

FORUM SHOPS AT CAESARSLEASE

THIS LEASE made this 24<sup>TH</sup> day of SEPTEMBER, 2004, by and between FORUM SHOPS, LLC, a Delaware limited liability company, FEIN 36-4541963 ("Landlord"), and FORUM SHOPS LAS VEGAS LLC ("Tenant");

WHEREAS, Landlord occupies the land on which a shopping complex (hereinafter called "Shopping Complex") is to be located under a certain Ground Lease by and between Caesars Palace Realty Corp., a Nevada Corporation, as landlord ("Ground Lessor"), and Landlord, as tenant, made as of June 1, 1990 (the "Ground Lease"), as the same may be amended from time to time, and

WHEREAS, Tenant desires to sublease from Landlord and Landlord desires to sublease to Tenant certain retail space within the Shopping Complex pursuant to the terms and provisions of this Lease.

WITNESSETH THAT, in consideration of the rents, covenants and agreements hereinafter set forth, such parties enter into the following agreement:

ARTICLE IBASIC LEASE INFORMATION AND DEFINITIONSSection 1.1. Basic Lease Information.

This Article I is an integral part of this Lease and all of the terms hereof are incorporated into this Lease in all respects. In addition to the other provisions which are elsewhere defined in this Lease, the following, whenever used in this Lease, shall have the meanings set forth in this Section:

- (a) Center: Forum Shops at Caesars, situated in the City of Las Vegas, County of Clark, State of Nevada.
- (b) Premises: Room S-31, *as more particularly shown on Exhibit "A"*. Landlord shall have the right to change the room designation upon written notice to Tenant.
- (c) Store Floor Area: 2,442 square feet, *subject to measurement as provided in Section 2.1.*
- (d) Lease Term: Commencing on the Commencement Date and continuing until the last day of ~~January~~ *next following the end of* the tenth (10th) Lease Year.
- (e) Commencement Date: The earlier of (i) the date the Tenant opens for business, or (ii) the Required Completion Date.
- (f) Required Completion Date: The earlier of (i) the 120th day after the earlier of (a) the date specified in such notice as the date when Tenant can commence Tenant's Work or (b) the date Landlord has notified Tenant that the Premises are ready for commencement of Tenant's Work or (ii) October 21, 2004, *but in no event shall the Required Completion Date occur prior to the grand opening of Phase III of the Shopping Complex.*
- (g) Minimum Annual Rent: A Minimum Annual Rent of \$175.00 per square foot of Store Floor Area, or Four Hundred Twenty-Seven Thousand Three Hundred Fifty and 00/100 Dollars (\$427,350.00) per annum (based on the Store Floor Area), payable in equal monthly installments, in advance upon the first day of each and every month commencing upon the Commencement Date and continuing thereafter through and including the last day of the third (3rd) Lease Year; and  
  
A Minimum Annual Rent of \$185.00 per square foot of Store Floor Area, or Four Hundred Fifty-One Thousand Seven Hundred Seventy and 00/100 Dollars (\$451,770.00) per annum (based on the Store Floor Area), payable in equal monthly installments, in advance upon the first day of each and every month commencing upon the fourth (4th) Lease Year of the Lease Term and continuing thereafter through and including the last month of the seventh (7th) Lease Year of the Lease Term; and  
  
A Minimum Annual Rent of \$195.00 per square foot of Store Floor Area, or Four Hundred Seventy-Six Thousand One Hundred Ninety and 00/100 Dollars (\$476,190.00) per annum (based on the Store Floor Area), payable in equal monthly installments, in advance upon the first day of each and every month commencing upon the eighth (8th) Lease Year of the Lease Term and continuing thereafter through and including the last month of the Lease Term.
- (h) Percentage Rent Rate: Seven percent (7%).
- (i) Sales Breakpoint: \$6,105,000.00 per annum for each Lease Year from the Commencement Date through and including the expiration of the third (3rd) Lease Year; and  
\$6,453,857.14 per annum for each Lease Year from the fourth (4th) Lease Year through and including the expiration of the seventh (7th) Lease Year; and  
\$6,802,714.29 per annum for each Lease Year during the remainder of the Lease Term (prorated for any Partial Lease Year).