

EXHIBIT A

THOR 693 LLC,
a Delaware limited liability company,

Landlord

to

VALENTINO U.S.A., INC.,
a Delaware corporation,

Tenant

LEASE

Dated as of May 3rd, 2013

The Premises located in the Building known as:

693 Fifth Avenue
New York, New York 10022

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LEASE (this "Lease"), dated as of May 3rd, 2013 between THOR 693 LLC, a Delaware limited liability company, having an office at c/o Thor Equities, LLC, 25 West 39th Street, New York, New York 10018 ("Landlord") and VALENTINO U.S.A., INC., a Delaware corporation, having an address at 11 West 42nd Street, 26th Floor, New York, New York 10036 ("Tenant").

W I T N E S S E T H :

WHEREAS, Landlord is the owner of the land (the "Land") and the building (the "Building") thereon located at and known as 693 Fifth Avenue, New York, New York;

WHEREAS, Tenant is desirous of leasing the lower level, ground floor, second floor and third floor within the Building, and Landlord is willing to lease that space to Tenant, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, Landlord and Tenant agree as follows:

ARTICLE 1

Demise of Premises; Term

Section 1.1. Demise of Premises. Landlord hereby demises to Tenant and Tenant hereby hires from Landlord, subject to the covenants and agreements contained in this Lease, the lower level, ground floor, second floor and third floor in the Building, as substantially described on Exhibit A attached hereto (collectively, the "Premises"). Landlord hereby also grants Tenant a non-exclusive right of way and access of the roof setback, as more particularly shown on Exhibit A-1 attached hereto, for Tenant's equipment. No vaults, vault space or area, whether or not enclosed or covered, not within the property line of the Building is leased hereunder, anything contained in or indicated on any sketch, blue print or plan, or anything contained elsewhere in this Lease to the contrary notwithstanding. Landlord makes no representation as to the location of the property line of the Building. All vaults and vault space, if any, and all such areas not within the property line of the Building, which Tenant may be permitted to use and/or occupy, is to be used and/or occupied under a revocable license, and if any such license be revoked, or if such space or area be diminished or required by any federal, state or municipal authority or public utility, Landlord shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of Rent (as hereinafter defined), nor shall such revocation, diminution or requisition be deemed constructive or actual eviction.

Section 1.2. Term. (a) The term of this Lease (the "Term") shall begin on the Commencement Date (as hereinafter defined) and shall end, unless sooner terminated in accordance with the provisions of this Lease, on the date which is the later of (i) July 31, 2029 and (ii) the date which is fifteen (15) Lease Years after the Rent Commencement Date (as hereinafter defined) (such date is hereinafter referred to as, the "Expiration Date").

(b) Commencement Date. The term "Commencement Date" means the date upon which (i) Landlord's Work is substantially completed (as hereinafter defined), and (ii) Landlord delivers notice to Tenant (which notice may be by electronic mail to Carmine Pappagallo, Chief Financial Officer at carmine.pappagallo@valentino.com and Edgar Renovales, Vice President, Store Planning at edgar.renovales@valentino.com) that possession of the Premises is available to Tenant ("Landlord's Possession Notice"). Promptly upon Landlord's request, Tenant shall execute a commencement date agreement in the form attached hereto as Exhibit B (the "Commencement Date Agreement"), confirming the Commencement Date, the Rent Commencement Date and the Expiration Date of this Lease, provided, however, that Tenant's failure to execute the Commencement Date Agreement shall not effect or delay the occurrence of any such dates. The term "substantial completion" or "substantially completed" or words of similar import shall mean that stage of completion when Landlord's Work in the Premises is completed except for punch-list items (hereinafter defined) and Tenant could either use or occupy the Premises or Tenant could commence Tenant's Work without unreasonable interference by reason of any such punch-list items still required to complete Landlord's Work. The term "punch-list items" shall mean minor items of Landlord's Work that are in need of adjustment, correction, repair or replacement. Tenant shall give Landlord written notice of any punch-list items within thirty (30) days after Tenant's receipt of Landlord's Possession Notice. Further, taking of possession of the Premises by Tenant or the commencement of Tenant's Work following Tenant's receipt of Landlord's Possession Notice shall be conclusive evidence that substantial completion was, in fact, achieved unless Tenant, within fifteen (15) days after Tenant's receipt of Landlord's Possession Notice, sends Landlord written notice detailing any punch-list items remaining to be completed. Landlord shall complete any punch-list items within ninety (90) days after the later of (i) the date on which Landlord's Work is substantially completed and (ii) the date on which Tenant notifies Landlord of any punch-list items. Notwithstanding the foregoing, in the event that Tenant shall commence the performance of Tenant's Work or the day-to-day operations in the Premises prior to when Landlord's Work has been substantially completed, then for all purposes of this Lease, Landlord's Work shall be deemed to have been substantially completed on the date Tenant commenced day-to-day operations in the Premises.

(c) Failure to Deliver Possession. Notwithstanding anything to the contrary contained herein, Landlord makes no representation or warranty that possession of the Premises shall be delivered on or before any particular date. Landlord anticipates that the Commencement Date shall occur on August 1, 2013 (the "Anticipated Commencement Date"). If Landlord is unable to deliver possession of the Premises to Tenant on the Anticipated Commencement Date because of the holding-over or retention of possession of any tenant, undertenant or occupant, or because the Building has not been sufficiently completed to make the Premises ready for occupancy, or because of any other reason, Landlord shall not be subject to any liability for failure to deliver possession of the Premises to Tenant on the Anticipated Commencement Date and the validity of this Lease shall not be impaired under such circumstances, nor shall the same be construed in any wise to extend the Term of this Lease. If permission is given to Tenant to enter into the possession of or occupy the Premises prior to the Commencement Date, Tenant covenants and agrees that such possession and/or occupancy shall be deemed to be under all of the terms, covenants, conditions and provisions of this Lease, except the obligation to pay the Fixed Rent (as hereinafter defined) set forth in Section 2.1 of this Lease. The provisions of this

Section 1.2(b) are intended to constitute "an express provision to the contrary" within the meaning of Section 223-a of the New York Real Property Law. Notwithstanding the foregoing, in the event Landlord has not delivered vacant possession of the Premises, with Landlord's Work substantially completed, to Tenant on or before September 1, 2014 (the "Outside Date"), Tenant shall have the right to terminate this Lease upon written notice to Landlord (the "Termination Notice"), which Termination Notice must be delivered to Landlord on or before October 31, 2014, TIME BEING OF THE ESSENCE, provided, however that in the event Landlord gives Tenant Landlord's Possession Notice to Tenant within thirty (30) days after Landlord's receipt of the Termination Notice, Tenant's termination of this Lease shall be deemed null and void and this Lease shall continue in full force and effect.

Section 1.3. (a) Landlord's Work. Landlord shall not be required to perform any work to prepare the Premises for Tenant's occupancy other than the work described on Exhibit C attached hereto ("Landlord's Work").

(b) Tenant's Work. Tenant shall, at Tenant's sole expense, perform or cause the performance of Alterations (defined in Article 23) and other work in and to the Premises to prepare the same for the operation of Tenant's business therein and the Permitted Use including, without limitation, the remodeling of the Premises to the standards of the latest Valentino first-class flagship store prototype ("Tenant's Work"), in accordance with all applicable Laws and governmental authorities having jurisdiction over the Premises, and in accordance with all other terms, conditions and provisions contained in this Lease including, without limitation, Article 23 hereof. Tenant shall submit plans and specifications for Tenant's Work ("Tenant's Plans") to Landlord for Landlord's approval no later than three hundred sixty (360) days from the date hereof. Tenant covenants and agrees to use diligent efforts to complete Tenant's Work in accordance with accepted plans and specifications and open for business to the public fully fixtured, stocked and staffed promptly after completion of Tenant's Work. Within fifteen (15) calendar days following Landlord's confirmed receipt of Tenant's Plans, Landlord shall review or cause the same to be reviewed and shall return to Tenant one (1) set of Tenant's Plans with Landlord's approval (which approval shall not be unreasonably withheld, conditioned or delayed) or disapproval noted thereon, and if same shall be disapproved in any respect, Landlord shall state, in reasonable detail, the reasons for such disapproval. If Landlord disapproves of Tenant's Plans, Tenant shall make such changes to Tenant's Plans as Landlord shall require and shall thereupon resubmit the same to Landlord for its approval within seven (7) calendar days in the same manner, and such procedure shall continue until Tenant's Plans are approved (such approved plans and specifications are hereinafter referred to as the "Approved Plans"). In the event that Landlord does not respond to Tenant's submission within the time periods stated above, then Tenant shall send a second request to Landlord with the following legend on such request in bold face type and in not less than fourteen (14) point font: **"THIS IS A REQUEST FOR CONSENT UNDER THE LEASE BETWEEN VALENTINO U.S.A., INC. AND THOR 693 LLC. FAILURE TO RESPOND TO THIS REQUEST WITHIN THREE (3) DAYS WILL RESULT IN THIS REQUEST BEING DEEMED APPROVED."** If, within three (3) days after Landlord's receipt of the second notice Landlord has not responded to Tenant, then Landlord's approval shall be deemed given. Any changes to the Approved Plans shall be subject to approval by Landlord, which approval shall not be unreasonably withheld,

conditioned or delayed and, in any event, shall be submitted to and reviewed by Landlord in accordance with the procedures set forth concerning the approval of Tenant's Plans.

(c) Tenant Allowance.

(i) Subject to the terms of this Section 1.3(c), Landlord shall pay to or on behalf of Tenant an amount equal to \$9,000,000.00 (the "Tenant Allowance") for the third party costs that Tenant actually incurs in performing Tenant's Work. Tenant may use no more than fifteen (15%) percent of the Tenant Allowance for costs that Tenant incurs in connection with Tenant's Work that do not constitute "hard" construction costs, including, without limitation, architect's fees, engineer's fees, permit fees, expeditor's fees and designer's fees (such costs which do not constitute the "hard" construction costs of the Tenant's Work being collectively referred to herein as "Soft Costs").

(ii) Subject to the terms of this Section 1.3(c), Landlord shall only be obligated to disburse the Tenant Allowance in the following amounts to Tenant, within thirty (30) days after the date that Tenant gives to Landlord the applicable Disbursement Request and the following conditions have occurred:

(1) \$3,000,000.00 upon (i) Tenant's receipt of any and all building permits as shall be necessary for Tenant's Work and based on the Approved Plans, provided, however that Tenant shall be obligated to assume Landlord's obligations under Application Number 120655610 filed with the New York City Department of Buildings (the "Existing Application"), and shall cause the Existing Application to be amended, as required for the performance of Tenant's Work (the "Tenant's Permits"); a true and complete copy of the Existing Application has been furnished to Tenant, (ii) Landlord receipt copies of Tenant's Permits, (iii) completion of one-third (1/3) of Tenant's Work in accordance with the Approved Plans, as certified by Tenant's architect that is licensed to practice in the State of New York, (iv) a statement prepared and certified by Valentino U.S.A., Inc.'s chief financial officer, setting forth in reasonable detail the costs that Tenant is reasonably estimated to incur in performing Tenant's Work (the "Cost of Work Statement"), as such Cost of Work Statement may be amended from time to time, and (iv) payment of one-third (1/3) of the cost of Tenant's Work, as set forth the Cost of Work Statement;

(2) \$3,000,000.00 upon (i) completion of the second one-third (1/3) of Tenant's Work in accordance with the Approved Plans, as certified by Tenant's architect and (ii) payment of one-third (1/3) of the cost of Tenant's Work, as set forth in the Cost of Work Statement; and

(3) \$3,000,000.00 upon (i) completion of Tenant's Work in accordance with the Approved Plans and delivery to Landlord of (a) final waivers of lien from all domestic contractors, subcontractors and materialmen, (b) copies of final invoices marked "paid" or other proof of payment from all contractors, subcontractors and materialmen, and (c) evidence reasonably satisfactory to Landlord that all building permits and applications have been "signed off", closed and/or delivery to Landlord of "letters of completion" from the New York City Department of Buildings, and (ii) Tenant opening for business in the Premises to the public.

(iii) The term "Disbursement Request" shall mean a request for a disbursement of the Tenant Allowance signed by the chief financial officer of Tenant (or another officer of Tenant who performs the functions ordinarily performed by a chief financial officer), together with any documentation reasonably required by Landlord to satisfy the relevant conditions set forth in this Section 1.3(c)(iii):

(1) copies of the contracts, work orders, purchase orders, change orders and other documents pursuant to which Tenant has engaged third parties to perform Tenant's Work (or provide materials or services in connection therewith) (except to the extent that Tenant has provided such copies to Landlord with a prior Disbursement Request),

(2) copies of reasonable documentation (such as paid bills and invoices) that indicate that the applicable work has been substantially completed and paid for (to the extent of the work required to be done relative to the subject Disbursement Request), the applicable materials have been furnished and paid for, or the applicable services have been performed and paid for, as the case may be,

(3) partial or final waivers of lien, as the case may be, from all domestic contractors, subcontractors, materialmen, architects, engineers and other persons who may file a lien against the Premises in connection with the performance of the Tenant's Work, and for which previous disbursements of the Tenant Allowance has been made (except to the extent Tenant gave such waivers of lien to Landlord in connection with a prior Disbursement Request); provided, however, that in the event any of Tenant's contractors or materialmen are foreign based, then Tenant shall deliver to Landlord, in lieu of waivers of lien, a list specifying such contractors or materialmen and the service they provided, or materials furnished, certified, as true, correct and complete, and

(4) a certificate of Tenant's independent licensed architect stating that, in his or her opinion, the portion of the Tenant's Work theretofore completed and for which the disbursement is requested was performed in a good and workman-like manner and substantially in accordance with the Approved Plans.

(iv) Landlord makes no representation or warranty that the Tenant Allowance is sufficient to pay the cost of the Tenant's Work. Tenant shall pay the amount of any excess of the cost of the Tenant's Work over the Tenant Allowance.

(v) In the event Landlord fails to timely disburse any portion of the Tenant Allowance, then Tenant shall send a second Disbursement Request to Landlord with the following legend on such request in bold face type and in not less than fourteen (14) point font: **"THIS IS A REQUEST FOR DISBURSEMENT OF A PORTION OF THE TENANT ALLOWANCE UNDER THE LEASE BETWEEN VALENTINO U.S.A., INC. AND THOR 693 LLC. FAILURE TO RESPOND TO THIS REQUEST WITHIN TEN (10) DAYS WILL RESULT IN TENANT OFFSETTING SUCH AMOUNT AGAINST THE FIXED RENT PAYABLE UNDER THE LEASE."** If, within ten (10) days after Landlord's receipt of the second Disbursement Request Landlord has not disbursed such amount requested,

then Tenant shall have the right to offset such amount requested against the Fixed Rent payable hereunder.

Section 1.4. Rent Commencement Date. Tenant's obligation to pay Fixed Rent hereunder shall commence on the later of (a) August 1, 2014 and (b) the date which is twelve (12) months after the Commencement Date (such date, the "Rent Commencement Date").

Section 1.5. (a) Except as expressly provided to the contrary in this Lease, (i) the parties intend that the obligations of Tenant hereunder shall be separate and independent covenants and agreements and shall continue unaffected unless such obligations shall have been modified or terminated pursuant to an express provision of this Lease; and (ii) each provision hereof shall be separate and independent and the breach of any such provision by Landlord shall not discharge or relieve Tenant from its obligations to perform each and every covenant to be performed by Tenant hereunder.

(b) Except as expressly provided to the contrary in this Lease, Tenant waives all rights to terminate or surrender this Lease and to any abatement or deferment of Rent or any other sum payable hereunder.

ARTICLE 2

Rent

Section 2.1. Fixed Rent. Commencing on the Rent Commencement Date, Tenant shall pay annual fixed rent ("Fixed Rent") to Landlord in equal monthly installments in advance on the first day of each and every calendar month of every Lease Year of the Term (with the Fixed Rent for the first full calendar month that Fixed Rent is due hereunder payable on the date hereof). The Fixed Rent shall be paid to Landlord during the following periods at the following rates:

<u>LEASE YEARS</u>	<u>ANNUAL FIXED RENT</u>	<u>MONTHLY INSTALLMENT</u>
Lease Year 1 – Lease Year 4	\$16,500,000.00	\$1,375,000.00
Lease Year 5 – Lease Year 9	\$18,975,000.00	\$1,581,250.00
Lease Year 10 – Lease Year 14	\$21,821,250.00	\$1,818,438.00
Lease Year 15	\$22,476,145.00	\$1,873,012.08

Section 2.2. Additional Rent. All charges, sums and amounts payable by Tenant pursuant to Article 3 and elsewhere pursuant to this Lease, other than Fixed Rent, shall be deemed to be additional rent (sometimes herein referred to as "Additional Rent") hereunder, whether or not the same be designated as such, and shall be due and payable to Landlord as set forth herein. Any Additional Rent due under this Lease shall be collectible by Landlord in the same manner as the Fixed Rent, and Landlord shall have the same rights and remedies upon Tenant's failure to pay any Additional Rent as it has with respect to Tenant's failure to pay any Fixed Rent. Fixed Rent and Additional Rent are collectively referred to herein as "Rent".

Section 2.3. Manner of Payment. All Rent shall be paid to Landlord, at its office, or at such other place or places as Landlord shall designate to Tenant, in lawful money of the United States of America. Tenant shall pay Rent as and when the same shall become due and payable, without demand therefor, and without any abatement, set-off or deduction whatsoever, except as otherwise provided in this Lease.

ARTICLE 3

Real Estate Taxes

Section 3.1. Definitions. As used herein:

"Base Tax Year" shall mean the twelve (12) month period from July 1, 2016 through June 30, 2017.

"Lease Year" shall mean for the first Lease Year the period commencing on the Rent Commencement Date and ending on the last day of the month of the following year in which the Rent Commencement Date occurs; and for any subsequent Lease Year, each successive twelve (12) month period occurring thereafter.

"Partial Lease Year" shall mean that part of the Term that is less than a complete Lease Year, that occurs prior to the first Lease Year. All Fixed Rent, if applicable, and Additional Rent shall be pro-rated on a daily and/or monthly basis in any Partial Lease Year.

"Subsequent Tax Year" shall mean each Tax Year commencing within the Term of this Lease that shall be subsequent to the Base Tax Year.

"Tax Statement" shall mean a statement setting forth the amount payable by Tenant for a specified Subsequent Tax Year pursuant to this Article, accompanied by a copy of the most recent tax bill received by Landlord.

"Tax Expenses" shall mean all expenses (including but not limited to out of pocket reasonable and customary attorneys' fees, expert and other witnesses' fees and disbursements) incurred by Landlord in connection with any application or proceeding to reduce the assessed valuation of the real property for each Tax Year with respect to Real Estate Taxes or otherwise in contesting the validity or amount of any Real Estate Taxes or in obtaining a refund of Real Estate Taxes. Tax Expenses shall not include (i) any expenses incurred by Landlord in connection with hearings, challenging, contesting, responding to, or seeking to otherwise change, modify or reverse any penalties and interest imposed in accordance with §11-208.1 of the Administrative Code of the City of New York and §33-03 of Title 19 of the Rules of the City of New York, in connection with the failure to file, or the late, incomplete or inaccurate filing of the Real Property and Income Expense Statement (the "RPIE"), or any RPIE audit requested or conducted by the City of New York, or (ii) Landlord's penalties and interest for late payment imposed in accordance with 11-208.1 of the Administrative Code of the City of New York and §33-03 of Title 19 of the Rules of the City of New York for failure to file, late filing, or any inaccurate or incomplete filing of any RPIE.

"Tax Year" shall mean each twelve (12) month period commencing July 1st and ending June 30th or any portion of which occurs during the Term of the Lease.

"Tenant's Proportionate Share" shall mean fifty (50%) percent.

"Real Estate Taxes" shall mean all real estate taxes, sewer rents, water frontage charges, business improvement district and other assessments, special or otherwise, levied, assessed or imposed by the City of New York or any other taxing authority upon or with respect to the Building, development, subterranean or air rights or otherwise in connection with the real property located at and known as 693 Fifth Avenue (Section 5, Block 1290, Lot 3, or such other tax lots (or any combination thereof) which may be subsequently re-designated including, without limitation, in connection with any future subdivision, combination or condominium) and all taxes assessed or imposed with respect to the rentals payable hereunder other than general income, gross receipts and excess profits taxes (except that general income, gross receipts and excess profits taxes shall be included if covered by the provisions of the following sentence). Real Estate Taxes shall also include any taxes, charges or assessments levied, assessed or imposed by any taxing authority in addition to or in lieu of the present method of real estate taxation, provided such additional or substitute taxes, charges and assessments are computed as if the Building were the sole property of Landlord subject to said additional or substitute tax, charge or assessment including, but not limited to, any occupancy, gross receipts, rental, income, franchise, transit or other tax. Real Estate Taxes shall exclude penalties and interest for late payment, or penalties and interest imposed in accordance with §11-208.1 of the Administrative Code of the City of New York and §33-03 of Title 19 of the Rules of the City of New York for failure to file, late filing, or any inaccurate or incomplete filing of any RPIE filed with New York City Department of Finance (or any successor agency), transfer tax, unincorporated business, franchise, capital stock, excise, corporate, succession, estate, inheritance, capital, levy or income, profit or revenue tax to the extent same are not in lieu of the present method of taxation. With respect to any Tax Year, all Tax Expenses shall be considered as part of the Real Estate Taxes for such Tax Year. With respect to any Tax Year in which Landlord receives a tax refund, the total amount of Tax Expenses incurred by Landlord to obtain such refund shall be first deducted from the refund amount and the balance proportionately split between Landlord and Tenant. Tenant hereby waives any right to institute or join in tax certiorari proceedings or other similar proceedings contesting the amount or validity of any Real Estate Taxes.

Section 3.2. If in any Subsequent Tax Year, Real Estate Taxes shall be greater than Real Estate Taxes payable for the Base Tax Year, without taking into account any exemption or abatement that may be in effect during the Base Tax Year, then, Tenant shall pay, in addition to the Fixed Rent, and as Additional Rent for such Subsequent Tax Year, an amount (hereinafter "Tenant's Tax Payment") equal to Tenant's Proportionate Share of such increases in Real Estate Taxes. Such Additional Rent shall be paid by Tenant notwithstanding the fact that Tenant may be exempt, in whole or in part, from the payment of any Real Estate Taxes due to Tenant's diplomatic, charitable, or otherwise tax exempt status, or for any other reason at all.

Section 3.3. (a) If at any time after taxes are issued or assessed for any Subsequent Tax Year, Landlord shall furnish Tenant with a Tax Statement and Tenant shall pay Tenant's Tax Payment within thirty (30) days after Tenant's receipt of such Tax Statement.

(b) At Landlord's option, Landlord may invoice Tenant and Tenant shall remit Tenant's Tax Payment for each Subsequent Tax Year in monthly installments in an amount equal to one-twelfth (1/12) of Tenant's Tax Payment estimated by Landlord, which installments shall be due and payable as Additional Rent, in advance on the first day of each and every calendar month of each and every Lease Year of the Term, together with the monthly installment of Fixed Rent. If the amount of such monthly payment exceeds the actual amount due for a Tax Year, the overpayment shall be credited to Tenant's next succeeding payment of Rent or refunded to Tenant if at the end of the Term Tenant does not owe any Rent to Landlord. If the amount paid by Tenant shall be less than the actual amount due, Tenant shall pay the difference to Landlord by the later of (i) thirty (30) days after receipt of notice thereof from Landlord or (ii) the date that the next installment of Fixed Rent shall become due and payable. Landlord's failure to render a Tax Statement with respect to any Subsequent Tax Year shall not prejudice Landlord's right thereafter to render a Tax Statement with respect to any such Subsequent Tax Year nor shall the rendering of a Tax Statement prejudice Landlord's right thereafter to render a corrected Tax Statement for that Subsequent Tax Year.

Section 3.4. Only Landlord shall be eligible to institute tax reduction or other proceedings to reduce the assessed valuation of the real property. In the event that the assessed valuation for any Tax Year occurring within the Term is reduced (as a result of settlement, final determination of legal proceedings or otherwise) then (A) the Real Estate Taxes imposed upon the real property in respect of the applicable Tax Year shall be retroactively adjusted to reflect such reduction, (B) Tenant's Tax Payment shall be adjusted accordingly, subject to adjustment for Tax Expenses as provided herein, and (C) Tenant shall receive a credit against Tenant's Tax Payment in the amount of Tenant's Proportionate Share of such reduction as adjusted in accordance with the provisions hereof.

Section 3.5. If, after Tenant shall have paid Tenant's Tax Payment and Tenant's Proportionate Share of Tax Expenses with respect to any Subsequent Tax Year, Landlord shall receive a refund of any portion of the Real Estate Taxes with respect to such Subsequent Tax Year by final determination of legal proceedings, settlement or otherwise, Landlord shall promptly after receiving such refund pay Tenant its Proportionate Share of such refund or, at Landlord's option, credit Tenant's Proportionate Share of such refund against the next succeeding installment(s) of Rent coming due, in both cases net of the total amount of Tax Expenses incurred by Landlord to obtain such refund.

Section 3.6. In the event this Lease shall expire or terminate on a day other than the last day of a Subsequent Tax Year, Tenant's Tax Payment for such Subsequent Tax Year shall be prorated as of the date of such expiration or termination, so that Tenant shall be required to pay only such proportion thereof as the portion of such Subsequent Tax Year prior to such expiration or termination bears to the entire Subsequent Tax Year.

Section 3.7. Any Tax Statement sent to Tenant shall be binding upon Tenant unless, within ninety (90) days after such Tax Statement is sent, Tenant shall send a written notice to Landlord objecting to such Tax Statement and specifying the respects in which such Tax Statement is claimed to be incorrect. Pending the determination of such dispute Tenant shall pay all amounts of the Additional Rent shown on such Tax Statement, and such payment and acceptance shall be without prejudice to Tenant's position.

Section 3.8. In no event shall the Rent (exclusive of the adjustments described in this Article) be reduced by virtue of any decrease in Real Estate Taxes.

Section 3.9. The expiration or termination of this Lease during any Subsequent Tax Year for any part or all of which there is Additional Rent payable under this Article shall not affect the rights or obligations of the parties hereto respecting such Subsequent Tax Year, and any Tax Statement relating to Tenant's Tax Payment with respect to such Subsequent Tax Year may be sent to Tenant subsequent to, and all such rights and obligations shall survive, any such expiration or termination. Any payments due under such Tax Statement shall be payable within thirty (30) days after such Tax Statement is sent to Tenant.

Section 3.10. Landlord covenants and agrees to accurately and substantially complete and to timely file the appropriate and required form RPIE in accordance with the §11-208.1 of the Administrative Code of the City of New York and §§33-01, et seq. of Title 19 of the Rules of the City of New York, for the calendar years commencing on January 1, 2013 through and including December 31, 2016 (the "Required Years"). Upon Tenant's request, Landlord shall furnish Tenant with a copy of the RPIE filings for the Required Years. If Landlord fails to timely file an accurate and substantially completed form RPIE for each of the Required Years, Landlord shall only be liable to Tenant for Tenant's actual damages suffered thereby and Tenant shall be entitled to bring an action against Landlord for actual damages suffered by Tenant as a result thereof. If Tenant commences an action against Landlord for actual damages suffered as a result of Landlord's failure to accurately and substantially complete and to timely file the appropriate and required form RPIE in accordance with the §11-208.1 of the Administrative Code of the City of New York and §§33-01, et seq. of Title 19 of the Rules of the City of New York for Required Years and prevails in such action then in such event Landlord shall reimburse Tenant for all reasonable attorneys' fees and disbursements actually incurred by Tenant in such action or proceeding.

ARTICLE 4

Condition of Premises

Section 4.1. Notwithstanding anything to the contrary set forth in this Lease or in the Exhibits hereto, Tenant warrants, represents and acknowledges:

(a) Tenant has inspected the Premises, is fully familiar with the physical condition and state of repair thereof and all other matters relating to this Lease, and, subject to Landlord's Work, agrees to accept the Premises "as is", in its present state and condition, subject to reasonable use, wear, tear and natural deterioration, without any reduction, set-off, or abatement of

Rent, except as otherwise provided hereunder, and without any charge to Landlord whatsoever for any change in such state and condition by reason thereof subsequent to the date of this Lease.

(b) Before entering into this Lease, Tenant has made such examination of the Premises and all other matters affecting or relating to this Lease as it deemed necessary. In entering into this Lease, Tenant has not been induced by and has not relied upon any representations, warranties or statements, whether express or implied, made by Landlord or any agent employee or other representative of Landlord, or any other person representing or purporting to represent Landlord, which are not expressly set forth in this Lease, whether or not such representations, warranties or statements were made in writing or orally.

(c) Landlord has not made any representation as to whether Tenant's use is permitted under any zoning laws or under any certificates of occupancy for the Building of which the Premises forms a part, other than attached hereto as Exhibit D is a true, correct and complete copy of the existing temporary certificate of occupancy for the Building. Moreover, in the event Tenant's use is not permissible under the present certificate of occupancy, or in the event no valid certificate of occupancy exists and a new certificate of occupancy is required to accommodate Tenant's use or as a result of any proposed Alteration, then Tenant shall diligently proceed to obtain a new certificate of occupancy or cause amendment of any present certificate of occupancy or temporary certificate of occupancy and shall be obligated to pay any and all amounts required to be paid in connection therewith, including, but not limited to, permit fees, architect's fees and any other cost and/or expense incurred by either Landlord or Tenant as a result of obtaining a new certificate of occupancy or amending any present certificate of occupancy. Upon the request of Tenant, and at Tenant's sole cost and expense, Landlord shall use commercially reasonable efforts to cooperate with Tenant in its efforts to obtain a new certificate of occupancy or amend any present certificate of occupancy or temporary certificate of occupancy.

ARTICLE 5

Use of Premises

Section 5.1. Use. Tenant shall use and occupy the entire Premises solely and exclusively for the display and retail sale of luxury women's wear, menswear, accessories, shoes, fragrances and handbags and/or such other luxury items as may, from time to time, be sold in a majority of stores operated by Tenant, and an ancillary use as a café, which may include the lawful sale of alcoholic beverages for on premises consumption (the "Permitted Use"), all such uses by Tenant to be consistent with the luxury, prestigious, high-quality reputation of the immediate Fifth Avenue neighborhood (i.e. Fifth Avenue between 59th Street and 50th Street) in general, and for no other use or purposes. As an ancillary use and provided the same are typically sold in stores operated by Tenant, Tenant shall have the right to sell candy, newspapers, magazines or similar items in the Premises, provided, however that in no event shall any of the foregoing be prominently displayed on the ground floor of the Premises. Tenant shall at all times operate and do business under the trade name "Valentino" and other luxury brands of Tenant, including, without limitation, RED Valentino, Valentino Garavani, and luxury brands that may be developed by Tenant in the future and luxury brands of Tenant's affiliates so long as such

affiliated companies and Tenant are under common control or such affiliated companies are controlled by Tenant ("Permissible Trade Names"), and shall not operate from the Premises under any other name without Landlord's prior written consent. Tenant acknowledges that the high-quality luxury retail product lines sold by Tenant's brands are of the utmost importance to Landlord with respect to the Premises and the same are, therefore, material inducements and consideration for Landlord to enter into this Lease with Tenant.

Section 5.2. Standard of Operation. As a further inducement to Landlord to enter into this Lease, Tenant covenants and agrees as follows:

(a) At all times Tenant's business, the kind and quality of merchandise to be offered in the conduct thereof, and the sales methods of merchandising, display and advertising will be dignified and appropriate for a store in the immediate Fifth Avenue neighborhood (i.e. Fifth Avenue between 59th Street and 50th Street).

(b) Tenant shall not conduct or permit to be conducted in the Premises any sale by auction, or any fire, distress, liquidation or bankruptcy sale.

(c) Tenant and its employees and visitors (but not customers) shall be permitted to use the lobby of the Building as a secondary means of ingress and egress to the Premises; provided, however that Landlord shall have the right to prohibit the delivery of merchandise, furniture, trade fixtures, equipment or anything else and require all such deliveries to be made to Tenant through its storefront entrance.

(d) Tenant shall not place or install in the Premises or permit the use in the Premises of any video games, pinball machines or other devices or equipment for amusement or recreation, or any vending machines, coin-operated newspaper racks, pay telephones or other coin-operated devices.

(e) Tenant shall store within the Premises only such goods, wares and merchandise that Tenant intends to offer for sale in the Premises in operation of Tenant's business and items related to Tenant's office, storage and other uses permitted hereunder.

(f) Tenant shall not store, display, solicit or sell any materials, goods or merchandise outside the boundaries of the Premises, nor shall Tenant place or permit portable signs or any other objects or devices to be used or stored outside such boundaries.

(g) Tenant shall redecorate, repaint, recarpet and refixture the Premises when necessary, in Tenant's sole reasonable discretion, to maintain the store appearance and condition at a level of quality consistent with the immediate Fifth Avenue neighborhood (i.e. Fifth Avenue between 59th Street and 50th Street).

(h) Tenant shall not use any advertising media that may be heard outside of the Premises and Tenant shall not place or permit the placement of any radio or television antenna, loudspeaker, sound amplifier, phonograph, searchlight, flashing light or other device of any nature outside of the boundaries of the Premises (except for Tenant's identification sign or



signs as approved by Landlord) or at any place where the same may be seen or heard outside the Premises.

(i) Tenant shall not do or permit to be done in, on, or about the Premises, nor bring or keep, or permit to be brought or kept therein, anything which (i) is prohibited or will be in any way conflict with any Law now in force or which may hereafter be enacted or promulgated, (ii) is prohibited by, or will in any way, increase the existing rate of, or affect or cause a cancellation of, any fire or other insurance policy covering the Building or any part thereof or any of its contents, or (iii) will in any way injure, obstruct or interfere with the rights of the other tenants of the Building.

(j) Tenant shall take all actions which are necessary or desirable to prevent the spread of noxious or offensive odors, insects, vermin, pests and rodents on or about the Premises. Tenant shall maintain the Premises in a clean, sanitary and orderly condition.

(k) Tenant shall not use, or permit the use of the Premises or any part thereof for: (1) demonstrations to the public (excluding private events and fashion shows); (2) the sale of cigars, tobacco, or similar items; (3) manufacturing, printing or electronic data processing, except for the operation of normal business office equipment and machines for Tenant's own requirements, as distinguished from operation for commercial hire or for the sale of products or services to others; (4) rendition of medical, dental or other diagnostic or therapeutic services; (5) maintenance of any gambling or gaming activities or any political activities or any club activities, whether public or private, or a school of any kind or an employment or placement agency; (6) the offices or business of a governmental or quasi-governmental bureau, department or agency, foreign or domestic, including an autonomous governmental corporation or diplomatic or trade mission; (7) an employment agency, executive search firm or similar enterprise or vocational training center or classrooms; (8) a telephone or secretarial or a messenger service; (9) a company engaged in the business of renting office or desk space; (10) a public finance (personal loan) business (other than a savings bank); or (11) the sale, lease or rental of video tapes or DVDs. In addition, Tenant agrees not to bring, or permit to be brought, any obscene or pornographic material (which excludes the display of Tenant's mannequins) into the Premises, and shall not permit or conduct any obscene, nude, or semi-nude live performances at the Premises, nor shall Tenant permit the use of the Premises for nude modeling, or as a rubber-goods shop, or as a sex club of any sort, or as a massage parlor. In the event of a breach of this Lease arising from a violation of any of the provisions of this Article 5, Landlord shall be entitled to exercise any and all of its remedies hereunder without first giving Tenant any notice or cure period under Section 18.1(b) hereof. Pornographic material is defined for purposes of this Section as any written or pictorial matter with prurient appeal and any objects or instruments that are primarily concerned with lewd or prurient sexual activity (excluding mannequins used by Tenant in the normal course of Tenant's business). Obscene material is defined here as it is in New York Penal law §235.00.

Section 5.3. Window Cleaning. Tenant will not clean nor require, permit, suffer or allow any window in the Premises to be cleaned from the outside in violation of Section 202 of the New York State Labor Law or any other applicable law or of the Rules of the Board of Standards and Appeals, or of any other Board or body having or asserting jurisdiction.

Section 5.4. Continuous Operations. Tenant covenants and agrees that throughout the Term of this Lease it shall occupy and use the entire Premises for the Permitted Use and conduct Tenant's business therein in a reputable manner. Tenant shall be required to open a luxury "Valentino" store for business, fully fixtured and staffed for at least one (1) day, as soon as is reasonably practical after the completion of Tenant's Work.

ARTICLE 6

Tenant's Property

Section 6.1. All fixtures, equipment, alterations, improvements and installations attached to, or built into, the Premises as of the Commencement Date or during the Term shall be and remain a part of the Premises and be deemed the property of Landlord. Prior to the expiration or earlier termination of this Lease, Tenant shall remove all of Tenant's moveable trade fixtures, furniture, furnishings, equipment inventory, good, wares, merchandise and any other items which are the personal property of Tenant and are not affixed to the Premises ("Tenant's Property") from the Premises. Tenant shall repair, or shall reimburse Landlord upon demand for the cost of repairing, any damage to the Premises or the Building occasioned by such removal. Any Tenant's Property which is not removed as aforesaid, may be removed by Landlord at Tenant's expense or, if not so removed, shall be deemed to have been abandoned by Tenant.

Section 6.2. Tenant shall not mortgage, lien, encumber or otherwise grant any party a security interest in Tenant's Property or the Lease without first obtaining Landlord's written consent.

ARTICLE 7

Utilities; Services

Section 7.1. Utilities; Services. (a) It is specifically understood and agreed that Landlord shall not be required to furnish or provide any utilities or services whatsoever in or to the Premises or the Building, including, but not limited to, heat, hot or cold water, sewer, air conditioning, gas, electricity, cleaning service, exterminating services, garbage removal or security, provided, however that Landlord shall ensure that the building systems, as more particularly described on Exhibit C-1 attached hereto, are available to Tenant for Tenant's use in the Premises, it being understood and agreed that Tenant shall be responsible, at Tenant's sole cost and expense, to tie into such building systems and for the distribution thereof through the Premises in connection with the performance of Tenant's Work. Tenant's consumption of electricity, gas and water shall be measured for all purposes by separate meters or submeters, as presently installed, or if not so installed, to be installed by Tenant at Tenant's sole cost and expense, but subject to Landlord's prior written approval. Throughout the duration of Tenant's occupancy, Tenant shall, at Tenant's sole cost and expense, keep said meters and installation equipment in good working order and repair. Tenant shall arrange with the applicable utility companies to obtain electricity, gas and water at the Premises and shall pay directly to the utility companies for the electricity, gas and water consumed at the Premises. Notwithstanding the

foregoing, if the Premises is supplied with water or gas through a meter in which water or gas is also supplied to other spaces and/or tenants in the Building, then Tenant shall pay to Landlord, as Additional Rent, twenty (20%) percent ("Tenant's Utility Share") of the total meter charges, within ten (10) days after Landlord's demand therefor. If Tenant shall fail to perform such maintenance or make such payment, Landlord shall have the right after applicable notice and cure periods, but not the obligation, to perform such maintenance or pay such charges and in such event, Tenant shall within ten (10) days after Landlord's demand therefor, pay to Landlord, as Additional Rent, an amount equal to the cost of such maintenance or the amount expended by Landlord to pay such charges, plus interest on such amount at the Interest Rate (as hereinafter defined) from the date of such payment by Landlord to the date Tenant makes its payment to Landlord.

(b) Tenant shall at all times comply with the rules, regulations, terms and conditions applicable to service, equipment, wiring and requirements of the public utility supplying electricity to the Building and/or the Premises. Tenant shall not use any electrical equipment which, in Landlord's reasonable judgment, would exceed the capacity of the feeders, risers and other electrical installations serving the Premises or interfere with the electrical service to other tenants, if any, of the Building. In the event that, in Landlord's reasonable judgment, Tenant's electrical requirements necessitate installation of an additional riser, risers or other proper and necessary equipment, Landlord shall notify Tenant of same. Within thirty (30) days after receipt of such notice, Tenant shall either cease such use of such additional electricity or shall request that additional electrical capacity (specifying the amount requested) be made available to Tenant. Landlord, in Landlord's reasonable judgment shall determine whether to make available such additional electrical capacity to Tenant and the amount of such additional electrical capacity and the same necessitates installation of an additional riser, risers or other proper and necessary equipment including, without limitation, any switchgear, the same shall be installed by Landlord at Tenant's sole cost and expense, and shall be chargeable and collectible as Additional Rent and paid within thirty (30) days after the rendition of a bill to Tenant therefor. Tenant shall make no alterations or additions to the electrical system in the Building without the prior written consent of Landlord.

(c) Tenant shall, at Tenant's sole cost and expense, enter into an annual contract with a trash removal and disposal company fully licensed to remove and dispose of trash in New York, which company shall regularly remove Tenant's trash from the Premises and dispose of same.

Section 7.2. Chilled Water. Landlord shall make available to Tenant for its use at all times throughout the Term, chilled water for up to eighty-five (85) tons of air conditioning for Tenant's HVAC (as hereinafter defined). Commencing on the Commencement Date and continuing during the Term, Tenant shall pay to Landlord, as Additional Rent, the sum of \$800.00 per ton of air conditioning per year for such chilled water, as such sum may be adjusted from time to time during the Term of this Lease (the "Chilled Water Charge"). The Chilled Water Charge shall be payable by Tenant in equal monthly installments within ten (10) days after Landlord's demand therefor. Tenant, as an Alteration and in full compliance with the provisions of this Lease, must at its sole cost and expense, tap into Landlord's chilled water service system and install its own pumps and branch piping.



Section 7.3. Sewer Charges. Commencing on the Commencement Date and continuing during the Term, Tenant shall pay to Landlord, as Additional Rent, Tenant's Utility Share of the water and sewer charges for the Building imposed by the New York City Water Board within ten (10) days after Landlord's demand therefor.

Section 7.4. Landlord's Liability. Landlord shall in no manner be liable for any failure, inadequacy or defect in the character or supply of alternating electric current, gas, water, heat or steam furnished to the Premises by any public or private service company or any other supplier thereof if such inadequacy or defect is not due to the negligence or willful misconduct of Landlord, its agents, servants or employees (Landlord shall in any event, to the extent the same is within its control, use commercially reasonable efforts to minimize the effect of such failure, inadequacy or defect and to eliminate the same at the earliest practicable time).

Section 7.5. Stoppage or Interruption of Services. Landlord may stop or interrupt the supply of alternating electric current, gas, water, heat or steam at such times as may be necessary and for as long as may reasonably be required by reason of accidents, strikes, the making of repairs, alterations or improvements, inability to secure a proper supply of fuel, gas, water, electricity, labor or supplies or by reason of any cause beyond the reasonable control of Landlord; provided, however, that Landlord shall use its commercially reasonable efforts (except in an emergency) such that any such stoppage or interruption for the purpose of making any repair, alteration or improvement shall be made at such times and in such manner as to minimize any unreasonable interference with Tenant's use of the Premises, and Landlord shall give reasonable prior notice of not less than three (3) days (except in the event of emergency, when notice shall not be required) of the anticipated commencement, duration and nature thereof. Tenant shall not be entitled to any abatement of Rent or other compensation nor shall this Lease or any of Tenant's obligations hereunder be affected by reason of such stoppage or interruption. Notwithstanding anything contained herein to the contrary, if Landlord takes such affirmative action which causes the stoppage or interruption in the supply of electricity, gas, water, heat or steam, and such stoppage or interruption is not due to an Unavoidable Delay (as hereinafter defined), and such stoppage or interruption causes all or a part of the Premises to be untenable for the conduct of Tenant's business for five (5) or more consecutive days, and Tenant does not conduct its business in the Premises, or such portion affected, then Fixed Rent shall abate in proportion to the portion of the Premises not usable by Tenant from the sixth (6th) consecutive day of such interruption or stoppage until such interruption or stoppage ceases.

Section 7.6. Sprinkler. Notwithstanding anything to the contrary contained in this Lease, if the New York Board of Fire Underwriters or the Insurance Services Office, or any bureau, department or official of the federal, state or city government, require or recommend the installation of a sprinkler system or that any changes, modifications, alterations, or additional sprinkler heads or other equipment be made or supplied in an existing sprinkler system by reason of Tenant's use or business, or Tenant's Alterations, or the location of partitions, trade fixtures, or other contents of the Premises, or for any other reason, or if any such sprinkler system installations, changes, modifications, alterations, additional sprinkler heads or other such equipment, become necessary to prevent the imposition of a penalty or charge against the full allowance for a sprinkler system in the fire insurance rate set by any said exchange or by any fire

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insurance company, Tenant shall, at Tenant's expense, promptly make such sprinkler system installations, changes, modifications, alterations, and supply additional sprinkler heads or other equipment as required, whether the work involved shall be structural or non-structural in nature. Notwithstanding the foregoing, Landlord shall have the right, at Landlord's option and at Tenant's expense, make such sprinkler system installations, changes, modifications and/or alterations, as required. Commencing on the Commencement Date and continuing during the Term, Tenant shall pay to Landlord, as Additional Rent, Tenant's Utility Share of the contract price for sprinkler supervisory service within thirty (30) days after Tenant's receipt of Landlord's invoice therefor.

ARTICLE 8

Various Covenants

Section 8.1. Throughout the Term of this Lease, Tenant covenants and agrees that it shall:

(a) take good care of the Premises in keeping with the then predominant standard of operations of other stores on Fifth Avenue between 59th Street and 50th Street, keep the Premises in a neat and clean condition and pay the cost of any injury, damage or breakage done by Tenant or by its employees, licensees or invitees (other than any damage with respect to which Tenant is relieved from liability pursuant to Section 12.2), it being understood that, except as otherwise provided in this Lease, Tenant shall not be required to make changes to the Structural Elements (as hereinafter defined);

(b) observe and comply with the Rules and Regulations attached hereto as Exhibit E and any other reasonable rules and regulations for the Building as Landlord at any time may adopt and promulgate and communicate on reasonable notice to Tenant (any consent or approval by Landlord required under any of such rules and regulations not to be unreasonably withheld, conditioned or delayed) Landlord shall enforce the Rules and Regulations in a non-discriminatory manner with respect to all tenants in the Building.

(c) permit Landlord, on reasonable notice and accompanied by an authorized representative of Tenant (except in an emergency), and any holder of an underlying mortgage, and their agents, contractors and representatives, to enter the Premises at such hours as shall not unreasonably interfere with Tenant's business (i) to inspect the same, (ii) to comply with any law, order or requirement of any governmental authority or insurance body or (iii) to exercise any right reserved to Landlord under Article 11 or elsewhere in this Lease;

(d) make no claim against Landlord for any injury or damage to Tenant or to any other person or for any damage to, or loss (by theft or otherwise) of, or loss of use of, any property of any other person, unless caused by the willful misconduct or negligence of Landlord, its agents, servants or employees;

(e) make no Alteration in, to, or about, the Premises except in accordance with Article 23 hereof;

(f) promptly and duly pay all costs and expenses incurred for or in connection with any Alteration and discharge, by payment, bonding or otherwise as provided by Law, any mechanic's or other lien created against the Building in connection with any Alteration within thirty (30) days after filing of same;

(g) not violate, or permit the violation of, any condition imposed by the standard "special form" (previously known as "all risk") insurance policy issued for similar buildings in the City of New York, and not do, suffer or permit anything to be done, or keep, suffer or permit anything to be kept, in the Premises which would increase the fire or other casualty insurance rate on the Building or the property therein, or which would result in insurance companies of good standing refusing to insure the Building or any such property in amounts and against risks as reasonably determined by Landlord from time to time; provided, however, that if insurance is available, Tenant shall not be in default hereunder if Tenant shall pay to Landlord the amount of any increase in the insurance premiums resulting from any increase in the insurance rate; and

(h) permit Landlord, at reasonable times upon reasonable notice and accompanied by an authorized representative of Tenant (and in a manner designed to avoid interference with the normal conduct of Tenant's business in the Premises) to show the Premises during usual business hours to any prospective purchaser or mortgagee and, during the last year of the Term, to any prospective lessee of the Premises.

Section 8.2. Tenant's Indemnity. (a) Tenant shall defend, indemnify and save harmless Landlord and its parent, subsidiaries, affiliates, agents, contractors, managing agent, mortgagee and ground lessor and their respective officers, directors, shareholders, members, partners, employees, successors and assigns (each, a "Landlord Party", and collectively referred to as the "Landlord Parties") from and against any and all damages, costs, reasonable attorney's fees, liability and expense arising from (i) Tenant's use and occupancy of the Premises in violation of the Permitted Use; (ii) any breach of this Lease by Tenant; (iii) any other act or omission by Tenant or by any other person or entity for whose acts or omissions Tenant is legally responsible, and (iv) any and all claims, actions, complaints, allegations or suits instituted against Tenant, its subtenants or its assignees, or against Landlord or any Landlord Parties, by any person or entity, including, without limitation, customers, contractors, agents or employees of other tenants, licensees, concessionaires, or agents or employees of Tenant, in connection with loss of life, bodily injury, personal injury, emotional or mental injury or distress, and/or damage to property occurring in, on or about, or arising out of Tenant's use of the Premises and/or the Building, its entranceways or its adjacent sidewalks or loading areas, and in addition, with respect to Tenant's contractors, occurring anywhere on or about the Premises, regardless of whether caused in whole or in part by any negligent or intentional act or omission of Tenant, its subtenants, assignees, agents, employees, licensees, concessionaires, customers and/or invitees, contractors, or any other person or entity for whose acts or omissions Tenant is legally responsible. Without limiting the generality of the foregoing, Tenant specifically acknowledges that the indemnity undertaking herein shall apply to claims in connection with or arising out of any Alterations, the use or consumption of any utilities in the Premises under Article 7, any repairs or other work by or for Tenant under Section 8.4, and the transportation,

use, storage, maintenance, generation, manufacturing, handling, disposal, release or discharge of any Hazardous Substances or Waste (whether or not such matters shall have been theretofore approved by Landlord). The indemnity undertaking herein by Tenant shall not apply to the extent the loss, injury, or damage referred to herein is caused by or results from the negligence or willful acts or omissions of the Landlord Parties, or where and to the extent such indemnification by Tenant would be void by statute or under Law. Tenant's indemnification of each Landlord Party, with respect to any claim, action, complaint, allegation or suit instituted against any of the Landlord Parties by an employee of Tenant or Tenant's agent, shall apply fully as set forth hereinabove and without defense or setoff pursuant to any workers' compensation laws. This indemnification provision shall be interpreted to be enforced to the full extent permitted by Law.

(b) If any provision of this Section 8.2 were to be held invalid in its current form by the law of any jurisdiction under which it is construed, then such provision shall be amended to the minimum extent necessary to comply with such law, and the provision shall be deemed to have always existed in such amended form in such jurisdiction. Tenant's obligations under this Section 8.2 shall survive the expiration, early termination or modification of this Lease. Each of the Landlord Parties shall also be entitled to partial indemnification from Tenant and/or contribution from Tenant for the Landlord Party's pro rata share of liability, and/or any sums that the Landlord Party may be compelled to pay in excess of its pro rata share of liability, even where a loss arises from the joint negligence of a Landlord Party and another party.

Section 8.3. Tenant's Insurance. (a) Tenant shall, at Tenant's sole cost and expense, obtain and keep in full force and effect:

(i) An insurance policy for Tenant's Property and Alterations made by Tenant ("Tenant's Property Policy"), in either case to the extent insurable under the available standard forms of "Special Cause of Loss Form" insurance policies, in an amount equal to one hundred (100%) percent of the replacement value thereof and include coverage for the perils of flood, windstorm, earthquake and mechanical/equipment breakdown, and provide coverage extensions for demolition and increased cost of construction, civil authority and utility service interruption. Tenant's Property Policy shall name both Tenant and Landlord, as their respective interests may appear, and include business interruption for any time during which the Premises are fully or partially untenable due to an occurrence covered by the insurance policy. Such business interruption insurance shall include rental value insurance in an amount equal to not less than the Fixed Rent for a period of at least twelve (12) months. Tenant's Property Policy where applicable, shall include plate glass coverage for all plate glass in the Premises and storefront, provided, however, Tenant shall be permitted to self-insure with respect to plate glass if the Tenant is not able to obtain insurance coverage for this exposure. Tenant shall obtain an appropriate clause in, or endorsement on, Tenant's Property Policy pursuant to which the insurance company waives subrogation or consents to a waiver of right of recovery.

(ii) A policy of commercial general liability insurance ("Tenant's Liability Policy"), including without limitation, contractual liability coverage covering the indemnity agreement contained in this Lease, for the benefit of Landlord, the Landlord Parties and any other party the Landlord may designate (each of which shall be named as additional insured under Tenant's Liability Policy), and Tenant, as their respective interests may appear. Tenant's Liability Policy shall include the following minimum limits of insurance:

General Aggregate (other than products/completed operations) limit \$5,000,000.00; Products/Completed Operations Aggregate limit \$5,000,000.00; Each Occurrence limit \$3,000,000.00; Personal and Advertising Injury limit \$3,000,000.00; Tenants Legal Liability limit \$3,000,000.00; Medical Expenses limit \$5,000.00. Tenant's Liability Policy shall (A) be an occurrence basis policy; (B) be primary to all other insurance applicable to the Premises, including without limitation the sidewalks adjacent to the Premises, and operations on the Premises; and (C) provide "first dollar" coverage. In the event that Tenant's Liability Policy covers multiple locations, the General Aggregate shall apply "per location".

(iii) A policy of workers compensation insurance as required by law. In addition, Tenant shall maintain the insurance required by Article 23 of this Lease.

(iv) A policy of automobile liability insurance, covering cars owned or leased by Tenant, with a combined single limit of not less than \$3,000,000.00, but excluding any coverage for hired and non-owned auto liability.

(v) A policy of umbrella form or excess liability insurance providing, at a minimum, "following form" coverage over the insurance policies referred to in (ii), (iii) and (iv) herein above with a limit of not less than \$15,000,000.00 per occurrence and per aggregate.

(b) Tenant's insurance policies shall contain a provision that (i) no act or omission of Tenant shall affect or limit the obligation of the insurer to pay the amount of any loss sustained, and (ii) the policy is non-cancelable with respect to the Landlord Parties unless at least thirty (30) days of advance written notice is given to Landlord, except that Tenant's insurance policies may be cancelable on no less than ten (10) days of advance written notice to Landlord for non-payment of premium. If Tenant receives any notice of cancellation or any other notice from the insurance carrier which may adversely affect the coverage of the insureds under Tenant's insurance policies, then Tenant shall immediately deliver to Landlord a copy of such notice.

(c) Tenant shall cause Tenant's insurance policies to be issued by reputable and independent insurers that are (x) permitted to do business in the State of New York, and (y) rated in Best's Insurance Guide, or any successor thereto, as having a general policyholder rating of A and a financial rating of at least IX (it being understood that if such ratings are no longer issued, then such insurer's financial integrity shall conform to the standards that constitute such ratings from Best's Insurance Guide as of the date hereof).

(d) Tenant has the right to satisfy Tenant's obligation to carry Tenant's Property Policy and Tenant's Liability Policy with a blanket insurance policy provided that (i) the amount of such blanket policy is reasonable in relation to the number of locations covered, (ii) such blanket insurance policy provides, on a per occurrence basis or per location basis, that a loss that relates to any other location does not impair or reduce the level of protection available for the Premises below the amount required by this Lease, (iii) the coverage afforded will not be reduced or diminished by reason thereof, (iv) the Premises under this Lease are specifically referenced in the Tenant's policy, and (v) all other requirements of this Section 8.3 are met.

(c) On or prior to the Commencement Date, Tenant shall deliver to Landlord appropriate certificates of insurance required to be carried by Tenant pursuant to this Section 8.3, including evidence of waivers of subrogation and naming such parties as additional insureds as required by Landlord. Tenant shall deliver to Landlord a copy of Tenant's insurance policies within ten (10) days after the Commencement Date and shall deliver to Landlord, copies of its insurance policies after each renewal or replacement of such insurance policies, at least ten (10) days prior to the expiration of such policy.

(f) If (1) Tenant (or any other person claiming by, through or under Tenant) uses the Premises for any purpose other than the Permitted Use, and (2) the use of the Premises by Tenant (or such other person) causes the premium for any insurance policy carried by Landlord to exceed the premium that would have otherwise applied therefor if Tenant (or such person) used the Premises for the Permitted Use, then Tenant shall pay to Landlord, as Additional Rent, an amount equal to such excess, on or prior to the thirtieth (30th) day after the date that Landlord gives to Tenant an invoice therefor. Nothing contained in this Section 8.3(f) expands Tenant's rights under Article 5 hereof.

(g) Tenant will furnish the insurance policies and certificates required hereunder and to the extent necessary, shall supplement the policy limit with Tenant's global master policies.

(h) Landlord shall have the right, at any time and from time to time, but not more than three (3) times during the Term, on not less than thirty (30) days' notice to Tenant, to require that Tenant increase the amounts and/or types of coverage required to be maintained under this Section 8.3 to the amounts or coverages then customary for first-class retail stores in the vicinity of the Building, to the extent reasonably related to the nature of the business activities of the occupants of the Premises and customer traffic in the Premises.

Section 8.4. In the event any violation from the DOB, the Environmental Control Board, or any other governmental/municipal, administrative or legal agency is placed against Landlord, the Premises and/or the Building as a result of Tenant's use of the Premises, Tenant's Alterations or Tenant's acts or omissions and such violation (i) impedes Landlord's ability to perform its obligations under any other lease for space in the Building, or (ii) prohibits Landlord's or any other tenant of the Building's ability to obtain permits from the DOB or any other governmental/municipal agency, or (iii) impedes Landlord's or any other Tenant's ability to obtain a temporary or permanent certificate of occupancy, then in addition to Tenant's obligation to cure such violation and pay any and all fines, penalties and interest related thereto, Tenant shall be obligated to reimburse Landlord, within ten (10) days of Landlord's demand therefor, any and all expenses incurred by Landlord due to such violation, including, without limitation, loss of rent from other tenants or potential tenants of the Building.

ARTICLE 9

Compliance With Laws

Section 9.1. Tenant, at its sole cost and expense, shall comply with all laws, codes, orders, rules, statutes, ordinances, requirements and regulations of all federal, state, local and municipal governments, agencies and authorities, and the appropriate departments (including, without limitation, the DOB and the New York City Department of Environmental Protection), commissions (including, without limitation, the New York City Landmarks Preservation Commission), boards (including, without limitation, the Board of Fire Underwriters), and officers thereof (collectively, "Laws") (whether any Laws are in effect on, or enacted or made effective after, the date hereof, whether contemplated or foreseen on the date hereof or not) which shall impose any violation, order or duty upon Landlord or Tenant with respect to the Premises or the use or occupancy thereof or any Alteration performed by or on behalf of Tenant. If the Building shall now or hereafter be subject to any Law, due to Tenant's use of the Premises or any Alterations performed by or on behalf of Tenant, affecting its structural integrity; the physical condition of its façade, roof, parapets or other exterior part thereof; its life, fire, sprinkler or other safety systems; the accessibility of the Building and its accoutrements to the handicapped or disabled; or the regulation, containment, abatement, or removal of Hazardous Substances or Waste therein, including, without limitation, compliance with New York City Local Law No. 5/73, Local Law 10/80, Local law 16/84, and the Americans with Disabilities Act of 1990, as amended, that requires Landlord to incur any obligation or expense to install, alter, make any addition to or improve the Building or any system thereof or any equipment or accoutrement to any of the foregoing or install any new system, Tenant shall pay to Landlord in monthly installments, as Additional Rent hereunder, commencing the on the first day following Landlord's notice or demand for payment thereof, Tenant's Proportionate Share of the cost of such alteration, addition, or improvement.

Section 9.2. Tenant, at its sole cost and expense, shall comply with all requirements of the New York Board of Fire Underwriters, or any other similar body affecting the Premises and shall not use the Premises in a manner which shall increase the rate of fire insurance of Landlord or of any other tenant, over that in effect prior to this Lease. If Tenant's use of the Premises increases the fire insurance rate, Tenant shall reimburse Landlord for all such increased costs.

Section 9.3. Tenant shall be responsible for, and shall bear any and all costs associated with (a) obtaining any and all licenses and permits required for the conduct of Tenant's business; and (b) ensuring that Tenant's business is in compliance with all Laws. Tenant's failure to procure, maintain or comply with any such licenses or permits shall not relieve or release Tenant from any of its obligations or liabilities under this Lease.

Section 9.4. For purposes of this Section 9.4, the term "Adverse Violation(s)" shall mean a violation of record that would prohibit Tenant's from obtaining Tenant's Permits, and such violations will not be remedied by Tenant's performance of Tenant's Work. After Tenant first receives information of the existence of any Adverse Violations, Tenant shall promptly provide Landlord with written notification (the "Violation Notice") of the existence of any Adverse Violations. In the event that Tenant has submitted the Violation Notice, Landlord shall

have a period of thirty (30) days thereafter to use commercially reasonable efforts to remove the Adverse Violations, or take such other steps as may be necessary for Tenant to obtain the building permits. Landlord shall promptly notify Tenant when the Adverse Violations have been removed or when Tenant's Permits have been obtained. In the event Landlord fails to complete such work and have the Adverse Violations removed, or obtain Tenant's Permits, within such 30-day period, Tenant shall thereafter have the right to undertake such work, in which event Landlord shall reimburse Tenant for the reasonable costs actually incurred by Tenant (as documented by paid bills) to clear such Adverse Violations. In the event Landlord fails to complete such work and have the Adverse Violations removed, or obtain Tenant's Permits, within such 30-day period, then the Rent Commencement Date shall be extended one day for each day such Adverse Violation is removed or Tenant (or Landlord) has obtained Tenant's Permits.

ARTICLE 10

Assignment and Subletting

Section 10.1. Subject to the provisions of Sections 10.02 and 10.03 hereof, with the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld, conditioned or delayed, Tenant shall not sell, assign, mortgage or otherwise transfer or encumber this Lease or its right, title and interest herein, sublet the Premises (or any portion thereof) or permit the Premises (or any portion thereof) to be used or occupied by any person other than Tenant.

Section 10.2. If Tenant desires to sublease all or any portion of the Premises (it being understood however that Tenant may not subdivide the ground floor portion of the Premises into more than two (2) independent spaces which must have independent and separate entrances on Fifth Avenue) or to assign this Lease, Tenant shall submit a request to Landlord for Landlord's consent to such subletting or assignment, which request shall be accompanied by the name and address of the proposed subtenant or assignee, a fully executed original counterpart of the sublease for the entire space or assignment instrument, as the case may be (by its terms subject to Landlord's approval and providing (i) in the case of an assignment that such assignee shall unconditionally assume, observe and perform all of the terms and provisions of this Lease on Tenant's part to be observed and performed, and (ii) in the case of a sublease that it is subject and subordinate to this Lease), the nature and character of the business of the proposed subtenant or assignee and its proposed use of the Premises, current financial information on the proposed subtenant or assignee including a complete financial statement (not more than 12 months old), for the proposed assignee or sublessee, certified by certified public accountants regularly employed by the proposed assignee or sublessee, together with a more current interim financial statement for the proposed assignee or sublessee, if available, the names and business experience of the management level personnel of the proposed assignee or sublessee who will be active in the actual day to day operation of the business to be conducted in the Premises by the proposed assignee or sublessee, all documents associated with any conditions of Section 10.03 and such other information as Landlord may reasonably request.

Section 10.3. Provided that Tenant is not in material default of any of Tenant's obligations under this Lease beyond applicable notice and cure periods, either at the time Landlord's consent to such assignment or sublease is requested or at the commencement of the term of any such sublease or on the effective date of any such assignment, Landlord's consent (which must be in writing and in form reasonably satisfactory to Landlord) shall not be unreasonably withheld or delayed, provided and upon condition that:

(a) (i) in Landlord's reasonable judgment, the proposed assignee or subtenant is engaged in a retail business and shall use and occupy the Premises for the purposes permitted under this Lease, and the Premises will be used in a manner, which are in keeping with the first-class, high quality standards and prestigious reputation of the Building, the then prevailing standard of the immediately surrounding Fifth Avenue neighborhood (i.e. Fifth Avenue between 59th Street and 50th Street) and are in compliance with all applicable laws, (ii) no portion of the Premises shall be used for any use prohibited by Section 5.2, and (iii) will not violate any restrictive covenant as to use contained in the certificate of occupancy;

(b) the proposed subtenant or assignee has a minimum tangible liquid net worth equal to or greater than \$75,000,000.00 (or such lesser amount reasonably satisfactory to Landlord), and Landlord has been furnished with proof thereof including, without limitation, the current financial information set forth in Section 10.02;

(c) Intentionally Omitted;

(d) the proposed assignee or sublessee is not entitled, directly or indirectly, to diplomatic or sovereign immunity and is subject to the service of process in, and the jurisdiction of the courts of, New York State;

(e) Tenant shall reimburse Landlord on demand for any reasonable out-of-pocket costs that may be incurred by Landlord in connection with such assignment or sublease, including, without limitation, the costs of making investigations as to the acceptability of the proposed assignee or subtenant, and legal costs, which legal costs shall not exceed \$5,000, incurred in connection with the granting of any requested consent.

(f) the provisions of the proposed sublease or the assignment instrument, as the case may be, and any and all related documents, are reasonably acceptable to Landlord.

Section 10.4. If Tenant's interest in this Lease is assigned, whether or not in violation of this Article 10, Landlord may collect rent from the assignee; if the Premises are sublet to or occupied or used by any person other than Tenant, whether or not in violation of this Article 10, Landlord may, from and after an Event of Default, collect rent from the subtenant, occupant or user. In either case, Landlord shall apply the net amount collected to Rent, but any such assignment, subletting, occupancy or use, whether with or without Landlord's prior consent, or any such collection or application, shall not be deemed a waiver of any term, covenant or condition of this Lease or the acceptance by Landlord of such assignee, subtenant, occupant or user as a tenant of the Premises. The consent by Landlord to any assignment, subletting, occupancy or use shall not relieve Tenant from its obligation to obtain the express prior consent

of Landlord to any further assignment, subletting, occupancy or use. Tenant shall pay to Landlord the reasonable attorneys' fees incurred by Landlord in connection with any proposed assignment of Tenant's interest in this Lease or any proposed subletting of the Premises. Any assignment of Tenant's interest in this Lease, any subletting, occupancy or use of the Premises by any person other than Tenant or any collection or application by Landlord of any sum received by Landlord from any person other than Tenant shall not, in any circumstances, relieve Tenant of its obligation to observe and perform all of the terms, covenants and conditions of this Lease on Tenant's part to be so observed and performed, except to the extent payment is actually received by Landlord. Each permitted assignee or transferee shall assume and be deemed to have assumed this Lease and shall be and remain liable jointly and severally with Tenant for the payment of the Base Rent and Additional Rent and for the due performance of all the terms, covenants, conditions and agreements herein contained on Tenant's part to be performed for the term of this Lease. No assignment shall be effective unless Tenant shall promptly deliver to Landlord a duplicate original of the instrument of assignment, in form reasonably satisfactory to Landlord, containing a covenant of assumption by the assignee of all of the obligations aforesaid and shall obtain from Landlord the aforesaid written consent, prior thereto.

Section 10.5. Any permitted sublease entered into by Tenant or by any person claiming through or under Tenant shall contain a provision providing that, if at any time during the term of such sublease the leasehold estate with regard to the Premises shall terminate for any reason, at the election and upon demand of any owner of the Premises, of any mortgagee in possession thereof or of any holder of a leasehold affecting the Premises, the sublessee shall attorn to any such owner, mortgagee or holder upon the terms and conditions set forth therein for the remainder of the term of such sublease. Such agreement to attorn shall be self-operative, without requiring any further instrument to give effect to such provision; however, upon demand of any such owner, mortgagee or holder, the sublessee shall execute, from time to time, an instrument in confirmation of the foregoing.

Section 10.6. If this Lease shall terminate by reason of Tenant's default, or if Landlord shall recover or come into possession of the Premises before the Expiration Date for any reason or cause, Landlord, at its option, shall have the right to take over any and all leases, letting agreements or subleases of tenants or occupants of the Premises or any portion thereof and, at its option, to have and succeed to all the rights and privileges as lessor of such leases, letting agreements and subleases or such of them as Landlord may elect to take over and assume. Tenant, upon any such termination or recovery of possession by Landlord, hereby expressly assigns, transfers and sets over unto Landlord such of the leases, letting agreements and subleases as Landlord may elect to take over and assume as may exist at any time of such termination or recovery of possession. Upon request of Landlord, Tenant shall execute, acknowledge and deliver to Landlord such further assignments and transfers as may be necessary, sufficient and proper to vest in Landlord the then existing leases, letting agreements and subleases of the Premises as above specified.

Section 10.7. Any consent of Landlord to a subletting shall apply only to that given transaction. Neither Landlord's consent to any subletting nor anything contained in this Article 10 shall be deemed to grant to any subtenant or other person claiming through or under Tenant the right to further sublet or occupy the Premises or to permit the occupancy thereon by others.



Section 10.8. Landlord and Tenant agree that any consideration paid to, or profit received by, Tenant or to any person claiming through or under Tenant in connection with an assignment of Tenant's interest in this Lease or the interest of any person claiming through or under Tenant under any sublease, shall be earned by and paid to Landlord. The term "profit" is defined as (i) all sums paid by any subtenant or other occupant in connection with any subletting of the Premises in excess of the sum of Base Rent plus Additional Rent or (ii) any consideration paid by any assignee in connection with any assignment of this Lease. "Profit" shall not include any payment made to Tenant in consideration for Tenant's unamortized improvements and/or Tenant's assets and property, which amount shall be set forth on Tenant's balance sheet for the year in which such improvements and property are made or purchased, but in no event later than the second Lease Year, but shall have deducted from what would otherwise be "profit" all reasonable costs and expenses of Tenant in effecting such sublease or assignment, including reasonable brokerage commissions, reasonable attorneys' fees, customary rent abatements, and fifty (50%) percent of reasonable amount(s) paid by Tenant to the subtenant or assignee as a so-called "work-allowance".

Section 10.9. Except as otherwise expressly provided herein, there shall be deemed to be an assignment or sublease for the purposes of this Article 10 upon the direct or indirect (i) transfer of all or a controlling interest of Tenant's stock or partnership or other interests, as applicable, or (ii) transfer by Tenant of all or any portion of its right to use, occupy and/or operate the Premises as set forth in this Lease. Tenant acknowledges that the nature of its business in the Premises and its operation thereof are of a special importance to Landlord and may not be adequately replaced by another tenant paying equivalent Rent. Notwithstanding the foregoing, in the event Tenant is a corporation whose shares are (i) publicly held and traded, the trading of such shares on nationally recognized exchanges shall not be deemed an assignment of this Lease requiring Landlord's consent, and (ii) privately held an initial public offering of such shares in Tenant shall not be deemed as assignment of this Lease requiring Landlord's consent.

Section 10.10. If Tenant assigns this Lease or subleases the Premises without conforming to all of the terms and conditions of this Article 10, the proposed assignment or sublease shall be voidable at Landlord's option.

Section 10.11. At no time and under no circumstances shall Tenant be permitted to display a name other than Tenant's Permissible Trade Names on the exterior of the Premises without Landlord's consent, which shall be granted by Landlord only with respect to a permitted change of use hereunder or pursuant to an approved assignment, an approved sublease or an approved affiliated transaction in accordance with the specific requirements of this Lease.

Section 10.12. Notwithstanding anything in this Article 10 to the contrary, the use, occupancy, assignment or subletting to (a) a parent company, or wholly owned subsidiary or Affiliate of Tenant; (b) any entity which owns or controls the majority of all of the stock of Tenant or its parent; (c) any entity into which Tenant or its parent may merge or to which Tenant or its parent may sell its assets; and (d) any entity which may result from the consolidation or acquisition of Tenant or its parent, shall not be deemed an assignment or subletting for purposes of this Article 10, provided, in each case, that (i) Landlord shall be advised of the assignment or



sublease not less than fourteen (14) days after the consummation thereof, such notice to include the name, address, description of the proposed assignee's or subtenant's business and intended operations to be conducted from the Premises and certified financial statements and/or other financial information relating to the proposed assignee or subtenant in order for Landlord to determine the net worth of the proposed assignee or subtenant (which, computed in accordance with generally accepted accounting principles, shall not be less than the net worth of Tenant on the date of such assignment or sublease) and such other information relating to the proposed assignee or subtenant and its business and proposed operations as Landlord may request, and be accompanied with a duplicate original of such assignment or sublease from Tenant; (ii) in the event of an assignment, the assignee assumes by written instrument all of Tenant's obligations under this Lease, (iii) the sublease or assignment is for a bona fide and valid business purpose and not for the purpose of circumventing the requirements of this Article 10, (iv) the use of the Premises is in keeping with the first-class, high quality standards and are in compliance with all applicable laws, and (v) the retail products to be sold at the Premises have a highly reputable, highly recognizable, brand name. If any corporate restructuring of the corporate group of which Tenant and Guarantor (as hereinafter defined) form a part should affect the ability of Guarantor to perform its obligations under the Guaranty (as hereinafter defined), Landlord agrees that another member of the corporate group which controls Tenant may become a replacement guarantor provided (i) such restructuring shall be made for a bona fide business purposes, and not intended to evade Guarantor's obligations under the Guaranty, (ii) the total assets and tangible net worth of such replacement guarantor is at least equal to the total assets and tangible net worth of Guarantor as of the date of this Lease; and (iii) such replacement guarantor executes the form of guaranty required by the Landlord not less than fourteen (14) days after the consummation of such restructuring. For purposes of this Section 10.12, the term "Affiliate" shall mean as to any designated person or entity, any other person or entity which controls, is controlled by, or is under common control with, such designated person or entity. "Control" (and with correlative meaning "controlled by" and "under common control with") means ownership or voting control, directly or indirectly, of fifty (50%) percent or more of the voting stock, partnership interests or other beneficial ownership interests of the entity in question.

ARTICLE 11

Changes by Landlord

Section 11.1. Landlord shall have the right, without the same constituting an eviction or constructive eviction of Tenant in whole or in part and without any abatement of the Rent or liability to Tenant, to (i) place (and have access to) ducts, beams, pipes, joints, foundations, supports and conduits through the Premises (without a reduction or reconfiguration of the useable area of the Premises, except to a *de minimis* extent), (ii) enter the Premises at reasonable times on reasonable prior notice, which may be oral (but prior notice shall not be required in an emergency), to inspect the Premises, to show the Premises to others or to perform any work Landlord deems necessary to the Premises or the Building (including the Building systems) or for the purpose of complying with any and all Laws, (iii) alter, maintain or repair the Building (including the Building systems) or the Land, and (iv) take all material into the Premises that may be required in connection with any of the matters described in this Section. If Tenant is not



present when Landlord desires to enter the Premises, Landlord or Landlord's contractors may enter the Premises (by force, in the event of an emergency) without liability to Tenant.

Section 11.2. Except as may otherwise be expressly provided in this Lease, all exterior walls of the Building, core corridor walls, and exterior doors and entrances (other than surfaces facing the interior of the Premises and doors and entrances servicing only the Premises), balconies, terraces, vaults, Building systems and all other portions of the Building are reserved to Landlord for Landlord's use, are not part of the Premises, and Landlord may have access thereto through the Premises.

Section 11.3. Landlord shall exercise Landlord's rights under this Article in a manner which minimizes interference with the conduct of Tenant's business in the Premises and damage to the Premises, Tenant's Work and Tenant's Property (all of which shall promptly be repaired by Landlord, at its expense), it being understood and agreed that Landlord shall use commercially reasonable efforts to minimize interference with the operations of Tenant's business and in connection with the exercise Landlord's rights under this Article.

Section 11.4. Landlord shall be entitled to erect scaffolding or sidewalk sheds from time to time on and around the Building. In the event Landlord shall install or cause to be installed any scaffolding, sidewalk shed or any other protective structure on all or any portion of the storefront portion of the Building such scaffolding or sidewalk sheds shall be well-lit and double-height. Landlord agrees to remove said structure(s) promptly after the completion of the work that requires erection of the same. Landlord shall use commercially reasonable efforts to minimize the period of time during which such scaffolding, sidewalk shed or other protective structure must remain in place, to the extent practicable, and the extent to which the same shall impair the visibility of the Premises and in no event shall such scaffolding be erected (a) during the period between Thanksgiving and New Year's Day, or (b) except when (i) required by law, any municipal agency, regulatory agency or any quasi-governmental agency, or (ii) in connection with emergency repairs, during the period commencing on the Commencing on the Commencement Date and ending on the fourth (4th) anniversary thereof. In the event Tenant's exterior signage or storefront windows are blocked, upon Tenant's request, Landlord shall, at its sole cost and expense, install signage identifying Tenant by its trade name on the face of such scaffolding, sidewalk shed or other protective structure, at a location directly in front of Tenant's business storefront, it being understood and agreed that Landlord shall not place any advertising or signage, except where required by Law, on the scaffolding other than signage identifying Tenant. In no event shall Tenant be entitled to any abatement, set-off or counterclaim against Rent as a result of the placement of scaffolding or sidewalk sheds on or around the Building of which the Premises forms a part.

ARTICLE 12

Casualty

Section 12.1. Damage Generally. (a) Subject to Sections 12.1(b) and (f), if any part of the Premises shall be damaged by fire or other casualty, Tenant shall give prompt notice thereof to Landlord and Landlord, after the receipt of insurance proceeds by Landlord (and

subject to the rights of any superior lessors and/or superior mortgagees to the insurance proceeds) attributable to such damage, shall with reasonable diligence repair such damage to any part of the Premises, the repair of which is Landlord's obligation hereunder, in a manner and at times which do not unreasonably interfere with Tenant's use of the Premises. Notwithstanding anything to the contrary contained herein, Landlord shall only be required to restore the Premises to the condition it was in on the Commencement Date and Landlord shall not be required to repair or restore any of Tenant's Property or any Alteration or other leasehold improvement made by Tenant or for Tenant at Tenant's expense. From and after the date which is one hundred eighty (180) days following such casualty, Rent shall be abated during the period of such repair, restoration or rebuilding if the Premises are not tenantable and such abatement of Rent shall continue until the Premises are tenantable for the conduct of Tenant's business, as determined by Landlord's engineer or architect. Landlord shall not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting in any way from the undertaking of such repair.

(b) Notwithstanding Section 12.1(a), if the Building shall be substantially destroyed by fire or other casualty (such date of the fire or other casualty is hereinafter referred to as the, "Destruction Date") and if in the reasonable opinion of Landlord it would not be economically feasible to rebuild the Building and Landlord elects not to rebuild, then Landlord may elect by notice to Tenant within one hundred eighty (180) days after the Destruction Date (the "Election Date") to terminate this Lease as of the Destruction Date and if such notice shall be given this Lease and the Term and estate hereby granted shall terminate as of the Destruction Date with the same effect as if the Destruction Date were the Expiration Date of the Term of this Lease and Tenant shall pay the Rent thereunder justly apportioned to the Destruction Date.

(c) In the event Landlord does not terminate this Lease in accordance with the provisions of this Section 12.1, Landlord shall repair or rebuild the Premises in accordance with Section 12.1(a).

(d) Landlord shall have no obligation to carry insurance of any kind on Tenant's Property or Alterations, and Landlord shall not be obligated to repair any damage thereto or to replace the same.

(e) Notwithstanding anything to the contrary, Landlord's restoration obligations shall be limited to the amount of insurance proceeds actually received by Landlord less any deductible.

(f) If the Premises shall be damaged by fire or other casualty to the extent of more than fifty (50%) percent of the cost of replacement thereof during the last Lease Year of the Term, Landlord or Tenant may terminate this Lease by notice to the other given within ninety (90) days after such event, and upon the date specified in such notice, which date shall be not less than thirty (30) days and not more than sixty (60) days after the giving of said notice, this Lease shall terminate and Tenant shall forthwith quit and surrender the Premises to Landlord without prejudice to any rights Landlord may have against Tenant prior to the termination of this Lease.



(g) Notwithstanding anything to the contrary contained in this Lease, if the Premises shall be damaged and such damage renders the Premises untenable, and the Premises are not substantially repaired on or before the date which is two (2) years from the expiration of the 180-day period, then Tenant may elect to terminate this Lease by giving Notice to Landlord within thirty (30) days after the expiration of such 2-year period, TIME BEING OF THE ESSENCE. If Tenant timely gives such Notice, the Term shall expire upon thirty (30) days after such Notice is given by Tenant, and Tenant shall vacate the Premises and surrender the same to Landlord in accordance with the provisions of this Lease.

Section 12.2. Release: Waiver of Subrogation; Contractual Liability Endorsement. Notwithstanding any other provision contained in this Lease to the contrary, Tenant hereby waives any right it may have against the Landlord Parties or any of the other parties in interest from time to time on account of any loss or damage occasioned to Tenant, Tenant's Property, Alterations, the Premises or its contents arising from any risk generally covered (including deductibles) by "special form" (previously known as "all risk") insurance as aforesaid providing protection against fire, lightning, extended coverage, vandalism and malicious mischief, sprinkler leakage and other "all risk" perils including water damage, whether or not such a policy shall be in force. The parties hereto each, on behalf of their respective insurance companies insuring the property of either Landlord or Tenant against any such loss, waive any right of subrogation that such insurance company(ies) may have against the other, as the case may be, provided, however, that the release, discharge, exoneration and covenant not to sue herein contained shall be limited by and be coextensive with the terms and provisions of the waiver of subrogation clause or endorsements or clauses or endorsements consenting to a waiver of right of recovery contained in any such insurance policies.

Section 12.3. Express Agreement. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Building or the Premises by fire or other casualty, and any law which purports to govern the absence of express agreement, and any successor or other law of like import, shall have no application.

ARTICLE 13

Condemnation

Section 13.1. Condemnation. (a) If there shall be a taking of the entire Premises in condemnation proceedings or by any right of eminent domain, this Lease and the Term and estate hereby granted shall forthwith cease and terminate as of the earlier of the date of vesting of title in such taking or the date of taking of possession by the condemning authority.

(b) In the event of a taking of a portion of the Premises in the manner described in subsection (a) above, Tenant shall be entitled to an abatement of Fixed Rent on account of such taking by a percentage, which shall be equal to a fraction, the numerator of which shall be the area of the portion of the Premises so taken and the denominator of which shall be the area of the entire Premises prior to such taking.

Section 13.2. Award. In the event of a taking of all of the Premises or the storefront of the Premises, Landlord shall be entitled to receive the entire award in the condemnation proceeding, including any award made for the value of the estate vested by this Lease in Tenant, and Tenant hereby assigns to Landlord any and all right, title and interest of Tenant now or hereafter arising in or to any such award or any part thereof; provided, however, that nothing contained herein shall preclude Tenant from intervening in any such condemnation proceeding to claim or receive from the condemning authority any compensation to which Tenant may otherwise be lawfully entitled in such case in respect of Tenant's Property, for moving to a new location, or reimbursement for tenant improvements, provided the same do not include any value of the estate vested by this Lease in Tenant and further provided the same do not in any way diminish the value of Landlord's award.

Section 13.3. Condemnation for a Limited Period. Notwithstanding the foregoing, if all or any portion of the Premises shall be condemned or taken for governmental occupancy for a limited period of less than ninety (90) days, this Lease shall not terminate, the Rent shall not be abated and Tenant shall be entitled to receive the entire award therefor (whether paid as damages, rent or otherwise) unless the period of governmental occupancy extends beyond the expiration of this Lease, in which case Landlord shall be entitled to such part of such award as shall be properly allocable to the cost of restoration of the Premises, and the balance of such award shall be apportioned between Landlord and Tenant as of the date of such expiration. If the termination of such governmental occupancy is prior to expiration of this Lease, Tenant shall to the extent of any award restore the Premises as nearly as possible to the condition in which they were prior to the condemnation or taking.

ARTICLE 14

Maintenance & Repairs

Section 14.1. Repairs by Landlord. Subject to Articles 12 and 13 hereof, Landlord shall keep the sidewalks and curbs, the foundations, the roof, the exterior supports of the Building, and the base building systems (including, without limitation, the electrical, plumbing, sprinkler, life safety systems and HVAC) to the point of connection to the Premises, but specifically excluding building systems primarily serving Tenant or any modifications made by Tenant to the base building systems (collectively, "Structural Elements") in good repair and condition, provided, however, if any damage is caused by any act, alteration, negligence or omission of Tenant, its employees, agents or contractors, Tenant shall be required to repair such damage, or reimburse Landlord, on demand, for the cost thereof, if Landlord makes such repair. Nothing contained herein shall require Landlord to undertake any such work on a so called priority or overtime basis, unless Tenant elects to pay the additional cost of performance in that manner. All other repairs to the Premises shall be at Tenant's sole cost and responsibility. Notwithstanding anything to the contrary contained herein, except as otherwise expressly provided in this Lease, (i) Landlord shall not be responsible for repairs and maintenance other than to the Structural Elements, and (ii) Landlord shall only be obligated to repair Structural Elements that are not part of the Premises if the condition requiring the repair materially adversely affects Tenant's business in the Premises.

Section 14.2. Repairs by Tenant. (a) Except for those items expressly required to be maintained and repaired by Landlord pursuant to Section 14.1 above, throughout the Term, Tenant, at Tenant's sole cost and expense, shall maintain and repair (whether structural or non-structural, exterior or interior, foreseen and unforeseen) all of the Premises, including, without limitation, all vault space adjoining the Premises, Tenant's equipment, personal property and trade fixtures located in the Premises, all mechanical, plumbing and electrical equipment exclusively serving the Premises, to the extent Tenant alters the façade of the Building, the façade of the Building, provided, however that Tenant shall not be responsible for repairs to the façade necessitated by any acts of Landlord, Landlord's agents, or other tenants, the storefront of the Premises, and all plate glass and other glass surfaces within the Premises, all heating, ventilation air-conditioning equipment ("HVAC") servicing the Premises, as and when needed to keep them in first class good working order and in good, clean and sanitary condition. All the aforesaid repairs shall be of quality or class equal to the original work or construction and shall be performed in a good and workmanlike manner and in compliance with all Laws. In the event Tenant fails to comply with its obligations hereunder, then Landlord shall have the right, after the expiration of applicable notice and cure periods, but not the obligation to perform such obligations, with notice to Tenant, and charge Tenant the costs incurred by Landlord as Additional Rent, and Tenant shall pay same within thirty (30) days of being billed for same. Tenant waives the benefit of any applicable law purporting to allocate Tenant's responsibility for repairs other than as set forth in this Lease or affording Tenant any right to make repairs at the expense of Landlord or to terminate this Lease on the basis of any necessary repairs.

(b) Tenant shall not place a load upon any floor in the Premises or in the Building exceeding the limit allowed by applicable Law, provided, however that in the event Tenant desires to increase the capacity of the floor load, then Tenant shall have the right, upon obtaining Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed provided such work will not affect the structure of the Building, or interfere with or adversely impact other tenants of the Building's use and enjoyment of their premises, to perform any work required to do so, provided such work is in compliance with this Lease and applicable Law. Tenant shall not move any safe, heavy machinery, heavy equipment, business machines, freight, into or out of the Building without Landlord's prior consent, which consent shall not be unreasonably withheld, conditioned or delayed, and shall make payment to Landlord of Landlord's reasonable, out-of-pocket costs in connection therewith. If such safe, machinery, equipment, freight, bulky matter or fixtures requires special handling, Tenant shall employ only persons holding a master rigger's license to do said work. All work in connection therewith shall comply with all Laws and insurance requirements and the Rules and Regulations, and shall be done at any time, provided that if such work is reasonably likely to materially interfere with the operation of the Building or unreasonably interfere with the use and occupancy of the Building by other tenants, then such work shall be done during such hours as Landlord may reasonably designate. Business machines and mechanical equipment shall be placed and maintained by Tenant at Tenant's expense in settings sufficient in Landlord's reasonable judgment to absorb and prevent vibration, noise and annoyance.

Section 14.3. HVAC Maintenance Contract. As part of Tenant's obligation to maintain and repair the HVAC serving the Premises, Tenant shall enter into an annual contract with an HVAC repair contractor fully licensed to repair HVAC in New York, which contractor shall

regularly service and maintain the HVAC and perform ordinary, emergency and extraordinary repairs thereto. Nothing herein shall limit Tenant's obligation to maintain the HVAC serving the Premises in good condition and repair throughout the Term.

ARTICLE 15

Subordination: Non-Terminability of Lease

Section 15.1. Subordination. This Lease, and all rights of Tenant hereunder, are and shall be subject and subordinate to all ground leases, master leases, overriding leases and underlying leases, party wall agreements, reciprocal easement and operating agreements, façade and/or open space easements and other matters of record affecting the Land, the Building, and/or that portion of the Building of which the Premises are a part, now or hereafter existing, and to all mortgages and assignments of leases and rents (each such mortgage or assignment is hereinafter referred to as a "mortgage") which may now or hereafter affect the Land and/or the Building and/or that portion of the Building of which the Premises are a part and/or any of such leases, whether or not such mortgages shall also cover other lands and/or buildings and/or leases, to each and every advance made or hereafter to be made under such mortgages, and to all renewals, modifications, replacements and extensions of such leases and such mortgages and spreaders and consolidations of such mortgages. This Section shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, Tenant shall promptly execute, acknowledge and deliver any instrument that Landlord, the lessor under any such lease or the holder of any such mortgage or any of their respective successors-in-interest may reasonably request to evidence such subordination. Any lease to which this Lease is, at the time referred to, subject and subordinate is herein called "Superior Lease" and the lessor of a Superior Lease or its successor in interest, at the time referred to, is herein called "Superior Lessor"; and any mortgage to which this Lease is, at the time referred to, subject and subordinate is herein called "Superior Mortgage" and the holder of a Superior Mortgage is herein called "Superior Mortgagee." If any Superior Mortgagee or Superior Lessor requires one or more modifications to this Lease and the requested modifications do not materially and adversely modify Tenant's rights and obligations under this Lease, Tenant shall execute whatever documentation shall be required by such Superior Mortgagee or Superior Lessor to effect the modifications and to return such documentation to Landlord within ten (10) business days of the date such documentation shall be delivered, it being understood and agreed that Tenant's failure to return such documentation to Landlord within such seven day period shall constitute a default under this Lease. Notwithstanding the foregoing, Landlord shall obtain subordination, non-disturbance agreement (a "SNDA") in favor of Tenant from any current or future ground or underlying landlords or mortgagees on such mortgagee's standard form, and without same this Lease shall not be subordinate to any current or future ground or underlying leases or mortgages. It shall be a condition precedent to the effectiveness of this Lease that Landlord shall, on or before the Commencement Date, obtain a SNDA from the current holders of any and all mortgages and ground leases in form and substance acceptable to such holder. Landlord covenants and agrees to promptly submit Tenant's comments to the SNDA, if any, to Landlord's mortgagee for such mortgagee's review and approval. Landlord represents and warrants to Tenant that a Superior Lease does not exist as of the date hereof.

Section 15.2. Non-Terminability of Lease. (a) Tenant's Interest Not Transferable. Neither Tenant's interest in this Lease, nor any estate hereby created in Tenant nor any interest herein, 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 United States Bankruptcy Code or any state bankruptcy, insolvency or similar statute, as amended from time to time (the "Bankruptcy Code").

(b) Termination. In the event, the interest or estate created in Tenant hereby shall be taken in execution or by other process of law, or if any guarantor of the Tenant's obligations under this Lease or its or their executors, administrators or assigns, if any, shall be adjudicated insolvent or bankrupt pursuant to the provisions of any State Act or the Bankruptcy Code or if Tenant is adjudicated insolvent by a court of competent jurisdiction other than the United States Bankruptcy Court, or if a receiver or trustee of the property of Tenant or any Tenant's guarantor shall be appointed by reason of the insolvency or inability of Tenant or said guarantor to pay its debts, or if any assignment shall be made of the property of Tenant or any guarantor for the benefit of creditors, then and in any such events, this Lease and all rights of Tenant hereunder shall automatically cease and terminate with the same force and effect as though the date of such event were the date originally set forth herein and fixed for the expiration of the Term, and Tenant shall vacate and surrender the Premises but shall remain liable as hereinafter provided.

(c) Tenant's Obligation to Avoid Creditors' Proceedings. Tenant or any guarantor aforesaid shall not cause or give cause for the appointment of a trustee or receiver of the assets of Tenant or such guarantor and shall not make any assignment for the benefit of creditor, or become or be adjudicated insolvent. The allowance of any petition under any insolvency law except under the Bankruptcy Code or the appointment of the trustee or receiver of Tenant or any guarantor 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 the trustee or receiver, is vacated within ninety (90) days after such allowance or appointment. Any act described in this Section (c) shall be deemed a material breach of Tenant's obligations hereunder and an event of default, and this Lease shall thereupon automatically terminate. Landlord does, in addition, reserve any and all other remedies provided in this Lease or at law or in equity.

(d) Rights and Obligations Under the Bankruptcy Code. Upon filing of a petition by or against Tenant under the Bankruptcy Code, Tenant, as debtor and / or as debtor in possession, and any trustee who may be appointed agree as follows: (i) to perform each and every obligation of Tenant under this Lease including, but not limited to, the manner of conduct of Tenant's business as provided in this Lease until such time as this Lease is either rejected or assumed by order of the United States Bankruptcy Court; (ii) to pay monthly in advance on the first day of each month as reasonable compensation for use and occupancy of the Premises an amount equal to all Rent otherwise due pursuant to this Lease; (iii) to reject or assume this Lease within sixty (60) days of the filing of such petition under Chapter 7 of the Bankruptcy Code or within one hundred twenty (120) days (or such shorter time as Landlord, in its sole discretion, may deem reasonable so long as notice of such period is given) of the filing of the petition under any other chapter; (iv) to give Landlord at least forty-five (45) days prior written notice of any

proceeding relating to any assumption of this Lease; (v) to give at least thirty (30) days prior written notice of any abandonment of the Premises, any such abandonment to be deemed a rejection of this Lease; (vi) to do all other things of benefit to Landlord otherwise required under the Bankruptcy Code; (vii) to be deemed to have rejected this Lease in the event of the failure to comply with any of the above; and (viii) to have consented to the entry of an order by an appropriate United States Bankruptcy Court providing all of the above, waiving notice and hearing of the entry of same.

(e) No default of this Lease by Tenant, either prior to or subsequent to the filing of such a petition, shall be deemed to have been waived unless expressly done so in writing by Landlord.

(f) 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: (i) the cure of any monetary defaults and the reimbursement to Landlord of pecuniary loss within no more than thirty (30) days of assumption and/or assignment; (ii) the deposit of an additional sum of money with Landlord equal to six (6) months Rent, to be held as a security deposit; (iii) the use of the Premises only as set forth in this Lease and the quality, quantity and/or lines goods or services required to be offered for sale remaining unchanged; (iv) the reorganized debtor or assignee of such debtor in possession or of Tenants' trustee demonstrating in writing that it has sufficient background including, but not limited to substantial experience and financial ability to operate out of the Premises in the manner contemplated in this Lease and meeting all other reasonable criteria of Landlord as did Tenant upon execution of this Lease; (v) the prior written consent of any mortgagee to which this Lease has been assigned as collateral security; and, (vi) the Premises, at all times, remaining a single unit with no physical changes of any kind being made to the Premises unless in compliance with the applicable provisions of this Lease.

ARTICLE 16

Right to Perform Covenants of Tenant

Section 16.1. Tenant's Default. If Tenant shall be in default under this Lease beyond any applicable notice and grace periods, Landlord may cure the same at the expense of Tenant (a) immediately and without notice in the case of emergency or in case such default will result in a violation of law or in a cancellation of an insurance policy maintained for the Building or in damage to the Building or to space leased to another tenant of the Building and (b) in any other case if such default continues after twenty (20) days from the date of the giving by Landlord to Tenant of notice of Landlord's intention so to perform the same, or, in the case of such a default which for causes beyond Tenant's reasonable control cannot with due diligence be cured within thirty (30) days, shall be deemed extended if (i) Tenant shall immediately upon the receipt of such notice, advise Landlord of Tenant's intention to institute all steps necessary to cure such default and (ii) shall institute and thereafter diligently prosecute to completion all steps necessary to cure the same.

Section 16.2. Payments. Bills for all reasonable out-of-pocket costs and expenses incurred by Landlord in connection with any performance by it under Section 16.1 shall be payable within thirty (30) days after notice of the amount thereof together with interest thereon at the Interest Rate.

ARTICLE 17

Estoppel Certificates

Section 17.1. Tenant shall, upon not less than ten (10) business days' prior notice, execute, acknowledge and deliver to Landlord a statement (a) certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), (b) certifying the dates to which the Rent has been paid in advance, (c) stating whether or not to the best knowledge of Tenant, Landlord is in default under this Lease, and if so, specifying such default and/or (d) certifying to such other matters with respect to this Lease as may be reasonably requested.

ARTICLE 18

Conditions of Limitation

Section 18.1. This Lease and the term and estate hereby granted are subject to the limitation that:

(a) in case Tenant shall default in the payment of any Rent on any date upon which the same becomes due and any such default shall continue for ten (10) days after Landlord shall have given to Tenant a notice specifying such default, or

(b) in case Tenant shall default in the keeping, observance or performance of any covenant or agreement (other than a default of the character referred to in paragraph (a) of this Section 18.1) under this Lease, and if such default shall continue and shall not be cured by any person within thirty (30) days after Landlord shall have given to Tenant a notice specifying the same, or, in the case of a default which for causes beyond Tenant's reasonable control cannot with due diligence be cured within such period of thirty (30) days, if Tenant (i) shall not, promptly upon the giving of such notice, advise Landlord of Tenant's intention duly to institute all steps necessary to cure such default or (ii) shall not duly institute and thereafter diligently prosecute to completion all steps necessary to cure the same,

then, in any of such cases set forth in Section 18.1(a) or 18.1(b) above, Landlord shall, in addition to any other remedies available to it at law or in equity, be entitled to give to Tenant a notice of intention to end the Term of this Lease at the expiration of five (5) days from the date of the giving of such notice, and, in the event such notice is given, this Lease and the term and estate hereby granted shall terminate upon the expiration of such five (5) days with the same effect as if the last of such five (5) days were the Expiration Date of the Term of this Lease, but Tenant shall remain liable for damages as provided herein or pursuant to law. For the avoidance



of doubt, the parties acknowledge that the 5-day notice of intention to end the term of the Lease is not an additional period within which Tenant may cure the specified default.

Section 18.2. Tenant acknowledges that if Tenant shall fail to timely comply with any and all of its obligations under this Lease, Landlord will incur unanticipated legal and other costs in the preparation and service of a notice advising Tenant of such failure, and that \$500.00 is a reasonable estimate of such costs. Tenant shall pay such sum as Additional Rent (in addition to any other sums required hereunder) within ten (10) days of the date of any such notice Landlord shall deliver to Tenant.

ARTICLE 19

Re-Entry by Landlord; Damages; End of Term

Section 19.1. Re-entry by Landlord. If this Lease shall terminate in accordance with the conditional limitation set forth in Section 18.1, Landlord or Landlord's agents and employees may immediately or at any time thereafter re-enter into or upon the Premises and dispossess Tenant therefrom, or any part thereof, either by summary dispossession proceedings, by any lawful action or proceeding at law. The words "re-enter", "re-entry", and "re-entering" as used in this Lease are not restricted to their technical legal meanings.

Section 19.2. Damages. In the event of a termination of this Lease, Tenant shall pay to Landlord as damages, at the election of Landlord, sums equal to the aggregate of all Rent which would have been payable by Tenant had this Lease not terminated, payable upon the due dates therefor specified herein until the date hereinbefore set forth for the expiration of the Term; provided, however, that if Landlord shall relet all or any part of the Premises for all or any part of the period commencing on the day following the date of such termination and ending on the date hereinbefore set forth for the expiration of the Term, Landlord shall credit Tenant with the net rents received by Landlord from such reletting, when received, net of expenses incurred or paid by Landlord in terminating this Lease and re-entering the Premises and securing possession thereof, as well as the expenses of reletting, including altering and preparing the Premises for new tenants, brokers' commissions, and all other expenses properly chargeable against the Premises and the rental therefrom in connection with such reletting, it being understood that any such reletting may be for a period equal to or shorter or longer than said period; provided, further, that (i) in no event shall Landlord have any obligation to relet the Premises or any part thereof or be liable for refusal or failure to collect any rent due upon such reletting; (ii) in no event shall Tenant be entitled to receive any excess of such net rents over the sums payable by Tenant to Landlord hereunder, (iii) in no event shall Tenant be entitled, in any suit for the collection of damages pursuant to this Section to a credit in respect of any net rents from a reletting except to the extent that such net rents are actually received by Landlord prior to the commencement of such suit, and (iv) if the Premises or any part thereof should be relet in combination with other space, then proper apportionment on a square foot basis shall be made of the rent received from such reletting and of the expenses of reletting.

Section 19.3. Intentionally Omitted.

Section 19.4. Other Remedies. Nothing herein contained shall be construed as limiting or precluding the recovery by Landlord against Tenant of any sums or damages to which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant.

Section 19.5. Right to Injunction. In the event of a breach or threatened breach on the part of either party with respect to any of the covenants or agreements on the part of or on behalf of the other to be kept, observed or performed, Landlord or Tenant shall also have the right of injunction. The specified remedies to which either party may resort hereunder are cumulative and are not intended to be exclusive of any other remedies or means of redress to which such party may lawfully be entitled at any time, and such party may invoke any remedy allowed at law or in equity as if specific remedies were not herein provided for. Tenant agrees that if Landlord has delivered a notice to cure pursuant to Article 18 and Tenant seeks a Yellowstone injunction or other preliminary injunction to extend and/or toll the cure period during the pendency of litigation to determine the propriety of the notice to cure or the existence of an alleged default, Tenant shall be required to pay Rent to Landlord, without prejudice and as if such dispute did not exist, as a condition to obtaining such extension or tolling of the cure period. The failure to make such payments shall be an independent default subject to Section 18.1(a). Any such payments shall be without prejudice to the court's determination that Landlord shall be required to refund or credit to Tenant all or some of such payments.

Section 19.6. Certain Waivers. Tenant waives and surrenders all right and privilege which it might have under or by reason of any present or future law to redeem the Premises or to have a continuance of this Lease for the term hereof after Tenant is dispossessed or ejected therefrom by process of law or under the terms of this Lease. Tenant also waives the provisions of any law relating to notice and/or delay in levy of execution in case of any eviction or dispossession for nonpayment of Rent, or of any successor or other law of like import. Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either party against the other on any matters whatsoever arising out of or in any way connected with this Lease or Tenant's use or occupancy of the Premises.

ARTICLE 20

Notices

Section 20.1. Any notice, consent, approval, agreement, certification, request, bill, demand, statement, acceptance or other communication hereunder (a "notice") shall be in writing and shall have been duly given or furnished if delivered in person, mailed or dispatched in the United States mail in a postage prepaid envelope by registered or certified mail with return receipt requested, or by a recognized national air courier service such as Federal Express for next business day delivery, addressed to Landlord as above set forth and to Tenant at Tenant's address as above set forth on the first page hereof or to such other address or addressee as either party may designate by a notice given pursuant hereto. All notices shall be effective upon receipt, if delivered in person; three (3) business days after being deposited in the United States mail or one (1) business day after being deposited with a recognized national air courier service as required above. The term "business days" for purposes of this Lease shall mean Mondays through

Fridays excluding New York State and federal holidays. Copies of all notices to Landlord shall also be given to Morris Missry, Esq., Wachtel, Masyr & Missry, LLP, One Dag Hammarskjold Plaza, 885 Second Avenue, 47th Floor, New York, New York 10017. Copies of all default and demand notices to Tenant shall also be given to Giovanni E. Spinelli, Esq., Pavia & Harcourt LLP, 590 Madison Avenue, New York, New York 10022 with a courtesy copy only sent by a recognized national air courier to Valentino Fashion Group S.p.A., Via Turati 16/18 – 20121 Milan, Italy, Attention: Antonella Andrioli, Head of Legal and Corporate Affairs. Rejection or other refusal to accept or inability to deliver because of changed address of which notice was not given as required herein shall be deemed to be receipt of the notice sent.

ARTICLE 21

Miscellaneous

Section 21.1. Limitation of Landlord's Liability. The covenants and agreements on the part of Landlord to be performed under this Lease shall be binding upon Landlord herein named only for so long as Landlord retains an interest in the Building and shall not survive the transfer of its interest in the Building (provided that nothing herein contained shall relieve Landlord from any liability hereunder accrued prior to the date of such transfer), and in the event of such transfer such covenants and agreements shall thereafter be binding upon each transferee of such interest, but only with respect to the period beginning with the date of such transfer and ending with the date of subsequent transfer of such interest. Notwithstanding any other provision in this Lease to the contrary, Tenant shall look solely to Landlord's interest in the Building for the recovery of any judgment against Landlord and in no circumstances shall Landlord or any partner, member, shareholder, officer or director be personally liable nor shall Tenant have recourse to any other assets of Landlord for satisfaction of any claim Tenant may have against Landlord.

Section 21.2. Entire Agreement. This Lease contains all of the agreements and understandings relating to the leasing of the Premises and the obligations of Landlord and Tenant in connection therewith and neither party nor any agent or representative of either thereof has made or is making, and neither party in executing and delivering this Lease is relying upon, any warranties or representations, except to the extent set forth in this Lease. All understandings and agreements heretofore made between Landlord and Tenant relating to the leasing of the Premises are merged in this Lease, which alone fully and completely expresses their agreement. The Exhibits annexed to this Lease are hereby incorporated herein and made a part hereof.

Section 21.3. No Waiver, Etc. The failure of Landlord or Tenant to insist in any instance upon the strict keeping, observance or performance of any covenant or agreement contained in this Lease or to exercise any election herein contained shall not be construed as a waiver or relinquishment for the future of such covenant or agreement, but the same shall continue and remain in full force and effect. No waiver by either Landlord or Tenant of any covenant or agreement contained in this Lease shall be deemed to have been made unless set forth in a writing executed by the party whose rights are being waived. No surrender of possession of any part of the Premises shall release Tenant from any of its obligations hereunder unless accepted by Landlord. The receipt and retention by Landlord, and the payment by Tenant, of Rent with

knowledge of the breach of any covenant or agreement contained in this Lease shall not be deemed a waiver of such breach by either Landlord or Tenant.

Section 21.4. Oral Modification. This Lease sets forth the entire agreement between the parties, superseding all prior agreements and understandings, written or oral, and may not be altered or modified except in writing and signed by both parties.

Section 21.5. Surrender and Holding Over. Tenant shall deliver up and surrender to possession of the Premises to Landlord upon the expiration or earlier termination of the Term, broom clean, free of debris and Tenant's Property, in good order, condition and state of repair (excepting ordinary wear and tear, damage by casualty or condemnation, and any repairs which are Landlord's obligation hereunder) and Tenant shall deliver the keys to the Premises at the office of Landlord. If not sooner terminated as herein provided, this Lease shall expire at the end of the Term without the necessity of notice from either Landlord or Tenant to effectuate such expiration; Tenant hereby waiving notice to vacate the Premises and agreeing that Landlord shall be entitled to the benefit of all provisions of law respecting the summary recovery of possession of premises from a tenant holding over to the same extent as if statutory notice had been given. If Tenant or any party claiming under Tenant remains in possession of the Premises, or any part thereof, after the expiration or earlier termination of this Lease, no tenancy or interest in the Premises shall result therefrom, unless Landlord elects as hereinafter provided, but such holding over shall be an unlawful detainer and all such parties shall be subject to immediate eviction and removal. If, without the consent of Landlord, Tenant or any party claiming under Tenant remains in possession of the Premises, or any part thereof, after the expiration or earlier termination of this Lease, Landlord may, in addition to its other rights, elect at its sole option and discretion to treat such holding over by Tenant as the creation of a month-to-month tenancy subject to all of the terms, covenants and conditions as are set forth in this Lease insofar as the same are applicable to a month-to-month tenancy, except that the monthly Rent during the period of such holdover shall be (i) one hundred fifty (150%) percent of the monthly Fixed Rent payable by Tenant in the last Lease Year of the Term; plus (ii) the average monthly amount of all Additional Rent and other charges payable by Tenant in the last Lease Year of the Term or in the twelve (12) month period prior to the earlier termination of this Lease, as applicable. If Tenant or any party claiming under Tenant shall holdover with Landlord's consent (negotiations between Landlord and Tenant, prior to the end of the Term for an extension of the Term, shall not be deemed Landlord's consent to a holdover) then such holding over shall be on such terms as Landlord and Tenant shall determine, or if no specific determination is made, then on a month-by-month basis, subject to all of the terms, covenants and conditions as set forth in this Lease insofar as the same are applicable to a month-to-month tenancy. The period of any holding over by Tenant as aforesaid, whether on a month-to-month basis or otherwise, shall be deemed an automatic extension of the Term for only a period concurrent with the period of such holding over.

Section 21.6. Severability. If any covenant or agreement of this Lease or the application thereof to any person or circumstance shall be held to be invalid or unenforceable, then and in each such event the remainder of this Lease or the application of such covenant or agreement to any other person or any other circumstance shall not be thereby affected, and each covenant and agreement hereof shall remain valid and enforceable to the fullest extent permitted by law.



Section 21.7. Attorneys' Fees. If Landlord or Tenant shall bring any action or proceeding for any relief against the other, arising out of or in connection with this Lease, the losing party shall reimburse the successful party for all reasonable attorneys' fees and disbursements incurred by the successful party in such suit.

Section 21.8. Broker. Tenant and Landlord each represent to the other that it has dealt with no real estate broker, salesperson or agent in connection with this Lease other than CBRE, Inc. ("Broker"). Landlord shall pay the Broker pursuant to a separate agreement. Tenant and Landlord shall indemnify and hold each other harmless from any loss, cost or expense incurred as a result of any breach of the foregoing representation, including reasonable expenses and attorneys' fees.

Section 21.9. Successors and Assigns. The covenants and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant, their respective successors and assigns and all persons claiming by, through or under them.

Section 21.10. Consent. In the event that it is provided in this Lease that the exercise of any right by, or performance of any obligation of, Tenant shall be subject to the consent or approval of Landlord, then the consent or approval of Landlord shall not be unreasonably withheld or delayed, then in any case in which Landlord shall withhold or delay its consent, such determination by Landlord shall be conclusive upon Tenant, unless Tenant shall, within sixty (60) days after notice from Landlord of its determination, elect to have this matter submitted for determination to a court of competent jurisdiction or for expedited arbitration pursuant to the rules of the American Arbitration Association, which such submission shall be the sole remedy of Tenant for any such withholding of consent or approval by Landlord. In the event that any matter shall be submitted by Tenant pursuant to the provisions of this Section, the sole issue shall be the determination as to whether the withholding of consent or approval by Landlord shall have been reasonable or unreasonable, and in the event that a determination shall be made that the withholding of consent or approval by Landlord was unreasonable, then the decision shall annul such withholding of consent or approval, such annulment being the sole remedy of Tenant; it being the intention of the parties hereto (as to which they are conclusively bound) that in no event shall any such withholding or delay of consent or approval by Landlord, or any decision with respect thereto: (i) impose any financial liability upon or result in any damages being recoverable from Landlord other than the recovery of Tenant's reasonable attorney fees; and/or (ii) create any right cognizable or remedy enforceable in favor of Tenant and against Landlord in law or equity or under any special statutory proceeding or at all; provided, however, that any such decision may also provide for an assessment of the costs of the proceeding with respect thereto as between Landlord and Tenant. Any consent or approval required of Landlord in any provision of this Lease may be withheld by Landlord in its sole discretion unless the provision requiring such consent or approval specifically states that Landlord shall not withhold such consent or approval unreasonably.

Section 21.11. Unavoidable Delays and Postponement of Performance. In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reasons of strikes, labor troubles, inability to procure labor or materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, acts of

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terrorism, acts of God, floods, hurricanes, windstorms, fire or other casualty, condemnation or other reason of a similar or dissimilar nature beyond the reasonable control of the party delayed in performing work or doing acts required under the terms of this Lease (each an "Unavoidable Delay"), then performance of such act shall be excused for the period of the Unavoidable Delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such Unavoidable Delay. Notwithstanding the foregoing, after the Commencement Date, which date shall be subject to an Unavoidable Delay occasioned by the above causes, nothing contained in this Section shall operate to excuse Tenant from the prompt payment of Rent or any other payments or charges required by the terms of this Lease (except as otherwise specifically provided for pursuant to the terms of this Lease), or shall operate to extend the Term. Delays or failures to perform resulting from lack of funds shall not be deemed Unavoidable Delays.

Section 21.12. Express Provision to the Contrary. If any provision of this Lease shall conflict in any respect with any law, statute, rule or regulation of any governmental or quasi-governmental authority having jurisdiction, then in such respect the provisions of this Lease shall govern and control in lieu thereof and shall be deemed to be express provisions to the contrary of any such law, statute, rule or regulation.

Section 21.13. No Air Rights. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by the provisions of this Lease.

Section 21.14. Information Requests. Tenant shall, within fifteen (15) days after Landlord's request, but not more than two (2) times in any Lease Year, provide Landlord or its agent with Tenant's most current financial statements and all sales information conducted from the Premises requested by Landlord, its agent, or its or their compliance committee, certified by Tenant's chief financial officer. Such financial information shall be maintained by Landlord in confidence and shall not be revealed to any other party, provided, however that Landlord may disclose any such information: (i) to Landlord's managers, members, shareholders, partners, directors, officers, lenders, purchasers, investors, employees, attorneys, accountants, appraisers, insurance advisors, consultants and similar third party professionals; provided, however, that in all such cases such parties shall be informed of the confidential nature of such information, (ii) to the extent such information is available from public sources, or (iii) if Landlord reasonably believes that such disclosure is required by law, regulation or court order.

Section 21.15. Façade Easement. Landlord may not grant a façade easement or any other easement, which would affect Tenant's ability to modify the façade of the Building.

Section 21.16. Guaranty. As a material inducement for Landlord to execute and deliver this Lease, and as a condition to the effectiveness of this Lease, Tenant shall cause Valentino Fashion Group S.p.A., an Italian corporation ("Guarantor"), the parent company of Tenant, to execute and deliver to Landlord, simultaneously with Tenant's execution and delivery of this Lease, a guaranty of Tenant's obligations under the Lease, as modified herein, which guaranty shall be in the form of Exhibit F attached hereto (the "Guaranty"). Tenant shall ensure the continued effectiveness of this Guaranty and, from time to time at Landlord's request, shall have Guarantor reaffirm Guarantor's obligations under the Guaranty.

ARTICLE 22

Quiet Enjoyment

Section 22.1. Tenant, upon keeping, observing and performing all of the covenants and agreements of this Lease on its part to be kept, observed and performed, shall lawfully and quietly hold, occupy and enjoy the Premises during the Term of this Lease from and against anyone claiming by, through or under Landlord.

ARTICLE 23

Alterations

Section 23.1. A. Tenant shall have the right to make or suffer to be made any interior alterations, additions or improvements in or to the Premises (herein collectively referred to as "Alterations") without first obtaining Landlord's written consent thereto, provided, however that prior to commencement of any Alterations, Tenant shall deliver to Landlord detailed plans and specifications, prepared by an architect licensed and registered in the State of New York. Notwithstanding the foregoing, Tenant may not perform any Alterations affecting the Structural Elements of the Building, the mechanical systems of the Building or the exterior of the Building, without first obtaining Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Landlord shall cooperate with Tenant in connection with Tenant obtaining the required permits and any change to the Certificate of Occupancy for Tenant's Alterations and Tenant's Work, including signing any necessary applications and permits.

B. (i) All repairs, replacements, and reconstruction (including, without limitation, all Alterations) made by or on behalf of Tenant or any of Tenant's agents shall be made and performed (a) at Tenant's cost and expense and at such time and in such manner as Landlord may reasonably designate, (b) by contractors or mechanics reasonably approved by Landlord, (c) in such manner so as to be at least equal in quality of materials and workmanship to the original work or installation, (d) in accordance with such reasonable requirements as Landlord may impose with respect to insurance and bonds to be obtained by Tenant's contractor in connection with the proposed work, (e) in accordance with the Rules and Regulations and such other reasonable rules and regulations for the Building adopted by Landlord from time to time, and in accordance with all applicable Laws or governmental authorities having jurisdiction over the Premises, (f) so as not to interfere with the use and enjoyment of the Building by Landlord, other tenants of the building or any other persons, and (g) in compliance with such other reasonable requirements as Landlord may from time to time promulgate.

(ii) In connection with its performance of Tenant's Work and any Alterations, Tenant covenants and agrees as follows:



(a) No Alteration shall at any time be made which shall impair the structural soundness or diminish the value of the Building.

(b) At the time Tenant requests Landlord's written consent to any Alteration to which Landlord's consent is required pursuant to Section 23.1 A, Tenant shall deliver to Landlord detailed plans and specifications therefor. Tenant shall pay to Landlord any third party fees or expenses incurred by Landlord (not to exceed \$5,000.00) in connection with Landlord's submitting such plans and specifications, if it so chooses, to an architect or engineer selected by Landlord for review or examination and/or for supervision during performance of Alterations. Landlord's approval of any plans or specifications does not relieve Tenant from the responsibility for the legal sufficiency and technical competency thereof. Notwithstanding the foregoing, there shall be no fee payable to Landlord in connection with the performance of Tenant's Work.

(c) Before commencement of any Alterations, Tenant, at its expense, shall obtain the necessary consents, authorizations and licenses from all federal, state and/or municipal authorities having jurisdiction over such work (including, without limitation, the DOB and any replacement or successor agency).

(d) Intentionally Omitted.

(e) Before the commencement of any Alterations, Tenant at its own cost and expense, shall deliver to Landlord an architect's statement stating that the Alterations comply with the requirements of the Americans with Disabilities Act.

(f) All work done in connection with any Alteration shall be diligently prosecuted to its completion, done in a good and workmanlike manner, free of mechanics liens, pursuant to the plans and/or drawings prepared by a licensed architect previously submitted to Landlord. Furthermore, all work done must be in compliance with the building and zoning laws, and with all other Laws, and Tenant shall procure and deliver to Landlord certificates of occupancy and all other certificates required by Law, if such Alterations require the amendment of the existing certificate of occupancy or the issuance of a new certificate of occupancy.

(g) During the course of Alterations pursuant to Article 23, in addition to any insurance which may be required under this Lease, Tenant shall secure, pay for and maintain or cause its contractor to secure, pay for and maintain, during the continuance of construction and fixturing work within the Building or the Premises, insurance in the following minimum coverages and the following minimum limits of liability:

(i) Worker's compensation and employer's liability insurance with limits of not less than \$500,000.00 or such higher amounts as may be required from time to time by any employee benefit acts or other statutes applicable where the work is to be performed, and in any event sufficient to protect Tenant's contractor from liability under the aforementioned acts.

(ii) Commercial general liability insurance in an amount not less than \$5,000,000.00 per occurrence, whether involving bodily injury liability (or death

resulting therefrom) or property damage liability or a combination thereof with a minimum aggregate limit of \$5,000,000.00. Such insurance shall provide for broad form property coverage, explosion and collapse, completed operations coverage and broad form blanket contractual liability coverage against claims for bodily injury, including death resulting therefrom, and damage to the property of others arising from its operations under the contracts whether such operations are performed by Tenant's contractor or by anyone directly or indirectly employed by any of them, be primary to all insurance applicable to the Premises and operations on the Premises; and provide "first dollar" coverage. In the event that such insurance policy is subject to a general aggregate limit, such general aggregate shall apply "per project." Landlord and Tenant shall be named as additional insureds.

(iii) Comprehensive automobile liability insurance, including the ownership, maintenance and operation of any automotive equipment, owned, hired or non-owned in an amount not less than \$2,000,000.00 combined single limit for bodily injury and property damage for each accident and \$2,000,000.00 for injuries sustained by two or more persons in any one accident and property damage liability in an amount not less than \$2,000,000.00 for each accident.

(iv) "Builders' risk" insurance upon the entire Tenant's Work and Alterations to the full insurable value thereof. This insurance shall include the interests of Landlord and Tenant (and their respective contractors and subcontractors of any tier to the extent of any insurable interest therein) in Tenant's Work and Alterations and shall insure against the perils of fire and extended coverage and shall include "special form" (previously known as all-risk) insurance for physical loss or damage including, without duplication of coverage, theft vandalism and malicious mischief. If portions of Tenant's Work and/or Alterations, are stored off the site of the Building or in transit to said site are not covered under said "special form" (previously known as all-risk) insurance, then Tenant shall effect and maintain similar property insurance on such portions of Tenant's Work and/or Alterations. Any loss insured under said "builders' risk" insurance is to be adjusted with Landlord and Tenant with loss payable to Landlord, contractors and subcontractors as their respective interest may appear.

(v) Excess liability insurance with such limits as Landlord shall reasonably require, to provide follow form excess liability coverage for the limits referred to in (i), (ii) and (iii) above.

(vi) Professional liability insurance in such amounts as Landlord shall reasonably require covering any professional services rendered in connection with any Alterations.

(vii) All of the insurance referenced in (i) through (iv) above shall conform to the following requirements: All policies of insurance required to be provided and kept in force by Tenant shall be with insurance companies having a Standard & Poor's "claims paying ability rating" of no less than "single A", or A.M. Best's Financial Strength Rating of "A-, X", and duly licensed and authorized to transact business in the state in which the Premises are located. If any deductible or self-insured retention applies to any such insurance policy, such deductible or self-insured retention shall not apply with respect to Landlord or

Tenant. Coverage under all such policies of insurance shall apply on a primary and non-contributory basis and without regard to any other insurance maintained by or available to Landlord and Tenant. Waiver of subrogation endorsements, to the extent permitted by law, shall be included in favor of Tenant and Landlord Parties. Tenant agrees to deliver to Landlord, prior to the commencement of Alterations, and thereafter no later than ten (10) days after Landlord's request, a copy of each such insurance policy or a certificate of insurance as to any such policy of insurance (signed by an authorized agent of the insurance company), that has attached a copy of the applicable endorsement(s) including each of the Tenant and Landlord Parties as additional insureds as its/their interests may appear and further confirming that the insurance applicable to Landlord Parties shall be in conformity with the requirements of this Lease. Failure of Tenant to provide such evidence of insurance in the manner and within the time period specified in this Article 23 shall constitute a default under this Lease.

(viii) Waiver of Rights of Recovery. With respect to any loss resulting from property damage liability, bodily injury liability, personal and advertising injury liability, and/or medical payments (as these terms are generally understood in insurance policies then in effect covering automobile liability, commercial general liability, and/or workers compensation and employers liability), and/or, from or for damage to Landlord's property, or to property under Tenant's care, custody or control (including any indirect or consequential loss arising from such property damage), which loss is covered by any insurance carried (or required to be carried) pursuant to this Article 23, Contractor (and any person and/or entity claiming through Contractor) hereby releases Landlord Parties and Tenant, and waives any claim, based on negligence or otherwise, against Landlord Parties and Tenant. Any deductible and/or self-insured retention under such insurance shall be deemed to be insurance carried by or for the benefit of Contractor.

(h) Tenant agrees to indemnify and save Landlord harmless from and against any and all bills for labor performed and equipment, fixtures and materials furnished to Tenant and applicable sales taxes thereon as required by New York law and from and against any and all liens, bills or claims therefor or against the Premises or the Building and from and against all losses, damages, costs, expenses, suits and claims whatsoever in connection with Alterations. The cost of Alterations shall be paid for in cash or its equivalent, so that the Premises and the Building shall at all times be free of liens for labor and materials supplied or claimed to have been supplied.

(i) If the performance of Alterations shall materially interfere with the comfort and/or convenience of other tenants in the Building or shall cause damage to or otherwise interfere with the occupancy of adjacent buildings, Tenant shall upon notice from Landlord, remedy or remove the condition or conditions complained of. Tenant further covenants and agrees to indemnify and save Landlord harmless from and against any and all actual out-of-pocket claims, losses, damages, costs, expenses, suits and demands whatsoever made or asserted against Landlord by reason of the foregoing so long as Landlord shall furnish to Tenant receipts and other evidence of such costs and damages.

(j) After each Alteration has been completed, Tenant shall obtain and deliver to Landlord a "sign-off" or a "letter of completion" or such other documentation satisfactory to Landlord from the applicable municipal authority evidencing that such Alteration

is complete and in accordance with all Laws and shall, if required by Law, thereafter obtain and deliver to Landlord a change in the certificate of occupancy or temporary certificate of occupancy or certificate of completion if required by reason of the Alteration. Nothing herein shall be deemed to limit Landlord's right, if permitted under applicable Law, to file or post notices of non-responsibility in the appropriate filing office or in or on the Premises.

(k) Tenant shall cause its contractors, subcontractors, materialmen and all others performing work, or providing goods, materials and/or services to Tenant or the Premises, to work and co-exist in harmony with others performing work in, or occupying portions of, the Building. Notwithstanding anything contained in this Lease to the contrary, if any contractors or tradespeople employed or utilized by Tenant, or any suppliers of services to Tenant, shall cause (or if their presence at the Building shall otherwise result) in any actual work stoppage, picketing, labor disruption or other dispute at the Building (whether or not Landlord's consent or approval was required for Tenant's use of such contractor, tradesperson and/or supplier), then, Tenant shall, upon written notice from Landlord resolve the dispute or condition that gave rise to such actual work stoppage, picketing or labor disruption, which may include the termination of such contractor.

ARTICLE 24

Hazardous Substances and Waste

Section 24.1. Definitions. As used in this Lease, "Hazardous Substances or Waste" shall include, but not be limited to, dip tanks, welding stations, spray booths and those materials defined by Environmental Laws as such. "Environmental Laws" shall include, but not be limited to, each and every federal, state and local law, statute, code, ordinance, regulation, rule or other requirement of governmental authorities having jurisdiction over the Building (including, but not limited to, consent decrees and judicial or administrative orders), relating to the environment, including but not limited to, those applicable for the storage, treatment, disposal, handling and release of any Hazardous Substances or Waste, all as amended or modified from time to time, including but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601, et seq.), as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. §9601-9675, et seq.) and as further amended ("CERCLA"); the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. §6901, et seq.); the Clean Water Act, as amended (33 U.S.C. §1251, et seq.); the Clean Air Act, as amended (42 U.S.C. §7401, et seq.); the Federal Insecticide, Fungicide and Rodenticide Act, as amended (7 U.S.C. §136, et seq.); the Toxic Substance and Control Act of 1976, as amended (15 U.S.C. §2601, et seq.); and Emergency Planning and Community Right to Know Act of 1986, as may be amended from time to time (42 U.S.C. §11001 to 11050, et seq.), with regard to the storage of Hazardous Substances or Waste and petroleum products.

Section 24.2. Tenant hereby agrees to execute such documents and provide such information as Landlord requires to assure compliance with Environmental Laws, and rules or regulations of any other relevant federal, state, county or municipal legal authority.

Section 24.3. Tenant shall provide Landlord with copies of all reports, notices, orders,

findings, declarations and other materials pertinent to Tenant's compliance hereunder or any other environmental enforcement requirements under any Environmental Laws as they are issued or received by Tenant. More specifically, but not limiting the foregoing, Tenant shall provide Landlord with: any notices or submissions made by Tenant to, the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration, or any other legal authority which requires submission of any information concerning environmental matters of hazardous wastes or substances, and any notices, documents and directives received by Tenant from any of said authorities.

Section 24.4. From and after the full execution of this Lease, Landlord shall provide Tenant with copies of all reports, notices, orders, findings, declarations and other materials pertinent to Landlord's compliance hereunder or any other environmental enforcement requirements under any Environmental Laws as they are issued or received by Landlord.

Section 24.5. Tenant hereby indemnifies and agrees to defend, protect and hold Landlord, its partners, employees and agents, and any successors to or assigns of Landlord's interest in the chain of title to the Premises, harmless from and against any and all losses, liabilities, fines, charges, damages, injuries, penalties, response and investigation costs, costs, expenses and claims of any and every kind whatsoever paid, incurred or suffered by or asserted against Landlord, including, without limitation, (a) all foreseeable consequential damages; (b) the costs of any required or necessary repair, cleanup or detoxification of the Premises, and the preparation and implementation of any closure, remedial or other required plans; and (c) all reasonable costs and expenses incurred by Landlord in connection with clauses (a) and (b) hereof, including, but not limited to, reasonable attorneys' fees and fees of any and all other consultants, experts and engineers and witnesses (expert and otherwise), for, with respect to, or as a direct or indirect result of (i) the presence on or under, or the escape, seepage, leakage, spillage, emission, discharge or release from, the Premises of any Hazardous Material including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under, through or as a result of any Environmental Laws relating to or imposing liability or standards of conduct concerning any Hazardous Material, or (ii) the presence of any asbestos on the Premises (including, without limitation, the cost of relocating tenants and the cost of removal) regardless of whether caused by, or within the control of, Tenant, or any employees, agents, contractors or subcontractors of Tenant, or any third persons at any time occupying or present on the Premises on or after the Commencement Date, or arising out of or related to any breach of Tenant's obligations under this Lease. Any of such activities were or will be undertaken in accordance with Environmental Laws. The indemnification and hold harmless agreement of Tenant contained herein shall survive the expiration or sooner termination of the Term. Notwithstanding anything to the contrary contained herein, Tenant shall not be responsible and shall have no liability for the removal, remediation or correction, as the case may be, of any Hazardous Substances affecting the Premises prior to the Commencement Date.

Section 24.6. Landlord shall indemnify, defend by counsel reasonably acceptable to Tenant (for the purposes hereof, counsel selected by Landlord's insurer shall be deemed acceptable to Tenant), protect and hold harmless Tenant and each of Tenant's partners, directors, members, shareholders, managers, owner's of direct or indirect interest in Tenant, officers, employees, agents, successors and assigns, from and against any and all claims, liabilities, penalties, fines,



judgments, forfeitures, losses, costs or expenses (including reasonable attorney's fees, consultants fees and experts fees) for the death of or injury to any person or damage to any property whatsoever, arising from or caused by: (i) the presence in, on or under the Building or the Premises, or the discharge or release, in or from the Building or the Premises, of any Hazardous Substances or Waste to the extent that such presence, discharge or release is caused or created by Landlord's or its agents, employees' or contractors (collectively, "Landlord Permittees") use, operation and activities in the Building or the Premises prior to the Commencement Date; or (ii) Landlord's failure to comply with Environmental Laws including the obligation, if any, to abate any Hazardous Substances, prior to the Commencement Date or after the date hereof, where such compliance is Landlord's obligation. For the purposes of this indemnity the acts or omissions of Landlord or any of Landlord's Permittees, whether or not they are negligent, intentional, willful or unlawful, shall be attributable to Landlord.

ARTICLE 25

Signage and Access

Section 25.1 Landlord Consent to Signage. Tenant shall be permitted to install its customary signage upon the exterior of the Premises provided such signage is in compliance with Laws. Tenant covenants that any window exhibition, window display or window advertisement with respect to the Premises shall be in conformity with the first-class, prestigious, high-quality reputation of the immediate Fifth Avenue neighborhood (i.e. Fifth Avenue between 59th Street and 50th Street) in general. Tenant has the right to install and maintain (i) an exterior sign and interior signs of a permanent or temporary nature which are visible from Fifth Avenue which bear only the name of the brand sold in the Premises, and (ii) interior signs advertising the brand names of the products being sold at the Premises. Tenant acknowledges that Landlord's damages resulting from any breach of the foregoing are difficult, if not impossible, to ascertain and concedes that, among other remedies for such breach permitted by law or by this Lease, Landlord shall be entitled to enjoin Tenant from any violation of such provisions. Tenant has the sole right to design and select materials with respect to the exterior signage on the Building, except that Landlord shall have the right and Tenant shall be required to include in its design (i) an exterior sign or plaque (2'x2' in dimension) on the façade of the southern most neutral pier of the Building with the logo of the current owner of the Building, its affiliate or managing agent (currently, the "Thor" logo) and an exterior sign or plaque (3'x3' in dimension) on the façade of the southern most neutral pier of the Building identifying an office tenant leasing a majority of the office space of the Building, and (ii) the address of the Building around the lobby entrance area, so that the address of the Building is visible from Fifth Avenue with not less than nine (9) inch numbers. Landlord agrees that the Building shall be named only "693 Fifth Avenue" or the "Valentino" Building.

Section 25.2 Façade Changes. For so long as Tenant is operating the Premises under the "Valentino" trade name, Tenant may, at Tenant's sole cost and expense, alter the façade of the exterior of the Building without Landlord's consent, provided, however that Tenant agrees that with respect to that portion of the façade directly in front of the lobby of the Building (the "Lobby Façade"), Tenant shall be required to install a lobby door with the majority of such door being transparent. Notwithstanding the foregoing, in the event this Lease is assigned (other than

as permitted under Section 10.12 above) or Tenant sublets the Premises (other than as permitted under Section 10.12), or any portion thereof, any alterations to the façade of the exterior of the Premises, shall require Landlord's consent, may be withheld, in its sole and absolute discretion. Tenant may not make any changes to the façade or install signage, which would block any of the windows in any portion of the Building other than the Premises.

ARTICLE 26

Late Charges

Section 26.1. Late Charges. (a) If Tenant shall fail to pay all or any part of any Rent for more than ten (10) days after written notice that the same shall have become due and payable, Tenant shall pay as Additional Rent hereunder to Landlord a late charge of four (\$.04) cents for each dollar of the amount of such Rent which shall not have been paid to Landlord within such ten (10) days. In addition to the foregoing, if Tenant fails to pay any Rent for a period of fifteen (15) days after its due date, Tenant shall pay interest thereon from the date due until the date paid at an annual rate (the "Interest Rate") equal to six (6) percentage points above the rate then most recently announced by Citibank, N.A., New York, New York, or its successor, as its prime commercial lending rate, which rate may change from time to time, and such interest shall be deemed to be Additional Rent.

(b) In the event Tenant pays any Rent or other charge with a check that is, for any reason, refused for payment by the bank on which it is drawn, Tenant shall pay Landlord a \$250.00 service charge.

(c) The late charge and service charge described above shall be (i) payable on demand and (ii) without prejudice to any of Landlord's rights and remedies hereunder, at law or in equity, for nonpayment or late payment of Rent or other sums, but shall be in addition to any such rights and remedies. No failure by Landlord to insist upon the strict performance by Tenant of Tenant's obligations to pay late charges, interests and service charges as provided in this Article shall constitute a waiver by Landlord of its right to enforce the provisions of this Article in any such instance or in any instance thereafter occurring. The provisions of this Article shall not be construed in any way to extend the grace periods or notice period provided for in this Lease.

ARTICLE 27

Excavations

Section 27.1. If an excavation shall be made upon land adjacent to the Premises, or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation, license to enter upon the Premises for the purpose of doing such work as said person shall deem necessary to preserve the wall of the Building of which the Premises form a part from injury or damage and to support the same by proper foundations without any claim for damages or indemnity against Landlord, or diminution or abatement of Rent.



ARTICLE 28

Condominium

Section 28.1. (a) Tenant hereby acknowledges and agrees that the Building in which the Premises are located may be made subject to the Condominium Act of the State of New York (the "Act") by the filing of a Declaration of Condominium or other required document (the "Declaration") in the land records of the Office of the Register of the County in which the Premises are located, it being the intent of Landlord that the Premises shall in such event comprise a single condominium unit or multiple condominium units in the Building (or, alternatively, otherwise subdivide the Building such that the Premises shall compromise all or part of a new tax lot within the Building). In such event, provided that Tenant's monetary obligations under this Lease are not increased and Tenant's rights and remedies under this Lease are not diminished, this Lease and Tenant's use and occupancy of the Premises shall be subject and subordinate in all respects to all applicable provisions of the Declaration, the by-laws of the condominium, the condominium rules and regulations, the floor plans and the unit deed pursuant to which title to the condominium unit comprising the Premises shall have been transferred (or their equivalent, collectively, the "Condominium Documents"; the condominium association and/or the board thereof, hereafter, the "Condominium") whether or not such provisions or documents may be expressly referenced in this Lease. Notwithstanding the foregoing, the subordination of this Lease under the Condominium Documents shall be conditioned upon Tenant's receipt of a recognition agreement from the Condominium in form and substance reasonably satisfactory to Tenant.

(b) Without limiting the foregoing, Tenant agrees that it shall comply with the rules and regulations of the Condominium provided that such rules and regulations do not affect any of Tenant's rights under this Lease as well as Landlord's Rules and Regulations. Tenant's use of the Premises shall comply in all respects with the provisions of the Condominium Documents.

(c) Notwithstanding anything to the contrary contained herein, if at any time during the Term, Landlord shall receive notice from the Condominium, unit owners of the Condominium or occupants of the Building or other persons that the use or manner of use or the operation of the Premises or part thereof in violation of the Permitted Use under this Lease by Tenant or other persons claiming by, through or under Tenant, violates any provision of the Condominium Documents or results in a breach of any duty or obligation which Landlord may have or owe to the Condominium, any unit owner of the Condominium or other occupant of the Building or other person, then Tenant hereby agrees to indemnify, defend and hold Landlord, its successors and assigns, harmless from and against any cost, loss or expense (including reasonable attorney's fees) suffered or incurred by Landlord, its successor or assigns, in connection with any such claim and any action or proceeding thereon, such indemnification obligation to survive the expiration or earlier termination of this Lease.

(d) If at any time, pursuant to law or the provisions of the Condominium Documents, the Building shall cease to be a condominium, unless any condition exists pursuant to which this Lease may otherwise be terminated, then, this Lease shall continue in full force and effect between Tenant and the new owner of the Building, except that this Lease shall be deemed



modified to delete provisions relating to the Condominium which are no longer relevant. At the request of Landlord, Tenant will execute a modification of this Lease confirming such changes at that time.

(e) Tenant acknowledges that certain matters may require the consent of the board of managers and/or mortgagee(s) pursuant to the Condominium Documents, and Tenant agrees that if any such party whose request is so required shall deny (or be deemed to have denied) its consent, then such denial (or deemed denial) of consent shall conclusively be deemed a reasonable basis for Landlord to deny its consent, without the necessity of Landlord bringing legal action against the party which has denied (or is deemed to have denied) such consent to determine the propriety of such denial and/or whether such party was acting reasonably with respect to such denial. If any fee or other charge is required by the board of managers or any other party pursuant to the Condominium Documents in connection with any request for consent made by Landlord in connection with a request of Tenant, then Tenant shall pay all such amounts to Landlord upon demand therefor as a condition to Landlord's obligation to seek such consent.

(f) With regard to any items of repair, maintenance, restoration, services or other obligations of Landlord under this Lease which under the Condominium Documents or by law is the duty or responsibility of the Condominium, the board of managers, or the owner of any other unit in the Condominium (each of the foregoing being a "Responsible Party"), Landlord shall have no liability to Tenant for the performance of (or the failure to perform) such work or obligations and Tenant shall look directly to the Responsible Party whose obligation is involved for such work or obligations therefor and for any damages therefrom. Without limiting the foregoing, the failure of any Responsible Party to perform any of its obligations shall not be the grounds for any termination of this Lease by Tenant on the basis of a claim for constructive eviction against Landlord.

(g) Tenant acknowledges that Landlord retains the right, at any time during the Term, and from time to time, to split the Premises into two (2) or more separate condominium units. In any such event, Tenant agrees as follows: (i) Tenant will give such consents if any, as may be required to effectuate any such further condominiumization within the Premises; (ii) Tenant will promptly cooperate and comply with all requests made by Landlord in furtherance of any such further condominiumization, which may include, without limitation, executing such documents as may be necessary in connection with the further condominiumization and consenting to any modifications of this Lease as may be requested by Landlord in connection therewith, provided the same do not materially increase the obligations of Tenant hereunder or have a material adverse impact upon the rights of Tenant hereunder and Tenant agrees that its failure to so cooperate on a timely basis shall, at Landlord's option, constitute a default by Tenant under this Lease entitling Landlord to exercise all remedies hereunder; and (iii) from and after any such conversion of the Premises into two (2) or more condominium units, the word "Landlord" as used herein shall refer to the owner of the unit or units of the Condominium which comprise the Premises and such other definitional changes as may be appropriate shall be made.



ARTICLE 29

Right of First Offer

Section 29.1. (a) With respect to any proposed sale (i.e. a deed transfer) of the Premises or the entire Building (and not any condominium unit(s) in the Building other than a condominium unit which contains the Premises), Landlord shall give notice (the "Option Notice") to Tenant that Landlord intends to sell either the Premises or the entire Building (such property being sold is hereinafter referred to as, the "ROFO Property") and the price for which it intends to market the ROFO Property for sale (the "Option Price") and all other economic terms of such sale including transfer taxes, brokerage and ordinary and customary costs of sale (the "Other Terms"). Tenant shall have thirty (30) days from the delivery of the Option Notice (such thirty (30) day period, the "Option Response Period") within which to deliver a notice (the "Exercise Notice") to Landlord stating whether Tenant desires to purchase the ROFO Property, at the Option Price and on the Other Terms (assuming such sale was effectuated without a broker and taking account of transfer taxes and other costs not payable due to the nature of such transaction). Time shall be of the essence with respect to the giving of the Exercise Notice. If Tenant fails to send the Exercise Notice within the Option Response Period, Tenant shall be deemed to have waived any and all rights to acquire the ROFO Property, subject to clause (d) below.

(b) If Tenant sends an Exercise Notice indicating that it desires to purchase the ROFO Property at the Option Price and on the Other Terms as provided above, Landlord shall sell the ROFO Property to Tenant, upon the same terms and conditions as are contained in the Exercise Notice, in which event Tenant shall remit, simultaneously with the delivery of the Exercise Notice, a wire transfer of immediately available funds to the Landlord's attorney, to be held in a non interest bearing escrow account, in an amount equal to ten (10%) percent of the Option Price (the "Deposit"), as a deposit on the Option Price.

(c) The closing of the purchase of the ROFO Property shall be on a date (the "ROFO Closing Date") and at a place designated by Landlord which is not more than sixty (60) days after the expiration of the Option Response Period. At the closing:

(i) Landlord shall deliver to the Tenant (A) a duly executed and acknowledged deed without covenant of grantor's acts transferring the ROFO Property to Tenant, (B) such transfer tax returns and related documents as are required in connection with the conveyance of the ROFO Property, (C) a title affidavit as shall be reasonably required by Landlord's title insurance company, and (D) such other documents as would be typically delivered in a conveyance of interest in property such as the ROFO Property;

(ii) Landlord shall pay all transfer, stamp or other taxes due in connection with the conveyance of the ROFO Property; and

(iii) Tenant shall pay the purchase price to Landlord by wire transfer of immediately available funds payable in accordance with the terms of the Offer.

(d) If Tenant does not elect to purchase the ROFO Property (or is deemed to have waived its right of first offer with respect to the ROFO Property), Landlord may either retain the ROFO Property or sell the same to a third party within one (1) year after the Option Response Period upon such terms and conditions that are acceptable to Landlord in Landlord's sole and absolute discretion.

Section 29.2. Notwithstanding anything to the contrary contained in Section 29.1 above, in no event shall Tenant have the right of first offer described in Section 29.1 (and Article 29 shall not be deemed applicable) if a lender which has made a loan to Landlord (a "Mortgage Lender") or any entity having an equity interest in Landlord and which loan is secured by any of such equity interests (a "Mezzanine Lender") exercises remedies available to such Mortgage Lender or Mezzanine Lender or consummates a transaction in lieu of exercising such remedies, including, without limitation, foreclosure, a deed in lieu, an assignment in lieu or other similar rights, and/or further sells or transfers its interests therein in connection with the Mortgage Lender's or Mezzanine Lender's exercise of its remedies.

ARTICLE 30

Anti-Terrorism Requirements

Section 30.1. Tenant represents and warrants that (i) neither Tenant nor any person who owns any direct or indirect beneficial interest in Tenant, is listed on the list maintained by the United States Department of the Treasury, Office of Foreign Assets Control (commonly known as the OFAC List) or otherwise qualifies as a person with whom business by a United States citizen or resident is prohibited and (ii) neither Tenant nor any person who owns any direct or indirect beneficial interest in Tenant or any of them is in violation of any to anti-money laundering or anti-terrorism statute, including, without limitation, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, U.S. Public Law 107-56 (commonly known as the USA PATRIOT Act), and the related regulations issued thereunder, including temporary regulations, all as amended from time to time.

ARTICLE 31

Tenant's Exclusive Use

Section 31.1. During the term of this Lease and provided this Lease is in full force and effect, Landlord shall not lease other space in the Building for any retail use. Further, Landlord shall not lease other space in the Building for wholesale use to the companies set forth on Exhibit G attached hereto and made a part hereof.

Section 31.2. Notwithstanding the foregoing, this Article 31 shall automatically become null and void if (a) Tenant is in default under any of the terms, covenants and conditions of this Lease, beyond applicable notice and cure periods; or (b) Tenant has assigned its interests in the Lease, other than as permitted pursuant to Section 10.12 above; or (c) Tenant has sublet all or

part of the Premises, other than as permitted pursuant to Section 10.12 above; or (d) The Premises ceases to be used for the Permitted Use.

ARTICLE 32

Confidentiality

Section 32.1. The financial terms of this Lease shall be maintained by Landlord and Tenant in strict confidence and shall not be revealed to any other party. Notwithstanding the foregoing, Landlord and Tenant may disclose any such information: (i) to its managers, members, shareholders, partners, directors, officers, lenders, purchasers, investors, employees, attorneys, accountants, appraisers, insurance advisors, consultants and similar third party professionals; provided, however, that in all such cases such parties shall maintain the confidential nature of such information, (ii) to the extent such information is otherwise available from public sources, (iii) if such disclosure is required by law, regulation or court order; (iv) in connection with any suit, action, arbitration or other proceedings between the parties hereto; or (v) if such disclosure is required in connection with the preparation or filing of any tax returns or other filings required by any applicable law.

Section 32.2 Notwithstanding Section 32.1, after the full execution and delivery of this Lease, Tenant shall have the right to issue a press release or other public announcement (a "Press Release") regarding this Lease, provided, however in no event shall such Press Release contain the financial terms of this Lease. Landlord shall also have the right to issue a Press Release, provided, however that in the event any of the following are named in such Press Release: Valentino U.S.A. Inc., Valentino Fashion Group, V.F.G. or Valentino, then such Press Release shall be subject to Tenant's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed (Tenant shall have 5 days to respond to Landlord's request failing which consent shall be deemed approved) and which Press Release shall not contain the financial terms of this Lease, and provided, further that Landlord may not issue a Press Release for a period commencing on the date this Lease is executed through the date which is thirty (30) days thereafter.

Remainder Intentionally Left Blank
&
Signature Page to Immediately Follow

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

LANDLORD:

THOR 693 LLC

By: _____
Name: Joseph J. Sitt
Title: President

TENANT:

VALENTINO U.S.A., INC.

By: _____
Name: Wendy Kahn
Title: Chief Executive officer

By: _____
Name: Carmine Pappagallo
Title: Chief Financial officer

STATE OF NEW YORK)
) ss.:
 COUNTY OF NEW YORK)

On the 1st day of May in the year 2013, before me, the undersigned a Notary Public in and for said state, personally appeared Joseph J. Sitt personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

STATE OF New York)
) ss.:
 COUNTY OF New York)

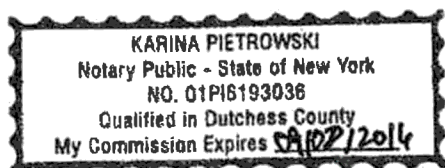
On the 2nd day of May in the year 2013, before me, the undersigned a Notary Public in and for said state, personally appeared Wendy Kahn, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Karina Pietrowski
 Notary Public

STATE OF New York)
) ss.:
 COUNTY OF New York)

On the 2nd day of May in the year 2013, before me, the undersigned a Notary Public in and for said state, personally appeared Carmine Pappagallo, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



Karina Pietrowski
 Notary Public

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

LANDLORD:

THOR 693 LLC

By: _____
Name: Joseph J. Sitt
Title: President

TENANT:

VALENTINO U.S.A., INC.

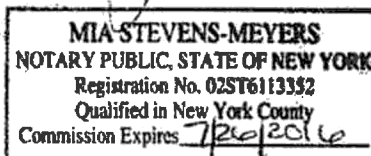
By: _____
Name:
Title:

STATE OF NEW YORK)
) ss.:
 COUNTY OF NEW YORK)

On the 30 day of May in the year 2013, before me, the undersigned a Notary Public in and for said state, personally appeared Joseph J. Sitt personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon half of which the individual acted, executed the instrument.

 Notary Public

STATE OF)
) ss.:
 COUNTY OF)



On the ____ day of May in the year 2013, before me, the undersigned a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

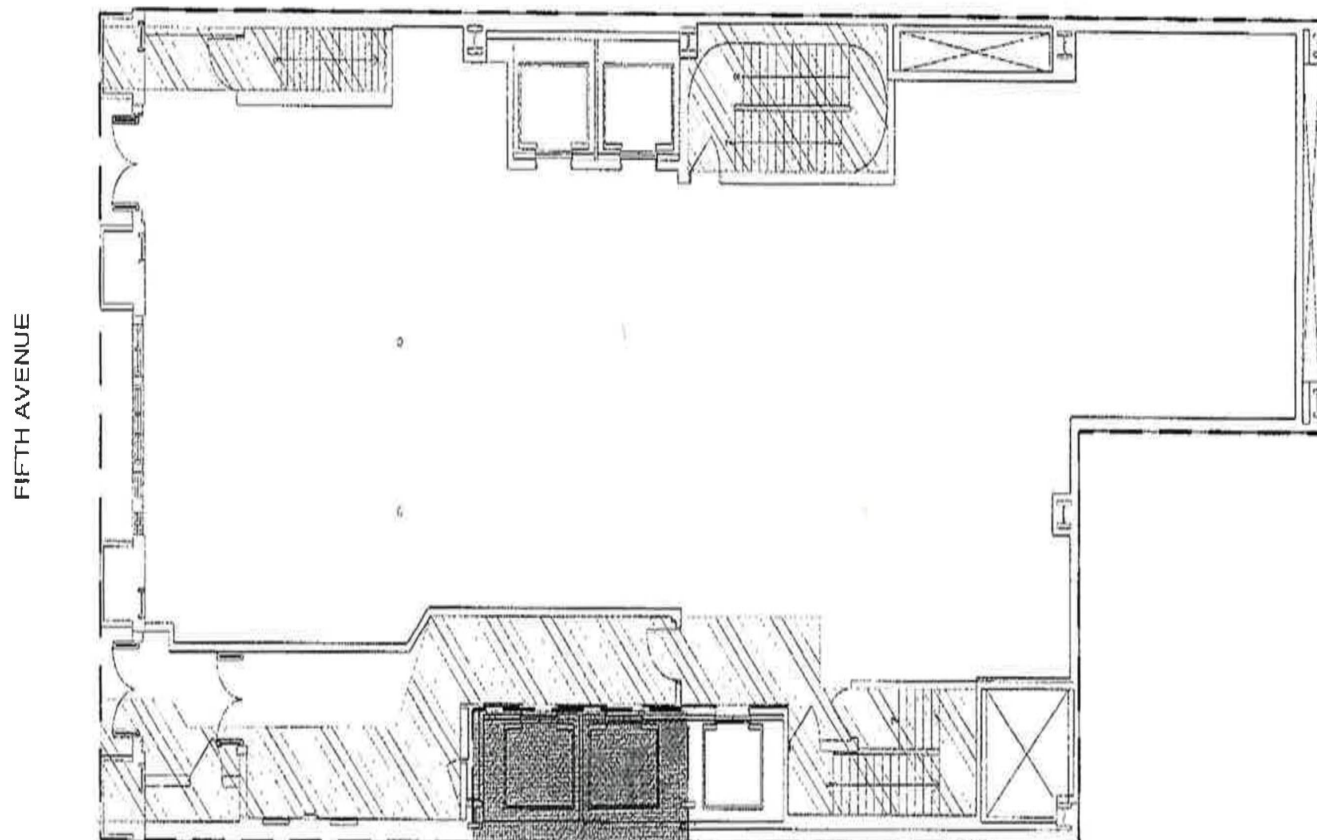
STATE OF)
) ss.:
 COUNTY OF)

On the ____ day of May in the year 2013, before me, the undersigned a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

EXHIBIT A

Premises



Hatched area represents egress path through existing, as-built conditions.



GROUND LEVEL LOD

SCALE: NTS



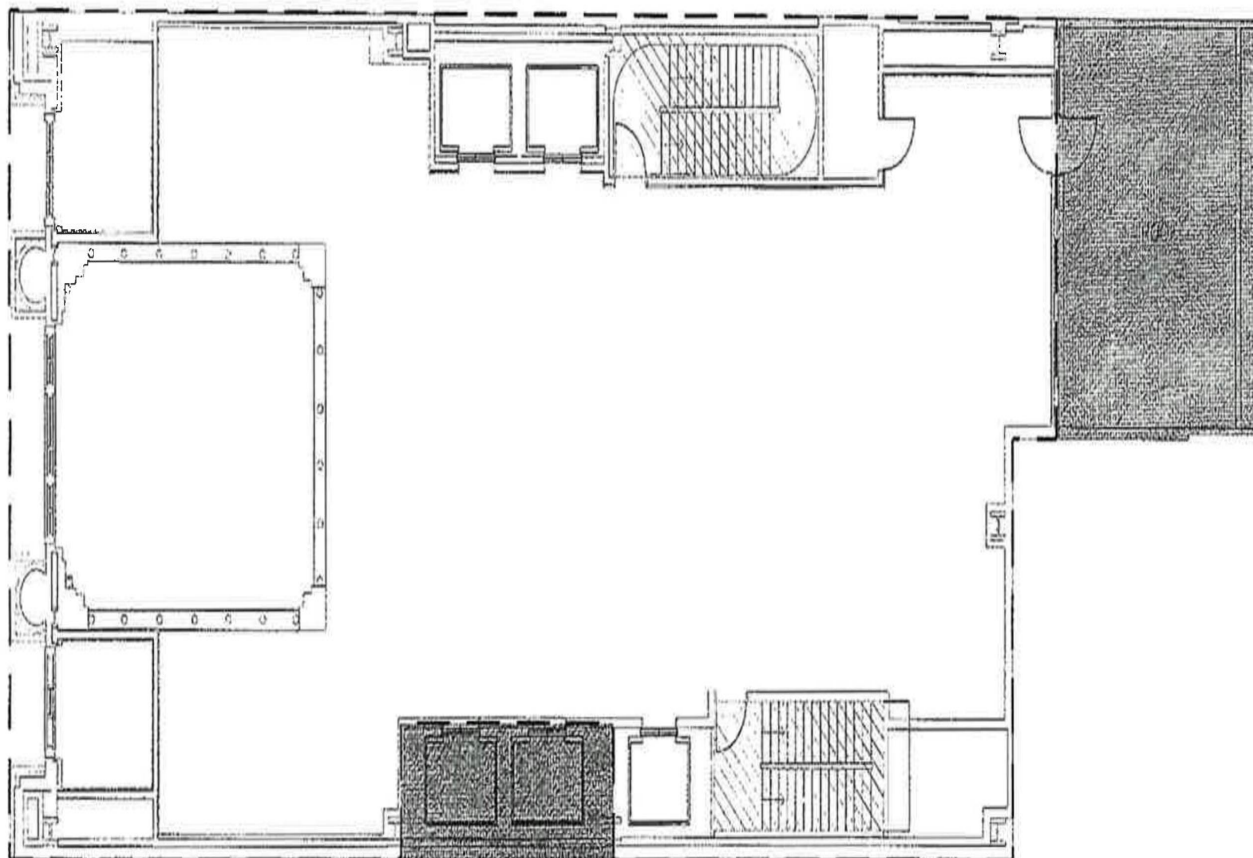
25 WEST 39TH STREET
NEW YORK, N.Y. 10018
TEL 212 529-5055

THIS EXHIBIT IS PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY, AND SHALL NOT BE DEEMED TO BE A WARRANTY, REPRESENTATION OR AGREEMENT BY LANDLORD THAT THE CENTER COMMON AREAS, BUILDINGS AND/OR EXHIBIT WILL BE AS ILLUSTRATED ON THIS EXHIBIT, OR THAT ANY TENANTS, WHICH MAY BE REFERENCED ON THIS EXHIBIT, WILL AT ANY TIME BE OCCUPANTS OF THE CENTER. LANDLORD RESERVES THE RIGHT TO MODIFY SIZE, CONFIGURATION AND OCCUPANTS OF THE CENTER AT ANY TIME.

693 FIFTH AVENUE
NEW YORK CITY, NY
MAY 1, 2013
DRAWN BY: P. HARDING

LOD

5



Hatched area represents egress path through existing, as-built conditions.



SECOND FLOOR LOD

SCALE: NTS

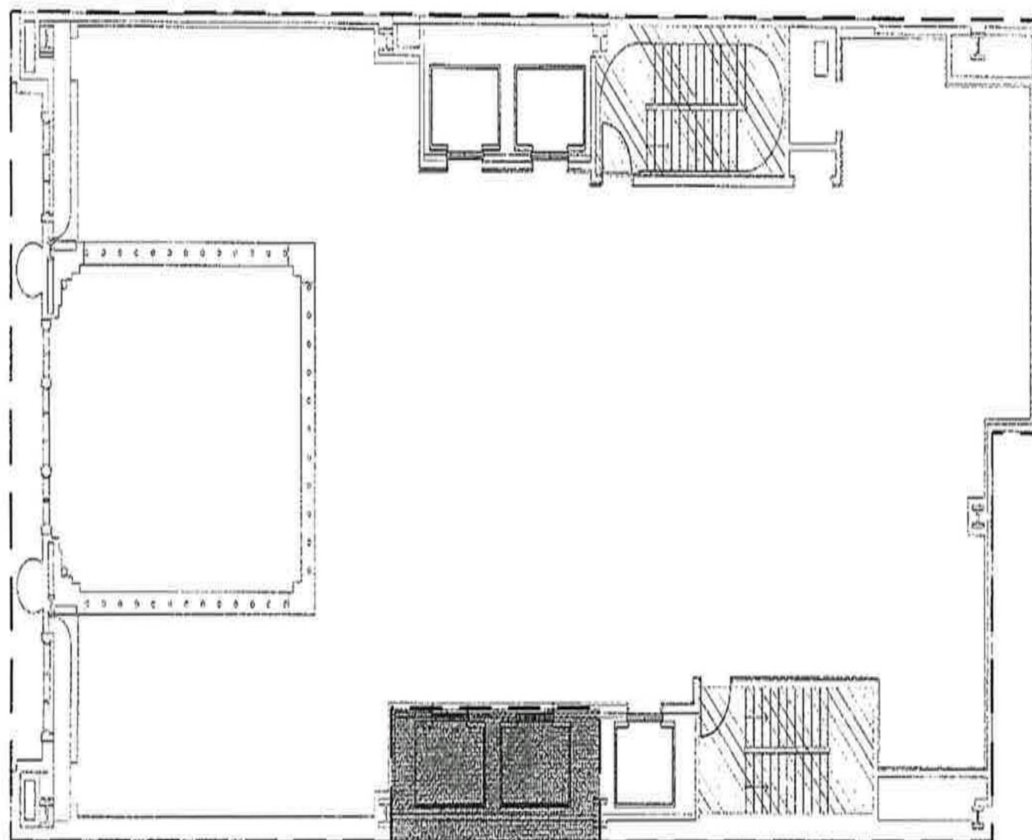


25 WEST 39TH STREET
NEW YORK, N.Y. 10018
TEL 212 529-5055

THIS EXHIBIT IS PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY, AND SHALL NOT BE DEEMED TO BE A WARRANTY, REPRESENTATION OR AGREEMENT BY LANDLORD THAT THE CENTER COMMON AREAS BUILDINGS AND/OR EXHIBIT WILL BE AS ILLUSTRATED ON THIS EXHIBIT, OR THAT ANY TENANTS, WHICH MAY BE REFERENCED ON THIS EXHIBIT WILL AT ANY TIME BE OCCUPANTS OF THE CENTER. LANDLORD RESERVES THE RIGHT TO MODIFY SIZE, CONFIGURATION AND OCCUPANTS OF THE CENTER AT ANY TIME

693 FIFTH AVENUE
NEW YORK CITY, NY
MAY 1, 2013
DRAWN BY: PHILARDING

LOI



Hatched area represents egress path through existing, as-built conditions.



THIRD FLOOR LOD

SCALE: NTS



25 WEST 39TH STREET
NEW YORK, N.Y. 10018
TEL 212 529-5055

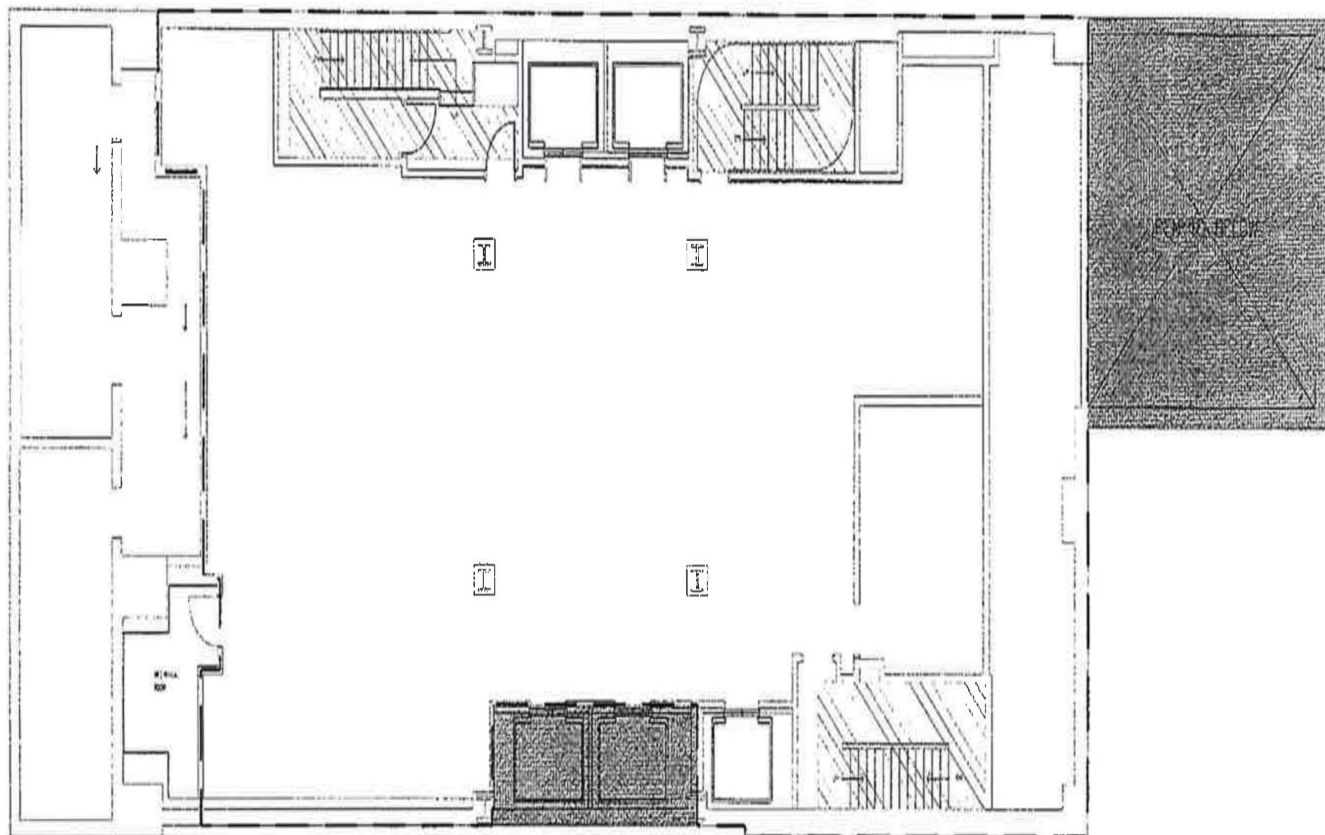
THIS EXHIBIT IS PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY, AND SHALL NOT BE DEEMED TO BE A WARRANTY, REPRESENTATION OR AGREEMENT BY LANDLORD THAT THE CENTER, COMMON AREAS, BUILDINGS AND/OR EXHIBIT WILL BE AS ILLUSTRATED ON THIS EXHIBIT, OR THAT ANY TENANTS, WHICH MAY BE REFERENCED ON THIS EXHIBIT, WILL AT ANY TIME BE OCCUPANTS OF THE CENTER. LANDLORD RESERVES THE RIGHT TO MODIFY SIZE CONFIGURATION AND OCCUPANTS OF THE CENTER AT ANY TIME.

693 FIFTH AVENUE
NEW YORK CITY, NY

MAY 3, 2013
DRAWN BY: P. HARDING

LOD

3



Hatched area represents egress path through existing, as-built conditions.



LOWER LEVEL LOD

SCALE: NTS



25 WEST 39TH STREET
NEW YORK, N.Y. 10018
TEL 212 529-5055

THIS EXHIBIT IS PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY, AND SHALL NOT BE DEEMED TO BE A WARRANTY, REPRESENTATION OR AGREEMENT BY LANDLORD THAT THE CENTER, COMMON AREAS, BUILDINGS AND/OR EXHIBIT WILL BE AS ILLUSTRATED ON THIS EXHIBIT, OR THAT ANY TENANTS, WHICH MAY BE REFERENCED ON THIS EXHIBIT, WILL AT ANY TIME BE OCCUPANTS OF THE CENTER. LANDLORD RESERVES THE RIGHT TO MODIFY SIZE CONFIGURATION AND OCCUPANTS OF THE CENTER AT ANY TIME.

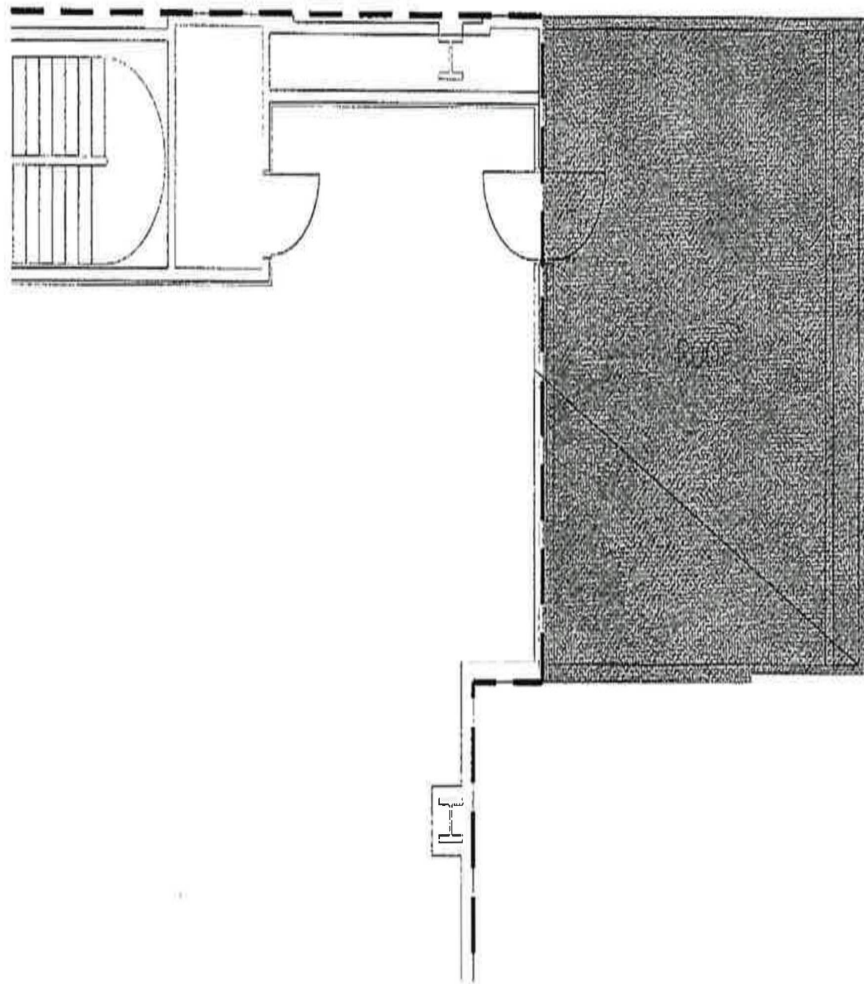
693 FIFTH AVENUE
NEW YORK CITY, NY

MAY 3, 2013

DRAWN BY: P. HARDING

LOD

9



2nd floor roof- non-exclusive right of way and access.



PARTIAL SECOND FLOOR LOD - EXHIBIT A-1
SCALE: NTS



25 WEST 39TH STREET
NEW YORK, N.Y. 10018
TEL 212 529-5055

THIS EXHIBIT IS PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY, AND SHALL NOT BE DEEMED TO BE A WARRANTY, REPRESENTATION OR AGREEMENT BY LANDLORD THAT THE CENTER, COMMON AREAS, BUILDINGS AND/OR EXHIBIT WILL BE AS ILLUSTRATED ON THIS EXHIBIT, OR THAT ANY TENANTS, WHICH MAY BE REFERENCED ON THIS EXHIBIT, WILL AT ANY TIME BE OCCUPANTS OF THE CENTER. LANDLORD RESERVES THE RIGHT TO MODIFY SIZE CONFIGURATION AND OCCUPANTS OF THE CENTER AT ANY TIME.

693 FIFTH AVENUE
NEW YORK CITY, NY
MAY 3, 2013
DRAWN BY: PEARDING

LOD

9

EXHIBIT B**COMMENCEMENT DATE AGREEMENT**

THIS COMMENCEMENT DATE AGREEMENT (this "Agreement"), dated as of _____, between THOR 693 LLC, a Delaware limited liability company, having an address at 25 West 39th Street, New York, New York 10018 ("Landlord"), and VALENTINO U.S.A., INC., a Delaware corporation, having an address at 11 West 42nd Street, 26th Floor, New York, New York 10036 ("Tenant").

WHEREAS, Landlord and Tenant have entered into that certain lease, dated as of May _____, 2013 (the "Lease"), pursuant to which Landlord has leased to Tenant certain premises (the "Premises", as more particularly described in the Lease) in the building located at and known as 693 Fifth Avenue, New York, New York (the "Building");

WHEREAS, the Lease contained a certain condition precedent to the occurrence of the Commencement Date (as defined in the Lease), the Rent Commencement Date (as defined in the Lease) and the Expiration Date (as defined in the Lease); and

WHEREAS, the Commencement Date, the Rent Commencement Date and the Expiration Date are now known and Landlord and Tenant wish to confirm such dates.

NOW THEREFORE, Landlord and Tenant hereby agree as follows:

1. Notwithstanding anything set forth in the Lease to the contrary or otherwise:

- (i) The Commencement Date is _____.
- (ii) The Rent Commencement Date is _____.
- (iii) The Expiration Date is _____.

2. This Agreement contains the entire agreement of the parties with respect to its subject matter and all prior negotiations, discussions, representations, agreements and understandings heretofore had among the parties with respect thereto are merged herein.

3. All capitalized terms used in this Agreement not otherwise defined shall have the respective meanings ascribed to such terms in the Lease.

4. This Agreement shall be governed by the laws of the State of New York without giving effect to conflict of laws principles thereof.

5. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

5

6. Any facsimile or electronic mail transmittal (in pdf format) of original signature versions of this Agreement shall be considered to have the same legal effect as execution and delivery of the original document and shall be treated in all manner and respects as the original document. In the event that the parties exchange facsimile or electronic signature versions of this Agreement, the parties shall promptly thereafter exchange counterparts of this Agreement with original signatures.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

LANDLORD:

THOR 693 LLC

By: _____
Name:
Title:

TENANT:

VALENTINO U.S.A., INC.

By: _____
Name:
Title:



EXHIBIT C**Landlord's Work****Plumbing:**

1. Ground Floor and Cellar: Landlord to relocate existing ground floor reduced pressure zone and all associated plumbing devices to the cellar level (this work may coincide with Tenant's Work and be completed after delivery of the Premises to Tenant). Exact location in the cellar is to be determined Landlord; Landlord expects to relocate the equipment into a new utility room directly below the area corresponding to the existing location of the equipment.

Electrical:

1. Ground Floor: Landlord will relocate two lobby lighting panels and associated branch circuits from the Demised Premises.

Fire Alarm:

1. Third Floor: If the 3rd floor Data Gathering Panel (DGP) contains data point connections for fire alarm devices on the 4th floor (or any other floors that are not part of the Premises), Landlord will relocate the data points to a DGP outside of the Demised Premises. Landlord will not remove or relocate the existing 3rd floor DGP – it will stay in place for use by Tenant for their 3rd floor FA work.



EXHIBIT C-1**BUILDING UTILITY SYSTEMS SERVING THE LEASED PREMISES**

Following is a description of base building services available to Tenant for Tenant's use. Tenant will tie into Landlord's base building systems as per the approved plans.

HVAC:

1. *Chilled Water:* Tenant (TT) will be permitted to draw 85 tons of chilled water from the base building central chiller plant. Chilled water supply and return piping is "as-is"- additional valves or branch piping by TT. TT will pay an annual chilled water charge as per the lease.
2. *Hot Water:* TT will be given 75 gpm of hot water during the heating season. Hot water supply and return piping is "as-is"- additional valves or branch piping by TT.
3. *Outside Air:* TT will be given 500 cfm of outside air from the Landlord's common outside air/smoke purge shaft. Outside air supply and return system is "as-is". Modifications to ductwork by TT.
4. *Exhaust:* TT will be permitted to tie into existing exhaust systems at their current design capacities.

Electrical:

1. *ConEd Power:* TT will work with ConEd to establish a metered and direct billed power supply. TT's engineers will submit a Load Letter to ConEd. After ConEd approves TT's load request, LL will give tenant access to the base building service entry panel so that TT can pull over wires that will supply their new service gear with the approved amount of power.
2. *Emergency Power:* TT will be permitted to connect emergency lighting and life-safety systems to the base building generator. TT will furnish and install a transfer switch at the existing emergency riser. Load on the base-building system will be limited to 1.5 watts/SF, Tenant may use this system for its emergency lighting.

Plumbing: TT shall connect to LL plumbing system and extend services within the Premises according to TT approved plans. TT shall install all TT plumbing, connections and fixtures as per governing codes.

1. *Domestic Water:* capped and valved domestic water connections are "as-is".
2. *Sanitary Riser:* capped sanitary riser and capped vent stack are "as-is".
3. *Gas:* Gas is available in the base building gas service room. If TT requires gas, they will arrange with the local utility providing gas service for a metered service connection in the gas room. TT, at TT's expense, will bring gas service to the Premises, including all required regulators,
4. *Sprinkler System:* TT will modify existing approved system as per the approved plans.

Fire Alarm: TT will install a fire alarm system. TT can modify existing system or install a new "stand alone" system that will tie into the existing Fire Alarm Command Panel in the base building lobby. Final design of the system as per building codes and FDNY regulations. TT will use LL approved fire alarm vendor for all TT Fire Alarm system work.

EXHIBIT D

Temporary Certificate of Occupancy



Page 1 of 4

Certificate of Occupancy

CO Number: 100075133T026

This certifies that the premises described herein conforms substantially to the approved plans and specifications and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified. No change of use or occupancy shall be made unless a new Certificate of Occupancy is issued. *This document or a copy shall be available for inspection at the building at all reasonable times.*

A.	Borough: Manhattan	Block Number: 01290	Certificate Type: Temporary
	Address: 693 5 AVENUE	Lot Number(s): 3	Effective Date: 12/04/2012
	Building Identification Number (BIN): 1035742		Expiration Date: 03/04/2013
	Building Type: New		

For zoning lot metes & bounds, please see BISWeb.

B.	Construction classification: 1-B (1968 Code)
	Building Occupancy Group classification: E (1968 Code)
	Multiple Dwelling Law Classification: None
	No. of stories: 20 Height in feet: 295 No. of dwelling units: 0

C.	Fire Protection Equipment:
	Standpipe system, Fire alarm system, Sprinkler system

D.	Type and number of open spaces:
	None associated with this filing.

E.	This Certificate is issued with the following legal limitations
	None

Outstanding requirements for obtaining Final Certificate of Occupancy:

There are 16 outstanding requirements. Please refer to BISWeb for further detail.

Borough Comments: None

Borough Commissioner

Commissioner

DOCUMENT CONTINUES ON NEXT PAGE

5



Page 2 of 4

Certificate of Occupancy

CO Number: 100075133T026

Permissible Use and Occupancy						
All Building Code occupancy group designations are 1968 designations, except RES, COM, or PUB which are 1938 Building Code occupancy group designations.						
Floor From To	Maximum persons permitted	Live load lbs per sq. ft.	Building Code occupancy group	Dwelling or Rooming Units	Zoning use group	Description of use
CEL	55	250	F-4		6	EATING & DRINKING WITH ACCESSORY NON-RESIDENTIAL KITCHEN
CEL	3	250	D-2		6	MECH/TEL ROOM
CEL	30	250	C		6	RETAIL STORE
SUB	6	OG	B-1		10	STORAGE
SUB	11	OG	E		6	BUILDING/MAINTENANCE OFFICE AND SECURITY CONTROL ROOM ACCESSORY TO BLDG.
SUB	2	OG	D-2		6	MECHANICAL ROOM, PUMP ROOM
001	130	500	C		10F	ADDITIONAL LIVE LOAD: 250. DEPARTMENT STORE.
002	57	100	C		10	DEPARTMENT STORE
003	52	100	C		10	DEPARTMENT STORE
004	66	100	C		10	DEPARTMENT STORE
005	59	100	C		10	DEPARTMENT STORE
006	67	100	C		10	DEPARTMENT STORE
007	42	100	B-2 F-4		06	ACCESSORY STORAGE & LUNCH ROOM


 Borough Commissioner


 Commissioner

DOCUMENT CONTINUES ON NEXT PAGE



Page 3 of 4

Certificate of Occupancy

CO Number:

100075133T026

Permissible Use and Occupancy						
All Building Code occupancy group designations are 1968 designations, except RES, COM, or PUB which are 1938 Building Code occupancy group designations.						
Floor From To	Maximum persons permitted	Live load lbs per sq. ft.	Building Code occupancy group	Dwelling or Rooming Units	Zoning use group	Description of use
008	32	100	E		6	OFFICES
009	28	100	E		6	OFFICES
010	27	100	E		6	OFFICES
011	29	100	E		6	OFFICES
012	28	100	E		6	OFFICES
013	28	100	E		6	OFFICE
014	29	100	E		6	OFFICE
015	28	100	E		6	BEAUTY SALON
016	27	100	E		6	BEAUTY SALON
017	27	100	E		6	OFFICE
018	27	100	E		6	OFFICE
019	15	100	E		6	OFFICE
019	6	100	D-2		10	MECHANICAL


 Borough Commissioner


 Commissioner

DOCUMENT CONTINUES ON NEXT PAGE



Certificate of Occupancy

Page 4 of 4

CO Number: 100075133T026

Permissible Use and Occupancy						
All Building Code occupancy group designations are 1968 designations, except RES, COM, or PUB which are 1938 Building Code occupancy group designations.						
Floor From To	Maximum persons permitted	Live load lbs per sq. ft.	Building Code occupancy group	Dwelling or Rooming Units	Zoning use group	Description of use
020	13	100	E		6	OFFICE
020	6	100	D-2		10	MECHANICAL
RO F		30	D-2		10	ELEVATOR MACHINE ROOM
THE ZONING LOT HAS BEEN DECLARED ONE ZONING LOT AS PER ZR-12-10						
END OF SECTION						

Borough Commissioner

Commissioner

END OF DOCUMENT

100075133/026 12/4/2012 1 32:17 PM

5

EXHIBIT E**Rules and Regulations**

1. **Compliance With Laws.** Tenant agrees to observe and perform all insurance requirements and comply with all Laws pertaining to Tenant's business or Tenant's use of the Premises, including, among others, (a) all requirements concerning health and safety standards and environmental protection, (b) all requirements under the Americans With Disabilities Act, and (c) the obtaining of all permits required by applicable law.
2. **No Discrimination.** Tenant agrees, in the conduct of Tenant's business, to comply with all applicable laws regarding discrimination.
3. **Intentionally Deleted.**
4. **Building Name.** Landlord agrees that the name of the Building shall be none other than the street address of 693 Fifth Avenue or the "Valentino Building".
5. **No Solicitation.** Tenant acknowledges Landlord's legitimate interest in preventing solicitation from and around the Premises and in, from and around the Building. Tenant agrees not to solicit or permit customer solicitation, canvassing or peddling by any persons stationed in or near the entrance to the Premises, in any Building lobby or common area, or otherwise in the immediate vicinity of the Building.
6. **Intentionally Deleted.**
7. **Distress Sales.** Tenant must not conduct or permit on the Premises any auction, fire, bankruptcy, going out of business or relocation sale, or any similar distress sale, whether or not otherwise permitted by applicable law.
8. **Alcoholic Beverages.** Except as specifically permitted by the Lease, Tenant must not use or permit the Premises to be used for the making, storing, using, selling or giving away of any alcoholic beverage, as that term is defined under any applicable law.
9. **Cooking.** Unless specifically permitted by the Lease, Tenant must not cook or permit cooking on the Premises.
10. **Access.** Tenant must not obstruct or encumber any areas of the Building outside Tenants' Premises, nor use them for any purpose other than entering and leaving the Premises. If the Premises are accessible from a public sidewalk, Tenant is responsible for keeping the areas directly in front of the Premises clean and free from ice, snow, dirt, rubbish and other accumulation.
11. **Miscellaneous.** Tenant must not cover or obstruct the sashes, sash doors, skylights, windows and doors that reflect or admit light into areas of the Building outside Tenant's



Premises, nor shall Tenant place or permit parcels, bottles or other articles on the window sills. Tenant must not throw anything out of the doors, windows or skylights of the Premises.

12. Plumbing Futures. Plumbing fixtures must be used only for their generally accepted purposes. Tenants are responsible for damages resulting from abuse or misuse of these fixtures by Tenant or Tenant's employees or invitees.

13. Defacing Prohibited. Tenant must not in any way deface any part of the Premises or the Building. Floor coverings of any kind may only be used in a manner, and with such adhesives, as Landlord first approves.

14. Vehicles: Animals. No bicycles, vehicles, animals, birds or fish shall be permitted in the Premises, except aids for the disabled.

15. Objectionable Odors. Tenant must not cause or permit any unusual or objectionable odors to be produced or to emanate from the Premises.

16. Disturbing Noises. Tenant must not make or permit any unseemly or disturbing noises or otherwise disturb or interfere with other tenants, guests and patrons of the Building. Tenant must not place or permit antennae of any kind, loud speakers, sound amplifiers, flashing lights or spotlights on the roof or inside or outside of the Premises or the Building.

17. Locking Mechanisms. Tenant must not place additional gates, locks or bolts of any kind upon any doors or windows outside Tenant's Premises, nor shall Tenant change existing locks or their mechanisms. Upon expiration of the Term, Tenant must return all keys to such areas either furnished to or otherwise procured by Tenant. If Tenant loses any key furnished to Tenant by Landlord, Tenant must replace it or promptly pay Landlord its cost. Upon termination of this Lease or Tenant's right to possession, Tenant must surrender to Landlord all keys and combinations used by Tenant in connection with the Premises and otherwise advise Landlord as to the operation of all locks, combination or otherwise, on safes, cabinets, doors and vaults in the Premises.

18. Freight. All movement of bulky materials or items to and from the Premises must take place during hours Landlord determines. Landlord reserves the right to inspect all freight to be brought into the Building and to exclude from the Building all freight that violates this Lease. Unless equipped with rubber tires and side guards, hand trucks are not to be used in the Building. Tenant must not permit such use. Tenant must not take or permit supplies, merchandise, fixtures, equipment, appliances or trash to be taken in or out of the Building except through proper service doors designated by Landlord. Tenant must also comply with Landlord's reasonable instructions concerning parking, loading and unloading in or around the Building.

19. Prohibited Uses. Tenant must not use or permit the Premises to be used for possessing, storing, making, using, selling or giving away narcotics or controlled substances of any kind, as an employment bureau or for any illegal or immoral purpose.

20. Use of Landlord's Employees. Requests for action by Landlord, or Landlord's employees, must be made at the main office in the Building. Tenant must not request Landlord's employees to perform any work for Tenant or to do anything outside of their regular duties without first obtaining Landlord's written consent. If Landlord makes its employees available to assist Tenant, Tenant must promptly pay Landlord for their employee's services at reasonable hourly rates.

21. Floor Overloading. Tenant must not overload any floor in excess of the legal limit, provided, however that in the event Tenant desires to increase the capacity of the floor load, then Tenant shall have the right, upon obtaining Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed provided such work will not affect the structure of the Building, or interfere with or adversely impact other tenants of the Building's use and enjoyment of their premises, to perform any work required to do so, provided such work is in compliance with this Lease and applicable Law.

EXHIBIT F

Guaranty

Attached

GUARANTY

In consideration of, and as an inducement for the granting, execution and delivery of that certain Lease, dated as of May ___, 2013 (as same may hereafter be amended, modified and/or supplemented, the "Lease"), by THOR 693 LLC, a Delaware limited liability company, as Landlord ("Landlord"), to VALENTINO U.S.A., INC., a Delaware corporation, as Tenant ("Tenant"), for the lower level, ground floor, second floor and third floor in the building known as 693 Fifth Avenue, New York, New York (the "Building") and more particularly described in the Lease, and in further consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration paid by Landlord to the undersigned, the receipt and legal sufficiency of which are hereby acknowledged, the undersigned do hereby agree as follows:

1. (a) All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Lease. Valentino Fashion Group S.p.A, an Italian corporation having an address as set forth below ("Guarantor"), does hereby unconditionally guarantee to Landlord, its successors and assigns the full prompt payment of Rent (as defined in the Lease) and all other charges payable by Tenant, its successors and/or assigns, and the full and complete performance of all obligations of Tenant under the Lease and any other agreements with Landlord. Guarantor hereby covenants and agrees with Landlord that if default shall at any time be made by Tenant or its successors or assigns in the payment of any Rent or other charges, or if Tenant or its successors or assigns should in any wise or manner default in the performance and observance of any of the covenants, terms, conditions and agreements contained in the Lease to be performed or observed, in each case after notice to Tenant and the expiration of any applicable cure period, Guarantor, in each and every instance, shall and will forthwith pay such Rent and other charges to Landlord and any arrears thereof, which shall include, without limitation, any Rent which would have been payable under the Lease but for any abatement provided for therein (i.e. any Rent that would have been paid from the Commencement Date through and including the Rent Commencement Date but for the rent abatement set forth in Section 1.4 of the Lease), and shall and forthwith faithfully perform and fulfill all of such covenants, terms, conditions and agreements under the Lease, including without limitation, payment of reasonable attorneys' fees and disbursements incurred by Landlord, or caused by or in any way related to any such default and/or the enforcement of this Guaranty. Guarantor hereby represents that Guarantor is the sole owner of the beneficial interests of Tenant.

(b) Notwithstanding anything to the contrary contained in this Paragraph 1(a) above, if after the Commencement Date Tenant (i) provides Landlord with written notice that Tenant intends to vacate the Premises and Tenant, (ii) delivers possession of the Premises to Landlord in the condition required by the Lease, and free and clear of all leases, tenancies and rights of occupancy of any person or entity claiming by or through Tenant, and (iii) executes and delivers to Landlord the surrender declaration in the form annexed hereto as Exhibit A ((i), (ii) and (iii) are hereinafter, collectively, the "Surrender Conditions"; the date on which Tenant satisfies the Surrender Conditions, is hereafter referred to as the "Vacate Date"), then Guarantor's liability under this Paragraph 1 shall be limited to the amount of Rent that is due and payable by the Tenant pursuant to the Lease for the period commencing on the Rent Commencement Date through the date that is the third (3rd) anniversary of the Vacate Date.

2. Guarantor hereby guarantees the completion of, and payment for by Tenant, of any and all permitted improvements, alterations, additions or changes. If any liens, mortgages, chattel liens or other title retention or security agreements are placed on the premises demised by the Lease or any improvements therein, or the buildings of which said premises form a part (and which are not the responsibility of Landlord to remove under the Lease), including, without limitation, those arising from the performance of work by Tenant, then Guarantor, in each and every instance, shall in each case after notice to Tenant and the expiration of applicable cure periods, and will forthwith discharge same, and Guarantor agrees to indemnify and save harmless Landlord and its agents in respect of the foregoing and to pay all actual and reasonable costs and expenses (including, without limitation, reasonable legal fees) of Landlord relating thereto. The provisions of this paragraph shall apply and be in effect notwithstanding any failure of the term of the Lease to commence and shall survive the expiration or termination of the Lease.

3. This Guaranty is an irrevocable, absolute and unconditional guaranty of payment and of performance. It shall be enforceable against Guarantor without the necessity of any suit or proceeding on Landlord's part of any kind or nature whatsoever against Tenant or its successors or assigns, and without the necessity of resorting to any security under the Lease or any need to give notice of nonpayment, nonperformance or nonobservance or of any notice of acceptance of this Guaranty or of any other notice or demand to which Guarantor might otherwise be entitled, all of which Guarantor hereby expressly waives, provided, however that Landlord agrees to provide Guarantor with a courtesy copy of any default or demand notices delivered to Tenant, provided, however that the failure of Landlord to provide such notice shall not invalidate such default or demand notice or diminish Guarantor's obligations hereunder; and Guarantor hereby expressly agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall in no way be terminated, affected, diminished or impaired by reason of the assertion or the failure to assert by Landlord against Tenant or against Tenant's successors or assigns, any of the rights or remedies reserved to Landlord pursuant to the provisions of the Lease.

4. This Guaranty shall be a continuing guaranty and the liability of Guarantor hereunder shall in no way be affected, modified, impaired or diminished by reason of any event or circumstance which might otherwise constitute a legal or equitable discharge of Guarantor, including without limitation: (i) any expiration, assignment, renewal, amendment or modification of the Lease; (ii) any modification or waiver of or change in any of the terms, covenants, conditions or provisions of the Lease by Landlord to Tenant or its successors or assigns notwithstanding that such modifications or changes increase the liability of Guarantor under this Guaranty; (iii) any dealings or transactions or matter or thing of any kind or nature occurring between Landlord and Tenant or Tenant's successors or assigns; (iv) any consent, indulgence or other action, inaction or omission with respect to Tenant under or in respect to the Lease; (v) any failure to act, delay or lack of diligence on the part of Landlord to enforce, assert or exercise any right, power or remedy conferred on Landlord under the Lease or this Guaranty; (vi) any compromise, settlement, release or termination of any or all of the obligations of Tenant under the Lease; (vii) any bankruptcy, insolvency, reorganization, arrangement, assignment for the benefit of creditors, receivership or trusteeship affecting Tenant or Tenant's successors or

assigns, whether or not notice thereof is given to Guarantor, and/or (viii) any security held or applied by Landlord under the Lease. Notwithstanding anything to the contrary contained herein, If any corporate restructuring of the corporate group of which Tenant and Guarantor form a part should affect the ability of Guarantor to perform its obligations under the Guaranty, Landlord agrees that another member of the corporate group which controls Tenant may become a replacement guarantor provided (i) such restructuring shall be made for a bona fide business purposes, and not intended to evade Guarantor's obligations under the Guaranty, (ii) the total assets and tangible net worth of such replacement guarantor is at least equal to the total assets and tangible net worth of Guarantor as of the date of this Lease; and (iii) such replacement guarantor executes the form of guaranty required by the Landlord not less than fourteen (14) days after the consummation of such restructuring.

5. If more than one party is executing this Guaranty, this Guaranty is a joint and several guaranty by each of the parties executing as Guarantors. All of Landlord's rights and remedies under the Lease and/or under this Guaranty are intended to be distinct, separate and cumulative and no such right or remedy therein or herein mentioned is intended to be in exclusion of or a waiver of any of the others. This Guaranty and/or any of the provisions hereof cannot be modified, waived or terminated unless such modification, waiver or termination is in writing, signed by Landlord.

6. Guarantor hereby agrees that whenever at any time or from time to time Guarantor shall make any payment to Landlord or perform or fulfill any covenant, term, condition or agreement hereunder on account of the liability of Guarantor hereunder, Guarantor will notify Landlord in writing that such payment or performance, as the case may be, is for such purpose. No such payment or performance by Guarantor pursuant to any provision hereof shall entitle Guarantor by subrogation or otherwise to the rights of Landlord to any payment by Tenant or out of the property of Tenant, except after payment of all sums and fulfillments of all covenants, terms, conditions or agreements to be paid or performed by Tenant or its permitted successors or assigns under the Lease. Any payments Guarantor may receive from Tenant on account of any subrogation rights at a time where Tenant's obligations under the Lease shall not be paid in full shall be held in trust for Landlord and shall be paid over to Landlord to be credited and applied against the obligations of Tenant in accordance with the terms of the Lease.

7. Guarantor agrees that it will, at any time and from time to time, within ten (10) business days following written request by Landlord and without charge therefor, execute, acknowledge and deliver to Landlord a statement certifying that this Guaranty is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating such modification); provided, however, that Guarantor, so long as a default has not occurred and is continuing, shall not be obligated to execute any such statement more than two (2) times in any twelve (12) month period, except in connection with the sale of the Building, any financing or refinancing of the Building. Guarantor agrees that such certificates may be relied upon by anyone holding or proposing to acquire any interest in the Premises from or through Landlord or by any mortgagee, ground lessor or prospective mortgagee of the Premises or of any interest therein.

8. Guarantor acknowledges and agrees that all disputes arising, directly or indirectly, out of or relating to this Guaranty and Consent may be adjudicated in the state courts of the State of New York sitting in the county in which the Premises are located (the "County") or the federal courts sitting in the County and hereby expressly and irrevocably submits the person of Guarantor to the in personam jurisdiction of those courts in any suit, action or proceeding arising, directly or indirectly, out of or relating to this Guaranty. To the extent permitted under applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action, other than service of process in one of the manners specified in this Guaranty or as otherwise permitted by law, shall be necessary in order to confer jurisdiction upon the person of Guarantor in any such court.

9. As a further inducement to Landlord to execute and deliver the Lease and in consideration thereof, Landlord and Guarantor covenant and agree that in any action or proceeding brought on, under or by virtue of this Guaranty, Landlord and Guarantor shall and do waive trial by jury.

10. Guarantor acknowledges and agrees that it shall be deemed in default under this Guaranty if at any time during the duration of this Guaranty any of the following shall occur:

a. If, after notice to Guarantor of a default under the Lease, Guarantor shall fail to perform or cause the performance of Tenant's obligations under the Lease, or if Guarantor shall otherwise default in the performance of its obligations under this Guaranty and such default shall continue for ten (10) days after Landlord notifies Guarantor thereof.

b. If any of the representations made by Guarantor in this Guaranty shall be untrue in any material respect.

11. The validity and enforcement of this Guaranty shall be governed by and construed in accordance with the internal laws of the State of New York without regard to principles of conflicts of law.

12. This Guaranty shall be binding upon and inure to the benefit of Guarantor and Landlord, and their respective successors, assigns and/or legal representatives.

13. If any provision of this Guaranty or the application thereof to any person or circumstance shall to any extent be held void, unenforceable or invalid, then the remainder of this Guaranty and Consent or the application of such provision to persons or circumstances other than those as to which it is held void, unenforceable or invalid, shall not be affected thereby and each provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

14. Guarantor acknowledges and agrees that: (i) this Guaranty was translated to Guarantor, by an interpreter, and that Guarantor fully understands the contents of this Guaranty and all of its all clauses and (ii) Tenant is a wholly-owned subsidiary of Guarantor.

15. Any notice, consent, approval, agreement, certification, request, bill, demand, statement, acceptance or other communication hereunder (a "notice") shall be in writing and

shall have been duly given or furnished if delivered by a recognized national air courier service such as Federal Express for next business day delivery, addressed to Landlord as above set forth and to Guarantor at Guarantor's address set forth below or to such other address or addressee as either party may designate by a notice given pursuant hereto. All notices shall be effective upon receipt, or two (2) business days after being deposited with a recognized national air courier service as required above. The term "business days" for purposes of this Lease shall mean Mondays through Fridays excluding New York State and federal holidays. Copies of all notices to Landlord shall also be given to Morris Missry, Esq., Wachtel, Masyr & Missry, LLP, One Dag Hammarskjold Plaza, 885 Second Avenue, 47th Floor, New York, New York 10017. Copies of all default and demand notices to Guarantor shall also be given to Giovanni E. Spinelli, Esq., Pavia & Harcourt LLP, 590 Madison Avenue, New York, New York 10022. Rejection or other refusal to accept or inability to deliver because of changed address of which notice was not given as required herein shall be deemed to be receipt of the notice sent.

*Remainder Intentionally Left Blank
&
Signature Page to Immediately Follow*

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed the day and year first above written.

Dated: as of May _____, 2013

VALENTINO FASHION GROUP S.p.A.

By: _____
Name:
Title:

I, _____, born on _____ in _____, residing in _____, in my capacity of _____ of Valentino Fashion Group S.p.A., state to be fluent in English and Italian language, to have read and understood the preceding guaranty and to have the authority to sign and to bind the company that I represent.

Address of Guarantor:

Via Turati 16/18 -- 20121 Milan ITALY
Attention: Antonella Andrioli, Head of Legal and Corporate Affairs

STATE OF NEW YORK)
) ss:
COUNTY OF)

On the _____ day of _____ in the year 2013 before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person on behalf of which the individual acted, executed the instrument.

Notary Public

EXHIBIT A**SURRENDER DECLARATION**

SURRENDER DECLARATION dated this _____ day of _____, 20__, by Valentino U.S.A., Inc., a Delaware corporation, having an office at _____ ("Tenant").

WITNESSETH:

WHEREAS, Thor 693 LLC ("Landlord") and Tenant heretofore entered into a certain written lease (the "Lease") dated April ____, 2013, whereby Landlord leased to Tenant certain premises (the "Premises") located at 693 Fifth Avenue, New York, New York as more fully described in the Lease, for a term, at the rental and additional rental and upon the covenants, conditions, provisions and agreements contained in such Lease; and

WHEREAS, Tenant desires to deliver the keys to the Premises to Landlord and surrender the Premises to Landlord effective as of the date hereof ("Surrender Date").

NOW, THEREFORE, in consideration of Ten (\$10,00) Dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Tenant hereby declares, covenants, and agrees as follows:

Effective as of the Surrender Date, Tenant hereby surrenders to Landlord all of Tenant's right, title and interest in and to the Premises and the Lease, together with all alterations, installations, additions and improvements in and to said Premises and further relinquishes all of its right, title and interest in and to all prepaid rent and security deposited thereunder, to the intent and purpose that the estate of Tenant in and to the Premises shall be wholly extinguished as of the Surrender Date.

Tenant hereby warrants and represents to Landlord that nothing has been done or suffered by Tenant whereby the Lease, the Premises or the estate of Tenant in and to said Premises or any part thereof, have been encumbered in any way whatsoever; the Tenant has good right to surrender the same; and that no one other than Tenant has acquired through or under Tenant any right, title or interest in and to the Lease or the term and estate thereby granted or in and to all or any part of the Premises covered by the Lease including, without limitation, all alterations, installations, additions and improvements in and to said premises.

Tenant further warrants and represents to Landlord that it has not dealt with any broker in connection with this Declaration, and Tenant agrees to indemnify and hold Landlord harmless from and against any and all claims for commissions, costs, expenses and other compensation on account of the claims of any broker claiming to have dealt with Tenant in connection with this Declaration (including, without limitation, attorneys' fees and disbursements),

The delivery of this Declaration to Landlord shall not affect any liability or obligation of Tenant under the Lease and shall not be construed to diminish, limit or otherwise

reduce any liability or obligation that Tenant would otherwise have under the Lease if this Declaration were never delivered to Landlord.

The covenants, conditions, provisions and agreements contained in this Declaration shall bind Tenant, its successors and assigns and inure to the benefit of Landlord and its successors and assigns.

IN WITNESS WHEREOF, Tenant has executed this Declaration as of the day and year first above written.

VALENTINO U.S.A INC.,
a Delaware corporation

By: _____
Name:
Title:

EXHIBIT G

List of Competing Businesses

Dolce & Gabbana
Ralph Lauren
Tod's
Balenciaga
Burberry
Ferragamo
Michael Kors
Chanel
Fendi
Prada
Alexander McQueen
Saint Laurent
Sergio Rossi
Brioni
Christopher Kane
Stella McCartney
Bottega Veneta
Louis Vuitton Malletier
Akris
Oscar de la Renta
Tom Ford
Gucci
Armani
Lanvin
Hermes
Proenza Schouler
Versace