

EXHIBIT C

LEASE

PLAZA EL SEGUNDO SHOPPING CENTER

ROSECRANS-SEPULVEDA PARTNERS 3, LLC,

a Delaware limited liability company,

as Landlord

and

BCBG MAX AZRIA GROUP, INC.,

a California Corporation,

as Tenant

LEASE

TABLE OF CONTENTS

	<u>PAGE</u>
ARTICLE 1. - BASIC LEASE PROVISIONS	1
ARTICLE 2. - PREMISES	4
ARTICLE 3. - TERM.....	4
ARTICLE 4. - POSSESSION AND CONSTRUCTION	4
ARTICLE 5. - RENTAL	5
ARTICLE 6. - TENANT FINANCIAL DATA.....	6
ARTICLE 7. - TAXES.....	7
ARTICLE 8. - UTILITIES	8
ARTICLE 9. - TENANT'S CONDUCT OF BUSINESS	8
ARTICLE 10. - MAINTENANCE, REPAIRS AND ALTERATIONS	9
ARTICLE 11. - COMMON AREA.....	11
ARTICLE 12. - PROMOTIONAL CHARGE; ADVERTISING	14
ARTICLE 13. - INSURANCE	14
ARTICLE 14. - DAMAGE.....	17
ARTICLE 15. - EMINENT DOMAIN	18
ARTICLE 16. - ASSIGNMENT AND SUBLETTING.....	19
ARTICLE 17. - DEFAULTS BY TENANT.....	20
ARTICLE 18. - SUBORDINATION, ATTORNMENT AND TENANT'S CERTIFICATE	21
ARTICLE 19. - MATTERS OF RECORD.....	22
ARTICLE 20. - MISCELLANEOUS.....	22

- EXHIBIT A - GENERAL SITE PLAN
- EXHIBIT B - LEGAL DESCRIPTION OF SHOPPING CENTER
- EXHIBIT C - CONSTRUCTION PROVISIONS
- EXHIBIT D - SIGN CRITERIA
- EXHIBIT E - GUARANTY OF LEASE
- EXHIBIT F - ENVIRONMENTAL CONDITION OF PROPERTY
- EXHIBIT G - LANDLORD WAIVER

LEASE

This Lease ("Lease") is entered into as of the "Effective Date" (as defined in Section 1.1 below) by and between "Landlord" and "Tenant" (each as defined in Sections 1.2 and 1.3 below).

ARTICLE 1. - BASIC LEASE PROVISIONS

- 1.1 **Effective Date:** 6-30-06
- 1.2 **Landlord:** Rosecrans-Sepulveda Partners 3, LLC, a Delaware limited liability company.
- 1.3 **Tenant:** BCBG Max Azria Group, Inc., a California Corporation.
- 1.4 **Premises:** The space designated as "Shop C2.2", in Building C-2 as indicated on the attached Exhibit A, Site Plan. (Article 2)
- 1.5 **Floor Area of Premises:** Approximately three thousand eight hundred forty-four (3,844) square feet. (Article 2)
- 1.6 **Project:** Shopping Center known as Plaza El Segundo (or such other name as is designated by Landlord), located north of the Northeast corner of Sepulveda Blvd. and Rosecrans Ave. in the city of El Segundo, CA ("Shopping Center") as depicted in the attached Exhibit A, and more specifically described in Exhibit B.
- 1.7 **Time to Complete Tenant's Work:** Ninety (90) days following "Substantial Completion of the Premises" (as hereinafter defined). (Article 4)
- 1.8 **Initial Term:** Ten (10) years and zero (0) months. (Article 3)
- 1.9 **Options to Extend:** None. (Article 3)
- 1.10 **Minimum Annual Rent:** (Article 5)
- | | | |
|--------------|-------------|-------------|
| Initial Term | Years 1-5: | \$46.50 psf |
| | Years 6-10: | \$51.50 psf |
- The first month's Minimum Rent and first month's estimated charges for Additional Rent are due and payable upon Lease execution.
- 1.11 **Percentage Rent:** Six percent (6%) of Gross Sales which are in excess of the natural break point per Lease Year, paid annually. Tenant shall report Gross Sales to the Landlord on a monthly basis. Gross Sales shall not include sales to Employees. (Article 5)
- 1.12 **Use of Premises:** Tenant shall use the Premises for the operation of a typical first class Southern California BCBG Max Azria store. The Premises shall be used for no other purpose whatsoever. (Article 9)
- 1.13 **Tenant's Trade Name:** BCBG Max Azria. (Article 9)
- 1.14 **Initial Promotional Assessment:** None. (Article 12)
- 1.15 **Promotional Charge:** None.
- 1.16 **Security Deposit:** None. (Article 20)

separate agreement. Tenant's Broker shall be paid the amount of Fifty Thousand Dollars (\$50,000.00), fifty percent (50%) within thirty (30) days after Lease execution, and fifty percent (50%) within thirty (30) days after Rent Commencement. (Article 20)

ARTICLE 2. - PREMISES

2.1 Premises. Landlord leases to Tenant and Tenant leases from Landlord, for the "Term" (as defined in Article 3) and upon the covenants and conditions set forth in this Lease, the premises described in Section 1.4 ("Premises"). The Premises shall specifically include the roof, floor slab and foundations, and structural and exterior walls which are a part of or immediately adjacent to the Premises.

2.2 Reservation. Landlord reserves the right to use the exterior walls, floor, roof and plenum in, above and below the Premises for the repair, maintenance, use and replacement of pipes, ducts, utility lines and systems, structural elements serving the Project and for such other purposes as Landlord deems necessary. In exercising its rights reserved herein, Landlord shall not unreasonably interfere with the operation of Tenant's business on the Premises.

2.3 Floor Area. "Floor Area", as used in this Lease, means all areas designated by Landlord for the exclusive use of a tenant measured from the exterior surface of exterior walls (and extensions, in the case of openings) and from the center of interior demising walls, and shall include, but not be limited to, restrooms, mezzanines to the extent utilized for retail sales, warehouse or storage areas, clerical or office areas and employee areas. The Premises contain approximately the number of square feet of Floor Area specified in Section 1.5. Landlord shall have the right, at Landlord's sole option, during the first ninety (90) days following the "Commencement Date" (as hereinafter defined) to cause the Floor Area of the Premises to be remeasured by a licensed architect. In the event that Tenant is in disagreement with Landlord's architect's measurement, Tenant shall have the right to have its licensed architect re-measure the Floor Area of the Premises. If both Landlord's and Tenant's licensed architects are unable to agree on the Floor Area of the Premises, then a third party licensed architect shall be hired to re-measure the Floor Area of the Premises, whose measurement shall be deemed conclusive and whose cost shall be shared equally by Landlord and Tenant. Upon determination of the actual Floor Area of the Premises in the manner set forth above, the Minimum Annual Rent, all other charges payable by Tenant under this Lease which are determined with reference to the Floor Area of the Premises and the Tenant Improvement Allowance shall be adjusted accordingly.

ARTICLE 3. - TERM

3.1 Term. This Lease shall be effective from and after the Effective Date. The term of this Lease ("Term") shall commence on that date (the "Commencement Date") which is the earliest of: (a) the date Tenant initially opens for business to the public in the Premises, or (b) the date immediately following the expiration of the period set forth in Section 1.7 as the "Time to Complete Tenant's Work" after the "Substantial Completion of the Premises" (as hereinafter defined). The Term shall continue, unless sooner terminated in accordance with the provisions of this Lease, for the number of months specified in Section 1.8 from the first day of the month following the Commencement Date.

ARTICLE 4. - POSSESSION AND CONSTRUCTION

4.1 Substantial Completion. The term "Substantial Completion of the Premises", as used in this Lease, shall mean the date Landlord notifies Tenant in writing that "Landlord's Work" (as specified in Exhibit C) is substantially complete to the point that Tenant's contractor may commence the construction of "Tenant's Work" (as specified in Exhibit C) without unreasonable interference from Landlord's contractor performing Landlord's Work, if any.

cost, (c) Landlord shall give Tenant at least thirty (30) days' notice of Landlord's intention to relocate the Premises, (d) Landlord shall diligently pursue the relocation of the Premises and Minimum Annual Rent and all other sums and charges payable under this Lease shall abate during the period of such relocation, (e) all incidental costs incurred by Tenant as a result of the relocation including, without limitation, costs incurred in changing addresses on stationery, business cards, directories, advertising and other such items shall be paid by Landlord in a sum not to exceed One Thousand Five Hundred Dollars (\$1,500.00), and (f) Landlord shall not have the right to relocate the Premises more than two times during the Lease Term. Notwithstanding the foregoing, in the event that Tenant elects not to be relocated, Tenant shall have the right to terminate the Lease.

20.4 Notices. Every notice, demand or request (collectively "Notice") required hereunder or by law to be given by either party to the other shall be in writing. Notices shall be given by personal service or by United States certified or registered mail, postage prepaid, return receipt requested, or by telegram, mailgram or same-day or overnight private courier, addressed to the party to be served at the address indicated in Section 1.18 or such other address as the party to be served may from time to time designate in a Notice to the other party. Copies of any Notice shall be sent to the addresses, if any, designated for service of copies of Notices in Section 1.18.

20.5 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, terrorism, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, riot, fire or other casualty, and other causes (except financial) beyond the reasonable control of the party obligated to perform, shall excuse the performance by that party for a period equal to the prevention, delay or stoppage, except the obligations imposed with regard to Minimum Annual Rent and Additional Rent to be paid by Tenant pursuant to this Lease.

20.6 Termination and Holding Over. Upon the expiration or earlier termination of the Term, Tenant shall peaceably and quietly surrender the Premises broom-clean and in the same condition (including, at Landlord's option, the demolition and removal of any Alterations made by Tenant to the Premises, unless at the time Landlord gave its consent to such Alterations Landlord agreed in writing that Tenant would not have to demolish and remove such Alterations upon the termination of this Lease) as the Premises were in upon delivery of possession of same to Tenant by Landlord, reasonable wear and tear and any damage to the Premises which Tenant is not required to repair pursuant to Article 14 or Article 15 excepted. Subject to the foregoing, Tenant shall remove from the Premises all of Tenant's trade fixtures, furniture, equipment, signs, improvements, additions and Alterations to the extent such items are not permanently affixed to the Premises, and immediately repair any damage occasioned to the Premises by reason of such removal so as to leave the Premises in a neat and clean condition. Should Tenant hold over in the Premises beyond the expiration or earlier termination of this Lease, the holding over shall not constitute a renewal or extension of this Lease or give Tenant any rights under this Lease. In such event, Landlord may, in its sole discretion, treat Tenant as a tenant at will, subject to all of the terms and conditions in this Lease, except that Minimum Annual Rent shall be an amount equal to one and one-half (1-1/2) times the sum of Minimum Annual Rent which was payable by Tenant for the twelve (12) month period immediately preceding the expiration or earlier termination of this Lease. Notwithstanding the foregoing, if Tenant is negotiating in good faith with Landlord to renew or extend the Term of this Lease, then Tenant may occupy the Premises on a month-to-month tenancy at one-twelfth (1/12th) of the Minimum Annual Rent and other charges in effect for the last year of the Term of the Lease for a period not to exceed sixty (60) days after expiration or earlier termination of this Lease.

20.7 Project Remodeling. Landlord shall have the right, at any time and from time to time during the Term, upon not less than ninety (90) days' prior written notice to Tenant, to remodel, renovate or expand the Project or a portion thereof. If such remodel, renovation or expansion will materially and adversely affect Tenant's operations from the Premises, as reasonably determined by Landlord, or if Landlord shall need to utilize the Premises in connection with the remodel, renovation or expansion, Landlord shall have the following options: (a) cause Tenant to vacate the Premises during the period necessary for Landlord to effect the remodel, renovation or expansion, or during the Period during which Tenant will be unable to reasonably operate from the Premises, during which period Tenant shall have no

Pg 7 of 7
Commencement Date Agreement

THIS AGREEMENT, made as of this 31 day of October, 2011, by and between PES PARTNERS, LLC, a Delaware limited liability company ("Landlord"), and BCBG MAX AZRIA GROUP, INC., a California corporation ("Tenant"),

WITNESSETH:

WHEREAS, Landlord and Tenant entered into that certain lease dated June 30, 2006, as amended from time to time, for the premises known as Building C-2.2 with an address of 2004-C East Park Place, El Segundo, CA 90245, which said premises are more particularly described in said lease, hereinafter referred to as the "Lease"; and

WHEREAS, Landlord and Tenant desire to memorialize the Floor Area of Premises, Term Commencement Date, Rent Commencement Date, and Termination Date of the Lease as said terms are defined therein,

NOW, THEREFORE, in consideration of the Lease, and for other good and valuable consideration, the parties hereto agree as follows:

1. The Floor Area of Premises is 3,844 square feet.
2. The Term Commencement Date is June 10, 2007.
3. The Termination Date of the Lease is June 30, 2017.
4. The Rent Commencement Date of the Lease is June 10, 2007.
5. All other terms, conditions and provisions of the Lease shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

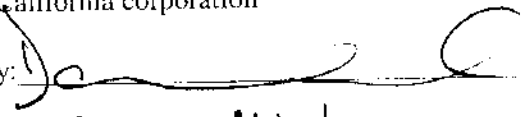
LANDLORD

TENANT

PES PARTNERS, LLC
a Delaware limited liability company

BCBG MAX AZRIA GROUP, INC
a California corporation

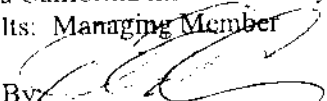
By: Rosecrans-Sepulveda Partners 3, LLC
a Delaware limited liability company
Its: Sole Member

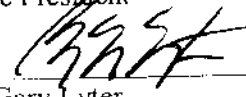
By: 

Name: Danny Moizel

By: CCA Sepulveda, LLC
a California limited liability company
Its: Managing Member

Title: Sr. Vice President, Real Estate

By: 
Name: Daniel Crosser
Its: Vice President

By: 
Name: Gary Lyter
Its: Vice President