rental is payable.

Section 2.06 ~~SECURITY DEPOSIT. The sum set forth in item (8) of the Data Sheet represents the~~ initial security deposit and is payable by Tenant to Landlord upon the execution of this Lease. (Such sum and any increases thereto are referred to herein as the "Security Deposit".) Landlord shall retain the Security Deposit as a deposit for the full and faithful performance of all covenants, conditions and agreements of Tenant under this Lease. Landlord may, but is not obligated to, apply the same to rentals or other charges in arrears or to damages for failure of Tenant to perform its covenants, conditions and agreements. Landlord's right to recover possession of the leased premises for non-payment of rental or for any other reason shall not in any event be affected by reason of the fact that Landlord holds or has applied the Security Deposit. The Security Deposit, if not applied toward the payment of rental in arrears or toward the payment of damages suffered by Landlord by reason of breach by Tenant of its covenants, conditions and agreements, shall be returned after the expiration or termination of this Lease within the time prescribed by law. In the event any bankruptcy, insolvency, reorganization or other creditor-debtor proceedings shall be instituted by or against Tenant, or its successors or assigns, or any guarantor of Tenant hereunder, the Security Deposit shall be deemed to be applied first to the payment of any rentals and/or other charges due Landlord for all periods prior to the institution of such proceedings, and the balance, if any, of the Security Deposit may be retained by Landlord in partial liquidation of Landlord's damages. Landlord shall not be obligated to keep the Security Deposit as a separate fund but may commingle the Security Deposit with its own funds. Landlord shall not be required to pay Tenant interest on the Security Deposit. In the event Landlord applies the Security Deposit in whole or in part, Tenant shall, upon demand by Landlord, deposit sufficient funds to maintain the Security Deposit in the amount that existed immediately prior to such application. Failure of Tenant to deposit such additional funds shall entitle Landlord to avail itself of the remedies provided in this Lease for non-payment of rental by Tenant. Landlord may increase the required amount of the Security Deposit from time to time by the amount of any increase in the fixed minimum rental. Tenant shall remit such additional amount to Landlord with ten days after Tenant receives Landlord's demand for the same. Such additional amount(s) shall be treated as part of the Security Deposit for all purposes under this Lease.

ARTICLE 3

RECORDS AND BOOKS OF ACCOUNT

Section 3.01 TENANT'S RECORDS. Tenant shall prepare and keep full, complete and proper books and source documents, in accordance with generally accepted accounting principles, of the Gross Sales, whether for cash, credit or otherwise, of each separate department at any time operated in the leased premises and of the operations of each subtenant, concessionaire, licensee, assignee and/or occupant of or in the leased premises, and shall require and cause all such parties to prepare and keep books, source documents, records and accounts sufficient to substantiate those kept by Tenant. The books and source documents to be kept by Tenant shall include, without limitation, true copies of all federal, state and local income and sales tax returns and reports, records of inventories and receipts of merchandise, daily receipts from all sales and other pertinent original sales records and records of any other transactions conducted in or from the leased premises by Tenant and any other persons conducting business from the leased premises. Sales records shall consist of such sales records, which would normally be examined by an independent accountant pursuant to accepted auditing standards in performing an audit of Tenant's sales. Tenant shall record at the time of each sale or other transaction, in the presence of the customer, all receipts from such sale or other transaction, whether for cash, credit or otherwise, in a cash register. Landlord may audit Tenant's books of account and records concerning Gross Sales for the Premises only, not more than once in any Lease Year and on not less than ten (10) days prior notice to Tenant. Such audit shall be conducted at the place where Tenant maintains its records of Gross Sales for the Premises.

Section 3.02 REPORTS BY TENANT. Tenant shall and hereby agrees to furnish to Landlord, within twenty (20) days after the expiration of each month of each lease year, a complete statement, certified by Tenant, of the amount of Gross Sales, as defined in Section 2.03 of this Lease, made from the leased premises during such period. Tenant also agrees that it shall furnish to Landlord, within forty-five (45) days after the expiration of each lease year, a complete statement, certified by the chief financial officer or chief executive officer or outside accountant employed by Tenant, showing in all reasonable detail the amount of such Gross Sales made by Tenant from the leased premises during the preceding lease year. Tenant shall require all its subtenants, concessionaires and/or occupants, if any, to furnish similar statements

Section 4.02 AUDIT. At its option, Landlord may, not more than once per lease year, upon ten days prior written notice to Tenant, cause a complete audit (including a physical inventory) to be made, by an auditor selected by Landlord, of the entire records and operations of Tenant and/or any subtenant, concessionaire or occupant relating to the leased premises and for the period covered by any statement issued or required to be issued by Tenant or a subtenant, concessionaire or occupant as above set forth in Article 3. Tenant shall make available to Landlord's auditor within twenty (20) days following Landlord's notice requiring such audit, all of the books, source documents, accounts, records and sales tax reports of Tenant and any of its subtenants, concessionaires or occupants which such auditor deems necessary or desirable for the purpose of making such audit. If such audit discloses that Gross Sales as previously reported for the period audited were understated, Tenant shall immediately pay to Landlord the additional percentage rental due for the period audited. Further, if such understatement was in excess of four percent (4%) of actual Gross Sales as disclosed by such audit, Tenant shall immediately pay to Landlord the cost of such audit.

ARTICLE 5

CONSTRUCTION AND CONDITION OF LEASED PREMISES

Section 5.01 CONSTRUCTION OF LEASED PREMISES.

5.01.01 The leased premises shall be constructed substantially as set forth in Exhibit C which is attached hereto and made a part hereof with like force and effect as though set forth fully at length herein. Each of the parties hereto does hereby assume and agree to perform the obligations imposed upon such party in Exhibit C at the times and in the manner therein provided. It is understood that Tenant is accepting the Leased Premises in an "as is" condition, with all faults.

5.01.02 If Tenant fails to furnish its Store Design Drawings and Working Drawings and Specifications to Landlord within the time periods and in the form required by Exhibit C, fails to apply for necessary permits and approvals within the time periods provided in Exhibit C, or fails to perform any of its material obligations within the time periods provided in Exhibit C, then Landlord may at its option at any time while Tenant is in default of this provision, in addition to any and all other remedies provided in this Lease or by law, by not less than ten days notice to Tenant, declare this Lease null and void and of no further force or effect in which event this Lease shall cease and Tenant shall remain liable as provided in this Lease. In addition, if Landlord determines that Landlord and Tenant are unable to agree upon Store Design Drawings, and/or Working Drawings and Specifications, Landlord shall have the option, upon ten days notice to Tenant, to declare this Lease null and void and of no further force or effect, in which event this Lease shall cease and terminate on the date specified in such notice, in the same manner as provided in the preceding sentence. No deviation from the final Work Drawings and Specifications, once approved by the Landlord, shall be made by Tenant without Landlord's prior written consent, which shall not be unreasonably withheld or delayed. Approval of the final Working Drawings and Specifications by Landlord shall not constitute the assumption of any responsibility by Landlord or Landlord's architect for their accuracy, efficacy, sufficiency or compliance with building codes, or the suitability thereof or of the leased premises for Tenant's business, and Tenant shall be solely responsible for such matters and for verifying all site conditions such as but not limited to dimensions, locations, clearances or deflections. Until such time as Tenant takes possession of the leased premises, the right of Tenant to enter upon the leased premises shall be solely for the purpose of inspection, measurement and obtaining information necessary to prepare Store Design Drawings and Working Drawings and Specifications and to install Tenant's improvements, trade fixtures, equipment, stock in trade and furnishings. Unless Landlord otherwise directs in writing, Tenant shall not open the leased premises for business nor shall the store front barricades, if any, be removed until all construction has been completed pursuant to the provisions of Exhibit C, the store is fully fixtured, stocked with merchandise in place and staffed, and Tenant is prepared to engage in selling and/or services to the public pursuant to Article 7. Landlord reserves the right to temporarily remove any barricades prior to completion by Tenant of the requirements necessary for Tenant to open its store for business in order to permit Landlord to complete its construction or otherwise more adequately enhance the development; however, Landlord may also re-erect such barricades if Tenant has not yet met the requirements necessary to open its store for business. Notwithstanding anything to the contrary contained in this Section 5.01.02, once Tenant has opened for business at the leased premises, Landlord will no longer have the right, in the event of default by Tenant under this Section 5.01.02, to declare this Lease null and void and of no further force or effect, but Landlord will continue to have any and all other remedies provided in this Lease or by law.

Section 5.02 CONDITION OF LEASED PREMISES. Tenant shall take possession "as is". Taking possession of the leased premises by Tenant shall conclusively establish that the leased premises and the building in which they are located were at such time in good and satisfactory condition. Failure of Landlord to...

interior or exterior lighting, plumbing fixtures, utility systems or components, shades, canopies, awnings, electronic detection devices, antennas and mechanical, electrical or sprinkler systems) without the prior written approval of Landlord. Tenant shall present to Landlord Store Design Drawings and Working Drawings and Specifications, to the extent necessary, for such work at the time approval is sought, in accordance with criteria and procedures as provided in Exhibit C. If Landlord shall give its consent, the consent shall be deemed conditioned upon issuance of a valid building permit to do the work prior to the commencement of the work, and the compliance by Tenant with all conditions of said permit in a prompt and expeditious manner.

Section 6.02 WORK STANDARDS. All work Tenant performs or causes to be performed with respect to alterations, additions or improvements shall be done in a good and workmanlike manner and diligently prosecuted to completion. Any such alterations, additions or improvements shall be performed and done strictly in accordance with the laws and ordinances relating thereto, with the requirements of all carriers of insurance on the leased premises and the Board of Underwriters, Fire Rating Bureau, or similar organization and at such times and in such manner as Landlord from time to time may designate. In performing the work of any such alterations, additions or improvements, upon Landlord's written request, Tenant shall use best efforts to use union labor if Landlord is using union labor in the Shopping Center. Tenant agrees to use a bondable contractor, which contractor shall be either (a) one of the contractors set forth in a listing of approved contractors prepared by Landlord, or (b) if not set forth in such a listing, reasonably approved by Landlord in writing within seven (7) days of submittal to Landlord prior to the commencement of Tenant's work. Landlord reserves the right to perform the work at Tenant's expense. Tenant shall have the work performed in such a manner so as not to obstruct the access and quiet enjoyment of any other tenant in the Shopping Center.

Section 6.03. LIENS. Tenant shall keep the leased premises and all other parts of the Shopping Center free from any and all liens arising out of any work performed, materials furnished or obligations incurred by or for Tenant, and agrees to fully bond against or discharge any mechanic's or materialman's lien within twenty (20) days after written request therefor by Landlord. Tenant shall reimburse Landlord for any and all costs and expenses which may be incurred by Landlord by reason of the filing of any such liens and/or removal of same, such reimbursement to be made within ten days after receipt by Tenant from Landlord of a statement setting forth the amount of such costs and expenses. Tenant shall not install or make part of the leased premises any materials, fixtures or articles which are subject to conditional sales contracts, chattel mortgages or other lien retention instruments. Before commencing any such work or construction in or about the leased premises, Tenant shall notify Landlord in writing of the expected date of commencement thereof. Landlord shall have the right at any time and from time to time to post and maintain on the leased premises such notices as Landlord deems necessary to protect the leased premises and Landlord from the liens of mechanics, laborers, materialmen, suppliers or vendors.

Section 6.04 REMOVAL BY TENANT. All alterations, decorations, additions and improvements made by Tenant shall be deemed to have attached to the leasehold and to have become the property of the Landlord upon such attachment; upon expiration of this Lease or any renewal terms thereof, Tenant shall not remove any of such alterations, decorations, additions and improvements, except that trade fixtures installed by Tenant may be removed if all rental and other charges due herein are paid in full and Tenant is not otherwise in default hereunder, and Tenant's signage, millwork and track lighting shall be removable by Tenant, and Tenant shall promptly repair any damage caused by such removal. Further, Landlord may designate by written notice to Tenant those alterations, decorations, additions and improvements, including but not limited to Tenant's signs, which shall be removed by Tenant at the expiration or earlier termination of this Lease and Tenant shall remove the same and repair any damage to the leased premises caused by such removal not later than the expiration date, or, in the case of any earlier termination, within 21 days after the date of termination (or any shorter period of time provided elsewhere in this Lease). If Tenant shall fail to promptly complete such removal and repair such damages, Landlord may do so and may charge the reasonable cost thereof to Tenant. In addition, Landlord may retain title to any such property Tenant is required but fails to promptly remove, may dispose of the same in any manner provided by this Lease or by law and/or store the same in a public warehouse or elsewhere at the cost and for the account of Tenant, without notice or resort to legal process and without Landlord being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby. If Tenant shall fail to pay the costs of storing any such property after it has been stored for a period of 30 days or more, Landlord may sell any or all of such property at public or private sale, in such manner and at such times and places as Landlord, in its sole discretion, may deem proper, without notice to or demand upon Tenant. In the event of such sale, Landlord shall apply the proceeds thereof: First, to the cost and expense of sale, including reasonable attorneys' fees; second, to the payment of the cost of removal and storage; third, to the payment of any other sums which may then or thereafter be due to Landlord from Tenant under any of the terms of this Lease; and, fourth, the balance, if any, to Tenant. Alternatively, Landlord at its election may dispose of such property as provided in Section 20.03.

also reserves the right at any time to relocate parking areas and other common areas shown on Exhibit A. Notwithstanding anything to the contrary contained in this Section, Landlord shall cause any construction work which is undertaken in the exercise of Landlord's rights under this Section to be performed in such manner as to minimize to the extent practicable the interruption of Tenant's business.

Section 6.06 ~~LANDLORD'S RIGHT TO RELOCATE TENANT. Landlord shall have the right to~~ relocate the leased premises to another part of the Shopping Center in accordance with the following: (a) The new leased premises shall be substantially the same in size, dimensions, configuration, decor and nature as the leased premises described in this Lease and shall be placed in that condition by Landlord at its cost; (b) the physical relocation of the leased premises shall be accomplished by Landlord at its cost; (c) Landlord shall give Tenant at least 30 days' prior notice of Landlord's intention to relocate the leased premises; (d) fixed minimum annual rental and other charges payable by Tenant to Landlord hereunder shall abate in full from the time the physical relocation commences to the time it is completed; (e) all costs reasonably incurred by Tenant as a result of the relocation, including, without limitation, costs incurred in changing addresses on stationery, business cards, directories, advertising and other such items shall be paid by Landlord; (f) if the relocated premises are smaller than the leased premises as they existed before the relocation, then (i) the fixed minimum annual rental and other charges payable by Tenant to Landlord shall be reduced by multiplying such sums by a fraction, the numerator of which shall be the Floor Area in the relocated premises, and the denominator of which shall be the Floor Area in the leased premises before relocation, and (ii) Tenant's Proportionate Shares shall be appropriately adjusted; and (g) the parties hereto shall immediately execute an amendment to this Lease stating the relocation of the leased premises and the reduction, if any, of fixed minimum annual rental and other charges payable by Tenant to Landlord and of Tenant's Proportionate Shares.

ARTICLE 7

CONDUCT OF BUSINESS BY TENANT

Section 7.01 PERMITTED USE. Tenant shall use the leased premises only for the purpose of conducting the business specifically set forth in item (9) of the Data Sheet and for no other purpose without the prior written consent of Landlord, which Landlord may withhold in its sole discretion. Tenant agrees and acknowledges that the mix of businesses in the Shopping Center is essential to the attractiveness of the Shopping Center to the public and to the success of the Shopping Center, and that Landlord therefore is justified in exclusively controlling or prohibiting changes in any use or uses of the lease premises. If any governmental license or permit shall be required for the proper and lawful conduct of Tenant's business or other activity carried on in the leased premises or if a failure to procure such a license or permit might or would in any way adversely affect Landlord or the Shopping Center, then Tenant, at Tenant's expense, shall duly procure and thereafter maintain such license or permit and submit the same of reinspection by Landlord. Tenant, at Tenant's expense, shall, at all times, comply with the requirements of each such license or permit.

Section 7.02 CONTINUOUS OPERATION OF BUSINESS.

7.02.01 Except as otherwise expressly provided herein, Tenant agrees to be open for business and to operate in all of the leased premises during the entire term of this Lease, and to conduct its business at all times in a first class and reputable manner, maintaining at all times a full staff of employees and stock of merchandise. Tenant shall be obligated to be open for business and to operate continuously during all hours established by Landlord. Tenant shall install and maintain at all times a display of merchandise in the display windows, if any, of the leased premises and shall keep the same together with Tenant's storefront sign(s) well lighted during such hours as Landlord shall reasonably designate. The foregoing covenants are declared and acknowledged to be of the essence of this Lease and its percentage rental provisions, and of the essence to the success and attractiveness of the Shopping Center. Failure by Tenant to comply with any of the foregoing covenants shall entitle Landlord, in addition to other remedies provided in this Lease or by law, to mandatory injunctive relief. Without limiting the generality of the foregoing, in the event the hours during which the Shopping Center is legally permitted to be open to the public are regulated by any lawful authority, then Landlord shall be the sole judge of which hours and days shall be Shopping Center business hours. Tenant, at Tenant's expense, shall promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of all governmental authorities having jurisdiction affecting or applicable to Tenant's manner of use of the leased premises or the cleanliness or safety of the same, whether or not any such law, ordinance, order, rule, regulation or requirement is substantial, or foreseen or unforeseen, or ordinary or extraordinary, or shall necessitate non-structural changes or improvements or interfere with the use and enjoyment of the leased premises. Tenant shall not do or permit anything to be done in or about the leased premises, nor bring anything therein which will in any way conflict with any such law, ordinance, order, rule, regulation or requirement.

premises and shall not place a load upon any floor of the leased premises which exceeds the floor load per square foot which such floor was designed to carry. Tenant shall not cause or permit in or from the leased premises any noise, vibration, odor, nuisance or other act or thing which may disturb the quiet enjoyment of any other tenant or occupant or which is reasonably objected to by Landlord or by any tenant or occupant of the Shopping Center; and, upon written notice from Landlord, Tenant shall immediately cease and desist from causing or permitting the same. Tenant shall not permit the operation of any coin or token operated or vending machines, including but not limited to video-type games, pinball machines or similar amusement devices, or pay telephones on the leased premises, other than the areas reserved solely for the use of Tenant's employees. Tenant shall not sell state lottery game cards or tickets or permit "lotto" machines or similar devices on the leased premises. Tenant shall not store anything in service or exit corridors or loading areas. Tenant agrees that all receiving and delivery of goods and merchandise, and all removal of merchandise, supplies and equipment shall be made only by way of or in the areas provided therefor by Landlord. Tenant shall not use or permit the use of any portion of the leased premises as sleeping quarters or lodging rooms.

7.02.02 Except as otherwise provided herein, Tenant and Tenant's employees and/or agents shall not solicit or conduct business or display, distribute or store any merchandise in the parking, sidewalk or other common areas, or any part of the Shopping Center other than in the leased premises, nor shall Tenant distribute any handbills or other advertising matter in the parking, sidewalk, other common areas, or any part of the Shopping Center other than in the leased premises. Tenant shall not give samples or approach customers outside the leased premises for purposes of soliciting sales.

7.02.03 Tenant shall not carry a stock of goods or do anything in or about the leased premises which shall in any way tend to increase the insurance rates on the Shopping Center, the leased premises and/or the building of which they are a part and/or the contents thereof. If Tenant installs any electrical equipment that overloads the lines in the leased premises, Tenant shall at its own expense make whatever changes are necessary to comply with the requirement of the insurance underwriters and governmental authorities having jurisdiction. Landlord acknowledges that the permitted use hereunder shall not cause an increase in the insurance rates on the Shopping Center.

7.02.04 If Tenant is permitted pursuant to this Lease to engage in the sale of food and beverages from the leased premises, Tenant shall be solely responsible for prompt disposal within the leased premises of all trash, garbage and debris or in the alternative will promptly dispose of such trash, garbage and debris in areas provided for such disposal by Landlord, in the event Landlord chooses to provide such areas. Food service Tenants shall inspect and maintain all grease traps, pans, and hood ventilators in good order, condition and repair, and shall contract for regular inspection and maintenance of the same if required by Landlord.

Section 7.03 RADIUS. ~~Tenant agrees that during the term of this Lease neither Tenant nor any person, firm, corporation or other entity who or which controls or is controlled by Tenant, or by any person, firm, corporation or other entity which controls or is controlled by Tenant, shall directly or indirectly, either individually or as a partner or stockholder or otherwise, own, operate or become financially interested in any business similar to or in competition with the business of Tenant described in item (9) of the Data Sheet within the radius set forth in item (10) of the Data Sheet. In the event Tenant breaches the foregoing covenant, then, in addition to any other remedies available to Landlord under this Lease, at law or in equity, the Gross Sales (as defined in this Lease) of any such business or businesses within said area shall be included in the Gross Sales made from the leased premises; and the percentage rental hereunder shall be computed upon the aggregate of the Gross Sales made from the leased premises and by any such other business or businesses then conducted within said area. This Section 7.03 shall not, however, apply to any such business or businesses open and in operation within said area as of the date of execution of this Lease. Landlord or Landlord's authorized representative or agent shall have the right at all reasonable times during the term hereof and for a period of at least two years after the expiration of the term of this Lease, to inspect, audit, copy and/or make extracts of the books, source documents, records and accounts pertaining to such other business or businesses conducted within said area for the purpose of determining or verifying the additional rentals due to Landlord pursuant to this Section. This Section 7.03 shall be inapplicable if item (10) of the Data Sheet is blank or shows a radius of zero.~~

Section 7.04 STORAGE; OFFICE SPACE. Tenant shall warehouse, store and/or stock in the leased premises only such goods, wares and merchandise as Tenant intends to offer for sale at retail at, in, from or upon the leased premises. This shall not preclude occasional emergency transfers of merchandise from other stores of Tenant, if any, not located in the Shopping Center. Tenant shall use for offices, clerical or other non-selling purposes only such space in the leased premises as is from time to time reasonably required for Tenant's business in the leased premises.

Section 8.02 USE OF COMMON AREAS. The term "common area", as used in this Lease, shall mean, to the extent provided by Landlord, the following areas within the Shopping Center: Parking areas and facilities (collectively "parking facilities"), traffic control and traffic information signs and equipment, roadways, pedestrian sidewalks, driveways, public transportation loading and unloading facilities not devoted to a single tenant, truckways, delivery areas, landscaped areas, community rooms, office facilities, roof, skylights, beams, stairs and ramps not contained within any Floor Area, public restrooms and comfort stations, service areas, service and fire exit corridors, passageways, and other areas, amenities, facilities and improvements provided by Landlord. The use and occupancy by Tenant of the leased premises shall include the non-exclusive right to use the common areas in common with Landlord and with all others for whose convenience and use the common areas have been or may hereafter be provided by Landlord, subject, however, to Landlord's rules and regulations prescribed from time to time pursuant to Article 23 below, and to the limitations on Tenant's use set forth in Article 7, including the right of Landlord to impose parking charges, whether by meter or otherwise. All common areas shall be subject to the exclusive control and management of Landlord or its designated property manager (whom Landlord may select in its sole and absolute discretion). Tenant acknowledges that Landlord makes no representation or warranty whatsoever concerning the safety of the common areas or the adequacy of any security system which is or may be instituted for the common areas. Tenant and its employees shall not park their cars or any other vehicles in any portion of the parking facilities that Landlord may designate from time to time to be off limits to them (provided that Landlord shall at all times provide an adequate amount of spaces for them within the parking facilities). Automobile license numbers of employees' cars shall be furnished by Tenant to Landlord upon Landlord's request. If Tenant or its employees park their cars in parking areas designated as off limits to them, then Landlord may, without notice or demand, cause the offending vehicle(s) to be towed, and Tenant shall pay the cost of such towing to Landlord upon demand. Landlord may at any time close any common area and parking facilities to make repairs or changes, to prevent the acquisition of public rights in such area or to discourage non-customer parking, to use areas for attendant or valet parking, and do such other acts in and to the common areas as in its judgment may be desirable to improve the convenience thereof, subject in all events to compliance with applicable law and governmental regulations.

Section 8.03 TENANT'S SHARE OF EXPENSES.

8.03.01 Tenant agrees to pay to Landlord in the manner hereinafter provided, but not more often than once each calendar month, Tenant's Proportionate Share - Non-Building Common Area Expenses, as set forth in item (6) of the Data Sheet, of the following costs and expenses that relate to all portions of the Shopping Center and Shopping Center Areas (defined below) other than Landlord-Maintained Buildings and the land on which Landlord-Maintained Buildings are located, and Tenant's Proportionate Share - Building Common Area Expenses, as set forth in item (7) of the Data Sheet, of the following costs and expenses that relate to Landlord-Maintained Buildings or the land on which Landlord-Maintained Buildings are located: (a) all costs and expenses of every kind and nature paid or incurred by Landlord in operating, managing, equipping, policing and protecting, lighting, heating, ventilating, air conditioning, providing sanitation and sewer and other services, insuring (including self-insurance and the payment of deductible amounts under insurance policies), painting, repairing, replacing and maintaining (i) the common areas, and (ii) all buildings within the Shopping Center (hereinafter collectively referred to as "Shopping Center Areas"). Such costs and expenses shall include, but shall not be limited to, the cost of the following: Janitorial services; cost of maintenance contracts; property management fees; the rental value of Landlord's or its on-site property manager's offices at the Shopping Center; costs to operate, test, maintain and repair security systems, fire protection systems, sprinkler systems, storm drainage systems, heating, ventilation and air conditioning systems, and other systems; illumination and maintenance of signs, whether located on or off the site of the Shopping Center; refuse disposal, water, gas, sewage, electricity and other utilities including but not limited to any and all usage, service, hook-up, connection, availability and/or standby fees, deposits or charges pertaining to same; maintenance and operation of any temporary or permanent utility, including a sewage disposal system, within or without the Shopping Center, built, operated and/or maintained for the specific purpose of servicing the Shopping Center, together with hook-up or connection fees and service charges; compliance with rules, regulations and orders of governmental authorities pertaining to the Shopping Center, such as but not limited to air pollution control, including the cost of monitoring air quality, Shopping Center life safety systems, and traffic management and mitigation; cleaning, lighting, striping, resurfacing and landscaping; costs of maintaining, repaving and replacing curbs, gutters, sidewalks, drainage and irrigation ditches, conduits, pipes and canals located on or adjacent to the Shopping Center; premiums for liability, casualty, property, rental interruption and other insurance; personal property taxes; audit fees and expenses; supplies; maintenance, replacement and depreciation of machinery, equipment, furniture, furnishings and amenities used in the operation or maintenance of common areas or Shopping Center Areas, if owned, and rental paid for such machinery, equipment, furniture, furnishings and amenities, if rented; a reserve for the estimated annual costs of periodic maintenance and replacement of exterior surfaces, including painting; total compensation and benefits (including premiums for worker's compensation and other insurance) paid to or on behalf of employees involved in the performance of the work specified in this Section 8.03; the costs of materials, tools, supplies and equipment held for

good faith allocation of such costs and expenses between the same, and such allocation shall be final for the purpose of calculating the relevant Tenant's Proportionate Share of such costs and expenses.

8.03.2 The relevant Tenant's Proportionate Share of such costs and expenses for each lease year shall be paid in monthly installments on the first day of each calendar month, in advance, in an amount estimated by Landlord from time to time. Subsequent to the end of each lease year, Landlord shall furnish Tenant with a statement of Tenant's Proportionate Share of such costs and expenses for such period. If the total amount paid by Tenant under this Section for any such lease year shall be less than the actual amount due from Tenant for such lease year as shown on such statement, Tenant shall pay to Landlord the difference between the amount paid by Tenant and the actual amount due, such deficiency to be paid within ten days after the furnishing of each such statement. If the total amount paid by Tenant hereunder for any such lease year shall exceed such actual amount due from Tenant for such lease year, such excess shall be credited against the next installment due from Tenant to Landlord under this Section. Landlord may estimate the annual budget and charge the same to the Tenant on a monthly basis, subject to revision by Landlord of the budget from time to time and final annual adjustment based upon actual costs and expenses. CAM, excluding taxes and insurance, shall not increase more than six percent (6%) of the CAM for the previous year. The obligations of the parties for the final annual adjustment for the last year of term of this Lease shall survive the expiration or earlier termination of this Lease.

ARTICLE 9

SIGNS

Section 9.01 TENANT'S RESTRICTED RIGHT TO SIGNS. Tenant at its cost shall affix a sign to the exterior surface of the storefront of the leased premises as well as in such other location, if any, as Landlord shall direct, and shall maintain said sign(s) in good condition and repair during the entire term of this Lease. The size, content, design and location of each sign shall be subject to the prior written approval of Landlord which shall not be unreasonably withheld or delayed. Except as hereinabove mentioned, Tenant shall not place or cause to be placed, erected or maintained on any exterior door, wall, window, or the roof of the leased premises, or above the top of any parapet wall (or roof line if the building in which the leased premises are located has no parapet wall), or on the glass of any window or door of the leased premises, or any sidewalk or other location outside the leased premises, or within any display window space in the leased premises, or within one foot of the front leaseline of the leased premises, whether or not there is display window space in the leased premises, or within any entrance to the leased premises, any sign (flashing, moving, hanging, handwritten, or otherwise), decal, placard, decoration, flashing, moving or hanging lights, lettering, or any other advertising matter of any kind or description. If Tenant places or causes to be placed or maintained any of the foregoing, the same may be removed by Landlord or Landlord's representative without notice and without such removal constituting a breach of this Lease or entitling Tenant to claim damages on account thereof. No symbol, design, name, mark or insignia adopted by Landlord for the Shopping Center shall be used without the prior written consent of Landlord. No illuminated sign located in the interior of the leased premises and which is visible from the outside thereof shall be permitted without the prior written approval of Landlord. All signs located in the interior of the leased premises shall be in good taste so as not to detract from the general appearance of the leased premises or the Shopping Center. In the event that the Tenant fails to comply with the provisions of this Section 9.01, Landlord shall have the additional remedy of erecting a temporary barricade at Tenant's front leaseline of the leased premises.

Section 9.02 LANDLORD'S RIGHTS REGARDING SIGNS. Landlord shall have the right to use for its signs the exterior walls and the roof the building(s) and other improvements that are a part of the Shopping Center, including, but not limited to, the Shopping Center building in which the leased premises are located.

Section 9.03 SHOPPING CENTER SIGN. Landlord shall have the right, but not the obligation, to maintain at the Shopping Center at a location or locations Landlord selects, pylon and/or monument signs for Shopping Center identification and/or for carrying the name of such tenants in the Shopping Center as Landlord may select in its sole discretion. Landlord agrees to display Tenant's name on any such sign. If Landlord has so agreed, the size, content, design and location of Tenant's name on any such sign shall be subject to the prior written approval of Landlord in its sole discretion. Landlord may set and charge separate fees or rentals for the display of Tenant's and other tenants' names on such signs, and may, without notice or demand, remove Tenant's name if Tenant fails to pay any such fee or rental when due.

ARTICLE 10

MAINTENANCE OF LEASED PREMISES

obligation to pay its prorata share of maintenance, repair costs and replacement costs as elsewhere provided in this Lease, Tenant is to maintain the interior of the suite.

Landlord guarantees that the heating, ventilation and air conditioning (HVAC) system shall be in good repair and working condition for the first twelve (12) months of the Lease term, provided that Tenant supplies the following preventative maintenance services to the unit(s) every ninety (90) days to maintain optimum performance of equipment: checking and making adjustments to compressor, relays, valves, contactors, thermostat operation, fan operation, freon levels, cleaning contactors, registers, oiling motors, bearings, and changing filters. During the first twelve (12) months of the Lease term, Landlord shall be responsible for any HVAC repairs, provided that Tenant provides proof of the aforementioned preventative maintenance services. After the first twelve (12) months of the Lease term, Landlord shall be responsible for HVAC repairs over \$1,000.00 (per year) and for replacing the system if needed, provided that Tenant provides proof of the aforementioned preventative maintenance services.

Section 10.02 TENANT'S OBLIGATIONS FOR MAINTENANCE.

10.02.01 Except as provided in Section 10.01 of this Lease, Tenant, at Tenant's expense, shall keep and maintain in first-class appearance, in condition and repair equal to or better than that which existed when Tenant initially opened the leased premises for business, as determined by Landlord (including replacement of parts and equipment, if necessary), the leased premises and every part thereof and any and all appurtenances thereto wherever located, including, but without limitation, the interior surfaces of the exterior walls, the exterior and interior portion of all doors, door frames, door checks, other entrances, windows, window frames, display areas, plate glass, storefronts, signs, all plumbing and sewage facilities within the leased premises, exclusively serving the Leased Premises (including free flow up to the main sewer line), fixtures, ventilation, heating and air conditioning and electrical systems (whether or not located in the leased premises, but exclusively serving the Leased Premises), sprinkler systems, walls, floors and ceilings, and all other repairs, replacements, renewals and restorations, interior and exterior, ordinary and extraordinary, foreseen and unforeseen, and all other work performed by or on behalf of Tenant pursuant to Exhibit C and Article 6 hereof.

10.02.02 Tenant shall keep and maintain the leased premises in a clean, orderly, neat, sanitary and safe condition in accordance with the laws of the State of California and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector, or other proper officials of the governmental agencies having jurisdiction, all at the sole cost and expense of Tenant. Tenant at its sole expense shall neatly and safely store all trash, refuse and other solid waste only within the leased premises or in areas designated by Landlord for such storage. Tenant shall not burn any trash or garbage at any time in or about the Shopping Center. Tenant shall not dispose of any hazardous or other material in the Shopping Center bins and receptacles if the material is of such nature that it will not be disposed of in the ordinary and customary manner of removing and disposing of refuse in the City of Pasadena, or if applicable laws, ordinances or regulations require special handling, disposal or treatment of such material. Landlord may direct the use of all solid waste disposal contractors at such intervals as Landlord may require. Tenant shall only use Landlord's services and facilities for solid waste pickup, and shall comply with Landlord's procedures, rules and regulations regarding use of the same.

10.02.03 Tenant, at its own expense, shall install and maintain fire extinguishers and other removable fire protection and/or life safety devices as may be required from time to time by any agency having jurisdiction thereof and/or the insurance underwriters insuring the building in which the leased premises are located.

10.02.04 Tenant irrevocably waives and releases all rights under and benefits of Sections 1941 and/or 1942 of the California Civil Code and any successor statutes of similar import. The parties intend that the express terms of this Lease shall control any circumstances in which those statutes might otherwise apply.

ARTICLE 11

UTILITIES

Section 11.01 UTILITY CHARGES. Tenant shall be solely responsible for and shall promptly pay all fees, deposits and charges, including use and/or connection fees, hook-up fees, standby fees, and/or penalties for discontinued or interrupted service, and the like, for water, gas, electricity, centrally conditioned cold air supply, sewer and sanitation, solid waste disposal and any other service or utility used in or upon, furnished to or consumed at the leased premises regardless of whether any of the foregoing are initially paid in advance by Landlord, or otherwise. Landlord, at its sole option, shall not be responsible for any utility charges.

Section 11.02 INTERRUPTION OR REDUCTION OF SERVICE. Except if due to the negligence of Landlord, its agents, employees or contractors, in no event shall Landlord be liable for damages or otherwise for (a) any unintended interruption, reduction, disruption, curtailment or failure in the supply, quality or character of electricity, centrally conditioned cold air or any other utility or other service, (b) any other unintended change in the quantity, quality, character or availability thereof, or (c) any reduction or rationing of utility or other service required by any mandatory or voluntary fuel, energy or water conservation program established pursuant to any federal, state, regional or local statute, ordinance, rule, regulation, order or decree. No interruption, reduction, rationing, disruption, curtailment, failure, change or conservation program shall constitute or be deemed to constitute constructive eviction of Tenant, or excuse or relieve Tenant from its obligations under this Lease.

ARTICLE 12

INSURANCE AND INDEMNITY

Section 12.01 TENANT'S INSURANCE.

12.01.01 Tenant, at its sole cost and expense, shall, during the entire term hereof, procure, pay and keep in full force and effect the following: (a) public liability and property damage insurance with respect to the leased premises and the operations of Tenant in, on or about the leased premises, including steam boiler insurance if applicable, in which the limits with respect to public liability shall be not less than \$2,000,000 combined single limit; (b) plate glass insurance, at full replacement value; (c) insurance against fire, extended coverage, vandalism, malicious mischief and such other additional perils as now are or hereafter may be included in a standard extended coverage endorsement from time to time in general use in Los Angeles County, insuring Tenant's merchandise, trade fixtures, furnishings, equipment and all other items of personal property of Tenant located on or in the leased premises, in an amount equal to not less than one hundred percent (100%) of the actual replacement cost thereof; (d) worker's compensation coverage as required by law; (e) with respect to alterations, improvements and the like required or permitted to be made by Tenant hereunder, contingent liability insurance in an amount satisfactory to Landlord and builder's risk insurance in an amount equal to not less than one hundred percent (100%) of the actual replacement cost thereof; and (f) product liability coverage (including, without limitation (if this Lease covers leased premises in which food and/or beverages are sold and/or consumed), liquor liability coverage for acts arising out of the consumption of food and/or alcoholic beverages on or obtained at the leased premises, to the extent obtainable), for not less than \$2,000,000 combined single limit. Upon notice from landlord, Tenant shall adjust its public liability coverage limits for the foregoing insurance policies annually upon renewal to such greater amount as Landlord reasonably determines is customarily carried for similar premises and businesses in the area in which the Shopping Center is located. Tenant shall cause its insurance carrier for its fire and extended coverage insurance to annually redetermine full replacement cost and adjust Tenant's policy amount accordingly.

12.01.02 All policies of insurance required to be carried by Tenant pursuant to this Section 12.01 shall be written by responsible insurance companies authorized to do business in the State of California. Any such insurance required of Tenant hereunder may be furnished by Tenant under any blanket policy carried by it or under a separate policy therefor. A copy of each paid-up policy evidencing such insurance (appropriately authenticated by the insurer) or a certificate of the insurer, certifying that such policy has been issued, provides the coverage required by this Section and contains provisions specified herein, shall be delivered to Landlord prior to the Commencement Date and, upon renewals, not less than 30 days prior to the expiration of such coverage. Landlord may, at any time, and from time to time, inspect and/or copy any and all insurance policies required to be procured by Tenant hereunder.

12.01.03 Each policy evidencing insurance required to be carried by Tenant pursuant to this Section 12.01 shall contain the following provisions and/or clauses: (a) a cross-liability clause; (b) a provision that such policy and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by Landlord and that any coverage carried by Landlord be excess insurance; (c) a provision including Landlord and any other parties in interest designated by Landlord as additional insureds (but only as to the policies described in subsections (a), (b), (c) and (e) of Section 12.01.01); (d) a waiver by the insurer of any right to subrogation against Landlord, its agents, employees and representatives which arises or might arise by reason of any payment under such policy or by reason of any act or omission of Landlord, its agents, employees or representatives (but only as to the policies described in subsections (b), (c) and (e) (builder's risk only) of Section 12.01.01); (e) a severability clause; and (f) a provision that the insurer will not cancel or change the coverage provided by such policy without first giving Landlord 30 days' prior written notice.

insurance coverage against loss or damage by fire, flood, windstorm, hail, explosion, damage from aircraft and vehicles and smoke damage, and other risks as are from time to time included in a standard extended coverage endorsement, insuring the leasehold improvements to the leased premises (exclusive of Tenant's merchandise, trade fixtures, furnishing, equipment, plate glass, signs and all other items of personal property of Tenant) in an amount determined by Landlord from time to time in its sole discretion. Landlord may also carry, at its option, a special extended coverage endorsement. Tenant shall submit to Landlord an itemized statement setting forth the cost of any such improvements Tenant constructs promptly after completion thereof. Tenant agrees to pay Landlord for the total cost of so insuring such improvements, such payments to be made in monthly installments on the first day of each calendar month, in advance, in an amount estimated by Landlord. Subsequent to the receipt by Landlord of an invoice for premiums for such insurance, Landlord shall furnish Tenant with a written statement setting forth such cost. If the total amount paid by Tenant under this Section for any lease year shall be less than the actual amount due from Tenant for such lease year as shown on such statement, Tenant shall pay to Landlord the difference between the amount paid by Tenant and the actual amount due, such deficiency to be paid within ten days after the furnishing of each such statement; and if the total amount paid by Tenant hereunder for any such lease year shall exceed such actual amount due from Tenant for such lease year, such excess shall be credited against the next installment due from Tenant to Landlord under this Section 12.02.01.

12.02.02 Landlord may elect, but is not obligated, to carry insurance for sprinkler leakage, earthquake, flood, rental interruption (in amounts up to Tenant's total rental obligation for 24 full months under this Lease plus the total of the estimated costs to Tenant of taxes, insurance premiums and common areas cost for such 24 full months) and other risks Landlord determines to insure from time to time, in Landlord's sole discretion. Tenant agrees to reimburse Landlord for the total cost of the foregoing rental interruption insurance, such reimbursement to be made within ten days after receipt of a written statement from Landlord setting forth such cost.

Section 12.03 COVENANT TO HOLD HARMLESS. Tenant covenants to indemnify, protect and defend Landlord, its partners, shareholders, representatives, agents and employees, and save them harmless (except for the loss or damage resulting solely from the willful misconduct or gross negligence of Landlord, its agents, employees or contractors and not required to be insured against by Tenant pursuant to this Article 12) from and against any and all claim, action, damage, liability and expense, including reasonable attorneys' fees, in connection with all losses, including loss of life, personal injury and/or damage to property, arising from or out of Tenant's failure to comply with any provision of this Lease or occasioned wholly or in part by any grossly negligent or willful act or omission of Tenant, its concessionaires, agents, contractors, suppliers, employees, servants, customers or licensees. In case Landlord or any other party so indemnified shall be made a party to any litigation commenced by or against Tenant, then Tenant shall protect and defend them and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by them in connection with such litigation.

Section 12.04 WAIVER OF SUBROGATION. Landlord and Tenant each hereby waives any and all rights of recovery against the other and officers, employees, agents, directors, shareholders, partners, beneficiaries, agents, contractors, subtenants, successors, heirs, assigns and representatives of such other party for loss of or damage to such waiving party or its property or the property of others under its control, arising from any cause insured against under any policy of fire or extended coverage insurance, plate glass insurance, sprinkler damage insurance, boiler and machinery insurance or builder's risk insurance carried by such waiving party or required by this Lease to be carried. Landlord and Tenant shall obtain and furnish evidence to the other of the waiver by Landlord's and Tenant's insurance carriers of any right of subrogation against the other.

Section 12.05 WAIVER OF CLAIMS. As a material part of the consideration to Landlord, Tenant hereby assumes to the maximum extent permitted by law all risk of, and waives all claims it may have against Landlord, its successor owners of the Shopping Center, its partners, shareholders, representatives, agents and employees for, (a) damage to or loss of property, business or income, (b) personal injury or (c) loss of life resulting directly or indirectly from (i) the Shopping Center, common areas or leased premises or any part thereof becoming out of repair, (ii) any repair or alteration thereof, (iii) any accident within the Shopping Center, common areas or leased premises, (iv) any act or omission of any person, including but not limited to any other tenant or occupant of the Shopping Center, (v) any condition, design or defect, latent or patent, of the Shopping Center, common areas, leased premises or any space adjoining the Shopping Center, common areas or leased premises, (vi) the malfunction of mechanical systems or equipment of or serving the Shopping Center, common areas or leased premises, (vii) the rupture, leakage, overflow or clogging of any plumbing or other pipes (including but not limited to water, gas, sewer, steam and refrigeration lines and pipes, sprinklers, tanks, containers, drains and drinking fountains), (viii) interference with light or air from or over any property, whether owned by Landlord or other person, or (ix) any criminal act in or about the Shopping Center, common areas or leased premises, including theft or misappropriation of any property, regardless of the lack of any Shopping Center security system or of any current or prior breach or

ARTICLE 13

DESTRUCTION OF LEASED PREMISES

Section 13.01 RECONSTRUCTION OF DAMAGED PREMISES. Tenant shall give immediate notice to Landlord in case of any damage to or destruction of all or any part of, or accidents in, the leased premises or the building in which the leased premises are located. In the event the leased premises and/or Tenant's leasehold improvements or any alterations thereto are damaged by fire or other perils covered by the insurance Landlord carries pursuant to Section 12.02.01 to an extent not exceeding twenty-five percent (25%) of the full insurable value thereof and if the damage thereto is such that the same may be repaired, reconstructed or restored within a period of 90 days from the date of the happening of such casualty and Landlord will receive insurance proceeds sufficient to cover the cost of such repairs (less the applicable deductible), Landlord shall commence and proceed diligently with the work of repair, reconstruction and restoration and this Lease shall continue in full force and effect. If such work of repair, reconstruction and restoration is such as to require a period longer than 90 days or exceeds twenty-five percent (25%) of the full insurable value thereof, or if said insurance proceeds will not be sufficient to cover the cost of such repairs (less the applicable deductible), Landlord either may elect to so repair, reconstruct or restore the leased premises and/or Tenant's leasehold improvements or any alterations thereto and this Lease shall continue in full force and effect, or Landlord may elect not to repair, reconstruct or restore and this Lease shall in such event terminate. If (a) more than twenty-five percent (25%) of the full insurable value of the leased premises, the building in which the leased premises are located, the Shopping Center, the parking facilities and/or the common areas shall be damaged or destroyed by fire or other casualty at any time, (b) during the last three years of the term hereof more than fifteen percent (15%) of the full insurable value of the leased premises, the building in which the leased premises are located, the Shopping Center, the parking facilities or the common areas shall be damaged or destroyed by fire or other casualty, or (c) all or any part of the leased premises, said building, the Shopping Center, the parking facilities or the common areas are damaged or destroyed at any time by the occurrence of any risk not insured under the insurance carried by Landlord pursuant to Section 12.02.01, then Landlord may elect, at its sole option, either to repair and rebuild the same or to terminate this Lease. Whenever under this Section 13.01 Landlord may elect to terminate this Lease, Landlord shall give written notice to Tenant of such election within 60 days after the occurrence of such damage or destruction. Landlord shall perform all reconstruction and restoration work and shall exclusively handle all claims and loss adjustments with insurance carriers. Tenant shall cooperate with Landlord, including but not limited to preparing and receiving necessary drawings and specifications. The leased premises and improvements therein shall be reconstructed substantially in accordance with the Working Drawings and Specifications originally approved by Landlord or (at Landlord's sole election) new drawings prepared by Tenant and acceptable to Landlord and Tenant; provided such new drawings do not require expenditures greater than those required to reconstruct according to the originally approved Working Drawings and Specifications. Notwithstanding the foregoing, in no event shall Landlord be required to repair or replace Tenant's merchandise, trade fixtures, furnishings, or equipment. If Landlord repairs or rebuilds the leased premises as herein provided, Tenant, at Tenant's sole cost, shall diligently repair or replace Tenant's merchandise, trade fixtures, furnishings and equipment in a manner and to at least a quality and condition equal to that prior to the damage or destruction thereof.

Section 13.02 RENT ABATEMENT. In the event of damage or destruction without termination of this Lease, fixed minimum annual rental and other charges payable by Tenant to Landlord shall be abated in proportion to the Floor Area of the leased premises rendered untenable, and the Breakpoint shall likewise be proportionately reduced. Payment of full rental and all other charges so abated shall recommence, and Tenant shall be obligated to be open for business, on the 30th day following the date that Landlord advises Tenant that the leased premises are tenantable, unless Tenant opens at an earlier time or remains open following destruction or damage.

Section 13.03 EFFECT OF TERMINATION. In the event Landlord elects not to repair and restore following damage or destruction, this Lease shall be deemed to have terminated as of the date of such damage or destruction. Upon any termination of this Lease under the provisions of Section 13.01, the parties shall be released thereby without further obligation to the other from the date possession of the leased premises is surrendered to Landlord except for items which have theretofore accrued and are then unpaid and for any provisions of this Lease which are contemplated to survive termination. Damage or destruction shall not release Tenant from any of its obligations under this Lease except to the extent and upon the conditions expressly stated in this Article 13.

Section 13.04 WAIVER OF STATUTES. Tenant irrevocably waives and releases all rights under and benefits of Sections 1932(2) and 1933(4) of the California Civil Code and any successor statutes of similar import. The parties intend that the express terms of this Lease shall control any circumstances in which those statutes might otherwise apply.

Section 14.02 PARTIAL CONDEMNATION.

14.02.01 (a) If less than the whole but more than twenty-five percent (25%) of the Floor Area of the leased premises or more than fifty percent (50%) of the square footage of the parking facilities or of the common areas shall be taken under eminent domain, or sold to public authority under threat or in lieu of such a taking, either party shall have the right to terminate this Lease as of the day possession is taken by public authority. Such right to terminate shall be exercisable only by delivering to the other party written notice of election to terminate within ten days after such taking. In the event neither party elects to terminate, all of the terms herein provided shall continue in effect, except that as of the day possession of such portion of the leased premises is taken by public authority the fixed minimum annual rental and other charges payable by Tenant to Landlord shall be reduced in proportion to the Floor Area of the leased premises taken and the Breakpoint shall likewise be proportionately reduced. Thereafter, Landlord shall, at its own cost and expense, make all the necessary repairs or alterations to the basic building so as to constitute the remaining leased premises a complete architectural unit, and Tenant, at Tenant's sole cost, shall similarly act with respect to Tenant's improvements, trade fixtures, furnishings and equipment.

(b) If twenty-five percent (25%) or less of the Floor Area of the leased premises shall be so taken, this Lease shall cease, only as to the part so taken, as of the day possession shall be taken by such public authority, and Tenant shall pay rental and other charges up to that day. Thereafter, the fixed minimum annual rental and other charges payable by Tenant to Landlord shall be reduced in proportion to the Floor Area of the leased premises taken and the Breakpoint shall likewise be proportionately reduced. Landlord shall, at its expense, make all necessary repairs or alterations to the basic building, so as to constitute the remaining leased premises a complete architectural unit, and Tenant, at Tenant's sole cost, shall similarly act with respect to Tenant's improvements, trade fixtures, furnishings and equipment.

14.02.02 If more than twenty-five percent (25%) of the Floor Area of the building in which the leased premises are located, or more than twenty-five percent (25%) of the leased premises, or more than twenty-five percent (25%) of the square footage of the Shopping Center or of the parking facilities or of the common areas, shall be taken under power of eminent domain, or sold to public authority under threat or in lieu of such taking, Landlord may, by written notice to Tenant delivered on or before the tenth day following the date of surrendering possession to the public authority, terminate this Lease as of the day possession is taken by public authority. The rental and other charges shall be paid up to the date possession is taken by public authority, with an appropriate refund by Landlord of such rental and of charges as may have been paid in advance for a period subsequent to that date.

Section 14.03 LANDLORD'S AND TENANT'S DAMAGES. All damages awarded for such taking under the power of eminent domain or proceeds from any sale under threat or in lieu of such a taking, whether for the whole or a part of the leased premises or leasehold improvements thereto, shall belong to and be the property of Landlord, regardless of whether such damages shall be awarded or proceeds obtained as compensation for diminution in value to the leasehold improvements thereto, or to the fee of the leased premises, and Tenant shall have no claim against either Landlord or the condemning authority with respect thereto; provided, however, that Landlord shall not be entitled to any award specifically designated as compensation for, depreciation to, and cost of removal of, Tenant's stock and fixtures, or (subject to the rights of any mortgagee or beneficiary of any mortgage or deed of trust made by Landlord covering the leased premises or the Shopping Center) to any award specifically designated as compensation for the unamortized cost of Tenant's leasehold improvements less Landlord's contribution to Tenant's leasehold improvements, such amortization to be on a straight-line basis over the term of this Lease.

Section 14.04 WAIVER OF STATUTES. Tenant irrevocably waives and releases all rights under and benefits of Sections 1265.130 and 1265.140 of the California Code of Civil Procedure and any successor statutes of similar import. The parties intend that the express terms of this Lease shall control any circumstance in which those statutes might otherwise apply.

ARTICLE 15

ESTOPPEL STATEMENT, ATTORNMENMENT AND SUBORDINATION

Section 15.01 ESTOPPEL STATEMENT. Tenant agrees within fifteen (15) days after request therefor by Landlord, to execute in recordable form and deliver to Landlord a true and accurate statement, in writing, certifying (a) that this Lease is in full force and effect, (b) the date of commencement and determination of the term of this Lease, (c) that rental and all other charges hereunder are paid currently without any offset or defense thereto, (d) the amount of rental and all other charges hereunder, if any, paid in advance, (e) whether this Lease has been modified and, if so, identifying the modifications, (f) that there are no uncured defaults by Landlord or stating those

satisfactory to the new owner whereby Tenant attorns to such successor in interest and recognizes such successor as the Landlord under this Lease, provided Tenant's possession is undisturbed. Payment by or performance of this Lease by any person, firm or corporation claiming an interest in this Lease or the leased premises by, through or under Tenant without Landlord's consent in writing shall not constitute an attornment or create any interest in this Lease or the leased premises. In the event that Tenant is required or permitted to attorn pursuant to the terms of this Section 15.02, not more than one months' rent theretofore actually prepaid by Tenant to Landlord will be recognized or allowed as a credit against any rental or other sums which the party to whom the Tenant attorns is entitled to receive or recover from Tenant.

Section 15.03 SUBORDINATION. Tenant agrees that this Lease shall, at the request of Landlord, be subordinate to any mortgages to be made on the Shopping Center or the leased premises, and to the interest thereon, and all renewals, replacement and extensions thereof. Tenant also agrees that any mortgagee or beneficiary may elect to have this lease constitute a prior lien to its mortgage or deed of trust, and in the event of such election and upon notification by such mortgagee or beneficiary to Tenant to that effect, this Lease shall be deemed a prior lien to such mortgage or deed of trust, whether this Lease is dated prior to or subsequent to the date of said mortgage or deed of trust. Tenant agrees that upon the request of Landlord, or any mortgagee or beneficiary, Tenant shall, within twenty (20) days of the receipt of said request, execute whatever instruments may be required to carry out the intent of this Section.

Section 15.04 AUTHORIZATION TO EXECUTE. In the event Tenant fails to execute any statements or instruments necessary or desirable to effectuate the foregoing provisions of this Article within twenty (20) days after written request so to do by Landlord, unless Tenant responded to Landlord's request for execution within ten days after written request and has diligently pursued such execution, Landlord shall have, in addition to any other rights or remedies under this Lease, the full right, power and authority to execute and deliver in the name of Tenant any such statement or instrument.

ARTICLE 16

TRANSFERS OF TENANT'S INTEREST

Section 16.01 APPLICABILITY OF ARTICLE. Tenant acknowledges that this Lease is intended to and does grant to Tenant only a personal right to exclusively use and occupy the leased premises and operate Tenant's business thereon. Landlord expressly reserves to itself and its successors all other right, title, interest, estate and privilege in and to the leased premises, including but not limited to the full economic value of the leased premises, excepting only that of Tenant's right to use and occupy, and the right to prohibit or control the use and occupancy of the leased premises by any other party. Accordingly, Tenant and any sublessee of Tenant have no right to, and shall not voluntarily or by operation of law, directly or indirectly, assign, transfer, mortgage, sublet, encumber, pledge, hypothecate or otherwise transfer all or any part of its interest in this Lease, in the leased premises, in any sublease or the rentals payable thereunder or in the Security Deposit or permit the leased premises to be occupied or used by anyone other than Tenant or Tenant's officers, employees, visitors or guests (collectively referred to in this Article 16 as a "transfer"), except in each instance according to all the provisions of this Article 16, including without limitation the recapture options of Landlord set forth in Section 16.02.05.

Section 16.02 ASSIGNMENTS. Tenant shall not assign, sell or otherwise convey (collectively referred to herein as an "assignment") this Lease or Tenant's interest in the leased premises, without Landlord's prior written consent. If Tenant shall select or appoint some person or entity other than Tenant to manage and control the business conducted in the leased premises, and the result thereof shall be substantially similar to the result of a sublease or assignment, then such selection or appointment shall be deemed an assignment within the meaning and provisions of this Article.

16.02.01 Conditions to Consent. Landlord agrees to give its consent, which shall not be unreasonably withheld or delayed, to an assignment if and only if all the following conditions are satisfied (Tenant acknowledges that such conditions are reasonable and appropriate to protect Landlord's legitimate interests and reserved rights):

(a) The proposed assignee is at least as creditworthy as Tenant when Tenant entered into this Lease, satisfies Landlord's then-current credit standards for tenants of the Shopping Center, in Landlord's opinion has the financial strength and stability to perform all obligations under this Lease to be performed by Tenant as and when they fall due, and in Landlord's opinion has the requisite experience and ability to operate a successful retail business out of the leased premises.

conflict with any exclusive rights or covenants not to compete in favor of any other tenant or proposed tenant in the Shopping Center, (v) will not increase the likelihood of damage or destruction, (vi) will not increase the rate of wear and tear to the leased premises, (vii) will not likely cause an increase in insurance premiums for insurance policies applicable to the Shopping Center and (viii) will at all times remain a single store (unless Landlord agrees otherwise) and will not require new leasehold improvements incompatible with the Shopping Center's base systems and equipment.

(c) Tenant pays Landlord's reasonable attorneys' fees and costs incurred in connection with negotiation, review and processing of the assignment, plus a processing fee not to exceed \$1,000.00 for each such request, plus any increase in the Security Deposit required by Landlord and permitted by law.

(d) The proposed assignee executes and delivers to Landlord an original counterpart of a recordable, written assumption, in form and substance satisfactory to Landlord, of all the obligations of Tenant under this Lease, but the failure or refusal of the assignee to execute or deliver such instrument shall not release or discharge the assignee from its joint and several liability with Tenant for the payment of rent and performance of all obligations to be performed on Tenant's part under this Lease. An assignee who does not comply with this requirement shall have no interest in the Security Deposit. An assignee who does comply shall automatically succeed to Tenant's interest in the Security Deposit (or the proportionate share thereof applicable to the portion of the leased premises assigned) and Landlord shall have the right to refund the same to the assignee at any time or under any circumstances with no liability to the assignor.

(e) The proposed assignee, its parent, subsidiary, affiliate or principal is not then a tenant in the Shopping Center and has not, within the prior six months, been involved in negotiations with Landlord regarding leasing space in the Shopping Center.

(f) The proposed assignee has demonstrated to the reasonable satisfaction of Landlord that it has good character, moral stability and good reputation in the general business community.

(g) At the time of the proposed assignment Tenant is not in default under this Lease, regardless of whether notice thereof has been given.

(h) The proposed assignee is not a tax-exempt entity as defined in Section 168(h)(2) of the Internal Revenue Code of 1986, as amended.

(i) The assignment will not otherwise have or cause a material adverse impact on Landlord's interests, the Shopping Center or the leased premises.

(j) Tenant pays to Landlord any consideration required to be paid Landlord pursuant to Section 16.04.

(k) The name under which the proposed assignee shall operate, in Landlord's opinion, is at least as recognizable to the public in general as is the trade name of Tenant.

Tenant shall have the burden of demonstrating that each of the foregoing conditions is satisfied.

16.02.02 Assignment Includes Changes of Ownership. For purposes of this Article 16, if Tenant is a corporation which under the then-current guidelines published by the California Commissioner of Corporations is not deemed a public corporation, an assignment includes (i) any change in ownership in single or successive transactions of more than 25% of the stock or other interest in such corporation by reason of sale, gift, death or otherwise, and (ii) any assignment of Tenant's interest in this Lease or the leased premises by merger, consolidation or liquidation. Landlord's consent shall not be required for any assignment by Tenant to any entity controlling, controlled by or under common control with Tenant (an "Affiliate Assignment"), provided the assignee expressly assumes the obligations of Tenant hereunder by execution and delivery to Landlord of the instrument described in Section 16.02.01(d). If Tenant is a partnership, joint venture or unincorporated association, an assignment includes any withdrawal, resignation, removal, replacement or addition of any general partner, joint venturer or member which in single or successive transactions results in a change in the ownership of more than 25% of the voting interest of the partnership, joint venture or association.

16.02.03 Notice of Intent to Assign. If Tenant desires at any time to assign this Lease or the leased premises or any portion thereof or interest therein, except for an Affiliate Assignment, it shall first notify Landlord of

with Section 21.02 if Landlord elects to terminate this Lease. If Landlord does not disapprove the proposed assignment in writing and does not exercise its right to terminate within such 30-day period, Tenant may within 90 days after the expiration of such 30-day period enter into a valid assignment of the leased premises, upon the terms and conditions set forth in the information furnished by Tenant to Landlord pursuant to Section 16.02.03; provided that any consideration to be paid to Tenant in connection with such assignment shall be paid to Landlord upon consummation thereof pursuant to Section 16.04. If there are any material changes in the terms or conditions of the assignment, or if any assignment is not consummated within such 90-day period, the assignment shall again be subject to all the provisions of this Article 16, including but not limited to Landlord's consent provided in Section 16.02.01 and Landlord's right to terminate this Lease.

16.02.05 Additional Provisions. Regardless of whether Landlord's consent is required or given, no assignment shall release Tenant of its obligations to pay all rent owing under this Lease or to perform all other obligations to be performed by Tenant under this Lease. Landlord may accept rent from any person other than Tenant pending approval or disapproval of such assignment. No such acceptance of rent or other performance, and no delay in seeking to evict any occupant of the leased premises other than Tenant, shall constitute consent to any assignment or a waiver of any provision of this Lease, or shall prevent Lessor from exercising its rights and remedies for breach of any of the terms, covenants and conditions of this Article 16. Consent to one assignment shall not be deemed consent to any other or subsequent attempted assignment. In the event of default by any assignee or successor of Tenant in the performance of any of the terms of this Lease, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against said assignee or successor. Landlord may consent to subsequent assignments of this Lease or the leased premises or any portion thereof or interest therein, or to any amendments or modifications to this Lease, with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto, and such action shall not relieve Tenant of liability under this Lease.

Section 16.03 SUBLETTING.

16.03.01 Tenant shall have the right at any time and from time to time during the term to sublet all or any part or parts of the leased premises, and to assign, encumber, extend or renew any sublease, provided that Tenant has obtained Landlord's prior written consent thereto, which shall not be unreasonably withheld or delayed, provided that Tenant shall remain primarily obligated to perform Tenant's obligations hereunder and provided that the following provisions are complied with prior to the execution of a sublease by Tenant or the occupation of any portion of the leased premises by such sublessee:

(a) Tenant shall submit in writing to Landlord all of the information about the sublessee and sublease required of an assignee and assignment pursuant to Section 16.02.03 and shall satisfy all of the conditions applicable to assignees and assignments set forth in Section 16.02.01(a), (b), (c), (e), (f), (g), (h), (i) and (k).

(b) The sublease shall require the sublessee to pay the monthly payments directly to Landlord, not to Tenant.

(c) The form and substance of the sublease shall be in a standard form approved in writing by Landlord and shall include a provision, satisfactory to Landlord and to each leasehold mortgagee (hereinafter defined) having an interest at the time the sublease is executed, requiring the sublessee to attorn to Landlord or, in the event of any proceeding to foreclose any leasehold mortgage, to the leasehold mortgagee, or any person designated in a notice from leasehold mortgagee, if Tenant defaults under this Lease and if the subtenant is notified of Tenant's default.

16.03.02 In the event of any proposed sublease, Landlord shall have the same rights to recapture, as to the portion of the leased premises proposed to be sublet, as set forth in Section 16.02.04. In the event of a termination, rent shall be proportionately abated based on the Floor Area of the portion of the leased premises subject to termination.

16.03.03 "Sublet" and "Sublease" shall include a sublease as to which Tenant is sublessor and any sub-sublease or sub-subtenancy, irrespective of the number of tenancies and the tenancy levels between the ultimate occupant and Landlord. Tenant shall require on any sublease which it executes that Tenant receive the profit of all sub-subtenancies, irrespective of the number of levels thereof. To the extent that a sublessee pays Landlord rent or otherwise performs duties of Tenant, in part or in whole, Tenant shall receive credit for such payment of rent and performance of duties, and Tenant's rental obligations and duties under this Lease shall be satisfied and reduced

other thing of value such as payment of costs, cancellation of indebtedness, discounts, rebates and the like. If the consideration includes value paid for the sale of all or any portion of Tenant's business in connection with an assignment, the consideration shall exclude so much as is fairly allocable to the purchase of the business assets other than this Lease and the leased premises, determined in accordance with generally accepted accounting principles. "Normal and usual costs" shall mean a reasonable broker's commission paid by Tenant to a broker independent of Tenant in connection with such assignment or subletting, reasonable legal fees incurred by Tenant in processing such assignment or subletting, out-of-pocket costs incurred by Tenant in advertising for an assignee or sublessee and out-of-pocket costs incurred by Tenant to remodel or renovate the area subject to such assignment or subletting. "Normal and usual costs" exclude the amounts owing under Section 16.02.01(c). Tenant's normal and usual costs shall be deducted only from the excess, if any, of the consideration or rent payable by the assignee or sublessee over the rent stipulated in this Lease, and only as and when such excess consideration or rent is paid by the assignee or sublessee and such costs are paid by Tenant. Any rent or other consideration which is to be passed through to Landlord by Tenant pursuant to this Section 16.04 shall be paid to Landlord promptly upon receipt by Tenant and shall be paid in cash, irrespective of the form in which received by Tenant from any assignee or sublessee. In the event any rent or other consideration received by Tenant from an assignee or sublessee is in a form other than cash, Tenant shall pay to Landlord in cash the fair value of such rent or other consideration.

Section 16.05 ENCUMBRANCE OF TENANT'S INTEREST. Tenant shall have no right, without Landlord's prior written consent, to mortgage or hypothecate all or any portion(s) of Tenant's leasehold estate created under this Lease.

Section 16.06 NON-COMPLYING TRANSFERS VOID. Any attempted transfer which is not in compliance with this Article 16 shall be void and, at the option of Landlord, shall constitute a material default by Tenant under this Lease.

Section 16.07 LENDER CONSENTS. Any transfer for which consent is required of any party having a mortgage, deed of trust or other encumbrance on, or of any lessor under any ground or underlying lease of, all or any part of the Shopping Center shall not be effective unless and until such consent is given.

ARTICLE 17

TRADE NAME; PROMOTIONAL CHARGE; MERCHANTS' ASSOCIATION

Section 17.01 TRADE NAME. Tenant agrees (a) to operate its business in the leased premises under the name specifically set forth in item (11) of the Data Sheet so long as the same shall not be held to be in violation of any applicable law, (b) except as otherwise permitted hereunder, in accordance with the permitted use, not to change the advertised name or character of the business operated in the leased premises without the prior written approval of Landlord, (c) to refer to the Shopping Center as the "Fair Oaks Renaissance Plaza", in designating the location of the leased premises in all newspaper and other advertising and in all other references to the location of the leased premises, and (d) to advertise that the Tenant is opening for business in the Shopping Center. Tenant agrees that the name "Fair Oaks Renaissance Plaza" or any other name used for the Shopping Center shall be the exclusive property of Landlord, and in no event shall Tenant acquire any rights in or to such name. From and after the end of the term of this Lease for any reason whatever, Tenant shall cease using the name "Fair Oaks Renaissance Plaza" or any other name of the Shopping Center for any purpose.

Section 17.02 PROMOTIONAL CHARGE. Landlord may at any time and from time to time, but is not obligated to, provide or cause to be provided a program of advertising or promotional events which, in Landlord's sole judgment, will serve to promote the Shopping Center. In the event Landlord elects to provide such a program, Tenant agrees to pay Landlord as Tenant's share of the cost thereof an annual promotional charge (payable in advance monthly installments as provided in Section 17.04 below) which shall equal the amount of the initial annual promotional charge shown in item (12) of the Data Sheet. During each year that Landlord provides such a program, Landlord shall be compensated out of promotional charges collected from tenants, for promotional services provided, in an amount equal to fifteen percent (15%) of the promotional charges collected, on a non-cumulative basis. Landlord shall not be obligated to expend more than is actually collected from tenants, less such compensation.

Any promotional services and personnel so provided shall be under the exclusive control and supervision of Landlord, who shall have the sole authority to employ and discharge personnel and to establish a budget.

Section 17.03 MERCHANTS' ASSOCIATION. Landlord reserves the right at any time to cease providing promotional services and to cause a Merchants' Association to be formed. Upon the formation of the

Merchants' Association for Landlord's cost of providing such promotional services and personnel, in an amount not to exceed fifteen percent (15%) of the annual dues payable to the Merchants' Association. Any promotional services and personnel so provided shall be under the exclusive control and supervision of Landlord, who shall have the sole authority to employ and discharge such personnel. The provisions of this Section 17.03 shall be deemed to be covenants for the benefits of Landlord and the Merchants' Association as and when formed, and may be enforced by each of them. Tenant's obligation for payment of dues to the Merchants' Association shall be the same sum per month as Tenant was obligated to pay for promotional service prior to the formation of the Merchants' Association.

Section 17.04 PAYMENT PROVISIONS. All payments, charges, dues and assessments payable under this Article 17 shall be due in equal monthly installments on the first day of each month and shall be paid without deduction or offset. Failure by Tenant to pay all such sums when due shall carry with it the same consequences under Article 18 hereof as Tenant's failure to pay rent.

ARTICLE 18

DEFAULT

Section 18.01 RIGHTS UPON DEFAULT. Notwithstanding any provision herein to the contrary and regardless of whether all or any rights conferred upon Landlord by this Article 18 are expressly or by implication conferred upon Landlord elsewhere in this Lease, in the event (a) Tenant fails to pay any rental or installments thereof, or any other charges or sums whatsoever due hereunder (including without limitation, amounts due as reimbursement to Landlord for costs incurred by Landlord in performing obligations of Tenant hereunder upon Tenant's failure so to perform), following notice to Tenant and opportunity to cure, as provided hereunder, for ten (10) days following receipt of notice of non-payment, (b) Tenant fails to deliver to Landlord any insurance policy or certificate, any estoppel statement or any instrument of subordination within the time required under this Lease, and such failure continues for more than ten (10) days after written notice from Landlord to Tenant of such default, (c) Tenant fails to move into the leased premises and to open for business by the Outside Commencement Date (plus the period of any force majeure delay, or any delay Landlord causes), (d) subject to the other provisions of this Lease, Tenant fails continuously to operate in the manner and during the hours established by Landlord pursuant to Section 7.02 hereof or for the purpose specified in item (9) of the Data Sheet, and fails to correct the same within twenty-four hours following notification by Landlord, or Tenant shall abandon the leased premises, or permit this Lease to be taken under any writ of execution or similar writ or order, or (e) Tenant fails to perform any of the other terms, conditions or covenants of this Lease to be observed or performed by Tenant for more than thirty days after written notice from Landlord to Tenant of such default (unless such default cannot be cured within thirty days and Tenant shall have commenced to cure said default within said thirty days and cures the same with all reasonable dispatch), then Landlord, besides other rights or remedies it may have under this Lease or at law, shall have the right, but not the obligation, to (i) immediately terminate this Lease and Tenant's right to possession of the leased premises by giving Tenant written notice that this Lease is terminated, in which event, upon such termination, Landlord shall have the right to recover from Tenant the sum of (A) the worth at the time of award of the unpaid rental which had been earned at the time of termination, (B) the worth at the time of award of the amount by which the unpaid rental which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant affirmatively proves could have been reasonably avoided, (C) the worth at the time of award of the amount by which the unpaid rental for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant affirmatively proves could be reasonably avoided, (D) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom and (E) all such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time under applicable law; (ii) have this Lease continue in effect for so long as Landlord does not terminate this Lease and Tenant's right to possession of the leased premises, in which event Landlord shall have the right to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent and other charges payable by Tenant under this Lease as they become due under this Lease, and Tenant shall have the right to sublet the leased premises or (at Landlord's option) assign Tenant's interest in this Lease for the use permitted hereby to a party determined by Landlord to be of good moral character and sound financial responsibility; (iii), without terminating this Lease and without further notice or demand, pay or discharge any breach or violation hereof, in which event Tenant shall reimburse Landlord for all cost and expense of Landlord thereby incurred, together with interest thereon at the maximum rate permitted by law, within ten days after Tenant receives from Landlord a written demand therefor, and Tenant's obligation to reimburse such cost and expense shall be and constitute additional rent under this Lease; or (iv) without terminating this Lease, make such demolitions, alterations and repairs as may be necessary in order to relet the leased premises, and relet the leased premises or any part thereof for such term or terms (which may be for a term extending beyond the term of

possession of the leased premises by Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention is given to Tenant or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach. In the event of re-entry by Landlord, Landlord may immediately remove all persons and demolish and/or remove all property from the leased premises and such property may be stored and disposed of as provided in Section 6.03. At any time that Tenant has either failed to pay rental or other charges within ten days after the same shall be due or shall have delivered checks to Landlord for payments pursuant to this Lease which shall have on at least three occasions during the terms of this Lease (whether consecutive or not or whether involving the same check or different checks) been returned by Landlord's bank for any reason, then thereafter Landlord shall not be obligated to accept any payment from Tenant unless such payment is made by cashier's check or in bank certified funds. For the purpose of subsections 18.01(i)(A) and (B), "worth at the time of award" shall be computed by allowing interest at the maximum rate then permitted by law, which is currently five percent (5%) over and above the federal discount rate (see Section 25.13.01 below). For purposes of subsection 18.01(i)(C), "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 1%. As used in subsections 18.01(i)(A), (B) and (C), "time of award" means the time of entry of judgment or similar point of determination if the matter is determined by other than a court. For purposes of this Section 18.01, the rental reserved in this Lease shall be deemed to be (1) a monthly rental arrived at by adding to the monthly fixed minimum rental under this Lease an amount equal to the monthly average of all the percentage rental based on Gross Sales received by or payable to Landlord hereunder during the immediately preceding 24-month period that Tenant was conducting Tenant's business in the leased premises in the manner and to the extent in this Lease required of Tenant, or if Tenant has operated in such manner for less than 24 months, then on the basis of such shorter period, plus (2) 1/12th of the annual average of any other payments (such as Tenant's share of common area expense) paid or payable by Tenant hereunder.

Section 18.02 LEGAL EXPENSES. In the event that Landlord should retain counsel and/or institute any suit against Tenant for violation of or to enforce any of the covenants or conditions of this Lease, or should Tenant institute any suit against Landlord for violation of any of the covenants or conditions of this Lease, or should either party institute a suit against the other for a declaration of rights hereunder, or should either party intervene in any suit in which the other is a party, to enforce or protect its interest or rights hereunder, the prevailing party, whether Landlord or Tenant, shall be entitled to all of its costs, expenses and reasonable fees of its attorney(s) in connection therewith.

Section 18.03 RIGHT TO SUBLEASES. Whether or not Landlord elects to terminate this Lease on account of any default by Tenant, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the leased premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. If Landlord elects to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

Section 18.04 WAIVER. To the maximum extent permitted by law, Tenant waives any legal or equitable right to relief from forfeiture of this Lease following default (and, to the extent applicable, the giving of notice and expiration of any grace period without such default being remedied).

ARTICLE 19

BANKRUPTCY OR INSOLVENCY

Section 19.01 TENANT'S INTEREST NOT TRANSFERABLE. Neither Tenant's interest in this Lease, nor any estate hereby created in Tenant nor any interest herein or therein, shall pass to any trustee or receiver or assignee for the benefit of creditors or otherwise by operation of law except as may specifically be provided pursuant to the Federal Bankruptcy Code.

Section 19.02 TERMINATION. In the event (a) the interest or estate created in Tenant hereby shall be taken in execution or by other process of law, (b) Tenant's Guarantor, if any, or its executors, administrators, or assigns, if any, shall be adjudicated insolvent or bankrupt pursuant to the provisions of any State Act or the Federal Bankruptcy Code, (c) Tenant is adjudicated insolvent by a Court of competent jurisdiction other than the United States Bankruptcy Court, (d) a receiver or trustee of the property of Tenant or Tenant's Guarantor, if any, shall be appointed by reason of the insolvency or inability of Tenant or Tenant's Guarantor if any to pay its debts, or (e) any

or the appointment of a trustee or receiver of Tenant or Tenant's Guarantor, if any, or of the assets of either of them, shall be conclusive evidence that Tenant caused, or gave cause therefor, unless such allowance of the petition, or the appointment of a trustee or receiver, is vacated within 30 days after such allowance or appointment. Any act described in this Section 19.03 shall be deemed a material breach of Tenant's obligations hereunder, and this Lease shall thereupon automatically terminate. In addition, Landlord reserves any and all other remedies provided in this Lease or by law.

Section 19.04 RIGHTS AND OBLIGATIONS UNDER THE FEDERAL BANKRUPTCY CODE

19.04.01 Upon the filing of a petition by or against Tenant under the Federal Bankruptcy Code, Tenant, as a debtor and as debtor in possession, and any trustee who may be appointed agree as follows: (a) to perform each and every obligation of Tenant under this Lease including, but not limited to, the manner of operations as provided in Section 7.02 of this Lease until such time as this Lease is either rejected or assumed by order of the United States Bankruptcy Court; (b) to pay monthly in advance on the first day of each month as reasonable compensation for use or occupancy of the leased premises an amount equal to all fixed minimum rental and other charges due pursuant to this Lease and to pay percentage rental for each Percentage Rent Period on all sales during such Period, payment of all such percentage rental to be made by the tenth of the month following the applicable Percentage Rent Period; (c) to reject or assume this Lease within 60 days of the filing of such petition under Chapter 7 of the Federal Bankruptcy Code or within 120 days (or such shorter term as Landlord, in its sole discretion, may deem reasonable so long as notice of such period is given) of the filing of a petition under any other Chapter; (d) to give Landlord at least 45 days prior written notice of any proceeding relating to any assumption of this Lease; (e) to give at least 30 days prior written notice of any abandonment of the leased premises, any such abandonment to be deemed a rejection of this Lease; (f) to do all other things of benefit to Landlord otherwise required under the Federal Bankruptcy Code; (g) to be deemed to have rejected this Lease in the event of the failure to comply with any of the above; (h) to have consented to the entry of an order by appropriate United States Bankruptcy Court providing all of the above, waiving notice and hearing of the entry of same.

19.04.02 No default of this Lease by Tenant, either before or after the filing of such a petition, shall be deemed to have been waived unless expressly done so in writing by Landlord.

19.04.03 It is understood and agreed that this is a Lease of real property in a shopping center as such a lease is described in Section 365(b)(3) of the Federal Bankruptcy Code.

19.04.04 Included within and in addition to any other conditions or obligations imposed upon Tenant or its successor in the event of assumption and/or assignment are the following: (a) the cure of any monetary defaults and the reimbursement of pecuniary loss within not more than 30 days of assumption and/or assignment; (b) the deposit of an additional sum equal to three months' rental to be held as security pursuant to the terms of this Lease; (c) the use of the leased premises as set forth in item (9) of the Data Sheet and the quality, quantity and/or lines of merchandise of any goods or services required to be offered for sale are unchanged; (d) the reorganized debtor or assignee of such debtor in possession or of Tenant's trustee demonstrates in writing that it has sufficient background including, but not limited to, substantial retailing experience in shopping centers of comparable size and financial ability to operate a retail establishment out of the leased premises in the manner contemplated in this Lease and meet all other reasonable criteria of Landlord as did Tenant upon execution of this Lease; (e) the prior written consent of any mortgagee to which this Lease has been assigned as collateral security; and (f) the leased premises, at all times, remain a single store and no physical changes of any kind may be made to the leased premises unless in compliance with the applicable provisions of this Lease.

ARTICLE 20

RIGHTS OF LANDLORD

Section 20.01 RIGHT OF ENTRY. Landlord and Landlord's agents shall have the right to enter the leased premises upon two (2) day's prior notice to Tenant, to examine the same and to show them to prospective purchasers or mortgagees. Landlord and Landlord's agents shall have the further right (upon two days' prior notice, except that notice will not be required if not practicable due to an emergency) to enter the leased premises to make such repairs, alterations, improvements or additions as the Landlord may deem necessary or desirable, and Landlord shall be allowed to take all material into and upon the leased premises that may be required therefor without the same constituting an eviction of Tenant in whole or in part, and the rental and other charges reserved shall in no manner or degree abate while said repairs, alterations, improvements, or additions are being made, by reason of loss or interruption of business of Tenant, or otherwise. During the six months prior to the expiration of the term of this

Section 20.02 ADDITIONAL RIGHTS OF LANDLORD. Landlord further reserves to itself and shall at any and all times have the right:

(a) To change the street address of the leased premises and/or the name or street address of the Shopping Center, upon reasonable notice to Tenant.

(b) To grant to anyone the exclusive right to conduct any business or render any service in the Shopping Center, provided such exclusive right shall not operate to exclude Tenant from the use expressly permitted by this Lease and does not conflict with exclusive use, if any, granted Tenant in any Rider to this Lease;

(c) To effect such other tenancies in the Shopping Center as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Shopping Center, subject to exclusive use, if any, granted Tenant in any Rider to this Lease. Tenant does not rely on the fact nor does Landlord expressly or impliedly represent or warrant that any specific tenant or number of tenants shall during the term of this Lease occupy any space in the Shopping Center or any property or building in the surrounding area, regardless of whether Landlord owns, controls or has an interest therein, or that Tenant will be free from competition from other tenants operating similar businesses in the Shopping Center or in any such property or building in the surrounding area (unless otherwise expressly set forth in any Rider to this Lease). Landlord has no obligation to Tenant to obtain, maintain, preserve or continue, or to prohibit or avoid (unless otherwise expressly set forth in any Rider to this Lease), tenancies of any kind in any other space in the Shopping Center or in any such property or building in the surrounding area; and

(d) To utilize portions of common areas for carnival-type shows, rides, entertainment, outdoor shows, displays, automobile and other product shows, the leasing of kiosks, or such other uses which in Landlord's judgment tend to attract the public, and to utilize the lighting standards and other areas in the parking facilities for advertising purposes.

Section 20.03 ~~SECURITY AGREEMENT. Tenant hereby creates and grants to Landlord a security~~ interest in all goods, wares, equipment, trade fixtures, furniture, furnishings and other personal property of Tenant at any time located upon the leased premises, and all proceeds therefrom, except for stock in trade and confidential records and files (the "Collateral"), to secure the payment of all sums owing from Tenant to Landlord under this Lease and all damage or loss suffered by reason of Tenant's breach of any obligation, covenant, condition or agreement of Tenant under this Lease. Tenant shall not remove or permit to be removed from the leased premises any Collateral without Landlord's written consent during any time that any default by Tenant remains uncured. In the event of default by Tenant under this Lease, Landlord shall have and may exercise any and all rights and remedies available to a secured party under the California Commercial Code with respect to all parts of the Collateral governed by the California Commercial Code, including the power to effect a sale of any of the Collateral and to apply the proceeds thereof in the manner provided by law. Any legal requirement of reasonable notice shall be met if such notice is given in the manner prescribed in this Lease at least ten days before the time of any sale of the Collateral. Tenant, upon Landlord's request, shall make, execute, acknowledge and deliver to Landlord any financing statements and other instruments Landlord deems necessary to perfect the security interest hereby created and granted; and in furtherance thereof Tenant hereby grants Landlord a power of attorney, coupled with an interest, with full power and authority to make, execute, acknowledge, deliver and file in the name and on behalf of Tenant any such financing statements and/or other instruments. The rights and remedies provided in this Section 20.03 are cumulative of and in addition to any other rights and remedies available to Landlord under this Lease, at law or in equity. Landlord's security interest hereunder at all times shall be subordinate to any security interest Tenant has granted or hereafter ~~grants for the purpose of financing its purchase and/or installation of the Collateral.~~

Section 20.04 NO WARRANTIES OR REPRESENTATIONS BY LANDLORD. Tenant acknowledges that no representations, warranties or inducements, express or implied, have been made by Landlord or its partners, agents, employees or representatives except as expressly set forth in this Lease. None of the provisions of this Lease shall be construed as a warranty or representation made by Landlord unless specifically stated to be a warranty or representation. Without limitation, Tenant acknowledges that neither Landlord nor its partners, agents, employees or representatives have made any oral or written agreements, warranties, or representations:

(a) As to whether the use permitted under this Lease is a use that is permitted under existing laws, zoning ordinances, regulations, and the like;

(b) as to whether the City of Pasadena or other applicable governmental authorities

(c) that Tenant shall have the exclusive right to conduct a particular business or the exclusive right to sell any particular merchandise at the Shopping Center (unless otherwise expressly set forth in any Rider to this Lease).

ARTICLE 21

SURRENDER OF PREMISES; REMOVAL OF PROPERTY

Section 21.01 NO SURRENDER. No act or thing done by Landlord or any agent or employee of Landlord during the term hereof shall be deemed to constitute an acceptance by Landlord of a surrender of the leased premises unless such intent is specifically acknowledged in a writing signed by Landlord. The delivery of keys to the leased premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the leased premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord. Notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the leased premises.

Section 21.02 TENANT'S REMOVAL OF PERSONAL PROPERTY. Upon the expiration of the term of this Lease, or upon any earlier termination of this Lease except termination pursuant to Sections 13.01, 14.01 or 14.02, Tenant shall, subject to the provisions of this Article 21, quit and surrender possession of the leased premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the leased premises all debris and rubbish, and such items of property as Tenant is required to remove under Section 6.04.

ARTICLE 22

HOLDING OVER

Section 22.01 HOLDING OVER. Any holding over after expiration or earlier termination of the term hereof with the consent of the Landlord shall be construed to be a tenancy from month to month at 1/12th of an amount equal to one and one-half the rental required to be paid by Tenant for the last full lease year of the lease term, together with an amount estimated by Landlord for the monthly additional charges payable pursuant to this Lease, and shall otherwise be on the same terms and conditions as herein specified so far as applicable. Any holding over without Landlord's consent shall entitle Landlord to reenter the leased premises as provided in Section 18.01 of this Lease. No acceptance of rent by Landlord after expiration of the term at less than the amount specified above shall constitute consent to holdover or acceptance of renewal, but shall only constitute rent for a tenancy at sufferance, which shall be in addition to any damages Landlord suffers due to Tenant's holdover. Tenant shall protect, defend, indemnify and hold harmless Landlord from and against all claims, causes of action, damages, losses, costs, liabilities and expenses, including but not limited to foreseeable and unforeseeable consequential damages, resulting from any holding over without Landlord's consent.

ARTICLE 23

RULES AND REGULATIONS

Section 23.01 RULES AND REGULATIONS. Tenant agrees to comply with and observe all reasonable rules and regulations governing use and operation of the Shopping Center established by Landlord from time to time and communicated to Tenant, provided the same shall apply uniformly to all tenants of the Shopping Center, including but not limited to the rules and regulations attached to this Lease as Exhibit D. Tenant's failure to keep and observe said rules and regulations shall constitute a breach of the terms of this Lease in the same manner as if the rules and regulations were contained herein as covenants. In the case of any conflict between said rules and regulations and this Lease, this Lease shall be controlling. Landlord shall have no liability to Tenant for the failure of any other tenant in the Shopping Center to observe the rules and regulations or any provisions in such other tenant's lease, or Landlord's failure to enforce such rules, regulations or provisions.

ARTICLE 24

ARTICLE 25

MISCELLANEOUS

Section 25.01 **TRAFFIC AND ENERGY MANAGEMENT.** Tenant agrees to cooperate and use its reasonable efforts to participate in traffic management programs, plans or ordinances applicable to the Shopping Center or planning areas in which the Shopping Center is located (collectively "Program"), and shall encourage, and support van pooling, car pooling, ridesharing, and other transportation mitigation measures to the fullest extent permitted by the requirements of Tenant's business or required by the Program. If any Program imposes conditions to issuance of a building permit for any improvements to the leased premises, Tenant shall be deemed the applicant for such permit for all purposes of the Program, and shall satisfy such conditions and pay all fees imposed by the Program, even though the permit may be applied for or issued in Landlord's name. Neither this Section 25.01 nor any other provision in this Lease is intended to or shall create any rights or benefits in any other person, firm, company, governmental entity or the public. Landlord and Tenant agree to cooperate and use their reasonable efforts to comply with any and all guidelines or controls imposed upon either Landlord or Tenant by federal or state governmental organizations or by any energy conservation association to which Landlord is a party concerning energy management.

Section 25.02 **WAIVER; ELECTION OF REMEDIES.** One or more waivers of any covenant or condition by Landlord shall not be construed as a waiver of a subsequent breach of the same or any other covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary Landlord's consent or approval to or of any subsequent similar or different act by Tenant. No breach by Tenant of a covenant or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord. No act or delay or omission done, suffered or permitted by Landlord or its agents shall be deemed to waive, exhaust or impair any right, remedy or power of Landlord hereunder. The acceptance of rent by Landlord shall not waive any preceding breach by Tenant of any term, covenant or condition of this Lease, other than Tenant's failure to pay the particular rent or part thereof so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent, and shall not continue, extend or affect (a) the service of any notice, any suit or final judgment for possession of the leased premises, (b) the term of this Lease or (c) any other notice or demand. No custom or practice between the parties in the administration of the terms of this Lease shall be construed to waive or lessen the right of Landlord to insist upon performance by Tenant in strict compliance with the terms hereof. The rights and remedies of Landlord under this Lease or under any specific Article, Section, subsection or clause hereof shall be cumulative and in addition to any and all other rights and remedies which Landlord has or may have elsewhere under this Lease or at law or equity, whether or not such Article, Section, subsection or clause expressly so states.

Section 25.03 **ENTIRE AGREEMENT.** All Exhibits and Riders, if any, attached hereto form a part of this Lease and shall be given full force and effect, as fully as if set forth at length herein. This Lease and said Exhibits and Riders, if any, so attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the leased premises, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as are set forth. No alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by each party.

Section 25.04 **RELATIONSHIP OF PARTIES.** Nothing contained herein, either in the method of computing rent or otherwise, shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent, partnership, association or joint venture between the parties hereto, it being understood and agreed that neither the method of computation of rental, nor any other provision contained herein, nor any acts of the parties herein, shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant.

Section 25.05 **SUCCESSORS AND ASSIGNS.** Except as otherwise provided in Article 16, all of the covenants, conditions and provisions of this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representations, successors and assigns.

Section 25.06 **DELAYS.** In the event either party hereto shall be delayed in the performance of its initial construction obligations or maintenance and/or repair obligations by reason of strikes, lockouts, labor troubles, inability to procure materials, lack of power, restrictive governmental requirements, delays by governmental authorities in reviewing or approving applications or plans, earthquake, flood, unusually severe weather or reasons of a similar nature not the fault of the party delayed in performing work or doing acts required under the terms of this

transmitted (including the cover page), (ii) where the transmitting device or receiving device records verification of receipt and the date and time of transmission receipt and the phone number of the other device, and (iii) where the facsimile transmission is immediately followed by service of the original of the subject item in the manner provided in subsection (a), (b) or (d) hereof, or (d) by deposit in the United States mail, postage and fees fully prepaid, registered or certified mail, with return receipt requested, addressed as specified for each party in item (13) of the Data Sheet. Landlord or Tenant may, from time to time, by notice in writing served upon the other as aforesaid, designate an additional and/or a different mailing address or an additional and/or a different person to whom all such notices, demands, requests, reports and communications are thereafter to be addressed. Any notice, demand, request, report or other communication served personally shall be deemed delivered upon receipt, if served by mail or independent courier shall be deemed delivered on the date of receipt as shown by the addressee's registry or certification receipt or on the date receipt at the appropriate address is refused, as shown on the records or manifest of the U.S. Postal Service or independent courier, and if served by facsimile transmission shall be deemed delivered on the date of receipt as shown on the received facsimile (provided the original is thereafter delivered as aforesaid).

Section 25.08 BROKER'S COMMISSION. The parties acknowledge that the broker(s) listed in item (14) of the Data Sheet is/are the only broker(s) who negotiated this Lease. Landlord shall be solely responsible for payment of brokerage commissions to such named brokers. Tenant and Landlord represent and warrant to each other that, except with respect to such named brokers, there are and shall be no claims for brokerage commissions or finder's fees in connection with this Lease, and Tenant and Landlord agree to indemnify each other and hold it harmless from all liabilities arising from any such claim including without limitation, the cost of attorney's fees in connection therewith. Such agreement shall survive the termination of this Lease.

Section 25.09 RECORDING. Tenant shall not record this Lease without the prior written consent of Landlord. Landlord may, however, record this Lease or a written memorandum hereof, and Tenant hereby consents to such recordation and shall execute a written memorandum of this Lease if Landlord so requests.

Section 25.10 FURNISHING OF FINANCIAL STATEMENTS. Upon Landlord's written request, Tenant shall promptly furnish Landlord, from time to time in connection with the sale or refinancing of the Shopping Center, financial statements reflecting Tenant's and Guarantor's current financial condition, and written evidence of ownership of controlling stock, membership, partnership, or other interest if Tenant or Guarantor is a corporation, limited liability company or general or limited partnership.

Section 25.11 TRANSFER OF LANDLORD'S INTEREST. In the event of any transfer or transfers of Landlord's interest in the leased premises, including a so-called sale-leaseback or an exchange, the transferor shall be automatically relieved of any and all obligations on the part of Landlord accruing, and any act or omission of any party occurring, from and after the date of such transfer, provided that (a) the interest of the transferor, and all of transferor's obligations shall be assumed by the transferee, as Landlord, in any funds then in the hands of Landlord in which Tenant has an interest shall be turned over, subject to such interest, to the then transferee, and (b) notice of such sale, transfer or lease shall be delivered to Tenant as required by law. No holder of a mortgage to which this Lease is or may be subordinate, and no lessor under a so-called sale-leaseback, shall be responsible in connection with the Security Deposit, unless such mortgagee or holder of such deed or trust or lessor shall have actually received the Security Deposit.

Section 25.12 FLOOR AREA.

25.12.01 "Floor Area" as used in this Lease means, with respect to any leasable area in the Shopping Center, the aggregate number of square feet of floor space of all floor levels therein, measured from (a) the outside faces of all perimeter walls thereof other than any party wall separating such premises from other leasable premises, (b) the center lines of any such party wall, and (c) the building and/or leaseline adjacent to any entrance to such premises.

25.12.02 For the purposes of this Lease, in determining the gross leasable Floor Area of the Shopping Center, there shall be excluded therefrom the Floor Area of any premises leased for the operation of a U.S. Government Post Office facility or other governmental facility, and the total Floor Area utilized by Landlord for the operation of a child care center, community room, library, project offices, and related rooms, parking facilities, common areas and project areas which shall be deemed amenities to the Shopping Center. No deduction or exclusion from Floor Area in the leased premises shall be made by reason of columns, ducts, stairs, elevators, escalators, shafts, or other interior construction or equipment.

Section 25.13 INTEREST AND LATE CHARGE ON PAST DUE OBLIGATIONS

the delinquent installment, provided that in no event shall the amount of such late charge exceed \$1,000.00; provided, however, in the event Tenant is late in paying installments of rent more than once during any twelve-month period, such late charge will become payable if Tenant is more than seven days late in payment, and Tenant will not be entitled to notice and an opportunity to cure such delinquency. The parties agree that the amount of such late charge represents a good faith, reasonable estimate of the additional cost and expense that would be incurred by Landlord in accounting for and processing each delinquent payment of rent by Tenant and that such late charge shall be paid to Landlord as liquidated damages for such processing costs pursuant to California Civil Code Section 1671. The parties further agree that the payment of late charges and the payment of interest provided for in Section 25.13.01 above are distinct and separate from one another in that the payment of interest is to compensate Landlord for the use of Landlord's money by Tenant, while the payment of a late charge is to compensate Landlord for the additional administrative and accounting expenses incurred by Landlord in handling and processing delinquent payments.

25.13.03 Interest and late charges provided in this Article 25 shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as limiting Landlord's remedies in any manner. Provision for interest and late charges is not intended to provide Tenant with any grace period for paying rent and shall not be construed as extending or rendering inessential the time for payment.

Section 25.14 LIABILITY OF PARTIES.

25.14.01 If Landlord shall fail to perform any covenant, term or condition of this Lease upon Landlord's part to be performed, and if as a consequence of such default Tenant shall recover a money judgment against Landlord, such judgment shall be satisfied only out of the proceeds of sale received upon execution of such judgment and levied thereon against the right, title and interest of Landlord in the Shopping Center and out of rents or other income from such property receivable by Landlord, or out of the consideration received by Landlord from the sale or other disposition of all or any part of Landlord's right, title and interest in the Shopping Center, subject, however, to the rights of Landlord's mortgagees. Neither Landlord nor any of the partners comprising the partnership which is Landlord herein shall be personally liable for any deficiency; and Tenant shall not have or seek recourse against any other assets of Landlord or the personal assets of any such partner.

25.14.02 If more than one person or entity is named as Tenant under this Lease, each such person or entity shall be jointly and severally liable for all covenants, obligations and responsibilities of the Tenant hereunder.

Section 25.15 ACCORD AND SATISFACTION. Payment by Tenant or receipt by Landlord of a lesser amount than the rental or other charges herein stipulated shall be deemed to be on account of the earliest due stipulated rental or other charges, and no endorsements or statement on any check or any letter accompanying any check or payment as rental or other charges shall be deemed an accord and satisfaction, and Landlord shall accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or other charges or to pursue any other remedy provided in this Lease or by law.

Section 25.16 EXECUTION OF LEASE; NO OPTION. The submission of this Lease to Tenant shall be for examination purposes only, and does not and shall not constitute a reservation of an option for Tenant to lease, or otherwise create any interest of Tenant in, the leased premises or any other premises situated in the Shopping Center. Execution of this Lease by Tenant and return to Landlord shall not be binding upon Landlord, notwithstanding any time interval, until Landlord has in fact executed this Lease and delivered it to Tenant.

Section 25.17 GOVERNING LAW. This Lease shall be governed by and construed in accordance with laws of the State of California. Venue for any proceedings between the parties relating to this Lease shall lie in Los Angeles County.

Section 25.18 CERTAIN RULES OF CONSTRUCTION.

25.18.01 Time is of the essence of this Lease. Each party waives any right at law or in equity to tender performance beyond the applicable time period, or to require the other party to accept such performance, even though substantial but not complete performance may have occurred within the applicable time period.

25.18.02 Notwithstanding the fact that certain references elsewhere in this Lease to acts required to be performed by Tenant hereunder, or to breaches or defaults of this Lease by Tenant, omit to state that such acts shall be performed at Tenant's sole cost and expense, or omit to state that such breaches or defaults by Tenant are material, unless the context clearly implies to the contrary, each and every act to be performed or obligation to be fulfilled by Tenant pursuant to this Lease shall be performed or fulfilled at Tenant's sole cost and expense.

25.18.04 The language in all parts of this Lease shall in all cases be construed as a whole and in accordance with its fair meaning. The parties hereto acknowledge and agree that each has been given the opportunity to independently review this Lease with legal counsel, and/or has the requisite experience and sophistication to understand, interpret and agree to the particular language of the provisions hereof. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this Lease, this Lease shall not be interpreted or construed against the party preparing it. If any term or provision of this Lease, the deletion of which would not adversely affect the receipt of any material benefit by either party hereunder, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each other term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law. It is the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added as a part of this Lease an enforceable clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible.

25.18.05 The captions, section numbers, article numbers, and index appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of such sections or articles of this Lease nor in any way affect this Lease. Whenever herein the singular number is used the same shall include the plural, and the masculine, feminine and neuter genders shall each include the others.

Section 25.19 HAZARDOUS MATERIALS.

25.19.01 Tenant represents and warrants to Landlord that neither Tenant nor its agents, servants, employees, contractors or anyone else acting on its behalf will store, dispose, produce, use, release, discharge, transport or manufacture any toxic or hazardous waste or materials as defined or regulated by federal, state, regional or local laws, ordinances, rules and regulations in, on or about the leased premises or any portion of the Shopping Center; except that Tenant may store and use minimal quantities of hazardous materials normally used in the conduct of Tenant's business if done so in strict compliance with all applicable federal, state, regional and local laws, ordinances, rules and regulations. Tenant shall promptly comply with the requirements of Section 25359.7(b) of the California Health and Safety Code and/or any successor or similar statute to provide Landlord with written notice that any hazardous material has or will come to be located on or beneath the leased premises or the building in which the leased premises are located, if Tenant discovers or has reasonable cause to believe of the presence or release of such materials. In the event Tenant or any of its agents, servants, employees, contractors or anyone else acting on its behalf violates the foregoing provisions, Tenant shall indemnify, protect, defend and hold harmless Landlord and its agents, employees, partners, contractors, guests and invitees from any damage, claim, injury, cost or liability arising therefrom or related thereto, including all foreseeable and unforeseeable consequential damages, costs of cleanup, attorneys' fees and court costs. The cleanup and disposal of such waste or materials shall be performed by Tenant at Tenant's sole cost and expense and shall be performed in accordance with all applicable laws, rules, regulations and ordinances. The foregoing notwithstanding, Landlord in Landlord's sole and absolute discretion may elect, by written notice to Tenant, to perform the cleanup and disposal of such waste or materials from the leased premises and/or Shopping Center. In such event, Tenant shall pay to Landlord the actual cost of same within ten days after receipt from Landlord of Landlord's written invoice therefor.

25.19.02 At any time that Landlord, in Landlord's sole reasonable discretion, has reason to believe that an adverse environmental condition may be present on the leased premises and/or the Shopping Center, Landlord may conduct an environmental assessment of the leased premises and/or the Shopping Center. If an adverse environmental condition is found on or about the Shopping Center and/or the leased premises and is attributable to the acts or omissions of Tenant and/or any of its agents, servants, employees, contractors or anyone else acting on its behalf, and/or to events occurring with the leased premises during the term, Tenant shall immediately reimburse Landlord for Landlord's expenses in conducting the environmental assessment, in addition to Tenant's indemnification obligations with respect to the environmental condition as described in Section 25.19.01.

Section 25.20 LENDER AMENDMENT. Tenant hereby consents to amendment of this Lease as and to the extent required by any lender which makes a loan to Landlord secured in whole or in part by the Shopping Center or by any ground or underlying lessor of the Shopping Center; provided that no such amendment shall increase the rent payable or other obligations of Tenant hereunder, impair Tenant's use of the leased premises, or otherwise adversely affect Tenant's rights or remedies under this Lease.

Section 25.21 QUITCLAIM. At the expiration or earlier termination of this Lease, Tenant shall execute, acknowledge and deliver to Landlord, within five days after written demand from Landlord to Tenant, any quitclaim deed or other document as may be reasonably requested by Landlord or any reputable title insurance company to remove this Lease as a matter affecting title to the leased premises. This covenant shall survive the

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

25.22.02 Tenant shall use best efforts, to the extent practicable and reasonable, to fill jobs Tenant creates at the leased premises with residents from the City of Pasadena.

Section 25.23 COUNTERPART EXECUTION. This Lease may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

Section 25.24 AUTHORITY. Each individual executing this Lease on behalf of Landlord and Tenant represents and warrants that the execution and delivery of this Lease on behalf of the party for whom such person is executing is duly authorized and that this Lease is binding upon such party in accordance with its terms. If Tenant is a corporation, Tenant shall, within ten days after execution of this Lease, deliver to Landlord a copy of a resolution of the Board of Directors of Tenant authorizing or ratifying the execution of this Lease, certified by the appropriate officer of Tenant to be true and complete, duly adopted and unrevoked.


Section 25.25 GUARANTY. Concurrently with the execution and delivery of this Lease, Tenant will cause Guarantor to execute and deliver a guaranty in the form attached hereto as Exhibit E.

Section 25.26 RIDER TO LEASE. The Rider to Lease consisting of ten (10) pages and the Option to Extend Rider consisting of one (1) page attached hereto are incorporated herein by this reference.

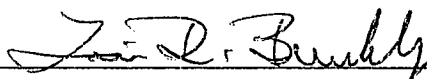
IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD

PASADENA COMMERCIAL DEVELOPMENT COMPANY,
a California general partnership

By: 

Danny J. Bakewell, Sr.
General Partner

By: 

Lonnie R. Bunkley
General Partner

TENANT

LARGE APPAREL OF CALIFORNIA, INC.,
a California corporation

By: 

Name: JOSEPH J. SITT, President

Title: _____

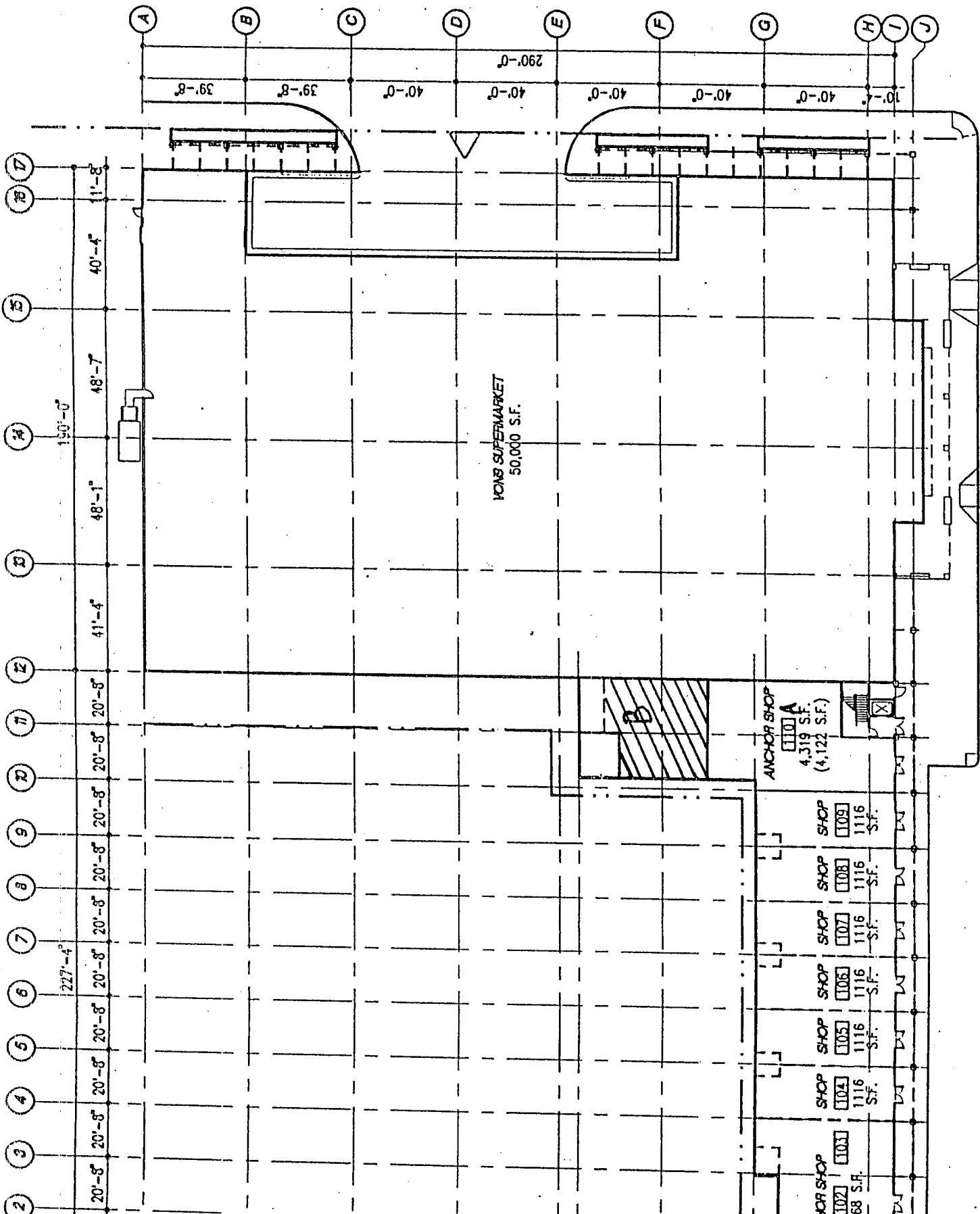
Jenkins/Gates & Martin, Inc.
 Project & Construction Management
 5535 West Century Boulevard - Suite 1000
 Los Angeles, California 90045
 Tel: (310) 645-0581 • Fax: (310) 645-0721
 Architects • Engineers • Planners



FAIR OAKS RENAISSANCE PLAZA

SCALE: 1"=40'-0"
 FILE NO. PVL-01
 DATE MAY 30th, 1996
 SHT. NO.

AL21



RYAN & ASSOCIATES
ATTORNEYS AT LAW

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WRITER'S EMAIL:

wbrozman@ryan-lawfirm.com

November 2, 2011

VIA E-FEDERAL EXPRESS

Clerk of the Bankruptcy Court
824 North Market Street, 3rd Floor
Wilmington, Delaware 19801

2011 NOV -3 AM 10:14
FILED
CLERK COURT
US BANKRUPTCY COURT
DISTRICT OF DELAWARE

Re: ***Administrative Claim, In re UBI Liquidating Corp.
Delaware Bankruptcy Court Case No. 10-13005 (KJC)***

To Whom It May Concern:

This firm represents Pasadena Commercial Development Company which has an Administrative Claim, pursuant to the Debtor's Disclosure statement, which provides in pertinent part, as follows:

"...Satisfaction of all the pro-rated rent, common-area maintenance, and other monthly charges for the period between September 21, 2010 and September 30, 2010, and entitled to administrative status under Section 503(b) of the Bankruptcy Code, under any rejected Unexpired Lease subject to an aggregate amount not to exceed \$151,606.00."

Pasadena Commercial Development Company has an administrative claim for \$2,538.02. Enclosed are the lease and claim calculations.

Very truly yours,



Wayne Bennett Brosman

WBB:f

Encl.

BK Clerk Letter 110211.doc

cc: UBI Liquidating Corp., et al.
100 Metro Way
Secaucus, New Jersey 07094-1906
Attn: Stephen Felman

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UNITED STATES TRUSTEE
David Buchbinder
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For the District of Delaware
844 King Street, Room 2207
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